

28th January 2005

THE HEALTH INSURANCE AUTHORITY STATEMENT

During the course of 2004, as part of its role in monitoring the operation of the health insurance market, The Health Insurance Authority (HIA) carried out a review of the rules pertaining to contracts being sold by BUPA Ireland and Vhi Healthcare, as well as contracts proposed for sale by VIVAS Health.

Arising from this review, the HIA discovered a potential for the payment of benefits below prescribed minimum levels in certain circumstances. After subsequent liaison with Vhi Healthcare it was brought to the HIA's attention that a number of cases had been identified where prescribed minimum payments had not been paid to Vhi Healthcare members who were in receipt of certain treatments in certain hospitals. These underpayments were identified in relation to a small number of members on Plans A and A Option. The HIA indicated concern at the non-compliance with the regulations and the fact that no arrangements had been put in place to effect reimbursement. The HIA requested that Vhi Healthcare reimburse those members who did not receive the minimum payments to which they were entitled.

Further to this contact, it was brought to the HIA's attention that, in relation to a larger number of cases dating from the period 1996 – 2000, there was a failure to comply fully with the Minimum Benefit Regulations in respect of Vhi Healthcare's Plans B and B Option.

Vhi Healthcare has outlined the steps which are being taken to reimburse those members affected by the under-payment of benefits, which it is understood will include the payment of interest to reflect the delay in reimbursement. Vhi Healthcare has also commenced an investigation into how this situation arose and how it had been dealt with in Vhi Healthcare. Vhi Healthcare has informed the HIA that a comprehensive review, carried out by its staff in late 2004, of all of its other products indicated that these products were fully compliant with the legislation.

As Vhi Healthcare is a statutory body that falls within the area of responsibility of the Minister for Health and Children, and as the Department of Health and Children was the regulator of the private health insurance market during the period 1996-2001, the HIA has kept the Department informed of these developments. The HIA continues to monitor the operation of the health insurance market on an ongoing basis.

ENDS

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