

# Cashless claims in Health Insurance

One of the biggest reasons for low insurance penetration in India is a lack of awareness and understanding about insurance products. The insurance industry offers various products that provide financial protection to a person in case of unforeseen risks arising out of such products, is health insurance. Health insurance is a product that protects a person against unforeseen medical emergencies and gives mental peace and financial safety. The idea that one has a safety net to fall back during an emergency is quite comforting, which makes claims arguably the most important experience in the insurance journey of a customer. Insurers understand the criticality of claims and relentlessly work to improve the claims experience of their customers. The customer can make claims easily in two ways, reimbursement claims and cashless claims, and it is always advantageous to go for a cashless claims settlement. As the name implies, you won't have to pay anything from your pocket for cashless claims, as long as your policy covers the event, and the claim amount is within

the admissible limit. Cashless claims settlement makes the entire process of hospitalization hassle-free and smooth. Let us quickly see how the process works for health insurance.

How cashless claims settlement process works? In case of hospitalization, search for a network hospital in your vicinity, and inform the insurance company about the hospitalization. While going to the hospital, carry your Health-IDCard, or your health insurance policy and a valid government photo ID. Typically, all hospitals have an insurance desk manned by Third-Party Administrator (TPA) or a representative from the insurance company who will assist you with the entire claims procedure. You will have to fill in some basic details in the pre-authorization form given by the TPA desk, the TPA or insurance company representative will help you fill in the details. Once you fill out the form, you can submit it to the nearest through the insurance desk at the hospital, they will attach all relevant documents, like a doctor's note, for processing to the insurance company.

Based on the terms and conditions of the policy, you will get initial approval from the insurance company so that the treatment can begin. As the treatment progresses over the course of hospitalization, you will get stage-wise approvals, followed by a final approval just before the discharge. You will get a letter clearly stating the extent of liability of the insurer; you will get the details of what is admissible and payable and what is non-admissible. You can simply pay the amount that falls under your liability and walk out of the hospital.

With the rise of digitalization and increased use of technologies like AI, Blockchain, and RPA, by insurers, the entire process of cashless claims settlement has become far more customer-centric.

Today, insurers are utilizing various digital tools in their claims settlement process to enhance customer experience and offer a swift resolution to customers during their stay time of need. Details to keep in mind? Please note that cashless settlement is available only in network hospitals; also

benefits like discounts on health not covered by insurance policy can be availed in a network hospital. Most importantly, do check if your policy has a room rent capting or a type of room defined. Usually, the room rent limit is mentioned up to a certain percentage of the sum insured, or as an absolute limit. A few policies state the type of rooms, like twin sharing rooms, single private rooms or semi-private rooms. Try to get a room that is within the room rent capting as per the policy. If one does not take into account the room rent clause, then the person will have to pay the difference amount. Also, the difference amount gets applied to all associated medical expenses. In the same ratio in which the room rent limit has been exceeded, this is called Proportional Deductions.

The reason for this proportional deduction is simple, various charges like doctor visits, operation charges or tests are directly associated with the room rent and can vary depending on the category of room selected. This small but crucial point makes a huge difference in the overall amount that

the insured has to bear. Furthermore, if you have a top-up or a super-top-up policy (where the TPA or the insurer representative about it. In case, your bill exceeds the base policy limit you are in a position to immediately claim from the top-up policy without any worry).

Cashless claims settlement is always better, as it takes you the burden of collecting the bills, keeping them safe, filling out the forms and going to the insurer. Here the insurer is actively involved from the time you enter the hospital till the time your claim is paid. It also removes a big burden from your shoulders since in case of an emergency you need not worry about arranging a huge sum to pay the bills. So, next time when you find yourself stuck in a medical emergency, search for the nearest network hospital and enjoy the benefits of cashless claims settlement!

By: Anshikh Sethi  
Head Insurance - Private Bank & NBFC,  
Haji Ali Star General Insurance