Study Title :

Detailed analysis and evaluation of utilization trends of Future Generali's Preferred Provider Network.(PPN)

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INTRODUCTION

- Preferred Provided Network is an arrangement between the hospital or healthcare provider and the Insurance company. The organization enrolled in the network will offer services to the insured at a reduced rate.
- Future Generali Health, a private insurance company in India, have strategized their provider networks based on preferred payment types.
- The current study focuses on the company’s preferred provider network, giving importance to the utilization trends and commenting on the current structure of PPN present and certain strategies used by the company.
- The preferred provider network of the company consists of empanelled hospitals who have made an agreement with the company regarding the type of payment that they will be entitled to receive from the company.
- The company has various such payment type, and they are Unipay, Instapay and negotiated discount types are different schemes based on payment types.

AIM: **The aim of the study is to do a comprehensive analysis on the utilisation trends of Future Generali Health's Preferred Provider Network and to comment on the current pricing structure followed by the company with respect to PPN.**

AIM & OBJECTIVES

OBJECTIVE:

- To understand the utilization of the different preferred pricing types within the provider network.
- To do a comprehensive data analysis using different variables to understand the trends followed by the hospitals with respect to the preferred pricing type.
- To calculate savings from all the preferred pricing types and infer on savings aspect.
- To understand the impact of different variables on the provider network and the preferred pricing type.

RESEARCH METHODOLOGY

Study sample:

- Provider Networks data of previous two and a half years was provided by Future Generali, comprising details of all network and non-network hospitals.
- The study sample in the secondary data provided included all the provider network hospitals across India that has been empaneled by Future Generali and tagged as Network hospitals.
- The sample also included non-network hospitals across India that have rendered services for Future Generali customers but have not signed the contract with the company and hence were not under the network providers.
- The information related to all network and non-network hospitals such as the hospital name, city and state the hospital is situated in, the preferred type, claims details, the amount claimed, procedure for which amount was claimed, the hospital bill amount, the Net payable after negotiable discounts if applicable were some of the important information used for data analysis.

Study Design:

- The study was conducted as an analytical, cross-sectional study, as a detailed analysis of the secondary data had to be carried out to meet the objectives and arrive at the expected outcomes.
- It is a cross sectional study as the data was from a specific point of time, i.e., provider networks data of previous two and a half years (from January 2019 to July 2021).

Study Procedure and Data analysis plan:

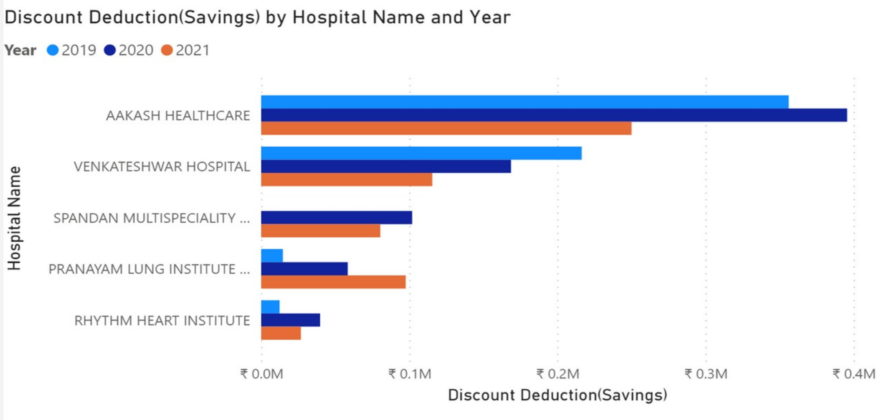
- Password protected provider networks data of past two and a half years was shared by the organization.
- Secondary data was collected, and the study variables were analyzed.
- The prime tools used for the analysis of the data was Microsoft Power BI and Microsoft excel. The data was cleaned and thereafter broken-down year wise to a more systematic manner in both Microsoft Excel spreadsheet and on Microsoft Power BI. The data was then grouped based on various parameters like the type of provider whether network or non- network. Other parameters like the preferred payment type, the profits obtained using various types were all analyzed. Several graphs and figures were utilized for representation of the data analyzed.

Significance of the study:

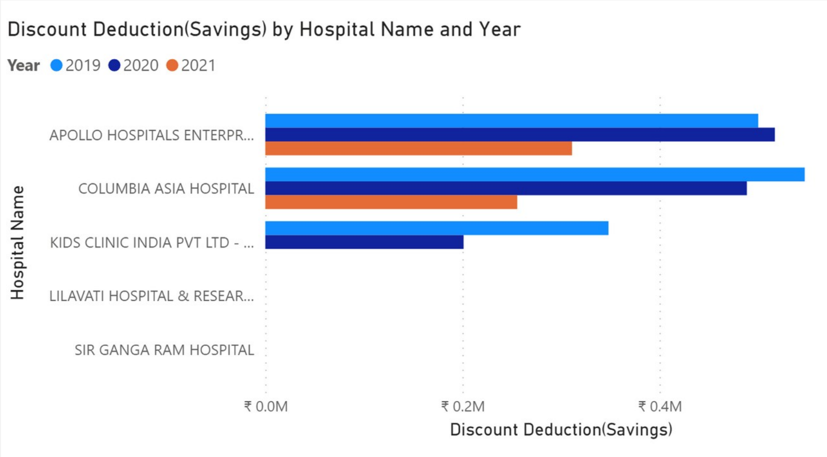
This study is being carried out to understand the utilization of the different pricing patterns like Unipay, Instapay and negotiable discounts within the provider network, and to help and identify why a particular pricing category is preferred over others. It also would help in accessing the company’s savings and how to increase savings.

RESULTS

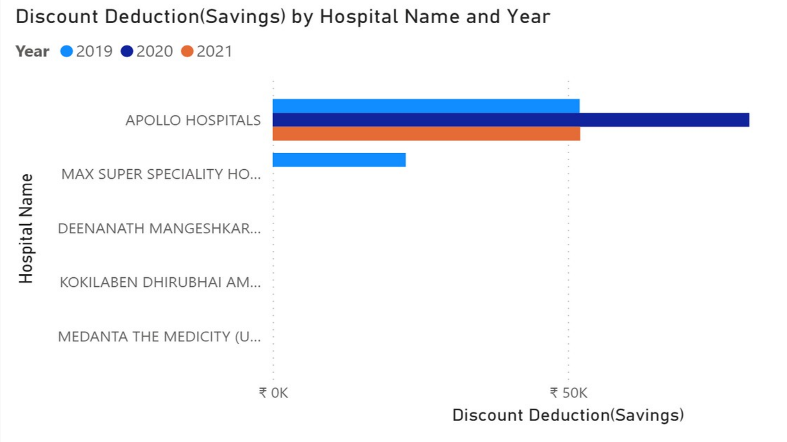
Unipay:



Instapay:



Negotiable type:



Overall savings report

₹ 111.01M

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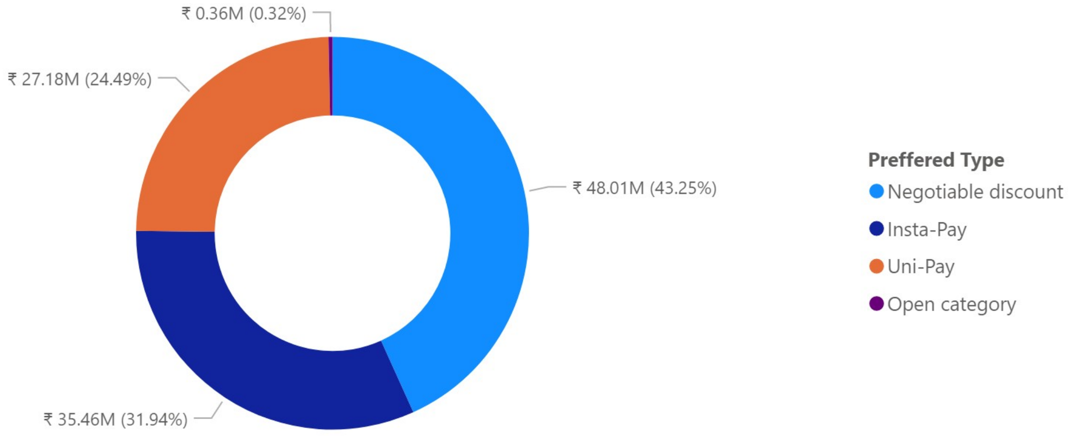
Discount Deduction(Savings)

(From both network and non network hospitals)

Discount Deduction(Savings) by Preffered Type



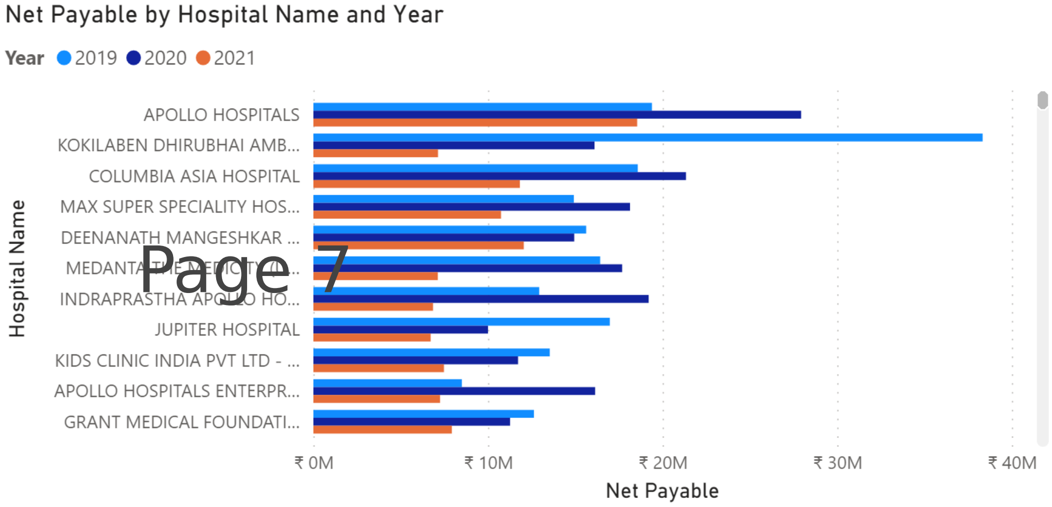
₹ 110.79M

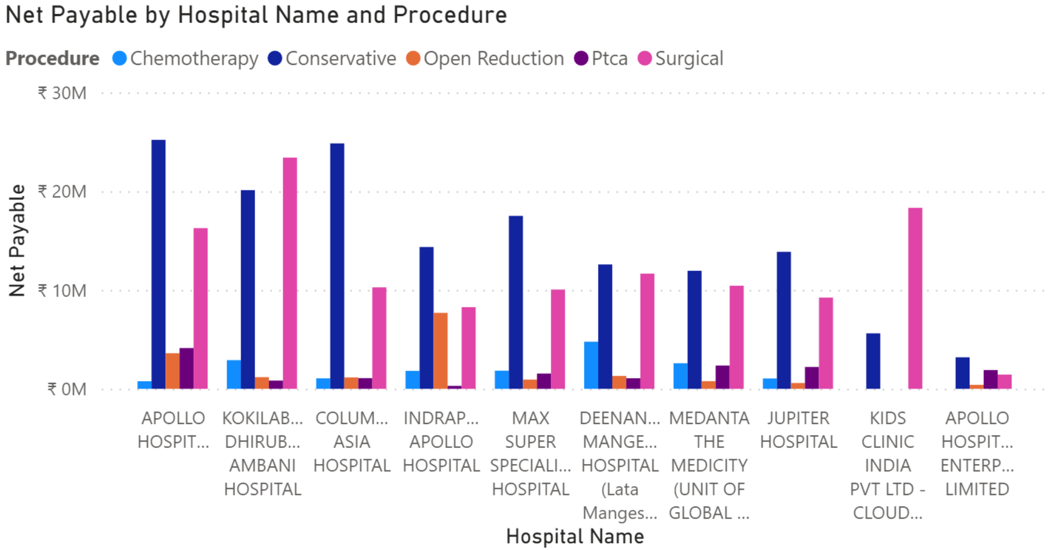
Discount Deduction(Savings)

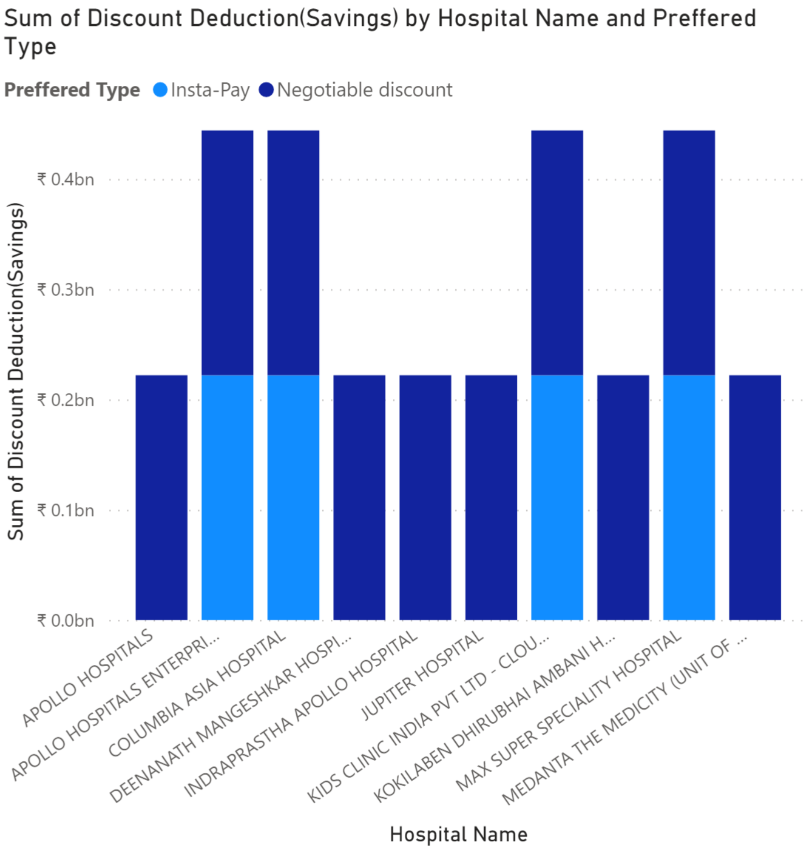
(From Network hospitals alone)

Preffered Type	Net Payable	Discount Deduction(Savings)	Savings in %	Type of Hospital
Uni-Pay	₹ 598,674,361.1	₹ 27,025,447.29	4.54	Network
Open category	₹ 3,556,228,231.93	₹ 359,420.82	0.01	Network
Negotiable discount	₹ 3,482,328,592.72	₹ 47,974,166.22	1.38	Network
Insta-Pay	₹ 749,430,370.67	₹ 35,433,514.18	4.73	Network
Total		**₹ 110,792,548.51**		

Top 10 most utilized network hospitals and procedures in the last two and a half years [2019, 2020, 2021(Up to July)]







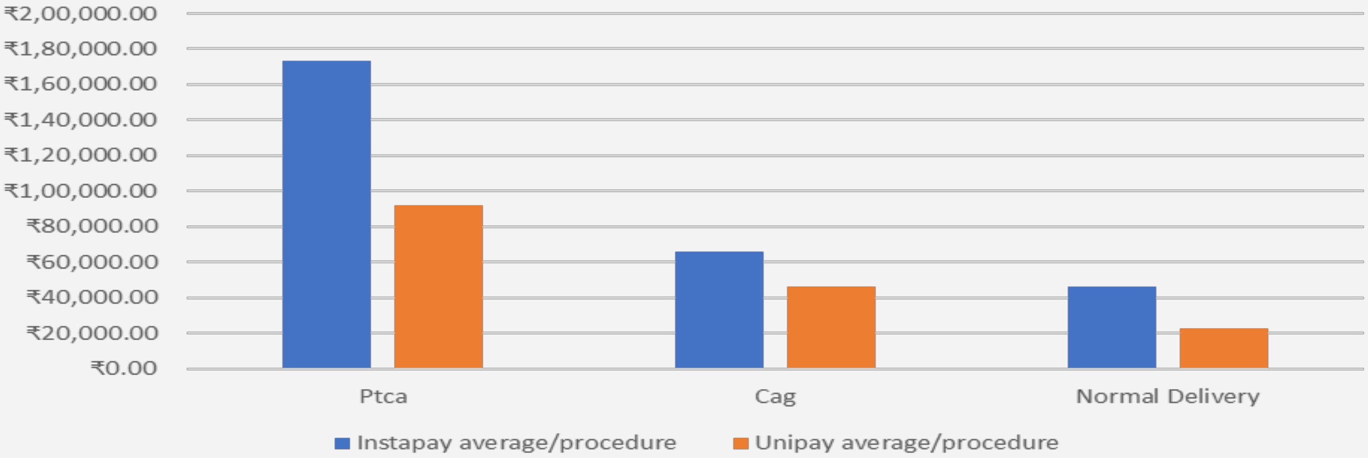
ANALYSIS - Comparing Insta-pay and Uni-pay

Insta-pay:

Procedure	Net Payable	No of procedures done	Average net payable per procedure
Ptca	₹ 2,15,06,765.08	124	₹ 1,73,441.65
Cag	₹ 1,40,91,180.19	214	₹ 65,846.64
Normal Delivery	₹ 1,31,73,085.05	286	₹ 46,059.74

Uni-pay:

Procedure	Net Payable	No of procedures done	Average net payable per procedure
Ptca	₹ 49,83,735.76	54	₹ 92,291.40
Cag	₹ 49,79,638.16	107	₹ 46,539
Normal Delivery	₹ 48,72,732.89	212	₹ 22,985



DISCUSSION AND CONCLUSION

- The state of Maharashtra, where the company is based, was found to have maximum hospitals empanelled under the preferred provider network under Future Generali Health and the state of Maharashtra turns out to be a major contributor in case of the claims made. The company settles most of their claims in the cashless form and less than 35% are settled as reimbursements.

- The data shows that highly utilized preferred type of payment for network hospitals is negotiable discounts the reason being that it is more flexible and its better from the hospital point of view. Whereas the most preferred from the Future Generali Health point of view is Unipay.

- Hospitals prefer Instapay type of payment due to instant type of payment they receive whereas it is not very profitable for the company as some Instapay hospitals give as low as 4% discounts for procedures costing more than Rs 1 lakh. In-order for scaling up growth of the company better control and conditions can be laid down with respect to instant payments to hospitals also.

- After the analysis of the data provided by Future Generali Health regarding utilization trends of preferred provider network, it is understood that in-order to improve the financials and growth of the company the type of payment that will be beneficial for the company would be the Unipay type of payment and Future Generali Health should concentrate on increasing the number of hospitals to be empanelled under the Unipay type of payment scheme.

DISCUSSION & RECOMMENDATIONS

Based on the analysis, the recommendations to scale up the opportunities of preferred provider network are:

- **Guaranteeing instant payment based on procedure:** A deal can be made with these hospitals, that instant payment shall be made, for a particular procedure (for e.g., obstetrics/orthopedics), provided they get into the category of Unipay.
- **Guaranteeing instant payment based on price:** A deal can be made with these hospitals, that instant payment shall be made, up to a particular price point (for e.g., below Rs 15000), provided they get into the category of Unipay.
- **Linking Comprehensive health checkup insurance plan to only Unipay hospitals:** Customers claiming for Comprehensive health check-up or linking Comprehensive health checkup insurance plan to only Unipay hospitals with respect to location of the customers.
- **Making a Deal:** If the net payable is above a specific amount (eg:1 lakh) for an Instapay hospital, a minimum discount of 15-20% must be negotiated for the payment to be done on instant basis. If not, regular period should be considered to process the payment to the hospital.
- **Empaneling Top Non network hospitals:** Top Non network hospitals, which meet the standards for Future Generali Health empanelment, who are negotiating good discounts, can be approached, and asked about empanelment after considering necessary factors and can be brought into one of the preferred types.

By following some of or all these recommendations the company will be benefitted to have a good opportunity to grow both as a major market player and financially.

THANK

YOU