

Evaluating the Impact of GIPSA-Approved PPN Hospital Networks on the Efficiency and Patient Satisfaction in Cashless Health Insurance Claims

Dissertation Presentation

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INTRODUCTION : HEALTH INSURANCE

- Health insurance provides financial coverage for medical expenses including hospitalization, surgeries, and treatments.
 - It can be cashless (via network hospitals) or reimbursement-based.
 - Aims to protect individuals from catastrophic health expenditures and improve access to care.
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- Growth Drivers of Health Insurance in India
 - Factors Contributing to Growth:
 - Rising healthcare costs (8–12% annually).
 - Expanding middle class and awareness of health risks.
 - Digitization and simplified claim processes.
 - Employer-sponsored insurance and government welfare schemes.

What Does It Cover?

- Hospitalization (Inpatient Care): - Covers room charges, doctor fees, surgery costs, and medicines during hospital stays.
- Daycare Procedures: Includes treatments that do not require 24-hour hospitalization
- Pre-Hospitalization Expenses: Medical tests, consultations, or medicines taken before admission (usually 30 days prior).
- Post-Hospitalization Expenses: Follow-up consultations, tests, and medication after discharge (typically up to 60–90 days).
- Maternity Coverage (Optional): Covers delivery, pre- and post-natal care, and sometimes newborn expenses.
- Critical Illness Benefits: Lump-sum payment on diagnosis of serious illnesses like cancer, stroke, or heart attack.
- Outpatient Department (OPD) Care (Selective Plans): Doctor consultations, diagnostic tests, and pharmacy expenses without hospitalization.

GIPSA

General Insurance Public Sector Association

Members:

- New India Assurance
- United India Insurance
- Oriental Insurance
- National Insurance



Purpose:

- To standardize processes, rates, and services among public sector insurers.
- Promote transparency, cost control, and improved policyholder experience.

PPN NETWORK

Preferred Provider Network (PPN):

- A network of empaneled hospitals approved by GIPSA where insured individuals can avail cashless treatment.
- Hospitals agree to provide services at pre-negotiated package rates for listed procedures.

Features:

- Fixed rates for common surgeries and treatments.
- Empaneled hospitals must meet quality and infrastructure standards.
- Uniformity across insurers reduces variability and confusion in claims.

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Scope and Coverage of PPN

- Coverage in Metro and Tier 1 Cities: Most large hospitals are empaneled.
- Covers common surgeries/procedures like cataract, hernia, appendectomy, gallstones, joint replacement, etc.
- Used by policyholders of public sector insurers under cashless schemes.
- PPN model forms the foundation for further reforms in Indian health insurance systems.

Hospitals are selected based on:

- NABH accreditation or equivalent quality standards
- Infrastructure (ICUs, OTs, qualified specialists)
- Willingness to adhere to fixed-rate packages

About Care Health Insurance

- Initially launched in 2012 as Religare Health Insurance, underwent a strategic rebranding in 2020.
- A specialized health insurer, offering a comprehensive suite of products that includes top-up coverage, personal accident, maternity, international travel insurance, and critical illness, along with group health insurance and group personal accident insurance for corporates.
- It is committed to a customer-centric approach, leveraging technology to streamline operations and ensure efficient service delivery.
- According to an Economic Times report of March 2025, the Claims Settlement ratio for Care Health Insurance is the second highest at 92.77%.

OBJECTIVES

- Assess operational efficiency of GIPSA-PPN networks
- Compare turnaround time (TAT) for cashless vs reimbursement claims:
- Evaluate patient satisfaction under both claim models
- Analyze financial impact on patients:
- Understand stakeholder perspectives (hospitals, insurers, TPAs):



Study Outlines

- Examine hospital admission, documentation, and claim processing steps.
- Measure administrative burden and coordination among stakeholders.
- Analyze duration from hospital admission to claim settlement.
- Determine whether GIPSA-PPN cashless claims are faster and smoother.
- Assess transparency, communication, and overall patient experience.
- Measure financial stress and convenience from the patient's perspective
- Compare out-of-pocket expenses for cashless vs reimbursement claims.
- Examine whether reimbursement claims show signs of bill inflation.
- Gather insights on ease of claim handling and system gaps.
- Identify administrative challenges and suggestions for improvement.

Review of Literature

S. No.	Title	Year	Methodology	Results	Conclusion
1	GIPSA's Preferred Provider Network Model: An Evaluation	2019	Qualitative review of GIPSA documents & hospital interviews	PPN hospitals followed fixed rates; disputes arose over pricing rigidity	While PPN improves predictability, package inflexibility affects hospital participation
2	Cashless vs. Reimbursement Health Claims: A Comparative Study (IRDAI)	2020	Secondary data from insurers; national sample	Cashless claims settled 4× faster; 20% fewer denials than reimbursement claims	Cashless systems significantly reduce claim delays and improve satisfaction
3	Assessing Claim Settlement Efficiency in Public and Private Health Insurers	2021	Cross-sectional study of 5 insurers' data	Public insurers had higher settlement ratios but longer TAT; private insurers more tech-driven	Tech-enabled insurers and networks show better claim efficiency
4	Impact of PPN Networks on Out-of-Pocket Expenditure	2018	Comparative analysis of claim data in urban hospitals	OOP expenses 30–40% lower in PPN cashless cases due to fixed package rates	PPN is effective in reducing unexpected hospital billing for insured patients

Review of Literature

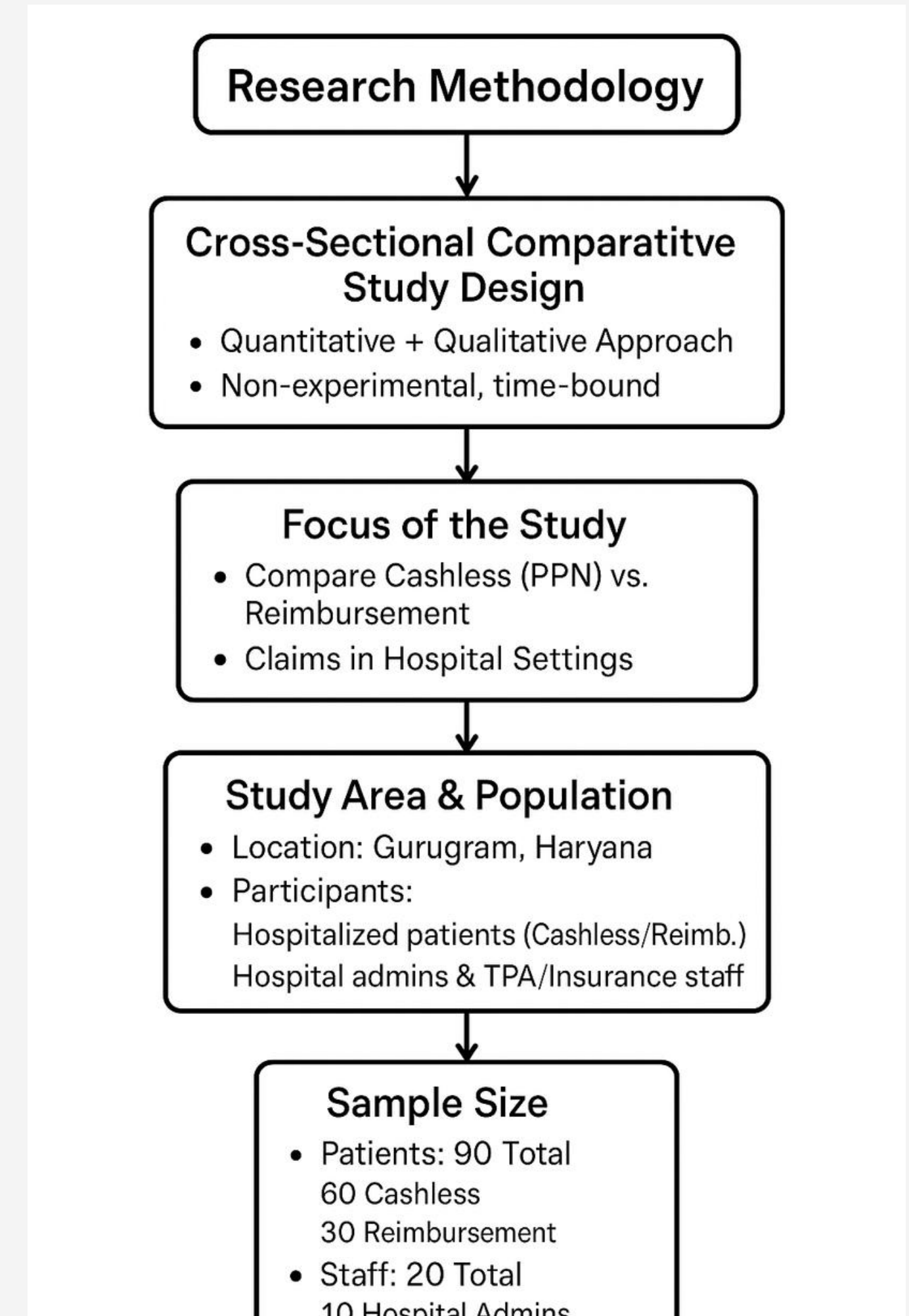
5	Factors Influencing Patient Satisfaction with Health Insurance Claims	2022	Patient surveys (n=400), Likert scale	Satisfaction higher in cashless setups; key drivers: speed, transparency, low paperwork	Quick, predictable claims improve patient trust and retention
6	Evaluating the GIPSA Package System in Multispecialty Hospitals	2021	Mixed-methods (admin interviews + claim audit)	Hospitals saw reduced fraud but questioned viability of fixed rates for high-end procedures	Needs periodic revision of package rates to stay aligned with medical inflation
7	Health Claims Settlement in India: Challenges and Digital Innovations	2023	Policy analysis & insurer reports	Insurers using AI/automation had 35% faster claim settlement; manual processes delayed claims	Digital platforms crucial for cashless success, especially in GIPSA PPN ecosystem
8	Public Awareness and Utilization of PPN Services	2020	Survey across Tier-1 and Tier-2 cities	Only 42% of policyholders knew what PPN meant; most preferred cashless once informed	Awareness is key to maximizing PPN's impact; insurers must educate policyholders

Research Methodology

- The study adopts a cross-sectional comparative design.
- Combines both quantitative and qualitative approaches.
- Focuses on comparing cashless (PPN) and reimbursement claim experiences.
- Uses primary data collection in selected hospitals in Gurugram, India.

Study Design

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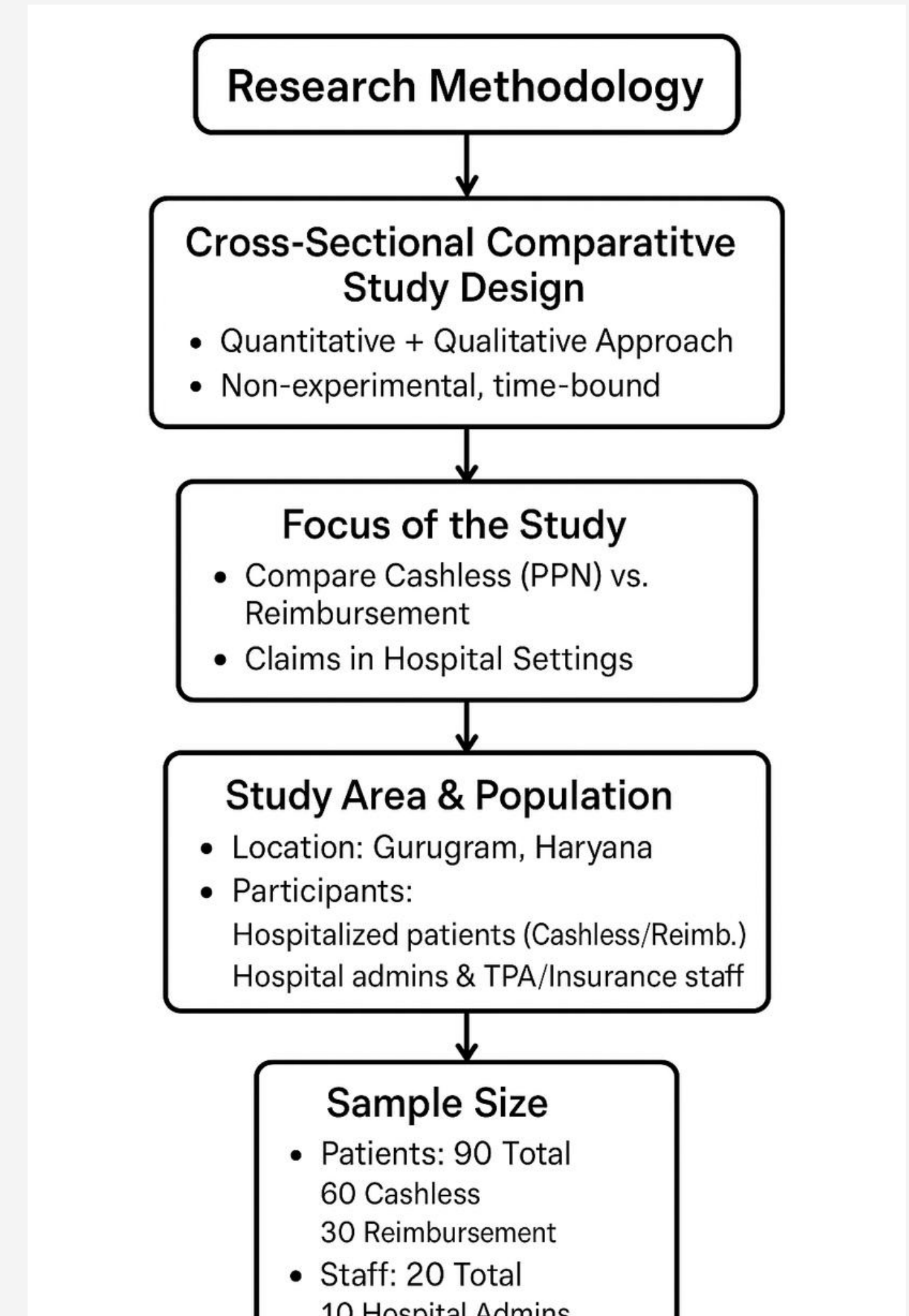
Study Area and Population

- Location: Gurugram, Haryana – a healthcare hub with public and private hospitals.
- Population includes:
 - Patients who recently underwent hospitalization under either claim type.
 - Hospital administrators and insurance/TPA desk staff.

Sampling Technique

Purposive sampling for patient respondents based on recent claim type. • Random sampling used for selecting hospital administrative/insurance staff. • Total sample size:

- 90 patient respondents (60 cashless, 30 reimbursement).
- 20 staff respondents (10 hospital admins, 10 TPA/insurance desk).



Data Collection Tools

- Structured questionnaires for patient feedback (Likert scale-based).
- Interview schedules for qualitative insights from hospital and TPA staff.
- Document analysis of billing records and claim processing logs.

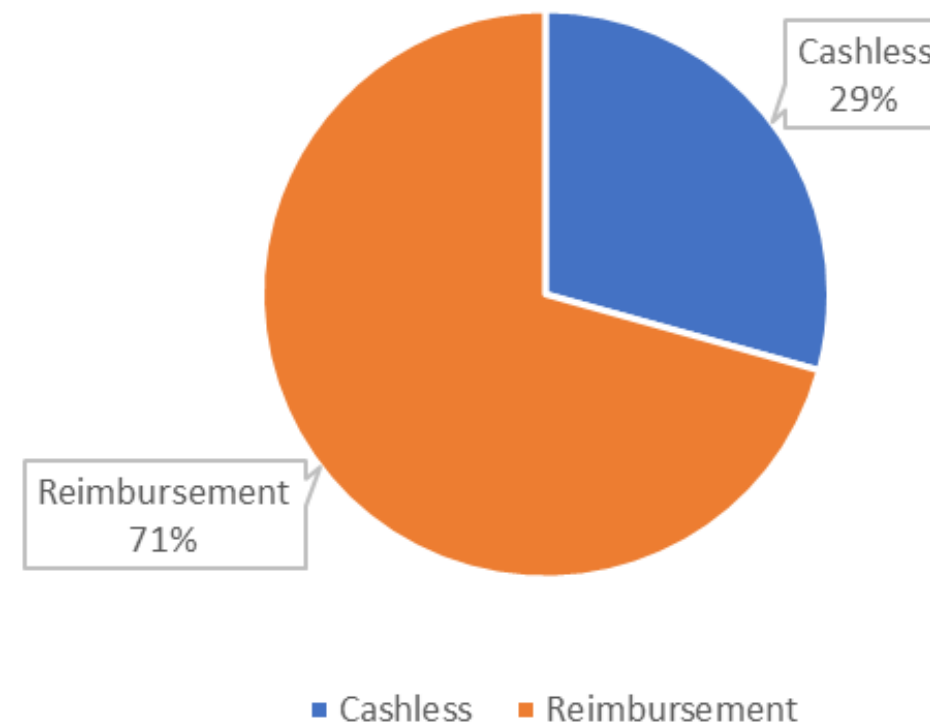
Data Analysis Methods

- Descriptive statistics: Age, gender, claim type, satisfaction score.
- TAT analysis: Average duration for cashless vs reimbursement claims.
- Inferential statistics: T-tests used to compare cost and satisfaction levels.
- Qualitative analysis: Thematic grouping of stakeholder insights.



Results

Turnaround Time



Cashless
Avg TAT: 3.9
hours

60% settled within
2 hours
94% within 6
hours

Reimbursement:
Avg TAT: 26.5
hours

Only 15% settled
within 6 hours
20% took more
than 48 hours

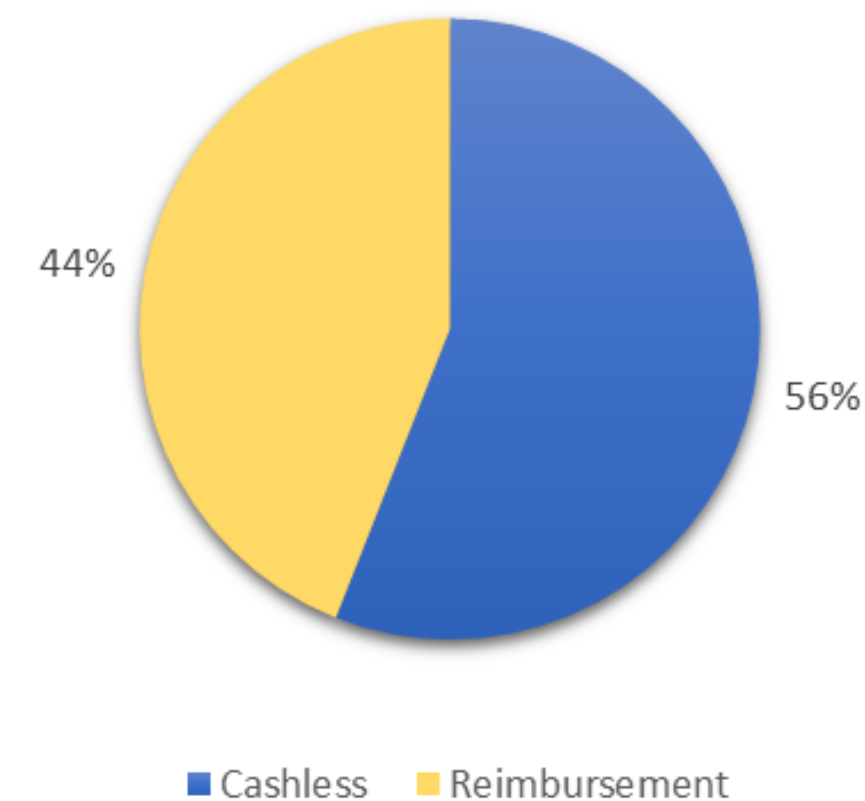
Cashless:

- Avg Score: 4.1/5
- 88% satisfied or very satisfied
- Reasons: Less paperwork, faster discharge, no advance payment

Reimbursement:

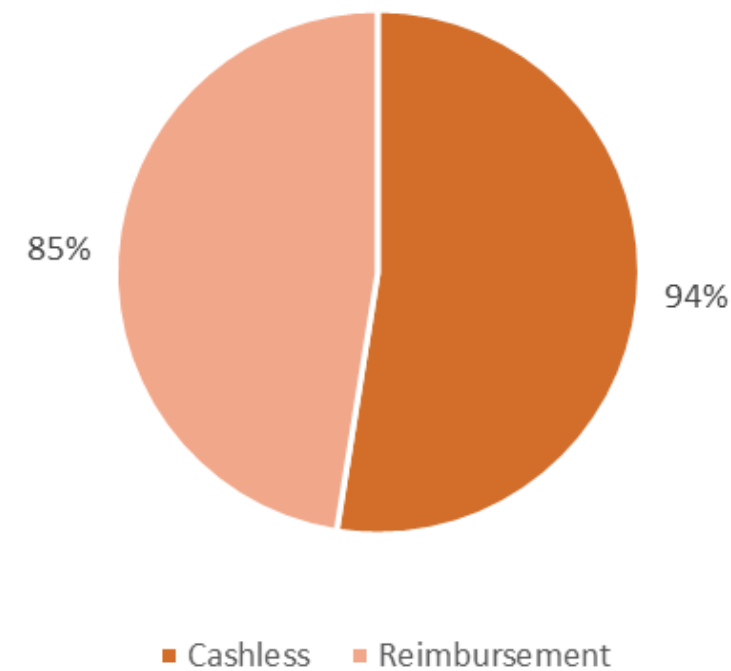
- Avg Score: 3.2/5
- Complaints: Delays, financial stress, confusing process

Patients Satisfaction



Results

Claim Approval Rate



Cashless :

- Approval Rate: 94%
- Supported by fixed treatment packages and digital systems

Reimbursement :

- Approval Rate: 85%
- Delays and rejections due to missing documents, manual submission

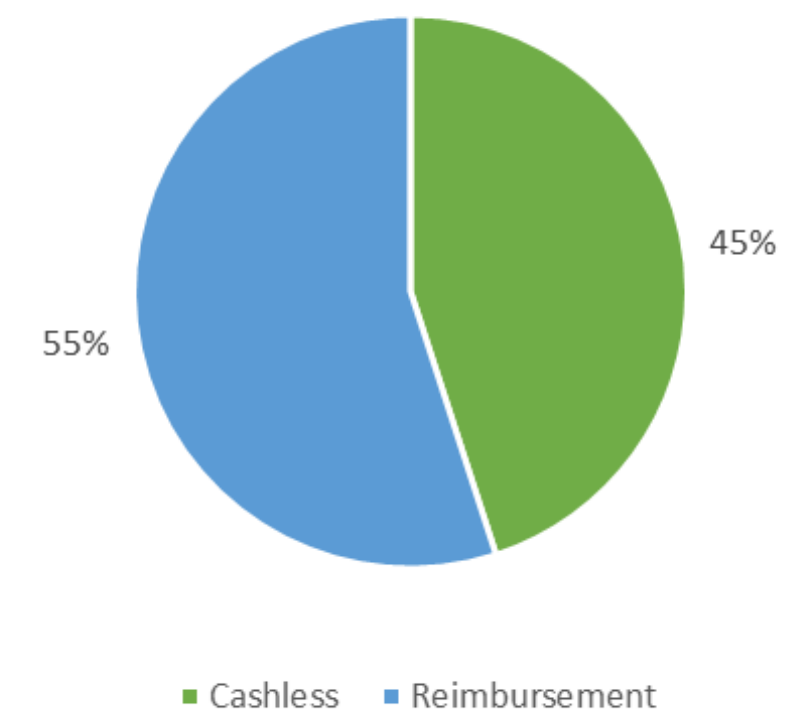
Cashless :

- 95% had zero out-of-pocket expenses
- Minor costs for non-covered items (e.g., room upgrades)

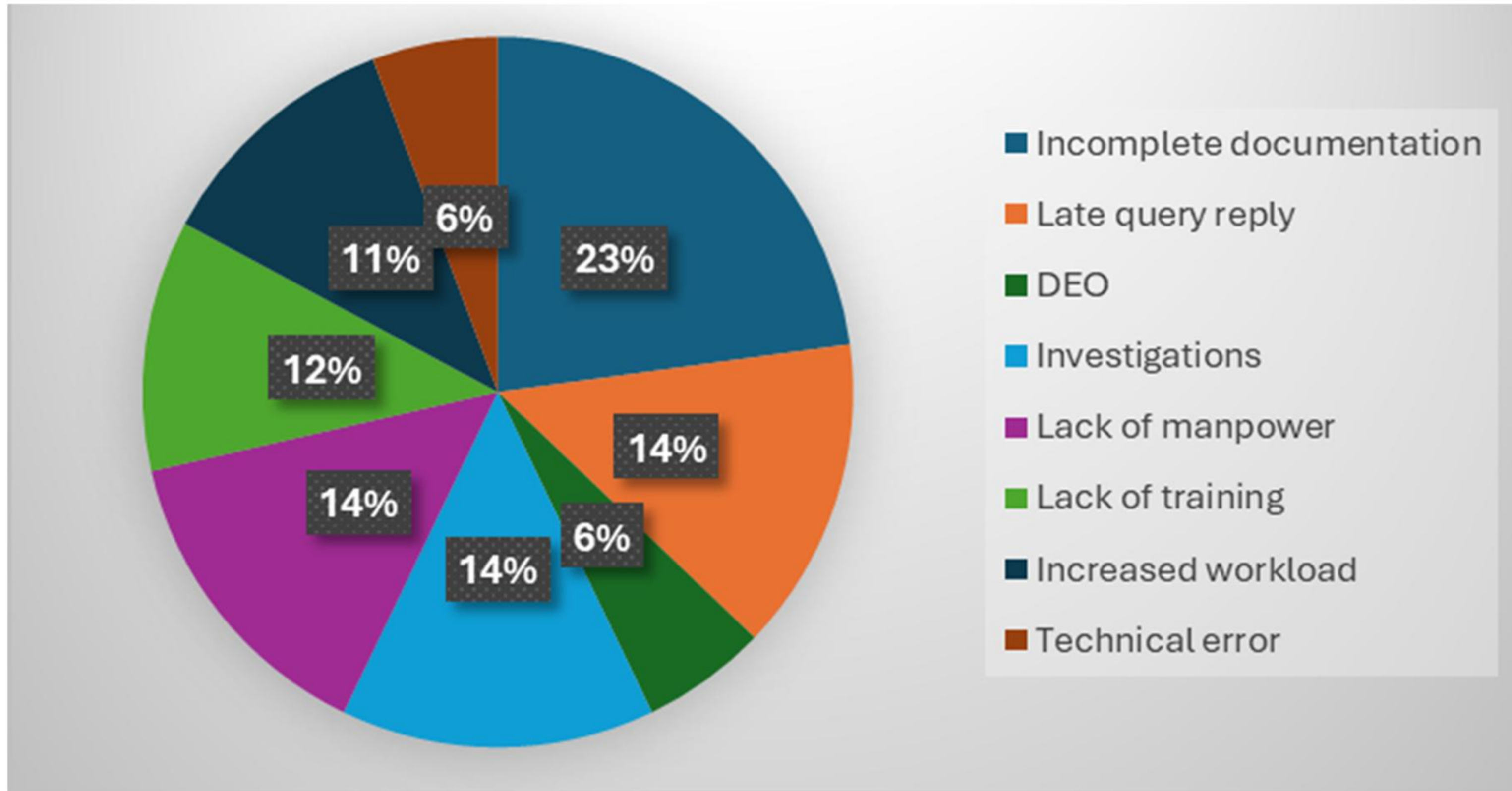
Reimbursement :

- 100% paid upfront
- 65% used savings or loans
- Avg out-of-pocket expense: ₹45,000

Financial Impact



Major reasons for the delay in claim processing



Discussion

Administrative burden:

- Staff at PPN hospitals faced fewer issues with paperwork, follow-ups, and claim disputes.
- TPAs noted faster settlement cycles and reduced errors in claim documentation.
- Implication: GIPSA-PPN promotes streamlined, low-friction claim operations.

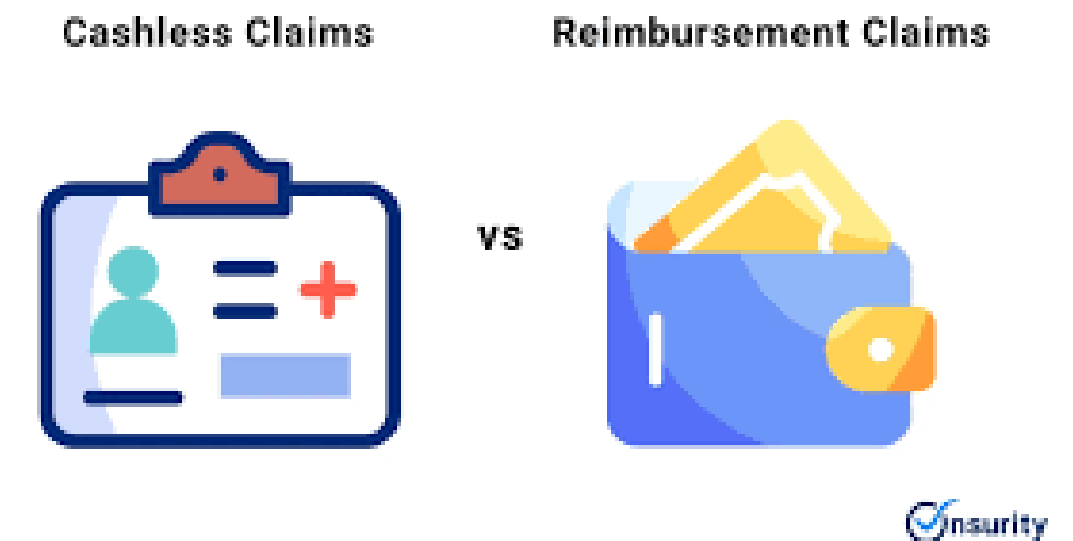
Cost Transparency and Control

- Out-of-pocket expenses were lower in PPN claims due to fixed package pricing.
- Reimbursement claims showed 18–22% higher billing, primarily due to:
 - Unregulated pricing,
 - Unbundled services,
 - Delayed claim scrutiny.
- Patients in reimbursement cases faced more financial uncertainty, often borrowing money or using savings.
- PPN's cost standardization ensures financial predictability and curbs unethical billing practices.

Discussion

Patient Satisfaction and Experience

- Cashless PPN beneficiaries:
 - Reported smoother admission and discharge experiences.
 - Received better coordination between hospital and insurer.
 - Felt more secure due to lack of upfront financial burden.
- Reimbursement patients:
 - Frustrated with repeated documentation requirements.
 - Felt unsupported due to delays and lack of status updates.
- Overall satisfaction:
 - PPN: 4.2/5 • Reimbursement: 3.3/5
- Inference: Cashless PPN enhances the patient-centeredness of health insurance



Conclusion

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Recommendations

- Expand the GIPSA-PPN Network to Tier-2 and Tier-3 Cities
- Mandate Digital Infrastructure for All Hospitals
- Revise and Update Package Rates Periodically
- Launch Public Awareness Campaigns on PPN Benefits
- Strengthen Hospital-TPA Coordination
- Accelerate “Cashless Everywhere” Implementation
- Enhance Patient Support and Grievance Redressal



Thank you