March 29, 2018
Anyuta/ TPA/ IRDA/29march/2017 -18

Chairman IRDAI
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Dear Sir

Subject: Empowering people to pay for their Healthcare Services “Sab ka Sath, Sab ka Vikas”

This has reference to my letter dated January 25, 2016 and September 18, 2016.

In the above letters we requested for the,

a. Direct Claim Settlement by the Insurer to prevent duplication of work
b. Digitization of the Claim Processing and Settlement
c. All Financial Transactions through Banks only
d. Insurance driven Health care to cover every Indian Family without burdening the poor or the State Exchequer
e. Family Group Health Insurance where the Premium as day’s wage (Rs.450) per year covering all ailments without age band and exclusion clauses
f. Premium shared by the Center:State: family at 40:30: 30 percent- “Anyuta Universal Health Care Service”
g. Empanelment by the Insurance Companies of all IRDAI licensed TPAs and allotting work
h. Policyholder selecting his TPA to process claims and not the Insurer

We also requested the Central Government for “One India One Health Care” by

a. Merging all Government sponsored health Care schemes into one Health Care Scheme
b. Making the Insurance Companies to come out with a Product like “Anyuta Universal Health Care Service” Policy, devised by us based on our experience in containing SIPF Mediclaim care Costs and Premium and sell them on retail just like UHIS of yester years.

Since then we see the following changes

a. IRDAI sent a circular that the Insurer will settle claims directly
b. Multiple Government sponsored Schemes were merged by Karnataka State
c. Union and State governments came out with Group Family Health Insurance Schemes
d. Actuaries suggested a Premium in the region of Rs.1000 to Rs.1200 per family to cover Rs.5 lakhs on floater in the case of “The National Health Protection Scheme” (NHPS).

a. Indian Union Government - “The National Health Protection Scheme” Budget 2018
The National Health Protection Scheme, promises Rs. 5 lakhs per year family for secondary and tertiary care hospitalization and aims to cover 10 crore families.

a. The scheme was, in fact, announced in the 2016 Budget. The only difference being that the sum assured was raised from Rs 30,000 to Rs 1.5 lakhs then and to Rs 5 lakhs now

b. Actuaries suggested Premium Rs.1000 to Rs.1200 per family

b. Karnataka State Universal Health Scheme

a. The Karnataka government approved the 'Arogya Bhagya' scheme under which all 1.40 crore eligible households in the state would be beneficiaries.

b. Parliamentary Affairs Minister T B Jayachandra told reporters after a cabinet meeting that seven different health programs of the government would be clubbed into one, and the merger of these programs amounts to a total Rs. 869.4 crore.

Danger of Insurance Companies losing Health Care Portfolio all together to State Trusts

There is a possibility that “The National Health Protection Scheme” and the Karnataka State Universal Health Scheme could be launched through Trusts. The other State may follow since the health care is a state subject and the Center and State share the Premium at 60:40 ratio. In such situation it is only prudent that the Insurance Companies come out with a similar product and sell it on retail to cover those families left out of the above Schemes.

What we want

We want you to instruct the Insurance Companies to come out with a Family Group Health Insurance Policy in line with NHPS. This policy should be inclusive and participatory, affordable and available to every Indian family to buy paying full premium like old UHIS.

Things to ponder

We smell a rat in the way the Insurance Companies handled the Health Insurance Portfolio all these years and projected losses year on year basis. Where is the need for the Insurer to select the TPAs, provide them with Float Funds, make them settle claims when they can directly settle claims? This process is suspicious in nature. The so called Moral Hazards by the Hospitals can be controlled but not by the Insurer. Compare it with SIPC Medilclaim to know the truth.

Is there an Insurance Fraud getting exposed after Bank fraud?

It is time to revisit the settled claims to find the culprit and recover the losses.

a. Why does the Insurer select and empanel TPAs out of the IRDAI licensed TPAs?
b. Whose idea was it any way to provide float funds to TPAs and make them Settle Claims?

c. Why is it that the Actuaries suggested a Premium in the region of Rs.1000 to Rs.1200 per family to cover Rs.5 lakhs on floater for The National Health Protection Scheme and the insurance companies are willing to implement it whereas the same Insurance companies all these years charged high premium for low coverage with many exclusion clauses and age band to similar policies and showed high claim ratio with huge losses!

d. Why didn’t the insurer device a Policy like NHPS and sell it on retail till date?

e. When SIPF Mediclaim Policy of Rajasthan made profits with low premium high coverage without exclusion clauses and age band, every year of its operations, how can Health Insurance Portfolio show losses with high premium, low coverage, age band and many exclusion clauses, unless the Insurer, TPA, hospitals and Policyholder collide in different combinations to loot the Insurance companies?

Regards

Dr. Ravi Shetty
Orthopedic Surgeon