

Asian Financial Forum 2017

Concurrent Workshop: The Impact of Mega Trends in Health and Technology on B2C Interactions

Synopsis

The panel session examined trends in health and technology. It covered the rising cost of healthcare and how technology and programmes using the data generated by that technology can be used by individuals to improve their lifestyle and health, by companies to reduce costs and improve employee health, and by insurance companies to reward individuals and companies that take a proactive approach to wellness. The data from wearable devices, health apps on mobile devices, etc. can now be integrated to motivate lifestyle changes that improve longevity, wellness and quality of life. Technology is allowing us to go even further, integrating genomics with personal data from wearable devices, etc. to improve health.

Moderator

- **Ms Yvonne Man**
Anchor, Bloomberg TV

Speakers

- **Ms Rosaline Koo**
Founder and CEO, CXA Asia
- **Mr Ben McDermott**
Director of Group Business Strategy and Corporate Development, AIA Group Limited
- **Dr Steven Tucker**
Founder and Medical Director, Tucker Medical, Singapore
- **Dr Derek Yach**
Chief Health Officer, Vitality Group

On what will become the biggest driver of fundamental healthcare change, Ben McDermott, Director of Group Business Strategy and Corporate Development, AIA Group Limited, said: "It is the combination of the DNA data, and data from wearable technology, mobile devices, etc. that will drive changes in healthcare. The integration of these data streams and how we interpret and use this data is both exciting and controversial."

Despite these exciting prospects, fellow speakers at the panel session were quick to point out that advances in healthcare technology come at a price. Steven Tucker, Founder and Medical Director, Tucker Medical, Singapore; and Rosaline Koo, Founder and CEO, CXA Asia, expressed similar concerns over the rising cost of healthcare. Speaking on the issue, Dr Tucker said: "The biggest issue is the rising cost of healthcare. Healthcare spending in Asia is expected to reach US\$2.7 trillion by 2020, bigger than the GNP of all Asian countries except China and Japan. Medical costs are growing faster than inflation, resulting in a significant health-protection gap. Many people simply cannot afford health protection." On a similar note, Ms Koo said: "The rising cost of healthcare is the major issue, exacerbated by the aging workforce, resulting in unsustainable healthcare costs for employees. The most dramatic change will be the influence of digital health in the workplace."

Derek Yach, Chief Health Officer, Vitality Group, spoke of the three macro-trends affecting healthcare: "There are three macro-trends," he said, "One is longevity. Life expectancy is much longer than expected. Hong Kong, for example, has the world's longest life expectancy, for both men and women. This is a triumph, but we also need good health. The second macro-trend is the diverse range of technologies available, providing the opportunity to use technology to improve our lives. The third macro-trend is that people are demanding a healthier life and look at health costs as an investment rather than a cost."

Moving on to healthcare issues which may not have been addressed, Dr Yach continued: "One issue is preventable disease. The biggest killer is tobacco. It kills a million people a year in China and will be the cause of death of a billion people this century. Another issue is emotional and mental health. These are major drivers of despair, pain and suffering, but they are low down on the agenda compared to physical health." Mr McDermott, meanwhile, pointed out an unhealthy lifestyle many people in Hong Kong share: "A major issue is lifestyle. A recent wellness study in Hong Kong showed that people have a 1.5-hour sleep deficit on average. Two of three adults want to lose an average of 6.9kg. Three out of four parents say their children do not get enough exercise. Only 8% of respondents have taken steps to improve their health."

Nevertheless, and echoing Dr Yach's comments on one of the three macro-trends in Hong Kong about people enjoying a longer life expectancy than in the past century, Dr Tucker said: "Longevity has more than doubled in the past century, from an average lifespan of 40 years to 87 years for women and 81 years for men in Hong Kong. Today, we are being tracked digitally, so we have the ability to measure the transition between health and disease and intervene."

The discussion moved on to the importance of health and its correlation with employee performance in the workplace. On this matter, Dr Yach said: “One issue is how important health is as a driver of company productivity. Companies rarely report on employee health, which can be even more important than equipment for company productivity. We report on environmental effects, but not on health effects. We need to work to put health up front. Health insurance and life insurance should be actively stimulating better health and better quality of life.”

Switching to the topic of how life insurers can make themselves relevant, Dr Tucker said it was important to properly differentiate between healthcare and medical care, and that insurers will adapt according to the needs of their clients. Mr McDermott, meanwhile, said: “Some insurers provide medical services, but this is reactive. The goal should be wellness – to provide longer, healthier, better lives. Insurers are becoming more proactive now, using the Vitality principle.” He also said that it was helpful for people to clearly understand their own health so that steps can be taken to preserve one’s well-being and reduce unhealthy lifestyle trends: “When people sign up for the AIA Vitality programme, for example, they find that their vitality age is 7 years older than their actual age, on average. They can reduce this difference by stopping smoking, drinking less, and getting regular medical and dental check-ups, etc.”

Dr Yach continued along the same theme: “People who improve physical activity, for example, are much more successful at stopping smoking, drinking, etc. Similarly, eating better may trigger interest in exercise. These are some of the useful results of data collection. One problem is that healthcare costs are seen as fixed costs, while wellness is treated as an extra by companies. The solution is better data integration. Show CFOs and CEOs how wellness programmes can save the company money. Getting the CEO on board opens the door to success.”

Ms Koo, meanwhile, spoke of what the future holds for healthcare and how concentrating on the prevention of illness would be a better option rather than searching for a cure: “What is wellness going to look like in the future? We should give employees the option to repurpose money to focus on prevention rather than cure. We can show the linkage between data and wellness to contain costs, reduce premiums and improve employee health, but this is mainly working with forward-looking companies, particularly American and European.”

Finally, Dr Yach rounded out the panel discussion with how advances in security can help stamp out fraud when conducting banking transactions: “We know that wealth accumulates with age, while financial cognition worsens with age. Banks recognise that as people get older they tend to forget their PIN numbers and passwords. Errors have implications for fraud. Banks recognise their responsibility to deal with wealth and cognition. Technology advances are allowing us to identify declining cognition,” he said.

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