

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2713

ANSWERED ON:11.03.2011

CASHLESS TREATMENT FACILITY

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Will the Minister of FINANCE be pleased to state:

(a) whether the disputes between health insurance companies and hospital authorities for providing cashless hospitalisation and treatment for various ailments have not been resolved so far;

(b) if so, the details thereof;and

(c) the corrective steps taken/being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): With a view to provide quality health care at an affordable cost and at the same time help the insurers to control the ever increasing cost of health care, the Public Sector General Insurance Companies (PSGICs) initiated the process of rationalization of Hospitals and standardization of procedures through creation of a Preferred Provider Network (PPN) of hospitals with effect from 1st July, 2010.

This initiative envisages a PPN of Hospitals for all Third Party Administrators (TPAs) in a particular city through whom the cashless service of claims is implemented. This initiative has been implemented initially in four cities of Delhi, Mumbai, Chennai and Bangalore. Presently, 560 hospitals are included in the network in the four cities (Delhi- 174, Mumbai 165, Chennai 118 and Bangalore 103). However, to minimize inconvenience to the insured, TPAs have been advised that for emergency and trauma cases, cashless facility should be provided not only at hospitals within PPN but at other hospitals also. Apart from the cashless facility under the PPN, the settlement of claims on reimbursement basis continues to be available for all hospitals (including non-network).