

Impact of Health Insurance Claim Settlement Procedures on Customer Satisfaction in Bangalore City

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Abstract – The purpose of the study is to understand the effect of health insurance claims procedure on customer satisfaction in Bangalore city. With the growing importance of health insurance as a provider of financial protection for medical expenses, satisfactory claims handling is crucial for both insurers and policyholders. The purpose of this study is to identify factors that influence customer satisfaction with health insurance reimbursement solutions and to identify areas for improvement. The research methodology is a combination of quantitative and qualitative approaches. Using a structured questionnaire, their perceptions and experiences of reimbursement procedures are compiled and communicated to health policy makers. The study examines various dimensions of health insurance claims processing procedures, including ease of filing claims, completion of the claims, transparency of communication and overall customer support. The study supports existing health insurance by providing empirical evidence on specific aspects of claims processing that have a significant impact on customer satisfaction. This finding will be useful for health insurance providers in the city of Bangalore to improve their claims process, improve customer satisfaction and retain policyholders.

Key Words: Health insurance, claim settlement procedures, customer satisfaction, claim process, customer support, policyholders.

1. INTRODUCTION

This study is done to understand the issues faced by the health insurance policyholders during a claim settlement procedure. In the absence of effective process and the health costs rising inevitably, people are facing issue to access general medication, quality treatment, diagnosis costs, it is difficult for the policy provider to provide the support and there are millions of clients how claim the insurances for the companies during the hospital admission and as we know for claiming the health insurance the patient has to be admitted for at least 24 to 48 hours. During the claim settlement process it takes at least 4 to 5 hours for the procedure to complete.

Third party administrators (TPA) as an intermediary were introduced by IRDAI through TPA's health services regulations notifications to address the issues mentioned above. TPA aims to settle health insurance claims between the hospitals and insurers. They try to solve issues during the claim settlement and also reduce the waiting period for the insurers in the hospitals. With the help of TPA we can understand the conceptualization need to consider the diverse effects across policyholders, contextual supports and TPA as an organization.

The research paper contains the problem statement, review of literature, research gap, hypothesis, objectives, scope, research methodology and data collection and limitations.

2.1 Problem Statement: The research will focus on the factors that influence claim settlement, such as claim processing duration, documentation requirements, and communication transparency and insurer reaction. The study will also look into the relationship between the

variables and customer satisfaction with the goal of identifying ways to improve customer satisfaction.

2.2 Review of Literature:

The study deals with qualitative data— views, opinions, and perceptions etc. of the people- which may vary from time to time. It analyses sources and level of awareness, factors affecting the selection of health insurance and particular company. It also studies the level of satisfaction of customers a study on customer perception towards health insurance in Ranny Thaluk, **Anjali Jacob, and December, 2018**. A customer centric claim settlement system goes a long way in mitigating the anxiety of patients. At the time of buying Health Insurance, a customer is assured that the Health Insurance Company (HIC) will take care of the medical expenses, in case of his hospitalization. But when such an eventuality happens, many times HICs go back on their words based on procedural non-compliance or because of some conditions written in fine prints. "Claim settlement: the moment of truth in health insurance" **Sanjaya Kumar Ghadai, Satya Narayan misra, Amarendra Ku Pattnaik July 2019**. The fact that complaints regarding health insurance claims are three times as numerous as those of life insurance claims suggests that claims behaviour of health insurers be investigated to minimize operating losses and ensure operational excellence. Study of variance and factor analysis has been undertaken to achieve the objective of identifying factors which govern claims in health insurance business. In order to understand the dependency of claims over the sectors and segments, statistical hypothesis testing along with cross tab analysis has been conducted. A study on factors influencing claims in health insurance business in India **T. Joji Rao, Krishan K. Pandey in may 2013**. The objective of the study is to assess customer satisfaction with the claim settlement process amongst health insurance policyholders in Pune, Maharashtra. Also, the

study aims to identify the potential areas of dissatisfaction and weaknesses in the claim management system. Assessment of Satisfaction Levels of Health Insurance Policy Holders with Claims Settlement Process in Pune, **Maharashtra Neha Ahire, Parag Rishipathak 2020**. Medicaid, the government program for providing health insurance to low-income and disabled Americans, is the largest health insurer in the United States with more than 73 million enrollees. It is also the sector of the US public health insurance system that relies most heavily on the tools of regulated competition with more than 60% of its enrollees enrolled in a private health plan in 2014 (CMS, 2016). Health Plan Payment in Medicaid Managed Care: A Hybrid Model of Regulated Competition **Timothy J. Layton, Alice Ndikuman , Mark Shepard. August 2018**. The researchers study is intended to measure the problems faced by customer after purchasing; during claim process, and receiving claim of the health insurance policy from different Public-Private health insurance companies. Primary data was gathered using detail customer survey in Patiala from 1st April 2010 to 30th June 2010. "Problems faced by the Health Insurance Policy Holders of Different Public and Private Health Insurance Companies for Settlement of their Claims **Jain, Pradeep; Mittal, Ella; Pahuja, Jyotsna Jun 2014**. Motor insurance, being one of the transportation insurance modes, is designed as a risk management instrument to guarantee policyholders' peace of mind. It plays a crucial role in safeguarding policyholders from financial losses that motor vehicles can cause ranging from loss of property, medical bills, legal fees, to loss of income. Claims, being the heartbeat of the workability of insurance, is the most critical contact influencer between the insuring public and the insurer. "CLAIMS SETTLEMENT AND RISK ATTITUDES: EVIDENCE FROM THE MOTOR INSURANCE POLICYHOLDERS **Sunday Stephen Ajemunigbohun, Folake Feyisayo Olowokudejo And Ismaila Adeleke**

2.3 Research Gap: The previous studies suggest that there is a lot of dissatisfaction for customers of patients about the way health insurance settlement are made. There have been very few studies which focuses on this gap to overcome the dissatisfaction. And there have not been much studies in Bangalore city. Hence this study is relevant.

2.5 Objectives of the Research:

- To examine and analyze the role of TPA in health insurance business in Bangalore.
- To identify the issues and challenges faced by the health insurance policy holders
- To suggest appropriate measures for improving the claim settlement procedures in health insurance
- To understand the customer's needs and wants

2.6 Scope of the Research:

Participants: The study will involve customers who have experienced the health insurance claim settlement procedure in Bengaluru City.

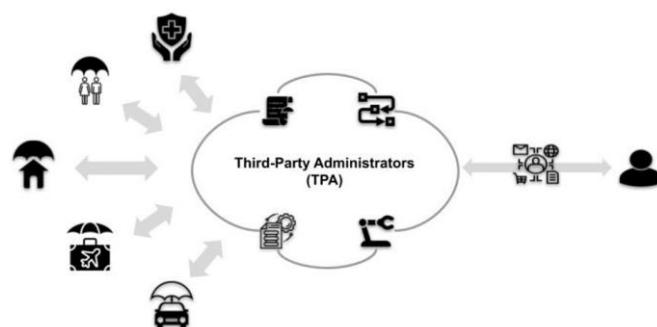
Geographical location: The study will be conducted in Bengaluru City, which is known for its high rate of health insurance penetration.

Data collection: The study will involve primary data collection through surveys and interviews with customers who have experienced the health insurance claim settlement process.

Statistical analysis: The study will use appropriate statistical tools and methods to analyze the data collected from customers.

Timeframe: The study will be conducted over a specific period, and the data collection process will be completed within that period.

Fig -1: the figure below represents Third Party Administration (TPA)



2.7 Need of the Research:

1. Enhancing customer satisfaction: The study will help to identify the factors that influence customer satisfaction in the health insurance claim settlement process.
2. Improving the quality of healthcare services: A positive customer experience can lead to improved healthcare outcomes.
3. Increasing trust in insurers: A smooth and efficient health insurance claim settlement process can increase trust in insurers and contribute to the growth of the health insurance industry in Bengaluru City.
4. Identifying areas for improvement: The study will provide insights into the areas that require improvement in the health insurance claim settlement process.

2.8 Research Methodology:

Research Design: The study will use a descriptive research design, which is appropriate for investigating the impact of health insurance claim settlement procedure on customer satisfaction.

Sampling Technique: The study will use a purposive sampling technique to select participants who have experienced the health insurance claim settlement process in Bengaluru City.

Data Collection Method: The study will use a combination of survey and interview methods to collect primary data from participants.

Data Analysis: The study will use both descriptive and statistical analysis techniques

Ethical Considerations: The study will adhere to ethical guidelines for research involving human subjects, including obtaining informed consent from participants, ensuring confidentiality, and protecting participant privacy.

Population: this study covers 90 patients from different hospitals

Sample design:

Sample size: 90

Sampling unit: Patients

Sampling method: Stratified Sampling

Method of data collection

Primary data and secondary data

2.9 Data Collection:

The two methods are:

Primary:

This process is the initial information gathering step, performed before anyone carries out any further or related research. Primary data results are highly accurate provided the researcher collects the information. However, there's a downside, as first-hand research is potentially time-consuming and expensive.

- The primary source of data collection is in the research is through a questionnaire sent to the patients.

Secondary:

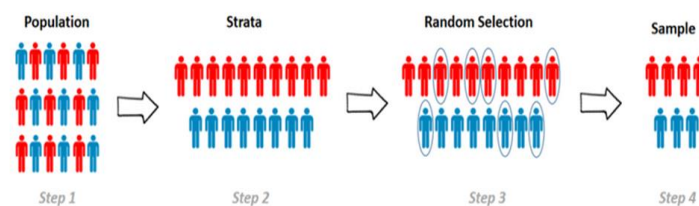
Secondary data is second-hand data collected by other parties and already having undergone statistical analysis. This data is either information that the researcher has tasked other people to collect or information the researcher has looked up. Simply put, its second-hand information. Although it's easier and cheaper to obtain than primary information, secondary information raises concerns regarding accuracy and authenticity. Quantitative data makes up a majority of secondary data.

- Literature reviews

Sampling type:

Stratified Sampling is the recommended sampling method for the study on the impact of health insurance claim settlement procedure on customer satisfaction in Bengaluru city. This method involves dividing the population into strata based on relevant characteristics, such as age, gender, income, education, or insurance provider, and then selecting a random sample from each stratum in proportion to the size of the stratum. This method allows for comparisons between subgroups and ensures that the sample is representative of the population.

Fig 2: the following figure represents the sampling type in the research which is used to collect data



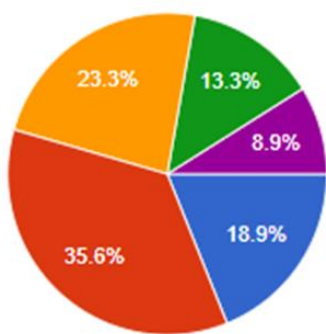
2.10 Questionnaire:

In questionnaire it contains 5 scale questions whether the patients are satisfied or not satisfied and it also contains yes or no questions.

1. How familiar are you with the concept of a Third Party Administrator (TPA) in the health insurance industry?

TABLE NO. 01

Particulars	Percentage (%)
Very familiar	18.9%
familiar	35.6%
Somewhat familiar	23.3%
Less familiar	13.3%
Not familiar at all	8.9%



INTERPRETATION:

Here 18.9% of the patients are very familiar with the discharge process in the hospitals, 35.6% are familiar, 23.3% of the patients are somewhat familiar and 13.3% of them are less familiar, 8.9% of the patients are not familiar at all.

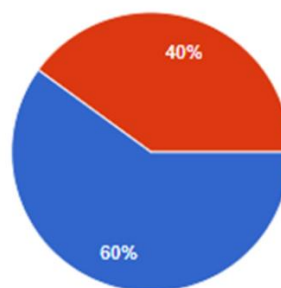
Here we can see that there are 35.6% of patients familiar with TPA in insurance company and 8.9% not familiar at all.

Fig 3: In the above table number 1 it presents the 5 scale were patients have said that they are familiar with TPA

2. Have you ever interacted with a TPA for your health insurance claim settlement?

TABLE NO. 02

Particulars	Percentage (%)
Yes	60%
No	40%



INTERPRETATION:

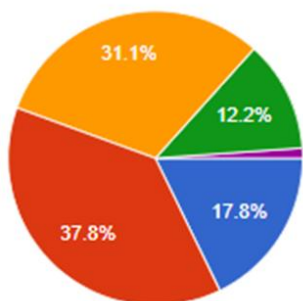
Here 60% of the patients have interacted with the TPA and 40% of the patients have not interacted with the TPA.

Fig 4: in the above figure table number 2 we can see the yes or no question were patients have said they have interacted with the TPA.

3. In your opinion, what are the benefits of involving a TPA in health insurance claim settlement process?

TABLE NO. 03

Particulars	Percentage (%)
Faster claim settlement	17.8%
Improved transparency	37.8%
Quick query response	31.1%
Better coordination between hospitals and insurance companies	12.2%
Other	1.1%



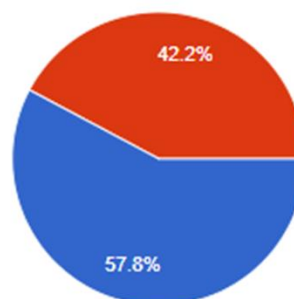
INTERPRETATION:

Here 17.8 % of patients have opted for faster claim settlement, 37.8 % have opted for improved transparency, 31.1% have opted for quick query response, 12.2% have opted for Better coordination between hospitals and insurance companies and 1.1% have opted for others. Here we can see that 37.8% of patients have opted for improved transparency and the 1.1% of patients have chosen others.

4. Have you faced any issues while dealing with a TPA for your health insurance claims?

TABLE NO. 04

Particulars	Percentage (%)
Yes	57.8%
No	42.2%



INTERPRETATION:

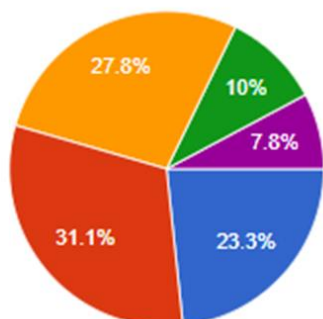
Here 57% of the patients have faced issues while dealing with a TPA for your health insurance claims and 37% had no issues while dealing with a TPA for your health insurance claims

5. How satisfied are you with the role of TPA in your health insurance claim settlement process?

TABLE NO. 05

Particulars	Percentage (%)
Very Satisfied	23.3%
Satisfied	31.1%
Somewhat satisfied	27.8%

Less satisfied	10%
Not Satisfied at all	7.9%



INTERPRETATION:

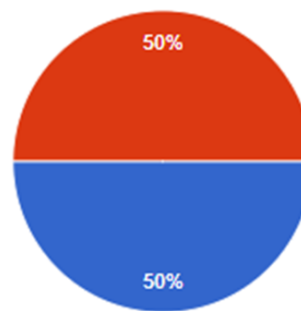
Here 23.2% of the patients are very satisfied with the role of TPA in your health insurance claim settlement process, 31.1% are satisfied, 27.8% of the patients are neutral and 10% of them are less satisfied, 7.8% of the patients are not satisfied at all.

Here we can see that there are 31.1% of patients are very satisfied with TPA in insurance company and 7.8% not satisfied at all.

6. Have you faced any challenges while filing a health insurance claim?

TABLE NO. 06

Particulars	Percentage (%)
Yes	50%
No	50%



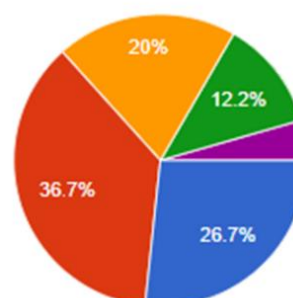
INTERPRETATION:

Here 50% of the patients have faced issues while while filing a health insurance claim and 50% had no issues while filing a health insurance claim.

7. How satisfied are you with the clarity of the policy terms and conditions provided by your health insurance company?

TABLE NO. 08

Particulars	Percentage (%)
Very satisfied	26.7%
Satisfied	36.7%
Neutral	20%
Dissatisfied	12.2%
Very Dissatisfied	4.4%



INTERPRETATION:

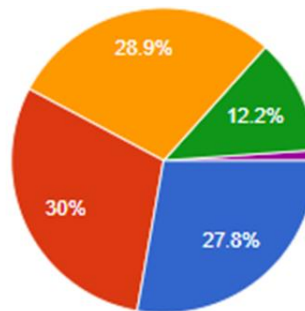
Here 26.7% of the patients are very satisfied with the clarity of the policy terms and conditions provided by your health insurance company, 36.7% are satisfied, 20% of the patients are neutral and 20% of them are less satisfied, 7.8% of the patients are not satisfied at all.

Here we can see that there are 36.7% of patients are very satisfied with the clarity of the policy terms and conditions provided by your health insurance company and 7.8% not satisfied at all.

8. What improvement do you think can be made to the health insurance claim settlement procedure?

TABLE NO. 11

Particulars	Percentage (%)
Streamlining the process	27.8%
Better communication with the customers	30%
Increased transparency	28.9%
More clarity on policy terms and conditions	12.2%
Others	1.1%



INTERPRETATION:

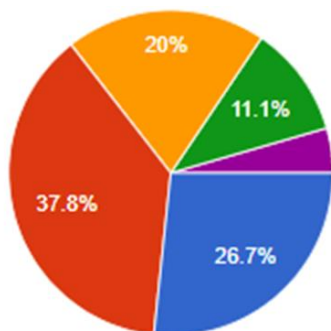
Here 27.8% have opted streamlining the operations, 30% have opted better communications with the customers 28.9% have opted for increased transparency, 12.2% have opted for more clarity on the terms and conditions, 1.1% have opted for others.

Here 30% have opted better communications with the customers and 1.1% have opted for others

9. How satisfied are you with the current settlement process in health insurance?

TABLE NO. 12

Particulars	Percentage (%)
Very satisfied	26.7%
Satisfied	37.8%
Neutral	20%
Dissatisfied	11.1%
Very dissatisfied	4.4%



INTERPRETATION:

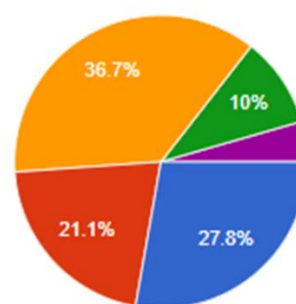
Here 26.7% of the patients are very satisfied with the current settlement process in health insurance, 37.8% are satisfied, 20% of the patients are neutral and 11.1% of them are less satisfied, 4.4% of the patients are not satisfied at all.

Here we can see that there are 37.8% of patients are satisfied with the current settlement process in health insurance and 4.4% not satisfied at all.

10. How satisfied are you with the health insurance policy you have purchased?

TABLE NO. 17

Particulars	Percentage (%)
Very satisfied	27.8%
Satisfied	21.1%
Neutral	36.7%
Dissatisfied	10%
Very dissatisfied	4.4%



INTERPRETATION:

Here 27.8% of the patients are very satisfied with the health insurance policy you have purchased, 21.1% are satisfied, 36.7% of the patients are neutral and 10% of them are less satisfied, 4.4% of the patients are not satisfied at all.

Here we can see that there are 36.7% of patients are neutral with the health insurance policy you have purchased and 4.4% not satisfied at all.

2.11: LIMITATIONS OF THE RESEARCH:

- Sample size: The sample size of the study may be limited, which may affect the generalizability of the findings.
- Selection bias: The participants may not be representative of the entire population of health insurance customers in Bengaluru City
- Time constraints: The study may be limited by time constraints, which may limit the depth of data collection and analysis.
- Limited scope: The study's focus is limited to the impact of health insurance claim settlement procedure on customer satisfaction and does not cover other aspects of the health insurance industry.

- Data quality: The data collected from customers may be subject to errors, inconsistencies, or missing values, which may affect the accuracy of the study's findings.
- The current research was confined to policy holder only who have availed cashless Claim and excluded reimbursement claim settlement.
- The present study focuses on cooperate health insurance policy holders only similar study Could be conducted on retail health insurance policy holders.
- To prevent misunderstandings and delays during the processing of health insurance claims, insurance companies should give patients and healthcare professionals clear and unambiguous information about their policies and benefits.
- Patients should be made aware of their rights and obligations as well as the process for settling health insurance claims. This may aid in shortening wait times and enhancing patients' experiences in general.
- The use of technology and process improvement initiatives are two last techniques that need to be studied further in order to determine which ones are the most successful for enhancing the health insurance claim settlement process.

2.12: Suggestions for the Research:

- To ensure that the health insurance claim settlement procedure is handled smoothly and effectively, hospitals should streamline it and dedicate enough resources.
- Hospitals should have a specific team that handles cashless discharges, and this team should be knowledgeable about handling problems with insurance policies and interacting with insurance providers.
- During the process of settling health insurance claims, hospitals should concentrate on enhancing communication between patients, healthcare professionals, and insurance companies. Electronic health records are one example of a piece of technology that can help improve coordination and communication amongst various parties.
- Both during the proposal stage and throughout the duration of the policy, the customer should have the choice to choose his TPA.
- When a claim is made, the agent is responsible for giving the policyholder the help they need as part of the post-sale service.
- At the time of claim settlement, the relationship between the policyholder and the customer needs to be strengthened and ongoing. Third-Party Administrators (TPAs) should work to increase policyholder understanding of their position and services.
- A strong working relationship is required between the insurer, TPAs, and network hospital. TPA, insurer, and network hospital must collaborate to streamline the claim

settlement process while keeping the client in mind.

In order to guarantee that patients receive timely and adequate care, the study has highlighted the necessity for a coordinated and effective health insurance claim settlement process. To simplify the discharge procedure and guarantee that patients receive the best treatment possible, hospitals, insurance companies, and patients must collaborate.

3. CONCLUSIONS

In this study we can understand that there are a lot of factors which affect the customer satisfaction. The policy holders want a simple process so that the waiting time is reduced and process does not have to be prolonged but as TPA follows a standard procedure it will be difficult for them to assist everyone as there are millions of claims in a day. The study shows that due to this there are many factors which affect the process and the evolution of the phenomenon has to take place. Both the insurer and the insured may experience considerable effects from the settlement of a health insurance claim. A prompt and equitable settlement of claims can offer financial relief to the insured and guarantee access to essential medical care. On the other hand, for the insurer, successful claim resolution can raise client satisfaction and loyalty while lowering the danger of legal action and reputational harm.

However, the process of settling a claim can sometimes be difficult and drawn out, particularly when there are significant financial stakes or disputed medical procedures. This may lead to claims being delayed or rejected, which can be upsetting for the insured and have a bad effect on their health results.

Overall, it is critical for a health insurance claim settlement procedure to be well-designed and effective.

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