

## Changes to Plans for residents of Hong Kong Frequently Asked Questions

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## Summary of changes

### 1. What are the main changes to the William Russell Elite Plans in Hong Kong?

Please read alongside our [Plan Changes Guide](#)

- 15% co-insurance on some out-patient treatment costs, i.e. doctors' consultations, diagnostic tests and prescribed drugs
- Pre-authorisation requirement for non-emergency Advanced Imaging tests and out-patient claims over US\$500
- Low Claims Discount of 15% for eligible customers
- Cover for in-patient and day-patient treatment at the Matilda, Adventist and Sanatorium hospitals limited to a semi-private room.

### 2. Why have we made these changes?

Our claims experience was worsening due to an increasing claims frequency and very high value claims, and we had to increase our prices accordingly to cover the risk.

Rather than imposing a significantly higher premium to all our customers, we looked for measures we could incorporate to help us manage the risk, whilst continuing to offer reasonably priced, wide ranging cover, which allows our customers to choose where they have their treatment.

### **3. Do these new conditions apply if the client is receiving treatment outside Hong Kong?**

Yes.

### **4. Why are BRONZE plan holders being included?**

Because the Bronze plan offers full cover for Advanced Imaging, and there is up to 90 days post hospital treatment for out-patient expenses.

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## **Semi-private room vs private room at the Matilda, Adventist and Sanatorium hospitals**

### **5. How does the semi-private room restriction apply?**

We will offer full cover in a semi-private room for all in-patient and day-patient treatment received at the Matilda, Adventist and Sanatorium hospitals.

### **6. Can the customer choose to have their in-patient treatment in a private room?**

Yes, but we will only reimburse 80% of their eligible treatment costs.

### **7. What if the customer has out-patient treatment at the Matilda, Adventist and Sanatorium hospitals?**

Out-patient treatment is covered, subject to the cost of the treatment being reasonable and customary.

### **8. Can customers pay an extra premium to buy cover for treatment in a private room at the Matilda, Adventist and Sanatorium hospitals?**

Yes. They can make this decision at renewal, or new customers can buy the extra cover when they join the plan. Requests to upgrade will be underwritten, (so it is not possible for someone to up-grade their cover if they know they will need in-patient treatment).

### **9. How much does it cost to up-grade cover to a private room at the Matilda, Adventist and Sanatorium hospitals?**

A 15% premium loading.

### **10. Does the semi-private room restriction apply for maternity care?**

Yes.

The only exception is for expectant mothers who joined the plan in 2018 or before, and who have arranged to deliver in either the Matilda, Adventist or Sanatorium, after their renewal date in 2019.

### 11. Are there any other hospitals where the semi-private room restriction applies?

No.

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## Outpatient co-insurance

### 12. When is the 15% outpatient co-insurance applied on Silver and Bronze plans?

- It is applied only to doctors' visits, prescribed drugs, pathology, scans, radiology and diagnostic tests
- There is no co-insurance on Advanced Imaging Tests (such as MRI, CAT and PET scans), physiotherapy, and complimentary medicine
- Customers whose date of entry is prior to the 1<sup>st</sup> January 2019, and who are eligible for the Low Claims Discount, will have the 15% co-insurance waived for as long as they remain eligible for the Low Claims Discount
- Customers who do not qualify for the Low Claims Discount will pay the 15% outpatient co-insurance
- New customers (with plan start dates on or after 1 January 2019) will pay the 15% outpatient co-insurance.

### 13. How is the outpatient co-insurance applied on Silver and Bronze plans?

The 15% co-insurance is calculated and applied as follows:

- We will assess the claim, and calculate the eligible treatment costs
- We will deduct 15% from the total of the eligible treatment costs
- We will then deduct the plan excess, if there is one.

### 14. Is it possible to buy out the 15% outpatient co-insurance on Bronze and Silver plans?

In some cases we may be able to offer group customers the option to buy out the 15% co-insurance with a 10% premium loading. However, where there is a high claim frequency, we will not be able to offer this option.

It is not possible to buy out the option on individual or child only policies.

### 15. How does the 15% co-insurance work with direct billing?

The membership card will now show that a customer has the 15% out-patient co-insurance and if the provider accepts Direct Billing with a co-insurance, they will collect this amount from the customer directly. [Our Medical Network page](#) gives further details of all providers and we highlight those where only a Nil excess and Nil co-insurance will be accepted.

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## Treatment pre-authorisation

### **16. Why do our customers need to get their out-patient claims pre-authorised?**

Although this is a new requirement, it is one which will enable us to help our customers and help us manage unreasonably high costs from particularly expensive providers. We will be taking a reasonable and pragmatic approach to this requirement and our focus is on supporting the member throughout their claim and being able to assure them in advance that their claim will be covered, and exactly how much of their claim will be covered, so they are aware of any shortfall in advance, if they are planning on going to a particularly expensive provider.

### **17. What if it's an emergency and there's no time to contact you in advance?**

We will always be fair. Our aim is to assist the customer, not penalise them. If it is not possible for the customer to contact us in advance we will of course reimburse eligible costs.

### **18. What is the penalty if the customer goes ahead with treatment without obtaining pre-authorisation?**

If the customer simply decides not to contact us, and this happens on more than one occasion, we will apply a 20% co-insurance to the final reimbursement amount.

### **19. What if the final bill for a claim unexpectedly turns out to be more than \$500?**

Again, we will be pragmatic and fair in these circumstances.

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## Low Claims Discount

### 20. What is the Low Claims Discount?

We have introduced the Low Claims Discount to reward existing customers who have low claims, with a 15% premium discount.

### 21. What will new customers benefit from?

All new customers who have taken an Elite Health plan with us, after 1 January 2019, will start with a 15% premium discount, which we call the **Introductory premium discount**. At renewal, the policy will be assessed to see if the customer is then eligible for the Low Claims Discount for their next year of cover.

### 22. What if a client wants actual proof that they have exceeded your claims limit, to be eligible for the Low Claims Discount?

Our customers are usually aware of the claims they have made. If they believe they qualify for the Low Claims Discount and we have not applied it, then we will provide them with information regarding the claims that they have submitted on request.

### 23. How does an existing customer qualify for the 15% premium discount?

When a policy comes up for renewal in 2019, this is how we will assess if the customer is eligible for the Low Claims Discount:

- We will take the total premium, (net of insurance premium tax), the customer has paid to us since their renewal date in 2016, or since their date of entry if later.
- We will calculate the total amount we have paid in respect of claims received during the same period and add in any pending claims.
- If the claims we have received + the claims pending amount is equal to or less than 35% of the total premium they have paid to us, they will be eligible for the Low Claims Discount.
- Pending claims are claims we have been notified of. We will make an estimate of the pending claim value.

### 24. What happens if you subsequently receive claims from that customer?

If after we have issued our renewal invoice we receive claims for treatment where the treatment date is more than two weeks prior to the date on which we issued our renewal invoice, we will withdraw the Low Claims Discount, and the customer will have to pay the full 2019 renewal premium.

If the customer has already paid their premium less the 15% discount, we will deduct the amount of the discount from their claim payment.

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## **25. Does the Low Claims Discount apply per policy, or per insured person?**

The Low Claims Discount applies per policy, and per household. So, if your customer's family has separate policies, we will total the premiums and claims from all policies registered to that household when we calculate whether the policies are eligible for the Low Claims Discount.

## **26. Does the Low Claims Discount apply in any other situations?**

If your client is receiving treatment for cancer, which is covered by their plan, they will also benefit from the Low Claims Discount. We do not wish to adversely affect anyone in this situation.

## **27. Are there any other exceptions to how the Low Claims Discount applies?**

No. We only offer the 15% premium discount to customers who are receiving treatment for cancer.

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## **Business groups**

### **28. How does this affect quotes for group business?**

When we are quoting for group schemes, we can quote with and without the semi-private hospital restriction, and with and without the 15% co-insurance on out-patient treatment.

### **29. Will existing William Russell Hong Kong groups on renewal have the cost containment measures applied as per the 2019 HK corporate plan agreement?**

Yes. Group business renewing onto the 2019 corporate plan agreement will be subject to the terms and conditions of the 2019 corporate plan agreement. At renewal, groups will have the option to buy out the 15% co-insurance on out-patient treatment and to remove the semi-private room restriction if they wish.

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## **Contact**

**If you have any other questions, please contact your broker representative.**

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