

All about the new Health Insurance Law in Dubai

The new Health Insurance Law for Dubai (Insurance Law No. 11) will be implemented in phases through to 2016, based on company size as follows;

- For employers with employees numbering 1000 or more: 31 October 2014;
- For employers with 100-999 employees: 31 July 2015;
- For employers with less than 100 employees: 30 June 2016;
- For spouses, dependents and domestic workers: 30 June 2016.

The objective of the law is to ensure that all employees enjoy a minimum level of health cover to protect them in the case of illness. DMCC Free Zone is committed to this important community objective and has elected to fully implement the coverage requirements by end of 2014, irrespective of company size.

What are the minimum requirements?

All new policies whether group or individual, issued on or after 1 January 2015 must comply with the standards of the Essential Benefits Plan. All new policies must meet or exceed the benefits provided by the Essential Benefits Plan and exclusions must not go beyond those listed for the Essential Benefits Plan.

All existing policies must meet or exceed the Essential Benefits Plan standards by the first renewal date after 30 June 2015. This means that by the final implementation deadline of 30 June 2016, all insured members will have benefits that meet the minimum standards.

Is this health insurance coverage mandatory for visa and ID cards (PIC) application and renewal?

Yes, it is mandatory as of January 2015.

What steps has DMCC taken to inform its members?

DMCC conducted a Health Insurance Launch event as part of our Knowledge Series to update our member companies. In addition, we provide a set of Q&As that provide further information about the new insurance initiative and what it means for an individual.

How does this change the existing rules and regulations in DMCC?

DMCC Free Zone companies have always been required to provide health insurance for their employees. Now two further improvements are being introduced; firstly there is greater clarity on the minimum requirements and secondly, in collaboration with Insure Direct (Brokers) LLC, (DMCC's insurance partner,) DMCC has launched an exclusive health insurance solution, underwritten by Daman.

Who can provide health insurance cover to DMCC member companies?

45 insurance companies have been awarded Health Insurance Permits (HIP) and are allowed to sell or administer health insurance products in the Emirate of Dubai. These products must meet or exceed the standards of the Essential Benefits Plan and are available to everyone with a gross monthly salary above AED 4,000/- per month, higher salary band (HSB) workers. A list appears on the DHA Insurance System Healthcare in Dubai (ISAHD) website, www.isahd.ae

9 insurance companies who have been awarded Participating Insurer (PI) are allowed to sell Essential Benefits Plan (EBP). Workers with a gross salary of 4,000 AED per month or less, lower salary band (LSB) workers, may only obtain insurance products from these 9 PI, they are not allowed to obtain insurance products from non-PI. A list appears on the DHA Insurance System Healthcare in Dubai (ISAHD) website, www.isahd.ae

DMCC's exclusive health insurance solution, in conjunction with Insure Direct (Brokers) LLC, underwritten by **National Health Insurance Company - Daman** offers a comprehensive and cost-effective solution to support Free Zone member companies. Daman has been awarded with both HIP and PI status and subsequently can sell health insurance products to both LSB and HSB workers.

What is the minimum premium and basic coverage promised to each person? What is the maximum?

The minimum standards must meet the Essential Benefits Plan (EBP). Workers with a gross salary of 4,000 AED per month or less (LSB) may only obtain insurance products from one of the Participating Insurers (PI). The annual premium per employee varies between AED 500/- to AED 700/-, however PI may deviate from the index rate by plus or minus AED 25/-.

Participating Insurers (PI) may offer LSB workers enhanced benefits to the Essential Benefits Plan (EBP) at an additional cost.

Workers with a gross salary above 4,000 AED per month, HSB workers, may obtain insurance products from both Participating Insurers (PI) and non-Participating Insurers, who have a Health Insurance Permit (HIP.) The annual premium for these workers is subject to underwriting of the Insurer, which the PI or non-PI are allowed to increase the index rate offered to LSB.

The minimum annual benefit limit required by the DHA is AED 150,000/- (full schedule of benefits can be viewed from www.isahd.ae) Under the DMCC health insurance solution the basic annual premium per member starts at AED 1,973.09 with annual benefit limit AED 250,000/-.

Which areas of health will be covered by the insurance? What will be included in the basic health coverage and what will be excluded?

The minimum level of coverage stipulated by the DHA under the Essential benefits plan will cover the Emirate of Dubai territorial limit only In-patient and Out-patient treatment; extending to the UAE for emergency treatment only. Pre-existing conditions subject to 6 month waiting period and subject to policy terms and conditions. Maternity coverage for married females with nil waiting period.

Under the DMCC health insurance solution, enhanced benefits are available including; international territorial limit, nil waiting period for pre-existing conditions, covered subject to policy terms and conditions, amongst other benefits.

Are all pre-existing conditions covered under the DHA EBP and DMCC health insurance scheme plans?

Pre-existing conditions are not covered in their entirety. Please refer to the general exclusions outlined in Appendix A of the Employer's Information Pack; <http://www.isahd.ae/Home/PresentationsAndGuides>. In addition Daman's general exclusions for the DMCC health insurance solution plans, which can be provided By Insure Direct (Brokers) LLC. All new policies must meet or exceed the benefits provided by the Essential Benefits Plan and exclusions must not go beyond those listed for the Essential Benefits Plan.

If Dh150,000 is the health cover per person per annum, will the co-insurance and deductibles (amounts paid by the holder of insurance as their contribution towards the treatment costs per episode) get higher? How to ensure that the burden of added cost is not transferred to the employees?

Under the DHA EBP there is no deductible, however there is co-insurance applicable to all In-patient and Out-patient treatment. The co-insurance is payable by the employee, not the employer.

Under the DMCC health insurance solution, subject to which plan is chosen by the employer for their employees, there will be co-insurance payable. However we have introduced out of pocket limits varying from AED 25/- to AED 100/- subject to the respective benefit, which caps the maximum an employee will contribute towards their bill, between AED 25/- and AED 100/- subject to the respective benefit claimed for.

Inflation of deductibles/ co-insurance will be at the discretion of the DHA should there be any alterations to the Dubai Health Insurance Law No. 11.

Who will decide the bracket of coverage and network?

The DHA has set the minimum level of cover in the Essential Benefits Plan, which all employers must offer to their employees. Please refer to Appendix A of the Employer's Information Pack; <http://www.isahd.ae/Home/PresentationsAndGuides>. Participating insurers will provide the network directory.

Under the DMCC health insurance solution, the employer has a choice of five plans that they may choose from for their employees, based on the designation of the employees. The network directory is also available for each plan from Insure Direct (Brokers) LLC.

Should a member choose to have treatment outside of the designated network directory, subject to Insurer's discretion the claim may be covered on a reimbursement basis either on actual, reasonable and customary measures or Insurer published rates, up to the limit specified in the policy terms and conditions.

Will the company pay only for employee insurance or will there be provision for family health cover? Who will bear the cost of an employee's dependent's insurance?

The DHA encourages employers to cover dependants of employees. Where an employer does not pay for coverage, the dependants can still be included within the employer's group insurance policy, with the insurer collecting the premium from the employer and the employer then deducting the premium from the employee's salary.

Where dependants are not covered within an employer's group insurance policy, it will be the responsibility of the employee to arrange for insurance coverage with an insurance company and to pay the premiums directly. The deadline for dependents is 30/06/2016 and the insurance policy has to comply with the DHA regulation.

What will happen in case of an emergency? Who will pay for the costs?

All emergency cases will also be covered by the insurance within the territorial limit specified in the policy. In fact, any emergency procedure will not require a pre-authorisation. If a patient happens to be in an emergency situation and is taken to a hospital that is not covered by their insurance, the patient will still be taken there and emergency treatment will be carried out. Only after that can a hospital shift the patient to a hospital that is under the insurance coverage once the patient's condition stabilises.

What about chronic and pre-existing conditions? Will the co-insurance amount to be picked up by the individual be higher?

Under the Essential Benefits Plan (EBP) there is a 6 month waiting period for pre-existing conditions, covered subject to policy terms and conditions. (The co-insurance is specified for Inpatient and Out-patient treatment in the SOB from Participating Insurers.)

The DMCC health insurance solution offers nil waiting period for pre-existing conditions, subject to continuity of coverage for the Secure Bronze plan; otherwise a 180 day waiting period applies to pre-existing conditions. However should a member not have continuity of coverage, the SELECT plans offer a nil waiting period for pre-existing conditions. Please note pre-existing conditions are covered subject to policy terms, conditions and general exclusions.

How will DMCC enforce health insurance, in addition the rule that the employer bears the cost and does not pass the burden to the employee?

Legally, no company can shift the burden of the premium on the employee and we will have strict punitive measures in place to take action in case an employee files a complaint.

The DHA have confirmed non-compliance to the Insurance Law No. 11 will lead to the imposition of back-dated fines. The amount is dependent on the compliance of the employer.

What if our company has an existing health insurance policy from a non-DHA approved insurance provider?

All existing policies must meet or exceed the Essential Benefits Plan standards by the first renewal date after 30 June 2015. This means that by the final implementation deadline of 30 June 2016, all insured members will have benefits that meet the minimum standards and be issued by an approved health insurance provider, having HIP and or PI status.

Where an existing policy covers LSB workers with a non-PI, the same non-PI can continue to cover these workers until the deadline given above.

All existing self-funded schemes must convert to an insured basis in accordance with the deadlines mentioned above based on employer size. If the scheme does not have a renewal date as such, the reference date to be used for timeline compliance will be the scheme accounting date or the accounting date of the employer.

Is it mandatory to take the DMCC health insurance solution?

No, as long as the member company complies with the DHA regulations.

Do I have to enrol all of my employees or can I proceed with the ones that require health insurance for visa application/ renewal?

It is mandatory for the employer to provide a valid health insurance for all employees. Those employees not currently having a health insurance policy will have to enrol from day one to avoid anti-selection by the employer. In addition, employers are obliged to cover employees who may be having an existing policy through their spouse, parent or independently, since the primary responsibility is with the employer to arrange and any additional policies are treated as secondary.

I have found a cheaper alternative to the DMCC health insurance solution, why is this?

The DMCC health insurance solution is offering group health insurance for companies with as few as one employee. Group health insurance does not require individual application forms declaring the medical history for the previous 5 years, as pre-existing conditions are covered subject to policy terms and conditions, with the option of nil waiting period subject to continuity of coverage. We are also offering international territorial limit amongst other benefits.

What is the turn-around time to issue the health insurance under the DMCC health insurance solution?

Once the client confirms the quote and submits all required documentation, within 2 working days Daman will review and approve the application and submit the LOA (letter of acceptance) and payment terms. The health insurance membership cards will be issued within 5 to 7 working days on receipt of the completed documentation by Daman, however a Certificate of Health Insurance (CHI) can be provided on receipt of the completed LOA and payment, pending receipt of the cards.

What document do I have to present to DMCC as proof of health insurance?

Certificate of Health Insurance (CHI) to be completed by Insurers and Third Party Administrators (TPA,) which employers will need to submit for employee visa application and renewals.

Is it required to provide the salary details to the health insurance provider for the issuance of health insurance policy?

Yes, however you may indicate whether the employee is earning gross < 4,000 or > 4,000 AED per month. It is not necessary to divulge the exact figure, as long as you mention the monthly gross salary in the aforementioned format. The reason this is required is so the DHA can ensure that the authorized provider are selling insurance within the capacity of their permit issued by the DHA and subsequently the insurance is valid.

Are shareholders and or company owners required to have health insurance?

Yes, by 30/06/16 it is compulsory for all residents of Dubai to have a DHA compliant health insurance.

What is the compulsory information required to submit a health insurance application?

The DHA have specified in Appendix C of circular GC 06-2015 Enforcement of the Law through visa applications; the compulsory information to be captured when applying for health insurance. For further details please refer to the DHA Insurance System Healthcare in Dubai (ISAHD) website, www.isahd.ae