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NLA eClips

Changing a health plan need not be such a drama

With prices rising and a confusing range of policies, it's best to shop around to ensure you are not spending too much on premiums, writes *Kieran O'Daly*

With so many options out there, choosing the right insurance policy to meet the unique healthcare needs of you and your loved ones can be tricky, but a little bit of research and some professional advice could save you a lot of money in the long run.

Soaring costs and confusion about what you're actually getting for your money are the two most common complaints when it comes to health insurance.

With prices rising year upon year – over the past 12 months alone premiums have increased by an average of 11 per cent, and the figure is a lot higher for older plans, following a 20 to 25 per cent rise in 2023 – many people feel like they are trapped on a runaway train with no means of escape. They have heard the horror stories of long waiting lists, overcrowded surgeries and trolleys in hospital corridors, and are afraid of being stuck in the public system. It's a "damned if you do and damned if you don't" situation.

Recent price rises can be attributed to a number of factors, most notably medical inflation – 5 to 7 per cent last year – and an increase in insurance payouts. The value of payouts was up 15 per cent in 2023 compared with the previous year, according to the Health Insurance Authority's latest annual market report. This means we're unlikely to have seen the end of this particular price rise cycle.

Combined with rising prices, the difficulty in choosing cover that is both adequate and good value has created a damaging disconnect between the industry and its customer base. It used to be a case of three or four sizes fit most. But in trying to tailor plans to meet individual customer needs, the list of plans has become increasingly unwieldy and difficult to navigate. For every old plan phased out, there's a new one waiting to take its place.

TOO MUCH CHOICE?

There are over 350 health plans available from the four main players. It turns out that many are probably not needed, according to the HIA data, as more than half of the 2.5 million people insured in Ireland are on one of just 31 plans.

The number of plans on the market is not the only problem, according to Dermot Goode, head of the healthcare division at Lockton Ireland. "One of the biggest issues is that people are afraid to switch because they feel that it will mean a break in cover, which is not the case," he says.

"Consumers need to be educated to understand their rights. The main health insurers have all retired multiple legacy plans over the past year and replaced many of them with more up-to-date options. People also think that changing plans automatically means less cover, but that isn't necessarily true either."

Dermot Wells, head of general and health insurance at Cornmarket Group Financial Services, agrees. "Switching providers is simpler than you might think," he says. "Waiting periods for pre-existing conditions transfer over, so you won't lose your benefits."

GETTING VALUE

Although there is a general consensus that a reduction in the number of plans

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TIPS TO SAVE CASH

Split your cover
You don't need to have everyone in your family on the same policy. If you often visit the GP, your plan should cover routine visits. But if your partner rarely sees a doctor, they can opt for a lower-cost plan.

Increase your excess
Adding an excess to your plan can significantly reduce premiums. For private hospital admissions, an excess between €50 and €150 can lead to substantial savings.

Take advantage of child discounts
Children often don't require the same level of coverage as adults. Public hospitals provide most paediatric care, so private hospital coverage may not be necessary. Many insurers also offer discounts for children.

Look at everyday expenses
If your plan includes coverage for GP, physiotherapist or dentist fees, it may not be worth the extra cost if, say, you make fewer than four visits to these services annually.

Explore corporate plans
Corporate plans, despite their name, are available to everyone. These plans often offer better coverage and value for money than standard consumer policies.

Look at young adult discounts
If you're aged 18 to 25 or have

dependants in this age group, ensure your policy applies young adult rates. These can save up to 50 per cent depending on age.

Avoid unnecessary cover
Why pay for services you're unlikely to use? For instance, if you live outside Dublin, access to specific Dublin-based hospitals may not be important.

would at least help to alleviate some of the confusion for consumers, what about making sure you are getting value for money in a market where prices have been heading in only one direction?

"If you've been on the same policy for three years or more, you're paying too much," James Durkan of Moneysave Insurance says.

"The older a policy is, the more claims it is likely to have had against it and the more expensive it becomes.

"People need to review and update their requirements every year before renewing. Approximately 50 per cent of renewals secure a better deal with their existing provider."

The HIA website (hia.ie) includes a free price and benefits comparison tool for consumers.

NEW PLAYER

The launch of Level Health as a fourth insurer in the Irish market in November was undoubtedly good news for consumers. The arrival has already elicited a positive response from competitors, with some reducing premiums on select plans and enhancing their child offers, according to Wells.

"Level Health will be a catalyst for a more innovative and competitive market," he says.

"Apart from anything else, it will also help to dispel some of the inertia that has pervaded the sector in recent years with consumers only willing to change provider if they can make a saving of 30 per cent or more on their premiums."

Goode is also enthusiastic about Level Health's potential impact.

"Their plans are simple to understand, offer a full range of benefits and are very price-competitive," he says.

"They're definitely worth exploring as there are significant savings to be made against equivalent offerings from some of the other insurers."

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