

Insurers in wait-and-watch mode before signing up for Ayushman Bharat scheme

Many general insurance firms seek full scheme details before participating

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General insurers are cautious about the government's ambitious National Health Insurance scheme with many choosing to be in a wait-and-watch mode before bidding for any States.

As of now, only the bid for Nagaland has been finalised, with Dadra and Nagar Haveli likely to be the next for the tender.

Though most are betting big on the impact of the Ayushman Bharat scheme on increasing awareness about health insurance and giving a fillip to business, many insurers are waiting for more clarity on the pricing and the model used by larger States to implement the scheme.

"Everyone is waiting for the scheme to unfold and insurers

will definitely participate in it. But first States have to decide on what model they choose. There is no idea about the premium either, as it is based on competitive bidding," said R Chandrasekaran, Secretary General, General Insurance Council.

Prime Minister Narendra Modi is expected to announce the scheme on August 15, which will provide health cover of ₹5 lakh to 10 crore families, but it is likely to be implemented from October. The industry is now gearing up to launch the scheme around Dussehra or Diwali.

"The rules of the game are not very clear, be it on pricing of the scheme or the package rates. We are certainly open to the scheme but will wait for all the guidelines to come out as there are concerns that hospitals are not too happy



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on some issues," said Nikhil Apte, Chief Product Officer, Product Factory (Health), Royal Sundaram.

Another insurer pointed out that Nagaland's health and socio-economic performance is on the higher side and cannot be used to gauge the national average. A ma-

ajor concern is whether annual premium rates, once discovered through competitive bidding will then be frozen, like other government insurance schemes, which can then lead to losses.

Roopam Asthana, CEO and Wholetime Director, Liberty General Insurance, said: "At present,

very small States and Union Territories are issuing tenders for the scheme."

Multiplier effect

However, insurers believe that the flagship health insurance scheme will have a huge multiplier effect.

Apte said the scheme will create greater awareness about insurance and also make people go in for additional health cover. "People may realise that they want to have a higher cover and would then turn to purchase it from other insurers," he said, adding that, in turn, would expand medical services to smaller towns and rural areas.

According to Rakesh Dayal, Director, Probus Insurance, Ayushman Bharat will make healthcare more affordable and rationalise costs of the TPA and hospitals. "In turn, the cost of medication could also come down. But execution will be the key," he said.