

Media Release

COMMENT ON RISK EQUALISATION PROCESS

As independent regulator of the private health insurance industry, the HIA (Health Insurance Authority) is continuing to carrying out its statutory duty in relation to the Risk Equalisation Scheme (RES) that came into effect on 1st July 2003.

Recently (16 February, 2004), the HIA completed an important stage in the process of assessing the need to implement an RES scheme. At that point, the HIA had established by analysis of detailed information from the three private health insurers affected, that the current level of risk difference between insurers was above 2% and below the 10% threshold. This placed the Authority under a statutory obligation to make a recommendation to the Minister for Health and Children as to whether or not RES payments should be commenced.

Following further, detailed analysis of returns from private health insurers, on Friday, 5 March 2004, the HIA issued the health insurers with a preliminary view of the recommendation it proposes to make to the Minister for Health and Children before the end of April 2004. The Authority has given notice to the insurers that they have a period of 21 days in which to make representations to the HIA, if they wish to do so.

After considering such representations as are made, the HIA will come to a final view in relation to its recommendation and forward its report to the Minister by end of April.

Ends/

Editor's Note:

Further information on the Risk Equalisation Scheme is available at <http://www.hia.ie/functions/risk.html>