

## School of Business

### Master of Business Administration MBA Dual Specialization Semester End Examination - Aug 2024

Duration : 180 Minutes  
Max Marks : 100

#### Sem IV - MBHC6010 - Health Insurance

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Demonstrate the tax deductions or exemptions associated with premiums paid for medical insurance policies. K3(6)
- 2) Imagine you're a small business owner of ayurvedic skin care cream exploring options for providing health insurance coverage to your employees. What are the main types of health insurance plans available for small businesses, and how do you decide which plan best meets the needs of your employees while remaining cost-effective for your business? K4(8)
- 3) As a young couple planning to start a family, how would you evaluate the benefits and drawbacks of opting for a high-deductible health plan (HDHP) paired with a health savings account (HSA) versus a more traditional health insurance plan with copayments and lower deductibles, considering both short-term and long-term financial implications? K4(8)
- 4) Analyse intermediaries (Brokers and agents) contribution in facilitating transactions between insurance companies and consumers, and what value do they bring to both parties? K4(4)
- 5) In Adarsh hospital, a patient is admitted under the Third-Party Administrator (TPA) scheme, which involves the patient's medical expenses being covered by their insurance provider. However, the hospital faces challenges with documentation requirements for TPA patient admission and discharge, leading to inefficiencies and delays in processing insurance claims. Upon admission, the hospital encounters instances where TPA patients provide incomplete or inaccurate personal and insurance information, complicating the documentation process. The hospital experiences delays in verifying TPA coverage and obtaining authorization for procedures due to inefficiencies in communication between hospital staff and TPA representatives. Hospital staff encounter challenges in accurately documenting medical procedures, treatments, and discharge summaries for TPA patients, leading to discrepancies and claim rejections by insurance providers. K3(9)

Questions :

a) How can Adarsh Hospital improve communication between hospital staff and TPA representatives to expedite the verification process and reduce delays? (4 marks)

b) What are the consequences of delays in verifying TPA coverage and obtaining authorization for procedures in Adarsh Hospital? (5 marks)

- 6) The Rashtriya Swasthya Bima Yojana (RSBY) is a government-sponsored health insurance scheme in India aimed at providing financial protection to below poverty line (BPL) families against high medical expenses. However, instances of corruption and fraudulent practices by intermediaries have been observed, where ineligible individuals are enrolled in the scheme to inflate enrollment numbers and claim more funds from the government. In a rural district of Uttar Pradesh, where poverty is widespread, the local administration implements the RSBY scheme to provide health insurance coverage to BPL families. However, corrupt officials and intermediaries exploit loopholes in the system to fraudulently enroll ineligible individuals, thereby misappropriating government funds intended for the welfare of the truly needy. Mr. Khan, a corrupt intermediary appointed by the local administration to facilitate RSBY enrollment, colludes with village-level officials to manipulate the enrollment process. Under Mr. Khan's direction, village-level officials are instructed to enroll individuals who do not meet the eligibility criteria for RSBY benefits, such as individuals who do not belong to BPL families or who are not residents of the designated area. In exchange for their cooperation, these officials receive kickbacks or other forms of illicit compensation from Mr. Khan. Together, they manipulate enrollment records, falsify documents, and submit fraudulent claims to inflate enrollment numbers and siphon off government funds allocated for the RSBY scheme.

K5(10)

Questions :

a) Interpret the consequences of fraudulent enrollment practices on the financial sustainability and public perception of government-sponsored health insurance schemes like RSBY. (5 marks)

b) Determine strategies for enhancing the integrity and effectiveness of the RSBY scheme while mitigating corruption risks and ensuring equitable access to healthcare for BPL families in Uttar Pradesh. (5 marks)

- 7) Insurance policies often come with predefined coverage limits, which may not always suffice to meet the potential financial risks individuals face. However, purchasing higher coverage limits on primary policies can result in higher premiums. Top-up insurance policies offer a solution by providing additional coverage beyond the limits of the primary policy, often at a lower premium cost. In the bustling city of Mumbai, Ms. Rao, a 40-year-old marketing executive, is concerned about protecting her family's financial future against unforeseen medical expenses. While reviewing her health insurance options, Ms. Rao discovers the concept of top-up insurance policies. Ms. Rao explores top-up insurance policies and learns that they offer an affordable way to enhance her health insurance coverage without significantly increasing her premium costs. Intrigued by the potential cost savings, she decides to

K5(10)

explore this option further. After comparing various top-up insurance plans available in the market, Ms. Rao identifies a policy that offers significant coverage enhancements at a fraction of the cost of purchasing higher coverage limits on her primary health insurance policy. She decides to purchase the top-up policy to augment her existing coverage and provide additional financial protection for her family.

Questions :

a) Determine the benefits of top-up insurance policies compared to purchasing higher coverage limits on primary policies. (5 marks)

b) Assess the factors that motivated Ms. Rao to consider purchasing a top-up insurance policy. (5 marks)

- 8) ICICI Lombard receives a claim for a death benefit worth Rs. 2 crore from the nominee of a policyholder who allegedly passed away due to natural causes. However, upon conducting a preliminary investigation, the insurance company discovers discrepancies and inconsistencies in the documentation provided to support the claim. Suspecting potential fraud, the insurance company launches a comprehensive investigation to verify the authenticity of the death and the validity of the claim.

K5(15)

As part of the investigation, the insurance company examines medical records, death certificates, police reports, and other relevant documents to corroborate the circumstances surrounding the alleged death. Additionally, the insurance company conducts interviews with family members, witnesses, and healthcare providers to gather additional information and evidence.

Upon further scrutiny, the insurance company uncovers several red flags indicating possible foul play, including discrepancies in the reported cause of death, inconsistencies in witness statements, and suspicious financial transactions involving the policyholder's accounts. Based on the findings of the investigation, the insurance company concludes that the death claim is fraudulent and decides to take appropriate action to protect its interests and prevent financial losses.

Q1: What specific discrepancies and inconsistencies in the documentation provided for the death claim raise suspicion of potential fraud by the insurance company? (8 marks)

Q2: What steps can the insurance company take to conduct a thorough investigation into the legitimacy of the death and the validity of the claim, and what resources and expertise are required to gather relevant evidence and information? (7 marks)

- 9) Nidhi Hospital has been a prominent healthcare provider in Ahmedabad, offering a range of medical services to patients in the region. The hospital has a history of providing quality care and adhering to ethical medical practices. Ms. Chandresh Patel was admitted to Nidhi Hospital with complaints of fever, abdomen pain, body aches, and headache. Upon examination, doctors ordered a USG scan of the whole abdomen to investigate her symptoms further. The USG report revealed the presence of multiple calculi in

K6(18)

the gallbladder, indicating a potential cause for her abdominal pain and discomfort.

Throughout Ms. Patel's hospitalization, the medical team provided appropriate treatment and care, with the intention of alleviating her symptoms and addressing the underlying health issues.

However, upon the patient's discharge from the hospital, the insurance company generated a query requesting all medical reports, including the USG findings, along with the discharge summary. This was in line with a new policy requirement of the patient's insurance plan.

Unfortunately, due to administrative oversight or miscommunication, Nidhi Hospital failed to provide the requested documentation in its entirety. As a result, the insurance company denied the claim, citing non-compliance with the policy terms and conditions.

Questions:

a) Discuss the potential impact of insurance claim denials on both Nidhi Hospital and its patients. (6 marks)

b) Formulate a plan for Nidhi Hospital to rectify the situation with the insurance company and appeal the denied claim. (6 marks)

c) Create a checklist outlining the necessary steps for ensuring timely and accurate submission of medical documentation to insurance companies. (6 marks)

10) Health insurance coverage plays a vital role in ensuring individuals have access to timely medical care and preventive services. By reducing financial barriers to healthcare, insurance products encourage individuals to seek early detection and treatment of illnesses, leading to improved health outcomes, increased productivity, and a reduced burden of disease on the economy. In the bustling city of Pune, Ms. Gupta, a 35-year-old professional, recently enrolled in a comprehensive health insurance plan offered by her employer. Recognizing the importance of proactive healthcare management, Ms. Gupta explores the benefits of her health insurance coverage and how it can support her healthcare needs. Ms. Gupta experiences a persistent cough and decides to visit her primary care physician for a thorough evaluation. Thanks to her health insurance coverage, Ms. Gupta can access medical care without worrying about the financial implications. During her visit, her physician recommends further diagnostic tests to rule out any underlying health issues. With the financial support provided by her health insurance plan, Ms. Gupta promptly undergoes the recommended tests, which reveal an early-stage respiratory infection. With timely intervention and treatment, Ms. Gupta's condition is effectively managed, allowing her to recover quickly and resume her daily activities with minimal disruption.

K6(12)

Questions :

a) Discuss the importance of preventive care in reducing healthcare costs and improving overall population health. (6 marks)

b) Elaborate on how health insurance coverage promotes equity in healthcare access and outcomes. (6 marks)