

Laya hikes premiums by 7% to pay 'stealth tax'

Massive charge at public hospitals is blamed for 'shocking' increase in cost of health insurance

By **Bill Tyson**

A 'TRIPLE stealth tax' on health insurance has been blamed for 'shocking and unprecedented' hikes in cover that are expected to get even worse.

Laya raised prices by an average of 7% on Friday – less than three months after its last hike.

'It is shocking so soon after the last one. I can't remember that happening before,' says health insurance expert Dermot Goode of Totalhealthcover.ie, who predicted other insurers would follow suit.

Laya blamed increases in hospital charges introduced by former health minister James Reilly in 2014, which have been described as a stealth tax on people with health cover.

The increases jacked up the cost of treating private patients in public hospitals from €75 a day to €813 a day – plus consultants' fees.

Stephen McMahon of the Irish Patients' Association described the charges as a triple tax.

'First the patients pay tax, then insurance premiums and thirdly they pay increases to cover for A&E conversions to private charges,' he said. 'All citizens are

entitled through their taxes to get free access at point of service public care.

'There are ethical issues regarding approaching sick patients who are waiting on trolleys for a bed for an emergency admission to sign private insurance forms.'

Laya said its public hospital spend is rising because the cost of claims has increased by 26%, the volume of claims is up 10%, and consultant spend is up 8%.

'This is contrary to assurances from Government at that time that consultant charges would be unaffected by the legislative change,' it states. The insurer has called on the new Government to 'urgently review [these charges], which are driving an unsustainable spike in the cost and volume of claims'.

Insurers were told that the 2014 measures would cost them no more than €30m a year. But already the annual toll has shot past €100m and continues to spiral. That on its own adds at least 5% to the cost of health premiums.

Hospital administrators are targeting patients in A&E prior to admission, asking them to sign forms waiving their rights to be treated as a public patient when admitted to hospital. This raised

ethical issues over whether such patients are in a fit state to sign such forms – and if they were being misled about the possible consequences, Mr Goode said.

'This is all wrong. You could call it a stealth tax but it's even worse, it's an additional tax on after-tax income on people with private health cover who are being duped.

'They are entitled to be treated as a public patient through A&E but they are being asked to waive that right and being told it won't cost them anything. But it will – as the latest hike from Laya shows.'

It could cost even more if there is a shortfall in cover, especially from follow-up consultant visits that few private policies cover in full.

Mr Goode said: 'Don't entertain this waiver form without first questioning what will change if I sign it? Will I get any benefit, or could I even lose out?'

Laya boss Dónal Clancy has called on Health Minister Simon Harris to address the issue.

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