

Rising Costs Will Make Coming Snowbird Season A Tough Sell

By Milan Korcok*, *Health Issues Writer*

Continuing erosion of the Canadian dollar and skyrocketing health care costs in the United States are putting extreme pressure on travel health insurance companies struggling to control their loss ratios. With the start of the 2001/2002 snowbird season only a few months away, all indications are that increasing premiums are going to force hard decisions on many of Canada's seniors.

Speaking to the annual meeting of the Travel Health Insurance Association of Canada recently, Dr. Robert MacMillan, president of the association, emphasized that per diem hospital costs have climbed to record levels, especially in the western United States. He said that in California, Arizona and Texas--winter home to many Canadian snowbirds--per diem charges in some hospitals have risen 100 percent or more, and "it is no longer unusual to see a four-day admission billed at \$50,000 US. But the industry is not prepared to pay those exorbitant fees."

MacMillan, who is also President of Insurance Claims Management Systems (ICMS), also said that "PPO contracts, once considered the answer to containing costs, no longer address the exorbitant charges and expected reimbursement levels." In addition, many U.S. hospitals are now dictating the fee levels managed care organizations must pay.

Add to this the growing scarcity of Canadian hospital beds for stricken travellers awaiting repatriation--a costly holding pattern-- and the forthcoming snowbird season clearly is going to present some tough challenges to insurers and brokers faced with explaining why insurance costs keep rising and why customers in less-than-perfect health find fewer companies willing to take on the risks of covering them.

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