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NO UNIFORMITY IN COST STRUCTURE AT GOVERNMENT, PRIVATE HOSPITALS

COVID-19 effect: Premium for health insurance set to rise by up to 25%

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THE DEMAND for health insurance and premium is expected to rise in the coming months, even as insurance firms have started getting claims from customers for coronavirus (COVID-19) treatment, amid complaints of high costs being charged by some hospitals across the country.

As per insurance sector experts, demand for health insurance is expected to rise as the pandemic has spread across the country and insurance regulator Irdai has included more illnesses under the health cover. Premium is likely to rise by up to 25 per cent. As per the standard operating procedure issued by the Home Ministry earlier this week, social distancing for offices, workplace, factories and establishments and medical insurance for the workers will have to be made mandatory. In a recent circular to insurance firms, Irdai said insurers should offer comprehensive health insurance policies either to individuals or groups in order to enable the listed organisations, employers and establishments comply with the directions of the Ministry.

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Standardisation of treatment

THE AVERAGE treatment cost in the case of COVID-19 patients is very high. Only isolation and medicines are needed and, in severe cases, patients are put on ventilators. The government and the regulator need to bring in some guidelines for hospitals on reducing the hospitalisation charges for COVID treatment. Otherwise, health premium may increase in the coming months.

Insurance sources said around 300 claims relating to COVID-19 treatment have already come to them involving an amount of Rs 5 crore. Different hospitals are charging different rates for the same treatment. The cost structure should be uniform. Moreover, there is also a feeling that the treatment charges of private hospitals are high while government hospitals in some states are providing free treatment. "One reason for the high cost could be the precautionary measures taken by hospitals like PPEs, ICU and ventilators costs are high. Still the government and IRDAI should intervene and bring about uniform treatment protocol across the country," said an insurance source.

Tapan Singhel, CEO, Bajaj Allianz GI, said, "Health insurance policies are covering pandemic. In fact, the expense is not little as many would think. Even in government hospitals, the trend that we are seeing is that, the expense is varying between Rs 25,000 and Rs 5 lakh, depending upon the seriousness and severity of illness. You should realise that a person going to see him has to wear a full suit and there are other different kinds of expenditure in this case."

A senior official with another general insurance company said the Council has requested the regulator and the Centre to intervene with the hospitals, so the treatment and charges for COVID can be standardised. "While the aver-

Irdai asks health insurers to settle claims in 2 hours

New Delhi: Irdai has directed insurers to take decision on health insurance claims within two hours, a move aimed at alleviating pressure on the country's healthcare infrastructure currently facing the heat of the coronavirus outbreak. **PTI**

age claim last year for the industry stood at around Rs 40,000, in case of COVID treatment, the average claim is about Rs 1 lakh even though there is no surgery involved," he said.

Experts said COVID treatment can be done under the Ayushman Bharat or Pradhan Mantri Jan Arogya Yojana. As of November 2019, 20,908 hospitals were empanelled, 62.57 lakh hospital admissions were reported and over 11.4 crore e-cards were issued under the Ayushman scheme. PM-JAY and the e-card provide coverage of Rs 5 lakh per family per year, thus helping the economically disadvantaged obtain easy access to healthcare services.

Irdai also recently revised the

guidelines and directed insurers to make health insurance products more standardised and start providing treatment for a number of important ailments like Alzheimer's, Parkinson, AIDS/HIV and mental illness, which were earlier excluded from the list of diseases covered under a health cover.

"The refilling of health plans after the revamp of the products will lead to a price rise that may range from 5 to 25 per cent. The price range is significantly wide as there are over 20 insurers which have their individual price filling and underwriting process," said Amit Chhabra, health business head, Policybazaar.com.

The world has faced dreaded viruses such as Ebola, Zika, MERS, Nipah and now the recent outbreak of COVID-19 in the past five years. As deadly viruses spread around the world, the costs associated with testing and treatment for the attacks are weighing on patients who are underinsured or uninsured. "Several studies reveal that in India personal saving is the source of healthcare financing, with over 62 per cent of healthcare expenditure being out of pocket," said Sapna Desai, head, marketing and communications, Manipal-Cigna Health Insurance.