



Double health cover and still save money

John Hearne hears expert opinion on why many of the 85% of us who tick a health insurance renewal box each year are getting poor value for money

IF you think you can only afford the most basic health insurance cover, think again.

It's now possible to get cover for both public and private hospitals cheaper than for public hospitals alone.

For example, suppose you're on VHI Healthcare's One Plan Access Plus — which is what the old Plan A evolved into. It costs €896 a year for an adult and €127 for a child and covers public hospitals only.

VHI Healthcare also offers 'One Plan 250', which costs €816 for an adult and €117 for a child. It covers public and private hospitals.

So basically, you can get it for €80 cheaper and effectively double your cover.

How is this even possible? **Dermot Goode** of Total Health Cover says that basically it's an inertia issue.

"Thousands of people out there, either from an affordability perspective or just in terms of their preferences, wanted basic cover, like the VHI Plan A, like the Essential Plan with Laya. These plans are on the market for twenty years in some cases. When they first came out, they were very affordable, but the problem is that any plan that's been on the market that length of time has got hit by successive price increases."

Opening up the health insurance market was sup-

posed to boost competition, and it did — but only in places. Most of us would rather watch paint dry than go shopping for health insurance. So if your customers just sit there while you crank up the prices, why wouldn't you do it?

Real value in new plans

As the value has leached out of these legacy plans, newer plans — designed to lure new custom — have come on stream.

And there is where opening up the market has introduced an element of choice and competition.

In most cases, you don't even have to change insurer to cash in. All of the companies' offerings contain the same crazy anomaly.

"If you take the Essential Plan with Laya. It's €1,090 and it only covers public hospitals. If you look at the Flex 250 Explore Plan, which is a relatively recent scheme, it's €854. That's around €240 less expensive per adult and it covers all public and all private hospitals."

The Central Bank reported earlier this year that

no fewer than 85% of us renew the same policy with the same provider every single year.

Poor information

Part of the problem is that the annual renewal notices we get in the post from the health insurance providers don't really give enough information to help make an informed decision.

This is why the Central Bank is insisting on a number of changes. Providers will now have to enhance the content and presentation of the information contained in policy renewal notices. This documentation will now have to clearly explain that the same policy will auto-renew if you don't contact your insurer before the renewal date.

Providers will also have to encourage consumers to make contact during the renewal process to work out

if they're on the best plan available.

Launching that report, Bernard Sheridan, director of consumer protection at the Central Bank said that their research had found that consumers found it difficult to compare policies.

"We also found that renewal notices issued to consumers are not highlighting important information, and that providers should be doing more to ensure they are providing the most suitable insurance policy, particularly when consumers are purchasing online."



The key point here of course is that it really doesn't matter how well the renewal date is flagged or how much info you get on your choices if you don't do anything about it.

Low awareness

Dermot Goode points out that there are obvious commercial reasons why insurance companies aren't drawing attention to the high price/low value trap into which so many of their customers have fallen.

"I do seminars the length and breadth of the country, particularly to older people, and the amount of people you find who are on those plans is amazing. They say to you, 'Sure I only have basic cover, you can't do anything for me,' and then they're shocked when you show them you can actually save some money and you will get better cover."

Shopping around

While you don't even have to leave your existing pro-

vider to get better cover, it may make sense to do that. As far as health insurance goes, shopping around is always a good idea. Unlike some other forms of insurance, loyalty doesn't get you anything.

Caution: upgrade rule

One thing you do however have to be aware of if you trade up is the upgrade rule. In broad terms, this says that if you're under 65 and you upgrade your policy to widen your cover, you can't claim on pre-existing conditions for two years.

"Suppose you were covered for Cork University Hospital, you move plan and you're now covered for the Bon Secours, but you have an existing condition. For the next two years, even though your plan covers the Bons, they'll still only pay what you would have got in the CUH."

Diminishing value, study the cost of 'going private'

Given the ongoing crisis in public health, and the exceptionally long wait times for procedures in public hospitals, you have to wonder if paying for health insurance that covers the public hospitals only makes any sense at all.

Earlier this month, it was reported that more than 4,300 people are waiting more than three months for a colonoscopy, an increase of more than 1,000 patients since January.

Dermot Goode agrees that it's definitely becoming more difficult to get private treatment in a public hospital.

"You can go privately to CUH, for example, but now they don't have semi private wards any more, they have what they call 'multi occupancy wards' which is a fancy way of saying public wards. If you would like a degree of privacy, maybe get a private or a semi-private room, then those entry level plans are no use."

Most of those basic plans will also cover you for the €75 per night fee public hospitals charge.

"Are they comprehensive health insurance plans?" Goode asks. "Absolutely not. Are they as effective as they once were? Absolutely not. Is their effectiveness diminishing? Yes. But for a lot of people, that's all they could afford. But what I would say is don't just assume that because you've had an entry level plan for some years that there's nothing else there for you. There is."



Consumer interests

Double your cover, save money: VHI Healthcare's One Plan Access Plus costs €896 and covers public hospitals only; VHI's One Plan 250 costs €816 and covers both public and private hospitals.

“How is it even possible to double your cover and still save €80? It's a public inertia issue, says **Dermot Goode**