CASHLESS VS. REIMBURSEMENT CLAIMS IN HEALTH INSURANCE: A STUDY ON CUSTOMER EXPERIENCE AT CARE HEALTH INSURANCE

By- Dr. Mayank Singh

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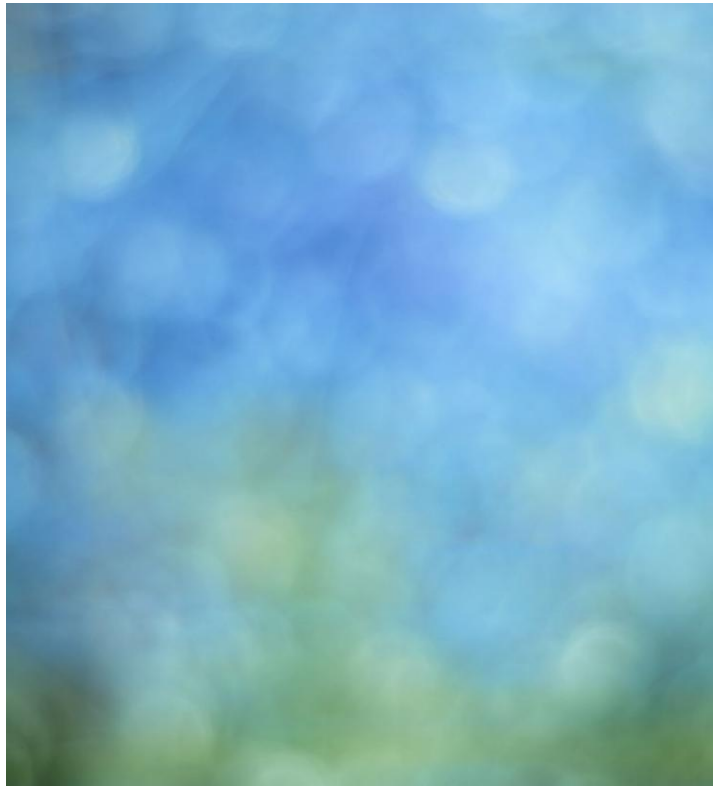
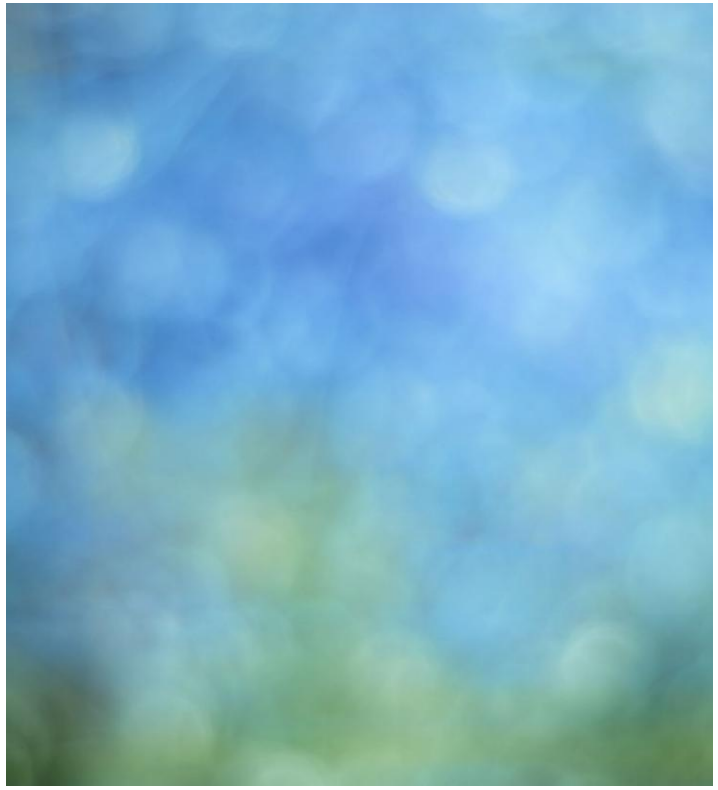
Introduction

Globally, health insurance plays a pivotal role in reducing financial vulnerability and ensuring timely access to quality healthcare. According to the World Health Organization, over 60% of countries have adopted national or private insurance schemes to safeguard populations against catastrophic health expenditures. Despite this, nearly 930 million people worldwide still face significant out-of-pocket spending (OOPE), highlighting the importance of efficient insurance mechanisms. In India, where OOPE constitutes nearly 47% of total health expenditure—more than double the global average—the role of robust health insurance processes becomes even more critical.

India's health insurance sector is expanding rapidly, driven by escalating medical costs, heightened health awareness post-COVID-19, and regulatory reforms introduced by the Insurance Regulatory and Development Authority of India (IRDAI). Within this landscape, **Care Health Insurance** (formerly known as Religare) has emerged as a key private sector player, known for its extensive product offerings and focus on digital-first claim solutions. As a company that services millions of policyholders nationwide, Care Health's claim settlement experience—particularly the efficiency and user satisfaction of cashless versus reimbursement claims—offers valuable insight into the broader functioning of India's insurance ecosystem.



This dissertation presents a comparative evaluation of cashless and reimbursement claim settlement models at Care Health Insurance. While cashless claims, directly settled between the insurer and empanelled hospitals, have become increasingly popular for their convenience, reimbursement claims continue to be utilized in non-network or specialized treatment settings. These two approaches represent divergent experiences in documentation load, processing time, communication quality, and financial burden. By analyzing policyholder feedback and operational parameters, this study identifies gaps and strengths in Care Health's current claim processes, offering practical recommendations to enhance customer experience, reduce OOPE, and support a more equitable and efficient health insurance system in India.



Research Questions

- Q1-How do the socio-economic and demographic profiles of policyholders influence their usage and experience of cashless versus reimbursement claim settlements?
- Q2-How do cashless and reimbursement claim settlements compare in terms of efficiency, including processing time, documentation, and communication quality?
- Q3-What are the differences in customer satisfaction levels and service perception between the two claim modes?
- Q4-What challenges and limitations are faced by policyholders in each process, and what improvements are most urgently needed?

objectives

- **To assess how socio-economic and demographic characteristics** (such as age, income, education, and location) **influence the choice and experience** of cashless versus reimbursement claim settlements among **Care Health Insurance** policyholders.

- **To compare the operational efficiency** of cashless and reimbursement claim processes at **Care Health Insurance**, specifically in terms of **processing time, documentation requirements, and communication quality**.

- **To evaluate customer satisfaction and perception of service quality** under both claim types (cashless vs. reimbursement) within the operational framework of **Care Health Insurance**.

- **To identify the major challenges and procedural limitations** faced by Care Health Insurance policyholders during claim processing, and **to suggest actionable improvements** that can enhance claim experience and system performance.

Rationale

This study addresses a critical gap in understanding how **claim settlement mechanisms**—cashless versus reimbursement—function within the real-world operations of **Care Health Insurance**. While national studies have assessed these processes broadly, few have examined them at the insurer-specific level where service design, hospital networks, and digital tools directly impact the policyholder experience.

The research focuses on how **demographic factors** (age, income, education) influence claim preferences and satisfaction. It further evaluates key operational indicators such as **processing time, documentation burden, and communication quality**, which are essential to building customer trust.

By analyzing Care Health's systems through the lens of its policyholders, this study provides **actionable insights** into improving claim efficiency, enhancing user experience, and supporting the broader goal of equitable and transparent healthcare financing.

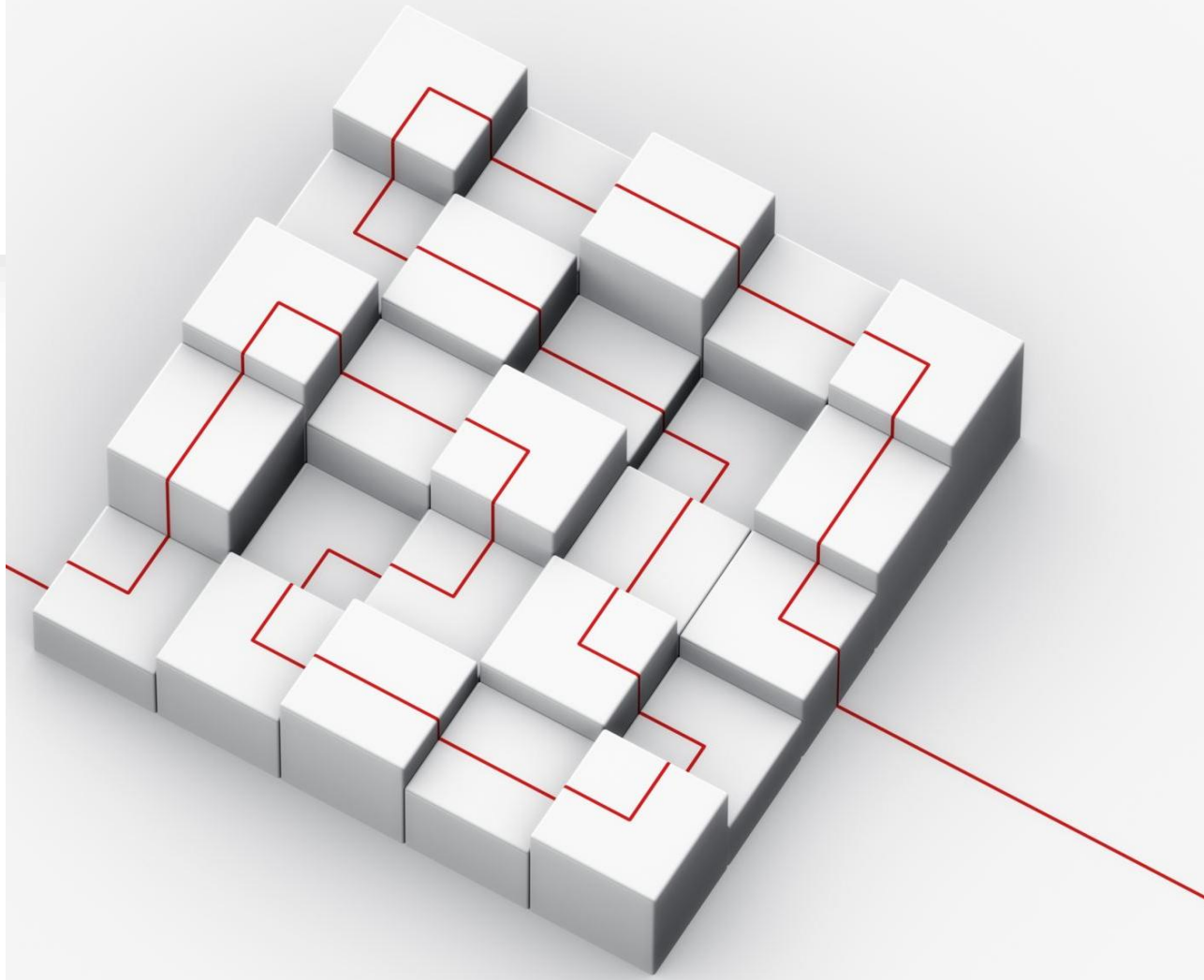
S.NO.	AUTHOR(S)	YEAR	STUDY	SAMPLE SIZE	TECHNIQUE & LOCATION	KEY FINDINGS
1	IRDAI	2023	Annual performance review of insurance sector	N/A	Secondary analysis	Cashless claims increasing year on year
2	IRDAI	2023	Policy guidelines on health insurance products	N/A	Policy circular	Defined timelines for discharge and processing
3	National Health Authority	2022	Inflation trends in healthcare spending	N/A	Secondary data	Healthcare inflation is rising faster than GDP
4	KPMG India	2023	Coverage vs claim ratio for private insurers	N/A	Private sector insurers	Cashless > reimbursement in user experience
5	Roy & Sharma	2019	Comparative performance of claim types	1,000+	Survey across metros	Cashless preferred due to less paperwork
6	WHO India	2021	Guidelines on UHC and financial protection	N/A	National policy	OOP still major burden for low-income
7	LiveMint Report	2022	Market penetration and consumer surveys	N/A	Consumer reports	Shift in consumer trust towards cashless
8	TOI & Novartis	2023	Awareness about cholesterol and CVDs	100,000+	Metro cities	Better awareness led to faster claims
9	Sengupta & Nundy	2021	Financial strain due to reimbursement	2,000+	Urban and semi-urban India	Majority faced hardship with upfront payments
10	Roy & Sharma	2019	Time taken for claim settlement	500+	Metropolitan hospitals	Cashless claims processed within 3 days
11	CII & Deloitte	2020	Operational efficiency benchmarks	40 insurers	Insurance offices	Operational delays highest in reimbursement

12	**Azim Premji Foundation**	**2022**	**Socio-economic access to insurance**	**State-level**	**Bihar, UP, Odisha**	**Insurance access poor in rural regions**
13	Sengupta & Jain	2020	Behavioral insights into insurance choices	5,000	Urban policyholders	Consumers prefer transparency & speed
14	Jain et al.	2021	Impact of cashless on urban claims	3,000	Tier 1 cities	High claim size linked to NCDs & age
15	HDFC ERGO	2023	Annual Claim Trends in India	Industry-wide	Online surveys	Urban claim settlement fastest
16	NHA	2022	Ayushman Bharat Dashboard Insights	3 million+	All Indian states	Max claims in states like TN & Gujarat
17	Roy & Sharma	2019	Transparency in claims processes	30 hospitals	Public and private hospitals	Documentation bottlenecks cause dissatisfaction
18	Sengupta	2021	Hospital liquidity burden in India	20 hospitals	Urban India	Hospitals face cash flow issues post discharge
19	WHO Global Health Expenditure Database	2023	Global OOPE comparisons	Global dataset	Global	OOPE India: 47%, global average: 18%
20	Roy & Sharma	2019	Regional disparity in claims	100+ hospitals	South and East India	Network gaps and poor awareness cause delay
21	IRDAI Circular	2023	New cashless claim time limits	All insurers	IRDAI directive	Discharge approval <3 hours mandated
22	Observer Research Foundation	2023	Public-private digital insurance gap	Pan-India	National coverage	Need for digital-first claims management

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Study Design

- This study adopted a **cross-sectional descriptive research design** to analyze and compare the claim settlement experiences of policyholders specifically associated with **Care Health Insurance**. A cross-sectional framework was appropriate for capturing data at a single point in time, enabling the assessment of trends, user preferences, and operational gaps without the need for longitudinal tracking or experimental control.
- The descriptive design allowed for a detailed examination of respondents' **socio-demographic characteristics**, their interactions with the **cashless and reimbursement claim processes**, levels of satisfaction, and challenges faced. By focusing on real-world data from existing policyholders, this approach supported the primary objective of understanding how claim settlement methods impact customer experience and service efficiency within Care Health Insurance's ecosystem.
- This methodology aligns with the research aim of providing **insightful, actionable recommendations** to improve the operational and user-centric performance of Care Health's insurance services.



3.2 Study Setting

- This study was conducted using an **online data collection approach**, targeting policyholders of **Care Health Insurance** across various urban regions in India. The survey was designed using Google Forms and disseminated digitally through multiple platforms including email, alumni networks, WhatsApp, LinkedIn, and Telegram.
- This approach enabled the efficient and timely collection of data from a **digitally connected population**, most of whom are likely to engage with online insurance portals and claim services. Given Care Health Insurance's emphasis on digital processes, the online-only methodology was particularly suited for capturing relevant experiences with **cashless and reimbursement claims** through the company's service platforms.
- This method also ensured data integrity, ease of respondent participation, and alignment with the company's digital-first operational framework. By focusing on online respondents, the study could accurately reflect the real-world claim experiences of tech-savvy, urban policyholders—Care Health's primary customer base.

3.3 Study Population

- The target population comprised **Indian health insurance policyholders** who had filed at least one claim—cashless or reimbursement—between **March 2022 and March 2025**. Participants included both individual and family floater policyholders from varied socio-demographic backgrounds (age, gender, income, and place of residence).

3.4 Inclusion Criteria

Participants were included if they met the following criteria:

- Aged 18 years or older.
- Had filed at least one health insurance claim (cashless or reimbursement) in the past three years.
- Provided informed consent (written or verbal) to voluntarily participate.

3.5 Exclusion Criteria

Participants were excluded if:

- They had never filed a health insurance claim.
- People who have not allowed consent.
- They submitted incomplete or inconsistent responses, particularly in key questions related to claim experience and satisfaction.

3.6 Sample Size

A total of 34 complete and verified responses from policyholders of Care Health Insurance were analyzed in this study. While the sample size is limited, it provides meaningful insights into user experiences and preferences regarding cashless and reimbursement claim processes offered by the company.

3.7 Sampling Technique

The study utilized a Convenience sampling technique, which is a non-probability method ideal for selecting individuals with relevant and specific experience—namely, those who have filed a health insurance claim with Care Health Insurance. Respondents were reached through various digital channels, including: Care Health Insurance agents and affiliated advisors Online health and consumer forumsWhatsApp broadcast lists and Facebook user groups Personal and professional alumni networks

- **3.8 Data Collection Instrument**
- A **structured, bilingual questionnaire (English and Hindi)** was designed specifically for policyholders of **Care Health Insurance** and administered digitally.
- The questionnaire consisted of six key sections:
- **Demographic Information**
  Age, gender, educational qualification, monthly household income, and city/town of residence.
- **Insurance Profile**
  Type of Care Health Insurance policy held (individual, family floater, or group) and the mode of claim used (cashless or reimbursement).
- **Claim Experience**
  A set of Likert-scale items (1–5) assessing ease of process, clarity of documentation, transparency in communication, and overall satisfaction with Care's claim service.
- **Operational Metrics**
  Duration of claim approval and settlement, and any procedural or service-related challenges encountered.
- **Financial Impact**
  Level of out-of-pocket expenses incurred and whether the policyholder needed to borrow funds or liquidate assets to cover treatment costs.
- **Preferences and Feedback**
  Preferred claim type, openness to switch claim modes if improvements were introduced, and open-ended suggestions for enhancing the claim settlement process at Care Health Insurance.

3.9 Duration of Study

The study was conducted over a **three-month period**, from **March 10 to June 10, 2025**. This timeframe allowed for systematic data collection, verification, and follow-up where necessary.

- **3.10 Data Analysis Plan**
- The data collected from Care Health Insurance policyholders were analyzed using a **mixed-method approach**, combining both quantitative and qualitative techniques to effectively address the study's research objectives.
- **Quantitative Analysis**
- **Descriptive Statistics**: Frequencies and percentages were used to analyze demographic variables such as age, gender, education level, income group, and place of residence.
- **Measures of Central Tendency & Dispersion**: Mean scores and standard deviations were calculated for Likert-scale responses related to satisfaction, ease of process, communication quality, documentation burden, and transparency.
- **Cross-tabulations**: Relationships between claim type (cashless vs. reimbursement) and other variables—such as satisfaction scores, perceived efficiency, and communication quality—were examined to identify trends and contrasts.
- **Data Visualization**: Charts and tables (bar graphs, pie charts, etc.) were used to present findings in a clear and interpretable manner using Microsoft Excel and Google Sheets.
- **Qualitative Analysis**
- **Thematic Categorization**: Open-ended feedback from respondents was manually reviewed and grouped into themes (e.g., communication delays, clarity of documentation, preference reasons).
- **Narrative Integration**: Key statements were summarized to complement and contextualize the quantitative results, especially for assessing service perception and identifying areas for improvement.

3.11 Data Analysis Tools

The following tools were used for data entry, processing, and presentation:

- **Microsoft Excel**: Primary tool for tabulation, calculations, and visualization.
- **Excel Charts and Graphs**: Used to generate visual summaries for the results.

3.12 Ethical Considerations

The study strictly adhered to ethical guidelines to protect participant rights and data integrity:

- **Informed Consent**: Obtained from all participants before data collection.
- **Voluntary Participation**: Respondents were informed they could withdraw at any time without penalty.
- **Confidentiality**: No personally identifiable information was collected. All data were anonymized and securely stored.
- **Academic Use**: Data were used solely for academic and research purposes, in compliance with standard ethical norms.

4: Results

- **Research Question 1:**
- **How do the socio-economic and demographic profiles of policyholders influence their usage and experience of cashless versus reimbursement claim settlements?**
- **Objective:**
  To assess how socio-economic and demographic characteristics influence the choice and experience of cashless versus reimbursement claims.
- **Key Findings:**
- **Age Group 46+** showed the highest **preference for cashless claims** (77%), suggesting increased reliance on financial convenience at older ages.
- **Younger age groups (18–35)** also leaned toward cashless (58–59%), likely due to digital literacy and comfort with insurer tech platforms.
- **Postgraduates** had a higher preference for cashless than **graduates**, indicating that higher education may correlate with trust and adoption of digital claim services.
- **Higher income groups (>1L)** preferred cashless claims more than lower-income groups, suggesting affordability and awareness influence choices.

4: Results

- **Research Question 2:**
- **How do cashless and reimbursement claims compare in terms of efficiency, including processing time, documentation, and communication quality?**
- **Objective:**
  To compare operational efficiency indicators (e.g., timelines, communication, transparency) between the two modes.
- **Key Findings:**
- **Processing Time Ratings** were highest among **graduates** (4.3/5) and **income >1L** group (4.5/5), indicating satisfaction with claim settlement speed in cashless mode.
- **Ease of Documentation** was rated high by **36–45 age group** (4.1/5) and **postgraduates**, reflecting that claim literacy plays a role in smoother experiences.
- **Communication Quality** scores were above 3.5/5 in most segments, but **18–25 age group** showed lower communication satisfaction (3.0/5), suggesting a need for clearer updates for younger policyholders.

4: Results

- **Research Question 3:**
- **What are the differences in customer satisfaction levels and service perception between the two claim modes?**
- **Objective:**
  To evaluate customer satisfaction and service perception across both claim processes.
- **Key Findings:**
- **Overall satisfaction** was high across all age groups, particularly among **18–25 and 26–35 segments** (4.4/5).
- **Postgraduates** reported higher satisfaction levels (up to 4.5/5) compared to **graduates** (as low as 3.2/5), indicating better understanding and expectation management.
- **Income group 50K–1L** gave moderate ratings (~3.6–3.9), suggesting they may face more scrutiny over claim eligibility or coverage clarity.

4: Results

- **Research Question 4:**
- **What challenges and limitations are faced by policyholders in each process, and what improvements are most urgently needed?**
- **Objective:**
  To identify key service challenges and propose actionable improvements.
- **Key Findings:**
- **Younger and graduate policyholders** reported slightly lower communication scores, suggesting a need for better status updates and digital customer support.
- **Ease of documentation** was perceived lowest by **graduates and lower-income groups**, possibly due to less exposure to policy documentation formats.
- **Improvements Needed:** Enhanced mobile claim tracking, simplified paperwork, and more proactive customer service for digitally less-experienced policyholders.

5: Discussion

- This study aimed to explore and compare the efficiency and customer experience of cashless and reimbursement claim processes among policyholders of **Care Health Insurance**, with a special focus on how **demographic characteristics influence claim preferences and satisfaction**.
- **1. Influence of Demographics on Claim Experience**
- The findings revealed that **age, income, and education significantly shape claim behavior**:
- Older policyholders (46+) and higher-income groups (>₹1L) overwhelmingly preferred **cashless claims** due to their speed and financial convenience.
- Younger, digitally literate respondents (18–35) also leaned toward cashless, although their satisfaction with communication could be improved.
- Higher educational levels (postgraduates) correlated with **better understanding of documentation** and **greater overall satisfaction**, indicating that claim literacy plays a key role in smoother experiences.
- **2. Operational Efficiency: Cashless Outperforms Reimbursement**
- Across demographic categories, **cashless claims consistently scored higher** on:
- **Processing Time** – Fast settlement was a strong contributor to satisfaction.
- **Ease of Documentation** – Particularly appreciated by working professionals and those with higher education.
- **Communication** – Although generally positive, younger and graduate-level users reported some **gaps in real-time updates**, highlighting areas for digital support improvement.

- These results confirm the operational strength of Care Health's cashless network, yet suggest that **reimbursement processes still carry complexity and slower resolution**, which may hinder user trust in non-network scenarios.
- **3. Customer Satisfaction and Perceived Service Quality**
- Satisfaction levels were **notably higher among cashless claimants**, especially in urban, tech-aware groups. The **mean satisfaction scores ranged from 3.7 to 4.4**, affirming Care Health Insurance's performance in core service delivery. However, variations by income and education point to a **need for targeted user education** and **process transparency**, especially for less experienced claimants.
- **4. Challenges and Areas for Improvement**
- Thematic analysis of feedback indicated recurring concerns:
- **Unclear documentation guidelines** for reimbursement claims.
- **Lack of proactive communication** during claim stages for some segments.
- **Preference to switch** to cashless if claim support systems (e.g., real-time tracking, faster discharges) are further optimized.
- These insights support the broader industry trend toward **digital-first, cashless health insurance models** that prioritize user-centricity and efficiency.

Chapter 6: Suggestions

- 1. Strengthen Real-Time Communication ChannelsImplement automated claim status updates through SMS, email, and in-app notifications.Introduce a centralized digital dashboard for users to track every stage of their claim.Assign dedicated customer care agents during hospitalization to proactively manage queries.
- 2. Simplify Reimbursement DocumentationDevelop pre-filled, guided digital claim forms with built-in error checks.Offer a standardized checklist and FAQs in local languages to guide users through the reimbursement process.Leverage AI-based document scanning and validation to reduce manual review delays.

3. Expand and Optimize Cashless NetworkIncrease empanelment of hospitals in semi-urban and tier-2 cities, especially where policyholders report low access to cashless services.Conduct regular network quality audits to ensure hospitals deliver uniform standards in cashless claim processing.

4. Enhance Customer Education and OnboardingConduct mandatory onboarding webinars or digital orientation for new policyholders on how to navigate claims (both modes).Disseminate simplified claim explainer videos via WhatsApp, YouTube, and the Care Health app.

- 5. Personalize User Support Based on Demographic SegmentsFor younger users (18–25), integrate chat-based help within the app.For older or less tech-savvy users, provide offline support options or claim-assist services via insurance agents or TPAs.Tailor outreach and content using data on age, location, and previous claim behavior.
- 6. Introduce Claim Performance TransparencyPublish anonymized monthly claim processing reports on the website or app to build trust.Include metrics such as average settlement time, reimbursement success rate, and customer satisfaction scores by claim type.

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