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# Optimizing Patient-Centered Care: Strategies for Improving Health Outcomes

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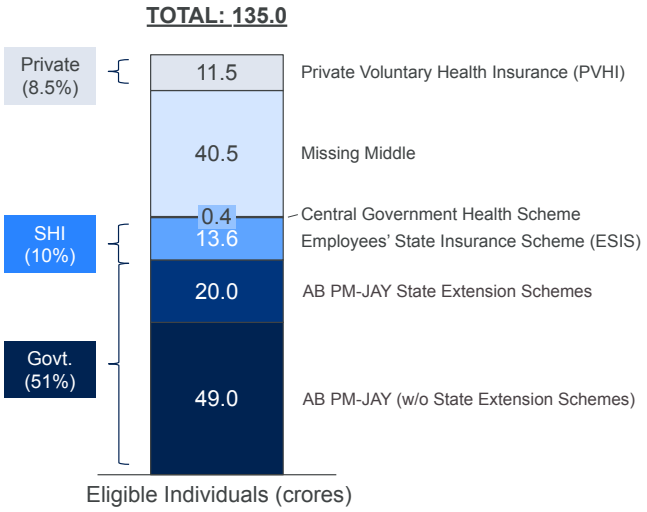
## 1.0 Introduction

The Government of India (GOI) aims to implement universal health coverage (UHC) by 2030. It defines this vision as all individuals receiving quality health services without encountering financial hardship. UHC is not limited to insurance for treatment, but also comprehensive health coverage for all, including prevention, treatment, rehabilitation, and palliation.[i] To this effect, the GOI launched the Ayushman Bharat Pradhan Mantri Jan Aarogya Yojana (AB PM-JAY) insurance scheme under the Ayushman Bharat Mission in 2018. This scheme intends to provide comprehensive hospitalization coverage to the bottom 40% of the population. The current distribution of health insurance in India is depicted in Figure 1.[ii]

## Figure 1: Insurance Landscape in India




SHI: Social Health Insurance

With increasing emphasis on health insurance coverage among Indian citizens, private health insurance sector (approximately 9%) in India is growing at a rapid pace. The sector grew by 26.3% in FY22 [iii] and is predicted to grow by 15-18% in FY24.[iv] Almost 38% of annual premiums in the insurance sector are contributed by the health segment, with a 5.7% annual increase in the number of lives covered by the health insurance companies in FY22-23.[v]

The private health insurance sector significantly contributes to improving health outcomes by providing quality healthcare to patients. This has led to increased access to basic medical care for a large segment of the Indian population. However, policyholders are increasingly facing challenges in terms of the admissibility of claims for advanced medical therapies and technologies. In addition to this, the private health insurance landscape is also evolving in response to the GOI's commitment to achieving UHC by 2030.

Given these trends, St. Jude Medical India Pvt. Ltd. (now Abbott), in collaboration with EVERSANA, organized an expert discussion panel comprising of senior officials from reputed private health insurance companies, insurance regulators, academicians, clinical experts, healthcare providers, health economists and third-party administrators (TPAs) to discuss the challenges and the way forward.

## 2.0 Advancing MedTech Funding Through Evidence-Based Decision-Making in the Private Health Insurance Sector

The medical device industry is evolving rapidly, with the introduction of innovative medical technologies that aim to improve healthcare efficiencies and provide better patient outcomes.[vi] These new generation innovative products are typically associated with increased long-term benefits, fewer complications, ease of use, improved monitoring, and a better quality of life.

Private health insurance works on a definite exclusion list as opposed to the inclusion list principles of publicly funded health insurance schemes. However, sometimes private health insurers face financial challenges in incorporating new technologies into their coverage schemes.

**Lack of formalised communication channels between the relevant stakeholders limits the adoption of new medical technologies in the private insurance sector.**

## Key Challenges

- Hospitalization claim cost is still the primary evaluation metric for many insurance companies, with too little emphasis on long-term patient outcomes.
- Inconsistent and fragmented approach to cover new technologies by insurance companies, leading to inequitable access to quality healthcare.
- Limited technical resources for evaluating medical technologies within the private insurance sector, coupled with rapidly synthesized medical literature, and delays, also affect the quality of coverage decisions.
- Lack of appropriate usage criteria, standard treatment protocols, and huge discrepancies in treatment costs add to the complexities faced by insurers during claim adjudication.
- No formal communication channels between insurance companies, MedTech companies and healthcare providers.

## The Way Forward

### Enhanced engagement amongst different stakeholders for improved patient-reported outcomes

Forming a new platform or using the existing ones such as the General Insurance Council (GIC) to ensure regular dialogue between insurers, regulators, MedTech companies, healthcare providers, and patient groups. The forum's objective should be to regularly share knowledge about new technologies and their impact on healthcare delivery, and patient outcomes.

### Collective re-thinking of the standardized evaluation matrices for appraising emerging technologies

Building structured and consistent evaluation criteria into the standard treatment workflows will help insurers make evidence-based decisions for reimbursing innovative medical technologies. Enhancing the skills and increasing the capacities of the insurance medical claim teams could be considered.

### Exploring the use of insurance claims data to generate real-world evidence for MedTech

In many countries, the study of long-term insurance claims data provides a helpful information base to support reimbursement decision-making. Similar repositories could be developed and made available to researchers to generate real-world evidence leading to evidence-based decision-making.

### Developing clear decision protocols for claim admissibility in health insurance

There is a need for a uniform process for insurance claims authorization, assessment, and approval, especially in the case of new technologies. This uniformity can be achieved by developing appropriate usage criteria and transparent decision protocols to reduce ambiguity for patients and healthcare providers.

## 3.0 Exploring the Impact of Health Insurance in India's Evolving Healthcare Context

The country is evolving its vision to achieve the "Health for all" mission via various state and centre initiatives offering mandatory health protection to certain societal segments and voluntary, affordable options to others. It is crucial to understand the important role of private health insurance in potentially developing customized policies beyond the basic coverage provided by government-funded programs and elevating the quality of care through partnerships with healthcare providers.

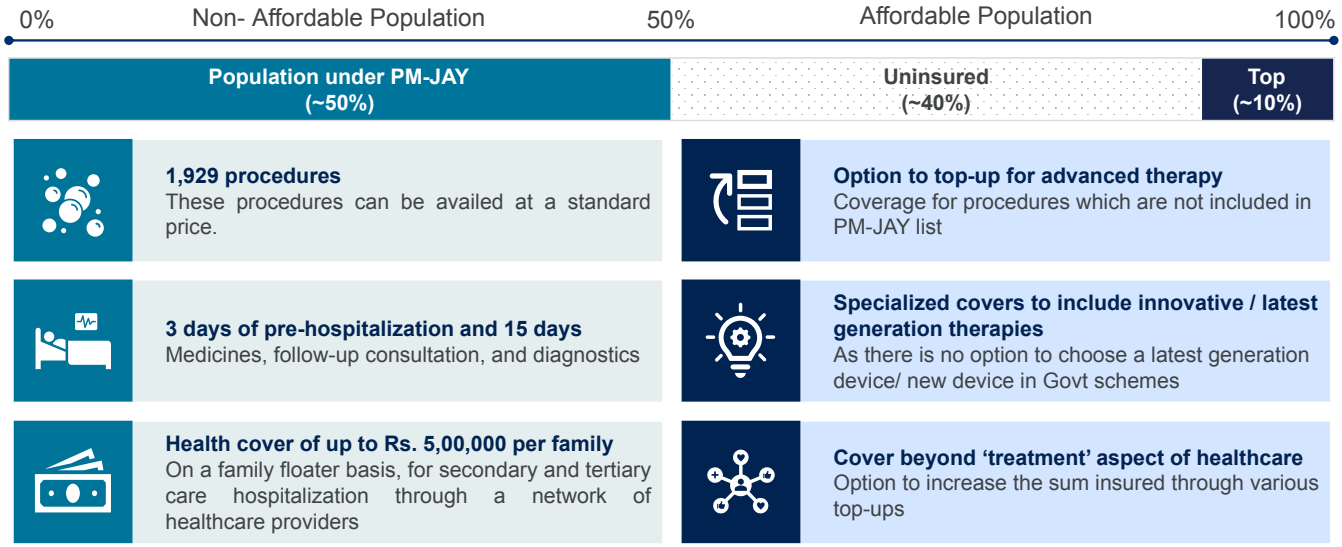
While basic health coverage can be provided via public insurance programs, private health insurance offers unique benefits such as specialised cover, enhanced financial coverage, multiple options to choose top-notch healthcare providers, top-up policies for advanced therapies, and access to quality healthcare. The private health insurance sector is instrumental in providing early access to advanced technology, leading to improved patient outcomes.

As the UHC dream comes closer to reality, the needs of private health insurance policyholders may change. Beneficiaries might look for policies offering additional benefits including top-up covers, wider disease coverage and a broad network of leading private and corporate healthcare providers. Extending the AB PM-JAY scheme to the entire population will potentially open new avenues for diverse and creative policies catering to their needs. This could be implemented by introducing add-on and top-up policies for advanced procedures, specialised covers to include innovative / latest generation therapies, balance billing, co-payments etc. that would improve the healthcare access. Hence, patients and healthcare providers would be able to appropriately choose among multiple treatment alternatives.

### Figure 2: Difference between Government-funded and Private Health Insurance Policies

| Government-funded Schemes | Parameters | Private Insurance |
|---|---|---|
| Most of the coverage comes with an upper ceiling limit | Coverage | Offers full coverage on most medical expenses with specific customizations |
| Targeted at low-income individuals / families | Beneficiary | Open to everybody |
| Limited and same sum insured | Sum insured amount | Sum insured varies as per individual requirements |
| Depends on inclusions | Specific illness cover | Coverage depending on exclusions |
| Mostly available in mid level hospitals | Hospital network | Access to wide network of private hospitals with all high-end centers |
| No to limited access | Access to innovative therapies | Access to advanced medical care depending to individual sum assured |

## Figure 3: Private Insurers can Potentially offer Benefits to their Customers which are beyond the Coverage of AB PM-JAY




During the discussions, most stakeholders recognised this potential shift in the private insurance sector post-UHC implementation. However, many also expressed the need to resolve existing challenges currently being faced by the insurers such as rising premiums; increasing average ticket size; limited awareness and education, especially in Tier 2 and Tier 3 cities; limited availability of population-level data; adverse selection; and lack of adequate healthcare infrastructure in rural areas, etc.

Given these perspectives, it seems important to have an effective inter-sectoral collaboration and interaction between MedTech, private health insurers, and healthcare providers to meet the potential demands of targeted health insurance customers.

## 4.0 Conclusion

The ultimate objective of ensuring access to innovative therapies requires strengthening existing pillars of collaboration, dialogue, and strategic partnerships among stakeholders that are essential to optimising healthcare delivery and improving patient outcomes. In this context, the role of private insurance bodies such as GIC is imperative in bridging the existing gap. Only multi-level collaboration can achieve UHC in India and accomplish the goal of "Health for all".

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## Disclaimer

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