



**KPJ National
Healthcare
Conference 2005**

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Healthcare Insurance Industry: A Global View

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PHM International**

Health Insurance: A Global View

Congratulations KPJ Healthcare Berhad
on 25 years of excellent patient care!



Health Insurance: A Global View

- Introductions
- WHY: Private Health Insurance
- Medical Consultants and USA
- Case Studies in Progress
- Conclusions

Health Insurance: A Global View

- PHM International
 - Insurance consultancy and training firm
 - Product & business development for hospitals and health insurance companies
 - Knowledge transfer



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WHY



International

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- Government changes are limiting health budgets
- Aging population
- Social compact

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- Health care is world's largest service business
- 2010 Private global investment in healthcare = \$4trn vs. \$1.5trn in 1998.¹
 - 2010, \$750bn in emerging markets

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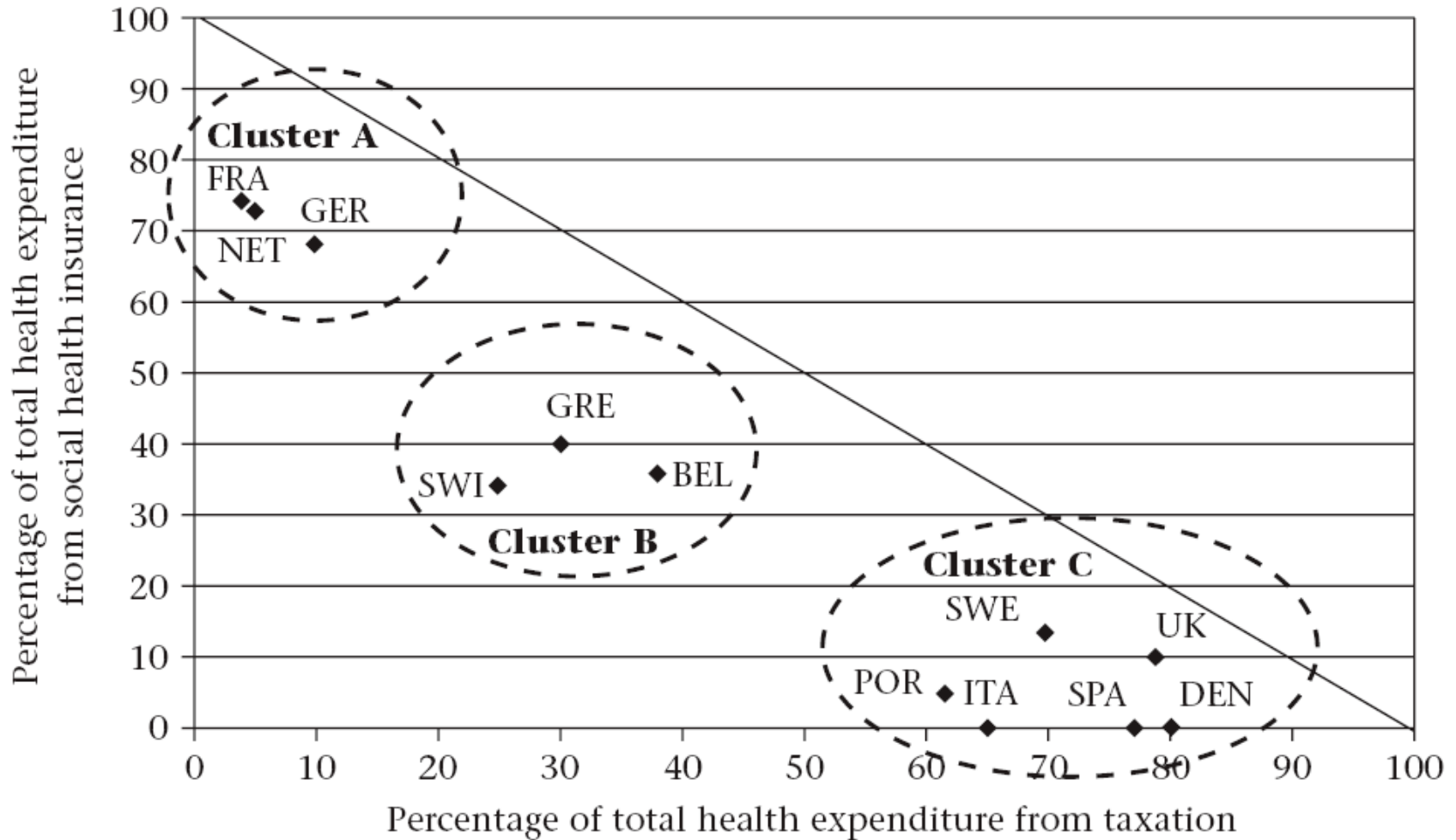
- 1960 -1997 health care as % of GDP for the 29 members of OECD doubled 3.9% to 7.6%²
- 2005
 - 15% USA
 - 12% Germany
 - Malaysia?

Current Healthcare Sustainable?

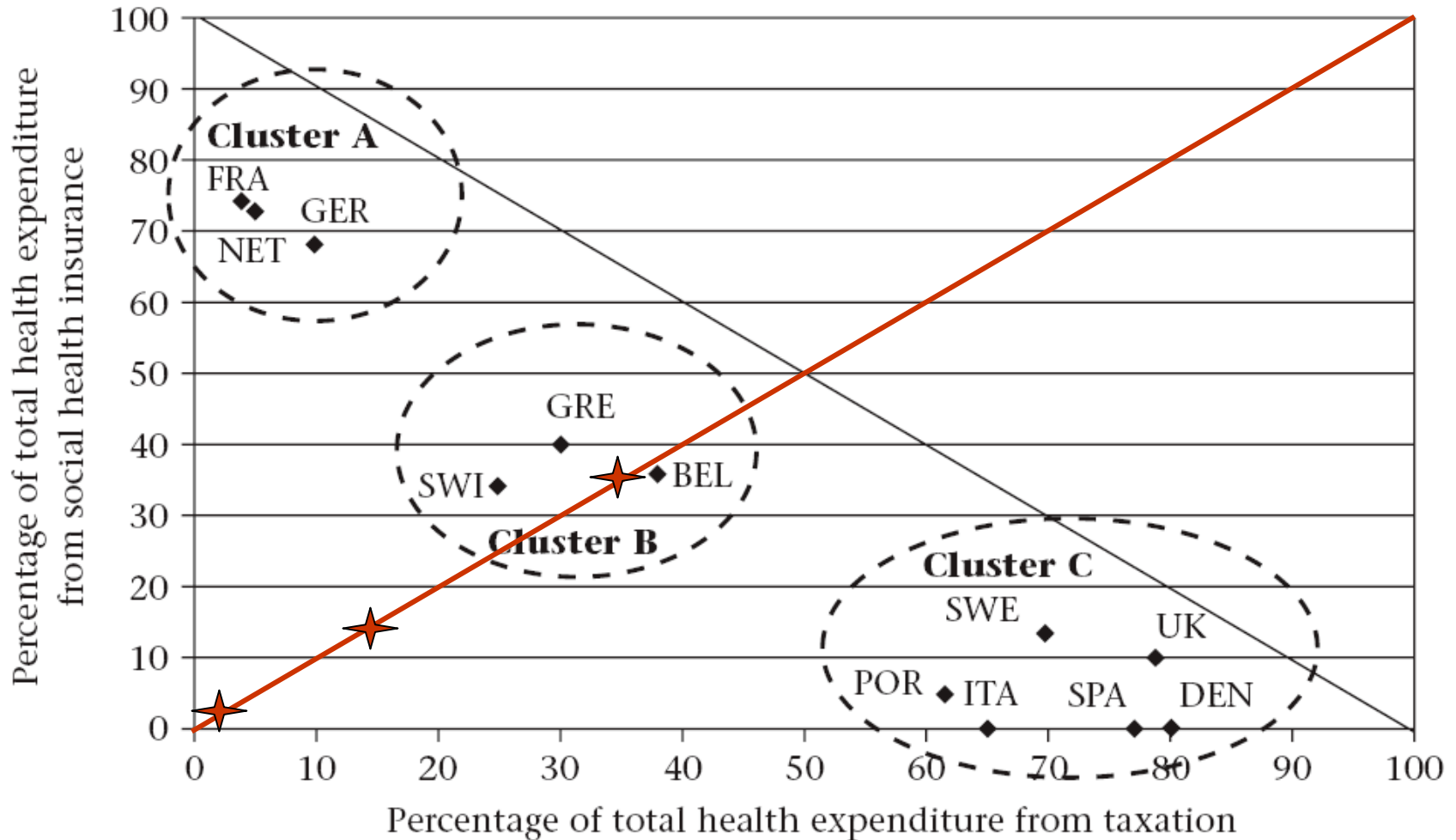
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Each 1% increase in societal wealth
=
1/2% increase in health care costs

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- Private health insurance
 - Health care as a commodity - Market forces drive “best” system
 - Patient as source of revenue - French fries
 - Lifestyle tied to system resources
 - Genetic innovations will drive up uninsured
 - Wall Street drivers
 - Under priced insurance

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Medical Consultants, Negotiations, and
The Future



International

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- Medical consultants and private health insurance - USA
 - Historically combative - control issue?
 - Anti-collusion, referral and ownership restrictions
 - Medicare
 - Often basis for all negotiations
 - Concierge medicine

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- Who's in Control?
 - The clinician or insurance company?
 - Is it about the money?
 - Or just control?

It's the patient

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- Who's in Control?
 - Patient manager yes
 - Insurance manager no. Maybe. Would you really want to?
 - Management of risk
 - Risk-based capital
 - Hospital systems selling off insurance division

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- Medical consultants and private health insurance - USA
 - Physician-patient relations will cease to be a problem for the insurance company.
 - Patient satisfaction NOT an insurance function, it's a physician-patient relation

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- Health System in Change
 - Poland a case study in development
 - Growing economy with legacy health system
 - All primary care doctors private
 - Public fees set by government
 - Growing private payments via insurance

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- Health System in Change
 - Poland a case study in development
 - >28% cash payments out of system
 - Brain drain
 - 4,000 medical doctors filed to leave PL in 2005
 - Additional 2 billion zloty request for doctors in 2005

Health Insurance: A Global View

- Health System in Change
 - Poland a case study in development
 - 4th Q 2005 First private insurance plan with contracts for in-patient hospital stays at state hospital.
 - Next steps
 - » Satisfaction measures
 - » Quality improvement links to pay

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Private Health Care in US

Concierge Health Care - Full Circle?



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- Concierge Health Care - Full Circle?
 - Annual physicals & preventative plan
 - Preferred appointment times
 - 24/7 MD availability
 - E-mail/fax access
 - Rx facilitation - Pharma, home, mail
 - Coordination of referrals
 - Claims facilitation
 - Private Reception, Dedicated staff



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- Concierge Health Care
 - \$1,800 - \$3,000 plus fees
 - 500-600 patients per physician (vs. up to 3,000)
 - Political movements to ban concierge programs
 - NO INSURANCE

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International