Dissertation Presentation

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Dissertation Topic

A study of health insurance claims rejection in Thumbay hospital, Ajman, U.A.E

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Background

Health Care Over-View of U.A.E

- UAE is ranked 2nd in the world for quality of healthcare.
- 87% population is insured.

Health Care System

- UAE now has 40 public hospitals, compared with only seven in 1970.
- GMU and GMC are major private contributors in UAE health care system

Health Insurance, UAE

Dubai & Abu Dhabi enacted a health insurance law in November 2013 that mandates coverage for all residents and visitors by 2016.

Dubai Insurance Law

- The Dubai market is regulated by the Dubai Health Authority (DHA).

- Dubai follows a Phased approach:
  - Phase 1 : Employers with 1000+ employees to comply by October 2014.
  - Phase 2 : Employers with 100-999 employees to comply by the end of July 2015.
  - Phase 3a: All employers must comply by the end of June, 2016.
  - Phase 3b: All spouses, dependents & domestic workers must be covered by end of June 2016.

4 Major Players in Health Insurance Sector

Thumbay Hospital, Ajman

- 1st JCI accredited hospital in Ajman, offering quality and affordable specialized superior medical care .

- The insurance department is staffed by a team of expert professionals who assist in administering to the needs and queries of patients holding insurance cards.

- There are 43 Insurance companies on direct billing: a few are listed

  Aafiya, ADNIC, Al Buhaira Insurance Company, Al Khazna Insurance Company, ALICO, Amity, Al Madallah , Axa Insurance, Al Dhafra National Insurance

  Dubai Insurance, Daman Insurance, FMC, GLOBE MED, Global Net TPA , Healthnet Insurance

  Interglobal, Inayah, Mednet, MSH Dubai, NAS Admin Services, Neuron, Next Care, Oman Insurance, Pentacare, WapMed, Whealth, SAAICO

OBJECTIVES

1. To understand thoroughly the process flow of a health insurance claim in Thumbay Hospital, Ajman.

2. To examine the issues and challenges faced by the insurance department of hospital using DMAIC tool.

3. To suggest ways to reduce the rejection rate of medical claims.

Aim

To develop an understanding of the process flow of insurance department, the claim management, analysis and reduction of rejection rate.

RESEARCH QUESTION

1. What is the level of Rejection rate in high risk insurance companies in the specified departments in Thumbay Hospital, Ajman?

2. What are the reasons for rejection of medical claims by insurance companies?

METHODOLOGY

Study type - A qualitative retrospective observational study.

Area of study- Thumbay Hospital, Ajman

Study subjects – patients seeking approval for pharmacy ,inpatient and out patient services

Sample size - All medical claims from August to October , 2015

Source of data - secondary data of medical claim processed and medical claims rejected will be collected from accounts department and HIMS of Thumbay Hospital, Ajman.

Data analysis- Statistical methods and DMAIC tool

DMAIC tool was applied for analysis

The Six Sigma DMAIC (Define, Measure, Analyze, Improve, Control) methodology can be thought of as a roadmap for problem solving and product/process improvement

D – Define Phase: Project goals were defined and insurance flow chart was explained for better understanding.

M – Measure Phase: Secondary data collected was measured and analyzed to determine current performance; quantify the problem. This is the KPI of the insurance department.

A – Analyze Phase: Analyze and determine the root causes of the defects.

I – Improve Phase: Improve the process by eliminating defects.

C – Control Phase: Suggestive ways to control future process performance.

DEFINE

In the DEFINE stage of DMAIC tool:

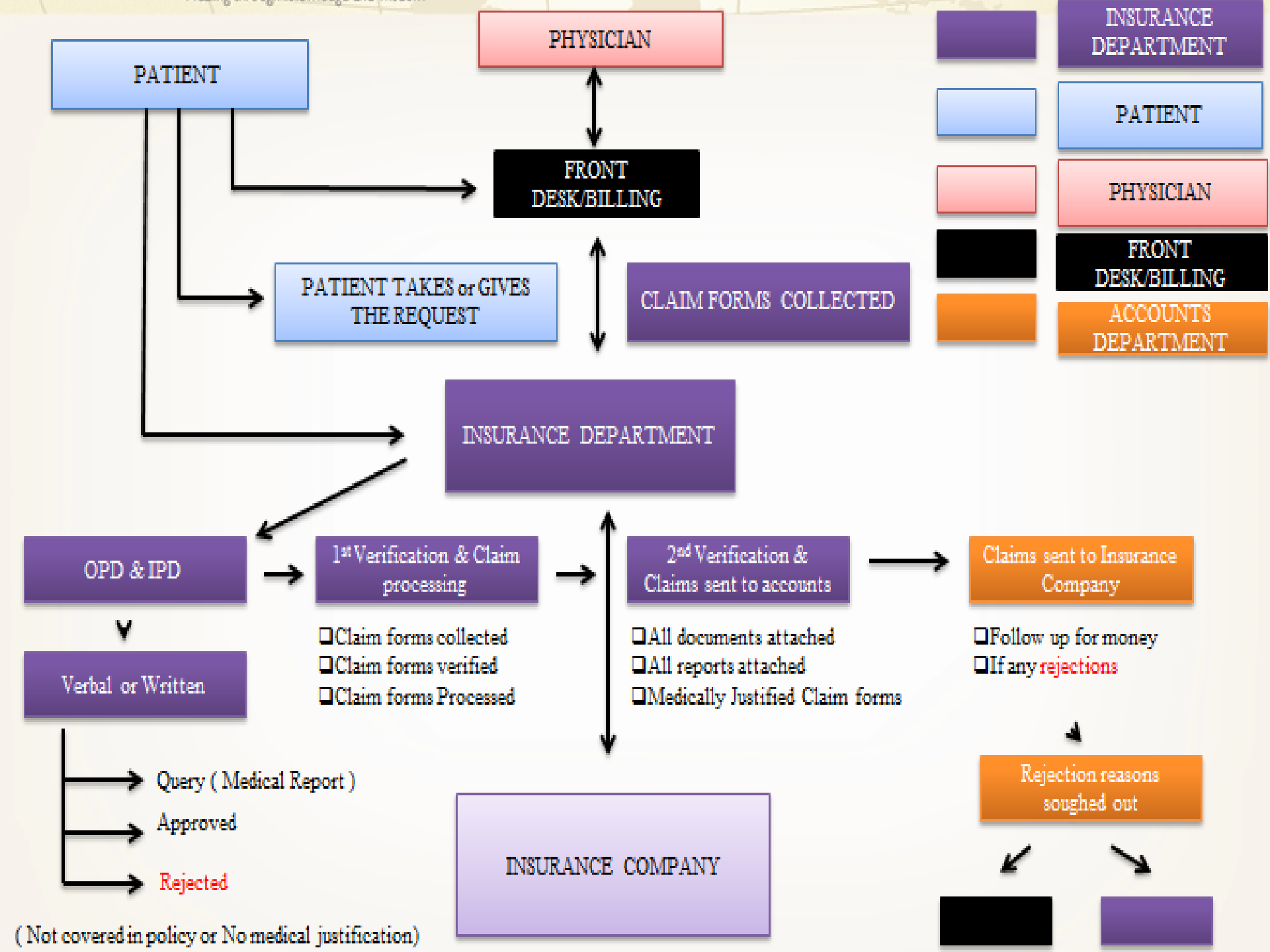
- Process flow of the insurance department is designed.
- KPI of high risk insurance companies is found justifying as why these 5 companies were chosen for analysis.
- Department Specific Rejection Rate (RR) using Pareto tool is calculated to justify why study was conducted on five departments only.

Process Flow

Basic steps involved in getting the approval process are listed below-:

- Obtaining approvals for out-patients & in-patients,
- Claim processing
- Claim verification,
- Final settlement & reconciliation for payments

After the in depth understanding and observational tracking of the system a process map was drafted to clearly visualize the process flow and services.


PHYSICIAN
PATIENT
FRONT DESK/BILLING
PATIENT TAKES or GIVES THE REQUEST
CLAIM FORMS COLLECTED
INSURANCE DEPARTMENT
INSURANCE DEPARTMENT
PATIENT
PHYSICIAN
FRONT DESK/BILLING
ACCOUNTS DEPARTMENT
OPD & IPD
Verbal or Written
Query (Medical Report)
Approved
Rejected
(Not covered in policy or No medical justification)
1st Verification & Claim processing
❑Claim forms collected
❑Claim forms verified
❑Claim forms Processed
2nd Verification & Claims sent to accounts
❑All documents attached
❑All reports attached
❑Medically Justified Claim forms
INSURANCE COMPANY
Claims sent to Insurance Company
❑Follow up for money
❑If any rejections
Rejection reasons soughed out

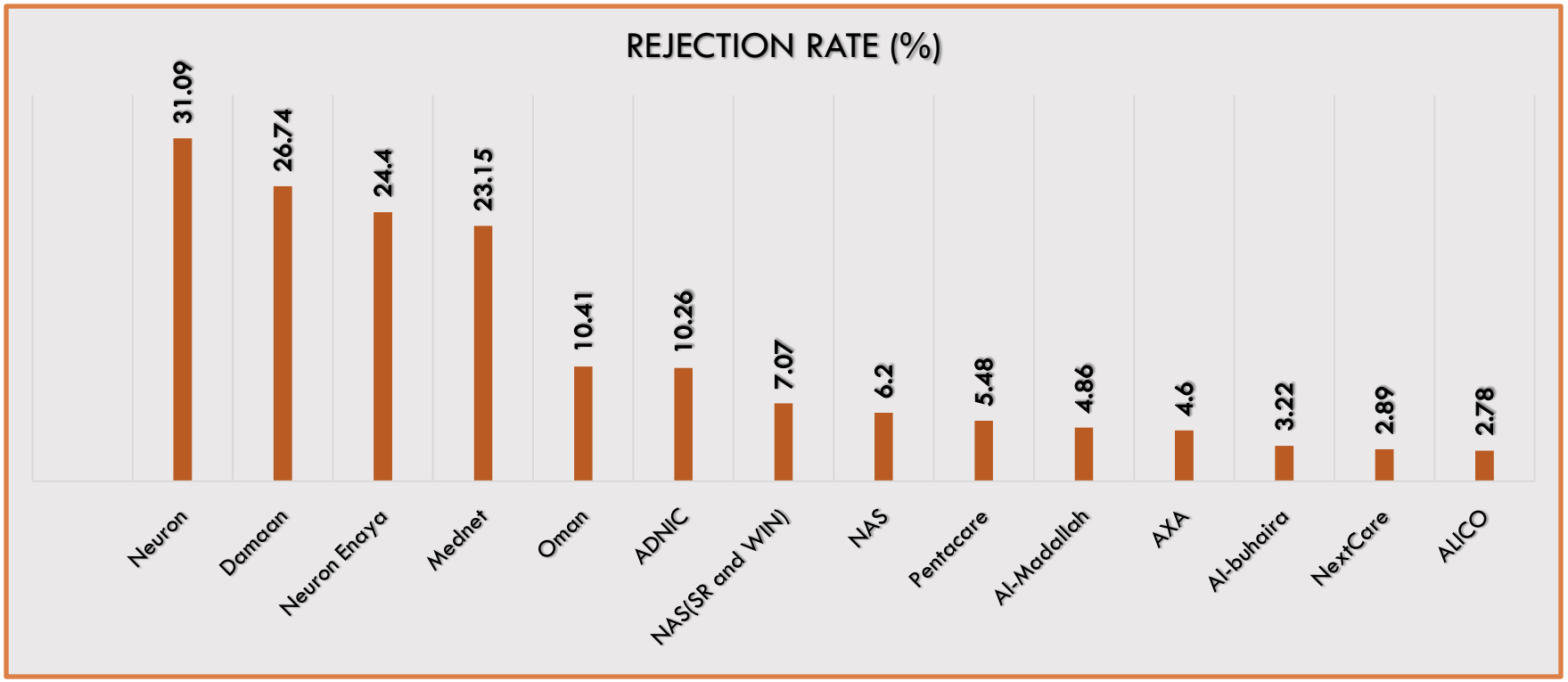
Calculations of overall Rejection Rate

- All the processed claims and settled amount was compared from the received amount to calculate the rejection rate.

Months	August '15	September '15	October '15
Net Amount	1204087.25	1951445.9	1874062.73
Rejected Amount	236325.54	605995.43	539076.43
Rejection Rate	19.63%	31.05%	28.77%

- The monitoring of rejection rate leads to sudden attention towards need for financial monitoring of insurance department.

High Risk Insurance Companies for Thumbay Hospital, Ajman



Reference-HIMS Thumbay Hospital Ajman, 2015 data

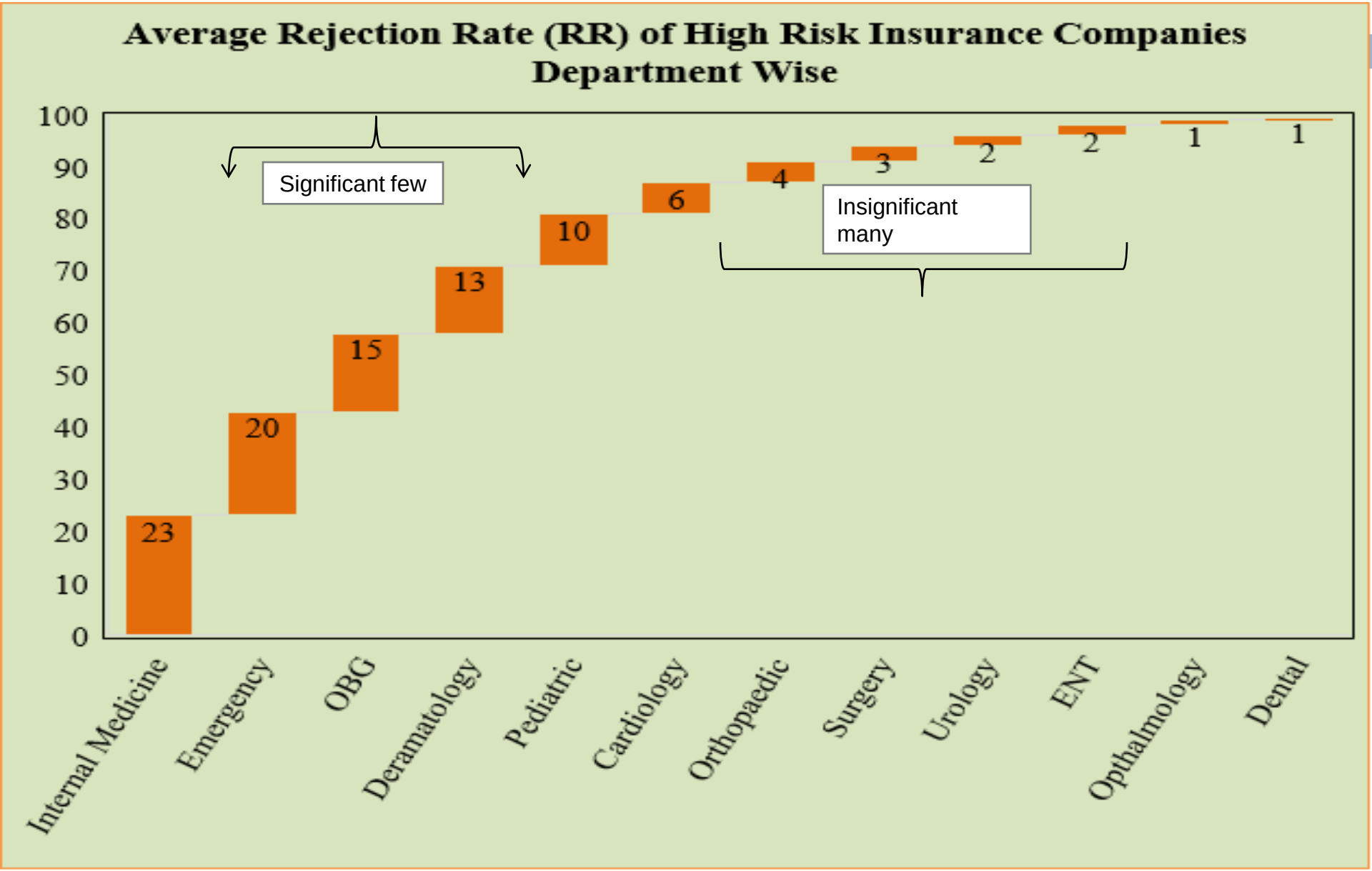
•Rejection rate of insurance companies is a Key Performance Indicator (KPI) for the insurance department and should always be < 6% (Ideal).

- If, Rejection Rate of insurance companies on an average is <6% it is important to calculate it department wise to know the actual Rejection Rate in each department, so that department specific corrective measures can be taken.

- Pareto tool with the concept of 80-20 was applied to find the few significant departments which had alarming results i.e. had RR >10% and required immediate attention.

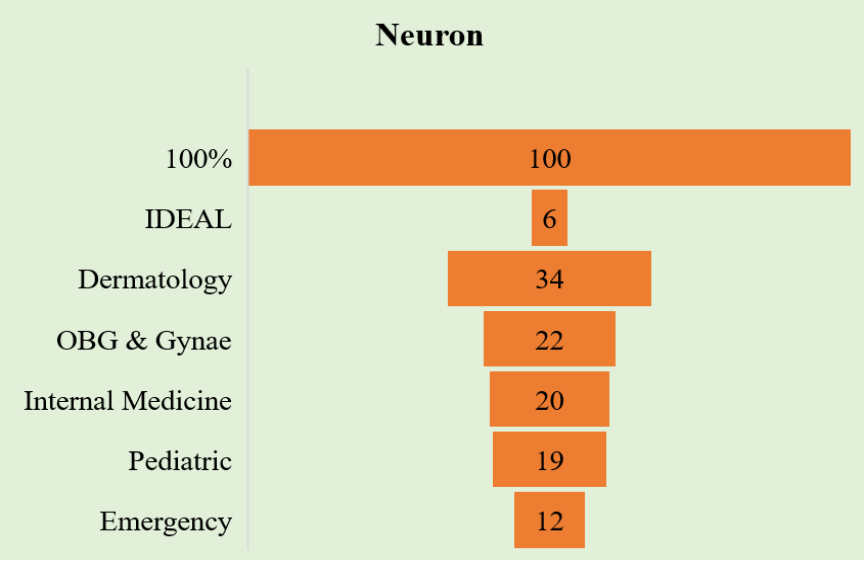
- Departments with RR <6% were in considered. department specific RR was calculated for the first time.

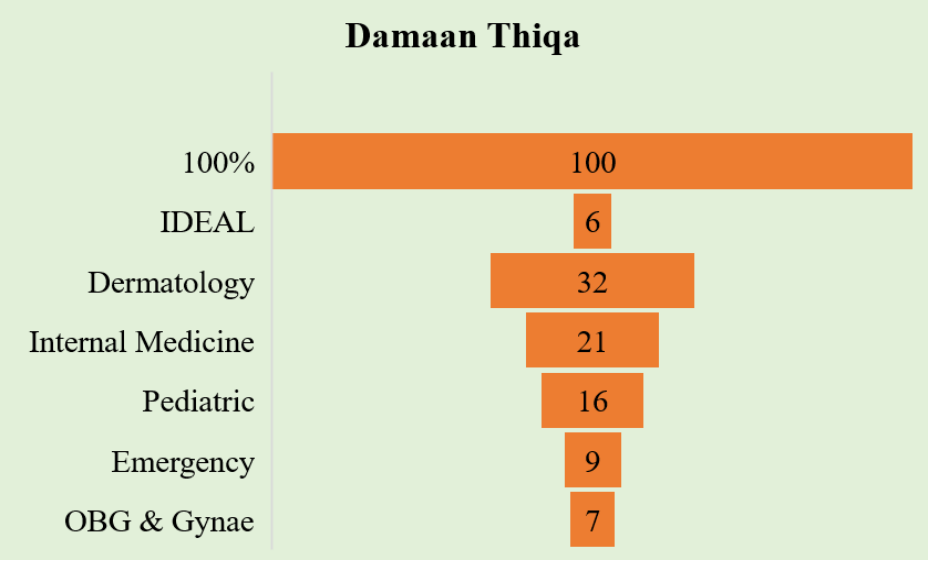
Department specific Rejection Rate of high risk insurance companies

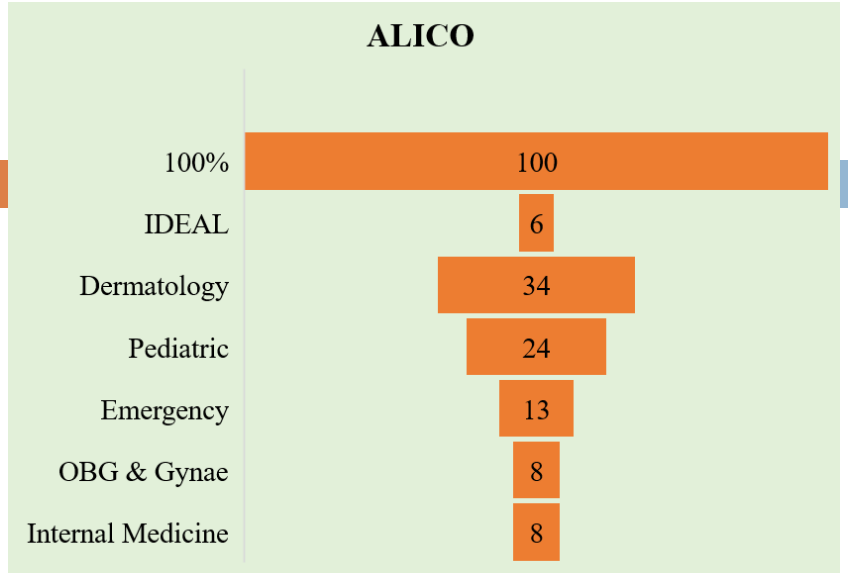


Measure

- Department specific rejection rate was calculated taking an average of all the three months i.e. August, September, October 2015.






ALICO
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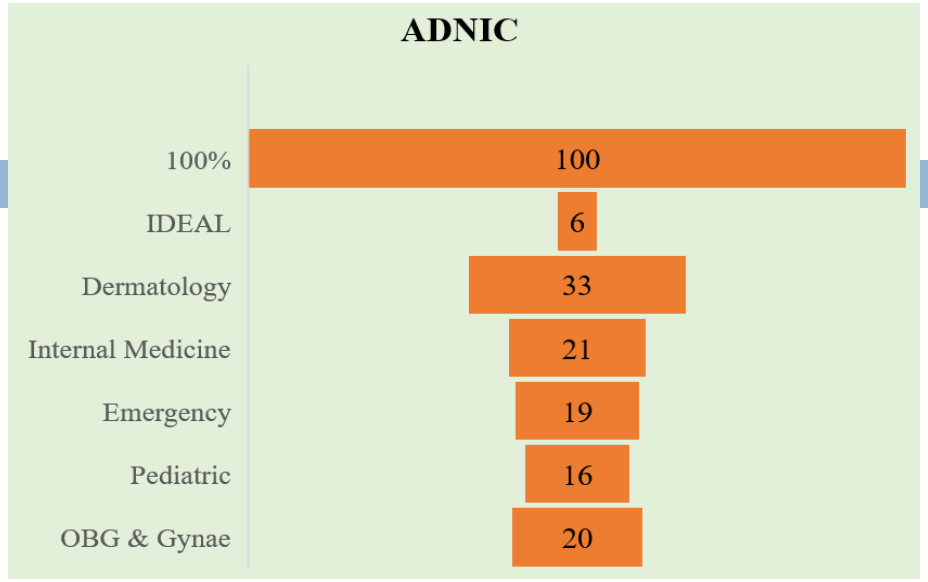
100
IDEAL
6
Dermatology
34
Pediatric
24
Emergency
13
OBG & Gynae
8
Internal Medicine
8


ADNIC
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Dermatology
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Internal Medicine
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Emergency
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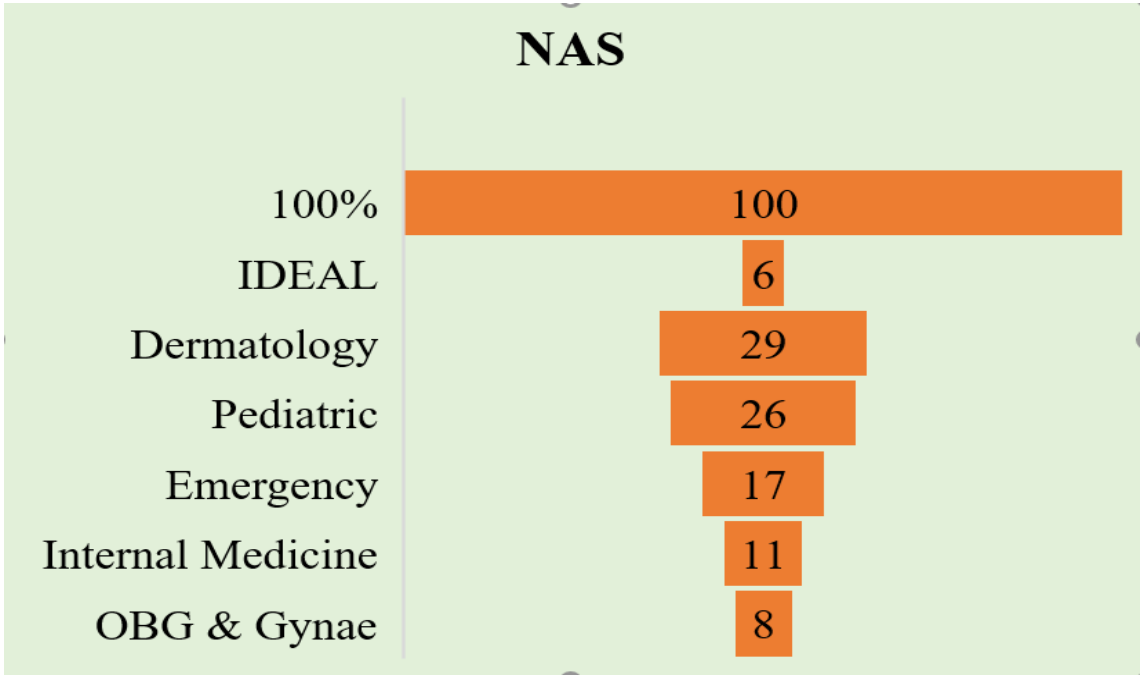
Pediatric
16
OBG & Gynae
20


NAS
100%
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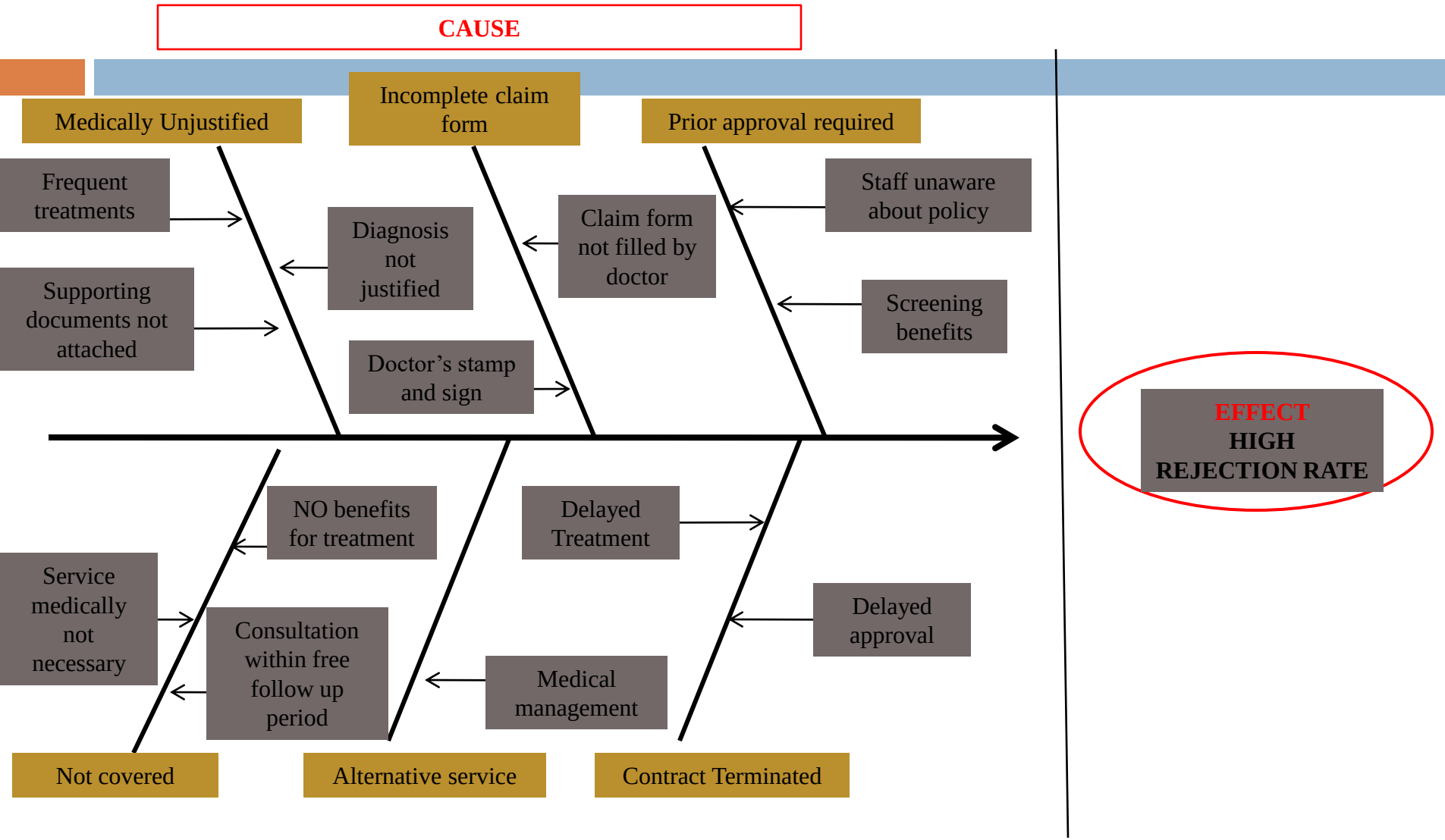
IDEAL
6
Dermatology
29
Pediatric
26
Emergency
17
Internal Medicine
11
OBG & Gynae
8

- From the above analysis we inferred that maximum rejections were being faced in Dermatology and Emergency.
- Critical departments were realised.
- Reasons for high rejection in these departments, specially dermatology and emergency.
- Hence, further in the study data of all insurance companies for these 5 departments was analysed and segregated on the basis of reasons of rejection.

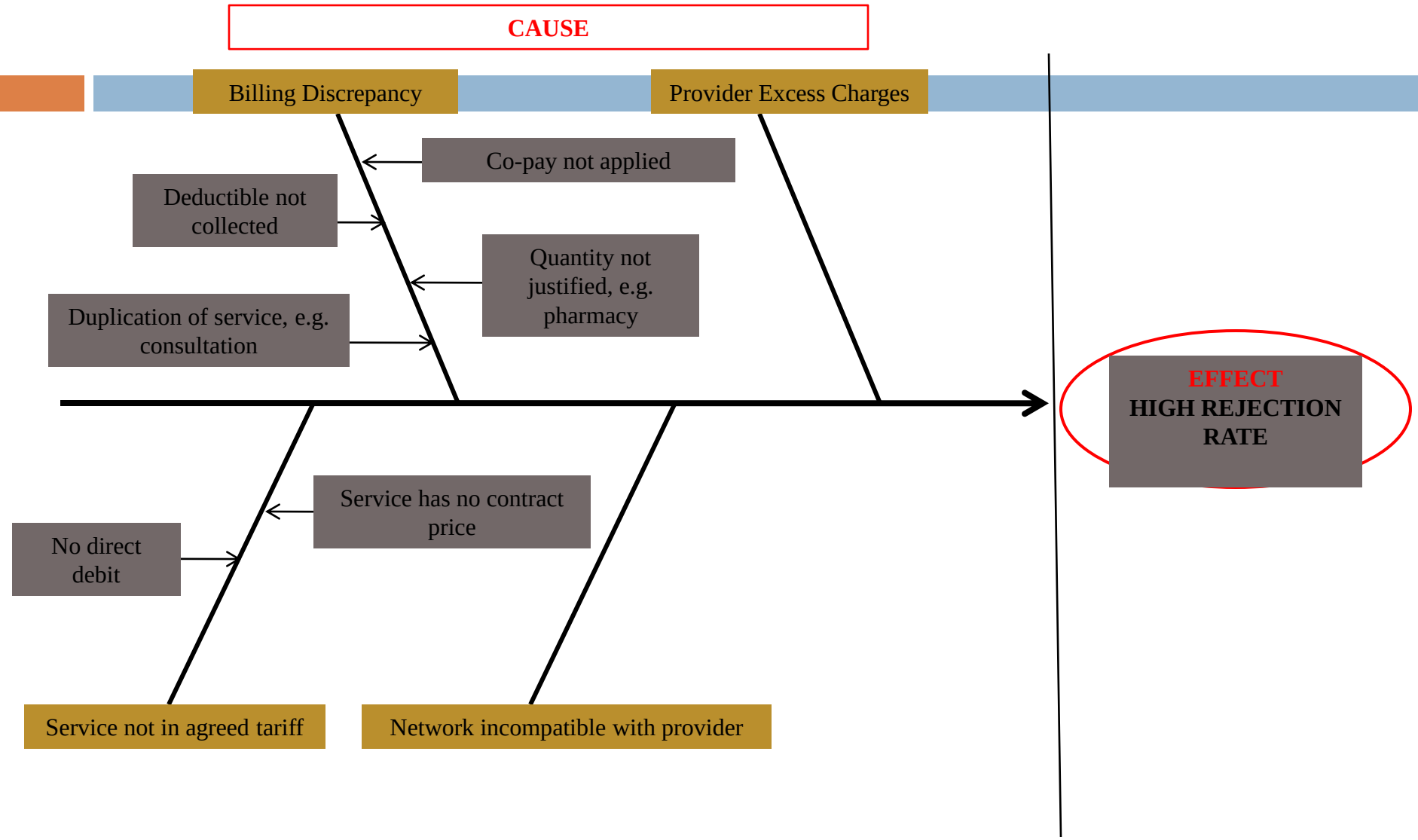
Analysis

- After the evaluation of claims and before reimbursing to the hospital all insurance companies issue statements of rejection or denial for all doubtful or unjustified cases.
- The reconciliation team of the insurance department of the hospital has to justify the claimed amount for reimbursement.
- According to these statements of rejection issued by the insurance companies, reasons for rejection were analysed for all the cases.
- Hence, using the Fish Bone Diagram assessment of the causes of rejection was done. They were further sub-classified: Administrative and Clinical.

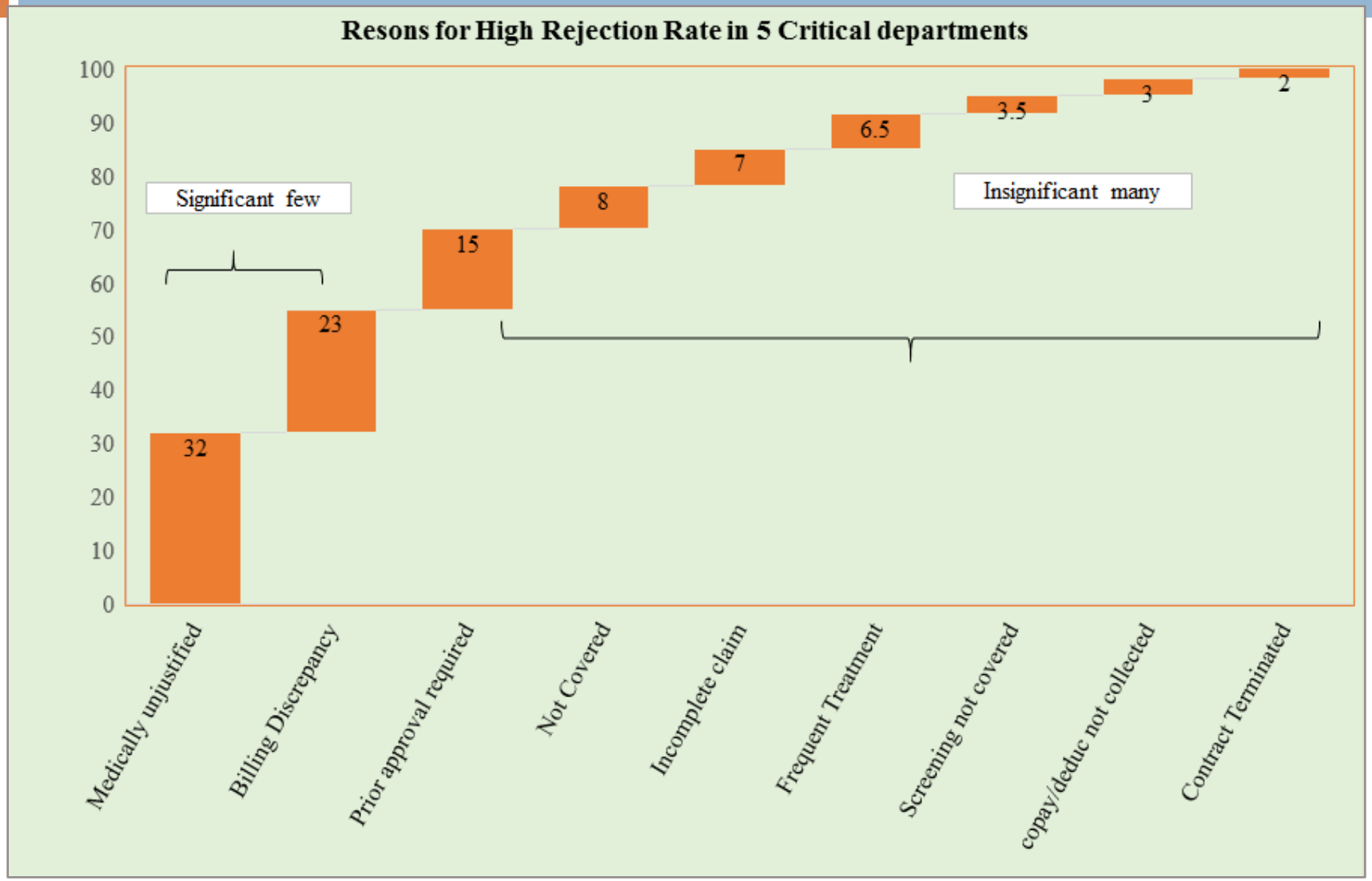
CLINICAL REASONS



ADMINISTRATIVE REASONS



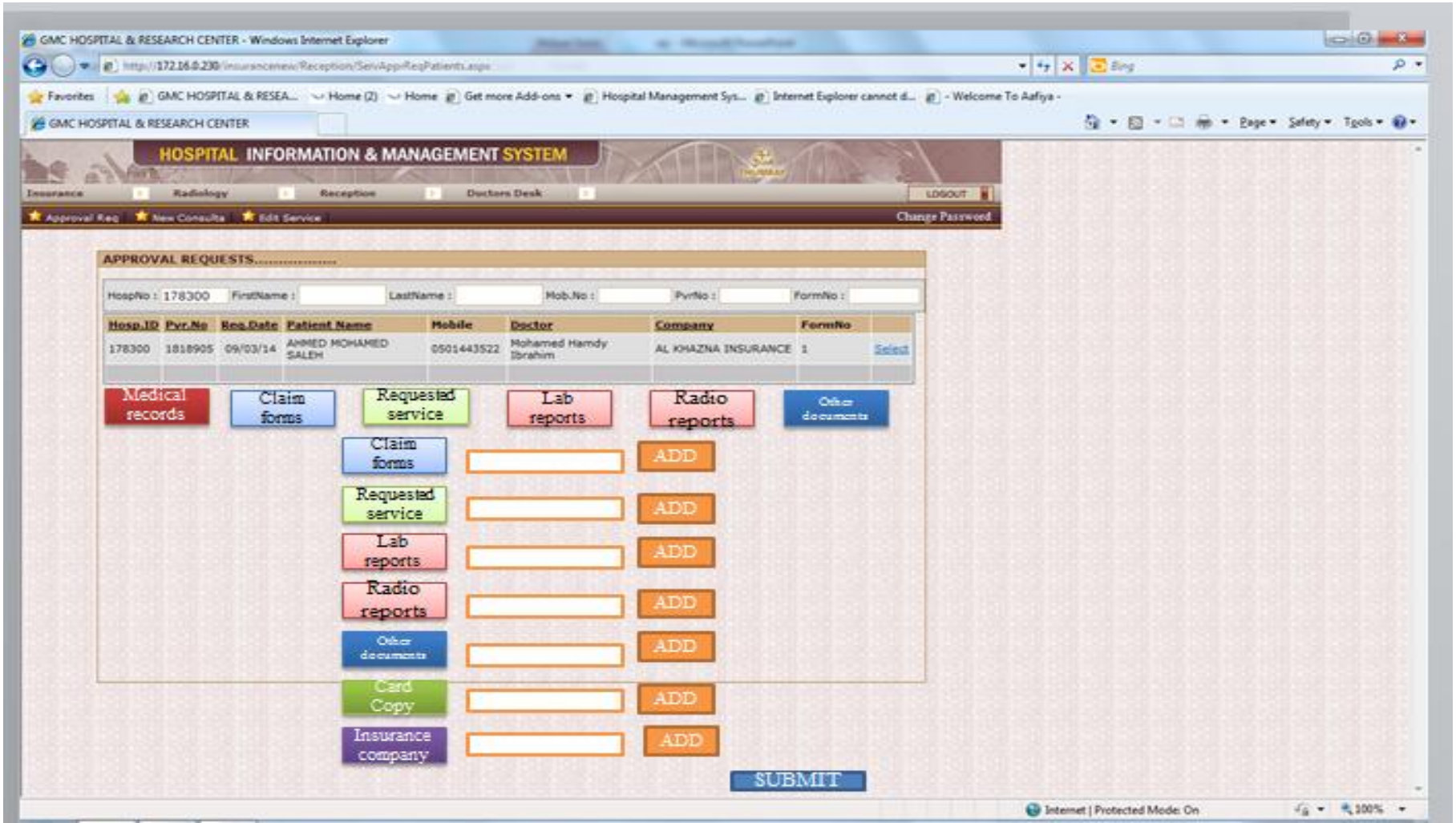
- Using the Pareto tool these causes were further analysed to know the critical factors of rejection (significant few).



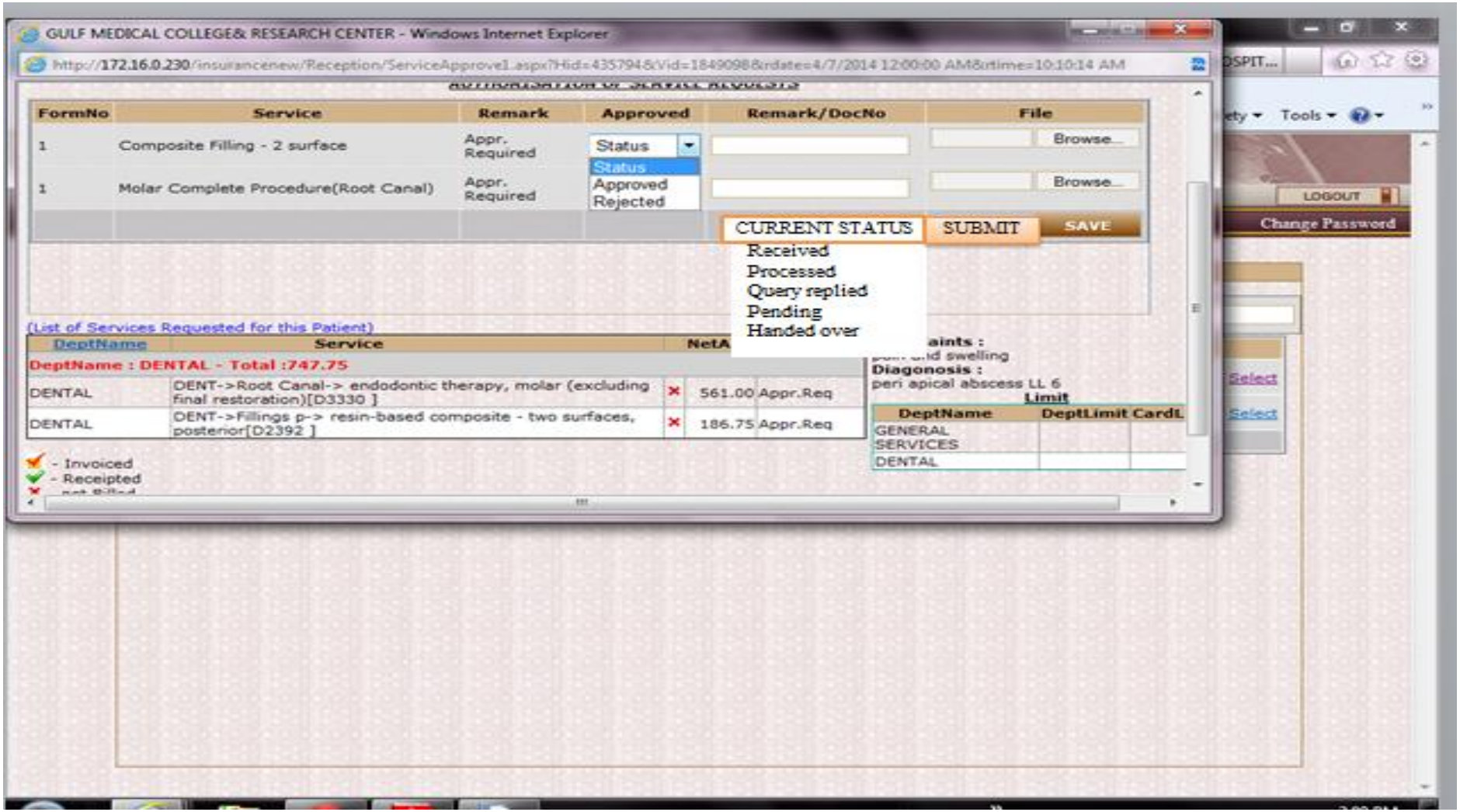
Implementation

SUGGESTED UPGRADATIONS

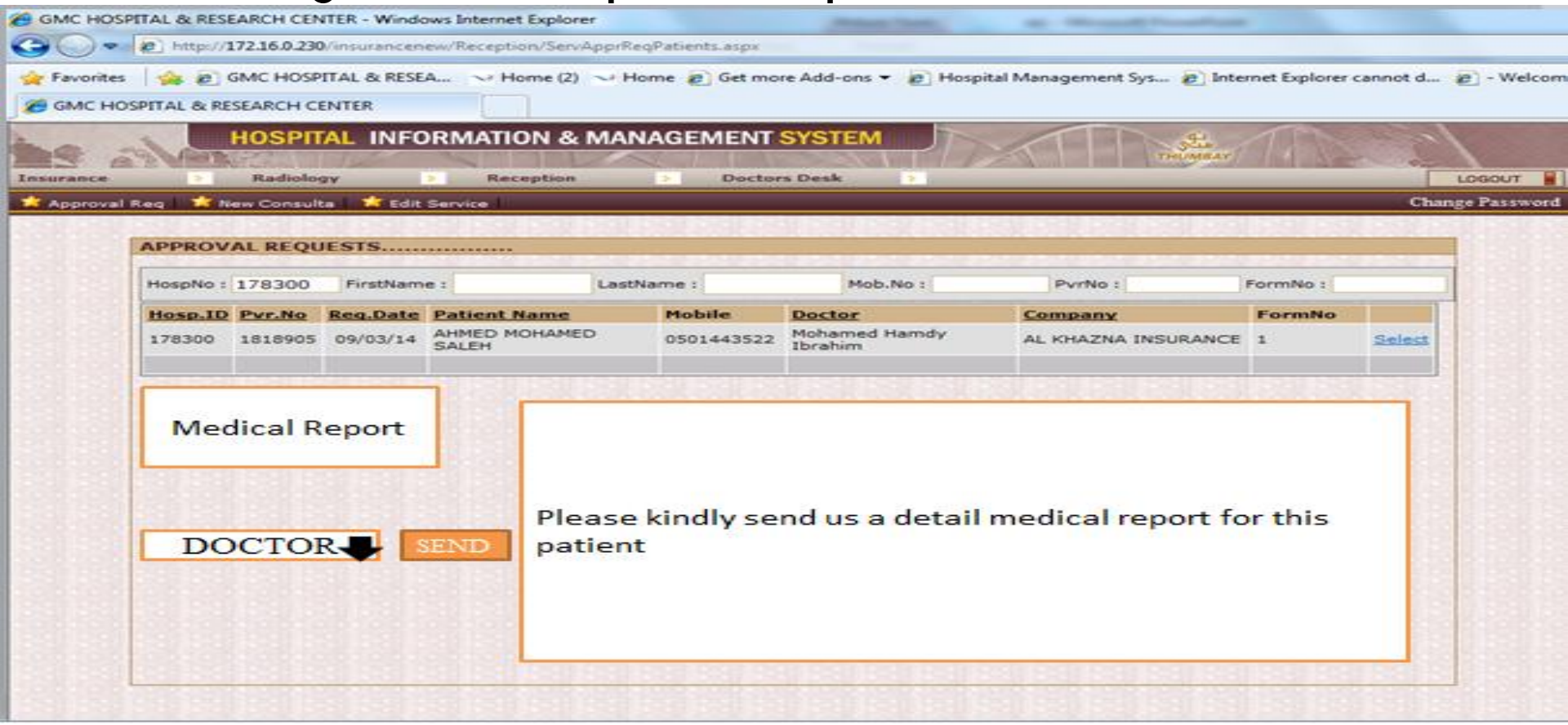
- The need to have a single updated portal for easy access and submission.



- The need to have a status button for HMIS



- The need to have a report button for HMIS for sending various replies to queries of insurance



The proper process requirements and delays were taken into account while the consideration for upgradation of HMIS.

Control

The following measures are suggested to control the rejection denial rate:

- **A proper revenue control check** should be done timely to calculate and analyze the revenue losses and check for loop holes.
- The **financial results after final claim rejection** should be discussed for every quarter where the reasons are justified.
- All **approval team members** should be periodically updated with the changing policies and direct billing tariff list
- **A proper first verification team** should be there to check for all the claim approvals and documentation claims for all departments. This should be done within 24 hours of approvals.
- **A regular up-gradation of the HMIS** system should be done periodically.

Recommendations

- Inclusion and exclusion policies of every insurance company must be incorporated in HMIS.
- Training of Doctor's on awareness of general inclusion and exclusion policies for various diagnoses so that medically unjustified diagnosis and symptoms could be avoided.
- Request for approval must be send along with the previous medical history.
- A medical team for first verification must be set up in the department for verification of claims within 24hrs of the approval.
- MRD section must be incorporated in HMIS so that the approval team can refer and send the request along with all relevant documents.
- On the basis of GOP, Claims of all maternity related approvals should be sent at the time of delivery. Rejected amount to be paid by the patient.
- A mandatory column for diagnosis and other relevant clinical information must be incorporated in HMIS which should be filled by the treating doctor so as to avoid rejection on the basis of diagnosis not justified.
- Administrative staff must be properly trained so as to avoid any billing discrepancies leading to high rejection rate.

Thank you