2021 Asia-Pacific Healthcare Trends: Growing Digitization, Universal Health Coverage, and More

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In 2021, a collision of powerful elements will continue shaping healthcare trends across Asia-Pacific (APAC). Ongoing factors include aging populations, increasing demand for healthcare access, the regional disparity in healthcare infrastructure and services, limited resources (both financial and human)—all recently coupled with COVID-19.

COVID-19's economic impact in APAC has caused a distinct bifurcation of trends between public and private health systems. Private health systems are scrambling to replace revenues lost to local and international travel restrictions. In contrast, public health systems increasingly focus on value-driven outcomes as they respond to the pandemic's extraordinary demands. Meanwhile, governments are diverting funds from healthcare to economic stimuli.

The APAC region is a mix of developed and developing countries, with some countries, such as India, exhibiting vast developmental diversity within their boundaries. This diversity creates a tension between urban care, often due to an increase in chronic diseases, and expanding access to basic care, such as maternal and child care and emergency services, to rural communities. A similar disparity often exists even within large population centers with severe poverty regions and the corresponding lack of access to transportation and assistance.

Digital Health Leads 2021 Asia-Pacific Healthcare Trends

The focus on using healthcare IT and digital health innovation has grown substantially in the past 10 years in APAC countries. Several notable trends will drive the ongoing digital health evolution in the region in 2021:

The Continued Shift to Telemedicine and Virtual Care

With widespread lockdowns and patients increasingly hesitant to go to general practitioners (GPs) or any clinician for fear of COVID-19 infection, many patients have turned to telemedicine as an alternative to in-person healthcare visits. For example, Ping An Good Doctor, a Chinese healthcare services platform, and MyDoc, a telemedicine platform headquartered in Singapore, have more than doubled their active users since the onset of COVID-19.

An Increased Focus on Machine Learning
Healthcare leaders in hospitals across APAC continue to prioritize augmented intelligence (AI) for decision support and machine learning. Market forecasters project record growth for the APAC healthcare AI market, registering a compound annual growth rate (CAGR) of 41.05 percent from 2020 through 2028.

According to market research consultants Inkwood Research, the prominent drivers of healthcare AI market growth include investments from private and government organizations and the increasing establishment of startups. But just as machine learning has benefits, it also has limitations. For example, these capabilities lose their impact when organizations implement them without realistic expectations or thorough integration with existing clinical processes, making informed machine learning strategy an imperative in the region.

Accelerated EMR Adoption

Except for India and the Philippines, almost every APAC country uses an EMR, at least partially. Singapore, Australia, New Zealand, Korea, and Japan have had EMR systems for years, but market development across the APAC has been uneven. Countries stand at varying levels of EMR adoption and sophistication.

Developed nations, such as Australia, Singapore, New Zealand and Japan are looking into health data and analytics for population health management. Developing markets, such as Vietnam, Indonesia, and the Philippines, still focus on improving their data capture systems. To address the needs of the APAC market, EMR vendors will need to provide different EMR software packages for developed and developing nations. The developed markets will need more sophisticated packages and developing markets will need highly scalable and affordable EMR packages.

More Focus on Cybersecurity

Cybersecurity attacks at APAC hospitals continue to be a growing concern. Cyberattacks in the region have increased significantly, notably between February and March 2020. The surge in people browsing information on COVID-19 and other topics during lockdown has boosted the number of phishing attacks. In addition, working from home has decreased employer investment in office cybersecurity safeguards. Even before the acute phases of the pandemic, APAC cybersecurity investment was on the rise, with market forecasters predicting a cybersecurity market CAGR of almost 22 percent between 2020 and 2025.

Growing Interest in Data- and Analytics-Driven Financial Recovery

Countries across the APAC region have recorded fast medical tourism expansion, with a predicted growth rate of 15.5 percent between 2017 and 2023. Treatment in Asia is up to 90 percent less expensive than private U.S. healthcare. For example, according to the Malaysia Healthcare Travel Council, a coronary artery bypass graft that would cost $92,000 in the United States costs less than $10,000 in India.

However, COVID-19 travel restrictions have slowed medical tourism in APAC countries, resulting in income loss among private hospitals. According to the BMJ, forecasters expect the medical tourism market, worth up to US$87.5 billion annually, to shrink through 2021 as patients avoid unnecessary travel.

At some of the top hospitals in Thailand, where in some cases, half the patients come from medical tourism, experts saw roughly a 28 percent drop in revenue at the end of 2020. Patients fly for to Thailand for medical treatment from Australia, Indonesia and the Middle East. The pandemic suddenly stopped all travel to the region.

In response to the loss of medical tourism revenue and uncertainty about its return, impacted organizations have a growing interest in leveraging their data and using analytics to recover lost revenue. This shift towards a data-driven approach to improving revenue and cutting costs is a new trend as private hospitals focus on real-world data and data monetization to generate new revenue streams.

Improving Hospital Systems and Operations: Universal Health Coverage and Government-Driven Healthcare

Along with digital transformation, APAC countries increasingly focus on improving hospital systems and operations with universal health coverage (UHC) and government-driven healthcare. According to World Healthcare Organization, COVID-19 has exposed gaps and deficiencies in health systems across the APAC region and underscored the interdependence between health security and economic stability, highlighting the importance of UHC. Countries that have made good progress towards UHC have better managed the health impacts of COVID-19 and, therefore, the pandemic's economic impacts.

With UHC comes a shift in healthcare financing, with capitation models and value-based care models becoming more common in the region, along with a movement away from fee for service. Specifically, the Australian market has the transition from volume to value on its health agenda. And in Singapore, the Ministry of Health is exploring value-based initiatives, such as value-based financing through bundled payments and hospital-to-home programs.

Strengthening Payer-Provider Relationships

With the APAC region looking towards universal healthcare coverage, healthcare leaders must keep payer-provider relationships top of mind. Traditionally, payers and providers in the region have not worked together collaboratively and typically focus purely on reimbursement.

Payers are slowly exerting more pressure on providers to increase transparency on claims, clinical processes in the hospital, and over-time quality outcomes. While the region has panel GPs (a group, of GPs and allied health service providers who have agreed to undertake priority activities), leaders are starting to discuss the concept of panel hospitals. This is leading to platforms that allow the secure exchange of data between hospitals and providers and the use of data and analytics to identify areas, such appropriateness of care, by clinicians and automated bill adjudication.

A recent example of the focus on aligning payors and providers is the Healthcare-Insurance Industry Pilot (HIIP), a healthcare and insurance cross-sector alliance between Singapore's healthcare and insurance segments. This alliance (which General Insurance Association Singapore represents), Life Insurance Association, Singapore, and the Integrated Health

Information Systems have recently announced a Call-for-Proposal (CFP). The CFP recommends an end-to-end health insurance claims platform to improve patient experience and enhance operational efficiency.

The above initiative aligns with Singapore's move towards a digital, innovation-driven economy that would bring more comprehensive benefits to Singaporeans. The pilot plans to bring about the following benefits:
•   Convenient access to patients' insurance policy details.
•   Faster claims processing.
•   Seamless authorization of data release.
•   Timelier exchange of data.

Overall, these new initiatives could be a win-win proposition for both insurers and providers and pave the way towards more affordable healthcare with high quality of care.

Asia-Pacific Healthcare Trends in 2021 Show Growth, Recovery, Transformation

As APAC braces for COVID-19 recovery and resuming the healthcare improvement journey, the region shows strong trends towards better healthcare access overall. Countries are focusing not on merely returning care delivery and quality to pre-pandemic levels but resuming their commitment to healthcare transformation. Increasing investment in digital health, a sustained eye on value, and a growing focus on payer-provider relationships stand to enhance healthcare delivery for communities across the APAC region and contribute to better health across the globe.

About the Authors

Farhana Nakhooda, SVP Health Catalyst, Asia Pacific (APAC), leads the overall vision and growth strategy of the Health Catalyst business across Asia Pacific. She is passionate about improving healthcare outcomes, access to care, as well as decreasing healthcare costs across the APAC region. Nakhooda has extensive experience with engagement at the intersection of medicine, technology, AI, and analytics. Before joining Health Catalyst, she was the IBM Healthcare & Life Sciences solutions leader for APAC for 18 years, where she played a key role in digitally enabling healthcare transformation projects across APAC, Eastern Europe, and Middle East/Africa. Nakhooda has more than 25 years of international experience in the healthcare and life sciences industry as a medical researcher and subject matter expert. She has a bachelor of science degree (with honors), in which she majored in biology and biochemistry, at the University of British Columbia. She completed her MBA at Monash Mt Eliza Business School in Melbourne, Australia.

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