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CLAIMS MANAGEMENT

How it can improve your underwriting results.

Dr. Williem Hoesen, MHA, 18 May 2012, Clients Market-Medical Insurance



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Agenda

1. Healthcare Spending
2. Claims Management Strategies
3. Challenges & Opportunities

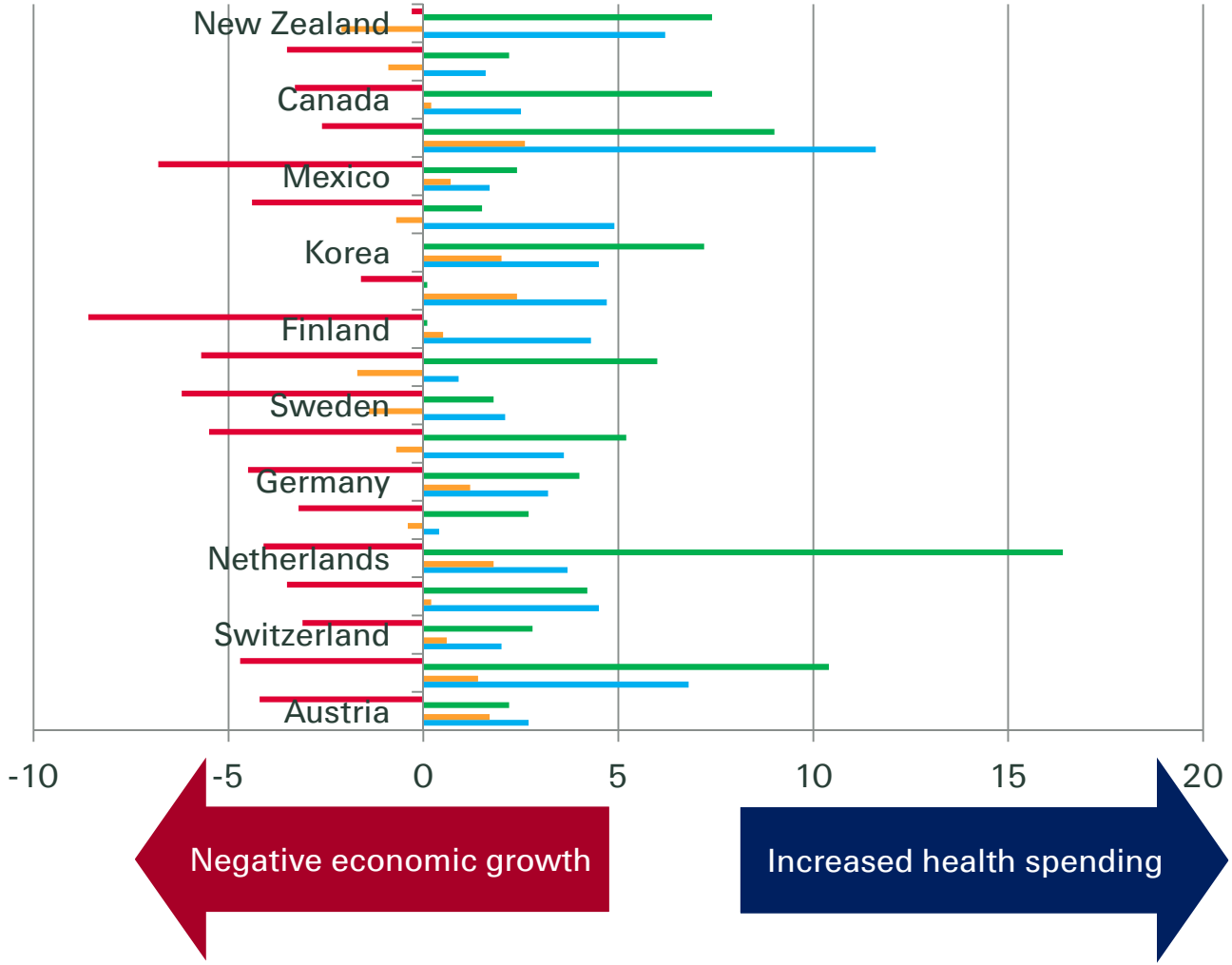
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Healthcare spending

- Healthcare Spending versus Economic growth
- Drivers of Healthcare Spending
- Healthcare Utilisation Management Activities

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Healthcare Spending vs Economic Growth



GDP 2008/09
HE 2008/09
GDP 2007/08
HE 2007/08

HE: Health Expenditure

Source:
OECD Health Data 2011

Globally, health spending continues to rise faster than economic growth.

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Drivers of Healthcare Spending

- Advances in medical technology (i.e. equipment & procedures)
- Health awareness (i.e. education, ads, news, ...)
- Aging population
- Higher incidence of chronic diseases
- Increase in salaries of healthcare professionals/ workers

Healthcare Utilisation Management Activities

- Health education
- Healthcare program (e.g. health screening, disease management, etc)
- Primary – secondary – tertiary healthcare service structure
- Triage service in hospital
- Health insurance scheme (i.e. public, self funded, ,..)

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Claims Management Strategies

- Customer Centric Approaches
- Solutions Pyramid
  - Innovative Underwriting
  - Claims Benefit Selection
  - Safety Net for Claims Management
  - Technologies for Claims Management
- "C-O-S-T": Claims Management Strategies

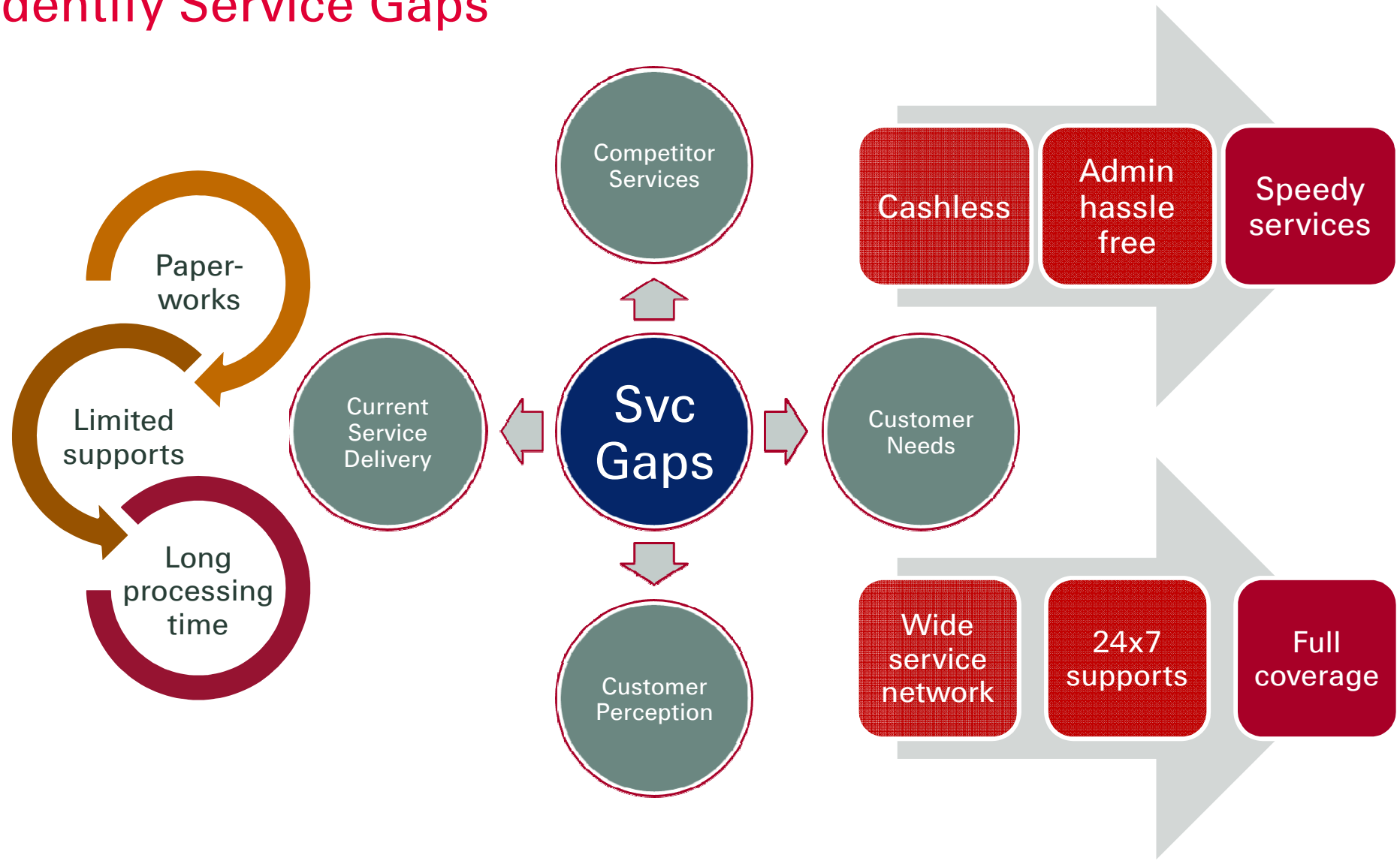
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Customer Centric Mindset



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Identify Service Gaps



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Action Plan

- Objective
  - to fill the Service Gaps (e.g. care management hotline, home services, etc)
  - to achieve claims cost saving (from preferred rate, reduced utilisation, ...)
  - to generate extra revenue (from cross selling, up selling, ...)

- Tools and resources
  - Need Analyses (i.e. utilisation review, CBA, ROI, ...)
  - Internal Coordination (i.e. with Product, Pricing, Sales, UW, Claims,...)
  - External Collaboration (i.e. with distributions, biz partners, clients' HRD, ...)

- Targeted Outcomes:
  - Improve Underwriting Profits and Generate more Revenues

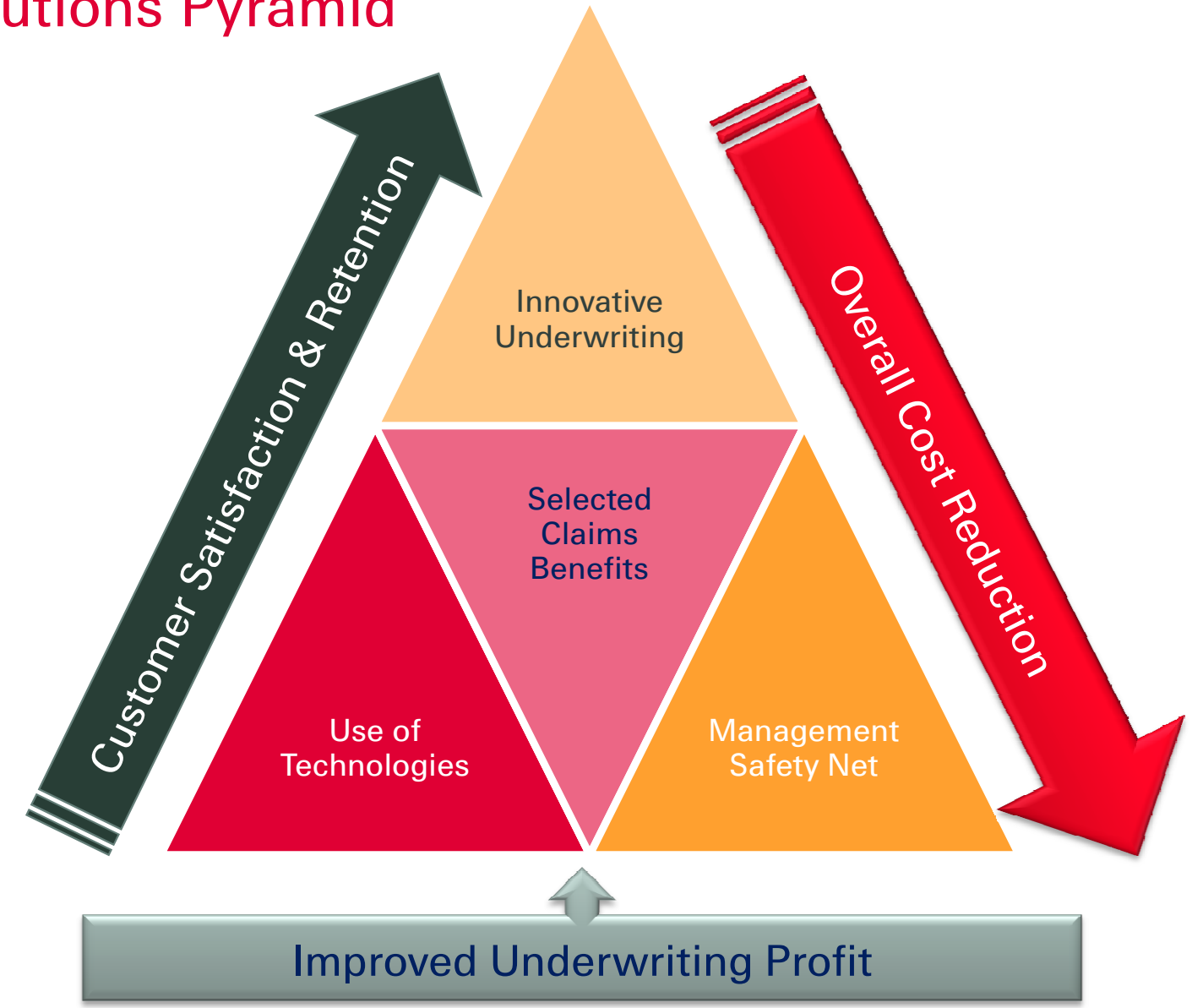
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THINGS TO AVOID

- Expenses with little or no return of investment
- Over reliance on one solution/activity
- Labour intensive project
- Lack of collaboration and coordination
- Administrative hassles

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Solutions Pyramid



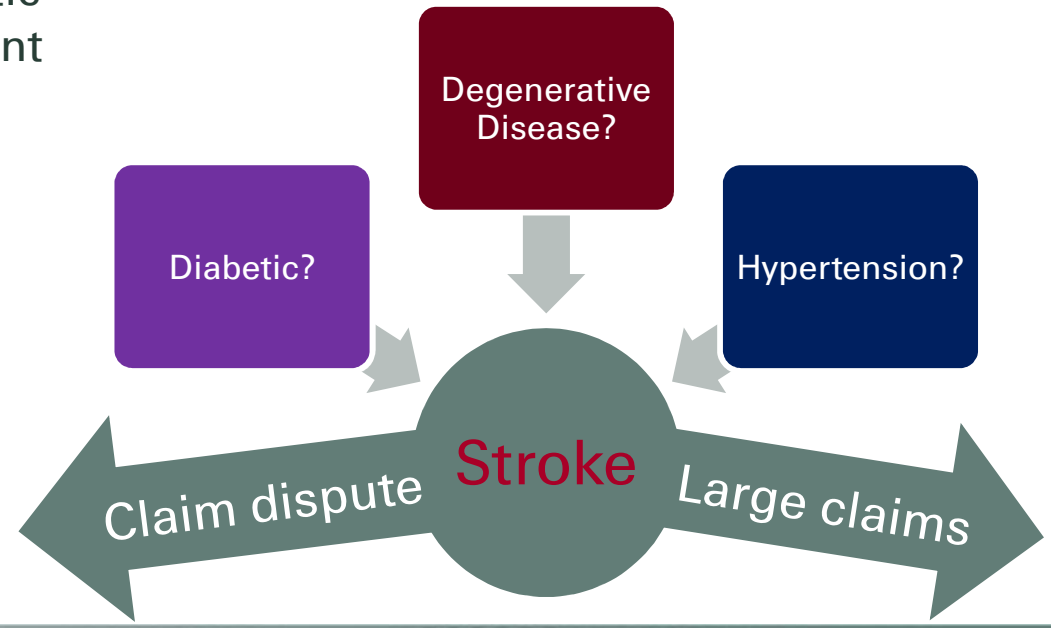
Innovative Underwriting

- Predictive Underwriting

  i.e. analyse past claims info, past health utilisation, ...

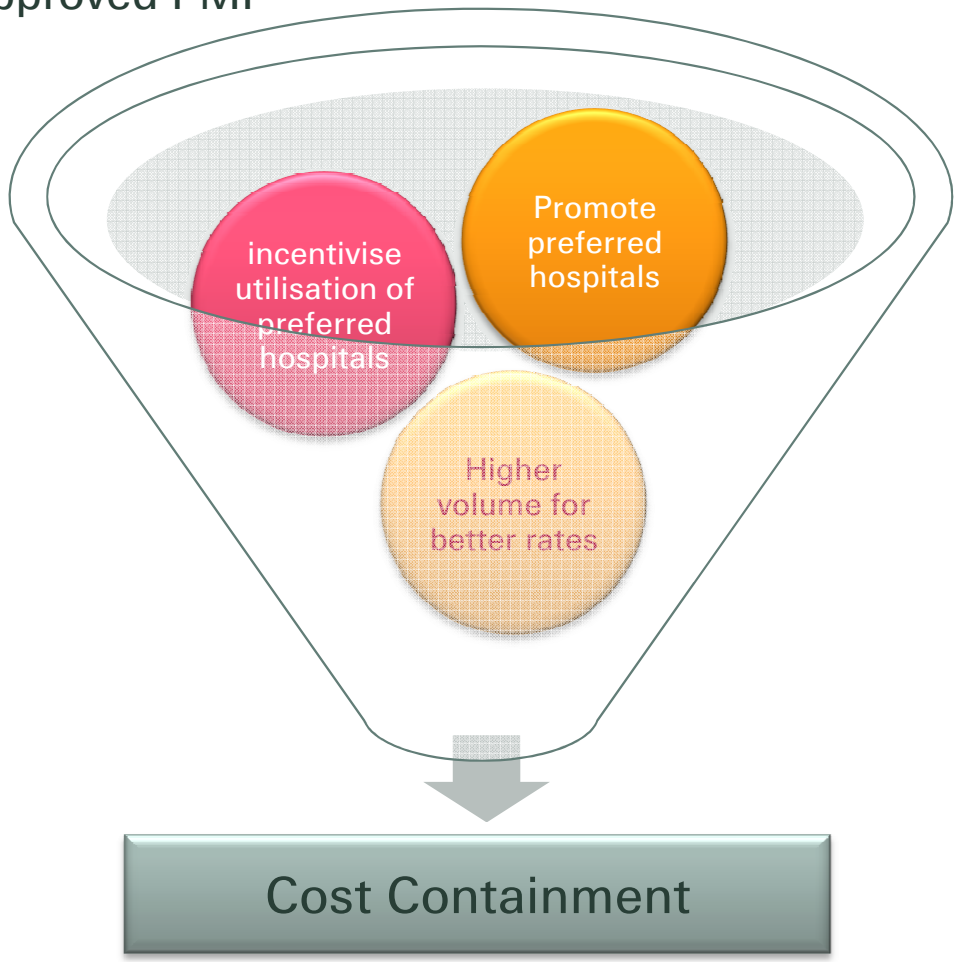
- Portable underwriting
  - one time underwriting for different covers purchased during X years period
  - Underwriting acceptance bundled with disease management program
  - For example, offer covers to diabetic patients participating in government disease management program

!!! Avoid giving "disputable & ineffective" underwriting exclusion
For example:
H&S exclusion for diabetes and its related complications



Claims Benefit Selection

- Bundling benefits with national insurance scheme
  - EB&H covers riding on government approved PMI
- Wellness proposition
  - health screening at corporate rates
  - onsite "customised" health screening
  - "targeted" onsite health talks
- Self limiting claim benefits
  - cash allowance for admission in preferred hospitals and/or in lower R&B class



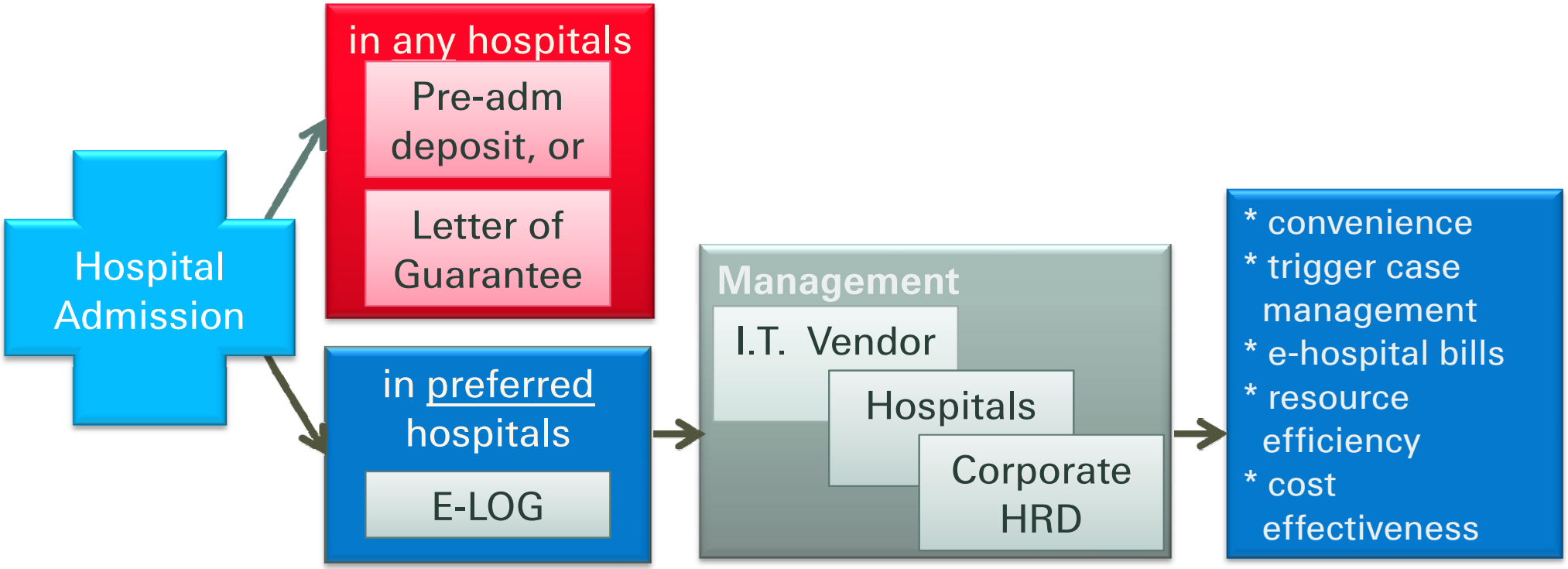
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Safety Net for Claims Management

- Provider contracting
  - medical examination panel for underwriting requirements to gather better data quality and preferred rates
  - medical service panel as gatekeeper (traditionally) and as biz partner
- Bulk purchase
  - supply generic drugs to panel clinics
  - rebate arrangement with preferred hospitals
- Outsourcing non core Services
  - TPA to provide e-claims data
  - TPA to provide service hotline
  - TPA to administer panel provider

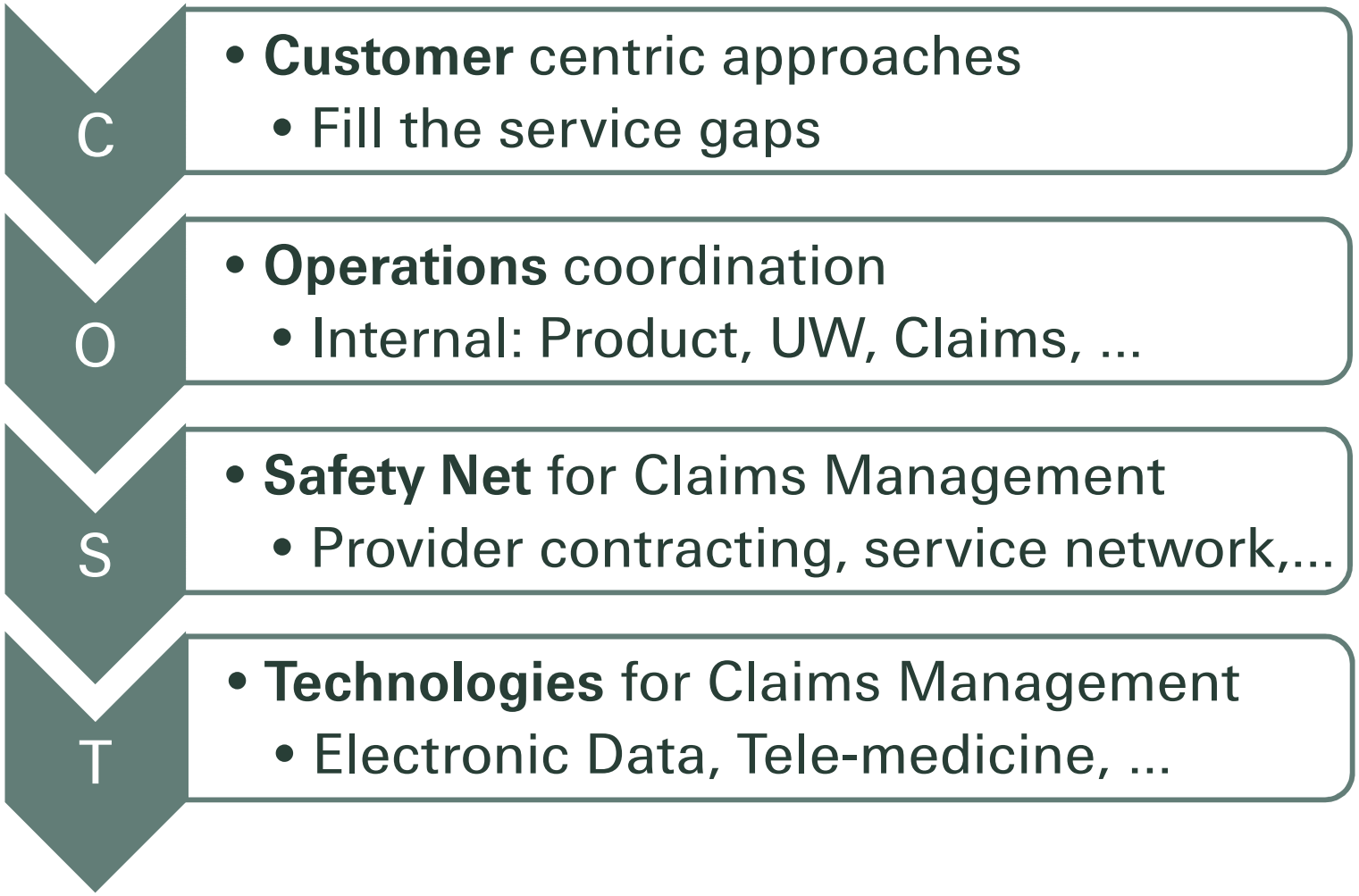
Technologies for Claims Management

- Tele-medicine
- E-claims
- E-Letter of Guarantee (e-LOG)>>> illustration shown below



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"C-O-S-T"
Claims Management Strategies

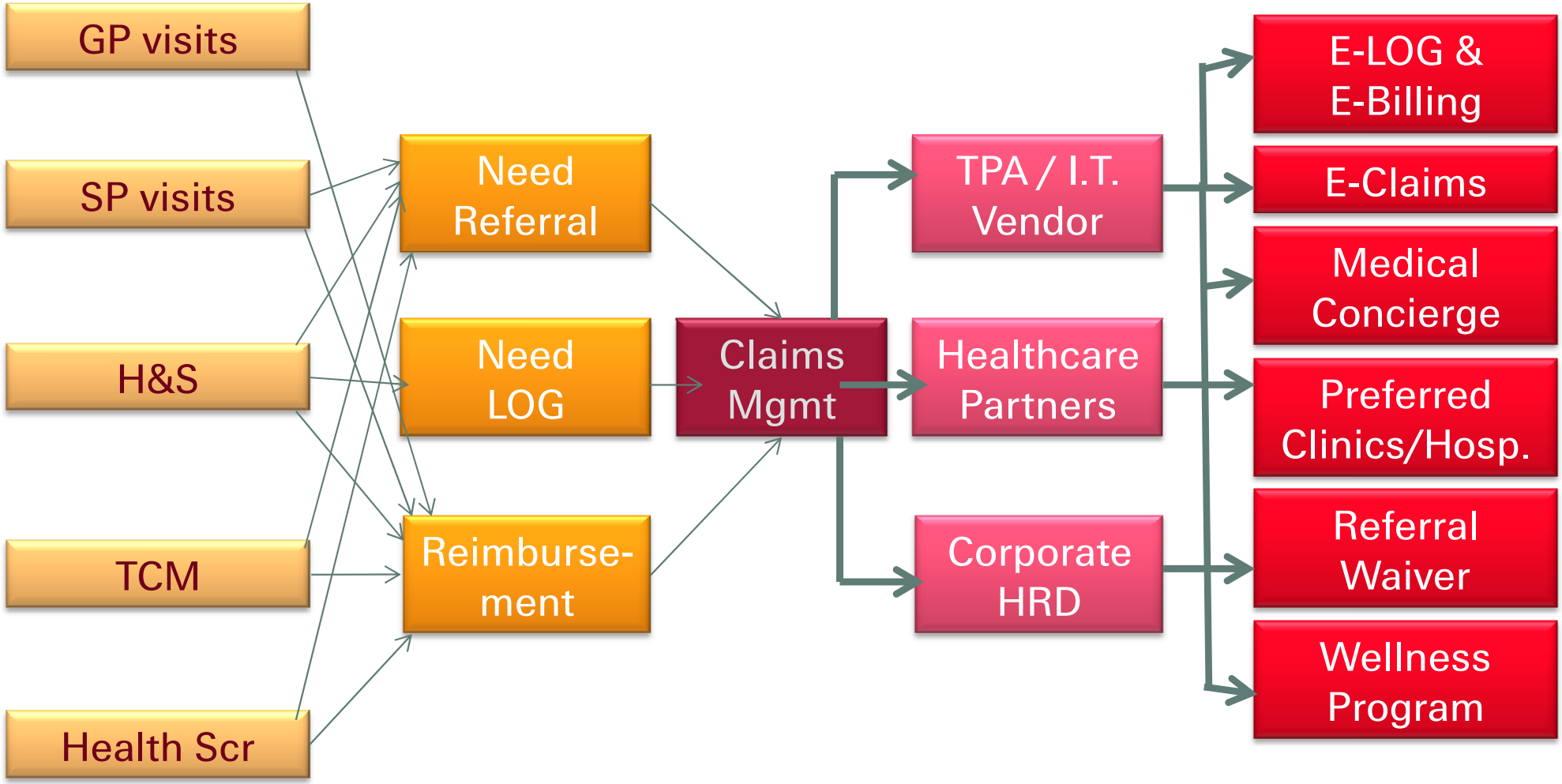


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Challenges & Opportunities

- Claims Management Model
- Implementation of Different Approaches
- Market Competition

Claims Management Model (simplified)



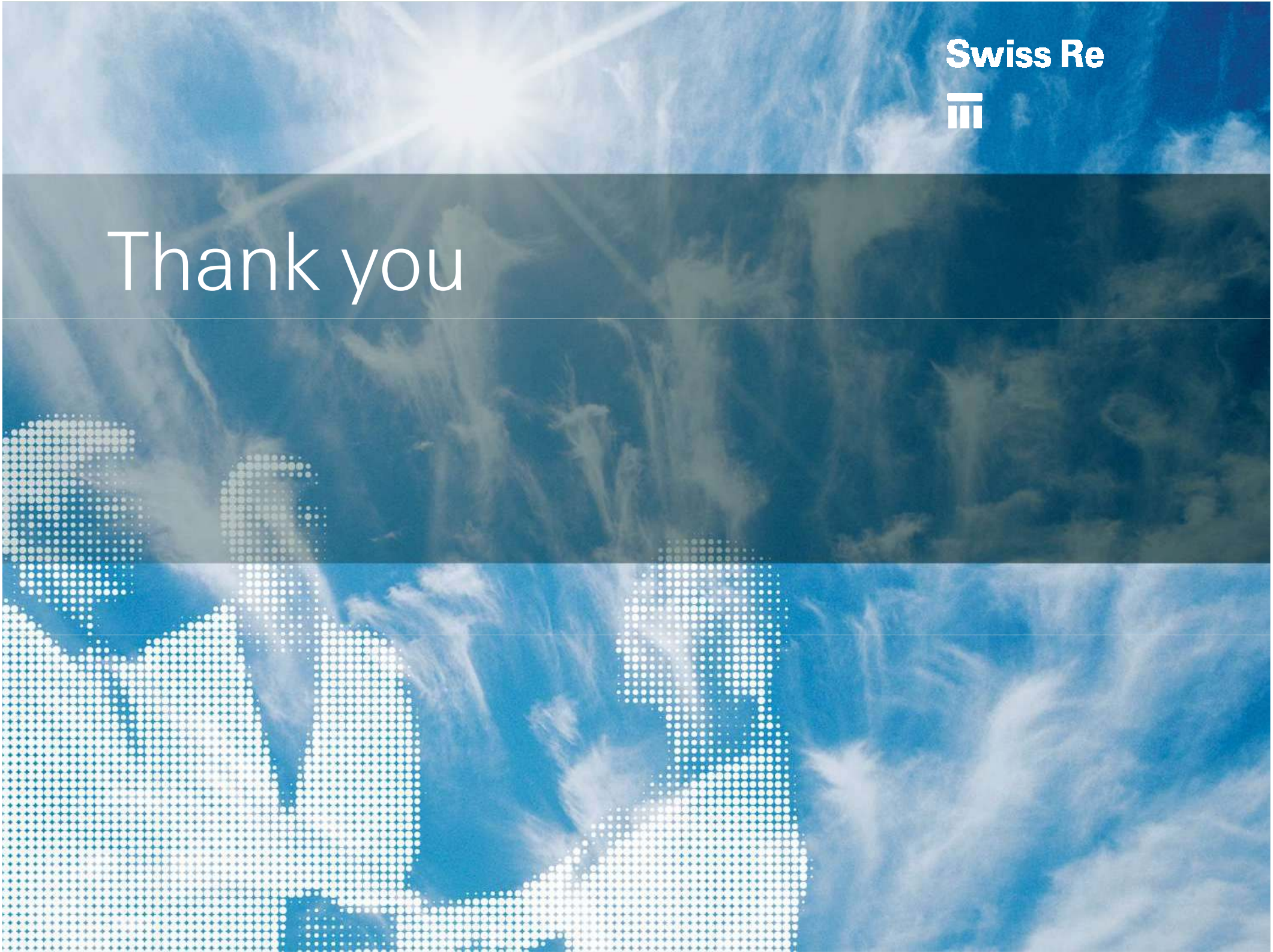
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Implementation of Different Approaches

- Need the right combination and balance
  - no "one solution" can serve all
- Leverage on various resources
  - Internal resource management (i.e. product, biz development, UW, claims, ...)
  - Member management (i.e. customer service, disease management)
  - Distribution channel management (i.e. brokers, agents, bank reps, ...)
  - Client Management (i.e. corporate HRD, employer/decision maker, ...)
  - Service providers/biz partner management (i.e. Doctors, TPAs, IT vendors, ...)
- Demonstrate strong value proposition to customer with coordinated and consistent services

Market Competition

- Efficient Customer Services
  - a Unique Selling Point
  - increase customer satisfaction and client retention
- Innovative Underwriting and Claims Benefit selection
  - give competitive edges
- Effective Claims Management
  - improve underwriting profits
  - generate more revenues
  - keep price competitiveness


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Thank you

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