IIHMR UNIVERSITY

Institute of Health Management Research
MBA Hospital and Health Management
Batch-21st (2016-2018)
Health Management
Health Insurance and Managed Care
Term Examination

EXAMINATION CELL IIHMR

Time - 3 Hours **MM-70**

Out of 10 Questions any 7 questions must be answered **Total = 70 marks**

The question paper contains 3 printed pages.

Q. 1. Today health care costs are very high and getting higher. Who will bear our bills if we suffer from serious diseases to meet with major accidents? We purchase health insurance for the same reason we purchase other types of insurance, to financially protect ourselves. With health insurance, we protect ourselves and our families in case we need medical care that could be very expensive. We cannot forecast what our medical bills will be. In a good year, our cost may be low. But if we become ill, our bills could be very high. If we have insurance, many of our costs are covered by third party, not by us. A third-party payer can be an insurance company, or, in some cases, it can be our employer.
a. Would you agree with the contents of the above paragraph? Please substantiate your answer.

b. If you were a health insurance advisor, what tips would you give to your clients when they shop for individual insurance policies?

(4 + 6 = 10 marks)

Q.2. Miss. Supritha approached an insurance company through an agent for purchasing a Mediclaim Policy. After completion of formalities, she was issued a Mediclaim policy. To her ill luck, one day while returning from office, she met with an accident. She was admitted into a hospital where she underwent a surgery. After 30 days, she was discharged from hospital. Her medical bills came to Rs. 80,000. She lodged the bills with the insurance company claiming the reimbursement. After a protracted correspondence, the insurance company denied her genuine claim on flimsy grounds.

She pleaded with the insurance company that she met with the accident more due to the fault of the truck driver. She also informed that the police have registered a case against the truck driver for driving the vehicle on the wrong side of the road, that too under the influence of alcohol. Even then, the insurance people refused to honor her claim. In this context, advice Supritha if she has any redressal mechanism that she can avail of for getting her claims settled.

(10 marks)

Q.3. a. Explain the principles of Insurance and concept of risk pooling with appropriate example

b. Discuss the different components of Insurance operations

(5 + 5 = 10 marks)

Q.4. The core of any TPA organization is the claims section that performs the end to end function. Under claims how does the cashless facility work? Explain the process and role of TPA in providing cashless service.

(10 marks)

Q.5. Mr. Ranjit, an employee of NALCO, wanted to purchase a health insurance policy. He walked down to an insurance company to make enquiries. Mr. Ranjit enquired into the visitor needs and was handed over an application form to fill up with relevant information entertaining his request. Next day morning, Mr. Ranjit returned the duly filled application form at the counter. From the underwriting department Mr. Rajesh went through the application and found following Information

Height	6 feet 2 inches
Weight	122.5 kg
Family Medical History	Good
Personal medical History	Slight blood pressure (80/130)
Substance or alcohol abuse	No abuse in the past one decade
Tobacco use	No tobacco use in the last 1 year

Category	Ratings
Preferred Plus	65 – 70
Preferred	75 – 80
Standard	100 – 115
Sub - Standard	130 – 150

Insured Height	Maximum Weight (in kilograms)		
Height	Preferred Plus	Preferred	Standard
6'1"	94.95	102.15	118.35
6'2"	97.20	105.30	121.95
6'3"	99.90	108.00	125.55

Overweight	25 % debit
Underweight	15% debit
Good Family History	20% credit
Unsatisfactory family history	15% debit
No tobacco use in the last one year	10% credit
No use of alcohol in last ten years	15% credit
High blood pressure	50% debit
Low blood pressure	30% debit
Slight high blood pressure	25% debit
Slight low blood pressure	10% debit

a. If you were Mr. Rajesh, which risk classification system would you use to classify the risks and why?
b. How do you classify the risk inherent to Ranjit's insurance application?

(5 + 5 = 10 marks)

Q.6. Mr. Janardhan who is disabled, receives a current income of Rs. 6000 per month against the prior income of Rs. 14,000 per month. He has a disability income policy which promises to pay a monthly indemnity of Rs. 8,000 and accordingly, he lodged a claim with the insurance company for payment of "disability benefit"

a. If you were in the claims department how do you process Janardhan claims?

b. If the current income of Mr. Janardhan includes Rs. 500 as monthly Dividend from IDBI bonds and Rs. 400 as monthly house rent, what will be the residual disability benefit that Mr. Janardhan is entitled to receive?

(6 + 4 = 10 marks)

Q.7. Explain Medical Savings Account (MSA) in South Africa with respect to structure, coverage, efficiency, and sustainability of the system and its impact on healthcare spending. Can MSA implemented in China be replicated in India? If yes or no Justify the reasons

(10 marks)

Q.8. "A good health Insurance claims system must ensure customer delight". Explain the various mechanisms in managing health claims to achieve customer service excellence.

(10 marks)

Q.9. Write shot note on

i. Deductible

ii. Managed Care

iii. Risk pooling

iv. Adverse Risk Selection

v. Catastrophic Health Expenditure

(2 + 2 + 2 + 2 + 2 = 10 marks)

Q.10. a. Sriram, a disabled carpenter, receives a current income of Rs. 4000 per month. His prior income was Rs. 8,500 per month that included Rs. 600 as monthly house rent and Rs. 4,800 as annual interest from fixed bank deposits. If the month indemnity is Rs. 5,000.

i. Calculate the residual disability benefit that Sriram is entitled to receive?

ii. If the current income of Sriram is Rs. 2,000 and prior earned income Rs. 4,800, what will be the residual disability benefit that Sriram can collect?

b. A healthcare policy imposes Rs. 20 Co-payment for routine visits to physician's offices. In addition to co-payment a Rs. 200 deductible and 20 percent coinsurance must be made. If the insured individual spends Rs. 50 on office visit and Rs. 325 laboratory fee what will be the actual reimbursement with and without co-payment

(5 + 5 = 10 marks)