



Opportunities and Challenges in the Non - Health Sector in Responding to NCDs

Finance – Health Insurance

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Impact of NCDs on the Non-Health Sector Finance – Health Insurance

- Increased medical costs – Higher health insurance claims (insurance company)



- Higher group health insurance costs i.e. increased premiums (both insurance companies and non insurance companies)

- Decrease in Productivity - Reduced labour supply and outputs due to:
 - Absenteeism
 - Presenteeism (inability to function effectively when present)
 - Loss of critical skills
 - Disability – often NCDs result in some degree of disability.
- Loss of expertise - Need to promote employees prematurely when more experienced employees die or can no longer work.

NCD Paid Claims as a % of Total Claims Paid

SAGICOR CLAIMS PAID DATA			
TERRITORY	2009	2010	2011
Barbados	30%	33%	33%
OECS	30%	36%	36%
Jamaica	26%	25%	26%
Trinidad	30%	32%	32%
TOTAL	28%	28%	28%

- In Barbados, OECS and Trinidad approximately 1/3rd of all claims paid are due to NCDs, whilst in Jamaica it is approximately 1/4th.
- These results are consistent with the **WHO – NCD Country Profiles, 2011** report which has Jamaica reporting the least amount of deaths due to NCDs when compared to the other territories under review.
- 8 % of Total NCD Claims Paid is represented by claims paid for treatment received overseas.
- This data is based on a pool of 600,000 individuals covered.

NCD Claims Paid as a % of Total Claims Paid for each Age Band

SAGICOR CLAIMS PAID DATA			
AGE BANDS	2009	2010	2011
19 and under	15%	17%	17%
20 - 39	21%	22%	23%
40 - 59	31%	31%	32%
60 and over	39%	38%	38%
TOTAL	28%	28%	28%

- The results are intuitively appealing, as the percentages for the respective age bands are as one would have expected.

NCD Claims Paid - by Age Bands

SAGICOR NCD CLAIMS PAID			
AGE BANDS	2009	2010	2011
19 and under	9%	9%	9%
20 - 39	20%	21%	21%
40 - 59	42%	42%	41%
60 and over	30%	28%	28%
TOTAL	100%	100%	100%

- The 40 – 59 age band accounted for the majority of NCD claims.
- It is counter intuitive that those 60 and over are not the highest NCD claimants, but this is due to the fact that under Group Health, coverage ceases at age 65 , except where the group has a retiree plan.

(Most plans do not have retiree coverage because it is cost prohibitive.)

SAGICOR NCD CLAIMS DATA			
GENDER	2009	2010	2011
Male	41%	39%	38%
Female	59%	61%	62%

- From an insurance company perspective women account for the majority of NCD claims, but this does not mean that they are unhealthier. On the contrary women will benefit from early detection and treatment, which in turn lowers their NCD related deaths.

Strategies that can be Employed to Respond to NCDs

1. Prevention measures

- Should target the behavioural risk factors that lead to the incidence and prevalence of NCDs:

- tobacco use
- harmful use of alcohol

- insufficient physical activity
- unhealthy diet

which lead to

- elevated blood pressure
- raised cholesterol levels

- raised blood glucose
- excess body weight

2. Improvements to the Health Care Delivery System

- Development of more cost effective treatments
- More efficient utilization of health care services
- Implementation of provider cost share mechanisms e.g. managed care arrangement

Prevention Measures

Prevention Measures → Health Promotions

→ Disease Prevention Interventions

Aimed at eliminating or reducing the occurrence of the NCD behavioural risk factors from people's lifestyles.

Examples

- Educational programs on: effects of smoking, alcohol abuse & physical inactivity; healthy diets and meals; dangerous foods and eating habits; benefits of physical fitness and mental wellness, etc.
- Health screenings
- Fitness Programs – gyms, yoga, organized workout groups
- Company provided wellness programs
- Nationally organized physical activities – runs, walks, hikes, triathlons
- Programs to help individuals quit or reduce: smoking, alcohol abuse

Options:

- Provide sponsorship
- Make these programs available to employees at subsidized or no cost (protect confidentiality)
- Host educational seminars for employees
- Offer rewards or incentives to encourage employees to engage in preventative measures and maintain good health.

Specifically for Health Insurance companies:

- Offer rewards/ incentives incorporated in your health insurance products/coverage to encourage insureds to improve and maintain good health.

Challenges for the Non-Health Sector - Finance

- Choosing programs or initiatives with a high probability of being effective.
- Finding the funds to sponsor these programs.
- Finding the funds to subsidize or cover all costs for these programs for employees on a continual basis.
- Ensuring employee participation
- Determining the success of the prevention measures used hence justifying the investment made in these programs
 - possible indicators: - reduction in health insurance claims
 - reduction in sick leave taken by employees
 - reduction in health coverage costs (premiums)

Care Management programs

More cost-effective methods of diagnosis & treatment



Sponsor efforts and initiatives implemented in the health sector

Disease Management (DM) Programs:

- Purchase and implement DM programs in the workplace
 - make attendance voluntary or mandatory for affected employees
- Request that DM programs be included in the health care coverage provided by insurers.

Options specific to Health Insurers regarding Disease Management programs:

Partnering with Health sector entities to:

1. Evaluate DM programs and determine their financial impact or success using actuarial expertise:
 - analyze data of clinical results and medical costs, and assess the impact of the limitations of the program on both.
 - calculate the true costs of the DM Programs
 - employ appropriate methodologies to determine the true value of health cost savings generated
 - calculate the **Return on Investment (ROI)** or other measures of the DM program's overall financial performance. e.g. Quality Adjusted Life Years (QALY)
2. Design and tailor DM programs that can be offered to both the health and non health sectors
 - Provide actuarial expertise to assist in all aspects of design and implementation e.g. identifying and mitigating against potential limitations of the DM program.

Challenges for the Non-Health Sector - Finance

- Funding for health sector improvement efforts and initiatives.
- Paying the increased health coverage costs resulting from the inclusion of DM.
- Finding the financial resources to purchase and implement DM programs in the workplace.
- Finding the human resources necessary to administer DM programs implemented in the workplace.
- Ensuring employee participation.
- Determining the effectiveness and financial success of the DM programs employed.

Specific to **Health Insurance Companies**:

- Costs associated with sacrificing current human resources to design, evaluate or implement DM programs in the workplace or costs of acquiring additional human resources if the demand for those services is high.
- Sourcing the financial resources needed to Design and market DM programs.

Conclusion

There are opportunities for the non - health sector to respond to this increasing threat of NCDs

These opportunities or strategies all have associated costs and challenges.

The WHO predicts significant increases in the prevalence and incidence of NCDs globally over the next decade.

Therefore in the absence of effective action or response from the wider business community:

- increased NCD deaths
- stronger impact of NCDs on both the health and non health sectors

Making this investment now, would protect and save resources (financial and human) in the long run and provide benefits during the process.

TOP 5 CRITICAL ACTIONS

Funding the right structure of NGO Core operations MUST be a priority

Funding of projects is a necessity- International funding organizations have a key role to play in the region

Compelling youth / Gen z educational programmes for schools and colleges need to be developed, implemented, and success needs to be monitored

Significant Involvement of the wider business community in driving the HCC healthy living agenda as a way of life for their employees through wellness programmes, inter office competitions etc – to reduce NCDs and reduce their health care costs

Accessible Health Insurance coverage across the region would allow many to get the medical care they need early in their lives - Sagicor operates regionally and can provide a service in this area

The End

