

Insurance is affordable – AAR's Ariho

AAR insurance has been operating in Uganda for over 30 years, in the health insurance sub-sector. Samuel Sanya spoke to Trevor Ariho, the general manager of AAR Health Services about the company's health insurance strategy. Below are excerpts of what he said.

Q: Tell us about wellness and management of chronic illnesses.

A: Last year, we embarked on a wellness campaign that informed our strategic direction for this year. We wanted to know if any of our 53,000 members had a chronic illness and so we banded those who we found with a chronic illness into groups. We followed the Rotary model in forming the bands; the bands are by location of the members.

So far, we have seven bands of members with chronic illness; the bands are in the city suburbs of Luzira, Naalya, Bugolobi, Mbuya, Kibuye, Muyenga and Kololo. There is an average of 50 members in each band. We hope to create more bands in the greater Kampala by the end of this year and then spread out around the country later on.

Creating these bands has cut the costs of taking care of members who have chronic illness by as much as 97%. All we do is hire at least three specialists and a hotel where all patients get to consult the specialists and receive instant medication. It would have been a lot more expensive if each patient were to be charged consultancy fees, fees for drugs and so on, independently at a health service provider.

Through these bands, we are able to keep in touch with the patients and

monitor them.

What kind of services does AAR wellness club provide for members?

When we look at the history of insurance, it has always been to take care of people when they fall sick. But, we make money when people do not fall sick. We are interested in both curative and preventive means of health care management, but over 30 years, we have been investing more in preventive measures, so that people do not fall sick.

In that regard, we have partnered with four gyms and one spar, which AAR members will be able to access by showing their wellness card. There is the ordinary card, but you only need to add a little more to your premium to get the wellness card. We started the wellness clubs because we found that many of our members were not working out. Through going to the gym and doing aerobics, our members will be able to exercise, keep fit and stay healthy.

Do you provide medical cover for individuals with pre-existing chronic illnesses, including cancer? In case a policy holder requires travelling abroad for a bone marrow transplant or specialised surgery, can AAR



Ariho, the General Manager at AAR Health Services

continue paying the same premium for up to a year as we monitor them. In case someone is not a member, but requires surgery abroad, we only charge an administrative fee and arrange for them to be flown abroad.

Research data shows that one in two adults worldwide are living with at least two chronic diseases. Doesn't this make health insurance too expensive?

Yes it does. In Kenya, the government has negotiated with India for their citizens to be charged less whenever they go there for treatment. As AAR, we took part in recent negotiations on behalf of all Ugandans. We are close to signing a deal by the end of next month, where any Ugandan getting treatment in India will enjoy discounts of up to \$3,000 (sh10.5m) on treatment in India. We are also negotiating with Emirates, Qatar and Kenya Airways for a 10% discount for fliers, who travel for medical reasons to India and the gulf countries. Turkey and Dubai are emerging as key destinations for specialised health care and we are already creating contacts there, in preparation for the time when these places over take India.

Insurance companies should not sit back in their offices and wait for people to seek for insurance. The profitability of the industry will increase if insurance companies reach out, create partnerships and negotiate to decrease the cost of insurance. We need to break the perception that insurance is for the rich. It is necessary for the ordinary Ugandan, to be able to afford insurance.

insurance cover the cost?

Yes, we cover pre-existing conditions and we have flown out clients for specialised surgery abroad. The premium ranges between sh2.5m to sh30m, but when it comes to treatment, we meet the entire cost. The most expensive surgery we have paid for so far was at \$120,000 (about sh420m) in the US. We have experts who can diagnose a patient via telemedicine, even before the patient travels. By the time they get to the hospital abroad, everything is ready. Normally, we select three very good facilities and the patient can choose one; in case they already have a facility of choice, we get them two more good options.

We have an experiential-based pricing policy, which is based on utilisation of the insurance cover. In case someone develops a chronic illness while a member, they can

Sh420m
The most expensive surgery, AAR has paid for.

Interview