

Middle East Healthcare Barometer 2020

In the face of a challenging healthcare environment, what do regional healthcare leaders think about the business prospects for the UAE?

By Inga Louisa Stevens, Contributing Writer

The healthcare sector continues to grow and thrive in both the UAE and wider Middle East region. Despite having seen positive investments in infrastructure and services this year, unfortunately, however, the region continues to grapple with issues around pricing and access, affordability, and regulation of medicines remains a challenge. Digitisation across the care pathway is aiding efficiencies and positively impacting patient care, while at the same time providing a quality patient experience.

In an effort to provide a greater insight into the current regional business landscape, communications consultancy group Hanover conducted an online survey interviewing 102 senior-level decision makers within healthcare businesses across the region.

“Hanover’s Healthcare Barometer 2020 explores the industry’s perception and attitudes with regards to the healthcare sector in the UAE and GCC, while also examining the key drivers in business growth and exploring any challenges that business leaders are experiencing,” explains Simone Elviss, Director – Healthcare, Hanover Middle East. “The barometer also examined the areas where industry insiders are expecting to see the greatest growth.”

Business confidence

Senior decision-making survey participants were asked how confident they were that their healthcare businesses would experience growth in the region this year. 94 per cent said they felt confident or very confident that their revenues would grow in 2020. In contrast, 4 per cent felt a lack of confidence in their growth prospects. 2 per cent took a neutral view.

Barriers to growth

The Barometer showed that competition and government policies came out as the most important barriers to growth in the region.

According to Elviss, neither of these comes as a great surprise and intense competition exists at all ends of the healthcare spectrum. “In some specialist areas there is plenty of capacity – much underutilised – with new clinics opening regularly, thus the need to differentiate one’s business from competitors is paramount. Hospital services are expanding, as are the smaller, community-based

healthcare providers. The quality and reputation of their healthcare practitioners, as well as niche or specialist service offerings are key to attracting and retaining patients.”

Government policy was once again mentioned by the participants and continues to be a key issue for healthcare organisations operating within the region, as it has a direct impact on the ease of doing business. New and evolving government policy, including the recent introduction of VAT into the UAE, was mentioned as specific challenges, which pointed to both a financial implication and continued business uncertainty. One pressing area of policy specifically called out by research participants was pricing and reimbursement, which presents challenges for businesses across the region.

Drivers of growth

The Barometer revealed that half of the businesses polled said that openness to technology and innovation would be the biggest driver of growth, followed by infrastructural growth and an increase in healthcare spending in the region.

Innovation revealed itself as a driver for growth over the next three years. “This aligns with the UAE’s National Innovation Strategy, under which health is a priority sector. We are seeing this in practice across the system with the launch of more telemedicine services, health information exchanges and a forward push to approve innovative medical products alongside FDA or EMA approvals,” Elviss explains.

Respondents also mentioned increasing consumer demand as a major opportunity for the future, with a particular focus on ensuring all

Factor	Ranking
Recommendations from friends and family	1 = most important
Trust and reputation	2
Brand loyalty	3
Cost	4
Recommendations from a healthcare practitioner	5
Quality of facilities	6
Experience with staff	7 = least important

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members of society are catered to. In addition, enhancing learning and development opportunities for those employed within the sector – as well as establishing equal opportunity hiring practices – was seen to help strengthen the industry.

Investment

Respondents indicated that they expected to see investment in innovation and medical facilities in the next three years. Elviss says: “There is an expectation of improved care and support systems – this could be in the form of patient support programmes and advocacy groups – improved medical facilities with state-of-the-art technology, in addition to equipment and insurance coverage of new pharmaceuticals. Priority disease areas such as diabetes were called out to be a specific focus.”

Digital technology

When asked how they thought digital technology would impact healthcare in the next three years, survey participants mentioned an improvement in services, as well as more convenience and speed when it comes to accessing healthcare.

In terms of improved services, the ability of digital technology to enhance streamlined processes online such as lab reports, sharing medical records with patients, and improved accuracy and record keeping were all highlighted by respondents, as well as aiding facility management and operations.

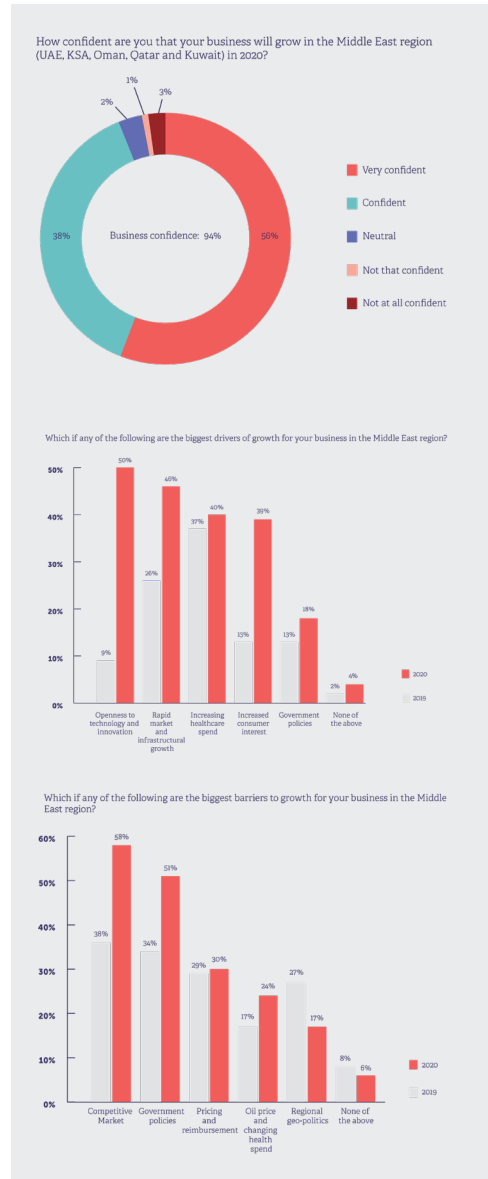
Improving the convenience of healthcare services was a second highlight, with a focus on speed and flexibility. Putting the patient at the centre of managing their own health was also highlighted and the popularity of wearable devices that track movement and vitals is an indicator that this could work in practice.

Customer demand

When asked to rank the following factors from most to least important in driving patient or customer decision-making, respondents said the top three things patients and customers look up to are recommendations from friends and family, trust and reputation, and brand loyalty. “Interestingly, the least important factors were considered to be quality of service and personal experience, while cost of treatment sits in the middle,” says Elviss.

Pricing and reimbursement

The issue of pricing and reimbursement – particularly of new and innovative medicines – remains a major challenge for both pharmaceutical companies and payers in the region. Beyond this, cost control and efficiency are increasingly



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scrutinised but the demand for quality and service remains high.

According to Elviss, when asked about challenges around pricing and reimbursement, affordability of treatments, cost control, and quality of service were all concerns mentioned by those surveyed.

Communication

Finally, respondents were asked about their PR and communications activity. 98 per cent of businesses polled recognised that PR and communications were an important part of their marketing mix: 34 per cent said it was somewhat important, and 64 per cent said it was very important.

“In a market that has been described as highly competitive by senior business leaders, it is more important than ever for companies to differentiate themselves in order to stand out,” Elviss explains. ✦