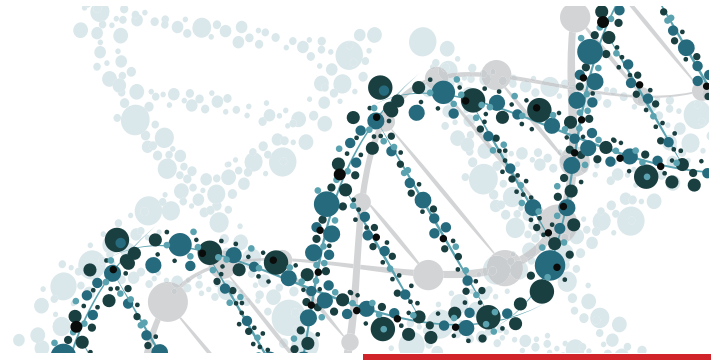




COVID-19 (Novel coronavirus): Health Claims Update 4

Issue 16, June 2020

As the COVID-19 pandemic continues to spread worldwide, we are seeing healthcare delivery disrupted in unprecedented ways. International and local health authorities are recommending social distancing as a primary means to prevent widespread infection and flatten the curve, and many countries have responded by implementing measures to limit close contact, movement, and travel.

This article examines some of COVID-19's impacts on healthcare delivery and implications for insurers.



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Impact on Health Care Delivery

The main public health implications of the COVID-19 pandemic and measures undertaken to break the chain of infection have made healthcare one of the world's most significantly impacted industries. Where the most substantial impacts are already being seen are in telemedicine, medical tourism, and routine healthcare.

Telemedicine

The COVID-19 pandemic is pushing medical practitioners to investigate existing but underutilized options for continued patient engagement. Now is a particularly apt time to explore and leverage the benefits of alternative ways to provide healthcare, such as telemedicine.

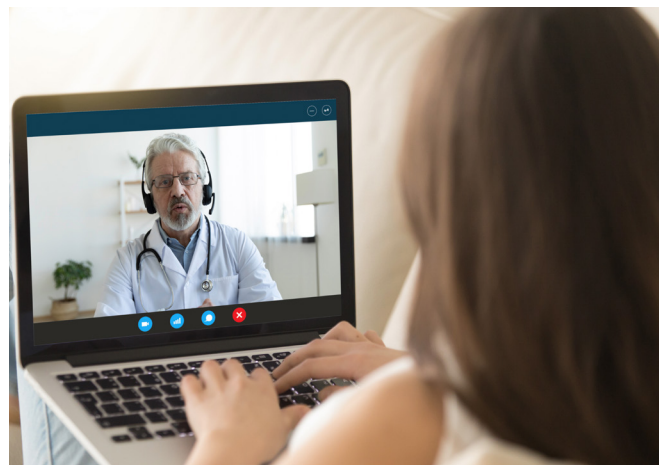
The telemedicine option, more than ever, can be a positive for healthcare. It promotes social distancing by enabling doctor visits without in-person interactions. It also reduces potential mortality and morbidity for higher risk individuals by not requiring them to travel to healthcare appointments via public transportation and then sit in crowded waiting rooms.

Telemedicine also facilitates the ability to actually handle COVID-19 related patient concerns. What better way to prevent potential spread of the disease than having patients check symptoms at home using mobile apps and then

consult with their doctors online or on the telephone?

Many healthcare providers and telehealth companies are already promoting the use of mobile symptom checkers and virtual consultations to ensure suspected cases of COVID-19 can be evaluated without requiring patients to risk infection spread by traveling to already crowded and overburdened healthcare facilities.

For insurers, the time may be ripe to consider, where applicable, addressing coverage (or lack thereof) for telemedicine services, and at the same time consider implementing controls to ensure such services are not subject to fraud, wastage, and leakage.



Medical Tourism

International tourism has been a major casualty of COVID-19, losing hundreds of billions of U.S. dollars during the past few months. Air travel is reportedly down as much as 90%, business and leisure travel are severely restricted, and many countries have shut their borders. Not surprisingly, these actions have directly affected medical tourism.

As medical tourism often involves elective or non-urgent services – the types of services many hospitals have been suspending in order to have bandwidth for COVID-19 cases – related appointments and travel plans have either been canceled or postponed indefinitely following the various stay-at-home and border closing measures enforced in both origin and destination countries.

From an insurance claims perspective this downturn may translate, short-term, into far fewer claims for overseas treatment. However, there may be some rebound in medical tourism claims volume once measures restricting travel and movement are relaxed or removed. Such experiences should be expected and considerations given to them when evaluating the outlook for relevant insurance products.

Routine Healthcare

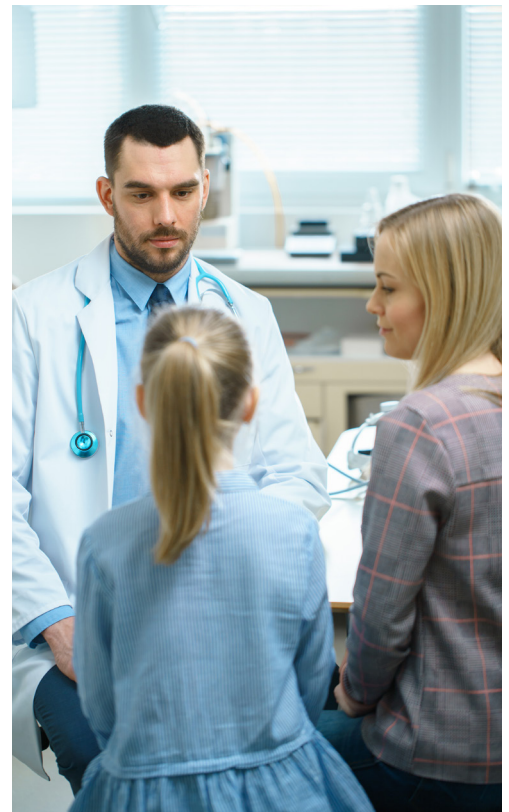
Although the COVID-19 pandemic has become the focus for many healthcare systems, patients with other medical needs still require care. Children will need vaccinations, chronic disease patients will need their conditions monitored and managed, and acutely injured or ill patients will need access to timely medical care.

Unfortunately, a consequence of healthcare systems dominated by a crisis such as COVID-19 means that other, much-needed care is not being provided in a timely manner, and in some cases, not at all. Routine screening procedures such as mammograms and colonoscopies, for example, have decreased significantly in frequency. This could mean poorer outcomes for individuals due to not having received standard-of-care examinations and treatment during the pandemic.

Another consequence is that people are choosing not to go to the hospital even when they are suffering from life-threatening conditions. Delayed diagnoses and poorer delivery of care may contribute to increased morbidity, longer and/or more frequent hospitalizations, and higher mortality among those at risk. This could be why many countries have been experiencing increases in all-cause mortality following the emergence of COVID-19.

Even if a healthcare system does manage to maintain standard-of-care treatment for every patient and ensures its capacity is not overrun, additional precautionary measures will be necessary to ensure there will be no accidental transmission of the SARS-CoV-2 virus while providing services to patients. This may mean higher overall treatment costs for the same services compared to those of the pre-COVID-19 era.

It is also worth considering how healthcare providers might respond to a post-pandemic time when social distancing measures could be the new normal. Would maximum patient capacity at facilities be reduced to avoid crowding? Would prices increase to make up lost profits following the additional infection control measures taken? Could screening or testing for SARS-CoV-2 become mandatory for admission into a general ward or prior to a surgical procedure? These questions should at least be considered as the world slowly begins to assimilate the pandemic's impact.



Conclusion

Undoubtedly, COVID-19 is having a multifaceted and widespread impact on many aspects of life worldwide. We are seeing its effects ripple across individuals and businesses, and communities, governments, and countries as well.

As countries and municipalities emerge from stay-at-home orders and begin to reopen their economies, governments are tasked to find the balance between permitting businesses to reopen and preventing future waves of infection spread. This is of course not a straightforward endeavor, and would need to be arrived at with the backing of solid scientific evidence and robust data.

Health insurers may not see the pandemic's full impact on healthcare for years to come, but we would do well to start adapting by developing the products and services that will help us make the best of this challenging time, for our customers and our industry.

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