EVALUATION OF TURN AROUND TIME AND PROCESS ENHANCEMENT OF REIMBURSEMENT CLAIM PROCESSING

Dissertation Submitted to

The IIHMR University, Jaipur

for the partial fulfilment for the award of the degree of

Master of Business Administration (MBA)

in

Hospital and Health Management

by

Dr Akanksha Agrawal

Under the Supervision and Guidance of

Dr Monika Chaudhary

Academic Year 2019-2021

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FHPL (Family Health plan Insurance TPA Limited)

DECLARATION BY STUDENT

I hereby declare that this dissertation titled ***Evaluation of Turn Around Time And Process Enhancement Of Reimbursement Claim Processing*** is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from the published or unpublished work of others has been duly acknowledged in the text.

(Signature) 

Name of Student

Date

THE IIHMR UNIVERSITY, JAIPUR

CERTIFICATE BY SCHOLAR

This is to certify that the dissertation titled ***Evaluation Of Turn Around Time And Process Enhancement Of Reimbursement Claim Processing*** and submitted by name ***Dr Akanksha Agrawal*** Enrolment no. ***0870*** under the supervision of ***Dr Monika Chaudhary*** for award of MBA in Hospital and Health Management in Health and Hospital of the university carried out during the period from 22nd march to 30th May, 2021 embodies my original work and has not formed the basis for the award of any degree, diploma associate ship, fellowship title in this or in any other institute or other similar institute of higher learning.

Signature

ABSTRACT

The health insurance claims are the claims that is a request to a TPA or the health insurance company by the insurer so as to compensate the paid during the treatment or also we can say that the coverage of the policy . Health insurance covers complete treatment or the loss done during the medical treatment it may be either OPD, pre-post or IPD, it accepts or coverall all medical expenses during the treatment that we can call as cashless process or after the insurer paid that is called as Reimbursement process. The coverage includes payment of benefits due to any injury or sickness, any type of loss during accident, any type of medical disability or death due to accident or any health problem. Therefore, it is become important for the any type of Health insurance company or TPA to settle the claim with precise accuracy and efficacy as well as efficiency to reach the highest customer satisfaction which can be done by reducing the TAT.

The study is done using secondary data with the objective to analysis the TAT of Reimbursement claim of the period Jan to April 2021 and observe the process flow, access the gaps in the process and with the help of evaluation then provide recommendation on these gaps and TAT so as to increase customer satisfaction. The study which is performed is observational descriptive study. Gaps were observed, recommendation has been given. The study came with the resulted that there is reduction in the Turnaround time, therefore improving the efficiency and increase the customer satisfaction.

ACKNOWLEDGEMENT

I would like to start by giving my sincerest gratitude to former dean, Dr P R Sodani because of whom I able to join such a prestigious organization. It was his effort and believe that led me to work where I desire.

My faculty guide, Dr Monika Chaudhary who time and again from her busy schedule supervised my work. I am fortunate to receive the opportunity to learn a variety of imperative things from her. She never failed to address my apprehensive and encourage me to do my best. Her constant support is deeply appreciated.

I would like to express to Dr Ruchi Garg Deputy Manager of Medical and Claim department to retain her faith in me and my work post internship and providing me the opportunity of a lifetime. Her Work ethic and hard-working personality has inspired me every day.

There are no words of acknowledgement for my parents and family without whom I would be where I am. It is all thanx to their love and constant support in getting me choose my own path in life and weave my own destination.

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ABBREVIATION

IRDAI- Indian Regulatory and Development Authority

FHPL- Family Health Plan and TPA limited Insurance

TAT- Turnaround Time

TPA- third Party administration

MIS- Management information system

DCN- Document control Number

ISO- Insurance services office

OPD- Out patient department

IPD- Inpatient department

MLC-Medico legal certificate

Background

INTRODUCTION

Family Health Plan Insurance TPA Limited (FHPL), assimilate in the year of 1995 and licensed by IRDAI that is Insurance regulatory and development Authority of India in the year of 2002 and is today one of the largest and most reputed IRDAI licensed Third Party Administrator (TPA) in the country. FHPL serve the needs of Health Insurance benefits administration for individual customers, corporate clientele, State/Central government sponsored Health schemes. FHPL is the first licensed TPA to be certified with ISO 001:2008 for quality standards and processes.

Vision is to deliver seamless and transparent access to healthcare through dedication, integrity and excellence in processes and services.

An insurance claim is a formal or normal request by the one that holds policy known as Policy holder to an insurance company for their compensation or we can say a coverage for a covered loss or policy event. The insurance company corroborate the claim once it gets approved, issues payment to the insured or an approved party on behalf of insured.

A Health insurance claim either it be Cashless facility or Reimbursement process can be too critical or technical and tedious.

Importance of Health insurance:

It protects you from unexpected and high medical cost. It pays for future illness and high medical treatment without any depletion in your saving or not give a negative impact on family financial settlement. As we all know medical cost are increasing rapidly and in case of emergencies it becomes unaffordable for us sometime so for that the health insurance gives a best medium to go through it. Health insurance plans covers several types of ailment and surgeries, along with the other type of medical treatment. In many cases families are worry free from hospitalization cost, ambulance cost, consultations, pre and post-test during treatment.

The health insurance claims are the claims that is a request to a TPA or the health insurance company by the insurer so as to compensate the paid during the treatment or also we can say that the coverage of the policy . Health insurance covers complete treatment or the loss done during the medical treatment it may be either OPD, pre-post or IPD, it accepts or coverall all medical expenses during the treatment that we can call as cashless process or after the insurer paid that is called as Reimbursement process. The coverage includes payment of benefits due to any injury or sickness, any type of loss during accident, any type of medical disability or death due to accident or any health problem. Therefore, it is become important for the any type of Health insurance company or TPA to settle the claim with precise accuracy and efficacy as well as efficiency so as to reach the highest customer satisfaction which can be done by reducing the TAT.

The study is performed in FHPL Gurgaon with the aim of analysis the Turnaround time of the Reimbursement claim process. Also, the process of claim process has also been observed so as to gain the knowledge of the process and observe the gaps and provide recommendation if needed to improve the process and increase the customer satisfaction. Since in any Claim insurance process the efficacy and efficiency and the level of customer satisfaction can be accessed with the help of TAT. In TPA the TAT come out to settle the claim should be approx. 30 days, remaining different insurance company has different TAT some have 15 days some have 10 days. But on average the TAT should be come under 25-30 days for the claim to settle. The most important thing to noted is that from the point of view of TPA or we can say A health insurance company and also the insurer the time taken for the claim process as it gives customer or patient best services and thus become the selling point of the services and also maintain the increase in the productivity of the company.

Process of Claim:

Fig 1 showing the claim Process that involves basic steps.

1. Choose the Hospital.
2. Choose the Room type
3. Payment Type
4. Type of Claim Settlement process

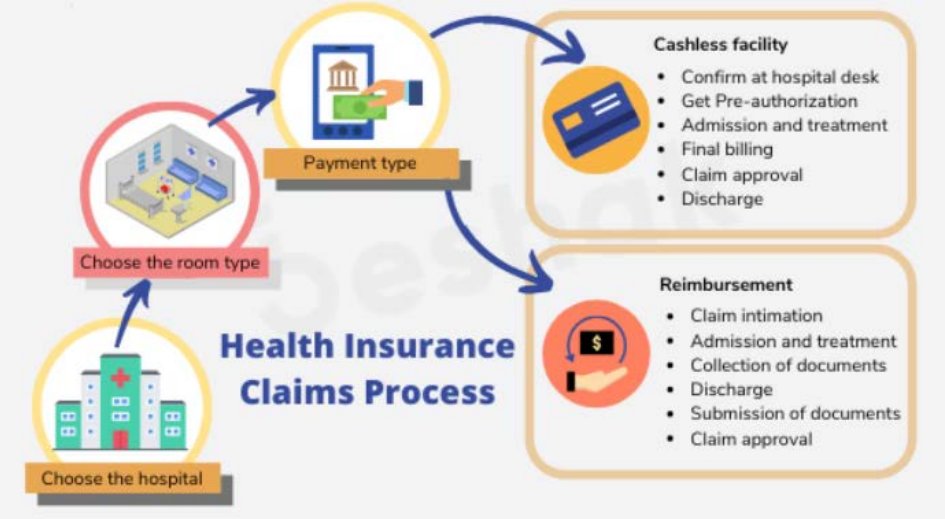

Figure 1: Claim Process

5. Type of Claim Process settlement

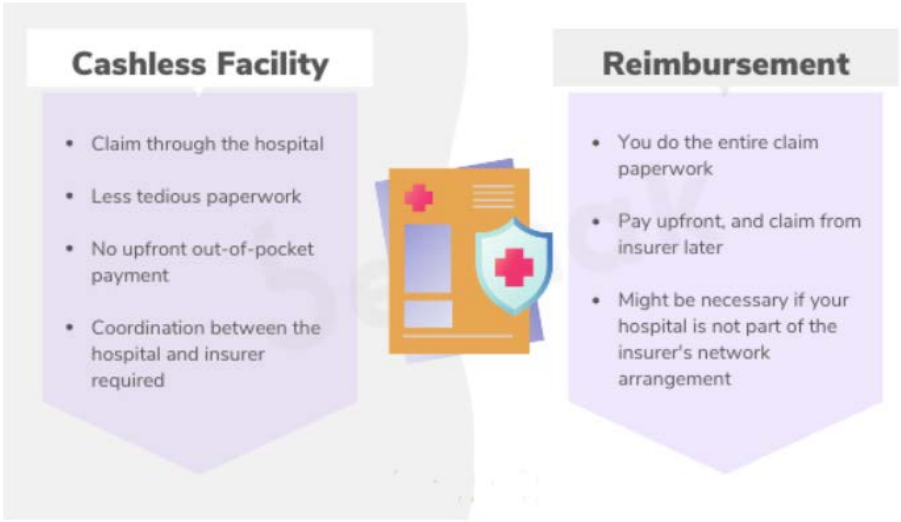

Figure 2: Type of Claim

AIM

The aim of the study is to evaluate the Turnaround Time of medical reimbursement claim process by analysing the process and thus update the flow of the process.

RESEARCH QUESTION

- What is reimbursement process and how it will engage?
- What will be the Turnaround Time for the Reimbursement claim?
- What are the Gaps in the process of Reimbursement process which needs to be filled?

OBJECTIVE

- To gain the knowledge of the Reimbursement process
- To find out the TAT of reimbursement process
- To give suggestion to fill the gap in the reimbursement process.

METHODOLOGY

Study design: Type of study is observational carried in Claim department of FHPL organization.

Period of study: Four months duration (January- April 2021)

Sampling: Simple Random technique is used. For the Reimbursement process, 4104 cases taken randomly, 2953 approved, 122 were denied,134 cases were under query.

Data collection:

Type of data collection method is quantitative. For the analysis secondary data was collected for the period of4 months.

Secondary data- Observation of process flow and evaluation of TAT

- Online data base
- Claim process flow
- MIS database.

LITERATURE REVIEW

Proportion of Claim type in overall cases:

With the help of Health insurance XP survey of 530 individual, it has been reported that only 32% of the claim are of cashes and 68% are of reimbursement type. The reason behind this is that for the reimbursement claim there is no need for the policyholder to go the hospital which has network with the TPA or the insurance company. Customer may opt for reimbursement claim since it would be better to opt this rather to wait to hear the waiting desk in hospitals for hour.

As the patient are more often give priority to the reimbursement claim it would be the insurance company or TPA to cover all the process within TAT.

The insured person has to submit the necessary document to TPA within prescribed limit.

Type of claim	The limit for submission of documents to TPA
Reimbursement of hospitalization, pre-hospitalization expenses and ambulance charges	Within 15 days from the date of discharge from hospitals
Reimbursement of anti-rabies vaccination and new-born baby vaccination	Within 15 days from date of vaccination
Reimbursement of post hospitalization expenses	Within 15 days from competition of post hospitalization treatment.

Healthcare reimbursement depicts the payment that your hospital, doctor, diagnostic facility, other healthcare providers received for giving the insured /policy holder a medical service. Often, the healthcare coverage organization or an administration pair take care of the expense of all or part of protected/approach holder might be answerable for a portion of the expense and on the of chance that they do not have social insurance inclusion by many stretch of the imagination, will be mindful to reimburse your healthcare provider for the entire expense of your medical services. Payment happens after you get a clinical resistance, which is the reason it is called reimbursement.

DOCUMENTATION

The following documents are required in order to make a health insurance claim.

1. Dully filled claim form
2. Medical certificate/form which is signed by the treating doctor.
3. Discharge summary or card (original), availed from the hospital.
4. All bill and receipt (original)
5. Prescription and cash memos from pharmacies/hospitals
6. Investigation's report
7. If it is an accident case, then the FIR or medico legal certificate (MLC) is required.

First step / important step in over all the process is the document that gives a proof and help the team to differentiate between the fraud claim or the real one so as to give a best service to the one who really deserve and need this. Depend upon the condition the insurer or the policy holder should collect all the bill their paid receipt, investigation report etc that is pertaining to the treatment.

FINDING

Turnaround Time

Table 1: Showing analysis of reimbursement process.

Status	0 - 10 Days	11 - 20 Days	21 - 30 Days	Above 30 Days	Grand Total
Processing		75	12	17	104
Refer to Insurer for Rejection		7	64	51	122
Resolved	2210	469	183	91	2953
Under Investigation		3	3		6
Under Process	66	80	114	14	274
Under Query		9	63	62	134
UTR Awaited	402	70	22	17	511
Grand Total	**2678**	**713**	**461**	**252**	**4104**

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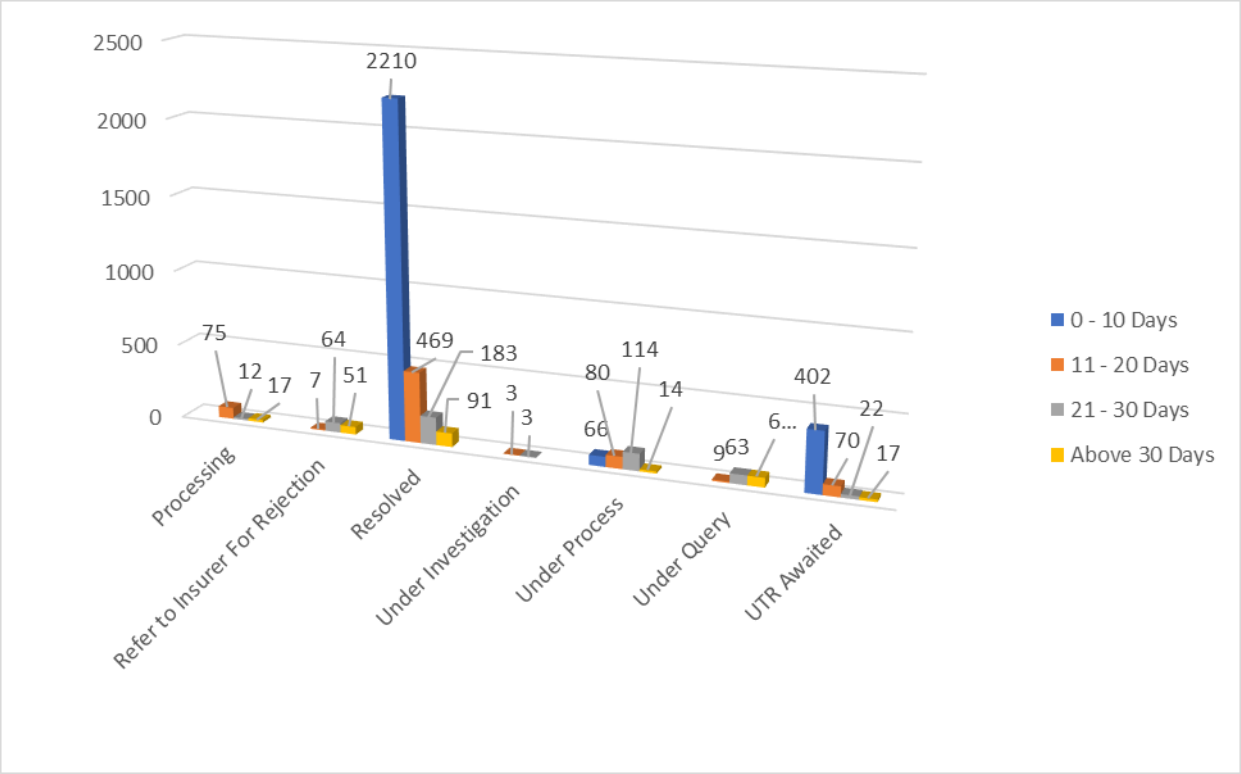

Figure 3: Graphical representation of each status with their TAT

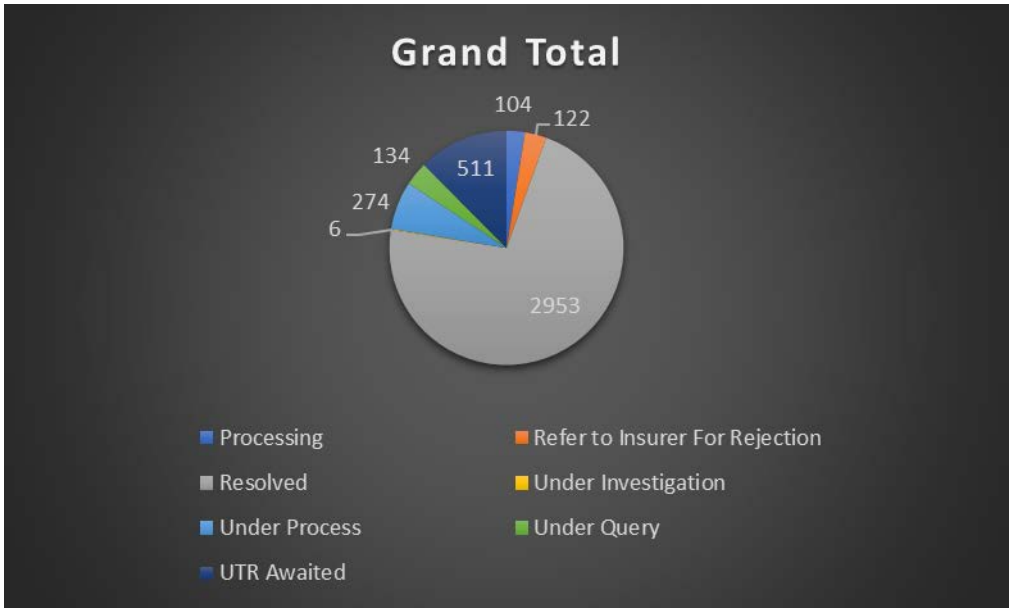

Figure 4: Showing Total Cases of each status

From the above chart we can analyse different status:

1. Processing: 104 cases are under processing and get done as all the
2. Refer to Insurer for rejection: 122 cases were rejected as the limit has been exhaust.
3. Resolved: 2210 cases were resolved.
4. Under Investigation: Only 6 cases are under investigation and will process as the investigation done.
5. Under process: 274 cases are under process and get done as the details has been received.
6. Under query: 134 cases are under query will get process as the member will fulfil the query that has been raised.
7. UTR Awaited: 511 cases are awaited as the claim not suitable as per the merit of policy of insurance company.

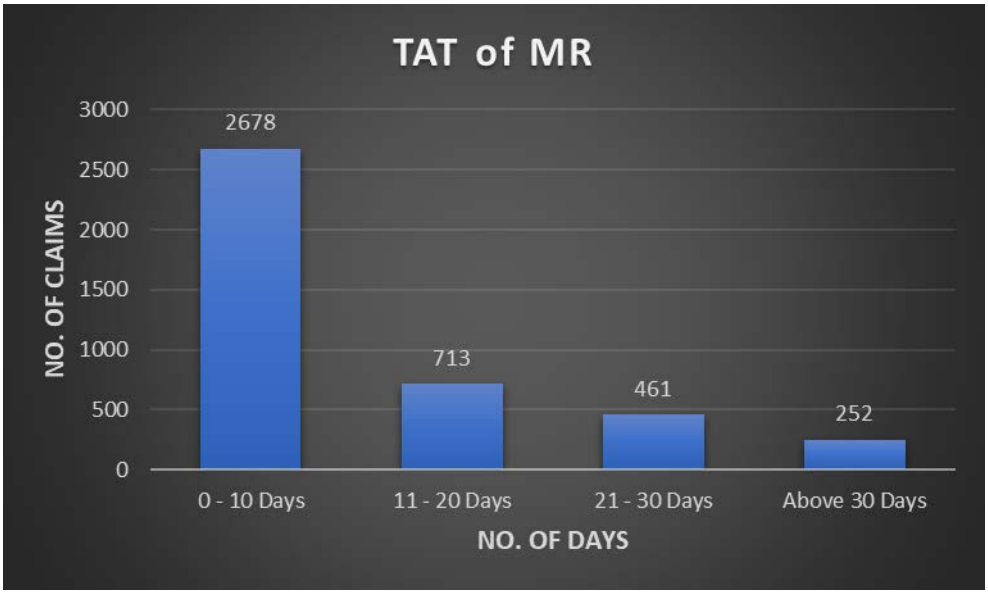

Figure 5: TAT of MR

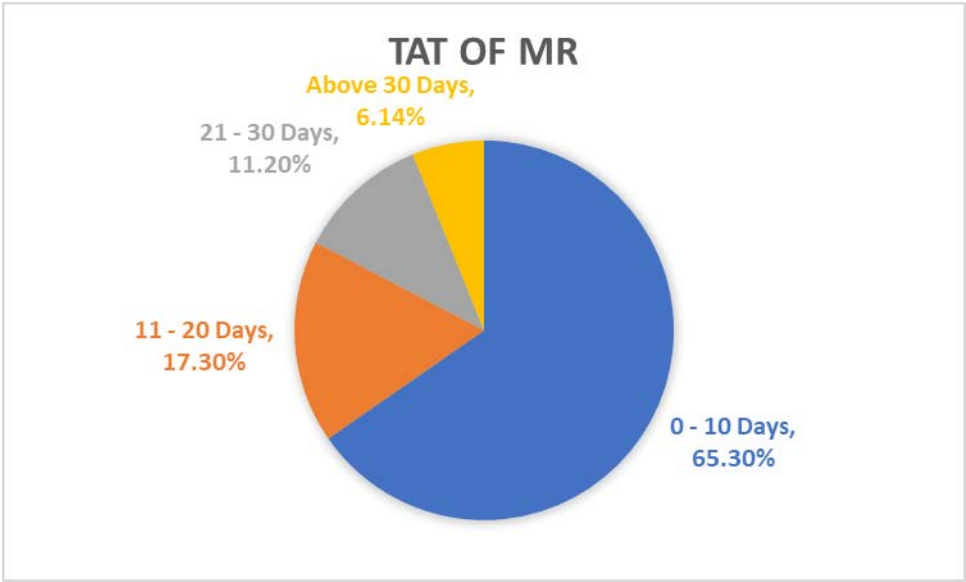

Figure 6: TAT of MR in %

Overall Claim should be settled within 45 days. From the above graph we can analyse that process of 2678 that is 65% claims were done within 10 days, 713(17%) claims within 20 days, 461(11%) claims within 30 days. And 252 (6%) cases are take more time and not completed within TAT.

RESULT

As we already discuss that the main focus of the study is to analyse the TAT and give best services to the customer by providing a service with efficacy, efficiency and accuracy so as to increase the customer satisfaction. The objective is to observe the gaps and give recommendation if needed.

The Turnaround Time which is being set as per IRDA regulations for TPA should be within 45 days, but this is different for every Insurance company claim should be settle within 25 to 30 days. Data has been collected during the period of (Jan-April)2021 was analysed with sample size **4104,** out of which approved case **2953,** cases under query status **134,** rejected are **122** and other cases are with different status.

Analysis of Cases with overall process shows that 65.3% cases are taken in process within 0-10 days (17%) claims within 20 days, (11%) claims within 30 days. And (6%) cases are take more time and not completed within TAT.

GAPS

- Scanning of documents or files and their filling takes long time.
- After billing the final process has been given to doctors to update the status due to which for assessment of fresh claim / document assessment doctors unable to give extra time.
- When the case is under investigation sometime this also increases the time to process or settle.
- Improper allotment of files one of the reasons for delay in final closure of case.
- Generation of DCN no. sometimes also increases the TAT.

SUGGESTION

- Maintenance of tracking sheet of the files which are allocated to medical team that will help in quick finding of the query whenever raised in future.
- Software updating regularly help in speed up of work.
- Revised Standard operating procedure accordingly.

CONCLUSION

Claim settle involves various steps starting from the filling of the form. All the stages or steps that are followed are the determining step that whether the claim is under policy or has merit or not and how much the insurance company has to pay. Insurer always want their claim settle as soon as possible and thus achieve their satisfaction. As customer satisfaction at high level will maintain the or increase the productivity of the company. Use of Claim management software with regular updating and speed up the work is the best possible solution to settle the claim.

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