Health Insurance

Claims Management

Dr. Muhammad Mustafa
Allianz EFU Health Insurance Limited

Allianz
efu

Agenda

- Definition of Claims Management
- Claim Types
- Claims Management Process
- Top 5 Reasons for Claims Denials & Deductions
- Challenges for Claims Management
- Tips for effective claims management

Allianz (ll)

efu

Definition of Claims Management

- The fulfillment by an insurer of its obligation to receive and act on a claim.

- Involves multiple administrative processes such as review, investigation, adjudication, payment or denial of a claim.

Types of Health Insurance Claims

Network Hospital Claims

- Received from Hospitals on Panel of Insurance Companies
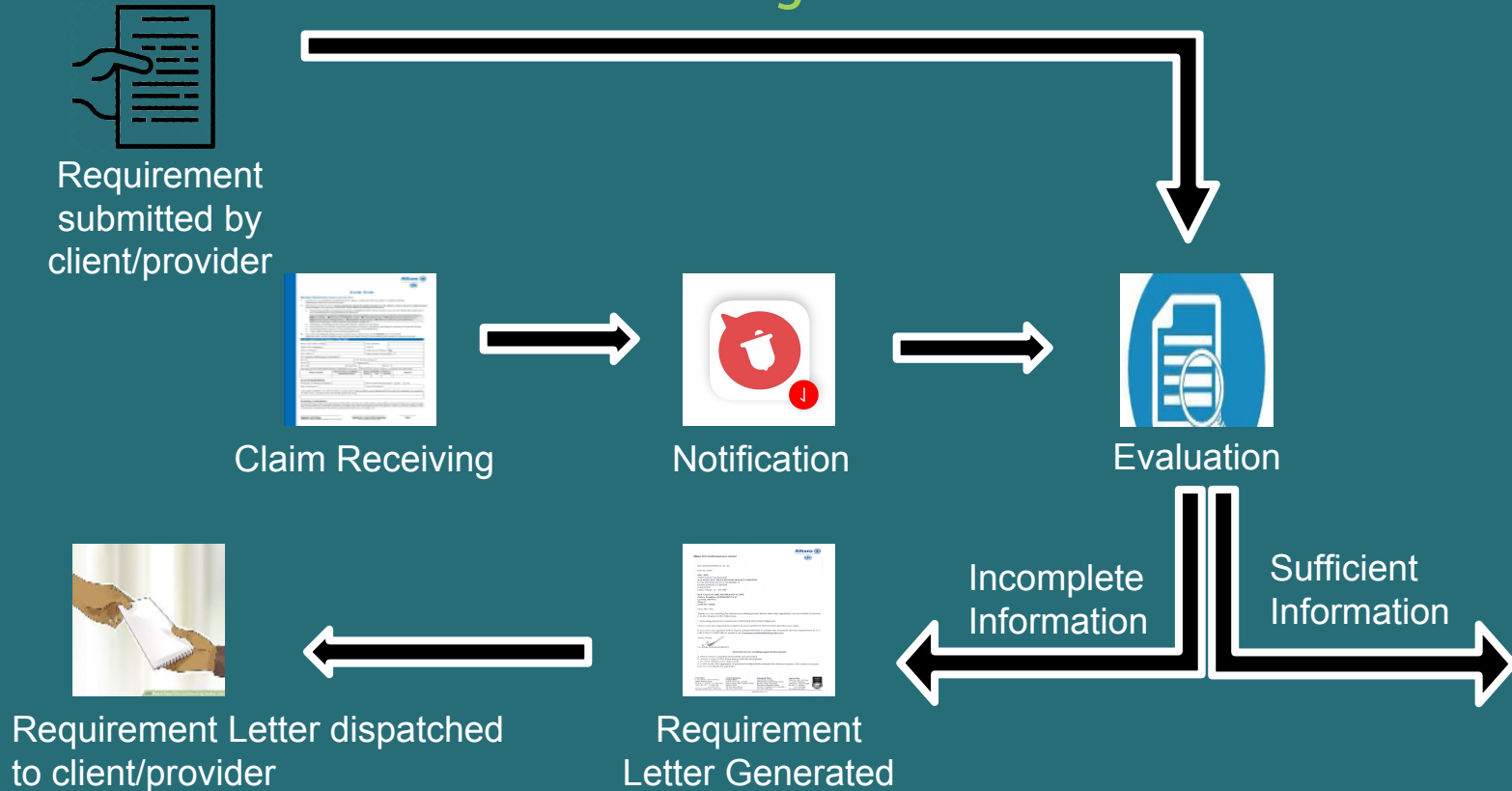- Pre-authorized or pre approved by insurer

Reimbursement Claims

- Received from Insured member after taking treatment
- Evaluation and verification after receiving claims
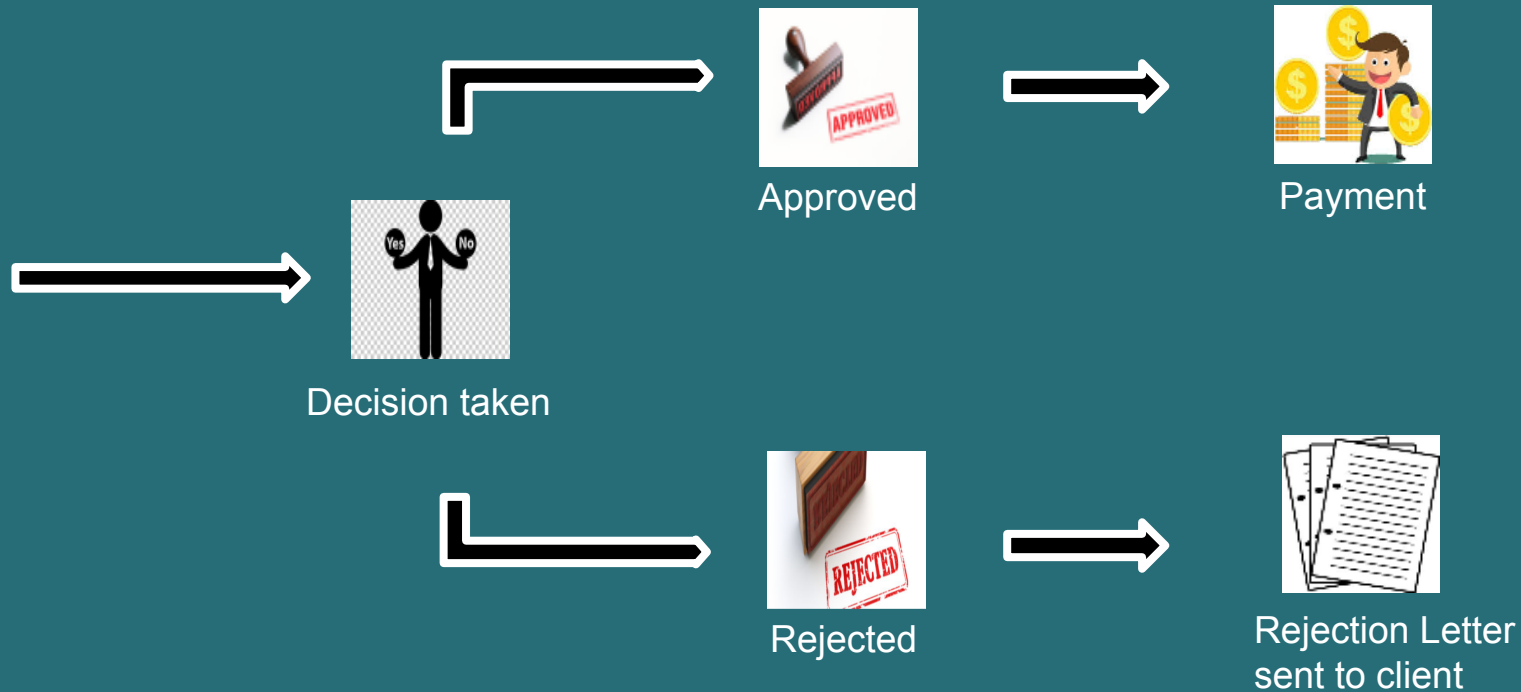
Allianz
efu

Network Hospital Claims VS Reimbursement Claims

- Medical details are available
- TAT is usually longer
- Average cost per claim is less
- Moderate level user expertise required
- Requirements are readily fulfilled
- Have no direct impact on client-insurer relationship

- Medical details not always available
- TAT is short
- Average cost is more
- Advanced level user expertise required
- Requirements are not readily fulfilled
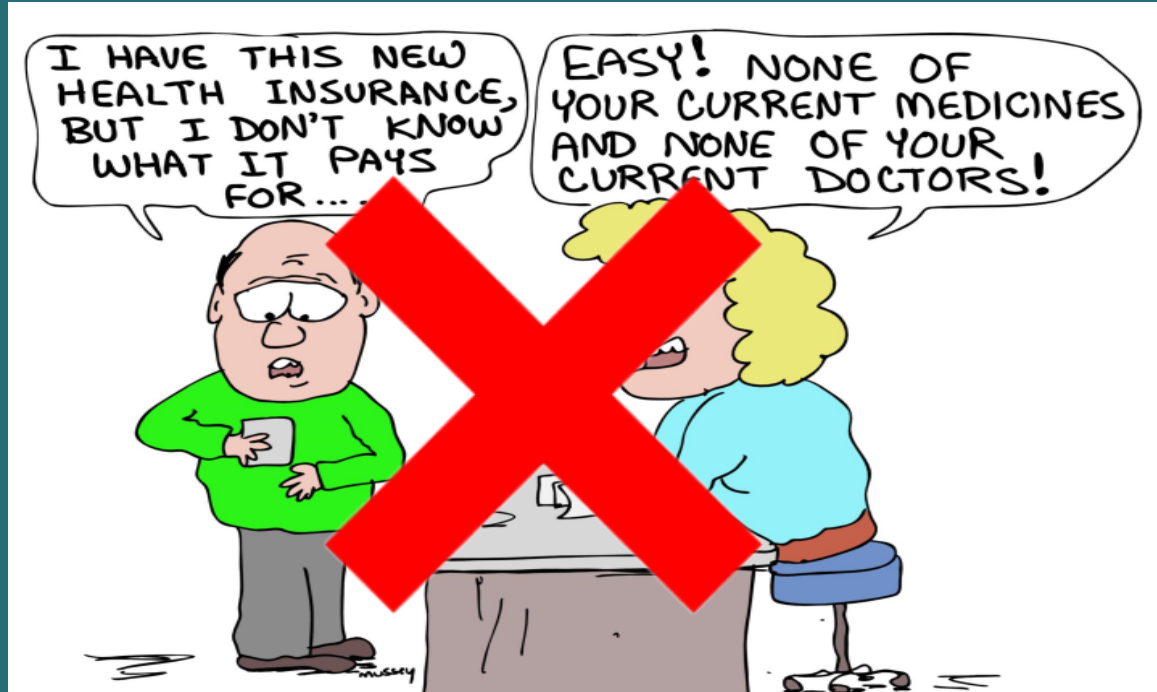- Have direct impact on client-insurer relationship

Allianz
efu

Claims Management Process

Approved

Payment

Decision taken

Rejected

Rejection Letter
sent to client

Allianz efu

Claim Rejection/Denial

Top 5 Reasons for Claim Rejection

❑ Admissions which are not medically necessary

❑ Pre-existing Disease.

❑ Exclusion

❑ Policy not effective at the time of treatment.

❑ Incorrect Details on the claim form.

Allianz ⑪

efu

Reasons for Claim Deductions

- ❏ Excess services.

- ❏ Irrelevant tests and medicines.

- ❏ Costs of consumables and non medical goods

- ❏ Items purchased before policy inception or after policy expiry

- ❏ Charges in excess of reasonable and customary charges

Allianz ⑪

efu

Claims Management - Challenges

Rapid Advances in
Medical Technology

High I.T Costs

High Customer Demand

Lack of Law/
Regulation

Fraudulent Claims
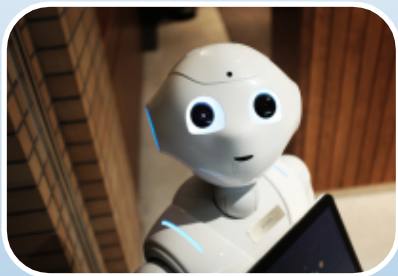
Claims Management - Challenges

Rapid Advances in Medical Technology

Up to date information necessary:

✓ Stem Cell Therapy

✓ Genetic Testing

✓ Endoscopy Capsule

✓ Robotic Surgery

✓ Artificial Pancreas

Claims Management - Challenges

High I.T Costs

Allow user to:

✓ Input/process claim with ease

✓ Good rules engine with built in logics

✓ Accurate

✓ Secure

✓ Scalable

Mainframe Solutions vs Cloud Computing

Allianz ⑪

efu

Claims Management - Challenges

High Customer Demands

Paying a claim is not enough!

✓ Cell phone apps
✓ Online claim submission
✓ Real time clam tracking

Allianz ⑪

efu

Claims Management - Challenges

Lack of Legislation and Regulations

- ✓ Essential Services
- ✓ No Standard Fees
- ✓ Medicines w/o Prescriptions
- ✓ No Documentation

Allianz ⑪

efu

Claims Management - Challenges

Fraudulent Claims

A. By Claimant

- Exaggerating the amount of the claim
- Creating an incident that never took place
- Medical identity theft

B. By Provider

- Unnecessary Treatments/Services
- Billing for services that did not take place
- Over charging patients
- Falsifying Diagnosis

Allianz 🔾

efu

Effective Claims Management

1. Robust data organization and analysis
2. Documentation and recording each task
3. Use of auto adjudication tools
4. Raising red flags for suspicious claims
5. Promoting customer involvement

Allianz (il)

efu

There was a very cautious man
Who never laughed or played
He never risked, he never tried,
He never sang or prayed.
And when he one day passed away,
His insurance was denied,
For since he never really lived,
They claimed he never really died.

Anonymous

Allianz ⑪

efu