

NO MORE RUNNING AROUND Health firms design plans to cover OPD expenses

Cashless Cover for Doc Fees, Pharma Bills Coming Soon

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Mumbai: OPD or outpatient department expenses are a major lacuna in health insurance policies, which are centred on hospitalisation. That, however, could change with health insurers working on products that cover OPD as well.

Insurers like Bajaj Allianz and Royal Sundaram are mulling standalone products that reimburse OPD, consultation and pharmacy expenses to policyholders on a cashless basis. ICICI Lombard had rolled out an OPD cashless facility for its corporate customers in 2014.

"We are planning to come out with a standalone OPD product in the next financial year as customers genuinely feel the need for such a product. The cashless facility will be offered in the hospitals that are part of our network," said Suresh Sugathan, head, health insurance, Bajaj Allianz General.



Many insurers have started providing outpatient coverage to large corporate clients and have built their own cashless networks. "Hence, it is very natural that they will extend cashless OPD covers for retail policyholders too. This trend should catch on this year," said Mahavir Chopra, head, health, accident and life insurance, Coverfox.com

Insurers are working around certain hurdles in designing such products.

"We are contemplating bringing out an OPD product, but are in the process of navigating our way through the challenges on administering it," said Nikhil Apte, head, product factory (health), Royal Sundaram, adding that they are trying to put in the IT infrastructure in place to take care of payment mechanism and sub-limits.



"OPD product has a challenge of overconsumption by customers as they can just walk into a chemist shop or a dentist and avail medicines, tests, consultation and we don't have time to check if payable or not unlike a hospital claim, thus claims ratio could be very high," he said.

For such products, insurers will have to bank on a reliable network of OPD clinics, doctors and pharmacies where insurers get preferred bulk rates. "This is important for OPD products to be viable, despite higher consumption rates," said Apte.

"The newer OPD products are likely to work like a prepaid card where the policyholders can swipe to pay the bills for allowable expenses up to a pre-defined limit," added Chopra.