

HEALTH INSURANCE CLAIMS

Private insurers go for in-house settlement

At a time when Covid-19 related claims are going up, in-house claims settlement by private insurers has been found to be more faster. So, do TPAs need to polish their game?

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WITH THE NUMBER of Covid-19 health insurance claims rising, most private insurers are opting for in-house claims settlement. In-house claims processing is faster as the company can explain expenses which are not covered directly to the policyholder and grievances can be redressed quickly.

In contrast, a TPA is an intermediary appointed by an insurance company to facilitate the settlement of a claim. While the third-party administrators (TPAs) process the claims, the final decision on the claims payable is taken by the insurance company.

The insurance regulator has underlined that policyholders must be given cashless facilities for Covid-19 treatment at all network hospitals with whom the insurance company or the TPA has service level agreement. The Insurance Regulatory and Development Authority of India (Irdai) has directed insurance companies to empanel more hospitals across the country for cash-



less treatment, including Covid-19 treatment and put in place a grievance redressal mechanism for complaints relating to the denial of cashless claims. "The authority is aware of reports that some hospitals are not granting cashless facility for treatment of Covid-19 despite such arrangements with the insurers. It is also brought to the notice of the authority that some of these hospitals are also demanding cash deposits from the policyholders. In the event of denial of cash-

less facility at any such enlisted network providers (hospitals) the aggrieved policyholders may send a complaint to the concerned insurance company," it said in a note.

Choose an efficient TPA

Last year in December, Irdai allowed policyholders to choose a TPA for their health insurance policy. It can be done at the time of buying the policy or renewing it. If the policyholder does not choose a TPA of his choice,

IN-HOUSE CLAIMS SETTLEMENT

- Policyholders can directly get in touch with the company for claim settlement
- Turnaround time is lower as compared to TPA settlement
- Only private insurers offer in-house claims settlement

then the company will allot him a TPA of its choice. Also, if the insurer engages the services of only one TPA, the policyholder will have no option but to stick to that TPA.

Bhaskar Nerurkar, head, Health Claims, Bajaj Allianz General Insurance, says a policyholder must look at parameters such as digital support offered by TPAs, turnaround time taken by the TPA and also the network providers to settle the claims. "The data on TPAs servicing will be transparently and readily available in future in the public domain so that a policyholder can make an informed choice," he says.

In health insurance, claims are settled by a TPA or the insurer's in-house claims processing department. A policyholder has to first inform the TPA which seeks all the bills and documents provided by a hospital to process the claim with the insurance company. The four state-owned health insurance

companies have their own TPAs for processing claims and do not have in-house settlement process.

TPA with large network

As hospitals have a list of TPAs and insurance companies, a policyholder must opt for that TPA which has the largest number of network hospitals for cashless claims. At the time of discharge, an efficient TPA will quickly process the claim and negotiate with the hospital in case of any bill-related discrepancy. A policyholder must ensure that the TPA has adequate technological capabilities and data security process in place.

In-house claims settlement

Most private general and health insurance companies have in-house claims processing. Policyholders can directly go to the company for claim settlement and turnaround time is quick. So, claims processing is faster when done in-house, especially at a time when the number of claims related to Covid-19 is increasing each day.

Nerurkar says the in-house claims settlement process ensures quicker turnaround time and are also more empathetic towards their customers. "For a cashless Covid-19 claim, we do the pre-authorisation approval within 45 minutes and the final settlement is executed in less than two hours after conducting the bill verification process. In case of a reimbursement claim, we pay the money to the policyholder within three working days," he says.