



दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड, मुंबई, (प्र.का.)
THE NEW INDIA ASSURANCE CO. LTD., MUMBAI (H.O.)

DGM/CRM/HEALTH MANAGERS/AO MEDICAL/TPA CEOS

30th October 2018

IRDAI Circular: Discount on bills offered by Network Providers, dated 23rd June 2015


We have received grievances from Insureds where hospitals have not mentioned the discount of total bills and have recovered the same from the patient. We have also observed during the recent audits, that hospital discounts are not shown in the total hospital bills.

As per IRDAI Circular no: IRDA/TPA/MISC/CIR/117/06/2015, dated 23rd June 2015, it is observed that hospital discount application is not followed by network hospitals, even after 3 years of the implementation of the circular.

Hence, we once again reiterate that no bill should be accepted from any network hospital where discount is not shown in final hospital bill. Suitable information should be given to network hospitals to avoid future grievances. IRDAI will view such violations of discount implementation seriously.

To increase cashless and have the benefit of agreed tariff, implementation of the declaration format is a must. In reimbursement claims from network hospitals, discount is to be refunded by the hospital as per the tripartite agreement, if declared by insured to hospital. Otherwise the agreed tariff is to be applied as per declaration form which included discounts also.

We are once again attaching of a copy of the IRDAI circular for your strict implementation to ensure that network hospitals follow the same for the insureds convenience.


(P. K. BEHERA)
DY. GENERAL MANAGER



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

CIRCULAR

IRDA/TPA/MISC/CIR/117/06/2015

23rd June 2015.

To,
All Insurers and TPAs,

Re: Discounts on bills offered by Network Providers.

During the course of settlement of claims under health insurance policies, either the insurers or the TPAs may be obtaining discounts from various Network Providers or also from other Hospitals outside the network. While every insurer and TPA shall endeavour to get the best and cost effective services to the policyholders or the claimants of health insurance policies, it shall be ensured that the discounts obtained from the hospitals, if any, are passed on to the policyholders or the claimants of the underlying health insurance policy.

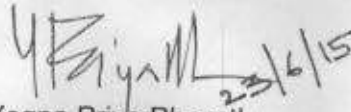
Where by virtue of any agreement, discounts are agreed to be received on the aggregated bills raised by the hospitals; every insurer or TPA shall appropriately identify and apportion the eligible amount of the discount to the underlying health insurance policy in respect of which the claim is settled so as to pass-on the benefit of the discount to the concerned policyholder or the claimant, as the case may be.

Towards the above, every Insurer and TPA shall put in place; inter alia, the following procedures:

1. The insurers and the TPAs shall mandate the hospitals to reflect such agreed discounts in the final hospitalization bill of each claim, whereby the policyholder or the claimant can also be aware of the actual bill raised by the hospital.
2. Where the admissible claim amount is more than the Sum Insured, the agreed discount shall be effected on the Gross amount raised in the bill, before letting the policyholder or the claimant bear the costs over and above the eligible claim amounts.
3. Where the underlying health insurance policies have co-payment or the deductible conditions, the insurer or the TPA shall ensure that said co-payment or deductible is effected only after netting of the discounts offered by the hospital, if any.
4. The insurers and the TPAs shall ensure that every discount received or agreed to be received from the hospital is passed on to the policyholder or the claimant in respect of the underlying claim only in absolute monetary terms.
5. Every Insurer shall make these procedures as part of the detailed guidelines on claim settlement to be provided to the TPAs, in accordance with the provisions of Reg. 12 (b) (i) of IRDA (Health Insurance) Regulations, 2013.

The above procedures shall be applicable with immediate effect for both i.e. cashless services and reimbursements of all the claims on health insurance policies.

This is issued in terms of section 14 (2) of IRDA Act, 1999.


Yagna Priya Bharath
Joint Director (Health)