

NAME OF SUBJECT	MEDICAL & HEALTH INSURANCE	
LEARNING & SKILL OUTCOMES	OBJECTIVES	
Appraise the development and the structure of health care provision in Malaysia	<ul style="list-style-type: none"> <li>• Appraise the structure of the Malaysian healthcare system, its role and relationship with the private medical insurance providers</li> <li>• Appraise the growth and importance of the private medical insurance in Malaysia</li> </ul>	
Distinguish and understand the principles and practices of the PMI products and services	<ul style="list-style-type: none"> <li>• Distinguish the principles and practices of the private medical insurance (PMI) products and services</li> </ul>	
Debate and understand the risk assessment and management of the PMI products and services	<ul style="list-style-type: none"> <li>• Debate issues relating to risk assessment and management practices of PMI products and services</li> </ul>	
Appraise the principles and practices of the private medical underwriting	<ul style="list-style-type: none"> <li>• Appraise the underwriting procedures and claim management in PMI</li> </ul>	
Develop the claims and policy administration of the PMI products and services	<ul style="list-style-type: none"> <li>• Develop the policy administration guidelines for PMI products and services</li> </ul>	
Illustrate the legislation and regulation of the PMI products and services	<ul style="list-style-type: none"> <li>• Illustrate the tax and legislative issues and its implication on PMI</li> </ul>	
Develop the marketing and sales management of the PMI products and services	<ul style="list-style-type: none"> <li>• Develop marketing management and strategies of PMI products and services</li> <li>• Develop sales management and strategies of the PMI products and services</li> </ul>	
Appraise and understand the challenges and issues of the PMI products and services	<ul style="list-style-type: none"> <li>• Appraise the challenges and issues of the PMI products and services</li> </ul>	
CONTENT OUTLINE		
<p><b>THE STRUCTURE OF HEALTH CARE PROVISION</b></p> <ul style="list-style-type: none"> <li>• The Malaysian Health Care System (MHCS) <ul style="list-style-type: none"> <li>○ History of MHCS</li> <li>○ Structure of MHCS</li> <li>○ Explain the aims, purpose and scope of the MHCS</li> <li>○ Discuss the main methods of delivery of MHCS service</li> <li>○ Discuss changes in the delivery of MHCS services</li> <li>○ Malaysian's government effort in setting up national healthcare</li> <li>○ Outlook on Global structure and healthcare delivery</li> </ul> </li> <li>• Primary &amp; Preventive, Secondary &amp; Tertiary Care</li> <li>• Public and Private Healthcare Services <ul style="list-style-type: none"> <li>○ The extent of the services offered by: <ul style="list-style-type: none"> <li>○ Public hospitals and clinics</li> <li>○ Private hospitals and clinics</li> </ul> </li> <li>○ Other healthcare providers</li> </ul> </li> <li>• Healthcare professionals <ul style="list-style-type: none"> <li>○ The roles of the main professionals involved in the delivery of healthcare services, including: <ul style="list-style-type: none"> <li>▪ General practitioners;</li> <li>▪ Consultants;</li> </ul> </li> </ul> </li> </ul>		

- Other healthcare practitioners

### **THE PRINCIPLES OF THE PRIVATE MEDICAL INSURANCE (PMI) PRODUCTS AND SERVICES**

- PMI policies
- The main types of private medical insurance policy and related products and services available within
  - The individual market
  - The voluntary group market
  - The company and corporate group market
  - the core benefits associated with hospital and surgical insurance policies
  - Major medical insurance
  - Other products and cover types available as additional benefits (in reference to BNM guidelines):
    - Outpatient clinical insurance
    - Outpatient specialist
    - Maternity insurance
    - Critical illness insurance
    - Long-term care insurance
    - Dental insurance
    - Health cash plans
    - Second medical
    - Medical evacuation and repatriation
    - Stand alone medical with investment linked rider
- Group Employee Benefits Schemes
  - The differences in the operation, philosophy and administration of :
    - Experience-rated group schemes
    - Community-rated group schemes
  - Contributory and non-contributory scheme
- International Policies
  - The scope of overseas cover
  - The exclusion and limitation
- Funding Methods and Pricing Adjustment
  - Funding methods and pricing adjustment in relation to individual and group schemes:
    - Fully insured
    - Risk sharing
    - Cost plans
    - Self-funding
    - Co-funding
- Health Trusts
  - The use, structure, nature and application of Healthcare Trusts
  - The uses of the healthcare trusts as a method of tax mitigation

### **THE RISK ASSESSMENT AND MANAGEMENT**

- Assessment and Underwriting
  - The principles of assessment and underwriting affecting private medical insurance and group risks
  - Provide example on premium loading after a claim
  - How premiums are calculated, including the use of:
    - Occupation as a rating factor
    - Hospital banding and charges
    - Age and gender related (banding and age specific) rating
    - Experience rated
    - Post code pricing
    - Other financial underwriting principles
  - How medical underwriting differs from other risk assessment
  - Moratoria underwriting
- Cost Containment
  - The main methods of cost containment, including:
    - The operation of no claim discount schemes
    - Loyalty discounts
    - Payment method discounts

- The use of excesses
- Good experience refund scheme
- Co-insurance
- Benefit limits
- Exclusions
- The use of provider networks.
- The guideline on cost containment in Malaysia

#### **THE MEDICAL UNDERWRITING**

- Considerations
  - The underwriting considerations of pre-existing conditions
  - The underwriting considerations of acute and chronic medical conditions
  - Examples and case laws (eg exclusions)
- Underwriting medical history
  - The application of medical underwriting in private medical insurance business
- Special considerations for group medical underwriting
  - Provider network
  - Past claims experience
  - Health, wellness, occupational and safety compliance
  - Utilization review
  - Take over scheme

#### **THE CLAIMS AND POLICY ADMINISTRATION**

- PMI claims procedures
  - The main principles and practices for dealing with claims arising under private medical insurance (PMI) policies
  - The principles and practice of managed care and other related claims management techniques, settlement methods, administration and coding
- Pre-authorisation
  - Meaning of pre-authorisation
  - Process of pre-authorisation
  - The impact of pre-authorisation of claims.
  - BNM guidelines and PIAM circular
- Scheme management
  - The basic principles of scheme management and administration
  - Addition
  - Deletion
  - Change of plan
- Transferring business
  - The considerations in respect of business transferring between insurers.
  - Option available to new insurer
  - Change of insurer
- Customer service
  - The role of the customer service function and the benefits of claims helpline facilities
- Insurer / provider relations
  - The impact on claims management of insurer / provider relations.
- Contribution and recoveries
  - The impact of contribution and third party recoveries on PMI claims management
- The role of third party administration in the claims management
  - Benefits and challenges of outsourcing claims management
  - Role and responsibility of insurer in outsourcing

#### **THE LEGISLATION AND REGULATION**

- Legislation
  - The application to PMI business of the following pieces of legislation;
    - Insurance Act 1996
    - Financial Services Act (FSA) 2013
    - Product disclosure & Transparency Act
    - The Personal Data Protection Act 2010
    - Anti Money Laundering Act 2003 (amended)
    - Takaful Act 1984 – replaced by Islamic Financial Services Act 2013

- Private Healthcare services and facility Act 2006
  - Akta Fee 1951
  - Access to Medical Reports Act 1988 (UK)
  - Disability Discrimination Act 1995 (UK)
- Other related guidelines
- Financial Mediation Bodies
  - Financial Mediation Bureau
    - Role
    - Guidelines
  - Other mediation bodies (local and foreign)

### **MARKETING AND SALES**

- Guidelines on marketing and sales by:
  - Malaysian authorities (Insurance Act)
  - Insurance related Associations
  - Hospital & Surgical Guidelines (essential)
  - Others
- Buyers
  - The needs of buyers of private medical insurance, within:
    - The individual market
    - The voluntary group market
    - Corporate / company group markets
- Marketing techniques for PMI
  - The techniques employed in marketing private medical insurance business.
- Distribution channels
  - The direct and indirect distribution channels used in the promotion and sale of private medical insurance business
- Product marketing
  - The role of the insurer / provider relationship and the link with product marketing
  - The extent of the role played by healthcare providers in the insurance market in Malaysian and how this differs from other markets
- Market size and growth
  - The importance of market size of PMI
  - The importance of growth and predicted growth to a PMI provider's in term of the
    - Marketing strategy
    - Marketing direction
- Private medical insurance providers
  - The types of organization that underwrite and administer PMI including commercial insurers
    - Life insurance
    - General insurance
    - Composite insurance

### **RELATED ISSUES AND CHALLENGES**

- Control of escalating prices by health providers
  - Healthcare provider perspective
  - Insurance company perspective
  - Consumer perspective
- Industry bodies and cross industry initiatives
  - The reasons for, results of and impact of industry bodies and cross-industry initiatives with PMI :
    - Collaboration
    - Standardization
    - Large claim database
    - Others
- Reinsurance
  - The need for reinsurance
  - Methods of insuring private medical insurance business
- Taxation
  - The taxation of benefits to individual in relation to PMI
  - The taxation of benefits-in-kind to individual in relation to PMI

- Service Tax
- The rules governing taxation of private medical insurance (PMI)