

## HEALTH INSURANCE CLAIMING PROCESS–AN OVERVIEW IN INDIA

Dr. Datturaya Shivaraj

Department of studies and research in Economics, Gulbarga University, Kalaburgi

Email: [datturaya62@gmail.com](mailto:datturaya62@gmail.com)

### ABSTRACT:

A family and an Individual can lead a peaceful life when they live a healthy life without having to worry about any unexpected medical issues. Unexpected medical needs may adversely effect on financial commitments, leads to immediate cash flows and claim in right time. This savings are achieving our long term financial goals, So Health insurance overcomes such limitations. This health insurance will help in maintaining the good health without disturbing the financial stability. Health insurance policies are available that offer both individual and family coverage. With health issues becoming more complex in nature now-a-days it has become a necessity to plan for your health.

**KEY WORDS:** Health Insurance, Insurance Claim process, Hospitalization

### INTRODUCTION:

The health insurance concept was started in the year 1694, but in India it was launched in the year 1986. This policy is contract between an Individual or Family and a health insurance company. This type of health insurance policy covers your medical expenses when you got accidents, by this benefits a family can lead a peaceful life when they live a healthy life without having worry. A life is an unexpected activity process, so health insurance can make it safe and secure from huge financial loss of a family. This insurance will help in maintaining the good health to reassuring the financial stability. Now-a-days it has become a necessity to plan for your health.

India has achieved a lot in terms of health insurance, over the last 70 years. Before independence in India health condition was very critical and hazy. People were suffering from many infectious diseases because of Indian economy and affordable of Medicine availability. After independent India made considerable progress has been improving the health status of the country, but still India is behind of developing countries such as Shri Lanka, China and Vietnam in health indicators condition. Now people are aware about health insurance.

Since from 1991 the New Economic Policy and Liberalization is followed by the Indian government paved the way for privatisation of health insurance sector in the country. In Indian parliament the Insurance Regulatory and Development Authority (IRDA) passed the bill is the important beginning of changes having significant implications for the health sector.

### OBJECTIVES OF THE STUDY:

1. To identify the benefits of health insurance.
2. To know an overview of health insurance in India.
3. To understand health insurance claim process in India

### METHODOLOGY:

The study is based on secondary data. Data is collected from sources like working papers, journals, articles and internet etc.

### LITERATURE REVIEW:

**K. Swathi and R. Anuradha (2016)**<sup>1</sup>the study is based on Increasing healthcare costs can punch a big hole in patient's pocket. Paying a small health insurance premium is the simplest way to mitigate the financial losses and to achieve peace of mind. Avail health insurance to save you from worries of hospitalization.

**J. Anita (2008)**<sup>2</sup>this study is explain that Health insurance is like a knife in the surgeon's hand it can save the patient, while in the hands of the quack, it can kill. In the future health insurance will rapidly develop and people get major benefits from health insurance companies.

**Dr. S.A. Senthil Kumar and R. Ramamoorthy (2013)**<sup>3</sup>this paper only based on theoretical and secondary data, The government to provide universal access to free / low cost health care insurance for the public to live

without worry. This scenario, the challenge, then for Indian policy makers to find way to improve upon the existing situation in the health sector and to make valid, affordable and quality health care accessible to the people.

**Jyoti PrakashRath and Dr. Maheshwar Sahu (2017)**<sup>4</sup>the study has reviewed on during the post privatization era, insurance sector has reported steady development in insurance penetration from 0.56 per cent in 2001 to 0.80 per cent in 2013. Government health insurance schemes are specifically designed for lower income group people where as private and standalone health insurance Company proves costly. Gross and net direct premium income in the sectors of health insurance in India was enhanced sharply since 2005-06. Many international companies are looking forward to take the advantages of liberalization and came to India in joint venture tie up to hold insurance business in India.

**Preeti Singh & Timira Shukla (2018)**<sup>5</sup>it is apparent that for a country where over one-third of the population is below the poverty line some type of insurance mechanism are urgent. The awareness and facts about the health insurance should be a major part of health education and public social campaigns from time to time. Here tested several hypotheses and it has been observed that health insurance has been ignored by the people for several reasons. Family income is not a reason for such obstruction. There is a lack of awareness of usefulness of such schemes. While life insurance is considered by the respondents because there is an end value which they receive after a number of years, health insurance cannot be perceived in the same manner.

**Definition:** According to the Health Insurance Association of America, health insurance is defined as "coverage that provides for the payments of benefits as a result of sickness or injury. It includes insurance for losses from accident, medical expense, disability, or accidental death and dismemberment".

#### **Economical Burden:**

It is common in most of the families of India that men suffer from many diseases for want of a simple prostrate operation, or from premature blindness that is easily rectifiable by a cataract extraction procedure; many middle aged women suffer from excessive bleeding because of a diseased uterus that could be removed by an inexpensive operation. Many children are dying of appendicitis, another easily curable condition. It is also fact that poor households spend a larger percentage of their budget on healthcare, and the major chunk of the healthcare budget of families go to earning/male member of the family, followed by children and only then women. By the time he / she have to go to a larger city hospital for the procedure he / she would be already in debt. It is also clear that cost-related problems in accessing prescription drugs are disproportionately borne by the poor, the sick and the uninsured.

Most of the people of lower income group without health insurance are forced, financially, to go without the prescription drugs they need. These circumstances make it clear that it is the capacity of poor people in both urban and rural areas to pay for simple medications that need attention. The implications are clear that any self-financed health insurance scheme for rural and urban poor would have to be based on low premiums but at the same time provide benefits for medicinal treatment, surgical procedures and hospitalization expenses, as well as cover all of the costs associated with that procedure. The only solution to this problem is to create a really large health insurance scheme, where the law of large numbers would overcome the basic financial problem.

#### **WHY HEALTH INSURANCE?**

Health insurance protects the family from risk and it provides financial securities to a person or family to get Medicare when they are in illness. Health insurance benefits are as following

##### **1. Safeguard Your Finances and Avail Tax Benefits**

This policy helps in meeting the unpredictable health care expenses so that the savings are not disturbed. The health insurance premiums paid are considered to avail tax benefits.

##### **2. Don't Pay for Your Hospitalization:**

The Insurance Company can pay medical expenses on behalf of the policy holders. It means financial benefit to the patients as they do not pay out of pocket. Health Insurance Company relieves the patient from unnecessary mental burden and allows him to concentrate on recovery.

### 3. Get Allied Benefits

Certain progressive insurance companies offer benefits that are generally not associated with health insurance policies. Some such benefits are as follow

- Tie-ups with health service providers.
- Consultation with nutritionists.
- Free Consultation with doctors.
- Free health check-ups of patient.
- Discounts Coupons on healthcare services in particular hospitals.

### HEALTH INSURANCE PLANS IN INDIA:

#### 1. Family Floater Health Insurance:

In a Family floater health insurance policy plan, more than one member can be covered under the same policy plan. A health insurance plan is starting to invest for life goals. While you getting one, you need to decide if you should an individual health plan or a family. All members of a family will not suffer from disease at the same time but somebody will get illness. In this type of circumstances Family health insurance plan is a policy which covers entire family in one health insurance plan. It covers pre and post hospitalization expenses of a family.

#### 2. Critical illness plans:

It is a serious health condition that has a making weakness effect on an individual's lifestyle and required huge amount to treatment. Now-a-days people are suffering from critical illness like heart-attack, cancer, kidney problem, infectious illness etc. These diseases cost high when compared to other day-to day medical needs. Critical diseases plans pay lump sum amount on diagnosis of covered critical diseases and medical procedures.

#### 3. Senior Citizen Health Insurance:

Old age people require protection for health issues. Senior citizen will get health insurance plans for old age, and people to receive medical benefits. Senior citizens red carpet health insurance policy for Senior citizens aged between 60 to 75 years and higher sum insured coverage upto Rs.10 Lakhs.

#### 4. Maternity Health Insurance:

Women medical facilities are necessary pre and post-delivery. This insurance provides coverage for maternity and other additional expenses. The maximum health cover on Maternity health insurance plan is Rs 10 lakh. This plan mainly provides coverage up to Rs 15000 for normal delivery and Rs 25000 for a caesarean delivery. It covers the first year vaccinations expenses for your new born.

#### 5. Hospital daily cash benefit plans:

Daily hospital cash plan provides a huge amount in case of hospitalization and this amount can be used as per the liberty of the insured. He can use the money for meeting such additional expenses or for even compensating the loss of income during the period of hospitalization.

#### 6. All Pre-Existing Disease Cover Plans:

A pre-existing illness is basically a condition, symptom, or ailments that you know your parents are suffering from or any past hospitalisations. People suffer from many different diseases, so to claim medical benefit for such diseases Pre-existing disease cover plan is suitable. All Pre-Existing disease cover plan provides coverage against diseases that policy holder had before buying health policy.

#### 7. Hospitalization:

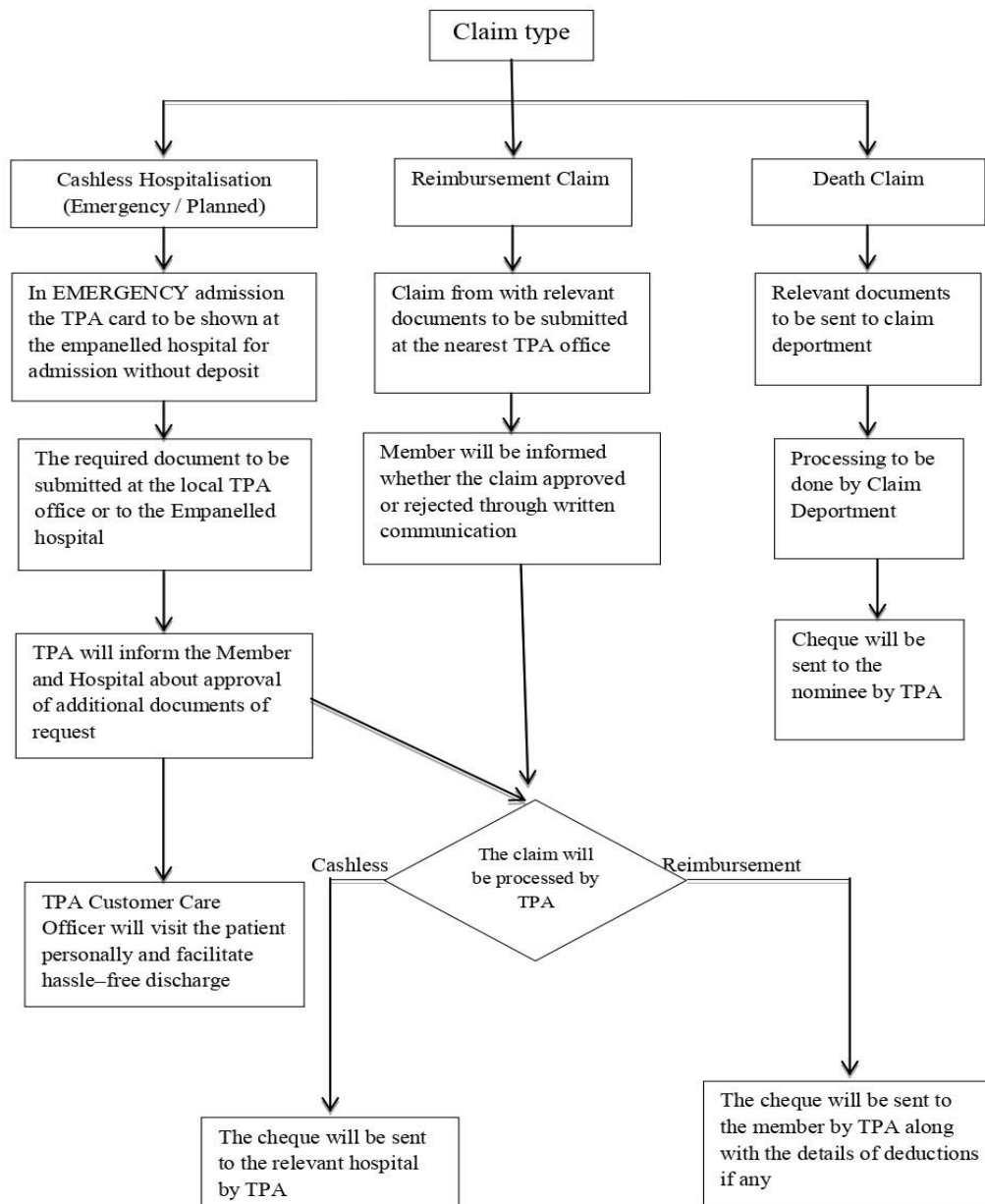
It is admission to hospital for illness treatment, Hospitalisation plans are loss compensation plans that pay the cost of hospitalization and medical cost of the insured subject to the sum assured.

#### 8. Disease specific special plans:

Disease specific special plans are introduced due to growing occurrence of viral diseases like malaria, dengue, bird flu etc., in India which has become a cause of concern. It provides aid based on medical needs, behavioral and life style factors associated with such conditions.

## YOU CAN FILE A HEALTH INSURANCE CLAIM IN THE FOLLOWING WAY:

Figure 1: Health Insurance claim process in India

**Cashless:**

These health insurance policies are designed with the one intention of providing the much-needed financial relief to the policyholder at the crucial time of hospitalization. It is an arrangement of the insurance companies and their network hospitals, where the claims are settled without involving the insured. Every insurance company has its network of hospitals where cashless treatment is given to policyholders.

- **Reimbursement:**

In the event that an insured is hospitalized in any hospital / nursing home (within India) as defined in the policy and pays the treatment expenses at the time of discharge, he / she needs to file a claim with Chola MS for the amount due under the policy. In case you admit in a hospital, which is not in the list of network

hospitals of the insurance company, you will have to make all payments on your own and then approach the insurance company for reimbursement.

- **Death Claim**

For registering a death claim, the insurer will require the nominee to provide multiple documents to support the claim being raised and relevant documents to be sent to claim department then processing to be done by Claim Department. Finally Cheque will be sent to the nominee by TPA.

#### **AN OVERVIEW OF HEALTH INSURANCE IN INDIA:**

In India hospital admissions about 47% in rural areas and 31% in urban areas respectively, were financed by loans and sale of assets this reported by WHO statistics, It says, 3.2% Indians will fall below the poverty line because of high medical expenses. About 70% of Indians spend their entire income on healthcare and buying drugs. The high cost of medical expenses induced the public to think about health insurance plans. Health is important without any medical coverage people use their earnings and assets to cover medical costs. Affordable health insurance plan has made people aware of the benefits they can avail by buying various health insurance plans. The cost of treatment has been on rise in India and it has led to inequity in access to health care services. India spends only 1.02% of its GDP (2015-16) as public expenditure on health. Per capita public expenditure on health in nominal terms has gone up from Rs 621 in 2009-10 to Rs 1112 in 2015-16. The Centre: State share in total public expenditure on health was 31:69 in 2015-16. The share of Centre in total public expenditure on health has been declining steadily over the years except in 2017-18. Health insurance in India is a growing segment. Yet, it hasn't taken off fully and several measures are needed to improve and expand insurance coverage. In the country health insurance pays for only inpatient hospitalization and for treatment at hospitals in India. In 2000 government of India liberalized insurance and allowed private players into the insurance sector. The advent of private insurers in India saw the introduction of many innovative products like family floater plans, top-up plans, critical illness plans, hospital cash and top up policies. Out of 437,457 persons covered under insurance, 79% were covered by public insurance companies, with the remaining being covered by private insurance companies.

#### **SUGGESTIONS:**

1. Health care insurance companies should give right information to the rural and illiterate people; these insurance schemes should be easily affordable to every status people and build good relation with them.
2. Health insurance companies should still conduct awareness programs to inform the people regarding insurance benefits.
3. Private companies are ruling for profit maximisation oriented because they should be customer oriented like government health insurance companies.
4. According to the present scenario Insurance companies should introduce new health insurance scheme for the welfare of the public.

#### **CONCLUSION:**

Now-a-days people are spending their maximum income for health care, so to reduce of hospitalisation expenses their aware about health insurance schemes in India. Paying a small health insurance premium is the easy way to reduce the financial losses and to achieve peace of mind. Best Health insurance schemes to save yourself from worries of hospitalization.

#### **REFERENCES:**

1. K.Swathi and R. Anuradha –“Health Insurance in India-An Overview”,*IOSR Journal of Business and Management* ISSN: 2278-487X, p-ISSN: 2319-7668 PP 49-52 2016
2. J. Anita –“Emerging Health Insurance in India – An overview”, 10th Global Conference of Actuaries 2008
3. Dr. S.A. Senthil Kumar and R. Ramamoorthy – “Health Insurance Market in India – The Way Forward”, ISSN 1930-2940 Vol. 13:4 April 2013
4. Jyoti Prakash Rath and Dr. Maheshwar Sahu –“A Study on growth and development of health insurance in India in the post privatization era” ISSN- 2350-0530(O), ISSN- 2394-3629(P) Vol.5 (Iss.3): March, 2017
5. Preeti Singh & Timira Shukla – “Penetration of Health Insurance in India: Reality or Mirage?” *Research Journal of Business Management* · January 2018

6. <https://cdn.downtoearth.org.in/pdf/NHP-2018.pdf>
7. <https://www.uniassignment.com/essay-samples/health-social-care/the-concept-of-health-insurance-in-india-health-and-social-care-essay.php>