

Insurance customers get better rates and faster service from hospitals that are part of the insurer's network

Enter the network for better health

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One big benefit touted by distributors while selling a health insurance policy is the insurance company's hospital network, which often runs into thousands of hospitals/outlets. The biggest advantage is that cashless facility is available only at a network hospital.

Health insurers use terms like network hospital, preferred hospital and non-preferred hospital to tell you about the nature of the tie-up or relationship with a particular hospital. A network hospital has a tie-up with a health insurer for providing cashless facility. Customers can expect better-negotiated rates, green channel entry and exit, discounts on Out Patient Department (OPD) and waiver of certain charges in network hospitals. However, the quality of treatment should not really differ between the network and non-network hospitals, said experts that DNA Money spoke to.

Network v/s non-network hospital

A hospital, which has a tie-up with a health insurance company or general insurance company for providing cashless facility to their policyholders, is referred to as a network hospital. A preferred hospital is part of the network hospital.

"These hospitals have an agreement with health insurance companies to offer treatment that is as per pre-defined packages for policyholders who avail the cashless facility," said Mayank Bathwal, CEO Aditya Birla Health Insurance.

At times, corporate customers may request for a customised network of few preferred hospitals for cashless services etc. "These terminologies do not influence



KNOW YOUR NETWORK

- A network hospital has a tie-up with a health insurer for providing cashless facility
- A non-preferred hospital may have a negative trend/ fraudulent claims history
- Customers can get better-negotiated rates, green channel entry and exit, OPD discounts, waiver of certain charges
- Quality of treatment shouldn't change between network and non-network hospital

customers' cashless experience, but may have some differentiated services for distinct policyholders based on the products chosen," said Sanjay Datta, chief - underwriting & claims, ICICI Lombard General Insurance.

However, there a few things to remember when you get admitted to a non-preferred or non-network hospital. A non-preferred hospital is not a part of the

network hospital, as there is no agreement/MoU between the hospital and the insurer or there has been a negative trend/fraudulent claims history explained Bathwal. Disciplinary action may have been taken against such hospitals. Hence, customers cannot avail cashless services in non-preferred hospitals and they have to pay from their pocket and opt for a reimbursement claim.

"There exists a subset of these hospitals wherein insurance companies do not allow reimbursement claims facility too, basis the negative trend observed with such hospitals. Insurance companies inform policyholders about such list of hospitals pro-actively and on a periodic basis," added Bathwal.

Sukhesh Bhavne, head-accident and health claims, SBI

General Insurance said that typically, some insurance companies create a preferred provider network (specifically PSUs).

"However, the limitation is that the number of providers agreeing to be a part of such a network is relatively smaller," he added.

Increase in network hospitals

According to Vikas Mathur, head - health, Universal Sompo General Insurance, most of the planned hospitalisation medical treatments are for cardiac ailments, kidney and gall-bladder stones, cataract surgeries etc. "The number of network hospitals has also increased considerably over a period in tier-2 and tier-3 cities, which has made healthcare facilities accessible to customers on a cashless basis," he said.

Customers also prefer to avail cashless facility, as compared to the reimbursement facility, as the latter is more cumbersome. Cashless facility availed by customers has gradually increased over a period of three years.

"We can expect a rise in the number of cashless claims in future due to the accessibility of network hospitals," added Mathur.

From a health insurance customer's point-of-view, it pays to be treated in a network/preferred hospital. Bhaskar Nerurkar, head - health administration team, Bajaj Allianz General Insurance explained: "Preferred providers for us are those who give the insurer's cus-

tomers added advantages like better-negotiated rates, green channel entry and exit, OPD discounts, waiver of certain charges, etc. This primarily helps customers save on their out of pocket spending. The experience in terms of quality of treatment does not change in either category, however, the preferred provider option will be more cost-effective and efficient."

Customers should always try to get treated at a network hospital. "In the event of unexpected hospitalisation, the policyholder can immediately approach any of the network hospitals and take advantage of the health insurance plan - either by getting medical treatment at reasonable costs or by availing the cashless hospitalisation benefit," said Jyoti Punja, chief operating officer and customers officer, Cigna TTK Health Insurance.

Any health insurance policy will mention the complete list of all network hospitals they are associated with. It is advisable to have the network hospitals list always handy for quick emergence during medical emergencies, she added.

Insurance companies have a better equation with preferred hospitals, which ensures that the customer receives hassle-free services, said S Prakash, chief operating officer, Star Health and Allied Insurance. "The insurance company verifies the infrastructure and quality of the services in order to enhance the customer experience," he said.

Cashless facility is not allowed in a hospital that is not part of the insurer's network. In some cases even reimbursement may not be allowed if the insurer has had a prior experience of fraudulent claims