

General Circular pursuant to the Health Insurance Law (No 11 of 2013) of the Emirate of Dubai

eClaimLink General Circular Number 01 of 2020 (GC 01/2020)

Subject of this General Circular	General Updates and Clarifications
Applicability of this General Circular	This Directive applies to all permitted health insurance companies marketing health insurance plans and health insurance claims management companies in the Emirate of Dubai and is for the information of all and intermediaries advising upon or selling such plans
Purpose of this General Circular	To update the market of frequent misinterpretations and general updates going forward
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Publication date	12 th January 2020
This document replaces	Not applicable
Effective date of this General Circular	12 th January 2020
Grace period for compliance	Not applicable

Preamble

This general Circular is to inform all market participants, payers, TPAs and intermediaries of various misinterpretations of past regulations. The objective of this circular is to clarify any misconceptions around these observations, in addition to outlining new regulations for a more ethical and healthier health insurance system.

Objectives of this General Circular

- EBP Index Rate for LSB members
- Treatment of Patient Support Program Fees
- Capitated Schemes
- Policy Renewal Notices
- Policy Renewals
- Pregnancy and Pre-existing Condition Premiums
- Statute of Limitations on Declaration of Pre existing Conditions
- Policies issued online
- Policy Cancellations
- TPA Marketing
- Pre Existing and Chronic Conditions

EBP Index Rate for LSB members

The Index Rate remains enforced the same as the previous year until we revise it. We have observed there is confusion amongst the PIs on the index rate, and the introduction of the patient support program fees and VAT.

The index rate for 2019 was maintained at AED 550 – 750. This will continue through 2020 until further notice.

The amounts mentioned are inclusive of VAT. Therefore, a PI that has an approved index rate of AED 550 (including VAT) should not be quoting lower than this per member before application of the patient support program Fees.

Historically we have held a supportive role, however any instances of PIs quoting under their submitted index rates will jeopardize their PI status in addition to possible penalties/suspension.

Any Non-LSB member or enhanced product should be quoted and priced above the higher end of the index rate range, i.e. above AED 750.

Treatment of Patient Support Program Fees

Referring to [Procedural Notice 01 of 2019](#) where the PSP amounts were clearly communicated. The patient support fees outlined in the procedural notice clearly state the required amounts (AED 19 for BASMAH and AED 18 for HCV) must be over and above premium. I.e. if a PI has an index rate of AED 550 (including VAT) the final premium should be $AED\ 550 + AED\ 19\ BASMAH + AED\ 18\ for\ HCV = AED\ 587$.

Insurers are not allowed to absorb these amounts. The example mentioned above applies to all policy and member types, basic or enhanced policies, LSB or Non-LSB members.

In addition to the above no insurer can waive the fees, nor can any member waive their interest or eligibility to be a part of any patient support programs whether with their consent or not.

Capitated Schemes

We have observed there are certain capitated schemes that are not adhering to regulations where medical claims are not submitted on the DHPO. This is to reiterate that submission of claims on the DHPO has always been a requirement for any direct billing claim and capitated schemes are no exception to this.

Policy Renewal Notices

All Insurers, both PIs and Non-PIs are required to provide renewal notices and renewal terms on expiring benefits to all clients (group & individual) and client types (LSB & Non-LSB) at minimum 30 days before expiry of the policy. Under no circumstances whatsoever will it be acceptable for an insurer to deliver a renewal notice and renewal terms on expiring conditions less than 30 days before expiry of the policy.

In addition to the above insurers are required with no exceptions to adhere to [Standards Notice 01 of 2018](#) including but not limited to provide this along with renewal terms to all group policies with 10 or more members. Where an insured requests their loss ratio this must be provided.

Policy Renewals

Where a member is renewing a policy with an existing insurer (Both PIs and Non-PIs); no medical declarations or questionnaires can be requested as the members medical history will be with the incumbent insurer. Furthermore, all insurers are now required to include an incontestable clause that does not exceed 1 calendar year. When the contestable period has passed, the insurance company can no longer contest any aspect of the policy; thus, the policy is incontestable after that time.

Pregnancy and Pre-existing Condition Premiums

Going forward Insurers (Both PIs and Non-PIs) will be limited to the loading that can be applied on renewal quotations for existing insured members. Where an insurer sees a technical requirement to increase an insured members renewal premium, they can only increase the premium by 100% per medically diagnosed condition, not more. For example at Policy inception the premium was AED 1,000 the insured member becomes pregnant at month 10 of the policy, at month 11 when the renewal terms and notice is sent to the client, the total premium cannot exceed AED 2,000.

Statute of Limitations on Declaration of Pre-existing Conditions

Regarding declarations of pre-existing conditions at the time of insurance application, an insurer cannot penalize an insured member for a condition that was not declared which is more than 5 years old at the date of application. Any conditions older than 5 years which may be mentioned in a medical report, or the cause of a condition in the future may not grant the insurer the right to refuse coverage on the basis of an undeclared

existing condition. This does not absolve the insured of their requirement to disclose any existing conditions or treatments, where a condition or incident older than 5 years was not mentioned cannot be deemed as an undeclared condition.

Policies Issued Online

Where a policy is issued online, and the application is completed on behalf of the insured member, whether by intermediary or any person other than the insured member, the insurer cannot deny a claim stating a condition was not declared, or there was a material misrepresentation. In cases where a complaint arises, and coverage denied for a condition the insurer states is undeclared; where the application was completed by a DHA permitted HIIP, the HIIP will be held liable for the misrepresentation and any applicable additional loadings and/or coverage of the rejected condition. Where there is an unauthorized, unpermitted entity e.g. a typing centre agent, the insurer will be liable.

We would advise any and all insurers with online applications that are not reviewed, to start doing this. This avoids any unforeseen challenges for both insurers and members.

Policy Cancellations

Under no circumstances can an insurer cancel an insurance policy without proof of new insurance or visa cancellation, specifically due to non-declaration of a condition.

TPA Marketing

This is to reiterate that as stated in [General Circular 04 of 2014](#) TPAs are not permitted to market services on behalf of an insurer.

Pre Existing and Chronic Conditions

In the EBP table of benefits ([latest version](#)) It states "Treatment for chronic and pre-existing conditions may be excluded for first 6 months of membership of an individual's first scheme entered into within the UAE". This is to clarify that waiting periods are only applicable on existing chronic conditions, and not newly diagnosed chronic conditions post policy inception.