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Demand for OPD benefits on rise among health policyholders

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Demand for out-patient department (OPD) benefits surged among health insurance policyholders in the post-pandemic years due to increase in accessibility to consultations with doctors and diagnostic tests, industry players said.

According to data by online insurance broker Policybazaar, the share of health insurance customers opting for OPD benefits has increased to 20 per cent in FY24 from 5 per cent in FY21. While demand for OPD benefits was there, insurance industry experts believe that the

Covid-19 pandemic pushed the demand further. Post the pandemic, there has been an increase in consultations with doctors and increase in cost of diagnostics.

“The Covid-19 kind of accelerated the demand (for tele consultations). Also, the cost of pharmacy products and diagnostic costs have driven the demand for OPD benefits. Further, on seeing the demand for these benefits, insurance companies have launched multiple OPD products, with most of them in the shape of additional riders,” said Siddharth Singhal, business head, Health Insurance, Policybazaar.

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As per the data, 50 per cent of policyholders are actively utilising OPD services included in their plans.

The OPD benefits were once part of employee benefits, but after the pandemic, insurance companies are seeing an increase in demand from the retail side as well. The insurers are also seeing an increase in the utilisation of these OPD benefits.

“We are seeing an increase in utilisation of OPD benefits. Earlier, OPD was mostly offered with employee benefit and OPD utilisation was around 25 per cent. Now, we see retail OPD products also and 70 per cent utilisation of OPD benefits,” said Bhaskar Nerurkar, head, health administration team, Bajaj Allianz General.