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Despite a directive from the insurance regulatory authority in 2019 that modern medical treatment be covered under insurance policies, medtech companies say they still face some obstacles in getting their technology covered under a few companies' plans. Insurance consultants, who are helping facilitate the dialogue between medtech and insurance companies, told ET that this may be because of ambiguity in the wording of the directive from Insurance Regulatory and Development Authority of India (IRDAI).

Despite a directive from the insurance regulatory authority in 2019 that modern medical treatment be covered under insurance policies, medtech companies say they still face some obstacles in getting their technology covered under a few companies' plans. Insurance consultants, who are helping facilitate the dialogue between medtech and insurance companies, told ET that this may be because of ambiguity in the wording of the directive from Insurance Regulatory and Development Authority of India (IRDAI).

"The directive says the treatments will be covered whenever medically indicated, which can be interpreted as 'only covered if necessary,' and not by the patients' choice," they said. Insurance companies, medtech firms say, use this to reject technologies like Robotic-assisted surgeries (RAS). The insurance loopholes, companies say, are hampering their growth in the country.

Mandeep Singh Kumar, the VP of Intuitive Surgical India, which builds technology for RAS, told ET that many health insurance policies have sub-limits, restraining full access of their product to a wider section of the population. "One of the best ways to address this gap is to sensitize patients, providers (hospitals), and payers (insurance companies) about the benefits of RAS," he said.

The Nasdaq-listed company, whose Indian operations are headquartered in Bengaluru, is in talks with several insurance firms to get their procedures universally approved. "We are also working with Third Party Administrators (TPA) to ensure that the mandate for comprehensive coverage of RAS is uniformly applied," said Kumar.

According to IRDAI's circular, Robotic Surgery is listed as one of the treatments companies cannot exclude in health insurance policy contracts, whenever medically indicated. While RAS may not always be a necessary or even inexpensive option, the treatment has significant postoperative benefits over traditional surgeries, Aster International Institute of Oncology's global director Dr. Somashekhar SP told ET.

The surgeries are currently a more expensive option, and can cost up to 20% more than a traditional procedure. Dr. Somashekhar chalked up the hike to initial equipment set-up and maintenance cost. "Under robotic assisted surgeries, the patient can generally go home in 48 hours and doesn't have to spend time in the ICU, saving on those costs. Plus they can get back to work in a week, which means very little loss of pay or leaves," he said.

Some insurance firms, he added, have begun to include new-age treatments in their policies in metro cities. Hospitals and patients in tier II and III cities, however, still face issues. "In small towns, some insurances cover only up to 20% of the treatment costs under new technologies. This makes it harder for patients in those towns to have access to modern treatment methods," he said.

Bengaluru-based precision radiation therapy solutions Elekta is also in talks with insurance firms to get its technology covered under policy plans. "Integration of advanced treatment methods, such as the MR Linac that leads to precision care and efficiency in treatment need an independent voice within the policy...it is important that patients have access to these newer treatment options without the initial financial obstacles," MD of Elekta Manikandan Bala told ET.

Insurance firms however, view the situation in a different light. Bhaskar Nerurkar, who is the head of health administration at Bajaj Allianz General Insurance told ET that the company doesn't outright reject modern medical treatments from its retail insurance plans. Group policies, he said, are designed based on customer requirements and may have certain limits. "Our system is that we have a panel of doctors who advise us. If the treatment was really required, it will be covered," he said.

In June this year, a consumer court in Vadodara delivered a verdict, saying insurance firms can't decide which expense isn't necessary for medical treatment and how much maximum amount can be paid for it. "Reasonable charge," which insurance firms are supposed to pay, meant charges necessary for the patient's medical treatment, the verdict said. The firm cannot decide on how much and what kind of expense a doctor can do during the treatment.