



Ref: IRDA/TPA/ MISC/ORD/211/09/2014

FINAL ORDER

In the matter of M/s Paramount Health Services (TPA) Pvt. Ltd.

This is based on the reply to Show Cause Notice dated 23rd June 2014 and Submissions made during Personal Hearing Chaired by Sri M. Ramaprasad, Member (Non-Life), IRDA, on 22nd August 2014 at 1430 hrs. at the office of Insurance Regulatory and Development Authority, 3rd Floor, Parishrama Bhavanam, Basheerbagh, Hyderabad.

Show Cause Notice on observed deficiencies in the functioning of licensed TPA namely, Paramount Health Services (TPA) Pvt. Ltd. (Paramount TPA / TPA) was issued and in deference to the licensed entity's request to hear them on the charges for which they had also filed written submissions, the undersigned during the course of the personal hearing heard the submissions of the TPA company represented by Dr. Nayan C. Shah M.D., of Paramount TPA. On behalf of the Authority, Mr. M. Ramaprasad, Member (Non-Life), Mrs. Yegna Priya Bharath, Joint Director (Health), Mr. N.M. Behera, Deputy Director (Health Policy) and Mr. Bhaskar Khadakbhavi, Assistant Director (Health – TPA), were present in the personal hearing.

The submissions made by the TPA in their written replies to the Show Cause Notice issued by the Authority and also those made during the course of personal hearing were taken into account.

The findings on explanation offered by Paramount TPA to the issues raised in Show Cause Notice and the decisions are as follows;

1. Charge No. 1:

Dr. Nayan C. Shah, is a Managing Director of Paramount TPA having medical qualification. It was noted from the documents submitted by Paramount TPA that the registration of Dr. Nayan C. Shah with Maharashtra Medical Council (MMC) was expired w.e.f. 01-03-2007.

Violation of Reg. 3 (5) of IRDA (TPA – Health Services) Regulation 2001.

2. Charge No. 2:

It is evident that Dr. Nayan C. Shah, Medical Director of Paramount TPA does not hold valid and effective registration with MCI / MMC w.e.f. 01-03-2007. However, Paramount TPA in column no. 7 (a), (b), (c) (Details of Medical Person to whom the TPA has access to) of Form TPA-3 for renewal of TPA license No. 06, had submitted the details about Dr. Nayan C. Shah. On the basis of submission of Paramount TPA w.r.t. Medical Person the two renewals for the period from 21-03-2008 to 20-03-2011 and 21-03-2011 to 20-03-2014 were granted by the Authority to Pramount TPA.

Further, in both the application Forms No. TPA-3 for renewal of TPA license and vide point no. 10 (i) of declaration Paramount TPA declared that "I declare that the information supplied in the application form is complete and correct". Thus, Paramount TPA for the two different instances had submitted incorrect information to the Authority in Form TPA-3 for renewal of TPA license no. 06.

Violation of Reg. 11(1) of IRDA (TPA – Health Services) Regulation, 2001.



3. Charge No. 3:

It is evident that Dr. Nayan C. Shah, Medical Director of Paramount TPA does not hold valid and effective registration with MCI / MMC w.e.f. 01-03-2007. Thus, the renewals of TPA license no. 06 to the Company for the period 2008-11 and 2011-14, were granted by the Authority on the basis of incorrect information / misrepresentation of facts. The said misrepresentation is not a professional approach of Paramount TPA in dealing with the issues of regulatory compliances.

Violation of Reg. 21 (1) IRDA (TPA – Health Services) Regulation, 2001.

Reply of Paramount TPA (for Charge Nos. 1 to 3):

Paramount TPA agreed to all the charges with the submission that Dr. Nayan C. Shah was a qualified doctor and registered doctor at the time of seeking the license. Dr. Shah did not renew his registration which was unintentional and was not fully aware that it is necessary to be on the Board of the TPA.

It was further submitted by Paramount TPA that, Dr. Nayan Shah has taken up the matter with Maharashtra Medical Council and completed phase I process of paying the required dues for registration with the council. In addition to the above, Paramount TPA w.e.f. 05-07-2014 had appointed Dr. Hemant Kansaira on their Board, who is having required qualification and also valid and effective registration with Maharashtra Medical Council.

Decision (Charge No. 1 to 3) :

It was noted that the licensed TPA entity has had, at the relevant point of time, a team of qualified doctors in their rolls, handling the day-to-day processing of health insurance claims.

The TPA, and Director in reference in particular, have agreed to the deficiencies of not keeping his registration valid since 2007 and have stated that now he has completed formalities to rectify the deficiency.

It is noted that a qualified doctor with valid registration has been inducted on the Board of TPA as a Director.

As the deficiency is more of a technical nature and corrective actions have been initiated, the Authority do not press any charges in this case other than cautioning severely. The TPA is advised to strictly comply with all Regulatory requirements in future.

Place : Hyderabad

Date : 09-09-2014

M. Ramaprasad
Member (Non-Life)