BGH, MTL JOIN FOR HOSPITAL COVERAGE

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THE NATION

Hospital operator Bangkok Dusit Medical Services (BGH) and Muang Thai Life Assurance (MTL) yesterday announced a business alliance designed to keep hospital treatment costs sufficiently low to allow the partners to offer insurance products with attractive premiums.

MTL has reached an exclusive agreement with BGH to design high-standard medical treatment that does not require a cash payment at check-in time. Initially, the partners will focus on general health insurance as well as tailored coverage for certain serious diseases such as cancer, which may be unaffordable for some patients.

To facilitate this partnership, Bangkok Premier Life Insurance Broker was set up by BGH, which foresaw more need for insurance policies that cover hospital services. The joint business strategy is designed to give clients easier access to an international standard of medical treatment at reasonable cost. In particular, MTL will offer coverage of hospital-treatment costs.

Customers may have to pay minor extra expenses that exceed the contract terms. The two partners expect to see a win-win situation, with BGH designing attractive services to help MTL achieve cost-control management. MTL will then be able to create life insurance policies offering health coverage at attractive premiums.

Dr Chatree Duangnet, vice president of BGH, said the business alliance would reduce clients’ medical expenses. In addition, its more than 40 years of experience in the hospital business will encourage the group to provide quality medical treatment and other services to policyholders.

According to an International Monetary Fund study, 24 per cent of the Thai population is covered by health insurance, which is the highest rate in the ASEAN region. This figure reflects the fact that the health insurance market in Thailand has room to grow. The figure compares with a rate of 80 per cent in developed countries.

“We [BGH and MTL] have the same business objective – to upgrade Thais’ living standards and medical treatment,” Chatree said.

BGH is the largest private hospital operator in Thailand in terms of patient-services revenue and mar-
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Chatree added that customers of MTL would enjoy benefits when using services at hospitals in BGH’s network, which includes Bangkok Hospital, Samitivej, BNH, Payathai and Paolo Memorial.

Dr Suthon Chutiniyomkarn, managing director of Bangkok Premier Life Insurance Broker, said the partnership with MTL was an exclusive agreement.

It is expected that the number of customers served under this agreement will reach 10,000 next year and 70,000-80,000 within five years.

So far, the group’s general patient base (both Thai and foreign) numbers about 6 million to 7 million, with an average increase of 10 percent per year. Of the total, 20-30 percent of the patients make health-insurance payments.

“Together with MTL, we are trying to differentiate our life- and health-insurance products from others’, as well as create new marketing channels and establish cost controls for insurance compensation to achieve reasonable premiums,” Suthon said.

Sara Lamsam, chief executive officer of MTL, said the company would launch three new products.

These are Perfect Health, which grants policyholders discount rates on treatment at the group’s hospitals; Cancer B Plus, which focuses on cancer treatment with maximum coverage of Bt2 million, together with special treatment at specialist cancer-treatment hospitals; and Healthy Value, which offers maximum payment of Bt3 million for medical treatment.