مستشفى جي إم سي
GMC HOSPITAL

Root cause analysis of rejection rate of medical claims
At Multi Specialty Hospital

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My roles and responsibilities

- Out patient approvals
- Follow-up with insurance companies
- Verifications of medical claims
- To analyze rejections

AIM

- To develop an understanding of the process flow and claim management of insurance department.
- To reduce the rejection rate of medical claims.

RESEARCH QUESTION

- What is the level of Rejection rate in GMC hospital, Ajman?

- To identify reasons for rejection of medical claims by insurance companies?

OBJECTIVES

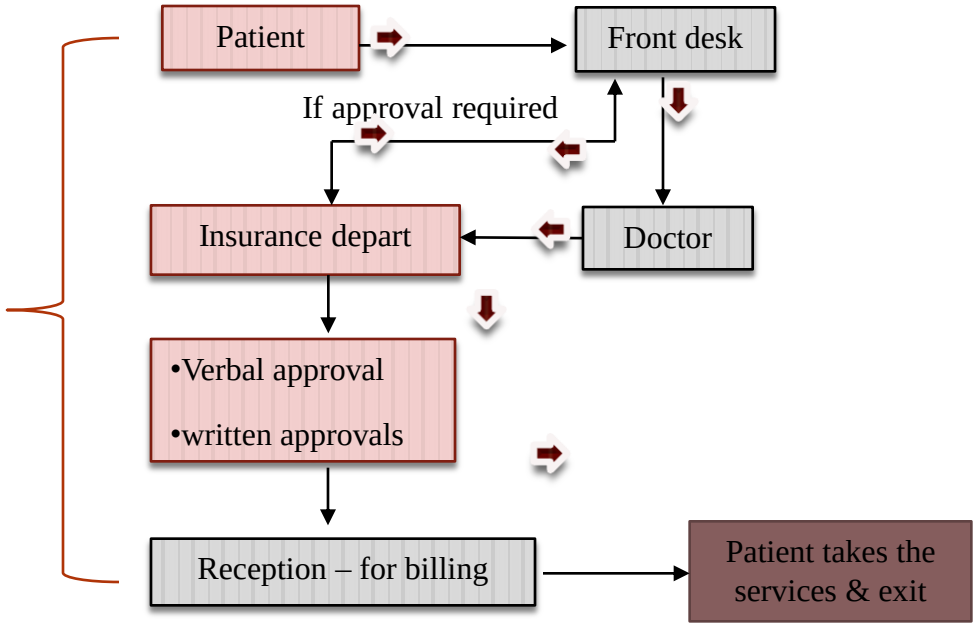
- To understand thoroughly the process flow of a health insurance claim.
- To examine the issues and challenges faced by the insurance department of hospital.
- To develop an understanding of the preapprovals, claim processing, verification and reconciliation.
- To reduce the rejection rate of medical claims.

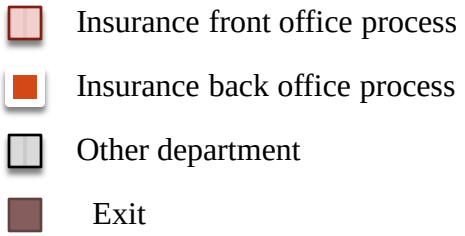
STUDY DESIGN AND METHODS

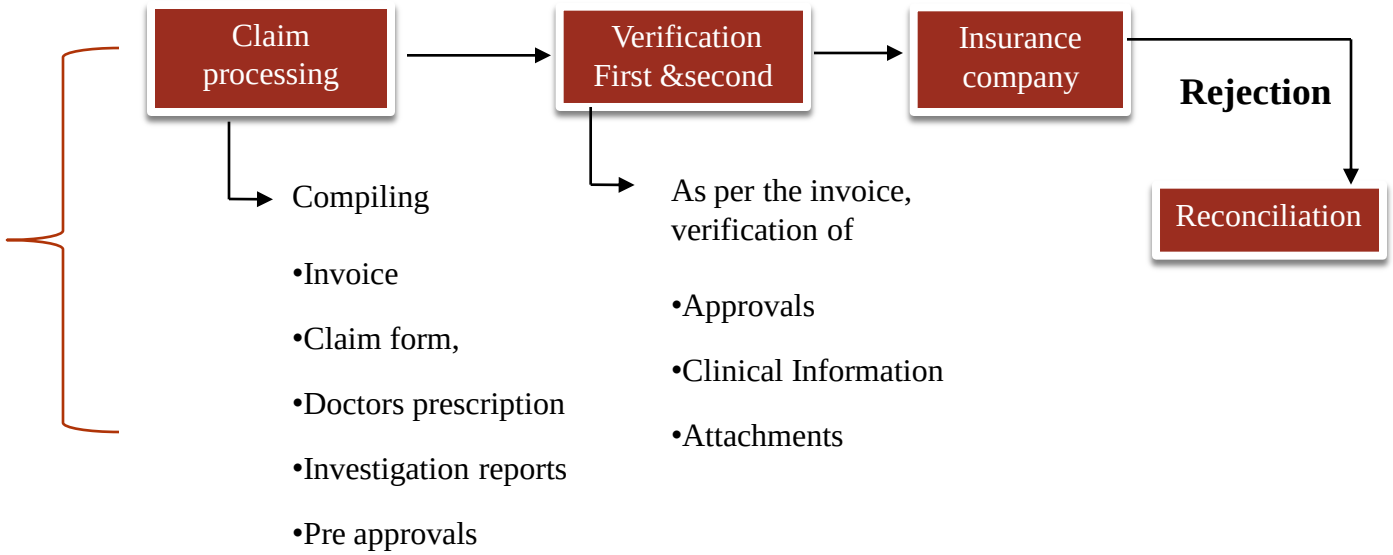
- **Type of study:** Qualitative Retrospective
- **Location of study:** GMC Hospital, Ajman
- **Study subjects:** All rejected medical claims from may to October 2014

- **Sample size:** 38000 rejected medical claims
- **Technique:** Qualitative research technique
- **Study period:** March 1 to May 15

Process flow of insurance department








Insurance company
Rejection
Reconciliation

REJECTION RATE

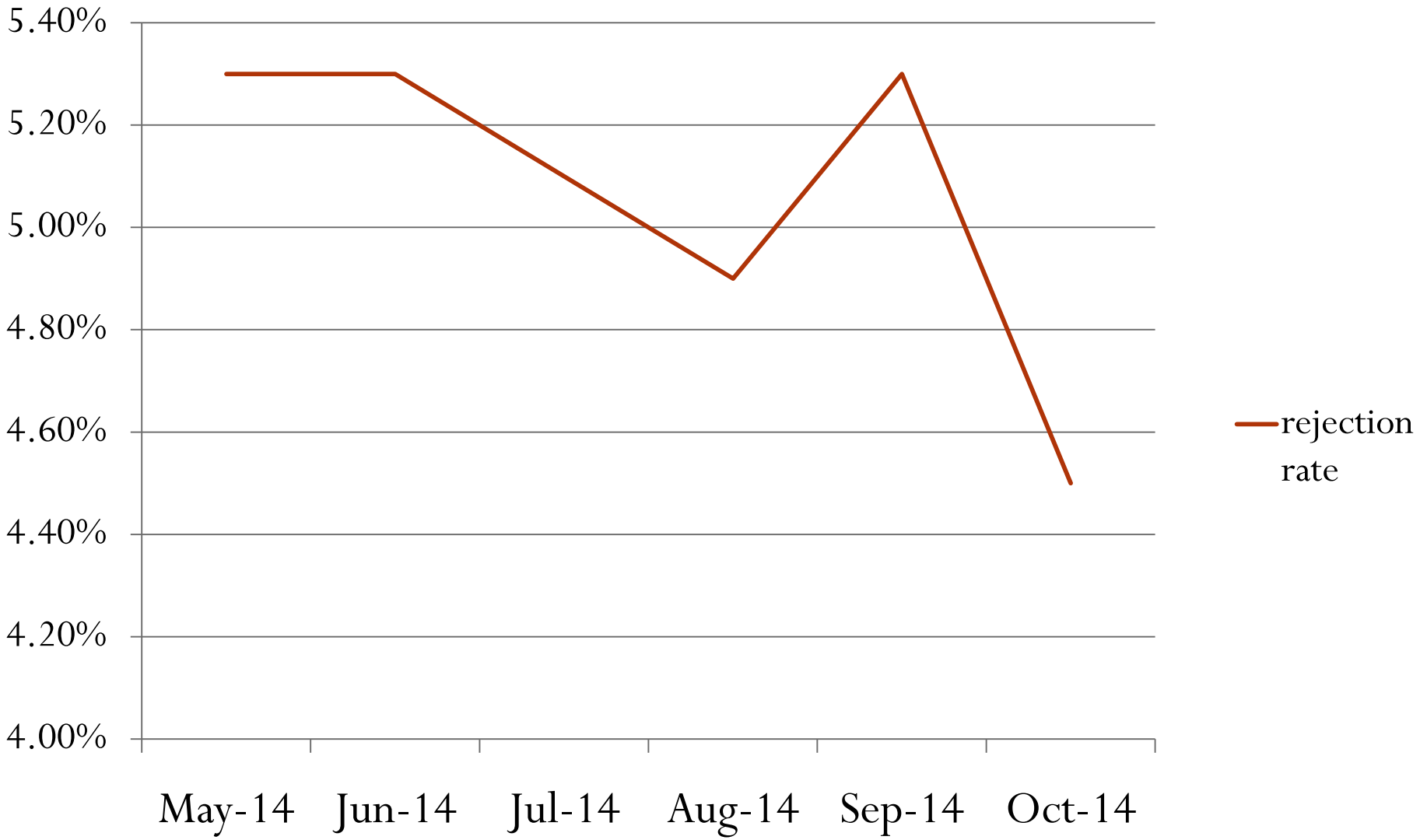
SALIENT FEATURES

- Approximately 75 lakh AED is claimed to insurance per month
- Approximately 3.84 lakh AED is rejected by insurance company every month.
- Average cumulative rejection rate of 5.1% before reconciliation

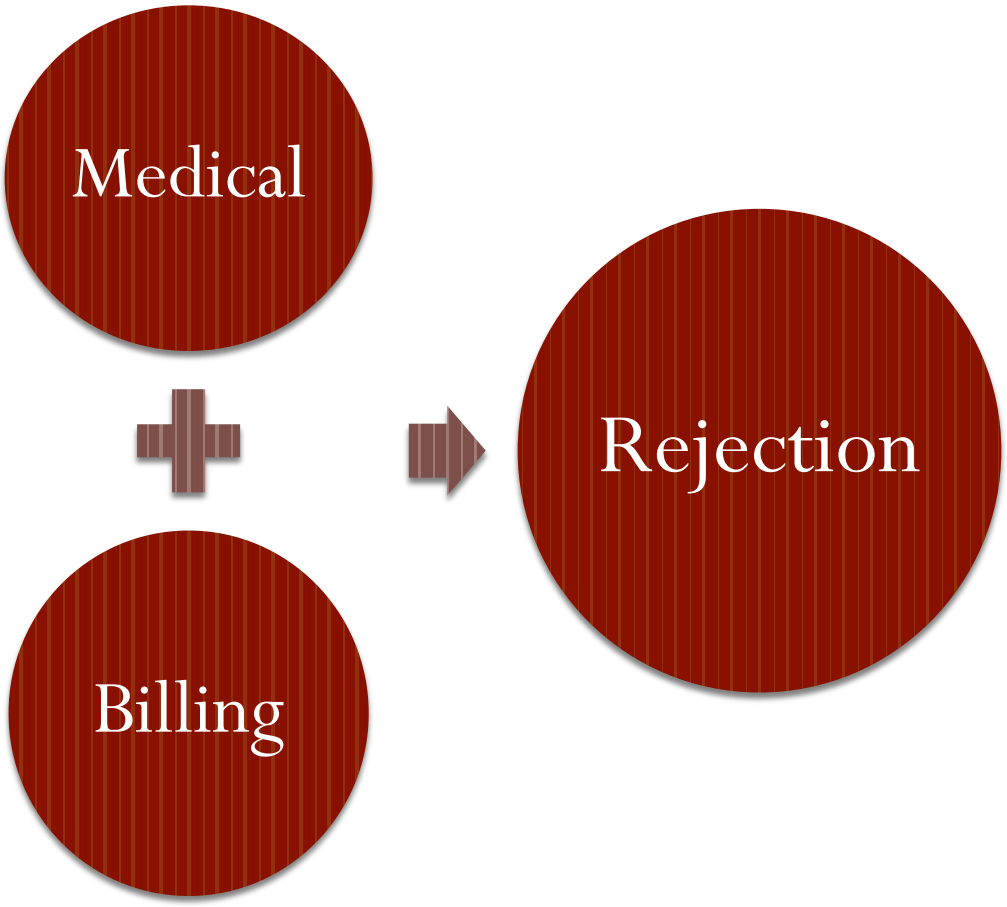
Invoice Settlement Summary (May - Oct 2014)

Sl No	Month	Net Claim	Rejected	rejection rate
1	May-14	7,990,301.29	427,461.51	5.30%
2	Jun-14	7,346,993.53	390,462.74	5.30%
3	Jul-14	6,258,955.44	319,503.17	5.10%
4	Aug-14	7,314,484.73	360,503.87	4.90%
5	Sep-14	8,134,834.58	438,345.74	5.30%
6	Oct-14	8,042,480.46	368,989.25	4.50%
Total		45,088,050.03	2,305,266.28	

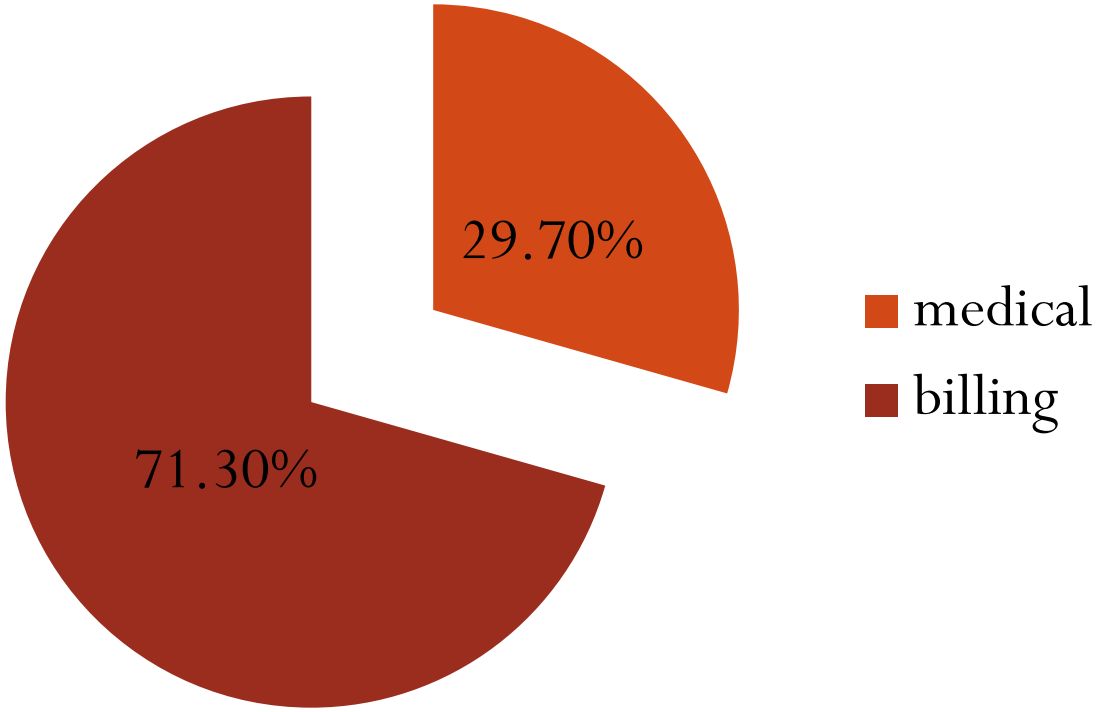
rejection rate



Reasons for the rejection



PROPORTION OF REASONS



Reasons Of Rejection		
Sl.No	**Medical Reasons**	**Billing Reasons**
1	Preapprovals not taken	deductible not applied
2	Services not covered	price not per agreed tariff
3	Services not justified	coin not collected
4	Diagnosis not covered	discounts not applied
5	Services Performed after expiry date	others

Data Interpretation

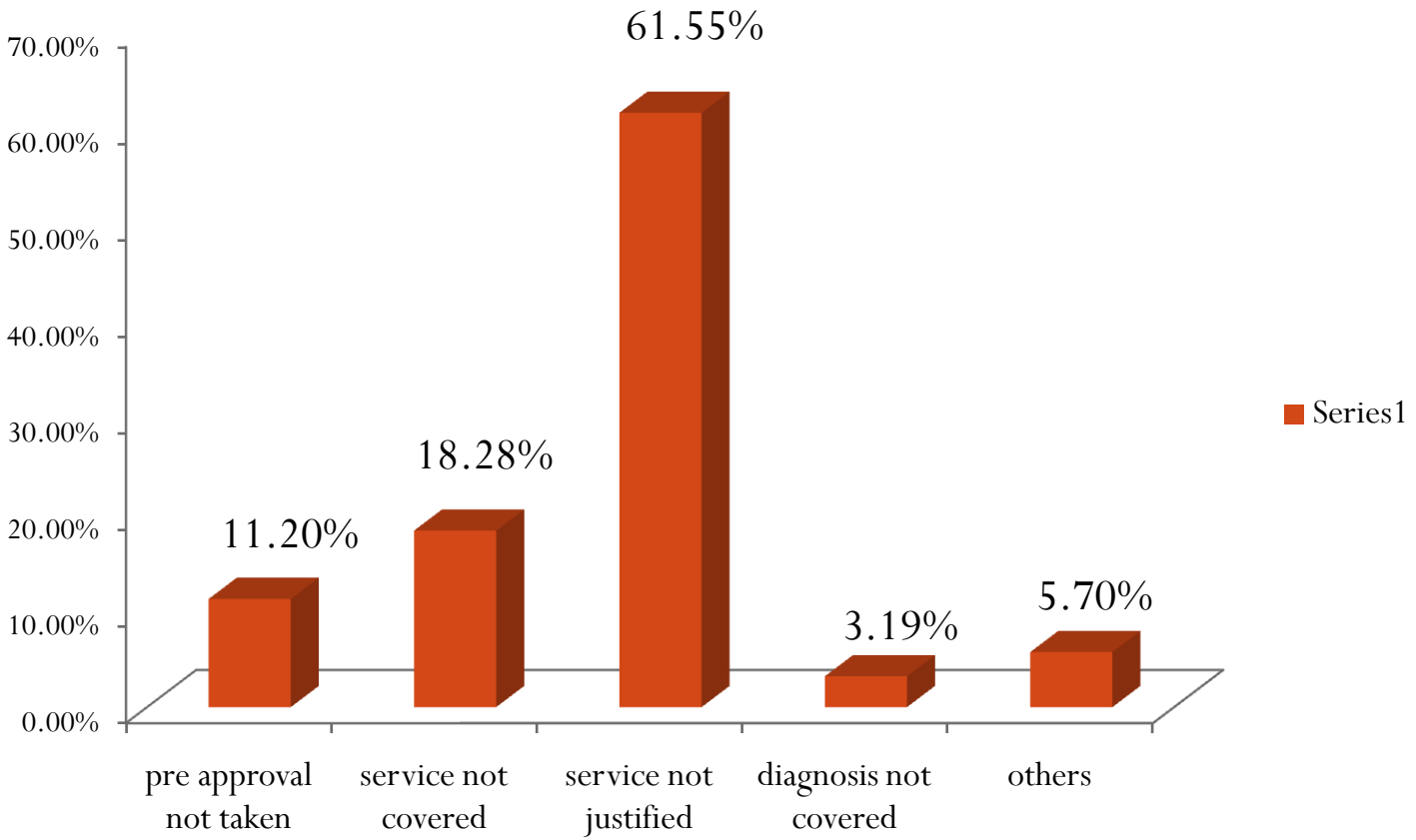
- Out of medical reasons **service not justified** is the major reason.

  -Emphasis is to be given on medical records, supportive documents (radiology, lab reports etc)

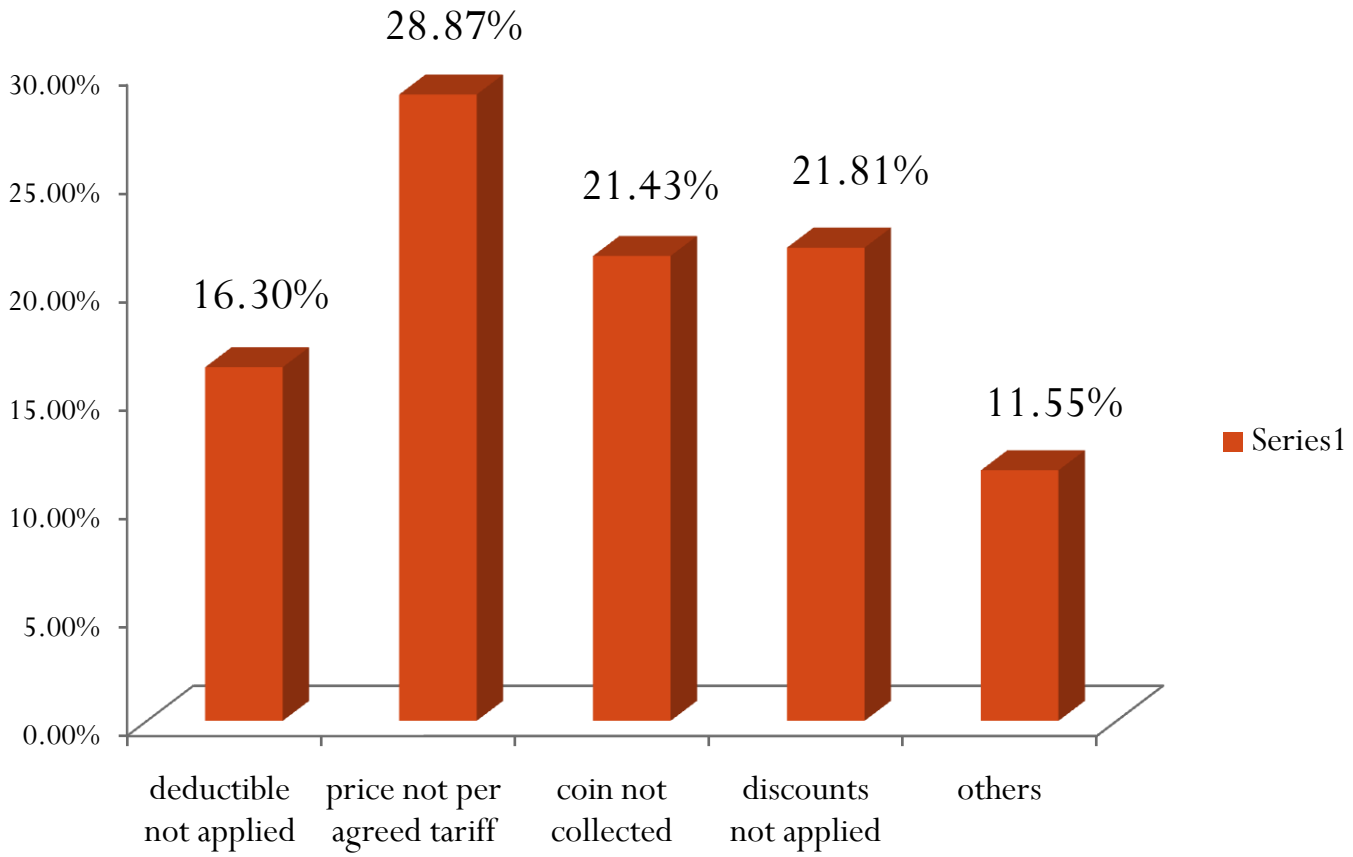
- Out of billing reasons- **pricing not as per agreed** tariff is the major reasons

  - which implies emphasis is to be given on orientation and updation of revised tariffs

Medical Reasons

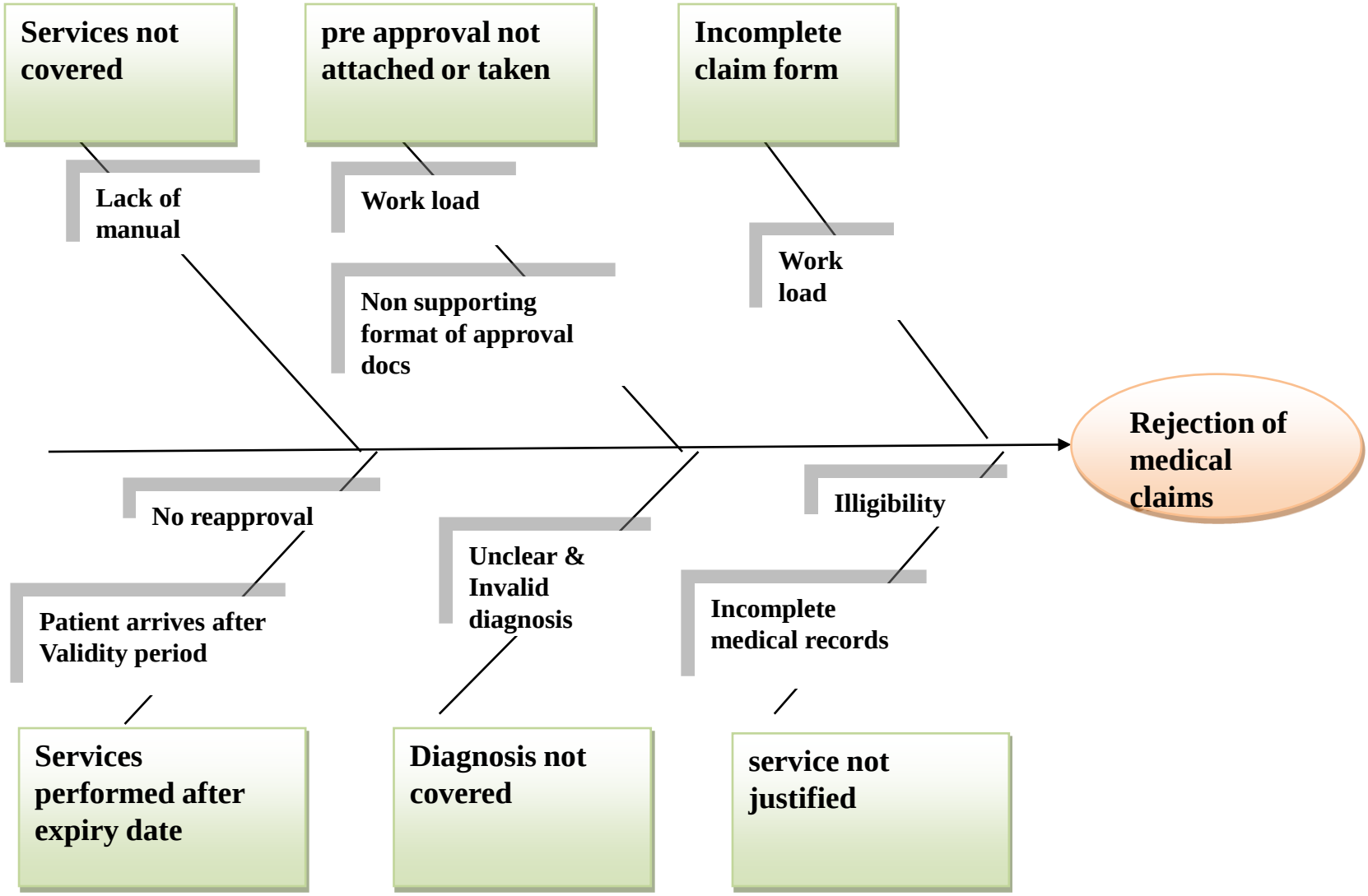


Billing Reasons

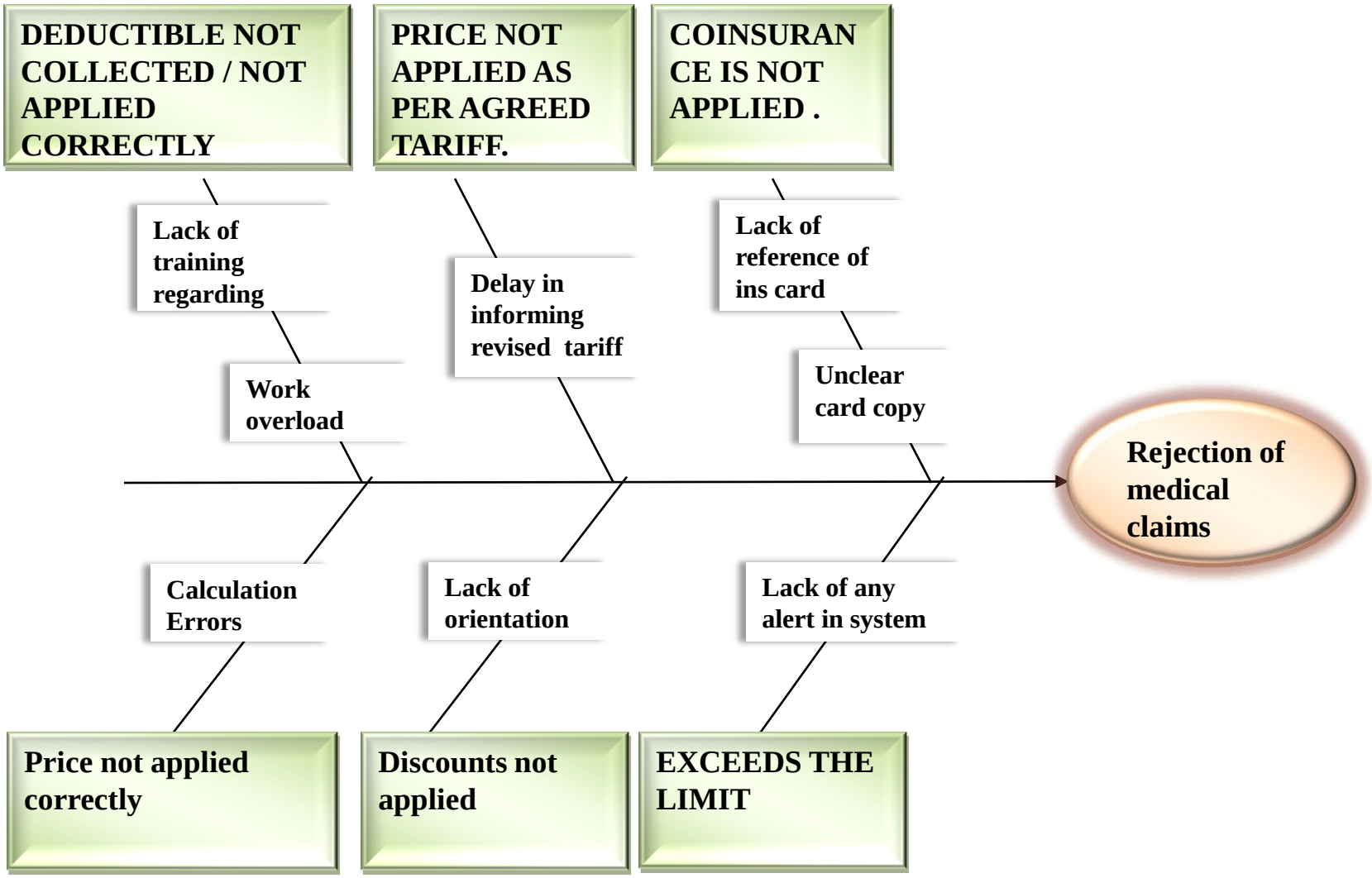


Root Cause Analysis

Causes of Medical Reasons



Causes of Billing Reasons



SOLUTION & RECOMMENDATIONS

Insurance info Manual

Basic information related to

- contact details
- types of card
- Services requiring Preapproval
- Insurance company limit
- Policy coverable and non coverable
- Validity period

HMIS

- **During Registration & Invoice making -**

There should be a mandatory entry option in the HMIS of Billing section for **coinsurance & deductible**

- **During Approval update –**

There should be option in HMIS of Insurance Approval team for **coinsurance/ deductible/ Nil**

- **In Reminder Message to patients –**
Addition of validity period of approved services has to be sent along with approval info.

- **Supportive format of preapprovals –**
HMIS should also support HTML to attach the approval copies during updation

- **Information Blog to share circulars** with reception staff treating doctor company wise

Orientation & Training

- Orientation of involved staff about revised insurance policies once in three months.
- Orientation of medical staff about services and diagnosis that are not covered.

Token system

- Mandatory **token system** and **queuing** of patients is necessary to reduce the **workload** on staff and **waiting period** of patients

Medical Records

- Clear and Detailed information of patient condition in medical records

- Standard format describing medical condition of patient in detail.

Conclusion

•Rejection rate is one of the important measures for insurance department in a hospital as they have the direct impact on efficiency and the revenue generation of hospital.

•As per IRDA any hospital having rejection rate less than 2% is considered to have good practice of claim process management.

•Hence process improvement to reduce rejection rate should be implented.

Through this study, process improvement is targeted through

- Documentation of Manual
- Upgrading HMIS
- Orientation & training of staff
- Detailed medical records
- Token system


Thank you