



Money Times

You need private health insurance more than ever at this time



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PUBLIC hospitals have been dangerous places to work and be treated in for the last year, but the rolling out of the Covid-19 vaccine to frontline health staff and vulnerable elderly people is now thank goodness resulting in fewer hospital admissions and fewer people fighting for their lives in intensive care units.

This is solid evidence that the pandemic is coming to an end, but it will be some time before the unrelenting rise in the waiting lists for public health service treatment and operations begins to wane.

It is not a list you want to find yourself on.

Whatever your ideological opinion about Ireland's two-tier health system, private hospitals are open and busy treating patients, both private and public. In the case of the latter, the most recent agreement between the private hospitals and the HSE meant that while the hospitals were to be available to take Covid patients if the public ones were overwhelmed (which didn't happen) 10-15% of their facilities are now being utilised to treat serious, urgent public patients whose treatment or operation could not be undertaken at a public hospital.

According to the independent health insurance broker, Dermot Goode of totalhealthcover.ie, "the private hospitals are so busy they are conducting operations on weekends".

The spring renewal season for health insurance is nearly over, said Goode, but cancellations are

low, mainly because the workers most affected by the shutdown - in the lower paid hospitality and retail industries - are unlikely to have corporate or individual insurance cover.

Another reason, he said, "is that people working from home have lower living costs - no commuting, lower childcare outlays - and the insurers have been very sympathetic in genuine hardship cases". In some cases, he said, they are letting people downgrade to cheaper, entry level plans, but allowing them to go back up to their higher benefit ones after 12 months if their circumstances permit without the usual loadings or waiting periods.

It hasn't stopped the insurers from increasing their charges this last year and Goode says that all PHI customers should expect 3-5% price hikes in 2021.

The VHI, the largest (state-owned) health insurance company is increasing the price of most of its plans by c3% on April 1, says Goode, though some older plans are going up by 6-7%.

A typical family (2 adults and 2 children) will be an extra €87 per year on a good mid-level plan such as the VHI One Plan Family as a result of its price hikes, or up to €224 on a dated plan such as the Family Plan Plus Level 1, he said.

"Older members on some of the dated plans can expect to pay more as a result of this increase. For example, the Health Plus Extra (old B Options) will increase by €159 per adult, which is an extra 6%. The Health Plus Premium (old Plan D) will increase by €266 per adult, which is an increase of approx. 7.4%."

Laya HealthCare increased the cost of most of its plans on January 1 of this year, "though I was surprised they waiting that long; their last price hike was March

2020". Irish Life Health's last increase was October 2020.

"The usual 'medical inflation' accounts for part of this year's increases," said Goode, "but another reason is that the private hospitals are passing on the costs of PPE equipment and Covid-19 tests to the insurers. The public hospitals in some cases have had to reduce the number of patients in their wards (where private patients may be accommodated) say, from five to three beds, and that is a higher cost. They also anticipate outpatient claims will go through the roof this year as people get vaccinated and decide they are confident enough to get the treatment or surgery that they had put off in 2020 for fear of catching Covid."

It isn't just 'ordinary' price hikes that private health insurance customers need to watch out for, said Goode.

"For the first time, Laya have introduced shortfall payments for certain treatments - mostly hip replacement, the removal of cataracts, common enough among older patients. In the case of a hip replacement, this means 20% of the typical cost or a €3,000 payment. In total 13 procedures will not be fully covered any more."

Shopping around for better value is, as always, the solution. With c.350 different health insurance plans on the market and benefit adjustments being made all the time, Goode recommends that anyone who has been on the same PHI plan for two years is probably paying too much.

Anyone who is looking at a price hike as the year continues should know that there are options, that even corporate plans (designed for specific companies or sectors but available for individual purchase) have come down in price.