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Health Insurance vs Mediclaim: Which is A Better Option

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Insurance providers, in an effort to accommodate the needs and requirements an individual may face in different types of financially demanding situations have developed several different plans for the same.



The abundance of options and the complex features and terms under plans which qualify as the best health insurance plan in India may be difficult to navigate for many prospective policyholders. One of the most recurrent confusions people have, is choosing between a health insurance plan and a mediclaim.

Many people often conflate health insurance with mediclaim as they are both policies targeted towards fulfilling expenses made for one's health and treatment for the same. Health insurance and mediclaim can be utilised to fulfil different aspects of their medical needs. At a time where people are actively seeking types of covid 19 insurance, and diseases are on the rise due to high-stress lifestyle choices and inflation in medical expenses such as hospitalisation, doctor fees, tests and drugs; it is imperative that people invest in insurance solutions that can protect them monetary problems and stress caused by these costs.

Let is first understand the fundamentals of both these plans and how the best health insurance plan in India can help potential policyholder fulfil their needs.

A health insurance plan is a policy that covers medical costs incurred in the course of a prolonged hospitalization, and costs post discharge as well. It is a general policy that has many variations offered by insurance providers according to age groups and family structure. One may choose from an individual health plan, a family plan, senior citizen coverage and even critical illness insurance plans.

At times of great inflation in medical and hospitalization costs, the selection of the best health insurance plan in India is a necessity for every individual, otherwise one may run the risk of having to use their emergency savings to afford these costs.

A Mediclaim is a specific type of insurance policy that promises coverage to a policyholder but under specifies capping limits. These limits may range from hospitalisation duration or certain types of illnesses. The costs are covered under a Mediclaim are usually lower when compared health insurance.

Under a mediclaim there are two ways in which a policyholder can avail their monetary claim; a cashless transaction or a reimbursement. For a cashless transaction, the policyholder will not have to make any payments post-treatment, as the insurance provider completes the payment from their end directly to the hospital/treatment centre. For a reimbursement, a policyholder may make a payment at the time of billing and then apply for a claim to the insurance provider, the sum is then reimbursed to the policyholder's account.

Now that we have established the major features of a health insurance plan and a mediclaim, let us look into the differences between the both which can enable the policyholder make the correct choice:

1. **Feature:** Mediclaim features vary across insurance providers. The coverage, capping is differentially offered by providers on the basis of their personal policies. Under a health insurance plan however, a specific sum is guaranteed on expenses incurred.
2. **Coverage:** Health Insurance plans offer complete end-to-end coverage against hospitalization costs, ambulance fees, including pre and post-op care. According to the necessities of the policyholder, they can avail a sum assured in the event that their income become irregular in the event that the policyholder meets with an accident.

Under mediclaim however, only the costs of hospitalization and treatment are financially compensated by the insurance provider within some pre-determined policy limits regarding each illness.

3. **Flexibility:** A mediclaim has limited to no flexibility, whereas a health insurance plan offers ample room for a policyholder to customize their policy as per their circumstances such as reduced premiums after a specified time period, or extending one's tenure to avail insurance till retirement and after.
4. **Sum Assured:** The sum assured under a mediclaim policy is capped at Rs 5 lacs, whereas a health insurance plan is capped at Rs 6 crore per annum. The latter all-round offers a more financially robust and extensive cover for the policyholder.
5. **Hospitalisation:** Hospitalization is necessary for a policyholder to be able to avail their mediclaim sum to cover their costs. For a health insurance plan however, one does not need to be hospitalised.
6. **Critical Illness:** One of the most important features of a health insurance plan is its Critical Illness benefit which provides coverage for more than 30 critical diseases such as cancer, kidney diseases, stroke and more.
7. **Claims:** Under a mediclaim policy a policyholder can avail claims till the point their total amount has been exhausted. For health insurance plans however, one can avail claims according to their reason. For standard claims

one can avail coverage till their sum assured isn't exhausted. For situations such as disability or critical illness the policyholder can receive a lump-sum payment from the insurance provider. One must note that claims made under the aforementioned reasons are only one-time payouts.

8. **Add Ons:** One can add additional riders for critical illness, maternity, accident and accidental disability onto an existing health insurance plan, but for mediclaim there is no such provision available.

A mediclaim and health insurance plan may vary across many factors but the main goal is to aid financial expenditure at a time when the policyholder is going through treatment and recovery. Understanding the fundamentals of health insurance and Mediclaim policies both is necessary to help you choose the right plan for you. It is a relief to have that additional support and Max Life Insurance can promise the same with their wide range of plans tailor-made for policyholders according to their needs.