

It pays to understand your medical and health plan

In this final instalment of a three-part series on medical and health plan in Malaysia, we take a look at the issue surrounding claims and other common problems faced by policyholders/participants and insurers/takaful operators

It is everyone's worst fear. You are in need of a medical procedure or treatment that requires hospitalisation. You wait anxiously at the hospital admission counter for confirmation from your insurance company/takaful operator regarding the payment guarantee of your planned admission. Then you're told that your insurer/takaful operator has declined to guarantee the payment, leaving you confused, disappointed and decidedly furious!

The experience may leave you with the impression that insurance companies/takaful operators are prone to avoiding paying claims. On the contrary, the life insurance and takaful industry's statistics showed that insurance companies and takaful operators paid 5.3 million medical and health claims last year. This represents 93.9 per cent of claims submitted.

Clearly, the vast majority of policyholders get their claims paid as expected. So why then are some of the requests rejected?

Getting medical attention will be smooth sailing when you know the finer points of your medical insurance plan.



What you need to know to ensure a smooth medical claim

Although more than 93 per cent of claims submitted are paid, there are a few common reasons for claims to be rejected:

- Making a claim during the first 30 days of cover or better known as the waiting period. Most policies in Malaysia will only cover claims resulting from accidental causes for the first 30 days following policy/certificate inception. This provision is meant to discourage people from buying medical and health plan knowing that they need to go to the hospital in the first month.
- Non-disclosure of pre-existing conditions. Illnesses or conditions that existed prior to getting coverage are considered pre-existing. It's important to disclose details of such conditions at the time of application. Once disclosed, the insurance company/takaful operator can either decline coverage completely (as in the case of a serious condition), exclude coverage for the pre-existing conditions or accept the risk and cover the pre-existing conditions. If the pre-existing conditions are not disclosed, it could lead to a decline of coverage at claim.
- Claiming for a "specified illness". A standard provision in medical and health plan is a specified list of illnesses which are not covered for the first 120 days after policy inception.
- Your claim could be declined and policy rescinded if it is discovered that your condition predates your medical and health plan effective date and you did not disclose this material information on your application.
- Your hospitalisation claim could be declined if the procedure or treatment is commonly expected to be done as an outpatient. Many policies cover outpatient surgeries, but you may be asked to pay first and claim for reimbursement later.
- Hospital admissions for diagnostic tests only are generally not covered.
- Your claim could also be denied if the proposed treatment does not customarily require hospitalisation.

Tips for hospital admission

- Get pre-authorisation several days before an expected non-emergency hospital admission. Getting your approval in advance will save time and prevent surprises at the hospital.
- Confirm with your doctor if a hospital stay is needed and ask if there is an outpatient or day surgery alternative.
- Understand the procedures your doctor is recommending and find out if they are medically necessary.



In summary, make a point to understand your medical and health plan, what is covered and what is excluded. When in doubt, contact your insurance company/takaful operator.

Always declare any and all pre-existing illnesses and past treatments at the time of application to avoid disappointment later. Plan ahead for non-emergency admissions.

Finally, keep your coverage in your medical and health plan up to date. Insurers/takaful operators enhance

coverage every few years, often offering upgraded or new provisions.

Remember, all insurers/takaful operators want to honour your claim as their good reputation depends on it. In the end, this is their most valuable asset.

This article is brought to you by the Life Insurance Association of Malaysia (LIAM), Persatuan Insurans Am Malaysia (PIAM) and Malaysian Takaful Association (MTA).