Annexure - 4

Summary of Comments received from stakeholders:

1. **Suggestions Clause 3 (b) definition of Network Provider:** Some of the TPAs submitted that the clause specified in current regulation having limitations for rendering cashless OPD claims. Hence, TPAs need to be enabled to provide cashless services to such non IPD claims on Insurance policies. It is further suggested that the definition of "*Network Provider" may be enhanced to include health care provider of medical or health services or any other person or organization (including an aggregator of such services) which is involved or associated with the delivery of healthcare or wellness related services and furnishes bills or is paid for health care in the normal course of business."* One of the Insurers suggested that the definition of Network Provider be modified to include '*re-imbursement facility considering the same package rates'*.

2. **Suggestions received on Clause 3 (c) the definition of Third Party Administrators:** One of the TPAs stated that the definition of TPA may be modified as "*Third Party Administrator (TPA)", means a company registered with the Authority, and engaged by an insurer or by Central or State Government or any other agency as may be specified by the Authority from time to time, for a fee as mentioned in the agreement, for providing health services as mentioned under these Regulations*.

3. **Suggestions on Clause 3 (e) option of allowing policyholder choose TPA:** There were mixed views on this. A number of TPAs sought mandatory regulations to ensure that Insurers are having a tie up with either multiple TPAs or with all TPAs. The General Insurance Council suggested that It would be advisable to take two Choices of TPA in order of preferences to ensure continuity of cashless service.
    ii. One of the TPAs suggested that this clause leads to malpractices /corruption, delay in services, higher incidence of grievances and rise in probability of wrong claims getting settled. This option also requires fixing minimum fee to the TPAs. With the choice of TPA resting with the insured, TPAs are set to face tough competition and may take the unprofessional route of luring agents/insured by unethical means but ultimately compromising on services to be rendered to insured. This option may also open up new vistas for cartel formation by the policy holder, hospital and perhaps intermediary, which may have an impact on the Incurred Claim Ratio. Since majority of the insured would not have availed the services of the TPA considering that the incidence rate is 6-7%, this option leads to agent/broker taking the call. It is also suggested that this clause needs to be deleted as providing an option to select a TPA by policy holder will increase the complexity and cost of operation for both the TPA as well as the Insurance Company. A number of TPAs also suggested that all insurance companies are to be mandated to utilize the services of the TPA (No non-TPA policy to be issued). This will enable the Regulator to protect

and promote the TPA for which the regulations are being made and the Authority will be able to protect the interest of the policy holder.

iii. One of the TPAs expressed that this option will enhance the TPA wise competition in the area of quality of service delivery to the policyholders and end in blame game of high treatment costs and subsequently the Claim ratio and the Premium will fall. The Insurer and the Care Provider Hospitals will generate marginal revenue surplus while providing quality care to Policyholders. Policyholders will also show to the world that there is no Moral Hazards at the care provider and policyholder`s level but it lies somewhere else.

iv. The Association of TPAs suggested that Insurers who use in-house claims processing should also introduce a panel of at least 5 TPAs, whereby the Insured should be given a choice to choose between an in-house claims processing and empaneled TPAs. By Introducing the clause to choose between in-house processing and a nominated panel of TPAs would bring healthy competition and also Insured can continue his relationship with existing TPAs in case of Portability of his policy to another Insurer, where claims processing is done by in-house.

v. One of the reinsurer suggested that this option shall not be allowed for Govt Sponsored Schemes.

vi. One of the General Insurance PSUs suggested that the choice of TPA may be given to the policyholder only from the TPAs empaneled by the Insurer for that particular policy issuing office, rather than from amongst the TPAs engaged / empaneled by the Insurer for a given Insurance Product. It is also expressed that giving choice of TPA to insured will deprive insurer the legitimate control over TPAs and may prove detrimental to the interest of Policyholder as may not be aware of the accessibility and relative capabilities of a TPA in a geographical area. TPAs may indulge in solicitation of business to grab more business. As claims settlement function is vested with the insurer, it will be administratively difficult for Policy Issuing Office / Single Office to handle the queries/ monitor status of claim, for multiple TPAs. It is also felt that this option puts Insurers with multiple TPAs in their panel at a disadvantage compared to the companies which service claims in-house or have a single TPA. Regulator may not ensure a choice of TPA for the customers of the companies who deal with in-house claims or through a single TPA.

vii. Another PSU General Insurer also suggested that with regards to the choice of TPA for retail products, they are of the opinion that the same should not be implemented due to administrative, cost factor and other difficulties. The choice of TPA for retail products is based on the competence, infrastructure and the geographical spread of the TPAs.

4. **Suggestions on Clause 3 (f) and 3 (g) – Health Services by TPA:** One of the TPAs suggested that TPAs may be permitted to render services for self-funded/self-insured plans so that TPAs may be allowed to provide services for all type of Group assurance plans while another TPA suggested that health services mentioned at Regulation 3(1)(a) and Regulation 3(1)(b), 3(1) (c) , 3(1)(d), 3(1)(e), 3(1)(f) and 3(1)(g) shall be exclusively reserved for IRDAI registered TPAs only. A number of TPAs also suggested that Pre Insurance Medical Examination should not be done by an entity other than a TPA. The Association of TPAs suggested that Pre-Insurance Medical Examination and Servicing of non-insurance health care schemes shall be exclusively reserved for servicing by registered TPAs of IRDAI.

5. ***Suggestions on Clause 3 (q) revision of non-refundable renewal processing fee:*** Two TPAs has requested to minimize the fee stating that it is a tenfold rise.

6. ***Suggestions on Clause 3 (u) – Maintain data, handing over claim files:*** One of the TPAs suggested if the insurer not accept settled claim files beyond the stipulated period of 90 days, the insurer should reimburse the storage cost to the TPAs. One of the Reinsurers expressed that extension of timelines may effect the ability to get adequate data.

7. **Suggestions on Clause 3 (dd) (iv) - Restriction on canvassing business by TPAs:** The Association of TPAs suggested that a TPA should be allowed to showcase its infrastructure, network and technology to the Insured and thus should be allowed to canvass business of rendering health services directly from the policyholders or prospects, without unduly influencing. Another TPA suggested that while canvassing business of rendering health services directly from the policyholders is undesirable, there should be a window for the TPA to showcase the quality standards of its services so that the policyholders/prospects have to make an informed choice with regard to the selection of TPA. Another TPA also suggested for deletion of the proposed new clause.

8. **Suggestions on Clause 3 (dd) (iii) – Restrictions on sharing data:** The General Insurance council suggested that without waiting for the existing insurer's concurrence, data shall be shared to all the competing insurers when RFQ floated by a Group Policy Holder. Any masking of data by TPA or furnishing wrong Data by TPA shall attract penal provisions. This is to avoid possible non release / delay of Consent by Existing Insurer at the time of Renewal. One of the General Insurers suggested that approval from the corporate policy holder should be only necessary. Policyholder should have the discretion of sharing the data as per the requirements of the Insurer. Receiving written approvals from the insurer might delay the whole process of renewal. Another General Insurer submitted that any information or data relating to the group Insurance policies of one Insurer shall not be shared with any other Insurer and also not with any other Broker or Unrelated Persons; except in the cases where explicit written approval is obtained from the insurer and the Group Insurance Policyholder to whom the data belongs to.