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Circular Letter 2004/20 - Definitions of Medical Procedures in Health Insurance

1. General

The existing health insurance policies define medical procedures or conditions differently. While purchasing a health insurance policy, the insured has no practical way of comparing the definitions of different medical procedures. As a result, he is unaware of the differences that may result from the definitions in the insurance cover.

Accordingly, after receiving professional medical advice, attached is a list of definitions of medical procedures in health insurance policies.

2. Definition of medical procedures

The medical procedures listed below that are covered by insurance policies shall be defined in accordance with the minimal standards as specified below:-

A. **Surgery** - Invasive procedure that penetrates through tissues, the purpose of which is to treat an illness and/or injury and/or to correct a defect or deformity in the insured.

In this context, invasive procedures that will also be considered as surgery includes procedures performed with a laser, for diagnosis or treatment purposes, Endoscopy, Catheterization, Angiography and Lithotripsy of kidney stones or gallstones.

B. **Elective surgery** - Surgery that was anticipated, and for which the insured is not admitted to the hospital through the emergency room as an emergency case, but the insured is referred by a specialist physician from a clinic (including hospital outpatient clinics).

C. **Transplantation** - Surgical excision or removal from the insured's body of a lung, heart, kidney, pancreas, cornea, liver and any combination of them, and transplanting another organ or a part of an organ harvested from a donor to

replace the existing failing organ. Allogeneic bone marrow transplantation is also included.

Transplantation will also include transplant of an artificial heart, when the procedure will no longer be considered experimental in Israel. In cases where the transplantation of an artificial heart precedes heart transplantation from a cadaver, it will be considered as one insurance event.

- D. **Implant** - Any accessory, natural organ or part of a natural organ, or an artificial organ, artificial or natural joint that is transplanted or fitted in the insured's body during the surgery covered under the insurance policy (for example: a lens, hip joint etc.), Excluded are a denture (false teeth), dental implant and implant during transplantation (as detailed in paragraph C aforementioned).

3. Instructions for Implementation

- A. An Insurer shall submit to the Commissioner of insurance for approval the required changes to the policies, together with a declaration as stated below, not later than 1.1.05. The text of the declaration is as follows:- "I, the undersigned, hereby declare that the definitions of illnesses or medical events in the insurance policy are totally identical to the definitions set in circular letter 2004/20". This declaration shall be signed by the legal advisor of the company.
- B. An Insurer is entitled to modify the above definitions subject to the two following conditions:-
- 1) The change is to the advantage of the insured;
 - 2) In an individual policy, subject to having received prior approval from the Commissioner. In a policy sold to a group of insured persons, on condition that the policy includes the following statement: "The definitions of illnesses XYZ have been formulated to the advantage of the insured in respect of the minimum definitions as determined by the Commissioner of insurance in the circular letter 'Definitions of Medical Procedures in Health Insurance – 2004/20'".

4. Applicability

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The instructions in this circular letter apply to all insurance companies.

5. Effective Date

The instructions in this circular letter are effective for health insurance policies that are sold or renewed as from 1.3.05.

Eyal Ben-Chelouche
Commissioner of Insurance

Note: In any case of discrepancy between this translation and the original circular letter in Hebrew, the original will govern.