A COMPREHENSIVE STUDY ON MEDICAL INSURANCE: PERCEPTIONS OF PROVIDERS & POLICYHOLDERS REGARDING SERVICE QUALITY OF CASHLESS PROCESS

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INTRODUCTION

- The health infrastructure in India is facing daunting challenge of meeting the health goals, because of
  - Complexities emerging from the changing disease pattern.
  - Proliferation of various healthcare technologies
  - Increase in cost of care

- This has necessitated the exploration of health financing options to manage problem arising out of increasing healthcare costs.
- Health insurance is emerging fast as an important mechanism to finance the healthcare needs of people.
- However, the complexity of health insurance industry has been much talked about but less understood, especially in Indian scenario

RATIONALE

- Cash-less claim management is perhaps the most important aspect of providing effective in-patient healthcare. Thus hospital should design the mechanism to claim cash-less reimbursement process as simple as possible. Managing large numbers of clients and a large claims volume necessitates a highly efficient administration system capable of speedy and accurate response to clients' hospitalization needs.

RESEARCH QUESTION

- What are the perceptions of provider and policyholders in availing services of cashless reimbursement in Shri B.D. Mehta Mahavir Hospital, Surat. Also to find out the issues which may be hampering the service quality of the same?

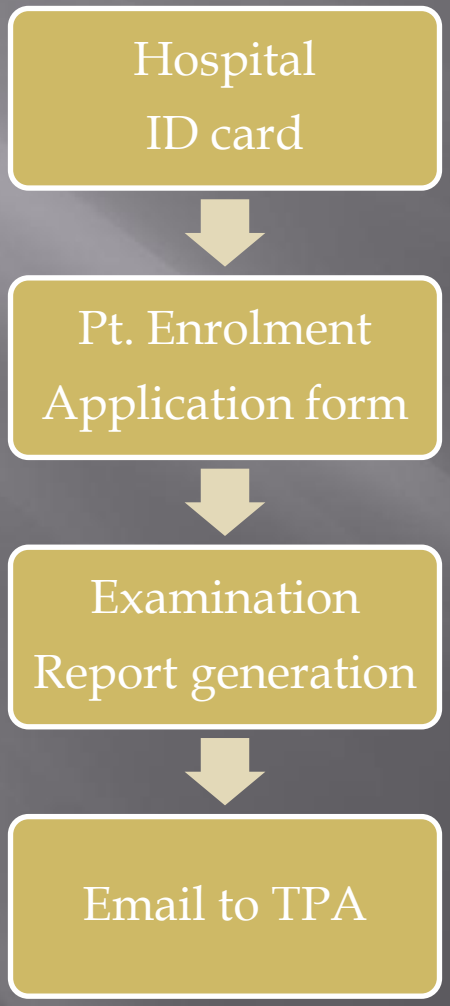
OBJECTIVES

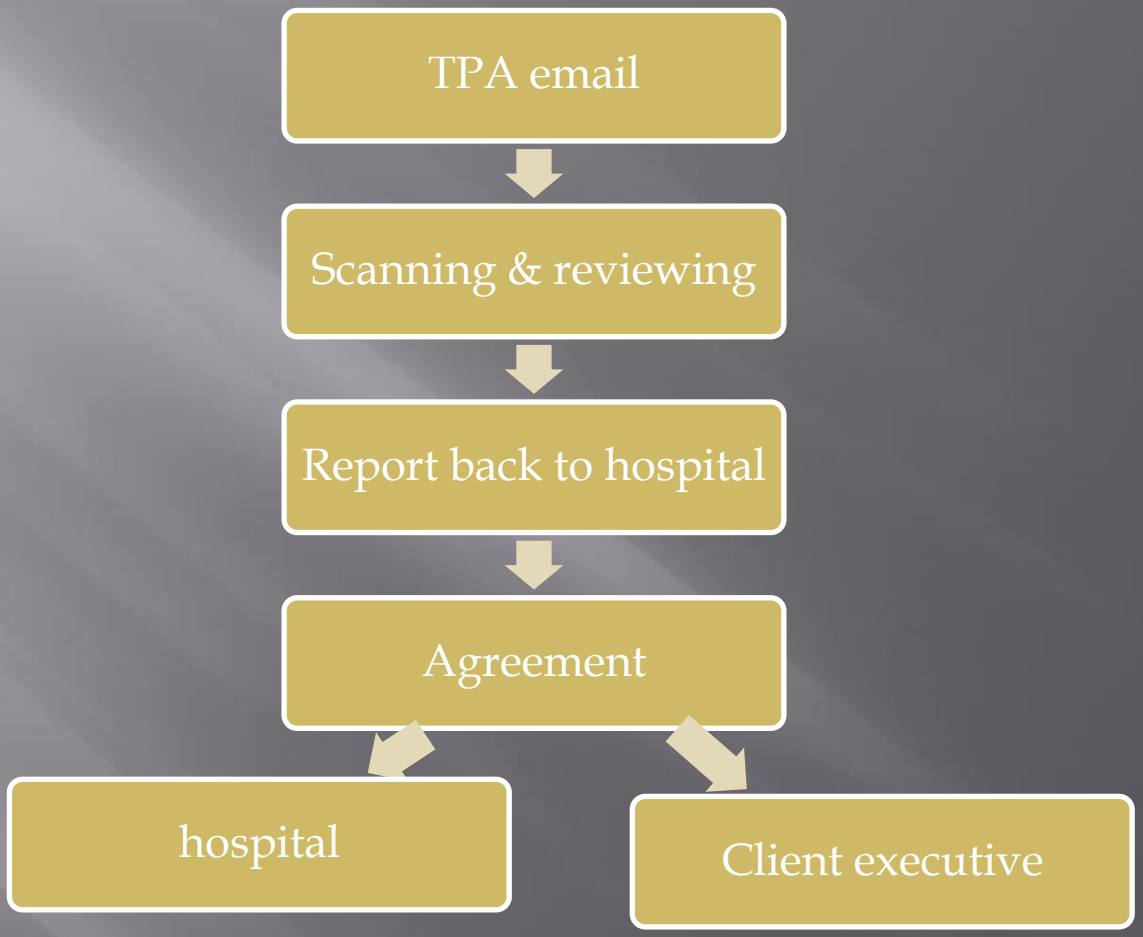
- To understand the perception of healthcare providers & policyholders about the performance of cash-less services in hospital.
- To ascertain the experiences and challenges perceived by provider and policyholders in availing services of cashless reimbursement.

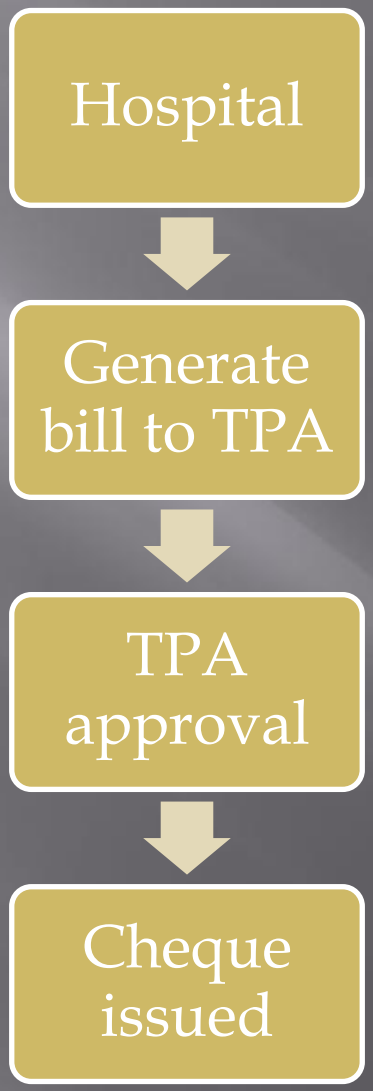
WHAT IS HEALTH INSURANCE

- Health insurance system works on the basic principle of pooling of risks of unexpected costs of persons falling ill and needed hospitalization by charging premium from a wider population base of the community.
- It safeguards against the cost of illness, mobilizes funds for health services and increases the efficiency of such services.
- Cash-less policies, where the insurer directly pays the hospital bills to the healthcare provider.

The health insurance workflow




TPA email
Scanning & reviewing
Report back to hospital
Agreement
hospital
Client executive


Hospital
Generate bill to TPA
TPA approval
Cheque issued

METHODOLOGY

- **Study Design**: Prospective and observational study
- **Study area:** Shri B. D. Mehta Mahavir Hospital.
- **Study duration:** Two Months
- **Sampling Unit**:
- Policyholders- admitted in the hospital and had availed for cash-less reimbursement.
- Healthcare providers - empanelled with TPA

- **Sampling Size:**
- Policyholders- 100 were selected at random for the purpose of survey, but 85 policyholders were usable for purpose of analysis.
- Healthcare Providers- 16 were selected
- **Inclusion Criteria:** Policyholders were included if they avail for cashless hospitalization.
- **Exclusion Criteria:** Policyholders were excluded if they avail for mediclaim.

Sample characteristics

Sample characteristics	Mean
Age of respondent	48.59
Family size of person with family cover	4.32

Out of 85 policyholders interviewed, 18.9 % percent were covered under individual policy cover, while 81.1 % percent were covered under family policy.

The mean age of respondents is 48 years.

Table-2: Claim incurred vs. period since insured

			Claim incurred			
Period since insured	Never	Once	Twice	Thrice	>Thrice	Total
1 Year	29					29
2 Year	4					4
3 Year	11	6	3			20
4 Year	6	1	1			8
5 Year	3	2	2	1	1	9
6 Year		1				1
7 Year	1	1	1			3
9 Year		1				1
10 Year	1		1			2
12 Year			1		2	3
13 Year		1		1		2
15 Year		2			1	3
Total	55	15	9	2	4	85

•Majority of the policyholders were insured within 1 year of survey, with the mode value of duration since insured being 1 year. About 64.7 percent of the respondent never placed any claim since insured. Policyholders submitting any insurance claim were mainly insured for more than two years.

- **Design Too**l: Based on literature review and discussion with key stakeholders in the industry:
- **For Healthcare provider:** In-depth interview along with questionnaire.
- **For Policyholders:** Questionnaire.
- The objectives of these questionnaires were to understand the perception of hospital administrators regarding the service quality of TPAs and awareness and experiences of policyholders with the TPA.

Key Variables Included in the questionnaire

- **For Health Care Providers:**

1. TPA services when policyholders need them
2. Time taken to settle claims by TPAs
3. Impact & influence of TPAs on hospital administration and cost

- **For Policyholder's:**

1. Awareness about TPA services
2. Knowledge about coverage and exclusion in policies
3. Experiences of policyholders with healthcare providers
4. Services and customer education by the TPAs

DATA ANALYSIS & FINDINGS

HEALTHCARE PROVIDER PERSPECTIVE

TPA SERVICES AT THE TIME OF ADMISSION OF PATIENTS

Table 3: TPA activities during patient admission

Activities that TPA carried out when patient is admitted		Percentage
Arranged for specialized consultation		0
Asking about treatment protocols	Yes No Don't know	12.5 62.5 25
Audit and scrutinize the bills	Yes No Don't know	75 12.5 31.25
Enquire about test room rates	Yes No Don't know	43.75 18.75 37.5
Enquire about the length of stay	Yes No Don't know	68.75 6.25 25
TPA always visits to hospital	Yes No Don't know	87.5 12.5 0

- INTERPRETATION:
- TPAs most of the times visit their clients during admission in the hospital.
- During their visit the key activities are:
- To enquire about duration of stay in hospital,
- To enquire about tests/room rates,
- To scrutinize the bills and enquire about treatment protocols.

- TPAs do not arranged for any specialized consultation.
- TPAs devote more attention on financial issues than on care management issues.

CLAIM SETTLEMENT WITH HOSPITAL

Table 4: Claim settlement with hospital

Item		Percentage
TPAs delay in claim settlement	Yes No Don't know	93.75 6.25 0
TPAs reimburse 100 percent of bills	Yes No Don't know	56.25 31.25 12.5
Pay interest on due amount	Yes No Don't know	0 100 0

Hospital report that TPAs always delay in settling claims. Also TPA do not pay any interest on due amount when there is delay in settling of claim.

INFLUENCE AND IMPACT OF TPA ON HOSPITAL

Table 5: Influence of TPAs on Hospital

Influence of TPA	Mean (SCALE:5.0)	Standard Deviation
Insist on following standard protocol	2.44	1.44
Try to influence diagnostic process	1.75	1.07
Try to interfere in treatment decision	1.54	0.85
Influence to prescribe new drugs	1.44	0.73
Influence to acquire new technology	1.68	0.98

Table 6: Impact of TPA on hospital performance

Impact of TPA on hospital performance	Mean (SCALE:5.0)	Standard Deviation
No. of admission in hospital has gone up	2.49	1.27
ALOS has gone up	1.87	1.00
Rate of occupancy has gone up	2.10	1.15
Cost per bed day has increased	1.93	1.06
Maintaining relationship with TPA is difficult	3.65	1.20
Time spend with insurance company is substantial	2.97	1.47
Staff expenditure has gone up	2.97	1.29
Overall Hospital expenditure has gone up	3.13	1.11

- **Interpretation of Influence and impact of TPAs**
- Perceive no significant influence of TPAs in their routine hospital administrations.
- Minimal control on treatment procedures and protocols of the hospital.
- Do not perceive any marked increase in patient turnover after formalizing association with the TPA.
- This new partnership imposes significant burden on hospital expenditures as efforts in liaisoning with the insurance companies and TPA.

POLICY HOLDER'S PERSPECTIVE

Table 7: Policyholder's knowledge about the policy

Knowledge about insurance policy	Mean (Scale:5.0)	Standard deviation
Knowledge of disease covered	3.71	1.41
Informed about disease not covered	3.52	1.32
Informed about cash-less services	3.52	1.60
Empanelled hospital list provided	2.90	1.74
Knowledge about TPA	1.73	1.15
Knowledge about documents required	3.34	1.52

- **Knowledge about policy and TPAs**: It was quiet evident that policyholders have very little information about their insurance policy.

- **Knowledge about coverage and exclusions in policies:** Policyholders have inadequate knowledge on illnesses covered in their policies, exclusion of illnesses in the policy, cashless reimbursement and the list of empanelled hospitals.

- **Knowledge about documents, reports, forms and records needed for reimbursement:** Policyholders have inadequate knowledge about the documents, reports, forms and records needed by the hospital for cashless and reimbursement health insurance policies.

CONCLUSION

- Policyholders avoid dealing directly with their insurance companies due to various procedural hassles.
- Insurance agents seem to have major influence on policyholders' decisions.
- Policyholders due to the influence of insurance agents and their trust in them blindly accept the policy terms without knowing themselves the complete clause and conditions.
- Sometimes this lack of knowledge creates problem later on when patient avail for cash-less services.
- TPAs are the interface between the insurer and the insured and they are in a position to educate the policyholders about health insurance.
- However, there role in consumer education does not infuse much confidence on their intention or ability to do so.

- Hospital administrators do not perceive introduction of TPAs has increased their patient turnover
- They perceive that this has increased the burden on their expenditure as effort level to manage the relationship has gone up.
- However, there is an indication that hospital administrators foresee clear business potential in their association with the TPA system.
- The TPA services on the other hand need to focus on developing their competencies and capacities and take care of various operational issues in provision of services.

SUGGESTIONS

- The hospital needs to send the bills on time, delay in the bill dispatch process will create delay in receiving the amount from the concerned authority.
- Constant follow -up need to be done with the corporate/TPA after bill has been dispatched.
- A clear list of all the documents required for cash-less should be displayed.
- Incentives to TPAs on settling the claim to the hospital on time so as to build a strong relationship with hospitals

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THANK YOU