

Reasonable & Customary Charges

What are Reasonable and Customary Charges (R&C)?

R&C charges (if specified in your SOB) refer to the average price of a particular treatment across the Network Providers for a specific plan. Daman applies R&C rates to claims incurred out of the plan’s Network Providers as high non-network prices impact the policy’s performance.

The below table is an illustration for a case where 20% co-insurance applies for all services covered by a Non-Network Provider: Example - R&C: Consider that a cost for a particular surgery is AED 1000 at a Network hospital.

| | Paid amount | After applying 20% co-insurance | Maximum reimbursed claim payable to the member |
|--|-------------|---------------------------------|---|
| R&C: For a particular surgery within your Network | AED 1000 | AED 800 | AED 800 (Lower of R&C or Actuals after applying applicable co-insurance) |
| Scenario 1: Claimed Amount (Amount charged by Non-Network Provider higher than R&C rate) | AED 1500 | AED 1200 | |
| Scenario 2: Claimed Amount (Amount charged by Non-Network Provider lower than R&C rate) | AED 500 | AED 400 | AED 400 (Lower of R&C or Actuals after applying applicable co-insurance) |