Uncovering Billing Discrepancies: A Recovery Audit of Cashless Hospital Claims

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Brief History

Care Health Insurance, formerly known as Religare Health Insurance, was established in 2012 as a standalone health insurance company in India. Initially promoted by Religare Enterprises along with Union Bank of India and Corporation Bank, the company rebranded to Care Health Insurance in 2020 to reflect its growing focus on healthcare and customer well-being. Over the years, it has expanded its offerings to include retail health, top-up, maternity, personal accident, critical illness, and group health insurance products. Known for its strong digital presence, wide hospital network, and efficient claims service, Care Health Insurance has positioned itself as a key player in India's health insurance sector.

Vision

Being the most preferred health service provider, which is caring, cost effective, innovative and reachable.

Mission

- To deliver solutions, beneficial to all stakeholders: our customers, our distributors, our employees and our shareholders.
- To ensure, as part of the above, that all parts of society benefit from our developments and proposition e.g. rural areas, and the social sector.
- To become an exemplary health insurance company, setting industry benchmarks in the area of customer care, products offering, communication clarity, along with customer treatment and engagement.

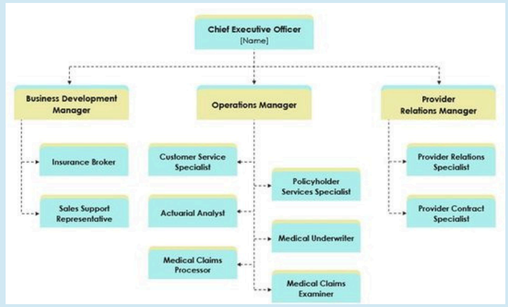

Figure1: Organogram

Objective

To analyze already paid hospital claims at Care Health Insurance in order to identify billing inflation, overcharging patterns, and potential recovery opportunities by auditing claim data from major hospitals, with the aim of improving cost containment, strengthening adjudication processes, and enhancing provider accountability.

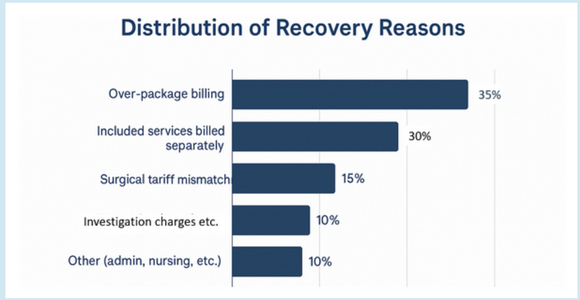

Figure 2: Distribution of recovery reasons

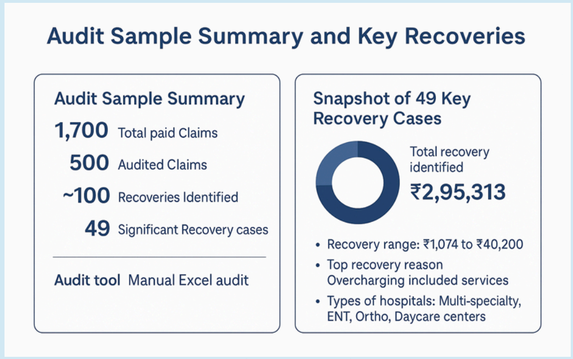

Figure 3: Audit smaple summary

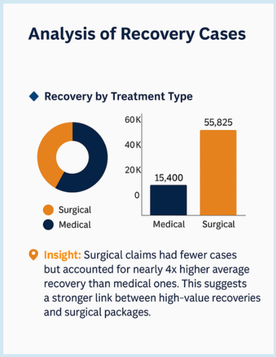

Figure4: Analysis of cases

Figure5: SWOT Analysis

TOWS ANALYSIS: Recovery Audit	Strengths (S)	Weaknesses (W)
Opportunities (O)	**S-O Strategies** • Use strong analytical skills and claim insights to develop fraud detection tools. • Collaborate with tech teams to automate audit flags based on your recovery patterns.	**W-O Strategies** • Improve documentation and communication formats using digital tools. • Address limited hospital-side access by proposing digital query systems.
Threats (T)	**S-T Strategies** • Use learnings from recovery patterns to minimize future billing abuse. • Train internal teams to detect early signs of inflated bills.	**W-T Strategies** • Reduce over-dependence on Excel by pushing for integrated audit platforms. • Streamline unclear hospital documentation with standard formats.

Figure6: TOWS Analysis

Though fewer in number, Tier 3 cities (like Amravati, Karim Nagar) showed very high average recoveries, likely due to:

- Overcharging despite weaker infrastructure.
- Loose billing controls or monitoring.

Key Observations from Findings

- Surgical packages in Tier 3 cities often showed overbilling (Balloon charges, Tariff difference, Extra surgery costs).
- Medical treatment cases had lower recoveries and were mostly from Tier 1/Tier 2 cities.
- Most miscellaneous charges were flagged in Tier 1 cities (BMW, X-ray, registration, MRD).

Practical Exposure vs Theoretical Learning

Theoretical Learning	Practical Exposure
• Studied claim lifecycle, hospital billing practices, and cost control methods. • Learned about CGHS/DPCO rates, package pricing, and fraud detection. • Gained Excel and data analysis skills in classroom settings	• Audited 500+ paid claims using CLAIMSLIVE and Excel. • Identified inflated billing, tariff mismatches, and recovery opportunities. • Applied policies to real cases to detect non-payables and overcharges.

Learnings during Internship

- Gained insights into hospital billing patterns and claim processing.
- Understood causes of claim inflation and recovery mechanisms.
- Hands-on experience in claim audit using CLAIMSLIVE and Excel.
- Identified gaps between hospital billing and package inclusions.

Challenges Faced during Internship

- Delay in access to complete claim files/data.
- Unstructured claim documentation in some cases.
- Limited access to hospital-side information for clarification.

Suggestions to Organization

- Standardize and digitize hospital billing formats.
- Develop a robust flagging system for common inflation patterns.
- Conduct regular audits and training for claim adjudication teams.
- Promote collaboration between underwriting and audit teams.