

## Health Insurance seminar – Role of TPAs

### Consumer Concerns and the role of the TPA:

Mr. Anupam Gupta, of MD India Ltd. the largest Third Party Administrator in India spoke about the TPAs role vis a vis the Customer.

He explained that according to IRDAs definition, "TPA" means a Third Party Administrator who, for the time being, is licensed by IRDA, and is engaged, for a fee or remuneration.

This can be viewed as "outsourcing" of the administration of the claims processing, since the TPA is performing a task traditionally handled by the company providing the insurance or the company itself. He is supposed to be an expert in the adjudication of claims.

### CODE OF CONDUCT

The IRDA (Insurance Regulatory & Development Authority) has laid down a Code of Conduct for all TPAs which is to be followed and complied with. The Code is governed by the 4 "I" Principles: Integrity, Information Security, Integration of information, Information Right by all stakeholders

### TPA RATIONALE

- TPAs are specialists at adjudicating claims and servicing customers.
- TPAs offer Cashless Hospitalizations with wide geographic reach.
- TPAs services are available 24/7 with 95% uptime service levels, in form of Customer Care call centers.
- TPAs have specialized reporting and analysis engines to capture data pertaining to demographics and epidemiology of claims/disease.
- TPAs have invested money in computer systems, costly software, employee training to create a high level of efficiency in plan management and implementation.

### What are the hurdles faced by the customer?

- a. ID cards not received
- b. Hospital refuses Cashless facility
- c. Hospitals ask Security Deposit
- d. Authorization is denied or is partially accepted
- e. Questions posed for Authorization/Claims
- f. Partial/ No Payments
- g. Delayed/No response from Insurer / TPA

### Reasons for negative customer perception:

The failure of achieving the customers' expectations are an emulation of '*necessary operational evils*' & '*misses on Service Parameters*'

- a. Poor integration & sharing of data within the stakeholders
- b. Poor customer awareness of Policy Terms & Conditions

- c. Low Customer awareness of role of TPA
- d. Ambiguous and technical wordings of policy
- e. Poor knowledge of the hospital TPA helpdesks
- f. Cumbersome complaint resolution process
- g. Poor regulatory control over network - hospitals deviating from MoU conditions

*Compiled by MOP Viashnava college team*