

As bills soar, patients & insurers feel the impact

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Chennai: Medical inflation has been growing at 10-20% year-over-year, impacting patients, dependent family members and insurance companies.

While hospitals have been steadily increasing their charges, insurers have not.

The main problem, rue insurers like New India Assurance say is that the insurance industry has a strong regulator and a stringent legal framework in place, while the medical industry does not. "It would be unfair to charge our customers 4X amount just because hospitals keep increasing their pricing every year. Medical inflation has been a problem and we have been pushing as an industry for more oversight and better regulation of hospitals," said G Srinivasan, CMD, New India Assurance.

Insurance companies and

For the Tamil Nadu Chief's Minister Comprehensive Health Insurance Scheme, complaints or a spike in surgeries or costs is observed in certain hospitals if followed up by an investigation.

TPAs at times have blacklisted hospitals for inflation of bills and intentional fraud. "The problem is when hospitals engage in soft fraud — inflating bills — we can send them a show cause notice. Sometimes for more serious offences or violations we do register an FIR with the police. But that is the extent of what we can do," said Abhijeet Ghosh, head, health insurance, Bajaj Allianz General Insurance.

"We could blacklist them and not offer cashless facility. But if a customer chooses to go to those very same hospitals and file for reimbursement, we cannot deny the claim," he added. Another worrisome trend for insurers

has been the government's decision to cap the price of stents. After stent prices were capped, hospitals have apparently been making up for their losses on stents by increasing room rent, surgeon's fee and other costs.

"Now there are bodies like the National Accreditation Board of Hospitals (NABH), but they are more concerned about patient care, safety and documentation. There is no regulation on the pricing. How much should the average room rent cost a city hospital? What should be the cost of a surgical procedure? The average surgeon's fees? Nothing is regulated," said Ghosh.