



## **Future Opportunities for Health Insurance in GCC**

3RD ANNUAL MEA INSURANCE SUMMIT, DUBAI

*PRESENTED BY*  
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A map of Dubai, United Arab Emirates, serves as the background. It shows the coastline, major roads, and various landmarks. A blue rectangular box is overlaid on the map, containing white text. The text lists several topics related to health financing and insurance in the GCC. The map also includes a legend in the bottom left corner and a detailed list of locations in the bottom right corner.

## Health Financing and Benefits of Universal Coverage

Health Indicators and Risk Factors in the GCC – A snapshot

Health Spending in the GCC

Recent Insurance Reforms in the GCC

Opportunities for Health Insurance in the future in the GCC

# Health Financing – Importance of Universal Coverage

A resolution of WHO urged countries to develop health financing systems to:

- Ensure all people have access to needed services;
- Without the risk of financial ruin linked to paying for care;

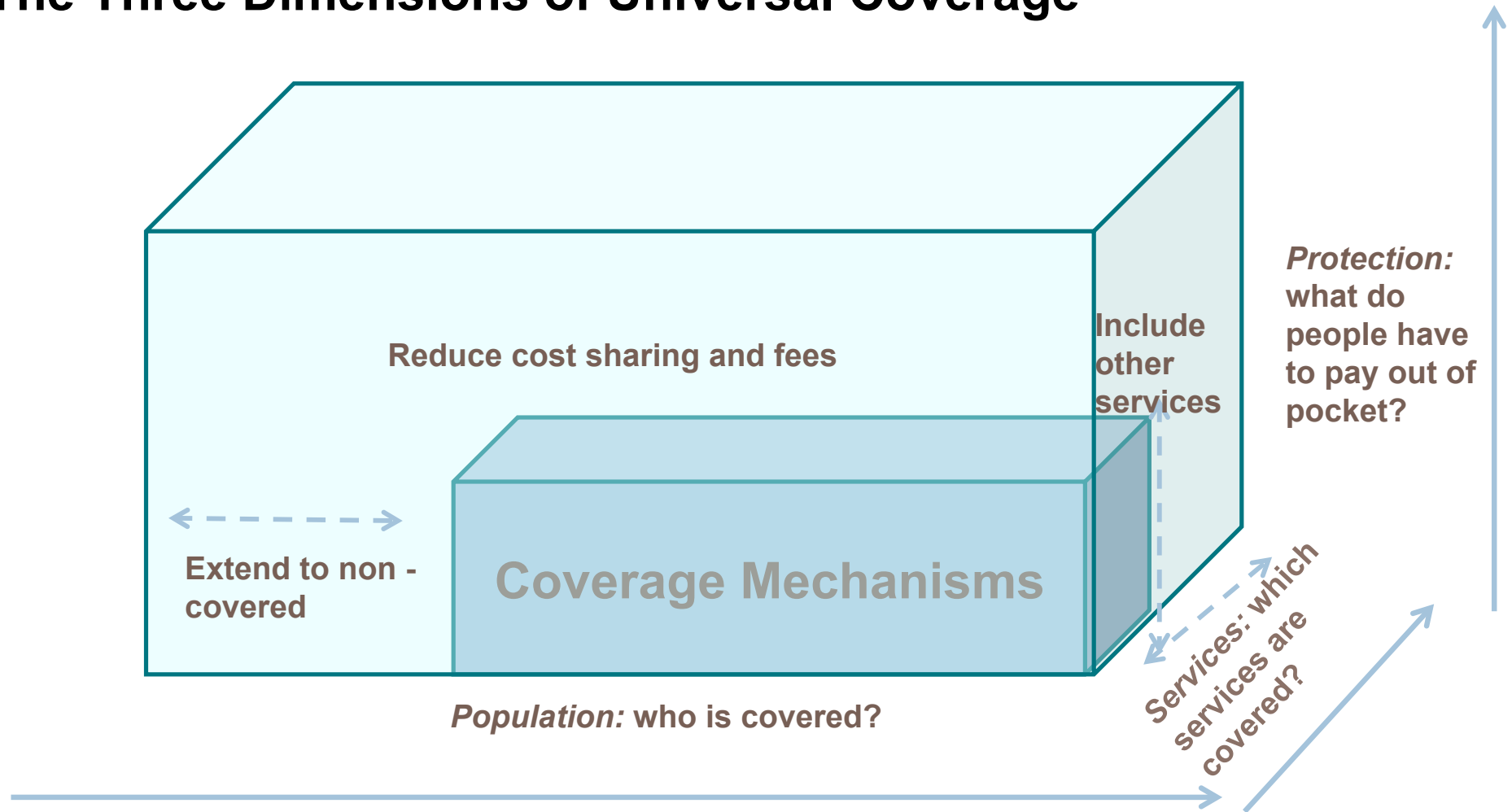
Universal Coverage is thus – coverage with health services; with financial risk protection; for all

Countries have thus been urged to develop their financing systems to achieve universal coverage

# Fundamental Health Financing Challenges for achieving Universal Coverage

- 1) Raise sufficient funds for health – higher priority to health or raise more funds through levies, premiums, taxation etc;
- 2) Ensure and maintain financial risk protection – i.e. ensure that financial barriers do not prevent people using needed health services nor lead to financial ruin while using them;
- 3) Minimize inefficiency and inequity in using resources, and to assure transparency and accountability.

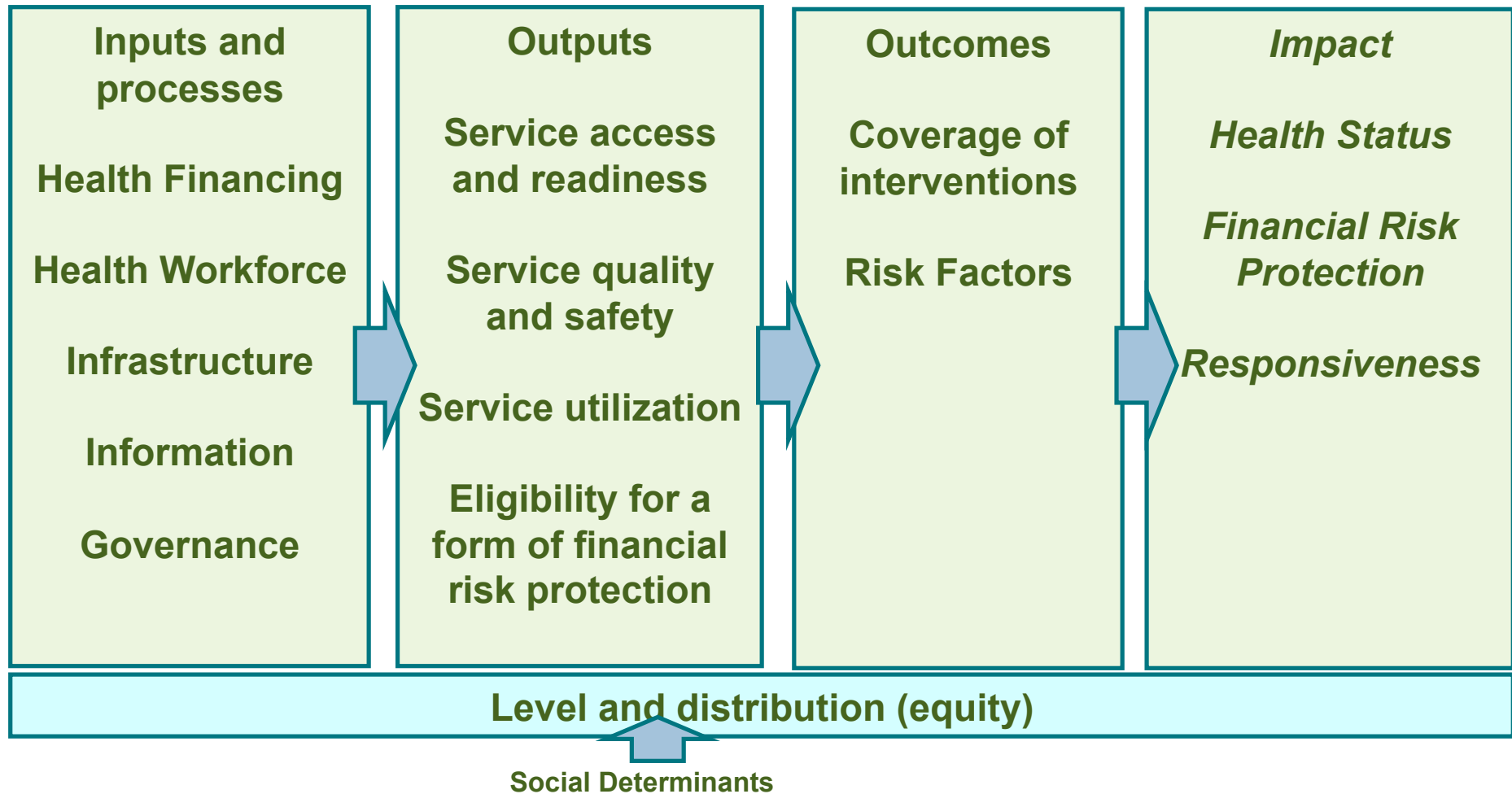
# The Three Dimensions of Universal Coverage



Source: WHO 2012 data

# Determinants of Universal Coverage

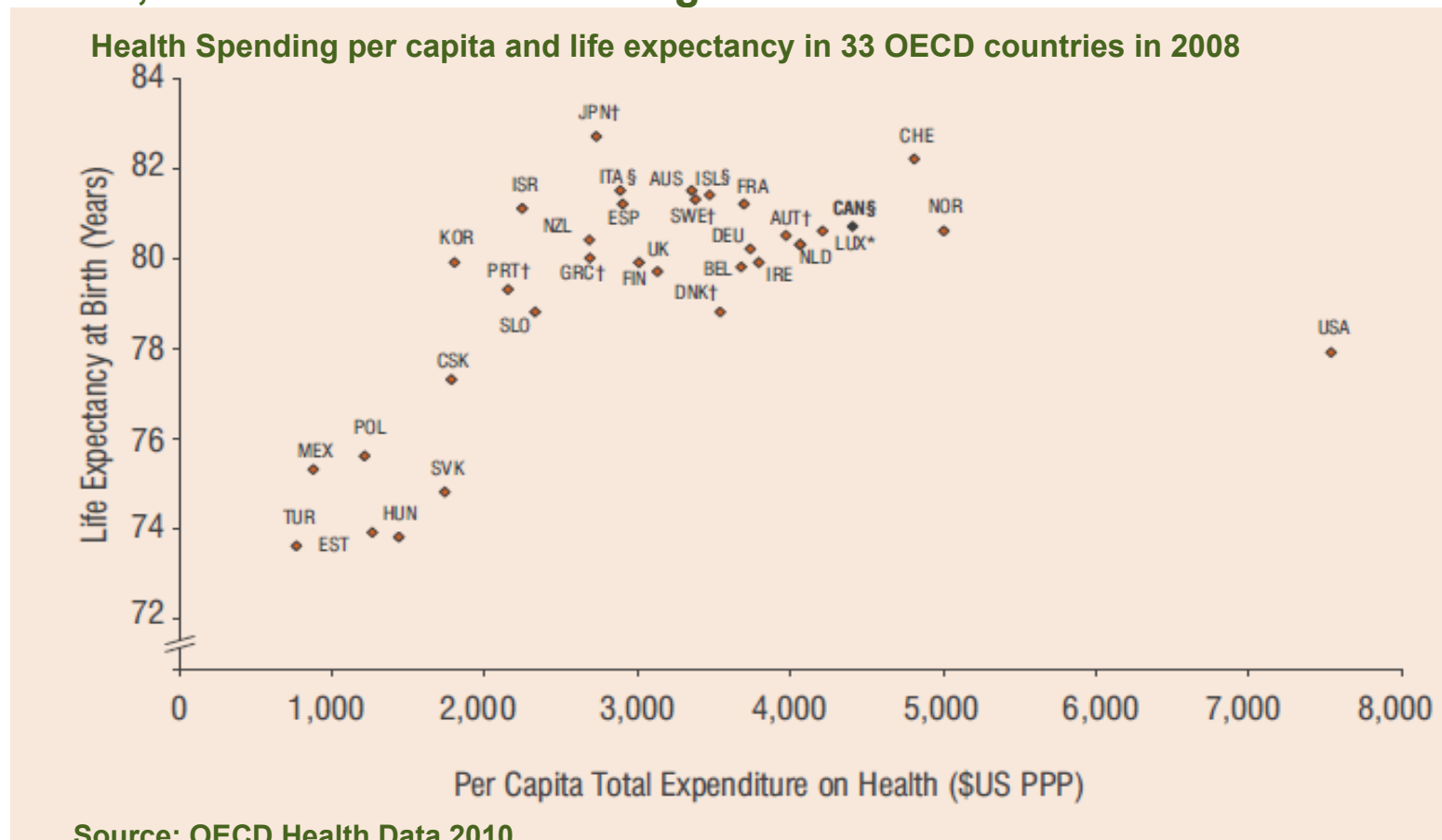
## Monitoring and evaluation results chain



Source: WHO 2012 data

# Health Spending vs Life Expectancy – An Overview

With the exception of the US it has been observed that the spending on healthcare per capita has a direct link with life expectancy of the population. However, the relation is diminishing rather than linear.



# Health Financing – Raising sufficient funds for healthcare

1. Increase priority for health in budget allocations (45 Governments devote less than 8% of their spending to health, and 14 devote less than 5%;
2. Find new diversified sources of funds e.g.
  - Levies and taxes: *Ghana funded its national health insurance partly by increasing the value-added tax (VAT) by 2.5%;*
  - Health insurance mandate: *as rolled out in Abu Dhabi and Saudi Arabia which has improved access to lower income segments;*



# Health Financing – Increasing and maintaining financial risk protection

- Reduce out of pocket payments at point of service;
- Increase “pre-payments” through health insurance, levies and/ or taxes with pooling to limit OOP/Total expenditure % to 15-20%
- Following observations have been made from the experiences of other countries -
  - Community and micro insurance have not proved capable of being financially sustainable – pools too small;
  - Its difficult to ensure universal coverage without making taxes or insurance compulsory;
  - There will always be poor who cannot contribute and must be subsidized by pooled funds or Government subsidies

## Health Financing – Common forms of inefficiency

- From experiences of other countries, the followings has been observed

Issue	Policy Intervention
Spending disproportionately on medicines and health technologies	<ul style="list-style-type: none"><li>- Offer incentives for generic substitution</li><li>- Develop purchasing based on assessment of costs and benefits of alternatives</li></ul>
Ineffective and wasteful use of medicines and technologies, including leakages and waste	<ul style="list-style-type: none"><li>- Reform payment structures (capitation or DRG)</li><li>- Develop clinical guidelines</li></ul>
Hospital inefficiencies particularly over-capacity for some services;	<ul style="list-style-type: none"><li>- Incorporate inputs and output into hospital planning</li></ul>
De-motivated health workers, at times workers with wrong skills at wrong places; and	<ul style="list-style-type: none"><li>- Undertake needs-based assessment</li><li>- Implement matching skills to needs</li></ul>
Inappropriate mix between prevention, promotion, treatment and rehabilitation, or between levels of care	<ul style="list-style-type: none"><li>- Health Technology Assessment: evaluation of evidence on the costs and impact of interventions, technologies, medicines, and policy options</li></ul>

- Reforms in the above could result in **efficiency gains of 20-40%**

A map of Dubai, United Arab Emirates, showing the coastline and major roads. Overlaid on the map is a list of clinics. The list is organized into columns, with the first column containing the name of the clinic in Arabic and English, and the subsequent columns containing details such as the clinic's address, phone number, and email. The map also features a legend in the bottom left corner, which identifies various symbols used on the map, including roads, water bodies, and specific clinic locations.

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# GCC – Population has been on a rise and it is expected to grow considerably in the coming years

Figure GCC Populations, 1970-2008

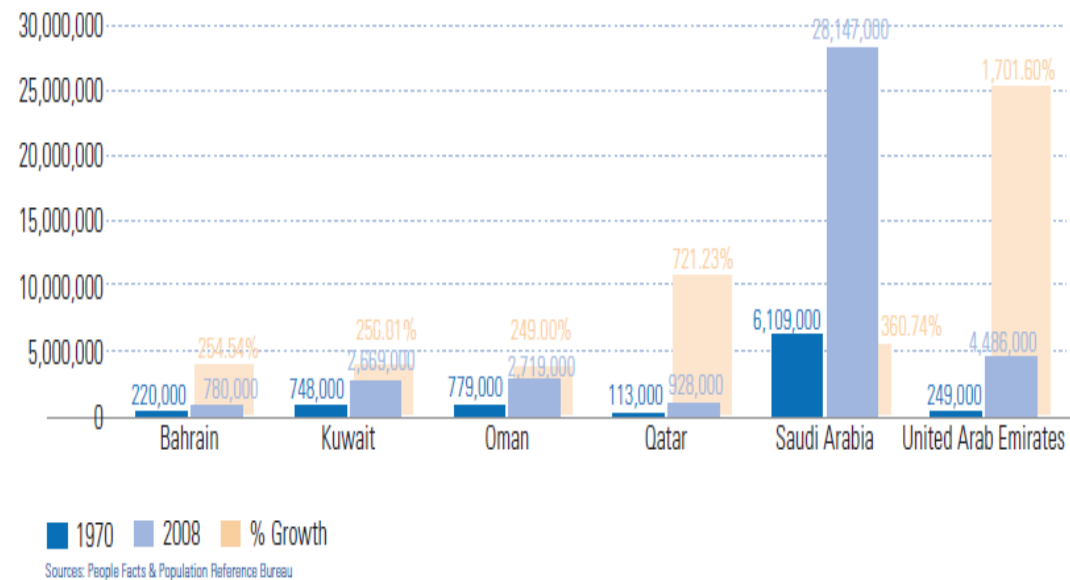
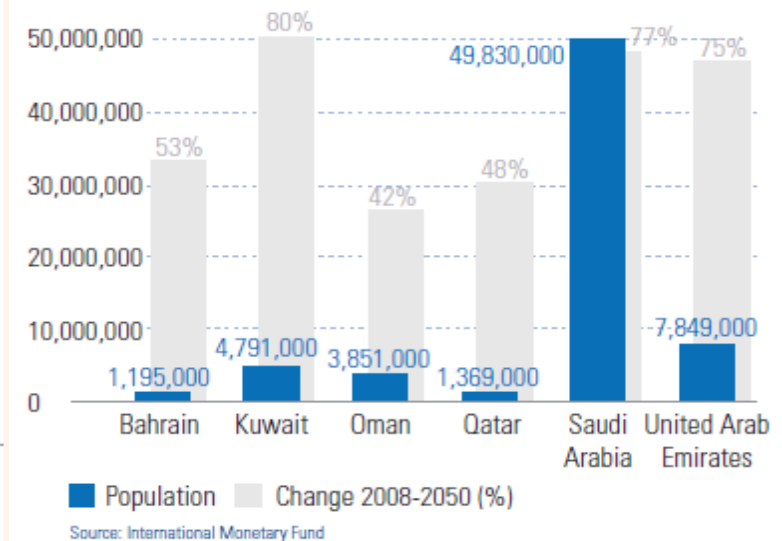


Figure Projected Population Mid-2050

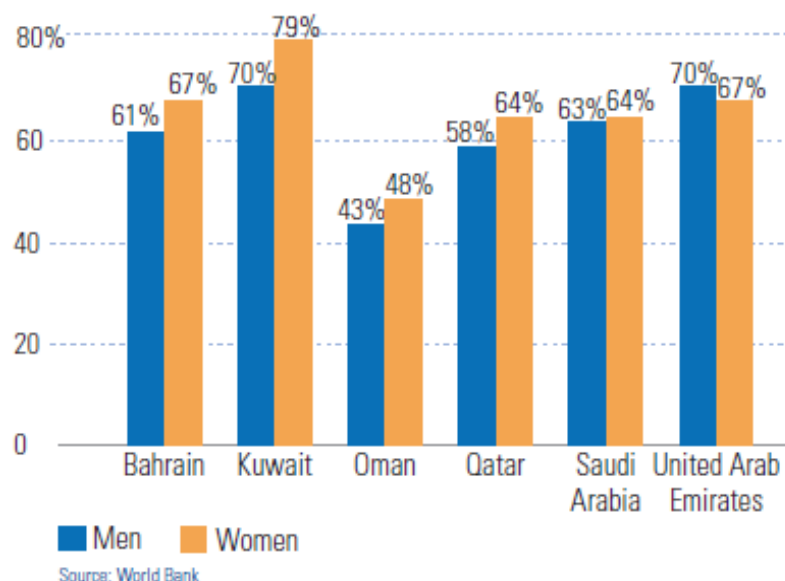


## GCC – Health Indicators and Risk Factors

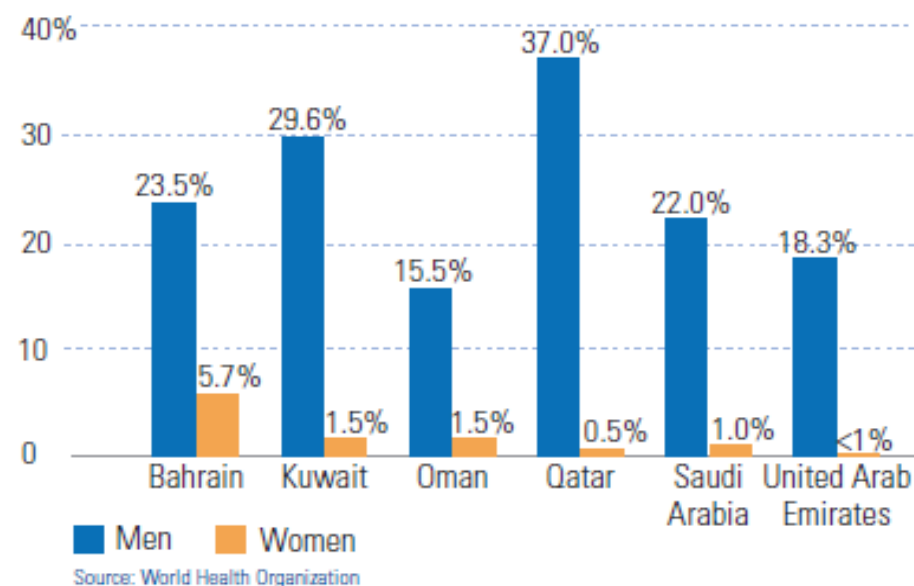
	<b>UAE</b>	<b>Oman</b>	<b>Saudi</b>	<b>Qatar</b>	<b>Kuwait</b>	<b>Bahrain</b>
<b>NCD's as % of total cause of mortality</b>	66%	83%	71%	69%	76%	79%
<b>% Overweight out of total population</b>	71%	56%	69%	72%	79%	71%
<b>% Obesity out of total population</b>	33%	21%	33%	33%	42%	33%
<b>% at risk from raised blood pressure</b>	28%	35%	33%	34%	29%	37%

# GCC – Health Indicators and Risk Factors – A graphical representation

**Figure 10: Overweight Individuals Aged 15+  
(% of Population)**



**Figure 13: Tobacco Consumption  
(% of Adult Population)**



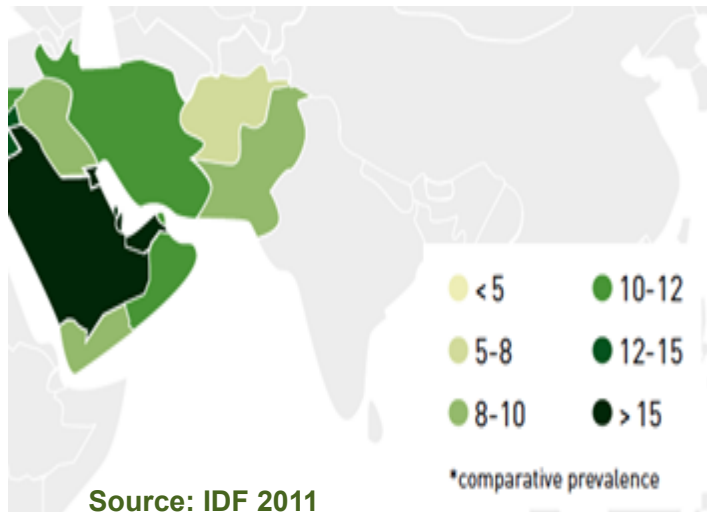
“Total healthcare expenses in the GCC have **nearly tripled** in ten years to reach **\$34.4bn** in 2009 with **70 percent** of spending financed by public money” – Alpen Capital

**Tobacco consumption and increase in overweight and obesity % due to eating habits and lifestyle choices are among the key healthcare challenges**

# Current situation of Chronic Diseases in the GCC

**NCDs account for 67% of the deaths in the Gulf States, with most deaths (62%) being attributed to CVD's**

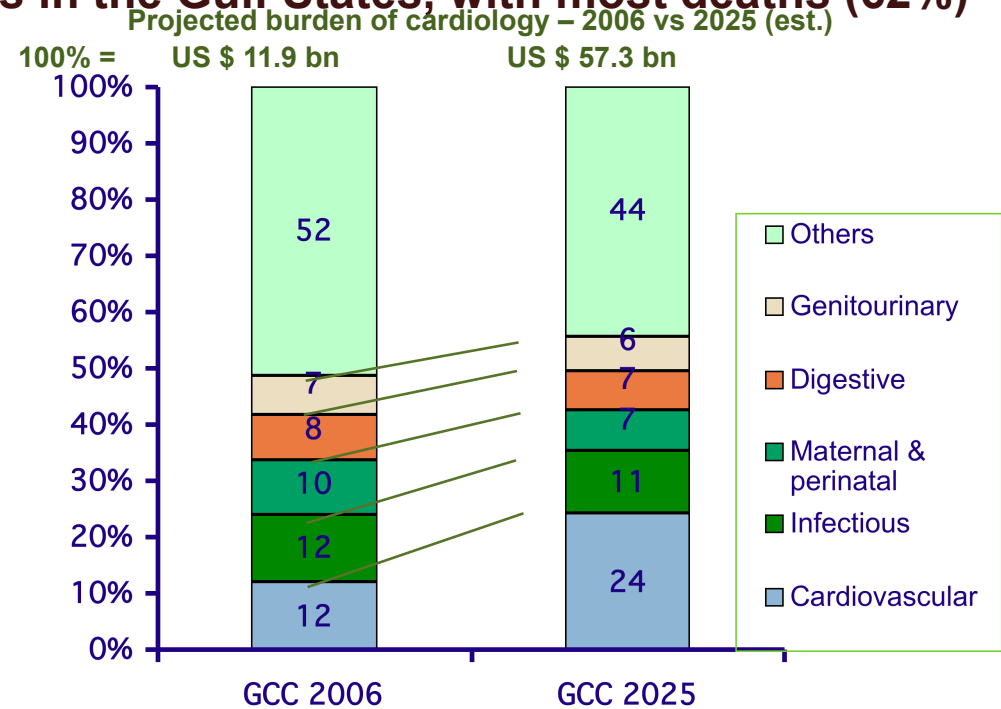
Comparative Prevalence of Diabetes  
(2011, MENA Region)



## Key Risk Factors

### Diabetes

- **Diabetes** prevalence is over **25%** of the population for a number of GCC countries.
- 5 of the 6 GCC countries also feature in the **top 10 countries in the world** in terms of % **prevalence of Diabetes** (2011 Diabetes Atlas)



SOURCE: World Health Organization, Diabetes Watch 2012, World Health Report 2002, and International Obesity Task Force

A map of Dubai, United Arab Emirates, serves as the background. It shows the city's layout, including roads, water bodies, and the coastline. A prominent feature is the 'CLINICS OF DUBAI' logo in the upper center. Overlaid on the map is a list of topics related to health financing and insurance in the GCC. The third topic, 'Health Spending in the GCC', is highlighted with a blue background.

Health Financing and Benefits of Universal Coverage

Health Indicators and Risk Factors in the GCC – A snapshot

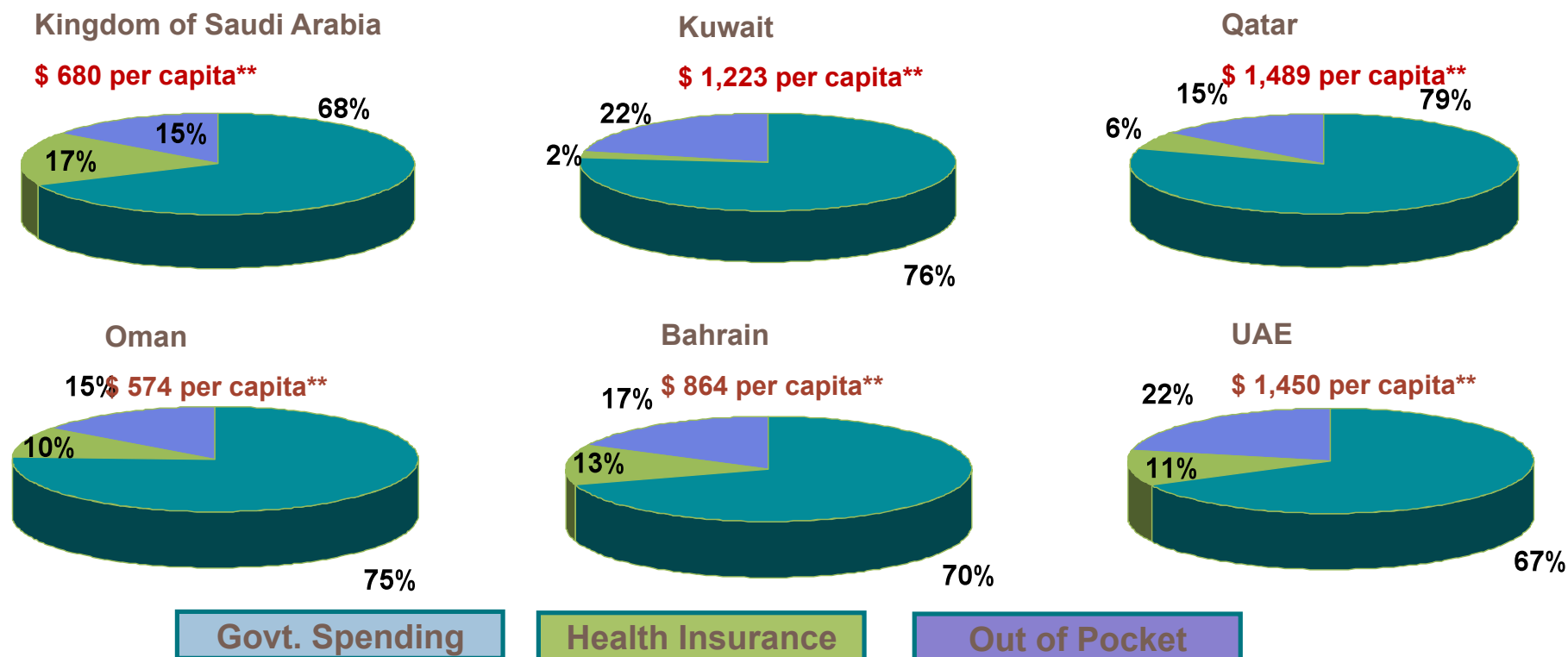
**Health Spending in the GCC**

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# Health Spending in the GCC – A snapshot



The largest burden on healthcare is borne by Government spending in the GCC, with a growing share of private insurance in Kingdom of Saudi Arabia, UAE and Bahrain.

The GCC also has a huge amount of spending on Overseas treatment.

Source: WHO 2011 Statistical Report, \*\* Total expenditure on health at average exchange rate in 2010.

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Mandatory health insurance has been rolled out in some GCC states while others are reviewing laws on insurance

**Saudi Arabia and Abu Dhabi currently have mandatory insurance coverage for residents and nationals, while most GCC countries are moving toward mandatory health insurance.**

#### Recent Health Insurance Reforms

- **Saudi Arabia** was the 1st in the GCC to roll out mandatory health insurance in **2005**;
- **Abu Dhabi** followed with its mandatory insurance program in **2007**;
- **Insurance mandate** and accompanying legislation is currently **under review** and discussion by the **Dubai Government (*likely roll out in 2013*)** and that of the **Federal Health Authority** for Northern Emirates;
- Health Insurance reforms and legislations are also under discussion in **Qatar, Oman, Kuwait and other GCC countries**.
- Each country is working to design an optimal insurance model that best fits with their population mix and its future growth.

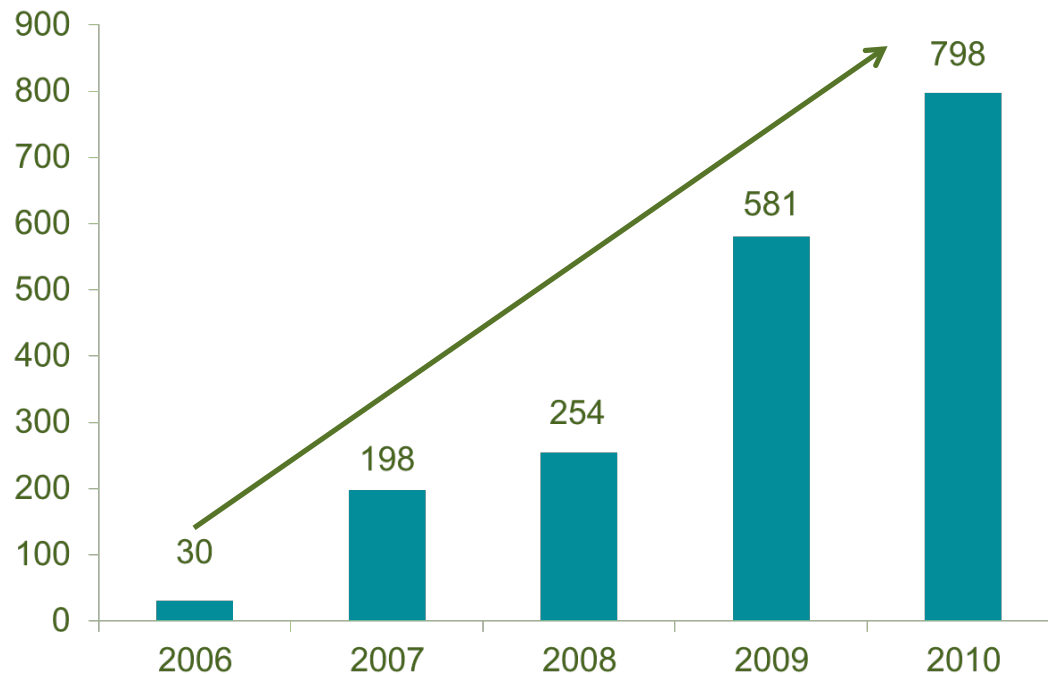
## Example - Growing utilization of health services because of health insurance mandate in Abu Dhabi

**Introduction of mandatory health insurance has led to a considerable increase in utilization of health services in Abu Dhabi**

### **Illustration – Obstetric delivery volumes at private hospital in Abu Dhabi**

Introduction of mandatory insurance in  
Abu Dhabi

#### **Obstetric volumes (in numbers)**



Source: Deutsche Bank Market Research

The increase is mainly accounted for growing utilization by expats who are now covered by health insurance.

Mandatory coverage is likely to have a similar impact in Dubai and in Northern Emirates and will help keep health spending in UAE.



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# Future Health Insurance opportunities in UAE and the GCC

**Insurance industry can design and implement innovative health coverage packages that have varied benefits and have a specific focus on prevention**

## Benefits of future Health Insurance packages

- **Primary prevention** –They include immunization, smoking cessation, regular physical activity, good nutrition etc.
- **Secondary prevention** - It includes Pap smears, blood pressure check-ups, mammograms, and other forms of screening. Primary and secondary prevention can be closely related: For example, secondary prevention of hypertension can be primary prevention of strokes.
- **Tertiary prevention** - Tertiary prevention may include both drug treatments and actions like physical activity and good nutrition that can help control heart disease and hypertension.

**GCC Employers are likely to adopt health insurance schemes that are aimed at reducing cost. Specific Programs focusing on wellness & prevention could be an innovative approach. Weight loss or smoking cessation to reduce the risk profiles of the workforce could also be a path for the future.**

# How Can Private Health Insurance Help?



Moving towards mature health insurance market in the region:

- Disease management programs
- Improve customers and providers relations
- Share information and findings
- Promote research and studies
- Differential premiums for risky habits (overweight, smoking, etc.)

An aerial photograph of Dubai, United Arab Emirates, featuring the Burj Khalifa as the central focal point. The city's dense urban landscape, including numerous skyscrapers and residential areas, is visible. The Persian Gulf is seen in the background under a clear blue sky.

# ***Thank you***

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**HEALTH**  
beyond borders