

Chapter-19

A BRIEF STUDY OF HEALTH INSURANCE CLAIMS

¹Uttara Dey

¹Student, IIHMR University

²Dr. Gautam Sadhu

²Professor, IIHMR University

DOI: <https://doi.org/10.52458/978-8197040863.2024.eb.ch-19>

Ch.Id:- IIHMR/NSP/EB/RHP/2024/Ch-19

INTRODUCTION

Health insurance provides protection against financial losses or expenses incurred due to illness or accidents. It represents a legally binding agreement where an insurer commits to covering all or a portion of an individual's medical costs in exchange for a premium. Health insurance typically encompasses medical, surgical, and prescription drug expenses, serving as a safeguard against financial hardships arising from accidents, diseases, or disabilities for both individuals and their families. An accident, characterized by a serious injury resulting from an unforeseen and accidental event, and illness, denoting losses stemming from health issues, are the two primary aspects covered by health insurance. Consequently, there has been a significant increase in the adoption of health insurance coverage across the entire nation in recent times [1].

A contract providing insurance safeguards a single individual from damage or loss caused by an unforeseen occurrence. To indemnify anyone is to make them whole by putting them back in the same financial situation as before the loss. All insurance functions a person shares risk with a group of others under the basic concept of risk transfer [2][3]. A person shares risk with a group of others by getting insurance.

A person buys an insurance policy to protect himself from risk. The insurance provider (the insurer) agrees to provide the insured beneficiary with a set amount (the benefit) upon the occurrence of an established event in exchange for the insured (Owner of the policy) paying the insurance company (the insurer) an agreed upon amount (premium).

The insurance company and the individual enter into a legal agreement known as insurance in which the insurance company guarantees to make up for any financial losses caused by insured eventualities in exchange for the premium that is paid by the insured person [4].

RESEARCH AIM

To identify number of claims received city wise in the last two financial year (2021-2023).

RESEARCH QUESTIONS

1. How to evaluate different claims, considering various factors?
2. How to examine the data related to claims and derive conclusions from it?

RESEARCH OBJECTIVES

1. To comprehend data administration in health insurance.
2. To assess diverse claims by considering various factors to enhance customer services.

RESEARCH METHODOLOGY

The study was conducted at CPMT, Tata AIG Health Insurance Company in Hyderabad. The tools employed for the study included Microsoft Office, Google Scholar, and MS Excel, enabling a comprehensive analysis of the pertinent data. The study population comprised customers and healthcare providers, particularly hospitals. The research spanned from March 20th to May 24th, 2023, offering a two-month duration for in-depth investigation and analysis within the specified health insurance context.

RESULTS & DISCUSSION

Notably, KIMS Hospital, Apollo Hospital, and Yashoda Hospital had higher charges for single rooms compared to other top hospitals in the city, while semi-private room rates were relatively consistent across all top hospitals. This initial city-specific analysis paved the way for broader research plans, considering factors like state, district, city, and zone for a more comprehensive understanding of room rates in each location during tariff negotiations. The study also delved into room utilization, revealing differences among the top 10 hospitals in Hyderabad and suggesting potential schemes for extra benefits in

sharing accommodations.

Additionally, the comparison of top providers in Hyderabad for specific procedures, such as Hernia and Hysterectomy, highlighted disparities in tariff amounts, aiding the Provider Management Team (PMT) in negotiation. Further scrutiny of Lap Cholecystectomy and Lap Appendectomy procedures uncovered charging differences among top hospitals for the same room category. The analysis extended to procedures like CABG and PTCA, emphasizing the varying tariff amounts and providing valuable insights for negotiation. Another facet of the study focused on MR claims from the top 100 providers, revealing hospitals like Kokilaben Dhirubhai Ambani Hospital and Breach Candy Hospital & Research Centre were not in the TATA AIG network, despite substantial reimbursement cases. Efforts were recommended to include them in the network, considering the significant amounts involved in MR claims. The total amount of MR claims received from Kokilaben Dhirubhai Ambani Hospital was Rs. 4,41,31,350, with a paid amount of Rs. 2,50,95,887, and from Breach Candy Hospital & Research Centre, it was Rs. 10,02,58,222, with a paid amount of Rs. 6,39,56,418.

CONCLUSION

Health insurance grew rapidly in India due to the increasing risk of health and growing awareness regarding the same. The Government's recent liberalization of the insurance industry contributed to this growth. This industry was susceptible to claims, and its financial performance was consistently under significant strain. Recently, the IRDA had taken a proactive measure by raising the premium rates for health insurance products, aiming to stimulate growth in this sector.

The findings of the study made a valuable addition to the then-current body of literature and offered insights for insurance companies to assess their performance and implement corrective measures. While the health insurance industry faced challenges posed by the COVID-19 pandemic on multiple fronts, it also presented an opportunity for insurers to attract new customers.

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