

## INSURANCE - HONG KONG

# AIA tightens health insurance reimbursement policy

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In January 2017 Hong Kong's largest health insurer, AIA, issued letters to doctors in private practice advising them that it is clarifying the policy wording for 'medically necessary' procedures. In an attempt to avoid reimbursing what it regards as 'excessive health procedures' at private hospitals, AIA is proposing that only seven significant comorbidity and five acute conditions be recommended for inpatient care.

AIA considers that hospitalisation for 'simple procedures' such as colonoscopy, gastroscopy and cataract surgery is not 'medically necessary' and the fees may no longer be covered. Patients requiring these procedures would need to visit day clinics in order to be covered by AIA's policy.

Elaine Chan Sau Ho from the Taskforce on Healthcare Reform under the Hong Kong Federation of Insurers explained that the changes to the policy for 'simple procedures' were made to discourage inflated medical costs as a result of private doctors allegedly charging higher fees for patients with health insurance coverage and performing excessive procedures. According to the Legislative Council representative for the insurance sector, Chan Kin Por, health insurance premiums have risen by more than 10% annually, owing in part to abuses.

However, the Hong Kong Medical Association has expressed concerns that AIA's approach may compromise patient safety, especially when there are underlying health conditions such as chronic illnesses or age factors. Furthermore, there are additional risks involved in the execution of such procedures at day clinics, including shorter observation times by nurses and lack of proper care.

Other health insurance providers in Hong Kong may follow AIA's lead in seeking to tighten up coverage of health procedures. There may be an increase in coverage disputes as patients and their insurers disagree over the necessity of hospitalisation for medical procedures.

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