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A guide to managing diabetes-related costs

Besides the price it exacts on your health, diabetes also places enormous strain on individual finances. Find out ways to mitigate the financial burden.

by Preeti Kulkarni

An internal claims analysis by Bajaj Allianz says the number of diabetes-related claims has risen 120% between 2016 and 2019. The increase is 90-153% for those between 40 and over 60 years old. The sharpest rise in absolute terms has been in the 20-30 age bracket. "A 164% rise in claims in the 20-30 age group is worrying. Diabetes is becoming an alarming lifestyle issue," says Bhaskar Nerurkar, Head, Health Claims, Bajaj Allianz General Insurance. While the average claim size for diabetes-related hospitalisation is ₹60,000, expenses can run into lakhs of rupees.

A diabetic may have to spend more than ₹3,000-4,000 a month towards tests, medicines, insulin shots, customised diet and so on. As India is home to the largest number of diabetics in the world, medical management of the disease and related complications is critical. Dealing with the economic impact of diabetes is equally important. There are resources you can tap to fund healthcare expenses if you are diabetic.

Regular health cover

If you and your family, including parents, are covered by your employers' group health cover, diabetes is covered from day one. Opt for such plans even if you have to fund the premium for your parents. This is

Diabetes-specific plans are expensive

The downside of generic health plans is the longer waiting period.

	INSURER	PLAN	ANNUAL PREMIUM (40-YR-OLD)	ANNUAL PREMIUM (60-YR-OLD)
REGULAR COVERS	Religare Health Insurance	Care	₹6,871	₹18,498
	Apollo Munich Health Insurance	Easy Health	₹8,169	₹19,504
	Star Health Insurance	Medi Classic and Senior Citizen Red Carpet	₹7,251	₹21,240
DIABETES-SPECIFIC COVERS	Apollo Munich Health Insurance	Energy Silver	₹14,520	₹30,291
	Star Health Insurance	Diabetes Safe Plan A and Senior Citizen Red Carpet	₹13,676	₹21,240
	Religare Health Insurance	Care Freedom with Health Checkup	₹12,036	₹23,732

For a male policyholder living in a metro, choosing a cover of ₹5 lakh. Source: Policybazaar.com and company websites.

because if you are diabetic, a regular plan will either be denied or come with premium loading of over 25%. "Your first choice should always be generic health plans as diabetes-specific plans are more expensive," says Amit Chhabra, Head, Health Insurance, Policybazaar.com.

For instance, a 40-year-old choosing Star Health's Diabetes Safe (Plan A) will have to

pay nearly 89% more than a regular policy. This is assuming his proposal under a regular plan is accepted without any loading on account of diabetes being under control. If you can afford it, look at plans that offer health management programmes and incentives for maintaining good health. "Opt for plans with restore benefit. This rider helps the individuals protect the

sum insured to cater to multiple claims or higher sum insured requirement on account of multiple claims," says Sanjay Kedia, Country Head and CEO, Marsh India Insurance Brokers.

Diabetes-specific plans

Regular plans have a 2-4 year waiting periods for pre-existing illnesses. If you are covered by your employer's group cover, go ahead with a generic policy as you would have a cover even during the waiting period. Else, consider diabetes-specific covers.

"Diabetes-related complications can be curbed by following a healthy lifestyle. We extend cover to diabetics who have not suffered target organ damage," says S. Prakash, Joint MD, Star Health. Complications include cardiovascular issues, diabetic retinopathy, kidney damage and foot ulcers. "If you are not eligible for a generic plans, you can buy such plans. This would be better than remaining uninsured," says Chabra. Such policies typically offer coverage from day one or with short waiting periods. Star Health's product funds dialysis expenses of up to ₹1,000 per sitting for 24 months. Apollo Munich offers discounts of up to 25% on renewal premiums if the policyholder's parameters conform to its pre-decided health chart.

However, there could be sub-limits and co-pay. Religare's policy imposes a 20% co-pay that increases by 10% per claim once the insured turns 71. Apollo Munich's Energy specifies a two-year waiting period for pre-existing ailments other than diabetes and hypertension. "While most insurers cover Type 2 diabetes, some insurers now also offer specialised plans for those suffering from Type 1 diabetes," adds Anuj Gulati, MD & CEO, Religare Health.

Ideally you should buy an independent cover when you are younger. If you are past that stage, ensure you buy a dedicated cover as soon as you are diagnosed. "Once severe complications develop, you could be denied dedicated covers too," says Chabra.

Long-term saving plans

In case of a health emergency, long-term savings avenues can offer succour. For example, an EPFO subscriber can dip into his corpus to fund treatment. NPS, too, allows partial withdrawal of up to 25% of your contribution for treatment, provided you have been investing for at least three years. From the seventh financial year after opening an account, you can withdraw up to 50% of your PPF balance at the end of the fourth financial year immediately preceding the year of withdrawal or up to 50% of the balance at the end of the financial year before the year of planned withdrawal, whichever is lower.

Dedicated savings fund

It would be wise even for younger, non-diabetic individuals to set aside 5-10% of their total savings specifically to create a health fund. As you grow older, health-related expenses are likely to form a huge chunk of your monthly outflow. This is when such a kitty can come in handy.

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