

Covid treatment: GI Council for standard rates

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The General Insurance Council (GI Council) has come up with an indicative rate chart for treatment of Covid-19 patients to guide insurance companies during the claim settlement process. The rates will be reviewed every month.

For cases where the rates charged are more than the indicative rates because of various medical exigencies, insurance companies will consider them while processing claims on a case-to-case basis.

Insurance experts said it may be difficult to set a tariff or fixed rates for Covid-19 treatment, hence an indicative rate chart has been proposed. Without this, in the event of exorbitant charges being levied by hospitals, the medical cost payable as insurance claims would go up. This would ultimately result in premia going up.

"Covid-19 is a new illness with no established protocols and standardised treatment costs. This may at times result in an insurance company raising questions on the amount spent on the Covid-19 treatment. This creates a huge uncertainty in the minds of the GI Council said.

In the absence of any standardised rates for Covid-19 treatment, it has been seen that hospitals, in some cases, were charging a lot for Covid-19 treatment, forcing insurance companies to question the claims.

"The GI Council has taken an overall view and has standardised the Covid-19 treatment costs, in consultation with insurers. This will benefit both customers and insurers. Insurers have a negotiated agreement with hospitals and these rates will act as

the upper limit to the rates negotiated with hospitals," said Rhaskar, Narakar, head-health claims, Bajaj Allianz General Insurance.

"Initially, claim amounts were a bit high and now we are seeing them stabilise. The average claim amount may not come down any further but it (the GI Council's move) will help standardise the claims and act as a deterrent to hospitals asking exorbitant charges," he said.

The average claim amount for Covid-19 treatment is ₹1.2-1.5 lakh. But in metro cities, it may be even higher. So far, insurers have received Covid-related claims to the tune of over ₹300 crore.

"It (the indicative rate chart) will quicken the process of claim settlement," said Amit Chhabra, business head-health, Policybazaar.com.

"If the rates announced by the GI Council are implemented properly, policyholders will be benefitted the most. This may become a milestone in standardising treatment cost," said Dr S Prakash, MD, Star Health and Allied Insurance.

The council has proposed creating a consensus on billing pattern for Covid patients on a per-day basis, based on criteria such as type of stay and treatment, city or district hospital, and type of hospital. Accordingly, hospitals have been segregated as National Accreditation Board for Hospitals & Healthcare (NABH)-accredited hospitals and non-NABH hospitals.

As far as NABH-accredited hospitals are concerned, they can charge up to ₹10,000, including the cost of PPE, isolation bed and supportive care, and oxygen, in case of moderate sickness. In case of ICU beds without a ventilator, accredited hospitals can charge up



RATE CHART

The proposed cost per day as a ceiling for various types of stays in hospitals (in ₹)

Category of hospitals	Moderate sickness isolation beds including supportive care & oxygen	Severe sickness ICU without need for ventilator care	Very severe sickness ICU with ventilator care (invasive/non-invasive)
NABH accredited hospitals (including entry level)	10,000/- (including cost of PPE ₹1,200/-)	15,000 (including cost of PPE ₹2,000/-)	18,000 (including cost of PPE ₹2,000/-)
Non-NABH accredited hospitals	8,000 (including cost of PPE ₹1,200/-)	13,000 (including cost of PPE ₹2,000/-)	15,000 (including cost of PPE ₹2,000/-)

Source: General Insurance Council

to ₹15,000 (including the PPE cost) and for ICU with ventilator, they can charge up to ₹18,000 (including the PPE cost).

Non-accredited hospitals for isolation beds can charge up to ₹8,000 for isolation beds, ₹13,000 for ICU beds without a ventilator and ₹15,000 for ICU beds with a ventilator. The pro-

posed hospital cost per day will include consultation, nursing charges, coronavirus testing, PPE, drugs, and other consumables. However, it excludes treatment of any co-morbidity conditions, for which ₹5,000 will be charged.

Metropolitan hospitals can charge up to 100 per cent of the ceiling rates

per day, while state hospitals can go up to 90 per cent of the ceiling rates and hospitals in the rest of the country can go up to 75 per cent of the proposed rates. Also depending on the type of the hospital and the number of beds, the GI Council has proposed rates for hospitals treating Covid-19.

"The GI Council's proposed Covid-19 treatment rates should be adopted by insurance companies so that patients get some relief from the financial burden of Covid treatment. Insurance companies should also reduce the waiting period and extend the ceiling for patients suffering from co-morbidities," said Abhishek Kapoor, executive director, Regency Healthcare.

"The standard rates proposed by GI Council will bring transparency in the settlement of Covid-19 related insurance claims. The inclusion of PPE and coronavirus testing charges will help in the faster settlement of claims," said Abhijit Chatterjee, EVP and head-claims, IFICO Tokio General Insurance.

Differing with insurers, Dr Kousar A Shah, group COO, Akash Healthcare & Super Speciality Hospitals, Dwarka said: "Mandating one particular price for all type of hospitals, irrespective of their size, facilities, clinical specialists, infrastructure, etc, appears to be a decision taken in a hurry. A nursing home, which has its ACPB (average cost per bed) cut short due to its practices (asking patients to buy their meals and medicines) cannot be compared with a tertiary care, five-star hospital."

"This difference could have been minimised by creating a different type of price capping in a ladder form, based facilities and type of care a hospital provides," Shah added.