

Improving health of Health Insurance Industry

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(We present a summary of Panel Discussion at 8th Current Issues in Health Care Insurance in Mumbai. The views presented herein are personal opinion of the speakers)

The session deliberated on the key problems and potential solutions, to improve the health of the healthcare insurance industry. Problems included lack of profitability and relatively poor stakeholder experience / relationships.

Solutions were discussed along four lines i.e. Actions by key stakeholders - Insurer, Provider, Regulator and Intermediary.

Conclusion and Recommendations:

- **Insurer:**
 - Rational underwriting and pricing behavior
 - Firm action to improve market conduct
 - Focus on simplifying and improving experience for consumer

- **Provider:**
 - Adoption of treatment protocols and evidence based care.
 - Intensive self regulation and curbing of abusive / fraudulent practice. Independent regulator is need of the hour.
 - Adoption of technology for standardized data capture and exchange.

- **Regulator :**
 - Providing required enablers and initiating measures through collaborative efforts with all stakeholders on increasing the pooling of risks through various health insurance schemes.
 - Collaborating with other regulators e.g.: TRAI and SEBI for promoting interactive platforms to increase health insurance penetration/density.
 - Encourage insurers to develop and introduce innovative products/ services and expedite approval process, to cater to various segments (mainly tier-II/III and rural areas) which in turn will help improve insurance penetration. Streamlining the product approval process, an opportunity should be given to the insurer to present & discuss the new product features. The queries can also be discussed
 - Common products to be designed to take care of the declined risk categories: HIV, Terminal diseases like Renal failures, congenital life threatening diseases
 - Common pool of health products/grievance redressal mechanisms and processes to be made available to intermediaries to help them engage in healthy and profitable health insurance business.
 - Establishment and enforcement of standards of quality in the health sector through accreditation/grading of hospitals, licensing, and introducing treatment protocols. This can

- be enforced through the concerned stakeholders (ministry of health/providers/medical council).
- Publishing various reports on IIB w.r.t. major health risk factors that India is facing, the data can be called from the major medical care centers / WHO
 - Increasing consumer awareness involving all stakeholders. This can help bring down the high marketing costs for health insurance and also reduce grievances.
 - Help check claims costs/leakages, and fraud control measures initiated by the insurers/GI council, mainly in the form of data sharing and taking up the issues with the relevant stakeholders/agency (state, central govt.)

The recent reforms w.r.t. health Insurance have contributed towards increasing awareness about health insurance. Health Insurance is gradually being taken up as a risk management tool rather than a Tax savings tool.

Some work have already been done in few of the areas mentioned above, but if expedited the results can be even better.

- **Intermediary :**

- Innovative marketing : Increase consumer awareness and offering options and help customer in the buying process, his services should be seen as value add
- Dissemination of information to consumers: Necessary information required to make informed decision.
- Dissemination of information to market place: Encourage and assist in the development of new innovative products, Create new markets
- Spread insurer's risks : Help insurers spread risks in their portfolios according to industry , geography, volume , LOB, and other factors
- Trust factor: Act as a consultant providing end to end solutions. Disciplined and customer focused approach required and not working only with the sole objective of maximizing commission.
- Special training modules for Intermediaries depending upon the market in which s/he works and also equipping him/her with all required information to meet the new generation customers' expectations/requirements.

The End