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Firms can save through health insurance

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COMPANIES can save up to 40 per cent of their annual medical expenses if they purchase an health insurance scheme for their employees, an insurance expert said.

However, only five per cent of employers in the country have purchased the scheme, Aetna Universal Insurance Sdn Bhd senior vice-president and actuary Mohamed Hassan Kamil said.

"Most of the companies which purchase the scheme are multinational corporations which understand the concept and are aware of the benefits which health insurance offers," he told Business Times in an interview in Kuala Lumpur.

Large companies in the country spend between RM30 million and RM40 million on medical expenses annually, he said.

Hassan said employee health insurance is based on the preventive care concept. "Under the scheme, we (insurance companies) encourage employees to come for routine health examinations. The health examinations will be covered by the premiums," he said.

When the workers are in good health, there will be fewer absences due to an illness and productivity will increase, he said.

Explaining the scheme, he said companies will only be responsible for paying the premiums. If there is a valid claim, the insurance companies will compensate them, he added.

"Insurance companies have a great deal of expertise in health. As such we can query medical practitioners on the accuracy of their fees and prescriptions," he said.

This will reduce the company's expenditure on employees' medical costs, he said.

Hassan went on to add that the insurance companies will also provide newsletters, promoting exercise programmes and will aid in organising competitions where the healthiest worker will win prizes.

"The workers can also join a health club or gymnasium, and the insurance company will provide a rebate on the membership fee," he said, adding that this is a common practise of insurance companies in the US and Europe.

Hassan said most companies in Malaysia do not have an audit on their medical expenses.

"Usually the company will reimburse the medical fees of their employees on a case by case basis. Companies have mountains of employee medical records but no audit is performed with regard to medical expenses.

"There is therefore, no way for employers to discover if a particular doctor's fees are reasonable," he said.

Hassan said the health insurance market is still a baby within the region when compared to life insurance which has been around for more than a century. However, health insurance is the fastest growing market in the country, he said.

Hasan, who is also an advisor to the Malaysian Insurance Institute (MII), said next month, Kuala Lumpur will host a Regional Conference on Occupational Safety and Health (OSH) and Health Insurance.

The conference will be held in conjunction with the Second South-East Asia Healthcare Exhibition. Prime Minister Datuk Seri Dr Mahathir Mohamad will officiate the OSH exhibition on April 3 at the Putra World Trade Centre.

Themed, "Creating the Health and Safety Advantage", the conference will

discuss a wide range of issues relating to OHS and health insurance.

Delegates to the conference will study the trends in healthcare costs and spending patterns as well as developments in healthcare financing. They will also gain insight from experts on how different corporations have successfully implemented and improved their OSH management.

Topics covered will include "Medical Management and Cost Control Techniques", "Work Environment and the Impact on Health", "Managing and Financing Risks in Organisation", "OSH Management System Audit" and "Current Findings on Health Care Costs and Implications".

According to Hassan, the conference will be divided into two concurrent sessions - one will discuss matters related to Health and Safety while the other will deal with health insurance.

About 150 participants are expected to attend this conference, including factory managers, first and second line managers, risk managers, claims managers, safety and health officers, insurance brokers, underwriters and medical practitioners.

Hassan said the exhibition will showcase healthcare providers' latest technology, safety devices at workplaces, personal safety and healthcare-related information technology.

He said employers who wish to have higher productivity through healthier employees and reduce their annual medical expenses will benefit from the conference.

Those who wish to participate in the conference and exhibition, organised by MII and the National Institute of Occupational Safety and Health, can contact Khong Wai Yee at 03-2544234 or E-mail:miird@po.jaring.my.

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