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EXPENSES ON DISPOSABLE ITEMS ARE AROUND 15% OF A HOSPITALISATION BILL

SAIKAT NEOGI

A RIDER COVERING consumables can reduce out-of-pocket expenditure and provide a more seamless hospitalisation experience. The expenses on disposable items account for around 15% of a hospitalisation bill, though the proportion can be higher in complex surgical procedures, critical care treatment, or prolonged hospital stays.

Such a rider is beneficial for senior citizens as they have a higher likelihood of hospitalisation, surgeries and other treatments that require extensive use of disposable medical supplies. While each item may seem inexpensive, the cumulative cost can be substantial, especially during surgeries, intensive care unit admissions, or longer hospital stays. Without a consumable rider, these expenses are borne directly by the policyholder, even in a cashless claim.

For senior citizens, the consumables bill comes on top of other out-of-pocket expenses such as co-payment. A consumable rider reduces the total amount they pay. Senior citizens should check whether the rider is available on their health insurance plan and at their entry age, since availability varies across insurers. The cost varies by insurer and plan, but it is usually a small fraction of the base price premium.

Industry estimates suggest that about 25% of retail policyholders currently purchase this add-on, with adoption gradually increasing as awareness grows. "It is a valuable coverage, particularly for those who want to minimise claim-related deductions and out-of-pocket expenses," says Vikas Gupta, head of health administration team, Bajaj General Insurance.

Non-medical expenses

The insurance regulator's standardised list of non-payable items is divided into four groups. The List I include items not covered at all under a standard policy. These include gloves, masks, nebulisation kits, ECG electrodes, crepe bandages, diapers, walking aids, belts and braces, and attendant and certificate charges.

The List 2 items are subsumed into room charges while the List 3 items are subsumed into procedure charges. The List 4 items are subsumed into the treatment cost.

A consumables rider typically makes the List 1 items payable, which removes the largest source of deductions. However, it doesn't always cover every item. Coverage depends on the rider's wording, and it generally applies only when the hospitalisation claim itself is admissible.

Rohan Goel, business head of health insurance at Policybazaar, says the items in Lists 2-4 are already paid as part of room, procedure or treatment costs, but they can still be reduced through proportionate deduction if the customer selects a room above the policy's room rent limit. "Customers should check the rider's list of covered items before buying," he says.

Claim cost

Covering consumables raises claim costs, and therefore premiums. Including it in every base policy would make health insurance more expensive, especially for price-sensitive buyers who may prefer a lower premium. "A rider lets insurers offer flexibility in product design while allowing customers to choose whether they want the extra protection," says Sarita Joshi, head of life and health insurance, Probus.

The regulator's standardised list of non-payable items gives insurers a common baseline for what a standard policy excludes. Going beyond that baseline then becomes a way for insurers to differentiate their products, through built-in benefits in premium plans or through optional add-ons.

COST CONTROL



Premium in ₹ | Base cover | Consumables rider | Total premium

	Base cover	Consumables rider	Total premium
Bajaj My Health Care	11,367	455	11,822
Niva Bupa Aspire Gold+	14,307	1,788	16,095
Care Health Ultimate Care	9,983	898	10,881
ICICI Lombard Elevate	10,225	475	10,700
Tata Medicare Select	10,877	435	11,312

Sum insured ₹25 lakh

Premium (1-year) for a 30-year old male based in New Delhi

Source: Policybazaar