Analysis of Denial in In- Patient Bills of Third Party Administrator Department

Presented by
Yashika Bhatia
Roll. No. 0367
MBA HM 20

CONTENTS

- Introduction
- Objectives
- Rationale
- Methodology
- Results
- Conclusion
- Recommendations
- References

Introduction

- The health infrastructure in India is facing daunting challenge of meeting the health goals and complexities emerging from the changing disease pattern.
- Need of health insurance is on a rise these days owing to intimidating reasons like souring numbers of communicable and non- communicable diseases, changing disease pattern, low public spending on health care, high out of pocket expenses, poor public health care setup, advent of corporate hospitals, costly line of treatment in private hospital due to highly paid qualified doctors and other challenges of health goals.

TPA

- Third party administrator (TPA) is an organisation that processes insurance claims on behalf of an insurance company.
- TPA's normally have a contract with the insurance company in this regard.
- TPA's play an important role in health insurance sector by ensuring better services to policy holder.

Evolution of TPA

15 years back the Key Challenges faced by health insurance industry were:

- No rationalization in the cost structure of treatment in private healthcare system
- High administrative cost of insurer
- Slow claim processing
- Lack of specialization

TPAs were introduced in response to these issues.

TPA was introduced through the notification on TPA-Health Services Regulations, 2001 by the IRDAI.

IRDAI

- IRDAI stands for Insurance Regulatory and Development Authority of India.
- IRDAI is the apex body in the country for insurance sector and its chairman and members are appointed by Government of India.
- IRDAI headquater is located in Hyderabad.

TPA Patients- Process Note

Admission Process

Pre Auth & TPA Approval Process

Follow Up Process

Discharge Process

Claim Dispatch Process

Payment Received Process

Objective of the Study

- To understand the system of TPA procedure
- To find out main reason behind the denials
- To carry out root cause analysis
- To suggest key strategies to overcome the denial rate

RESEARCH QUESTION

- What are the reasons for denial of in-patients admitted in Sarvodaya Hospital through Third Party Administrator?

RATIONALE OF STUDY

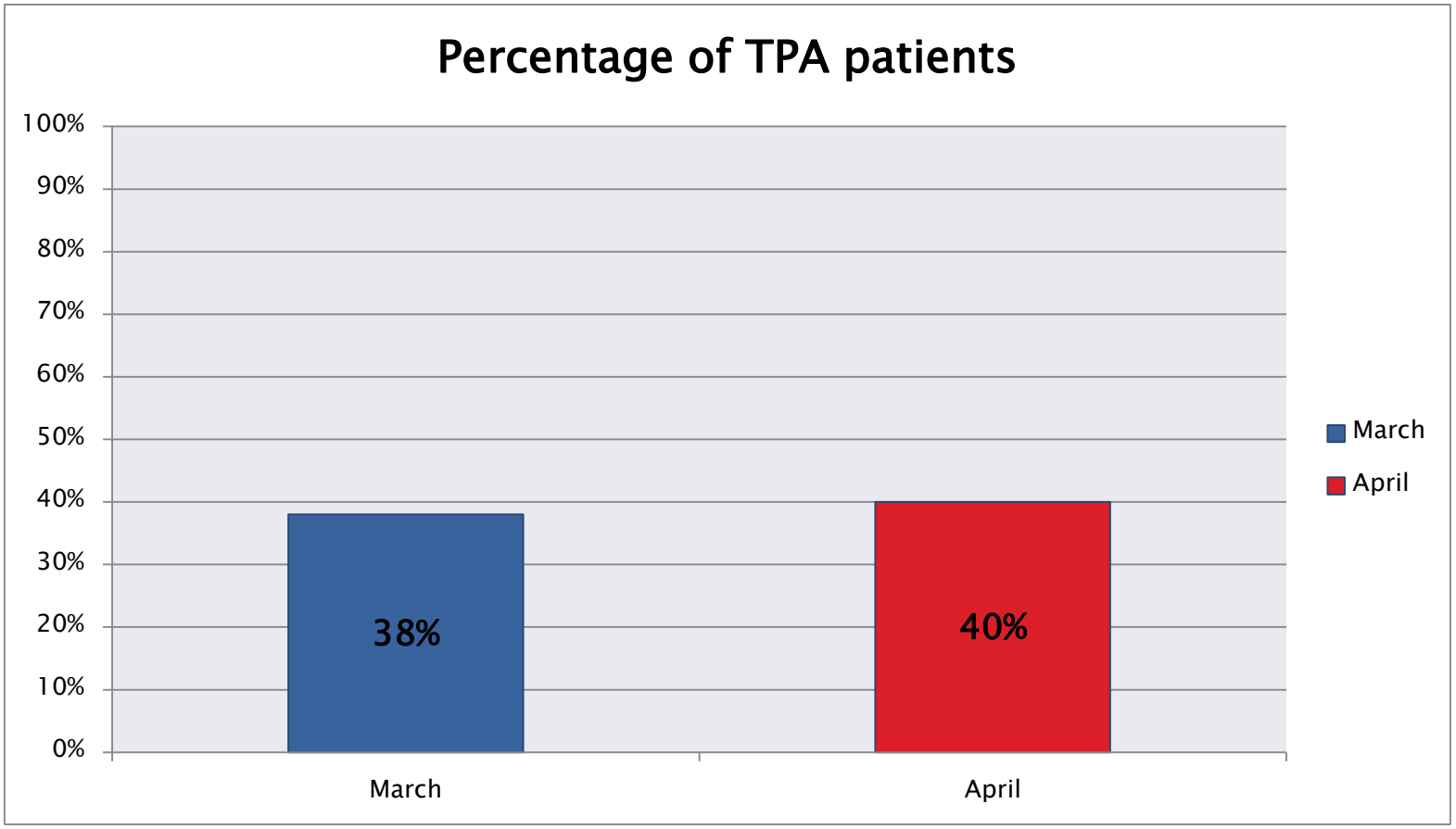
- This study is done to understand the reasons for denials and areas of improvement during process. The rationale for this study is based on the fact that In-patient revenues is one of the most important areas for any hospital since it generates all the revenue. Denials causes loss of revenue and is directly linked to patient satisfaction or dissatisfaction

Methodology

STUDY TYPE	Descriptive study
STUDY AREA	Sarvodaya hospital and research centre
STUDY POPULATION	In-patients & day care patients of Sarvodaya hospital
SAMPLE SIZE	1414 Mediclaim patients admitted in Sarvodaya hospital
STUDY TIME-PERIOD	3 Months
SOURCE OF DATA	Data was collected on day to day basis and recorded in excel sheets
METHODS OF DATA COLLECTION	Direct observation Remedinet online portal and his

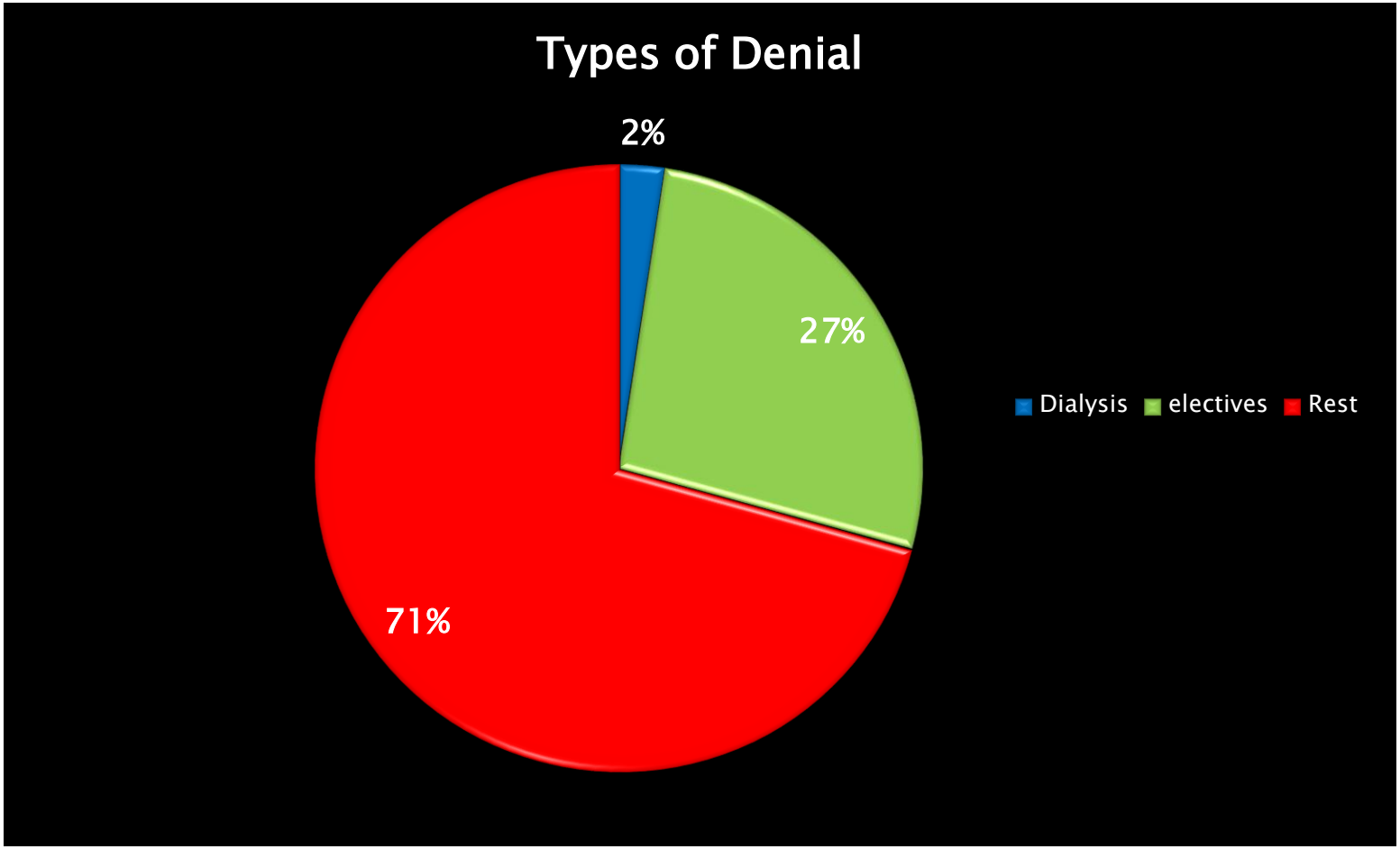
RESULTS

Number of Admission	Number
Total Admission in March	1898
Total TPA Admission in March	725
Total Admission in April	1728
Total Admission in April	689
Total admission in March and April	1414



INFERENCE: Figure reveals that out of total in-patients in month of March, 38% were TPA Patients and 40% patients admitted under TPA in month of April

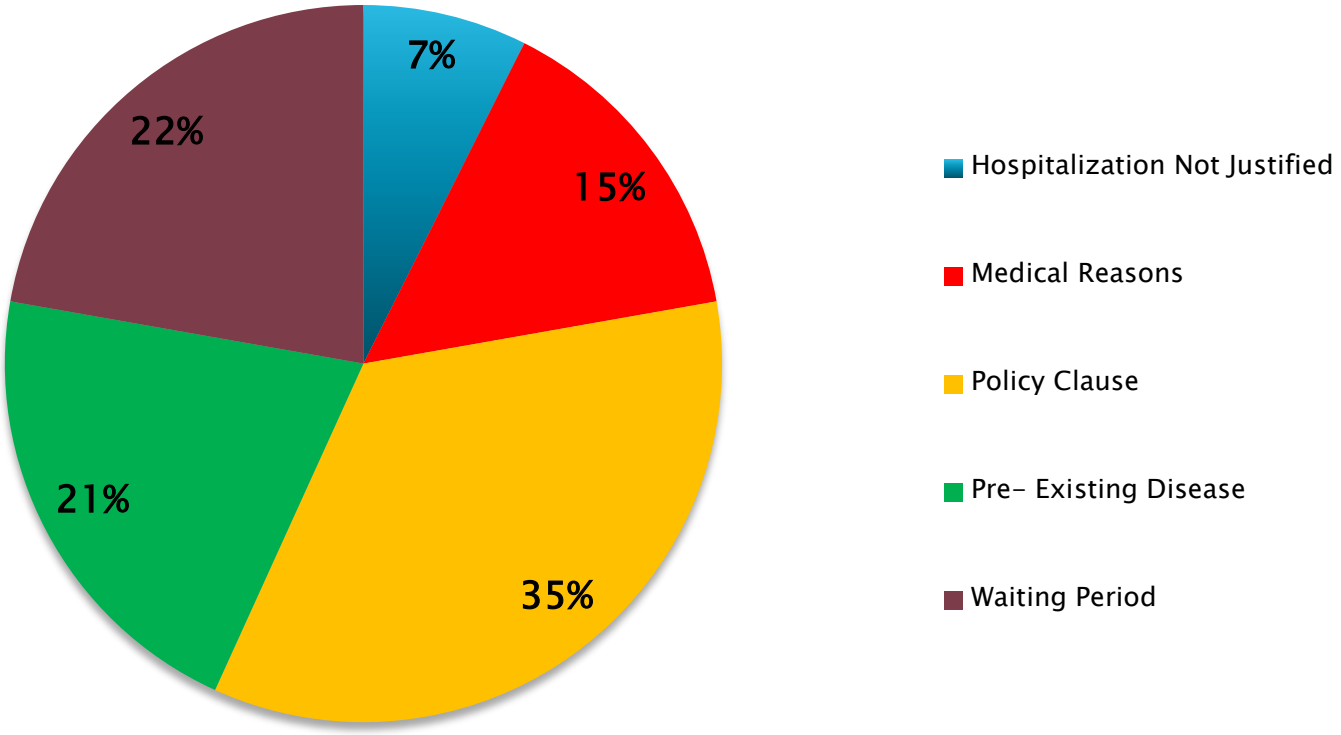
MONTH	DIALYSIS	ELECTIVES	REST
MARCH	1	17	46
APRIL	1	5	35
TOTAL	2	22	81



INFERENCE: Pie chart reveals that out of total denials in month of March and April 2% Denials were there in Dialysis, Denials on Electives are 27% and Denials on rest of the admission were 71%.

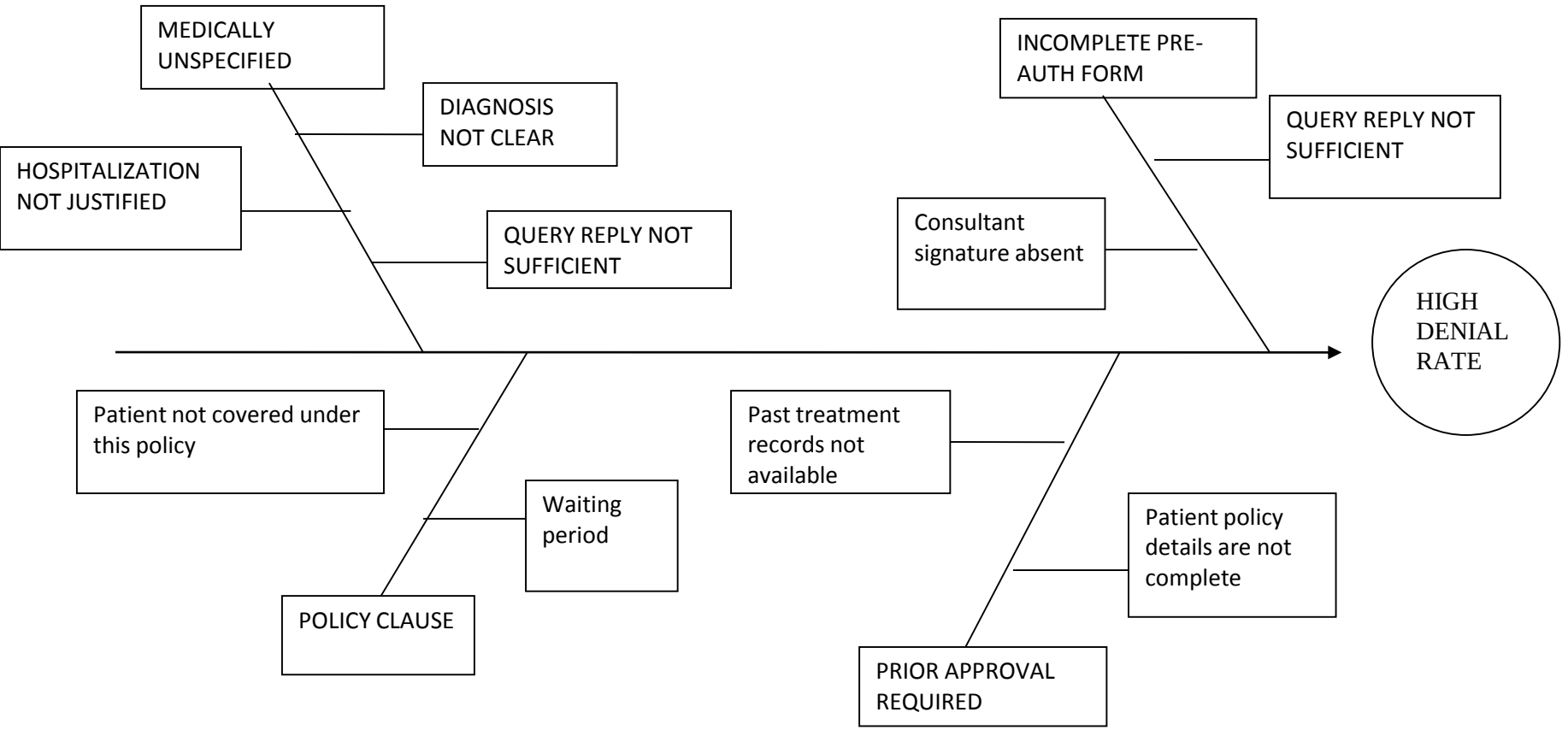
Reasons for Denial	March	April	Total
Hospitalization Not Justified	2	4	6
Medical Reasons	6	6	12
Policy Clause	15	13	28
Pre- Existing Disease	10	7	17
Waiting Period	13	5	18

Reasons for Denial



INFERENCE: Figure depicts Reasons for Denial, in which it is clearly seen that policy clause is major factor responsible for denial, next major factor responsible for denial is waiting period and least being Hospitalization not justified is 7%.

FISH BONE ANALYSIS FOR REASONS FOR DENIALS



CONCLUSION

- This study reveals that major contributing factor for denials is policy clause next major factor responsible for denial is waiting period and least being Hospitalization not justified is 7%.

- Minimum Denial Occur in Dialysis patients .

RECOMMENDATIONS

- As from the above analysis, it is seen that maximum denials are due to policy clause, for which counseling part should be made strong. Before seeking admission from OPD, TPA patients should be directed to TPA counselor, where counselor can guide patients regarding waiting period(as 22% denial are because of waiting period) or policy clause etc. to reduce the denial rate.
- As far as medical reasons are concerned, additional sections of lab reports, radiology reports, medical records should be made to see previous case history and background of the patient.

Cont…

- Number of denials occur because of the reason that query reply is not sufficient, TPA doctor contact consultant over phone or have to call for files from the wards, which cause delay in query reply; E- prescription should be there in HMIS, so that it is easily available to everyone without wasting time.
- Regular Training to consultant must be given regarding taking up cases for hospitalization as another big cause for denial is hospitalization not justified.
- Despite efforts to employ the most advanced technology and streamline processes, denials will still occur, the key to minimizing the negative impact of denials is advanced workflow to help staff manage claims in the most efficient manner possible.

REFERENCES

- Bhat Ramesh, Reuben B .Elan (2002), Management of claims and Reimbursements : The Case of Mediclaim Insurance policy.Vilapa, 27, October-December, pp15-28
- IIMA 1999. Indian Institute of Management, Ahmedabad. Report of the one day workshop on 'Health Insurance in India'. Oct. 30, 1999
- Kalyani K.N (2004a) Paying the bill!- The Great Indian Health Insurance puzzle and its solution: IRDA journal, October.
- Third Party Administrators (TPAs): An Insight into Role Defined and Role Played with Reference to IRDA How Private Insurance Works: A Primer by Gary Claxton, Institution for Health Care Research and Policy, Georgetown University, on behalf of the Henry J. Kaiser Family Foundation
- Fifth International Conference on Global Business, Economics, Finance and Social Sciences (GB16Chennai Conference) ISBN: 978-1-943579-74-7 Chennai-India. 1-3 April, 2016. Paper ID: C611.
- Bhat Ramesh, Babu K Sumesh (2004). Health Insurance and Third Party Administrator: Issues and Challenges; Economic and Political Weekly, volume XXXIX , NO. 28, July 10. 2004.
- Dholakia R. Economic reforms: Implications for Health Insurance. Presentation at One day workshop on 'Health Insurance in India'. Indian Institute of Management, Ahmedabad. Oct. 30, 1999
- https://www.nhp.gov.in/sites/default/files/pdf/health_insurance_handbook.pdf
- Reinhardt UE. 1993. The German Health System: Providing Equitable, Universal Access to Health Care and Controlling its Costs. July 29-31.


Thankyou...