



PACIFIC LIFE RE

GLOBAL CARE

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The number of patients opting to receive overseas medical treatments is growing at an estimated rate of 15% year-on-year, with the US, Europe, and Singapore being preferred destinations for medical procedures. Deepak Gandhi of Pacific Life Re explores this cross-border healthcare trend and how insurers can tap the opportunity.

Medical treatment options, medical infrastructure, and the mechanisms for delivery of patient care vary across the world. While medical services in most countries are equipped to cater to the generic ailments, the fact is, not all regions can boast of the same medical services required to conduct complex procedures to treat the more life-threatening conditions. This, in a way, is a reflection of the country's investment in the healthcare infrastructure. For example, in the US, the health expenditure as a percentage of the GDP stands at 16.9%, and the per capita health expenditure is approximately USD 8,745. This is in contrast with some other countries, where the same figures are in the low single digits or a few hundred dollars.

Nevertheless, rising affluence and globalisation have been known to transform lives and make the world a smaller place. Information is flowing freely across geographies, people are more connected beyond borders, and the introduction of safer and economic travel has enabled more accessible cross-border healthcare options for global patients. When faced with a critical medical situation, no place is too far to explore the best possible treatment options should there be any hope of recovery for the ailing individual.

A customer's story

Pak Budi, a resident of Indonesia, was in a state of shock and disbelief when he was diagnosed with a rare and aggressive form of brain tumour. He had numerous questions that needed answers - Who would he consult to confirm the diagnosis? Where and what is the best possible treatment? Is his existing cover adequate enough to cover the treatment expenses? How would he manage the entire course of treatment? A quick check revealed that the best possible treatment is available overseas, and that prompted Pak Budi to

contact his 'Global Care' cover Provider for more information.

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Giving customers hope for recovery

While the local insurance covers may suffice for the generic ailments, international medical covers may come in handy for some of the more life-threatening medical conditions like cancer, cardiac interventions, transplants, and neurosurgery, as these conditions usually involve expensive treatments and expertise that may not always be available in the home country.

Immediately after Pak Budi's call, the Provider arranged for a Medical Second Opinion, which includes a review of the diagnosis and the treatment prescribed. The details of which were shared with him not long after.

“...international medical covers may come in handy for some of the more life-threatening medical conditions...”

The insurers' role

Insurers can assist customers by providing holistic solutions that enable them to not only receive overseas medical treatment, but also help to manage the logistical

aspects of such arrangements so that the customer could focus on making a complete recovery.

The Provider's medical team in the US answered all queries that Pak Budi and his local physician had, and suggested a few overseas medical centres that specialise in managing his ailment. He opted to receive treatment from a medical centre in the US, and the Provider's 'Concierge Team' took care of all the travel and logistical arrangements so that Pak Budi could focus completely on his recovery.

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Working hand-in-hand to deliver a superior customer experience

Besides the expenses and logistics managed by the Provider, global patients expect state-of-the-art medical expertise and seamless delivery of the allied services. In order to deliver a superior customer experience, there is a need for efficient service providers, overseas medical centres, insurers, and reinsurers to work seamlessly hand-in hand to manage the intricate end-to-end process for the customer.

Cross-border healthcare taking the world by storm

Over the years, economic growth, technology advancements, better access to healthcare, and increased quality standards have contributed to decisions to receive cross-border medical treatment for life-threatening conditions. It is reported that the number of patients opting to receive overseas medical treatments is estimated to grow at a rate of 15% year-on-year, taking the industry to almost US\$140b by 2022. There is also a trend of the US, Europe, and Singapore being preferred destinations for medical procedures involving life-threatening conditions.

Statistics show that Indonesia and China are natural markets for such propositions. It is estimated that 600,000 Indonesians went overseas for treatment and spent US\$1.4b in 2012. Similarly, it is estimated that 483,000 Chinese travelled overseas to seek medical treatment in 2015, spending US\$6.3b on treatment

and US\$3.4b on related travel and accommodation. The numbers are not surprising as the rapidly emerging middle class across Asia now aspires not only to have the best lifestyle, but also the best possible healthcare solutions for themselves and their family. Such global family health plans therefore fit in very well with the evolving needs of this class.

A goldmine of opportunities and challenges

With upward trends observed in accessing cross-border healthcare, insurers could tap on to this growing segment by developing the necessary risk appetite, the right pricing methodologies, and partnering with reputable allied service providers in order to deliver world-class services to patients. These efforts are geared towards making protection solutions more holistic for customers, both as fixed benefit or indemnity products. Global health solutions also dovetail into the standard MedEx or Critical Illness plans, augmenting the insurance cover for the customers through inclusion of cross-border treatment options.

In addition to the creation of treatment propositions, managing global healthcare also necessitates an in-depth understanding of various religious and cultural beliefs, as well as the diet and language requirements of different segments of customers, among others. Consistently mounting medical inflation, changing customer expectations, managing over-utilisation, minimising hand-offs, and comprehensive distributor training are some of the other challenges that need to be addressed.

Walking with the customers

At a time where customers are faced with life-threatening ailments in the most trying of circumstances, insurers are well-placed to hold their hands throughout the entire journey by providing them with the necessary support that goes beyond claims management, in hopes of lessening the stress and turmoil of being in such situations.



PACIFIC LIFE RE

ABOUT PACIFIC LIFE RE



Pacific Life Re works with clients in Europe, Asia, Australia, and North America to manage their mortality, longevity, and morbidity risk. We have built a strong, experienced team with a reputation for technical expertise, responsiveness, innovation, and excellence in service delivery to our clients.

Pacific Life Re is a wholly-owned subsidiary of Pacific LifeCorp, the parent company of Pacific Life Insurance Company.

For more information about Pacific Life Re, please visit our website

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