health policy for your family

HEALTH INSURANCE: Offers on the market

CUT PRICE PLANS - FROM 01.07.2014

PROVIDER	PLAN	TYPES OF HOSPITALS COVERED	EXCESS OVERNIGHT PRIVATE	EXCESS DAY CASE PRIVATE	ADULT COST	CHILD COST
Aviva	First Focus 300	Most public / private hospitals	€300	€150	€765.00	€230.00
	First Focus 500	Most public / private hospitals	€500	€150	€665.00	€225.00
Glo	Net Most 300	Most public / private hospitals	€300	€50	€760.00	€260.00
	Net Most 500	Most public / private hospitals	€500	€50	€660.00	€236.00
Laya	Essential Connect Family	All public / private hospitals	€300*	€300*	€968.97	€153.85
	Advantage 500 Explore	All public / private hospitals	€500	€500	€658.36	€218.00
VHI	One Plan 250	All public / private hospitals	€250**	€150	€807.00	€115.75
	One Plan 500	All public / private hospitals	€500**	€150	€689.75	€115.75

OFFERS AVAILABLE FROM 01.08.2014

PROVIDER	PLAN	TYPES OF HOSPITALS COVERED	EXCESS OVERNIGHT PRIVATE	EXCESS DAY CASE PRIVATE	ADULT COST	CHILD COST
Aviva						
Adult	First Focus 300	Most public / private hospitals	€300	€150	€765.00	-
Child	Be Fit 2.1	All public / private hospitals	€150	€150	-	€167.80
Glo						
Adult & Child	Net Most 300	Most public / private hospitals	€300	€50	€760.00	€260.00
Laya						
Adult	Precision 300 Connect	All public / private hospitals	€300	€300	€718.82	-
Child	Essential Connect Family	All public / private hospitals	€300*	€300*	-	€153.85
VHI						
Adult & Child	One Plan 250	All public / private hospitals	€250**	€150	€807.00	€115.75

*per policy per year **on first 2 in-patient visits

ALTERNATIVES TO HEALTHCARE PLANS

MANY consumers are now considering alternative healthcare plans as the cost of health insurance continues to soar.

Here are some options.

*** Cash plans**
Medical cash or hospital cash plans have been on the market for some time.

They are not a substitute for health insurance but do provide excellent cover for everyday medical expenses such as GPs, prescriptions, consultations, physiotherapy, alternative practitioners, radiology, pathology, scans and other costs.

Some plans include a hospital cash benefit which gives you a cash grant for every night you are in hospital irrespective of whether you have health insurance or not.

*** HSF plans**
HSF is one of the leading providers in the market and has a range of health cash plans to suit a range of requirements.

It now provides plans for both individuals and families which provide 100pc cover for many of the benefits listed above.

Unlike health insurance, a family-rate is all inclusive regardless of the number of children/students included on the plan.

*** Insurers offering cash plans**
Competition has increased in this area with most health insurers now offering a range of cash plan options as well

VHI Healthcare has a range of Health Family and Health Individual cash plans.

Laya Healthcare offers a range of Money Smart plans for families and individuals as do GloHealth with their 'Hospital Care' options.

Prices range from €123 to €1,056 per year depending on the plan or provider selected.

*** Dental Cover**
Dental cover is now available from both DeCare Dental and VHI Healthcare for individual consumers.

These plans normally provide full cover for dental examinations; up to 70pc cover for extractions/fillings; and allowances for treatments such as crowns and some orthodontic cases.

*** Combinations**
The existence of these plans means that medical cover is not just health insurance.

Many consumers are now combining health insurance with both dental and medical cash cover to give high-grade overall cover for all costs.

For those exiting health insurance completely, they may wish to consider either dental or medical cash cover for these expenses only.

Trend of younger people cutting back on cover will push prices up

Comment
Brian Turner

THE Irish private health insurance market has seen significant changes in recent years.

Having grown consistently since 1957, the number of people insured has now fallen by over 260,000 since the end of 2008, exposing some problems that were perhaps masked by previous growth.

Although the decline in the numbers insured has been relatively modest – less than 12pc overall – the profile of those leaving is more worrying, with discontinuation concentrated in younger age groups.

Community rating relies on younger consumers cross-subsidising older consumers on the understanding that when they get older a future generation of younger consumers will cross-subsidise them.

If the stream of younger consumers tapers off, as is currently happening, it leaves a higher concentration of older consumers in the market, which increases average claim costs, putting upward pressure on premiums.

This pressure is adding to ongoing factors such as a generally ageing population, advances in medical technology and increasing incidence of chronic illness.

Government policy decisions have also contributed to rising premiums, the two most recent being the capping of tax relief on premiums and the charging of insurers for the use of public beds in public hospitals.

These decisions, designed to reduce the inequitable subsidisation of private patients by the public purse, are laudable, but come at a time of market instability, and have contributed to the discontinuation and downgrading of cover by the insured due to affordability issues.

The age-related cross-subsidisation has also been eroded in recent years by a proliferation of plans designed to attract particular age-groups by tailoring the benefits towards, for example, sports injuries and maternity benefits (to attract younger consumers) or better cover for hip replacements and cataract surgeries (to attract older consumers).

Insurers are thus segmenting the market and charging different rates for different plans to reflect the different risk profiles.

To reduce this problem, the minister has proposed restricting the number of plans insurers can offer.

To try to attract younger consumers, the minister has signed legislation to introduce lifetime community rating, whereby those who wait until older ages to take out insurance will pay a late entry loading to recoup the cross-subsidisation they avoided paying at younger ages.

However, the prospect of universal health insurance (UHI) in 2019, under which everyone will pay the same premium, will likely reduce the effectiveness of this measure since any loadings would only be payable for four years – if UHI goes ahead as planned, which is by no means certain.

In addition to the above challenges, other future developments will include the prospect of insurers negotiating prices with hospital groups, which will be dominant regional providers (although this may improve on the current situation whereby public hospital prices are set by the Minister with no negotiation), preparing for the transition to UHI, and changes to solvency regulations at European level.

One thing is for sure – this market isn't going to get boring any time soon.

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