

## No discrimination: on health insurance in India

The Delhi High Court's order [striking down a discriminatory exclusion clause](#) in a health insurance policy, and upholding the claim of a patient, should have the broader effect of eliminating similar exclusions. The case involved a rare heart condition based on which United India Insurance Company rejected the claim, viewing it as a manifestation of a genetic disorder. By its very nature, such exclusion defeats the purpose of the health policy. But then, policies sold to individuals invariably contain a plethora of exclusions in the fine print, diminishing their practical value. They are heavily weighted in favour of the insurer. The court has struck a blow for the rights of the individual by holding that exclusion of the kind invoked does not just involve a contractual issue between the two sides, but the basic right to health flowing from Article 21 of the Constitution. It has gone further to interpret the right to health as being meaningful only with the right to health care, and by extension, health insurance required to access it. This is good advice. The Centre, which has committed itself to a universal National Health Protection Scheme, and the Insurance Regulatory and Development Authority would do well to heed it. They must review all the policies, and eliminate unreasonable exclusionary clauses designed to avoid claims.

### Making health insurance work

Several studies have pointed out that health insurance in India suffers from lack of scale, covering only about 29% of the households surveyed under the National Family Health Survey-4, that too in a limited way. The health-care system also lacks regulation of costs. There is asymmetry of information, with the insured member unable to assess the real scope of the policy or negotiate the terms with the provider. Questions such as these led to the enactment of a new health-care law in the United States during the Barack Obama administration, whereby strict obligations were placed on insurers and unreasonable exclusions removed. India's health insurance and hospital sectors closely follow the American pattern, and are in need of strong regulation. This is necessary to define costs, curb frauds and empower patients. As the Delhi High Court has observed, exclusions cannot be unreasonable or based on a broad parameter such as genetic disposition or heritage. Insurance law has to be revisited to also ensure that there is a guaranteed renewal of policies, that age is no bar for entry, and pre-existing conditions are uniformly covered. Problems of exclusion will be eliminated if the payer-insurer is the state, the financing is done through public taxes, and coverage is universal. Given its stated intent to ensure financial protection against high health costs, India should adopt such a course. The short-term priority is to remove discriminatory clauses in policies and expand coverage to as many people as possible.

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