

Policy Directive pursuant to the Health Insurance Law (No 11 of 2013) of the Emirate of Dubai
Policy Directive Number 6 of 2018 (PD 06/2018)

Subject of this Policy Directive	Basmah Initiative – Fund structure
Applicability of this Policy Directive	This Directive applies to all parties involved in the administration of health insurance plans in the Emirate of Dubai, specifically, insurance companies.
Purpose of this Policy Directive	To specify the format, computation, reconciliation and methods around the BASMAH fund
Authorized by	Dubai Health Insurance Corporation, Dubai Health Authority
Drafted by	Ali F. Lutfi, Dubai Health Insurance Corporation
Publication date	10/09/2018
Effective date of this Policy Directive	Immediately Upon publication
Grace period for compliance	None

Preamble

Due to feedback from the market around the BASMAH initiative and confusion around the associated fund. In this policy directive, the intention is to clearly explain the idea behind the fund, the required allocation to the fund per member. When and how the fund will be utilized.

Should things remain unclear, please address your concerns to isahd@dha.gov.ae

Objectives of this Policy Directive

- Clarify the required fund provision amount and fund concept
- How the fund will be utilized
- Reconciliation
- Hepatitis C Program

Fund allocation

As there is much confusion around how much needs to be allocated per member to the fund. We would like to clarify that per enrolled member; each insurer is required to allocate AED 19 to the fund.

Funds are calculated on prorated basis based on a calendar year. This means for example for insured lives whose policies were incepted on the 1st of January 2018, the allocated fund is 19 AED/- per life. For insured lives whose policies incepted 1st of July 2018, the allocated fund is 9.5 AED/- under the fund budget for 2018 and 9.5 AED/- under fund budget for 2019.

Each insurance company shall book in their accounts a dedicated reserve category for the BASMAH fund that should be equal to AED 19 per active life of each Dubai visa holder.

The spirit of the program is to amortize the risk hence the overall reconciliation is aiming towards equal gain and loss among all participating insurers.

How the Fund will be utilized

- Upon identifying a case of cancer, patient consent should be obtained by insurer and payers portal updated. TruDoc will manage to get the written approval and start the PSP program accordingly
- Once the insured consumes 75% of his/her annual limit net of IBNR, insurer is accountable to prepare a file having all medical reports, claims information as well as evidence on compliance to PSP and refer it to the Fund Governance Committee
- Fund Governance Committee will review the file and issue an approval based on which the insurer will be allowed to pay related subsequent claims from the fund and update the fund utilization against the patient record in the payers' portal

Reconciliation

- Reconciliation among insurers:
 - i. The total amount spent by all insurers from the fund is going to be calculated by end of the year (example: The total sum of claims paid under BASMAH for 2018 is 1,000,000 AED/-)
 - ii. This amount is going to be used to calculate the claim spent per insured per year by dividing the amount by the number of insured lives at the cut-off date (example: The total sum of claims paid for 2018 is 1,000,000 AED/- for 4,000,000 lives so the average spent per life is 0.25 AED/-)
 - iii. The amount spent by insurer by end of the year based on their number of Dubai based lives at the cut-off date
 - iv. Deficit (insurer paid per insured per year less than Dubai average for example Insurer A spent only 0.2 AED/- per life) and excess (insurer paid per insured per year more than Dubai average for example Insurer B spent 0.3 AED/- per life) by comparing the spent per insurer against the average
 - v. Insurers who have excess will receive credit note from the insurers with deficit. These credit notes are going to be utilized only if the insurer with excess exhausted his fund
- Reconciliation of fund collection:
 - vi. Based on the overall fund consumption and the target number of patients to be treated DHA shall decide by the beginning of each year whether further collection is needed and what shall be the level of collection each year
 - vii. DHA shall decide the best way to manage the fund surplus by end of the program

Hepatitis C Program

Hepatitis C is an embedded benefit and all operations shall follow the normal benefit management process. DHA shall revise the premium for this benefit on a yearly basis as and when it needs to be reviewed.