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Each Member

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Health Insurance Refund in the Context of Covid 19

The Government and the HSE have entered an agreement with representatives of the Private Hospitals to designate them as Public Hospitals for three months to assist in tackling the Covid 19 crisis which the Society fully supports in these unprecedented times. This will have the effect of limiting access to the private hospitals in the State for elective treatment such as hip, knees, cataracts, cancer care, heart conditions and various other types of surgery which will result in a temporary reduction in claims for a period. The care and treatment of patients with COVID-19 is funded without charge by the HSE.

Following extensive analysis, it seems that most if not all these treatments and procedures are merely deferred until the crises abates when a deluge of this type of work will be undertaken resulting in a major spike in claims. The Society continues to have liability for the extensive outpatient benefits provided to members which equates to 20% of monthly payments. Ironically, the current public hospitals can levy full charges of €813 per day for private care, while the re-designated private hospitals are confined to applying the €80 per day hospital levy. In any event this €80 levy is covered by the Society. Psychiatric inpatient and day care treatment, maternity care and treatment for addiction will continue in the various private provider's facilities and the Society will be billed as heretofore. Negotiations are ongoing with the representatives of the Consultants working in those private hospitals who are very concerned about the provision of care to their private patients particularly to those patients who had commenced treatment before the re-designation. They are seeking some concession on the deal to allow treatment to progress in the private hospitals which currently have hundreds of vacant beds.

The main insurers in recognition of the changes to private hospital services have announced reductions to premiums from 7% to 50% or are giving a cash payment each month depending on the cover level provided in the numerous plans on offer. The three main insurers are in the Risk Equalisation Scheme and pay a health insurance levy of €449 per adult in to this scheme - the reductions announced are on the remaining part of the adult premium after the €449 levy is deducted.

Society's Refund to Members

The Management Committee have given careful consideration to all issues in the context of the Society's ongoing liability for its extensive out-patient benefits, maternity care, psychiatric and addiction treatment, private treatment in public hospitals, hospital levy and for treatment commenced prior to the re-designation of the private hospitals. They are particularly concerned about the likelihood of a major spike in claims when hospital facilities start returning to normal activity and the back log of procedures and treatments is processed. In those contexts, they have agreed the following refunds will apply which will be reviewed on a monthly basis and adjusted if considered necessary;

- A payment of €40 per month in the case of a member on cover and paying the adult rate of €33.33pw, €80 per month in the case of a member and partner on the adult rate. The refund will be paid directly into your bank account on the 15th of May and on the same date each month for the duration of the re-designation of the private hospitals and subject to the monthly review by the Management Committee.
- A payment of €40 per month into the member's account where he/she is paying the adult rate of €33.33pw for a 26 to 29 year old dependant.
- A payment of €30 per month to the member's account where he/she is paying the 25 year old dependant rate of €30pw either him/herself or on behalf of a 25 year old dependant.

The payment will appear in your bank account on the 15th of May and on the same date monthly thereafter with the reference similar to a medical claim, e.g. GMA CLAIM 20000566 followed by the amount refunded based on the criteria outlined above.

For the reasons stated, it is very difficult to calculate the effect of these measures on the finances of the Society in the longer term. The Management Committee want to assure members that if greater savings emerge than have been provided in the refund, any surplus will be returned to them by way of delayed premium increases in the future. This is evidenced by the fact that subscriptions were last increased on 1st June 2017, some three years ago with no increase planned for the foreseeable future. In the same period, all other insurers have applied numerous price increases, sometimes two or three in the same year. As you are aware the Society is non-profit making and has no shareholders to satisfy and any surplus goes towards reducing premiums.

A handwritten signature in black ink that reads "Owen Connell". The signature is written in a cursive style and is positioned above a horizontal line.

Owen Connell, Secretary