



25<sup>th</sup> June, 2020

To

All General and Health Insurers (except ECGC and AIC),

**Re: Challenges faced by TPAs during COVID – 19 while rendering health services**

We draw your attention to our letter Ref: IRDAI/HLT/Misc/COVID-19/2020-21 dated 07<sup>th</sup> April, 2020 on electronic submission of documents for settlement of claims during lockdown period. Recently, the Chairman, IRDAI interacted with the MDs/CEOs of all TPA companies to monitor and understand seamless health services being rendered to policyholders during this COVID – 19 pandemic. Of the issues flagged by various TPAs, we draw the attention of insurers to the following issues:

1. TPAs have informed that the insurance companies are mandating physical collection of claim documents for claims settled during lockdown. They have raised difficulty in retrieving physical documents from policyholders and collection of documents from isolation units etc. In this connection, we draw your attention to the provisions of Reg 19 (6) of IRDAI (TPA-Health Services) Regulations, 2016 in accordance to which where TPAs maintain files, data and other related information pertaining to the settlement of claims in electronic form, maintenance of the same by the TPAs again in physical form is dispensed with. In the above background, insurance companies are advised to comprehensively examine the manner in which claims are processed by TPAs and consider the feasibility of dispensing collection of physical documents.
2. TPAs also represented that a large number of notices and instructions are issued by insurers posing difficulties in executing these instructions in their day-to-day work. Thus, all the insurance companies are advised to compile the instructions so far issued, into one or a couple of consolidated instruction set, for ease of TPAs' workflow.
3. TPAs also highlighted that there is no clarity on the admissibility of costs of PPE kits / various components of PPE kits. In order to enable TPAs process the claims seamlessly, insurers are advised to forward suitable guidelines on the same.
4. With reference to physical investigation of claims, TPAs expressed difficulties in visiting hospitals and also containment zones. Hence, insurance companies may explore avenues of allowing TPAs to investigate remotely, wherever possible.
5. TPA also brought to our notice that some of the hospitals are charging advances/deposits from policyholders at the time of admission. In this regard, we draw your attention to our Circular Ref: IRDA/HLT/REG/CIR/86/05/2019 dated 27<sup>th</sup> May, 2019 modifying format for "Request for Cashless



Hospitalization for Health Insurance Policy (Part C)" and introducing Standard Cashless Authorization Letter Format (Part D). As per these norms:

- a. Hospitals shall confirm that no additional amount would be collected from the insured in excess of agreed package rates except costs towards non-admissible.
  - b. Hospitals shall also confirm that no recoveries would be made from the deposit amount collected, if any, from the insured except for costs towards non-admissible amounts.
  - c. In the event of unauthorized recovery of any additional amount from the Insured in excess of agreed package rates, the insurance company reserves the right to recover the same from the Network Provider and/or take necessary action, as provided under the MoU or applicable laws.
6. In light of the above, insurance companies are requested to issue advisory to all the Network Providers that they shall ensure compliance with norms of Service Level Agreements (SLA) entered. Insurers are also advised to ensure compliance to the above referred circular dated 27<sup>th</sup> May, 2019.
7. It was informed by TPAs that the service fees payable to TPAs are yet to be released by insurance companies. In the current situation of financial crunch, as cash flow is essential for TPAs as well, insurance companies are advised to settle the pending fees of the TPA companies expeditiously.

You are requested to acknowledge the receipt of the communication and submit us an action taken report within fifteen days of this communication.

Yours faithfully,

  
(Suresh Mathur)

Executive Director