Title: A BRIEF STUDY ON HEALTH INSURANCE CLAIMS

Name: UTTARA DEY
Roll: 1436

Guided by: Dr. Goutam Sadhu

CONTENT

Introduction

Insurance is a act that indemnifies another against loss or damage from an unknown event. Health Insurance is one such product which gives one a kind of financial protection, in case the insured falls sick and gets hospitalized.

In recent years there has been a substantial surge in the number of people buying health policies in the country.

There are two process under insurance: Sales (Underwriter) and Service (claims).
Underwriter collects information from proposer and analyse those for risk selection.
Claims is the process in which the insured makes formal request to the insurer to compensate for the covered loss.

Different Teams working under health claims: CPMT (Central Provider Management Team), PMT, Sales, Inward, DEO (Data Entry Operator), Coding, CA (Commercial Adjudicator), Medical Team, Customer support (grievance) .

HEALTH CLAIM TEAMS

Claims Processing Team

- Inward
- DEO (Data Entry Operator)
- Commercial / Executive Team
- Medical Adjudication
- Payment
- CRM/ Grievance Team

Provider Management Team

- Regional Provider Management Team
- Central Provider Management Team

Information Technology Team

- Structural Building Team
- Resolution Team

TYPE OF TARIFF

TAGIC TARIFF

GIPSA (General Insurance Public Sector Association) TARIFF
(NIA , NIC , UIIC ,Oriental)

Other Insurance Tariff

Hospital Tariff

Literature Review

Title: A Study of Health Insurance in India

Author: Dr. RML Avadh University, Ayodhya , UP, India (Main Author), April 2020

Objectives of the study:

1. **To study the concept and structure of health insurance in India.**
2. **To describe the sector wise distribution of health insurance in India.**
3. **To identify the key areas for improvising this sector.**

Findings : The present study clearly indicates

that there is a large proportion of population still uncovered from the health insurance products. However over a period of last years, this sector has witnessed rapid expansion .Insurance companies has declined even then in absolute

terms their business (in terms of no. of policies and premium amount) has significantly

increased.

http://www.ijmra.us

Title: A Study on health insurance schemes of select health insurance companies in India.

Author: M. Vinoth Muthu , Year: 2019

Objectives of the study:

1.To study the Premium, Claims trends, of health insurance companies in India.
2.To examine the growth of health insurance premium and claims in India.

Findings: The growth Rate of health insurance schemes that public health insurance company has highest growth rate.

https://www.researchgate.net/publication/331673785_A_STUDY_ON_HEALTH_INSURANCE_SCHEMES_OF_SELECT_HEALTH_INSURANCE_COMPANIES_IN_INDIA

Title: Health insurance sector in India: an analysis of its performance

Author: Madan Mohan Dutta , Year: 2020

Objective of the study:

1. review health insurance scenario in India; and
2. study the performance of health insurance sector in India with respect to underwriting profit or loss by the application of regression analysis

Findings: The study indicate that there is significant relationship between earned premium and underwriting loss. There has been increase of premium earnings which instead of increasing profit for the sector in fact has increased underwriting loss over the years.
https://www.emerald.com/insight/2633-9439.htm

RESEARCH QUESTIONS :

1. How to analyse various claims considering various factors?
2. How to study the claim data and findings out of it?

OBJECTIVES :

- To understand data management in health insurance
- To analyse various claims considering various factors for better services to customers.

METHODOLOGY

STUDY TYPE
Claims Trend of Hyderabad

STUDY DURATION
Commencing from 22nd Feb, 2023 to 19th May, 2023

SOURCE OF DATA

- Last Financial Year (2021-23) Claim Dump
- Hospital Tariff

STUDY AREA

- Health Insurance Sector
- Central Provider Management Team
- Health claims (Hyderabad)

Room charges

Fig:1

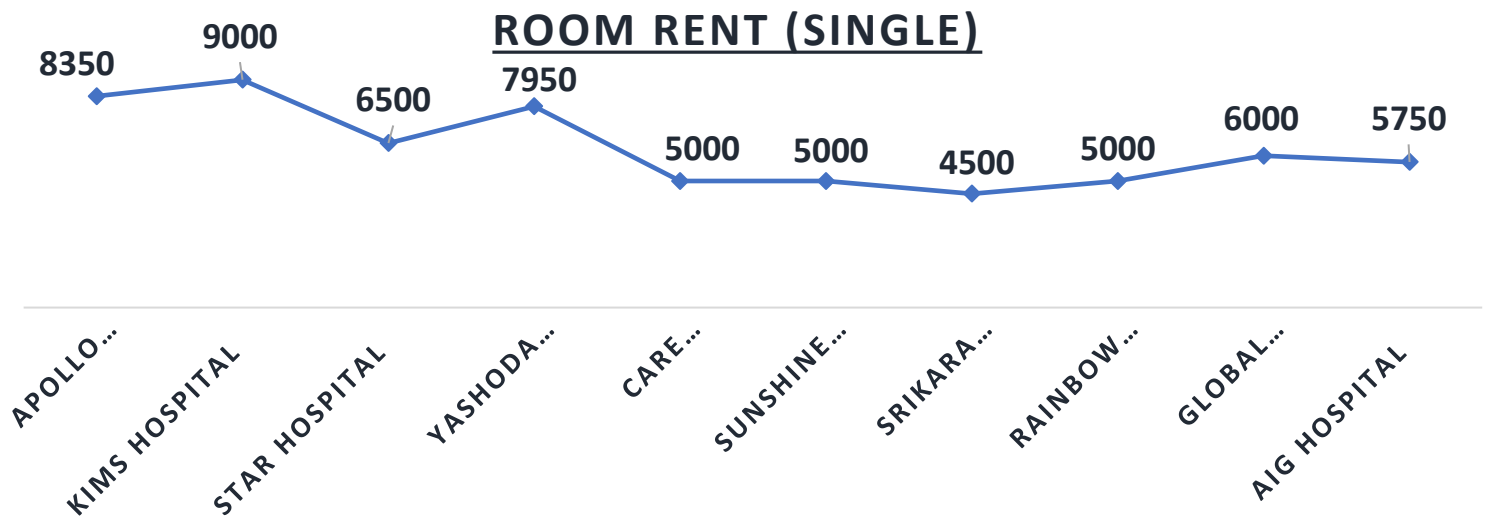
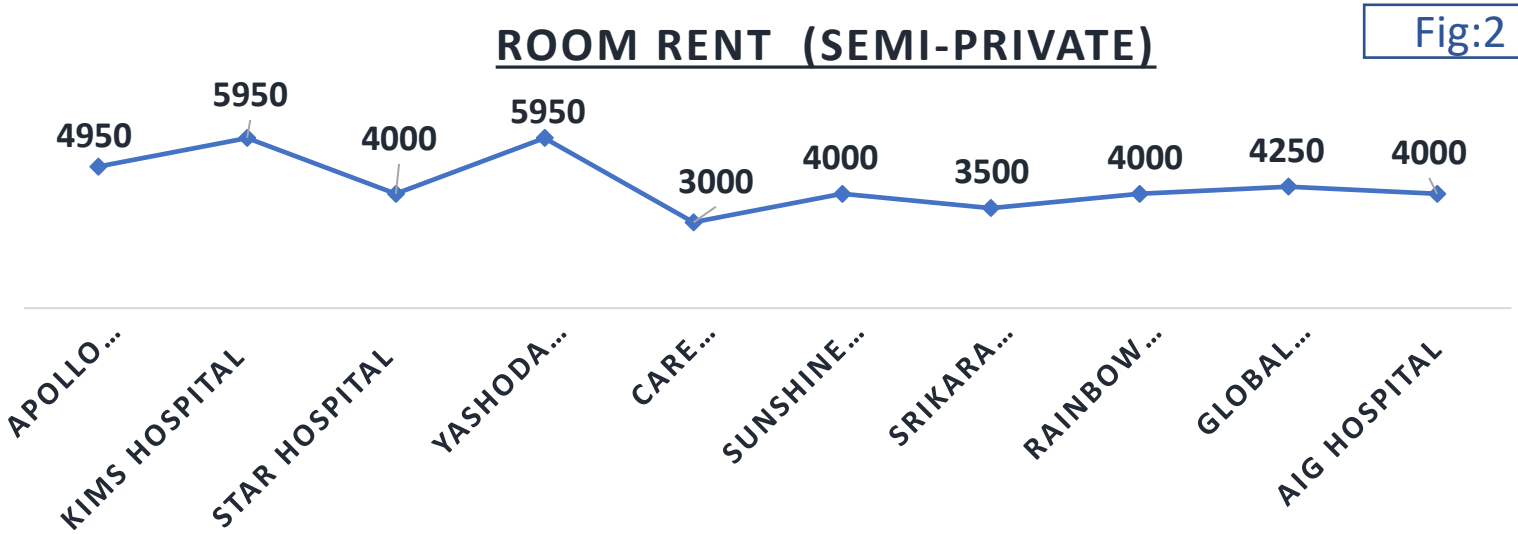


Fig:2



- Top 10 Hyderabad Hospitals room rent in comparison which may help in further tariff negotiation.
- Room Rent (single) Average : 6300
- Room Rent (semi – private) Average : 4500

Room Utilization

Fig:3

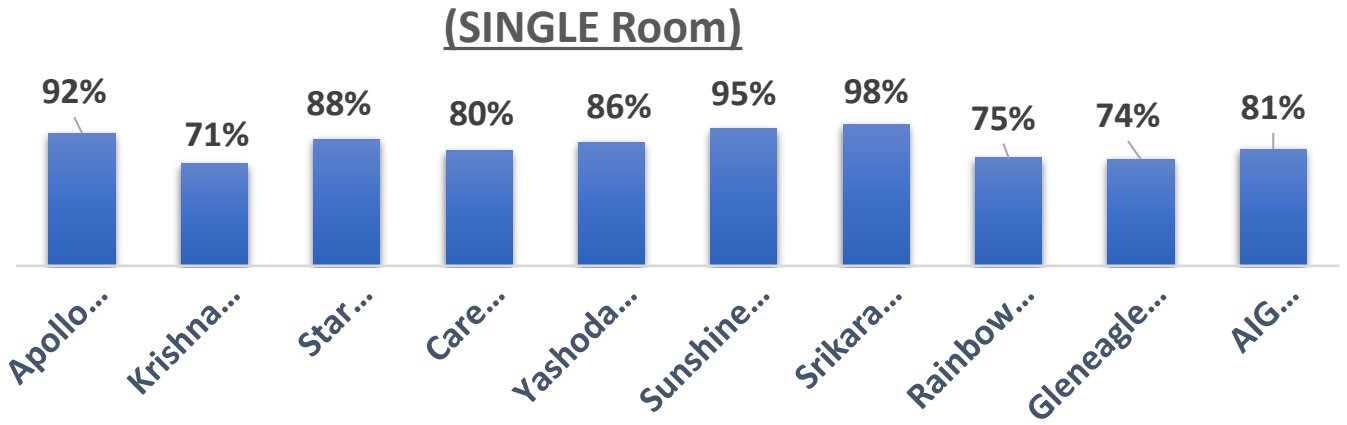
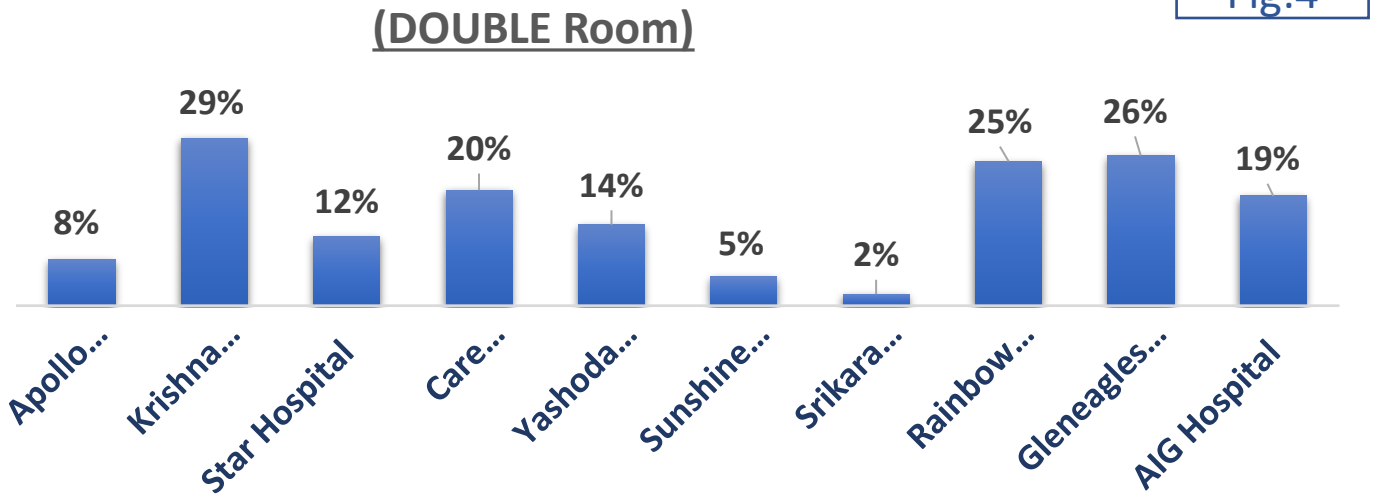


Fig:4



- Which hospital is using more single category room and according there weightage.
- The average claims/year: 100 (200 for 2 year)
- Observation: Most of hospitals are using Single room category when compared other room categories.

Diagnosis @ same city

Fig:5

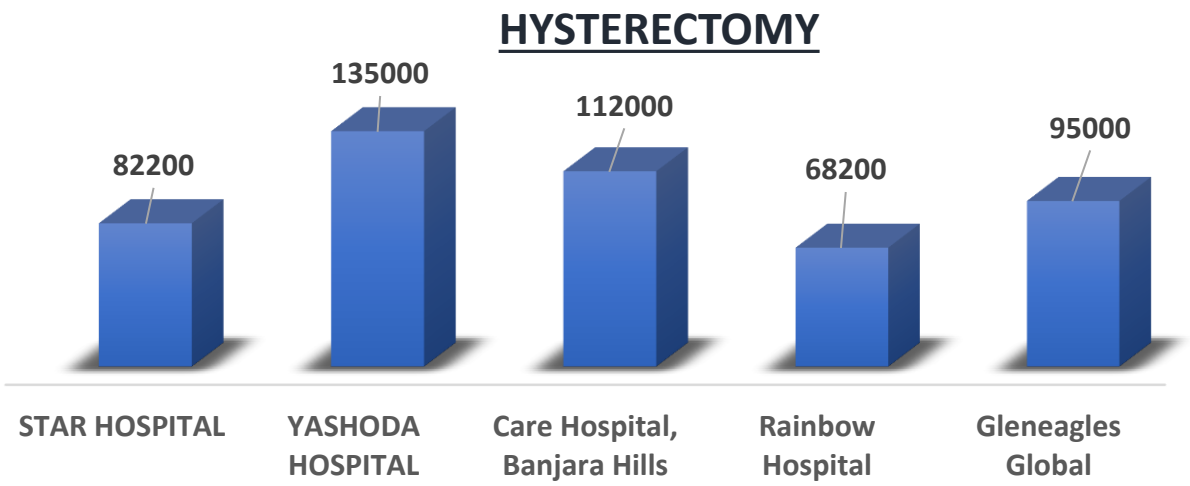
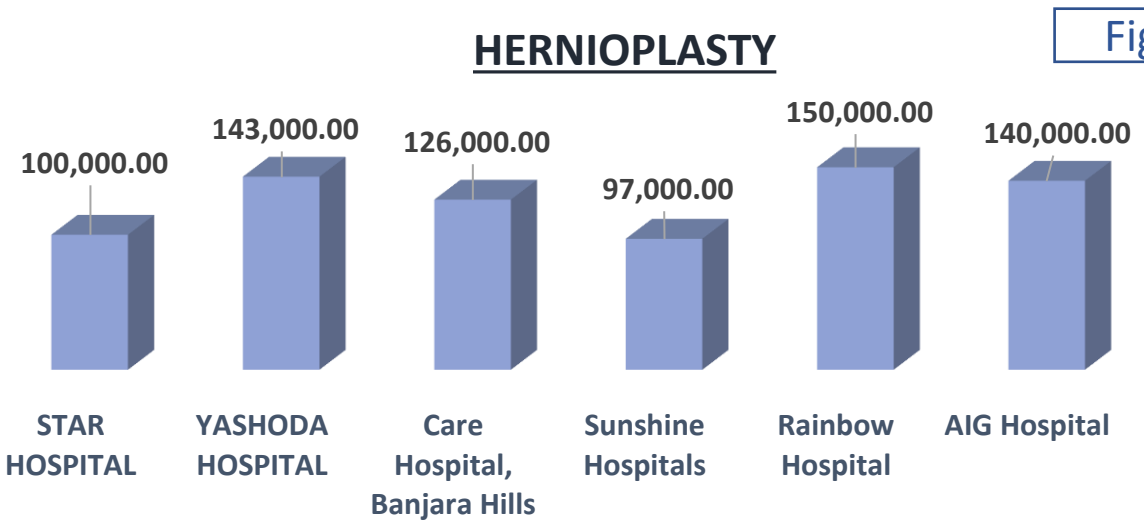


Fig:6



- The top providers being in the same city(Hyderabad) and same room category (double sharing),the difference in tariff amount for the same procedure(excluding consumables)
- Which will ,help the PMT for negotiation.

Average cost of procedures (compared with 6 hospitals):

- Hysterectomy – 98500/-
- Hernia – 126000/-
- Lap Appendectomy – 96800/-
- Lap Cholecystectomy– 102500/-
- PTCA – 15500/-
- CABG – 300000/-

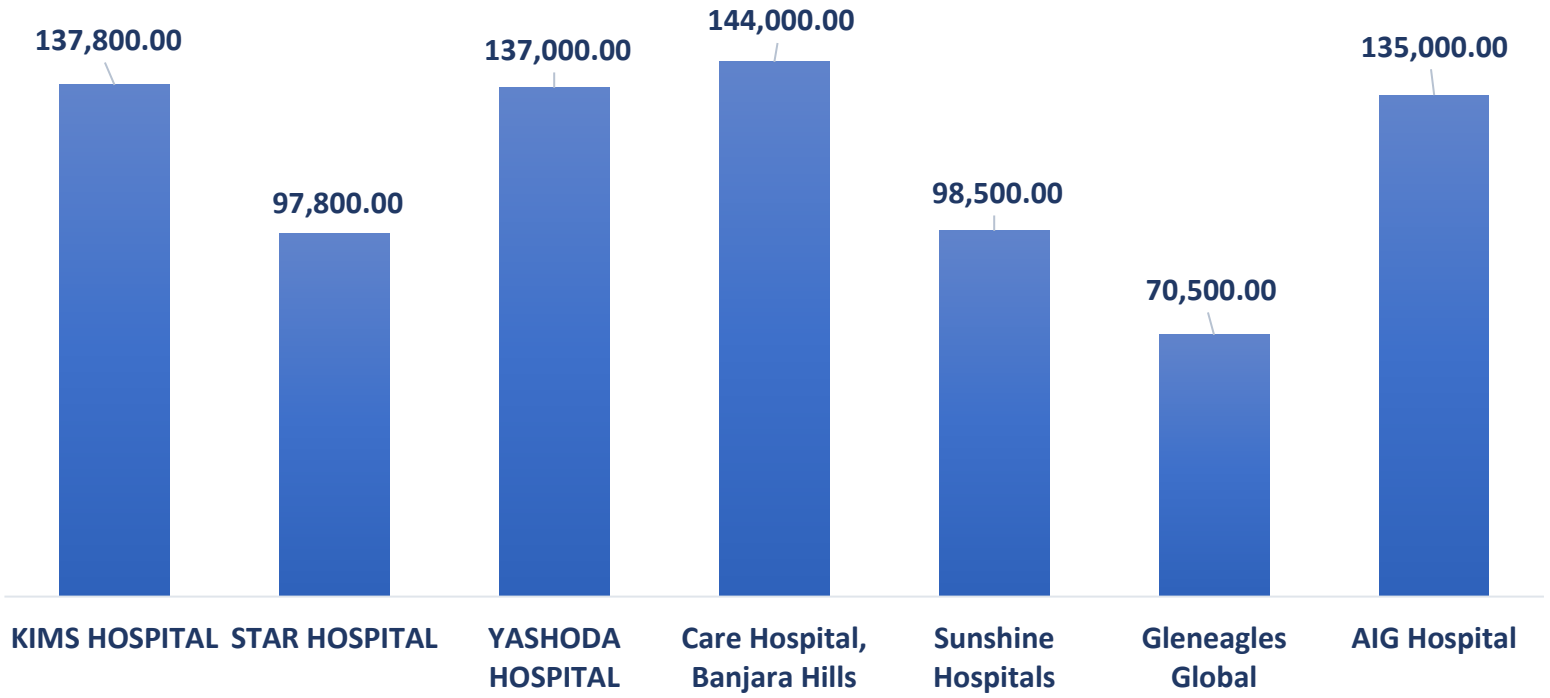
FINDINGS:

- For Hernia the Average procedure cost is 126,000, compared to this Rainbow hospital is charging 19% excess (highest).

- For Hysterectomy the average procedure charge is 98500, compared to this Yashoda hospital is charging 37% excess (highest).

Lap Cholecystectomy

Fig: 7



- The top providers being in the same city(Hyderabad) and same room category (double sharing),the difference in tariff amount for the same procedure(excluding consumables)
- Which will ,help the PMT for negotiation.

<u>Average rate of procedures :</u>

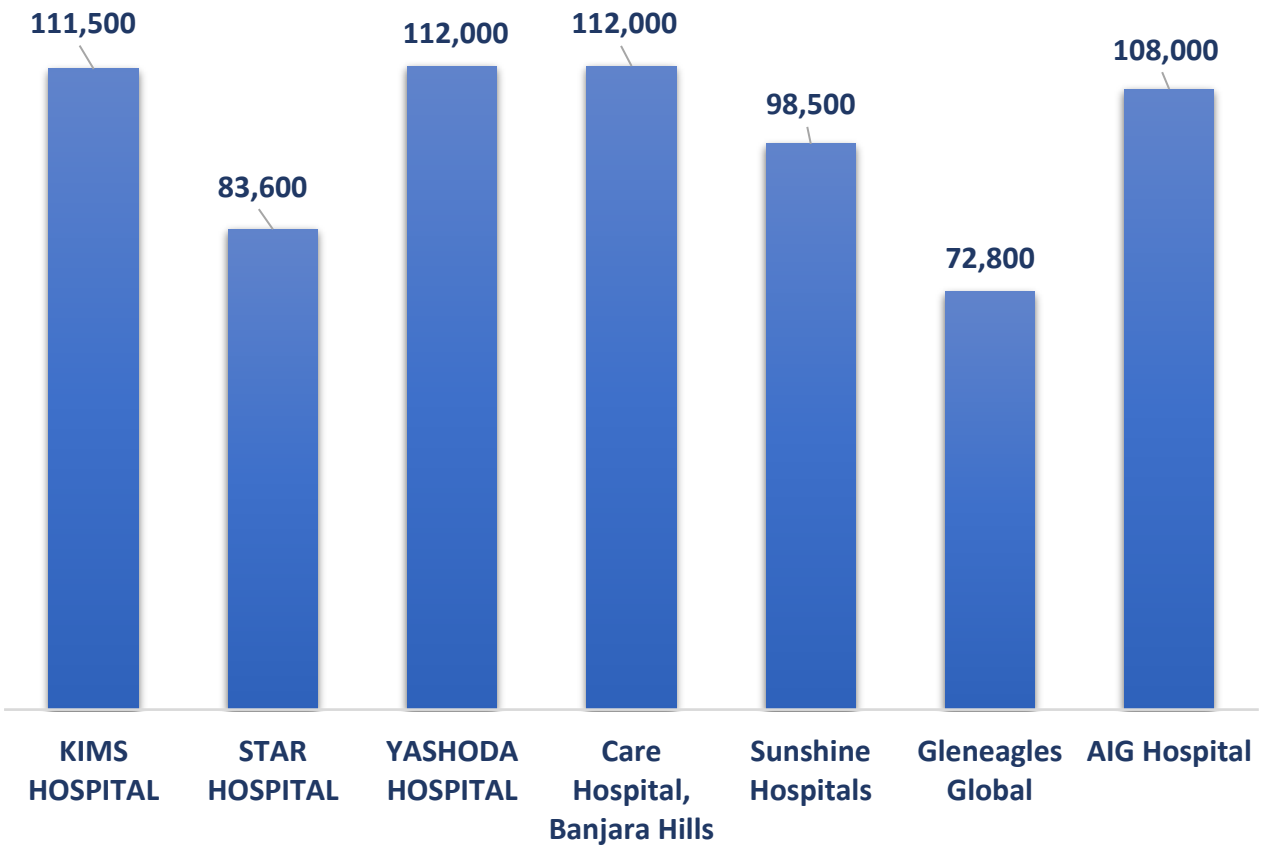
- Hysterectomy – 98500/-
- Hernia – 126000/-
- Lap Appendectomy – 96800/-
- Lap Cholecystectomy– 102500/-
- PTCA – 155000/-
- CABG – 300000/-

<u>FINDINGS :</u>

- For Lap Cholecystectomy KIMS ,Yashoda and care Hospital is charging 36% extra compared to other top hospitals.

Lap Appendectomy

Fig:8



- The top providers being in the same city(Hyderabad) and same room category (double sharing),the difference in tariff amount for the same procedure(excluding consumables)
- Which will ,help the PMT for negotiation.

Average rate of procedures :

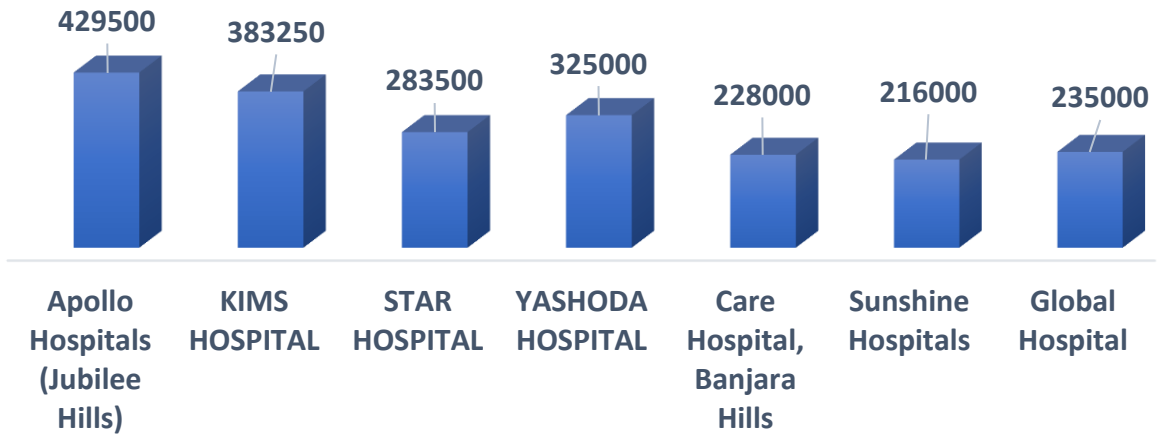
- Hysterectomy – 98500/-
- Hernia – 126000/-
- Lap Appendectomy – 96800/-
- Lap Cholecystectomy– 102500/-
- PTCA – 155000/-
- CABG – 300000/-

FINDINGS :

- For Lap Appendicitis KIMS ,Yashoda and care Hospital is charging 16% extra(highest).

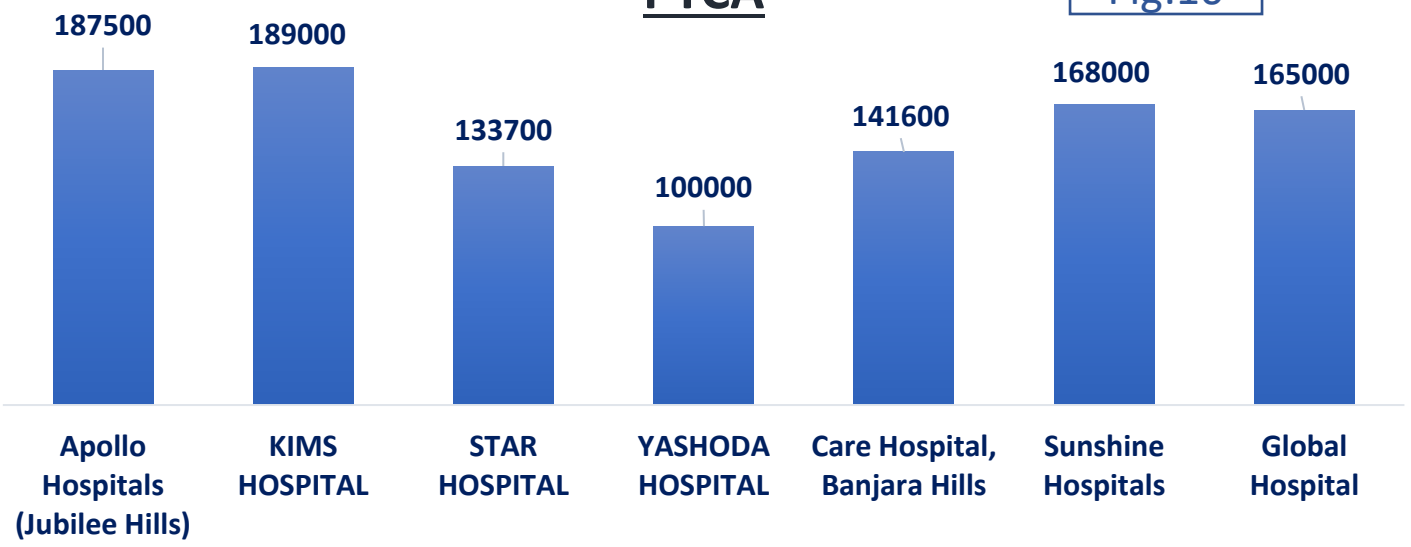
CABG

Fig:9



PTCA

Fig:10



- The top providers being in the same city(Hyderabad) and same room category (double sharing),the difference in tariff amount for the same procedure(excluding consumables)
- Which will ,help the PMT for negotiation.

Average rate of procedures :

- Hysterectomy – 98500/-
- Hernia – 126000/-
- Lap Appendectomy – 96800/-
- Lap Cholecystectomy– 102500/-
- PTCA – 155000/-
- CABG – 300000/-

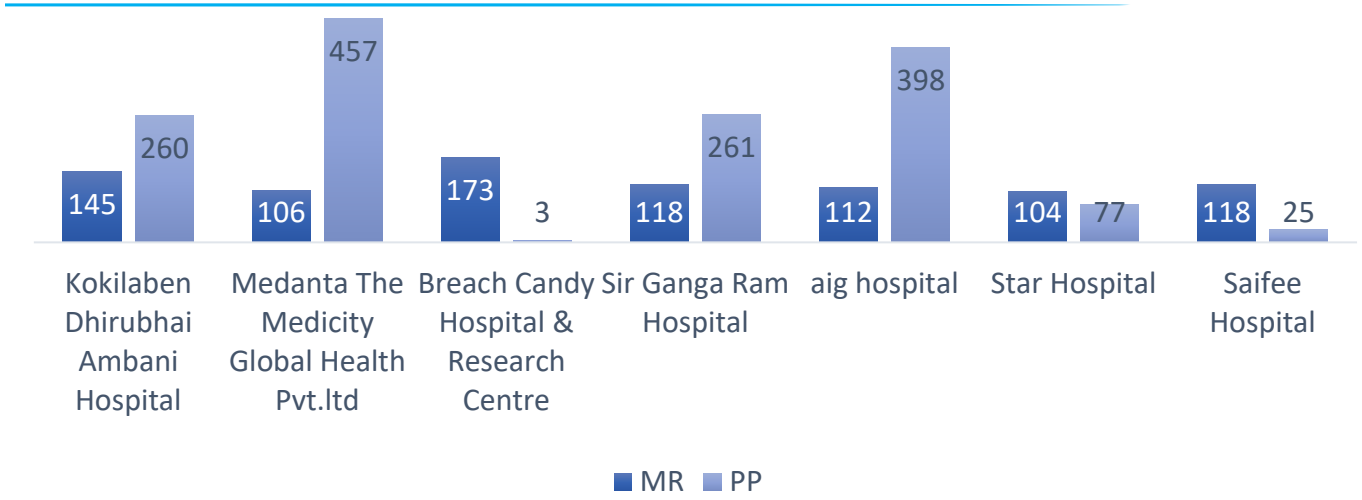
FINDINGS :

For CABG the average procedure rate is 300000/-, where as Apollo Hospital(Jubilee hills) is charging 43% extra (highest).

For PTCA the average procedure rate is 155000/-, where as Apollo hospital and KIMS hospital is charging 22% extra (highest).

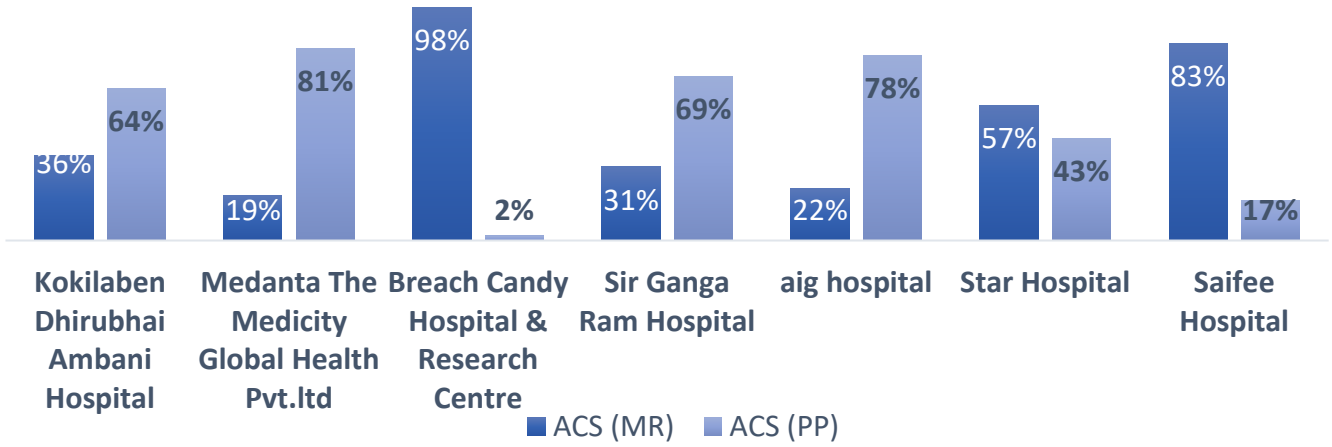
Number of reimbursement claims

Fig:11



ACS for PP and MR in %

Fig:12



Among Top 100 providers ,this hospitals have provided more than 100 MR claims .

FINDINGS :

Are this hospitals in network / non-network, If in network then why this many number of MR claims and if non-network then the PMT team needs to get them in network.

- Kokilaben dhirubhai ambani Hospital : Non-Network
- Medanta The Medicity Global Health Pvt.Ltd : Network
- Breach Candy Hospital & Reasearch centre : Non-network
- Sir Ganga Ram Hospital : Network
- AIG : Network
- Star Hospital : Network
- Saifee Hospital : Network

So as per the current data Kokilaben dhirubhai ambani Hospital , Breach Candy Hospital & Reasearch centre are not in TATA AIG Network So, we need work to get them in our network as,the reimbursement cases are in good number.

Total Amount of MR claims received:

Kokilaben dhirubhai ambani Hospital :Rs.4,41,31,350 out of which the paid amount is : RS.2,50,95,887

Breach Candy Hospital & Reasearch centre: Rs.10,02,58,222 out of which the paid amount is : Rs.6,39,56,418

Age Group claims @ Top 10 States

Fig:13

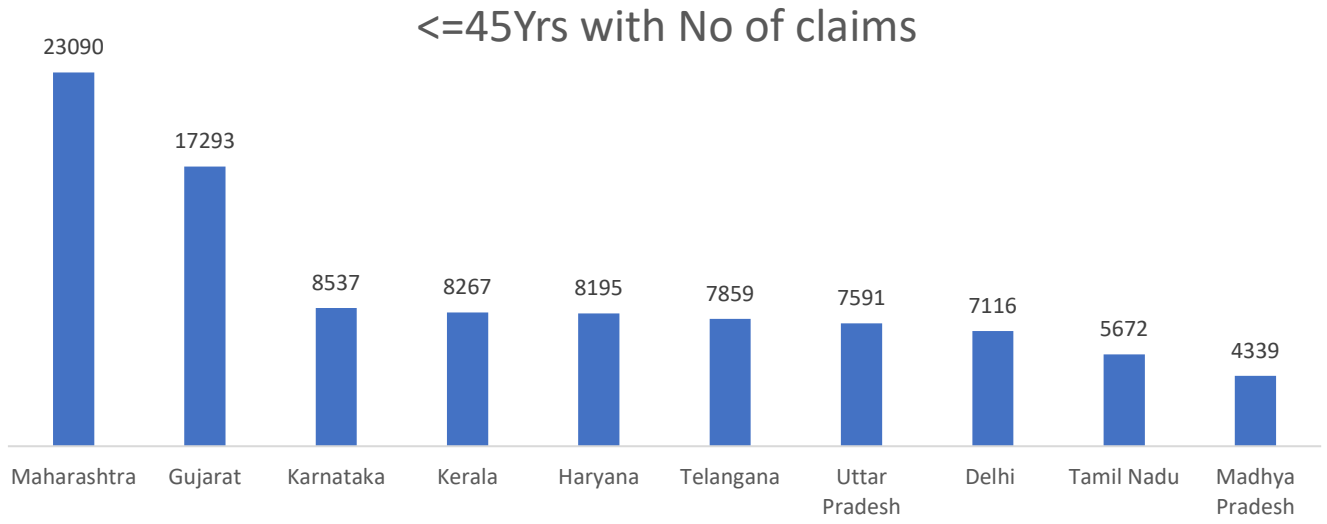
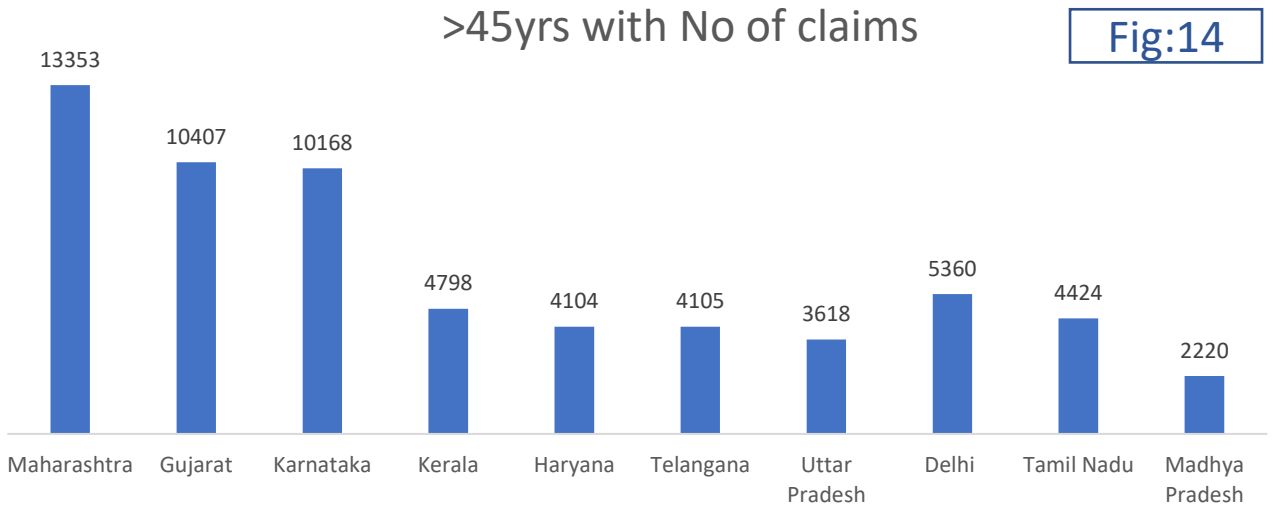


Fig:14



- According to the state from where we are receiving the maximum number of claims further we can go for the diagnosis which will help the underwriters to make changes in the products/form new products.

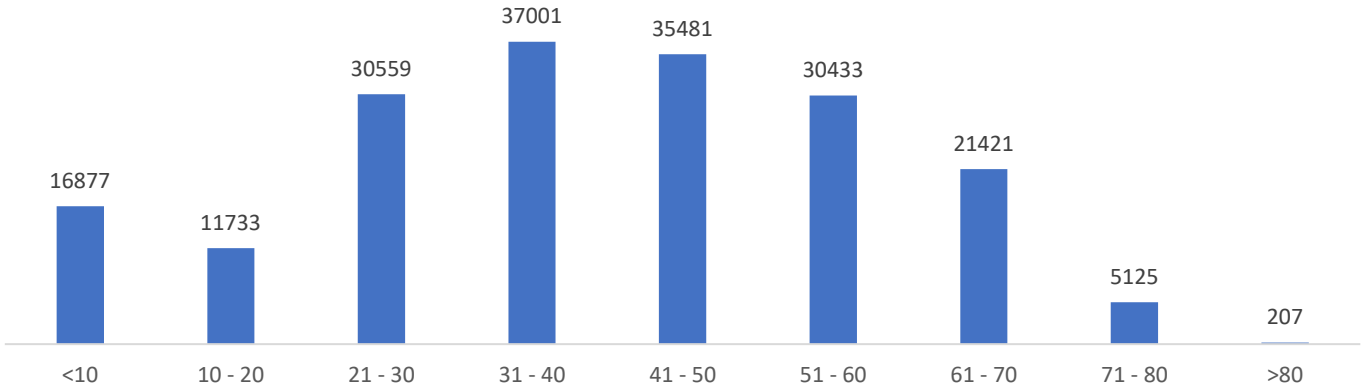
Maximum number of claims within the age group <=45 years on over all claim:

- 60% of claims belongs to <=45Yrs in that 52% of claims belongs to Top 10 states
- 8% of claims belongs to rest of the states
- 40% of claims belongs to >45Yrs, In that 33% of claims belongs to Top 10 states
- 7% of claims belongs to rest of the states
- Further diagnosis against age along with hospital status analysis will be done further..

Age @ claims

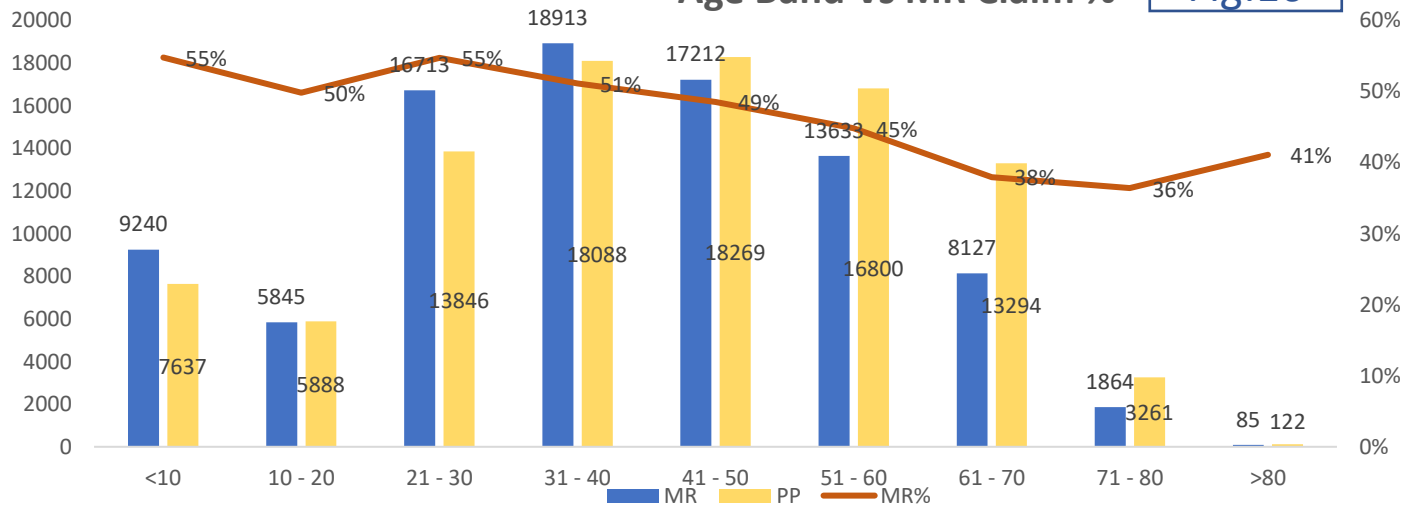
Age Band with No of claims

Fig: 15



Age Band Vs MR Claim %

Fig:16



Total Claim Incidences : 1,88,837

Findings :

we are receiving maximum number of claims b/w the age of 21yr -60 years.

Which is covered (1) 71% of total age group claims.

- 41% of MR claims receiving from all age group bands Except age band of (>61 – 70 & 71- 80)

Claimed Amt range Vs Claim type

Fig:17

Claimed amt Range	MR	PP	Total	Claimed amt range wtg%
<100000	72668	68339	141007	74.7%
100000 - 500000	17638	26837	44475	23.6%
500000 - 1000000	1018	1638	2656	1.4%
1000000 - 2000000	240	320	560	0.3%
2000000 - 3000000	42	44	86	0.0%
3000000 - 4000000	13	17	30	0.0%
5000000 - 10000000	5	9	14	0.0%
4000000 - 5000000	6	1	7	0.0%
>10000000	2	-	2	0.0%
Total	91632	97205	188837	100%

This table denotes the particular claimed amount range and the number of claims with respective treatment type.

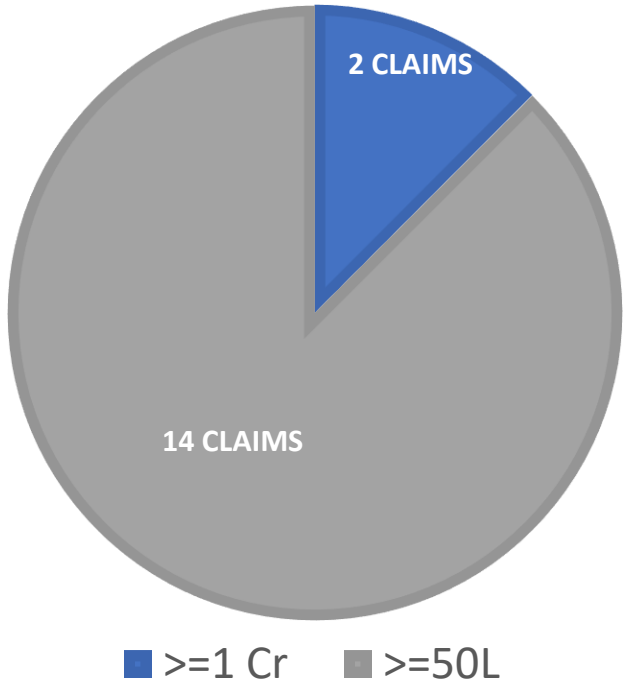
-Findings are number of Surgical & medical cases.

- The claim received range >10 lakh claimed amount claims need to be filtered before the final payment.
- Filter in CA level , Medical level then to the Top Management .
- Remarks from supervisor should be mandatory.
- Finally payment process.
- MR: Member Reimbursement
- PP: Provider Payable

CLAIM AMOUNT THRESHOLD WARNING LIMIT [50 L-1Cr]

CLAIM COUNT

Fig:18



- The two claims which are above 1 Cr. are the global cover claim, with the diagnosis : **epilepsy and Carcinoma.**
- The 14 claims are within the range of above 50 lakh – 1Cr.
- The claimed amount of >50L claims need to get filtered before payment.

DISCUSSION

- Author :Renata Konrad, 2020
- This paper discusses some of the challenges and opportunities of using health insurance claims data for advanced data analyses. It provides examples of how claims data can be used for disease burden estimation, policy evaluation, drug event detection, and predictive analytics. It also highlights some of the limitations and pitfalls of claims data, such as data quality, completeness, validity, and generalizability.
- In the insurance sector the different analysis helps to get the clear idea of what is the current status of the market ,where the company is facing problem and how to get over those and move forward. So the above research paper was explain the same as my study, most of the graphs are approached in that way over pervious data study was done on it.

- Author: Madan Mohan Dutta *(Department of Management, JD Birla Institute, Kolkata, India),30 november,2020* This paper examines the relationship between health insurance premium earned and underwriting loss in India. It finds that the sector has been growing at a compounded annual growth rate of 27% but still unable to earn underwriting profit. It suggests that the sector needs to control its claims and management expenses to improve its performance.
- As compared to the study the idea regarding the loss according to the underwriters prediction/study, The underwriters are the one who are comparing various factors once they get data from various source like pre-formalities while taking policies, the health check -up ,etc.
- This made a clear idea that the data sharing with underwriters must be very accurate, so that they can accordingly plan the products .

- Author: Erlangga D, Suhrcke M, Ali S, Bloor K (2019) Health insurance schemes in low- and middle-income countries (LMICs) have been found to improve access to health care as measured by increased utilisation of health care facilities (32 out of 40 studies). There also appeared to be a favourable effect on financial protection (26 out of 46 studies), although several studies indicated otherwise. There is moderate evidence that health insurance schemes improve the health of the insured (9 out of 12 studies)
- Now a days it has been noticed people are quite eager to know about various health insurance policies, more aware about the insurance, even for every income category people there is some or the other products are available as before few products were their and it was not easy to afford those, this is helping the insurance companies to boom in the upcoming years ,and they are planning all their plans , products accordingly ,which will help the general public as well as the insurance companies.

CONCLUSION AND RECOMMENDATION

Health insurance is growing rapidly in India due to increasing risk of health and increasing awareness regarding the same. The Governments recent liberalisation of the insurance industry . This sector is prone to claims and its bottom line is always under tremendous pressure. In recent times, IRDA has taken bold step by increasing the premium rate of health insurance products. This will help in the growth of this sector. The study will richly contribute to the existing literature and help insurance companies to know about their performance and take necessary measures to rectify the situation.

1.How to study the claim data and findings out of it?

The above study presents the study on claim data and their findings. It helped to understand the entire process of the health insurance industry, and helped to analyse data. The comparison represents top hospitals of a particular city and comparing their room rents, room utilization , number of claims received, maximum number of claims from which hospitals, number of cashless and reimbursement are those hospitals in network or non-network, procedures cost comparison being on the same city.

A recommendation would be the data entry of each individual claims must be very accurately done and complete data needs to be available , which helps the other team to analyse various conditions correctly and follow the medical codes as there are various diagnosis mentioned which helps at the time of analysis .

2.How to analyse various claims considering various factors?

The various factors on the study is based on city, age band, diagnosis , maximum number of claims.

Room charges of single accommodation and semi-private accommodation of Hyderabad city Top hospitals.

Room Utilization of single and semi – private accommodation.

Comparing diagnosis rates based on specialized hospitals.(example: apollo hospital is specialized for cardiac so for CABG,PTCA we considered apollo hospital)

Maximum Number of cashless and reimbursement cases from which hospitals and average claim status of those hospitals.

According to the age band maximum number of claims received from which state.

Geographical wise from which states we are receiving more number of claims.

According to the claim range, the range is being break into different range and within that maximum number of claims within which range.

As a recommendation during the time of tariff renewal , PMT persons must look for better negotiation , and before that the categorization of the hospitals need to be done.

As single room utilization is high in most of the hospitals we can plan for some extra benefit or add on facilities to the semi-private accommodation so that we can bring down single utilization of room.

As in the diagnosis study it has been noticed being in the same city some specialized hospitals are charging quite high , so PMT person must look into it and go for negotiation.

As we are receiving quite a good number of reimbursement claims, being in the network list, we can look into those hospitals and the reasons of high reimbursement claims.

According to the age band and geographical area we can make new products accordingly ,underwriters will be helpful with this data and will design new products .

According to the claim amount range we can find within which range maximum claims received, further go for diagnosis categorization and design new policies out of it.

THANK YOU