# Optimizing TPA claim processing in hospital: Emphasis on minimizing incorrect deductions


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CK BIRLA HOSPITALS | RBH
Rukmani Birla Hospital JAIPUR

## Brief history and description about organization

Rukmani Birla Hospital, is a 230 bedded multi-specialty hospital offering comprehensive inpatient and outpatient services in Jaipur. It is laid on three key principles - Clinical excellence, Ethical and Patient centric approach. This multi-specialty facility caters to patient needs and makes sure that the patients and their families are being well looked after by a team of efficient doctors, caring and vigilant nurses, organized housekeeping and back-office management. RBH has 24 specialized healthcare departments, each with state-of-the-art medical equipment and a team of highly trained doctors and nurses.
CK Birla Hospitals, comprising of its three landmark identities, The Calcutta Medical Research Institute (CMRI,1969,Kolkata), BM Birla Heart Research Centre (BMB,1989, Kolkata) and its recent venture Rukmani Birla Hospital(RBH,2016,Jaipur) have set milestones in the healthcare Industry.

## Organization vision and mission

**Vision**: Aspire to transform the future of healthcare through outstanding clinical outcomes, research, education and compassionate care.
**Mission**: Committed to bringing global standards of clinical expertise and care of patients and their families.

## SWOT Analysis

**Strength**
- Lower rates of deductions and claim denials
- Faster processing time leading to improved cash flow

**Weakness**
- Regular reconciliation of data not done
- Operational inefficiency

**Opportunities**
- Leveraging new technologies can improve claim processing
- Benchmarking against other hospitals

**Threats**
- Increased administrative burdens
- Staff turnover and system failures

## Organization structure

- Unit Head
  - Head HR
  - Head Finance
  - Head Quality → Senior Executive → Team
  - Head Sales and Marketing
  - Head Operations
  - Medical Superintendent
  - Patient Experience

## Challenges faced during internship

- Hindrance due to implementation of new HIS software during project time
- Data confidentiality

## Learning during internship

- Open and close file audits
- HIRA (Hazard Identification Risk Assessment)
- Understanding the working culture of hospital
- Patient and staff coordination and emergency codes

## Practical exposure VS Theoretical understanding

- Practical exposure focused on real world application while theoretical is more conceptual
- Practical exposure develops problem solving, decision making, teamwork, adaptability, communication skills while theoretical knowledge enhances skills and understanding.

## Usefulness of internship

- Hospital industry exposure
- Networking with hospital industry members
- Opportunity to improve communication skills
- Learned about healthcare settings

# A B O U T T H E P R O J E C T

## Objective

1. To analyze the percentage of incorrect deductions and its concerned reasons in claim settlement.
2. To conduct a quality check on periodic reconciliation of data and query resolving efficiency in claim processing.

## Methodology

Retrospective study : December 2023 to April 2024
SAMPLE SIZE : 757 (number of claims)
(Star health 325, HDFC ergo 288, Nivabupa 144)

## Data collection

1.Financial settlement records review from hospital TPA department
2.Direct observation of process in real time for query resolving efficiency

- Pre-authorization request (Pre-auth review and decision)
  - Within 24 hours
    - Approval (cashless service/treatment authorized) → Patient admission, medical treatment and services documented, claim preparation
    - Denial/Query raised (to appeal the decision with additional documentation and justification)
      - Patient not admitted in hospital (by choice)
      - Admitted by alternative options (cash, other payer etc)

- Claim submission and payment determination
  - Approved amount (on contracted rates, co-payments, amount payable as per insurance plan)
  - Deductions (adjustments for network providers, non covered services, consumables etc.)
  - Deductions after incorrect adjustments or extra deductions
  - Pending claims (waiting for payment)

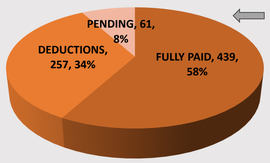
Periodic reconciliation by billing department for payments received and deductions applied by payer

Records related to claim settlements, billing, payments, deductions, appeals are maintained for auditing, reporting, and compliance purposes

Closure of claim considered after appeals resolved and payments adjusted

## Data analysis

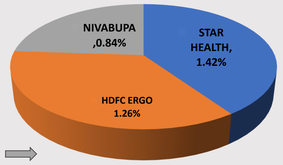
Total no. of claims = 757




- Fully paid: Positive outcome reflecting effective claim submission process
- Deductions: One-third show partial payments (underlying problems need to be addressed)
- Pending: Relatively very low percentage face delay (to be processed within TAT)

- Average deduction rates for all three companies are relatively low

Deduction rate – company wise




## Findings

| Payer | Pending claim amount |
|---|---|
| Star health | 25,51,999 |
| HDFC ergo | 7,79,117 |
| Nivabupa | 6,42,771 |

- Relatively low deduction rates show compliance of administrative process and claim submission process in hospital
- No documentation of follow up/query raised for deductions/reconciliation not done/workflow disruption
- Billing mistakes due to operational inefficiency
- NHD, Overbilling, extra tariff,
- Investigation charges included in pkg.

## Suggestions

1. Document process flow/SOP – Purpose of review and audit to rectify errors.
2. Gantt Chart- Timely follow up for claim settlement
3. Timely data reconciliation- Engaging of end users and administrators for immediate support and assistance.
4. Enhance communication- Acknowledging and improving on the methods to improve claims settlements.
5. Establish workflow- To ensure the settlement of pending claims with defined roles and responsibilities of all the stakeholders involved.