OPD Cover in Health Insurance in India

By Bhaskar Nerurkar, Head – Health Administration Team, Bajaj Allianz General Insurance

Pune, 24 th September 2024: In India's rapidly evolving health insurance landscape, one significant development is the rising demand for coverage of Outpatient Department Treatments (OPD) cost. Traditionally, health insurance in India has focused primarily on in-patient hospitalisation (IPD), with policies offering coverage for expenses incurred only during in-patient treatment. However, as healthcare expenses grow and more people seek regular medical attention without hospitalisation, OPD coverage is demand is ever growing. Offering financial support for everyday medical needs, an OPD cover ensures that routine healthcare visits do not strain the pocket. In today's fast-paced world, where health risks are abound, such coverage is desirable and necessary.

What is OPD Cover?

OPD coverage refers to health insurance coverage for medical expenses incurred without the need for hospitalisation. These expenses include doctor consultations, prescribed diagnostic tests, preventive health check-ups, pharmacy bills,

etc. Under an OPD plan, the insured can, depending on the policy terms, claim reimbursement for the costs of these services or directly avail of cashless benefits at network healthcare providers or diagnostic centres.

While most standard health insurance policies focus on hospitalisation, OPD coverage is an additional benefit offered in few select plans. This extra coverage caters to the routine medical expenses that families regularly face but are often overlook when purchasing health insurance.

The Importance of OPD Cover in the Indian Context

India's healthcare landscape is marked by increasing out-of-pocket expenses, particularly for outpatient care. Routine doctor visits, diagnostic tests, and even over-the-counter medicines contribute significantly to a family's healthcare expenditure. According to various reports, over 60% of healthcare costs in India are borne directly by individuals, with a substantial portion of these being OPD-related medical expenses. It safeguards against frequent and often unpredictable medical expenses that do not require hospitalisation but still add up significantly over time. Whether it's a routine visit to the doctor for a seasonal ailment, regular check-ups for chronic conditions, or the need for specialised diagnostic tests, having OPD cover ensures that individuals are financially protected for everyday healthcare needs.

Benefits of OPD Cover in Health Insurance

Coverage for Regular Medical Consultations : Many Indians frequently consult doctors for minor ailments such as colds, coughs, infections, and other common health issues. Such expenses can build up without an OPD cover, especially for families with children or senior citizens who need regular consultations. OPD cover helps manage these routine costs, allowing families to seek medical help without worrying about financial strain.

Diagnostic Tests : Doctors often prescribe diagnostic tests, such as complete blood tests with lipid profiles, X-rays, and scans, even for routine health assessments. These tests are expensive, particularly in private healthcare facilities. An OPD cover ensures that such tests are included in the insurance plan, reducing policyholders' out-of-pocket expenses.

Cost of Medicines : Pharmacy bills contribute significantly to healthcare expenses in India. Medicines for minor health issues, chronic conditions, or post-treatment care can be quite costly, and these costs can pile up quickly. Some of the OPD cover extends to pharmacy expenses, making it easier for policyholders to purchase the medicines they need without financial hardship.

Preventive Healthcare : Preventive health check-ups and consultations are becoming more critical as people prioritise early detection and management of health risks. An OPD cover often includes preventive care services, such as annual health check-ups, ensuring policyholders can monitor their health regularly without additional financial burdens.

Treatment for Minor Surgeries : Certain minor surgeries, such as removing warts, cysts, or other small procedures, can often be performed without hospitalisation under daycare. With OPD cover, the costs associated with these minor

treatments are covered, allowing individuals to receive necessary medical care without incurring large out-of-pocket expenses.

Why OPD Cover is Becoming Popular in India

The growing awareness of healthcare needs and rising medical costs have made OPD cover an attractive option for many individuals and families. Several factors are driving the popularity of OPD cover in India:

Rising Healthcare Costs : Healthcare costs have been steadily increasing in India. Consultations with specialists, diagnostic tests, and routine medicines have become expensive, particularly in urban areas. OPD cover provides relief by covering these expenses, which are not typically included in standard health insurance policies.

Changing Lifestyle and Health Risks : With changing lifestyles and increased stress levels, people are more prone to lifestyle diseases like diabetes, hypertension, and cardiac issues, requiring regular medical attention. OPD cover addresses the need for continuous monitoring and medical care for such conditions.

Modernization of medicines : The medical science has made substantial progress and many ailments which required hospital care earlier can be treated on OPD basis now. Further the busy lifestyle has also ensured individuals prefer OPD treatment rather than getting admitted for minor infections/ailments.

Increased Awareness : More Indians are becoming aware of the importance of holistic health coverage, not just for critical illnesses or hospitalisations but also for everyday health needs. This shift in mindset has contributed to the growing demand for OPD cover.

OPD Cover and Health Insurance in India: The Way Forward

As the healthcare landscape in India continues to evolve, insurers recognise the importance of providing comprehensive health insurance policies that cater to a wide range of medical needs. Offering OPD cover as part of health insurance policies helps insurers tap into a growing market of individuals seeking better healthcare solutions for their families. While OPD cover policies may have slightly higher premiums than standard health insurance, the benefits they offer in day-to-day healthcare expense management make them an attractive option for many. These policies enable individuals to seek timely medical advice and treatment without the fear of financial strain, encouraging a more proactive approach to healthcare.

Conclusion

In conclusion, OPD cover in health insurance is rapidly becoming necessity in India. With the rising cost of healthcare and the increasing frequency of outpatient treatments, having OPD cover ensures that individuals and families are financially prepared for routine medical expenses. As more people in India become aware of the benefits of OPD

coverage, it will likely become an essential component of health insurance plans. The future of health insurance in India lies in providing comprehensive coverage that includes hospitalisation and outpatient care, ensuring a healthier and financially secure population.