

# Seeing lower claims, health insurers take heart from cap on stent prices

Move to bring in transparency in pricing; procedure cost to come down by 25%

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The capping of stent prices by the National Pharmaceutical Pricing Authority (NPPA) is bringing smiles not only to heart patients but also to health insurers.

The loss-making health insurance sector is expected to gain as it could reduce the claim payouts, industry experts say.

The NPPA had in February imposed a ceiling on the prices: ₹7,260 for bare metal stent and ₹26,600 for drug-coated one. The price was in the range of ₹45,000 to ₹1.21 lakh before the



imposition of the cap.

"The move would result in reduction of around 25-30 per cent in total procedure cost. As hospitals will now have to separately bill the cost of stent, it will bring in transparency in pricing," Abhijeet Ghosh, Head, Health Insurance, Bajaj Allianz General Insurance, told *Busi-*

*nessLine*. However, the exact impact on the quantum of claims outgo is difficult to ascertain immediately, he added.

## IIB data

The data of Insurance Information Bureau (IIB) lends support to the allegation that corporate hospitals in metros cities could be involved in escalating cost of healthcare.

The top six metro cities reported 25 per cent of all the health insurance claims made in the country and received 30 per cent of total health insurance claim payouts.

The claim size too varied. At ₹43,324 and ₹36,034 Mumbai's and Kolkata's average claim size was significantly higher when compared to Bihar where the average claim size stands at ₹10,451. The data is available only for 2014 and it must have gone up further now, feel in-

surers. The data reflects a significant disparity between the cost of healthcare in leading cities and rest of India. This simply means that a cost of procedure in a metro city is much higher when compared to treatment in tier II or III city or town.

Other insurers also agree that the capping of stent prices will be of help. "This is a good move and is expected to be gainful for health insurers and patients," said Sanjay Datta, Chief of Underwriting Claims and Reinsurance, ICICI Lombard General Insurance.

Jyoti Punja, Deputy Chief Executive Officer, Cigna TTK Health Insurance also agrees. "Yes. It definitely helps," she said.

According to the government estimate, price control of stents will result in annual savings of about ₹4,450 crore for patients.