

### Management of health insurance claims

#### Challenges in health insurance

It is important to understand the peculiar features of the health insurance portfolio in depth so that health claims can be effectively managed. These are:

- a) Majority of the policies are for hospitalization indemnity where the subject matter covered is a human being. This brings forth emotional issues that are not normally faced in other classes of insurance.
- b) India presents very peculiar patterns of illnesses, approach to treatment and follow up. These result in some people being excessively cautious with some others being unworried about their illness and treatment.
- c) Health insurance can be purchased by an individual, a group such as a corporate organization or through a retail selling channel like a bank. This results in the product the customer at the other.
- d) Health insurance depends on the act of being hospitalized, to trigger a claim under the policy. However, there is great difference in the availability, specialization, treatment methods, billing patterns and charges of all health service providers whether doctors, surgeons or hospitals which make it very difficult to assess claims.
- e) The discipline of healthcare is the fastest developing one. New diseases and conditions keep occurring resulting in development of new treatment methods. Examples of this are key-hole surgeries, laser treatments, etc. This makes health insurance more technical and the skills to handle the insurance claims for such procedure needs constant improvement.
- b) More than all these factors, the fact that a human body cannot be standardized adds a completely new dimension. Two people could respond differently to the same treatment for the same illness or require different treatments or varying periods of hospitalization.

#### Claim process in health insurance

A claim may be serviced either by the insurance company itself or through the services of a Third Party Administrator (TPA) authorized by the insurance company.

From the time a claim is made known to the insurer / TPA to the time the payment is made as per the policy terms, the health claim passes through a set of well-defined steps, each having its own relevance.

The processes detailed below are in specific reference to health insurance (hospitalization) indemnity products which form the major part of health insurance business.

The general process and supporting documents for a claim under fixed benefit product or critical illness or daily cash product etc. would be quite similar, except for the fact that such products may not come with cashless facility.