

Structured OPD covers can prevent 44% of hospitalization cases and reduce Out of Pocket healthcare spend: FICCI-Feedback Consulting Report

New Delhi, 12 December 2015:- The working population in India spends about 60 % on the out-patient healthcare treatment annually from their pockets due to the skewed primary care system in India. Despite this, India has the lowest number of Primary Care visits by individuals hence leading to hospitalization cases. This is as per the **FICCI-Feedback Consulting** report- **“A Guiding Framework for OPD and Preventive Health Insurance in India; Supply and Demand Analysis”**.

The objective of the report is to analyse the demand and supply needs for primary and preventive care insurance and suggest the business potential for the insurers and government stakeholders by introducing OPD insurance covers for primary care. At present, this has not been an area of focus for the Insurances, owing to various issues that has been discussed in the report.

As per the findings, about 16% of the urban population with paying capacity & existing policy holders would be potential target group to purchase OPD covers if the primary care system is framed in a proportionate way with right government intervention.

Insurers suggest that the biggest barrier for offering OPD covers in India is the lack of data for pricing the covers and unorganized regulatory guidelines for primary healthcare. As per the report, an early detection, regular health check-ups and preventive methods, could result in preventing a proportion of 44% of hospitalization cases.

IRDAI chairman on Thursday during the launch of the report had said, “while the need to include primary and preventive elements in health insurance products is undisputable, it has not made much headway given the concerns relating to likely misuse and overuse. This paper has come at an opportune moment giving scope for discussions not only regarding the supply and demand side aspects of primary and preventive care but also the environment within which these aspects operate.”

The paper, produced by Feedback Consulting in partnership with **FICCI’s task force on ‘Primary and Preventive Care’** provides, the international ‘big picture framework’ and a detailed local market opportunity with actionable solutions. The task force was led by **Mr Girish Rao, CMD – Vidal Healthcare**.

Primary care practices of select countries like; Brazil, China, Turkey, Thailand, Indonesia and South Africa have been analysed to draw learning’s from an India perspective. The report also highlights local case studies about healthcare start-ups such as Practo Technologies, Qikwell Technologies and Portea Medical for insurers to galvanize the potential of primary care market.

Three major actionable can enable the OPD insurance market in India– capitation based products to allow risk sharing with aggregators and health administrators, electronic health

records for frictionless platform to administer OPD claims and closed provider networks to align providers and insurer's interests.

FICCI-Feedback Consulting report- "A Guiding Framework for OPD and Preventive Health Insurance in India- Supply and Demand Analysis: <http://ficci.com/spdocument/20678/P&P-helath-insurance.pdf>

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