

Off to a healthy start?

The next big frontier for healthcare

As the region continues to grapple with issues around pricing and access, over-capacity and regulatory challenges, we take a look at predictions for the region's healthcare ecosystem in 2020

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“Within the region, the acceptance of technological advances is a huge boon for the industry”

▲ Urbanisation and an ageing population are among the factors rapidly boosting the demand for healthcare in the MENA region

WHILE 2020 LOOKS SET to be a year of opportunity for the healthcare industry in the UAE and wider Middle East region, if industry sentiment is anything to go by, it will not be without its challenges. The healthcare sector is undergoing an evolution, on the back of rapid advancements in technology, research and development, in line with global and regional trends. However, healthcare providers and professionals are grappling with several challenges concurrently, such as a changing demand profile from curative to preventative care, regulatory changes,

increased competition, consumer-centricity and patient care changing to “fee for quality” rather than “fee for service”.

As each regional country gets set to tackle its individual healthcare challenges in the coming year, for the UAE, all eyes are now firmly on Dubai and the imminent roll-

\$243.6bn

The value of the healthcare market in the MENA region by 2023, according to Arab Health

out of the International Refined Diagnosis Related Group (IR-DRG) insurance billing system, expected to be applied to both public and private hospitals in the emirate from February 2020. While the Abu Dhabi Health Authority has legislated its own version of the DRG system as a payment method for inpatient hospital services since 2010, the debate now turns to whether Dubai is fully prepared for the potential implications it will mean across the healthcare continuum.

Speaking to *Arabian Business*, Simone Elviss, director of healthcare at communications consultancy group Hanover Middle

East, says that in the face of a challenging market environment, the healthcare sector is one that continues to grow both in the UAE and the Middle East.

“The past year saw positive investments in infrastructure and services. Unfortunately, however, the region continues to grapple with issues around pricing and access, affordability, and regulatory challenges,” she says.

Data from the 2020 Hanover Healthcare Barometer, in which 94 percent of senior healthcare business leaders from across the region were positive about growth prospects for 2020, shows confidence in the sector for the year ahead.

“Within the region, the acceptance of technological advances is a huge boon for the industry, and our Barometer indicated that openness to technology and innovation was one of the biggest drivers of growth,” Elviss explains. “Infrastructural growth and overall increased healthcare spend are also important market drivers.”

Heightened focus

A significant barrier that respondents flagged is the heavy competition that many healthcare organisations face in this region. Government policy was cited as the second biggest barrier. Elviss says: “There is a need for organisations to look very carefully at how they differentiate themselves from competitors to demonstrate their value and attract customers, as well as what activity they can undertake to positively influence policy and action to support their business goals.”

In a region that faces significant challenges with diabetes, cardiovascular disease and other lifestyle-related conditions, proactively tackling preventative health is a major game-changer when it comes to the betterment of public health in the region.

“We see a more heightened focus on behavioural health in 2020 and beyond, as we believe that deeply understanding motivations and behavioural drivers from a psychological perspective is the key to transforming mindsets and behaviours,” says Elviss. “Its time to look at this challenge through a new lens.”

Meanwhile, the Hanover Barometer also identified that the main challenge in the pharmaceutical sector continues to be around pricing and access, underscoring the importance of finding innovative



▲ GCC healthcare spending has risen in line with government strategies for economic diversification



▲ Dubai Health Authority (DHA) has adopted a number of smart solutions to improve its services

“The region continues to grapple with issues around pricing and access, affordability, and regulatory challenges”

financial models that are relevant to local economies and working with regulators to ensure that patients have faster access to the medicines they need.

For Al Zahra Hospital Dubai chief medical officer Cristobal Rincon Aznar, dealing with challenging market conditions, such

as overcapacity, lack of specialisation and a problematic insurance market, will remain a priority for healthcare providers in 2020. “Changing demographics continue to impact healthcare delivery, and changing patient expectations are driving the adoption of value-based care models,” he tells *Arabian Business*.

Value-based healthcare was also among the priority topics discussed by the G20 Health Working Group during the first meeting under the Saudi G20 Presidency in Riyadh earlier this month. Globally, with healthcare accounting for 11 percent of GDP and generating millions of jobs,

while, at the same time, nearly 3.5 billion people do not receive the essential health services they need, the G20 delegates also discussed the opportunities offered by emerging trends and technologies, which has the potential to shape the next frontier for healthcare.

According to Colliers International, the demand profile in the region is changing from the provision of more beds at general hospitals to specialised hospitals, daycare surgical centres and Centre of Excellence (COE). Based on a study conducted by Colliers Healthcare Team in early 2019, in Dubai, over 40 percent of total surgeries are day surgeries. Interviews with healthcare operators indicated that over 60 percent of all surgeries could be performed under daycare set-up.

“Moving towards daycare surgeries will not only reduce significant capital cost due to the requirement of fewer hospital beds but will also be cost-efficient,” says Mansoor Ahmed, director (MENA Region), healthcare, education and PPP at Colliers International. “Based on a study by the Audit Commission of Department of Healthcare in England and Wales, the average daycare cost was £698 (\$907), compared to the average elective inpatient cost of £3,375 (\$4,385). The continual growth of the insurance market in the region will also add impetus to a preference for daycare treatment.”

With innovations and disruptors such as digitisation, automation, 3D printing, the Internet of Medical Things (IoMT), artificial intelligence (AI), and robotics and non-invasive surgery ushering in a new era of healthcare delivery for the region, health authorities are now focussing their efforts towards harnessing the power of these critical enablers for 2020 in order to aid efficiencies while providing a quality patient experience.

Earlier this month, surgeons from the Mohammed Bin Rashid University of Medicine and Health Sciences (MBRU) pioneered a medical first by performing a complex Peroral Endoscopic Myotomy (POEM) surgery at Mediclinic City Hospital in Dubai to treat a patient with an uncommon swallowing disorder. This endoscopic surgery, which is a non-invasive procedure that involves an endoscope inserted through the mouth, is just one example of how innovation is used for the benefit of patients in the region.



▲ Arab Health is the largest exhibition for healthcare and trade professionals in the MENA region

When it comes to the adoption of health information technology (HIT) tools, disruptive healthcare technology platforms such as Dubai-based Healthigo, which connects healthcare seekers to all stakeholders in the patient journey on a single platform, are helping to bring value to patients in the UAE. The recent announcement of Healthigo’s acquisition of DrFive, and the merger of their business operations, means that the expanded services will be available to over 30 million patients and care-seekers across the region in a phased rollout over the coming years.

Healthigo’s business model involves working in partnership with global insurance providers to offer a disruptive healthcare solution.

“Medical insurance companies face a challenge in providing their members with easy, single-point access to patient health records because of healthcare data inter-

\$160bn

Saudi Arabia’s projected healthcare spending by 2030, according to Colliers International

operability issues,” Healthigo co-founder Joseph Debs tells *Arabian Business*.

“Platforms such as ours help insurance providers extend the continuum of care to their insured members and corporate clients by enabling easy access to healthcare providers and reducing costs by keeping members within the network,” he adds.

Following this trend for leveraging novel technology solutions such as the use of AI in data analytics, UAE-based health insurance company Daman has made continuous investments in their IT infrastructure to maximise the value of premiums for its customers.

“Daman has overhauled how health insurance is administered by leveraging technology to create an infrastructure that finally did away with the plastic card, which was long regarded as irreplaceable and welcomed by virtually everyone,” explains Hamad Al Mehays, deputy CEO of National Health Insurance Company (Daman).

Indeed, as the global healthcare community prepares to descend on the Dubai World Trade Centre at the end of the month for the 45th edition of Arab Health, the focus very much remains on the impact that innovation is having on the region’s healthcare industry. With the value of the IoMT in the MENA region expected to top

\$9bn by 2022, the vital role that technology has on improving the speed and accuracy of diagnosis and treatment will be under the spotlight when the event returns to Dubai from January 27-30.

The IoMT refers to connected infrastructure of medical devices, software applications and health systems services and includes ground-breaking technologies such as a revolutionary blood test to predict premature births; a swallowable probe making it easier to screen for gut disease; personalised cancer vaccines which can reprogramme the body to attack cancerous cells; EKG-enabled smartwatches; and voice assistants in clinics.

Technology powers healthcare

As part of the 2020 edition of Arab Health, the Innovation Hub will showcase several of the disruptive technologies in the IoMT ecosystem including mobile device accessories, smartwatches, fitness trackers and applications, disease management devices, health monitors, home care devices, and telemedicine devices.

“The growth of Arab Health mirrors the growth seen in healthcare technology year-on-year (YoY),” says Arab Health exhibition director Ross Williams, who also explains that the trade show is seen as a platform for many companies to showcase their latest innovations and demonstrate how they have applied technology to the benefit and advancement of medicine.

Returning to Arab Health following a successful debut last year, the Innov8 Talks segment will provide start-ups and entrepreneurs with the opportunity to present their healthcare innovations to a panel of industry experts and potential investors. The 2020 line up includes pitches from Prognica, an AI-powered health-tech company aiming to improve clinical outcomes and accelerate the discovery of breakthrough advancements in the fight against breast cancer; the telemedicine app Okadoc; Avatr, a personal AI for remote chronic disease management; and Zeus – a multi-action bionic limb for upper limb amputees by Aether Biomedical.

The theme for this year’s healthcare mega-show is “Connectivity for better healthcare delivery”, with the show floor split into eight distinct sectors, including medical equipment and devices; disposable and consumer goods; healthcare infra-



▲ Simone Elviss, director of healthcare at consultancy group Hanover Middle East



▲ Joseph Debs, co-founder of patient engagement platform Healthigo



▲ Ross Williams, Arab Health exhibition director

structure and assets; imaging and diagnostics; and preventive and post-diagnostics treatments, amongst others.

“This year we’re doing things slightly differently,” explains Williams, as, for the first time, the show floor will be split into sectors bringing the show layout in line with the rest of the industry. “Ultimately, sectorisation promotes targeted traffic, fast-track connections and generates an

increased number of better-quality leads for exhibitors and visitors.”

Due to the increasing emphasis placed on the healthcare infrastructure – with \$200bn expected to be injected into this market in the next five years – several halls at Arab Health will be dedicated to the healthcare infrastructure and assets sector with businesses showcasing construction materials, healthcare design and architecture, transportation and kitchens and catering.

Echoing the sentiment that there are plenty of opportunities to be had in the healthcare ecosystem, Arab Health is widely recognised as a vehicle for the delivery of economic growth in the Middle East. In 2019, exhibitors generated more than \$824m worth of business, a year-on-year increase of 5.9 percent. With an anticipated 4,250 exhibitors from more than 64 countries and 55,000 visitors expected to attend the 2020 edition, organisers expect a number of business deals to be signed during the show.

“Business confidence in the healthcare sector [in the MENA region] remains buoyant, driven by increases in healthcare spending from private and public sources, closely followed by rapid market and infrastructural growth, and an increased focus on medical tourism,” Williams says.

With 14 conferences, the Arab Health congress is also one of the largest CME accredited multi-track medical conferences in the world and the organisers are set to welcome more than 5,000 delegates and 250 international and regional speakers over the four days of the congress. In addition to popular returning tracks covering subjects such as obstetrics and gynaecology, diabetes and radiology, two new forums on healthcare investment and healthcare infrastructure are set to further stimulate discussion on the growing healthcare ecosystem in the Middle East.

As the first mega-event to be held in the UAE during the Expo 2020 year, the trade generated during the upcoming edition of Arab Health will certainly give a strong indication of the importance that the key market drivers, such as advancements in technology, private sector participation, and increasing infrastructure investments will play in the development of the regional healthcare industry over the next 12 months. **AB**