

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 234
ANSWERED ON – 19.7.2022

REIMBURSEMENT UNDER HEALTH INSURANCE SCHEME

234 Shri K.C. Venugopal:
Shri Sanjeev Arora:

Will the Minister of Finance be pleased to state:

- (a) whether expenditure incurred only on admission in hospital is reimbursed under health insurance schemes, if so, the details thereof and reasons therefor;
- (b) whether Insurance Regulatory and Development Authority of India (IRDAI) has any proposal of mandating all general and health insurance companies to offer a standard health insurance policy covering hospitalisation, pre and post-admission treatments, and if so, the details thereof;
- (c) whether IRDAI has suggested to include expenditure incurred on OPD treatment and maternity cover etc., if so, the details thereof; and
- (d) if so, steps taken/being taken by Government to increase coverage of Health Insurance Schemes?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (c): Insurance Regulatory and Development Authority of India (IRDAI) has informed that as per the definition of "health insurance business" under Section 2 (6C) of Insurance Act, 1938, insurers can design and market products covering sickness benefit or medical, surgical or hospital benefits, (whether as in-patient or out-patient), travel cover and personal accident cover.

Further, IRDAI has put in place the regulatory framework for insurers to offer a range of health insurance products which can cover many benefits besides expenditure incurred on admission to the hospital, including expenses on day care procedures/treatments, pre-hospitalization and post-hospitalization expenses, OPD treatment expenses and maternity treatment expenses. These benefits under health insurance policies are governed by the terms and conditions of the respective insurance contract.

IRDAI has further informed that it has mandated all general and health insurers to offer indemnity based standard individual health insurance product named 'Arogya Sanjeevani' to take care of basic health insurance needs of the general public. The features of above product include benefits covering hospitalisation, pre and post-admission treatments, day care treatments, AYUSH treatment, dental treatment and plastic surgery necessitated due to disease or injury, and treatment of cataract.

(d): With a view to increase coverage of health insurance, the Central Government has launched Ayushman Bharat — Pradhan Mantri Jan Arogya Yojana as a centrally sponsored scheme for an annual family health cover of Rs. 5 lakh for 10.74 crore families (approximately 50 crore beneficiaries), thereby massively expanding health insurance coverage. According to information provided by the Department of Health and Family Welfare, 14.75 crore families with an estimated 72 crore persons have been covered under AB-PMJAY against the above target of 50 crore persons. Further, another 14 crore persons have been covered under Employees' State Insurance Scheme and Central Government Health Scheme.

In addition, IRDAI has taken the following steps to increase coverage of health insurance:

- (i) Insurers have been mandated to have in place a board approved policy for increasing insurance awareness among public.
- (ii) Various distribution channels have been introduced through regulations namely, IRDAI (Appointment of Insurance Agents) Regulations, 2016; IRDAI (Registration of Corporate Agents) Regulations, 2015; IRDAI (Insurance Brokers) Regulations, 2018; IRDA (Web Aggregators) Regulations, 2013 and IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015, who have the ability to provide professional advice to the prospects and distribute insurance products massively leading to penetration of health insurance. Insurers have also been permitted to use Common Service Centres (CSC) as a distribution channel for selling and servicing insurance products.
- (iii) To protect the interests of all sections of the insuring public, insurers have been mandated that all health insurance products must allow entry at least upto age 65 years and all policies shall guarantee renewability in order to ensure availability of health insurance protection throughout the life time.
- (iv) Insurers are also encouraged to introduce Wellness and Preventive Features as part of a health insurance policy to enable public to remain active and renew the policies on an ongoing basis.
- (v) In order to provide need-based health insurance coverage, insurers are allowed to launch products under Use and File procedure which will enable insurers to launch the products seamlessly so as to reach all sections of the market segment.
