

Publication	The Hindu BusinessLine
Date	21.02.2015
Description	Quote : Anuj Gulati, Religare Health Insurance Company Ltd

Now, insurers see value in providing outpatient cover

Cos feel growth of health chains will curb needless billing by doctors, test centres

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Mumbai, February 20

Soon, your health insurance policy may go beyond covering your hospitalisation expenses to also provide cashless services for doctor visits as well as spends on medicines and diagnostic tests.

General insurers have traditionally stayed away from offering cashless services for outpatient department (OPD) policies, but they have now started exploring this space. For instance, ICICI Lombard, the largest private sector gen-

eral insurer in the country, is now considering launching an affordable cashless OPD policy for individual policyholders after the success of a policy launched last year for its group customers.

Sanjay Dutta, Head of Underwriting and Claims at ICICI Lombard, said that while more companies have begun offering OPD covers, they come with sub-limits as the utilisation is high. Also, he expects to see more outpatient covers as confidence among insurers improves.

Standalone health insurer Religare Health has also launched a pilot in Bengaluru after the success of an OPD plan offered to a group customer.

Antuj Gulati, Managing Director and CEO of Religare Health, said an OPD cover helps insurers manage their claims better at the primary healthcare level, and limits the advancement of a disease.

Big outgo

According to estimates, almost 60 per cent of the overall medical spend in the country is towards OPD services, which include consultation, diagnostic tests and medici-



nes. So far, insurers have mainly covered medical expenses involving a minimum 24-hour hospitalisation.

A recent survey by Vantage Insurance Brokers points out that an OPD cover is offered by only 11 per cent of general in-

surers and that, too, with a defined sub-limit within the total hospitalisation limit.

Also, the existing plans offered by insurers are expensive and typically do not justify the benefits offered.

"Since OPD treatments are

(often) done by general physicians and private practitioners, documentation is poor. Even from the point of view of patients, maintaining bills and receipts can be a problem," said Manasije Mishra, CEO, Max Bupa.

However, insurers feel that the emergence of new, organised health chains such as Healthspring, Nationwide and Mydentist, will help control practices such as manipulation of bills by doctors and test centres.

ICICI Lombard's Datta said that as these health chains expand their network, insurers will also be able to offer more OPD coverage.