IRDAI's directive on ABHA IDs to revamp healthcare & insurance: Leaders

According to industry leaders, the IRDAI's directive to create unique 14-digit ABHA IDs, which is a key constituent of the larger Ayushman Bharat Digital Mission will usher in better efficiency, transparency, and accessibility in the healthcare and insurance landscape. Read here to know how this initiative will benefit the insurers and the insured.

The Insurance Regulatory and Development Authority of India (IRDAI) has directed insurance companies to create the Ayushman Bharat Health Account (ABHA) IDs, for both new insurance seekers and existing policyholders.

ABHA ID is essentially a 14-digit unique identification number allocated to the insured which can be voluntarily created for new proposals or for existing customers during renewal.

\The move is in line with IRDAI's vision of digitizing the entire industry to usher in better efficiency, transparency, and accessibility, which in turn will enhance insurance penetration in the country, said Anand Roy , MD and CEO, Star Health and Allied Insurance.

The ID is a key constituent of the larger Ayushman Bharat Digital Mission (ABDM) being implemented by the National Health Authority (NHA). While NHA has created 402.6 million ABHA IDs so far, the target is to cover all Indians.

"The unique health ID will enable citizens to digitally access and manage their healthcare information while simplifying the processing of insurance claims. This can also lead to insurers launching personalized products based on one's medical history maintained with ABHA," he highlighted.

On a similar line, Dr. Bhabatosh Mishra , Director- Product, Underwriting & Claims, Niva Bupa echoed that the universal identifier will help create a health data repository which can be used to access and digitally share one's health records, with prior consent.

"It would give insurers easy and timely access to a person's medical information in a safe and paperless manner even while helping the individual with a transparent and speedy process of claims servicing," he said.

Welcoming the IRDAI's directive, Tapan Singhel , MD & CEO, Bajaj Allianz General Insurance added that the initiative will bring greater transparency to the system apart from facilitating speedy settlement of claims.
"The regulator, healthcare industry, and insurers are coming together for the development of this mechanism which will dedicatedly address customers' health worries and support them with faster resolution," he added.
Digitizing healthcare and insurance landscape

Mayank Bathwal, CEO, Aditya Birla Health Insurance pointed out that the introduction of ABHA IDs by the regulator will induce transformative power of digitization in the healthcare and insurance landscape.
"ABHA ID system acts as a bridge, connecting different stakeholders in the healthcare and insurance ecosystem. By embracing this digital revolution, health insurance can be seamlessly integrated with personalized care," he said.

The adoption of ABHA IDs is in line with the insurance industry's digital transformation. It encourages the use of technology, data analytics, and digitized processes, enabling insurers to operate efficiently, deliver superior customer experiences, and remain competitive in the digital era, Aniruddha Sen , Co-founder of Kenko Health highlighted.

Effective, efficient and fraud prevention

The implementation is likely to enhance efficiency and reduce costs by streamlining processes and eliminating extensive paperwork and manual verification, which can be time-consuming. This, in turn, not only reduces administrative overheads but also expedites insurance operations, Sen highlighted.

She further added that the ABHA IDs align with the government's objective of strengthening fraud prevention measures through Aadhaar-based biometric authentication. By linking policies to unique biometric data, fraudulent activities like identity theft and multiple claims can be reduced.

The IRDAI's directive advising insurers to establish ABHA IDs is a significant step towards strengthening accountability and transparency in the Indian insurance landscape, echoed Raghavendra Rao , Chief Distribution Officer, Future Generali India Insurance.

"It is expected to have a positive impact on the industry by promoting compliance, enhancing consumer trust, and driving innovation through streamlined data management," he said.