

Existing Provisions of IRDAI (TPA-Health Services) Regulations, 2016 vis-à-vis the proposed modifications along with the rationale for the modifications.

Sr. No.	Clause No.	Provisions to be amended	Existing Provisions	Proposed Modification	Rationale for changes made
1	2 (a)	Modification of 8 (2) (d)	“at least one of the directors of a TPA holds a minimum qualification of MBBS”	“at least one of the directors of a TPA is a qualified Medical Practitioner as defined in the Guidelines on Standardization in Health Insurance”	In view of some state governments allowing AYUSH practitioners to practice in allopathy, the minimum qualification of MBBS for Director of TPA is substituted and linked with the term ‘Medical Practitioner’ as defined in the Guidelines on Standardization in Health Insurance.
2	2 (b)	Modification of 11 (1)	“Every TPA shall appoint, with due intimation to the Authority, from amongst its directors or senior employees, either a Chief Executive Officer (CEO), or a Chief Administrative Officer (CAO) who shall possess the educational qualifications mentioned in regulation 11(5) of these regulations and shall also undergo training as stipulated by the Authority from time to time, with any institution recognized by it. Such a Chief Executive Officer or Chief Administrative Officer shall be responsible for the day-to-day administration of the affairs of the TPA	“Every TPA shall report the Authority the appointment of or change in Chief Executive Officer (CEO) and/or Chief Administrative Officer (CAO) who shall be responsible for the day-to-day administration of the affairs of the TPA and for ensuring compliance of regulatory requirements.”	In light of the changed scenarios it is considered that minimum qualifications need not be specified to the CEO or CAO of a TPA. Hence, it is proposed to omit the norms relating to the educational qualifications of the CEO / CAO of a TPA. Similarly, training norms to CEOs / CAOs are proposed to be omitted.

			and for ensuring compliance of regulatory requirements.”		
3	2 (c)	Modification of 11 (2)	“Every TPA shall have a Chief Medical Officer (CMO) who shall be a person having a minimum qualification of MBBS, holding a valid registration from the Medical Council of India or Medical Council of any state of India being thereby entitled to practice medicine within its jurisdiction; and is acting within the scope and jurisdiction of such registration. Such a Chief Medical Officer shall be a full time employee of the TPA.”	“Every TPA shall have a Chief Medical Officer (CMO) who shall be also a qualified Medical Practitioner as defined in the Guidelines on Standardization in Health Insurance. Such a Chief Medical Officer shall be a full time employee of the TPA.”	In view of some state governments allowing AYUSH practitioners to practice in allopathy, the minimum qualification of MBBS for CMO of TPA is substituted and linked with the term ‘Medical Practitioner’ as defined in the Guidelines on Standardization in Health Insurance.
5	2 (d)	Omission of 11 (4)	“A CEO or CAO shall possess the following qualifications— a. a bachelor’s degree from a recognised University; and b. a pass in the Associateship examination conducted by the Insurance Institute of India or such equivalent examination as may be recognised and specified by the Authority; and c. completion of training with an institution recognised by the Authority for these purposes, as may be specified by the Authority.”	Omission	When these provisions were introduced in 2001, the capital requirement of TPAs was only Rs.1 Crore. This was subsequently revised to Rs.4 Crores in 2016, which is a reasonable amount. Therefore, any TPA will bring in people having sufficient domain knowledge and expertise. It is considered that there is no need to prescribe granularities relating to qualification now. Hence, provision of Reg 11 (4) is intended to be omitted.
6	2 (e)	Modification of 19 (6)	“Where TPAs maintain files, data and other related information pertaining to	“Where TPAs maintain files, data and other related	The norms on handing over of files, which are operational

			the settlement of claims in electronic form, maintenance of the same by the TPAs again in physical form is dispensed with. TPAs shall submit or handover all the files, data and other related information pertaining to the settlement of claims to the respective insurers within 90 days after close of every quarter commencing from April of every financial year and the insurer shall accept the same under acknowledgement.”	information pertaining to the settlement of claims in electronic form, maintenance of the same by the TPAs again in physical form is dispensed with.”	issues, may not be specified in the regulations as it shall be decided by contracting parties, that is, insurers and TPAs. Hence, the second sentence of the existing provision relating to handing over of claim files is proposed to be omitted.
7	2 (f)	Modification of 20 (1)	“A TPA shall enter into an agreement for providing the defined Health Services with an insurer and network provider, in respect of Health Insurance Policies covering hospitalization benefits within India, issued by an Indian insurer. A TPA shall ensure that the agreement is enforceable at all times.”	“The insurers shall enter into suitable health services agreement with the TPAs wherever the TPAs are engaged for providing health services to policyholders. The terms of providing health services by a TPA shall be mutually agreed by the contracting parties. Insurers shall be responsible for providing effective cashless services to the policyholders.”	How to carry out services to the policyholders shall be the look out of the insurer that engages the services of the TPA. Mandating written bipartite / tripartite agreements, given the size of the number involved, may be difficult to comply with. Hence, it is proposed to do away with the mandate of written agreement and insurers are proposed to be accountable to render effective cashless services to the policyholders.
8	2 (g), 2(h) and 2 (i)	Omission of 20 (2), 20 (3) and 20 (5)	20 (2) – “The insurer and the TPA shall define the scope of the Agreement, the health and related services that may be provided by the TPA and the fees therefore, subject to such stipulations	Omission	As above, we may leave these things to the contracting parties. Hence, it is proposed to omit these provisions.

		<p>as may be laid down by the Authority, wherever applicable.”</p> <p>20 (3) – “Nothing contained in these regulations shall be deemed to prevent or prohibit an insurer from cancelling or modifying an agreement that has been entered into by it with a TPA.”</p> <p>20 (5) – “The agreement shall contain following clauses;</p> <p>a. its termination by either party on mutual consent or on grounds of any fraud, misrepresentation, deficiency of services or other non-compliance or default. However, there shall be no clause in the Agreement which shall dilute, restrict or otherwise modify the regulatory stipulations mentioned by the Authority in respect of policyholders’ interests, protection, service standards and turn-around-time parameters.</p> <p>b. prescribing the minimum Turn Around Time envisaged for rendering various policy services stipulated in the terms and conditions of the policy contract: Provided that the Turn Around Times stipulated shall at no point of time exceed the minimum norms prescribed in any of the regulatory requirements.</p> <p>c. the fees payable to the TPA by an Insurer.</p>		
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			Provided that, the Authority may specify additional minimum standard clauses to be included in the agreement that may be entered into between insurer, network provider and TPA, as the case may be.”		
9	2 (j)	Modification of 20 (6)	“The fee agreed to be payable to the TPA and agreed to be receivable by the TPA shall be based on the health services rendered to the insurer. Insurers are prohibited to pay any remuneration related to the product, linking to the claims experience or the reduction of claim costs or loss ratios.”	“Insurers are prohibited to pay to the TPAs any remuneration related to the product, linking to the claims experience or the reduction of claim costs or loss ratios.”	The first sentence of the existing provision is proposed to be omitted as there is no point on specifying these granularities in the regulations. The second sentence has been retained as linking remuneration with claim settlement performance may lead to undue rejection / denial of the Claims by the TPA.
10	2 (k)	20 (8)	“Any change in a TPA by the insurer shall be communicated to all the policyholders thirty days before giving effect to the change.”	Before the word “policyholders”, the word “affected” shall be inserted.	Modification proposed for the sake of clarity.
11	2 (l)	20 (8) (a)	“The contact details like helpline numbers, addresses etc. of a new TPA shall be immediately made available to all the policyholders in case of change of TPA.	“The contact details like helpline numbers, addresses etc. of a new TPA or other alternate arrangements made shall be immediately made available to the affected policyholders.”	Modification proposed for the sake of clarity