


Analysis Of The Causes Of High Inpatient Claim Ratio At Intra Asia Insurance In 2024

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Article Info	ABSTRACT
Keywords: Claims, Ratio, Human Resources	PT. Intra Asia, located in South Jakarta, offers health insurance products such as outpatient, inpatient, dental care, glasses, and maternity coverage. Since its launch in 2017, the company has served 17 clients, including new and renewal accounts. Its market focuses on companies providing additional health protection for employees. In 2022, five client companies reported a claim ratio exceeding 120%, with inpatient claims averaging over 90% and surpassing outpatient claims in 2023. Data for December 2023 shows 5,234 outpatient claims and 2,503 inpatient claims. In 2024, 142 inpatient claims were reported, with 97 cases (5%) experiencing lost monitoring, contributing to extended hospital stays and higher costs. The issue stems from insufficient monitoring due to reliance on third-party administrators (TPAs). While the company adheres to its SOPs, including regular claim ratio reviews (every 3–6 months), gaps in monitoring at hospitals have led to inflated inpatient costs, emphasizing the need for stricter follow-ups.
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INTRODUCTION

The claim ratio is a critical indicator for the insurance business. It measures the number of claims within a given period divided by the premiums received during the same period. This ratio is used to assess whether net premiums are sufficient to cover claim expenses. The ideal claim ratio is equal to or less than 100%. The claim ratio reflects a company's ability to pay claim expenses through premium income, indicating that an increased claim expense ratio can boost policyholder confidence and attract new customers, thereby improving the company's solvency.

According to data from the Financial Services Authority (OJK) in 2023, the increase in the claim-to-premium ratio was especially pronounced in insurance, reaching 90.29% in July 2023, up from 79.22% in July 2022. Meanwhile, the claim-to-premium ratio for general insurance and reinsurance companies was 41.59% in July 2023, up from 39.35% in July 2022. If the claim-to-premium ratio reaches 100%, it means the insurance company is not making a profit and is facing operational cost (opex) difficulties. A claim ratio of 70% is considered

safe; however, if it reaches 90%, the situation can be deemed unfavorable or even loss-making.

Insurance companies must exhibit high levels of integrity (Lase, 2021) and credibility (Imran, 2022) in managing risks and claims. They must also comply with regulatory requirements and applicable industry standards. To face future challenges, insurance companies need to continuously develop new products and services to meet the diverse needs of customers. They must also keep up with technological advancements and the latest industry trends to improve performance and deliver better services to customers. Companies are expected to provide excellent service and achieve profitability, consistent with their founding objectives (Hutama, 2021).

One of the causes of the increasing claim ratio is fraud. According to A. Hasyim Ali, as cited by Sarwo (2015), fraud is "an act of deception or misrepresentation of material facts, intentionally made with the aim of causing another person to believe it, resulting in financial harm to that person." In the insurance business, fraud involves deception by certain parties, leading to losses. Fraud continues to hinder health insurance services in Indonesia. Although the Indonesian General Insurance Association (AAUI) predicted a 16.6% growth in the health insurance industry in Q1 2023, the industry remains high-risk and significantly affected by fraud. According to data from the Financial Services Alternative Dispute Resolution Institution (LAPS SJK), 1,351 complaints were reported in 2021, with 144 (14.29%) involving health insurance claims. This increased in 2022 to 1,800 complaints, with 239 (15.77%) related to health insurance claims.

PT. Intra Asia, located at Menara Hijau, South Jakarta, is one of the companies operating in the insurance services sector. Health insurance is a new product launched by PT. Intra Asia in 2017. By 2022, the company had 17 corporate clients, consisting of 10 new business clients and 7 renewal clients. PT. Intra Asia's health insurance products include outpatient, inpatient, dental, vision, and maternity care, with various plans tailored to client needs. Its market segment includes companies providing additional health protection benefits for their employees.

Several causes of the high inpatient claim ratio for PT. Intra Asia's clients, based on observations and information from the Head of Claims Operations Division, include the limited human resources in the claims department, which consists of four staff members: one claims manager, two claims staff, and one administrative staff. Claims staff handle not only inpatient and outpatient claims but also daily inpatient monitoring, complaint handling, and responding to incoming emails. Consequently, provider claims and other tasks are often left incomplete. This aligns with Natalia's (2017) research findings, which indicate that human resource (HR) officers often fail to complete claim analysis processes on time due to low motivation, insufficient management support for HR development, and inadequate information systems to support effective claim analysis.

PT. Intra Asia's facilities and infrastructure also contribute to the challenges. For instance, the claims unit shares a single office phone, and slow internet connectivity frequently delays claim data entry processes. These delays result in late hospital payments and complaints from hospitals. This is consistent with Sutendi's (2019) findings, which

highlight the importance of comprehensive fraud prevention measures supported by adequate facilities and applications.

The SOP or method that should be used involves monitoring techniques. However, due to insufficient HR, monitoring is sometimes neglected. For example, diagnoses that should allow a patient to be discharged after three days may extend to five days due to lost monitoring, leading to increased costs. According to the Standard Operating Procedures (SOP) between the insurance company and Admedika, monitoring must include follow-ups at the hospital while the patient is still being treated. If the hospital objects, the insurance company will send daily medical assistance (every three days) to assess whether the patient can transition to outpatient care. Nuryati's (2021) research also highlights inefficiencies, indicating that companies often fail to fully and effectively utilize their resources, impacting sales achievements and requiring companies to rely on debt to enhance investments.

METHODS

This study is a qualitative case study. Descriptive qualitative research aims to uncover a problem, condition, or event. This aligns with the definition of qualitative research as a procedure that produces descriptive data in the form of written or spoken words from people and observed behaviors. The approach used in this study is a phenomenological approach, which involves describing data or phenomena observed by the researcher, supported by evidence captured during the study (Kartika, 2019). The study was conducted at PT. Asuransi Intra Asia, located at Menara Hijau, Jl. Letjen MT Haryono Kav. 33, Cikoko Pancoran, East Jakarta. The research and data collection were carried out from September 2024 to November 2024, spanning approximately three months.

This research is descriptive in nature, relying heavily on in-depth interviews and document analysis. The data analysis technique employed is the interactive data analysis model developed by Miles and Huberman (2004), which comprises four simultaneous activities: data collection, data reduction, data presentation, and conclusion drawing. Data collection methods include observation, documentation, and interviews. The research informants consist of the Head of the Claims Operations Division, the Head of the Health Division, and Claims Staff.

RESULTS AND DISCUSSION

Human Resources

Human Resources (HR) or the workforce is the main asset of an organization, requiring special treatment in its management as it fundamentally impacts the organization's future existence. Proper workforce management can create an optimal working environment to achieve organizational productivity. Human resources in an organization are a crucial aspect that determines its effectiveness. To perform their duties well, employees need guidance and training to improve their quality. Employees should possess honesty, dedication, responsibility, discipline, and authority to deliver performance that aligns with the times (Sularwan, 2020).

One of the causes of the high inpatient claim ratio is human resources. Human resource management is essential to achieving work results that align with organizational goals. Therefore, every employee is required to work according to their respective job descriptions to ensure optimal performance.

"We have analysts, claim admins, customer care, and patient monitoring assessments here, for example." (AF)

"In claims, there are specific roles in administration, patient monitoring during treatment, and handling claims data received from hospitals." (IP)

Daily task division among employees in this company has been carried out very well according to their respective roles. The existing human resources in this company are considered adequate because the number of participants is not very high. With the available human resources, the workload is manageable.

"In my opinion, it is sufficient, as mentioned earlier, including the analysts, claim admins, customer care, and assessments." (AF)

"For now, it is sufficient because the number of participants at Intra Asia is still relatively low, so the claims that occur and the existing HR are still manageable." (IT)

However, this statement slightly differs from that of Ms. IP, a claims staff member, who said:

"If we say sufficient, it's not yet optimal because we never know the total number of claims; it's not always the same, sometimes high, sometimes moderate. But with the existing HR, we optimize the distribution." (IP)

IP also stated that human resources comprising analysis, admin, and monitoring roles would assist one another if one of them is absent.

"So, if one of us cannot be present, the three of us back each other up." (IP)

The Head of the Health Division added that the employees' tasks were already running well, especially in the verification section, which can perform its duties independently.

"This includes the underwriting and claim verification sections, as these are crucial tasks like diagnosis and indications that must be understood by the respective parties." (IT)

PT. Intra Asia has several divisions working according to their respective duties and fields. For instance, the claims division includes sections such as analysis, which is responsible for reducing claims; administration, which ensures the completeness of participant data; monitoring, which reviews participant data and claim documents; and customer care, which handles complaints or inquiries from participants or prospective insurance participants. Based on the tasks assigned to the claims staff, their primary responsibility is to register incoming claims. However, at PT. Intra Asia, especially among claims staff, the human resources are not yet sufficient, causing delays and requiring additional time for claim processing. Competent human resources in their respective fields will facilitate the tasks at hand. This aligns with Akbar's (2018) research, which states that human resources influence employee performance and improve company quality.

Facilities and Infrastructure

The company provides facilities and infrastructure to ensure smooth and efficient operations. The company is also technologically aware and continuously develops its facilities and infrastructure in line with technological advancements.

"Yes, so far, the facilities and infrastructure, including internet and information technology, are quite supportive. And over time, there will be developments." (AF)

The Head of the Health Division stated that facilities and infrastructure significantly impact the information systems used in the company, which is why regular updates are conducted.

"If asked whether the information system used has an impact, it does have a significant impact because we monitor claim updates through the system. When we talk about claim monitoring, the updates are reflected in the system. Regarding claims, it helps us track the claim history of participants during claim verification and speeds up verification and claim analysis." (IT)

"For us, we have a specific system in health using a web platform. Incoming documents are directly inputted into the web, and the analysis is conducted through that web." (IP)

The claims staff mentioned encountering obstacles or challenges in the claims process.

"There are some challenges in the claims process, like incomplete claim documents. If the documents are complete, the claim process can proceed directly, but if not, it has to go back and forth, taking more time." (AF)

"As for the challenges, as mentioned earlier, the internet sometimes disconnects, although not frequently, but it can be disruptive, especially during work." (IP)

In contrast, the Head of Division did not encounter significant issues in the monitoring process, as it uses the latest data that must be updated regularly. For this reason, the company relies on a stable internet connection and continues to develop its technology.

"The internet speed is quite good and significantly impacts system speed because we use real-time monitoring, where internet speed greatly affects both monitoring and claim processing. The challenges are similar to those generally faced with internet connections, like occasional network disconnections or reduced speed. However, we must act quickly to resolve these issues to ensure smooth and proper operations." (IT)

"The internet speed is fast enough and adequate. As for challenges, there are some, but they don't happen often." (IP)

However, IP mentioned challenges in accessing the internet for daily monitoring.

"Regarding the internet, sometimes the signal fluctuates. So, the waiting time is long, and sometimes it takes a while to update analysis results, though this doesn't happen often." (IP)

This was supported by the opinion of Mr. AF, a claims staff member, who stated that there are no significant obstacles in terms of facilities and infrastructure at the company.

"In the data exchange process, there are no significant obstacles. The facilities and infrastructure are sufficient." (AF)

The company provides facilities and infrastructure to ensure smooth and efficient operations. Facilities and infrastructure are key factors supporting employee performance.

This is reinforced by Simanjuntak's statement in (Pusparani, 2021) that employee performance is influenced by the quality of personnel and facilities and infrastructure. According to the General Provisions of the Ministry of National Education Regulation (Permendiknas) No. 24 of 2007, facilities refer to movable learning equipment, while infrastructure refers to basic facilities for carrying out the functions of schools/madrasas. Educational facilities include buildings, classrooms, desks, chairs, and learning media tools, while infrastructure includes items such as yards, gardens, sports fields, and access roads to schools.

The facilities and infrastructure at PT Intra Asia continue to evolve with technological advancements. Thus, the company continuously updates its systems and technology developments. Providing proper and adequate facilities and infrastructure, aligned with the work environment and risks, motivates employees to perform better, achieving the company's goals. Improved facilities and infrastructure also lead to increased employee job satisfaction. This aligns with Sulistiyawati's (2021) research, which states that facilities and infrastructure influence employee performance. Therefore, fulfilling employee needs for adequate facilities positively impacts their performance, demonstrating the significant influence of facilities on employee performance.

Standard Operating Procedure

Standard Operating Procedure (SOP) is a guideline or reference for carrying out tasks and jobs in accordance with the function of the job (Gabriele, 2018). Claims staff stated that to reduce the inpatient claim ratio, health promotions would be carried out to increase patients' awareness of their health conditions. The company also conducts webinars to socialize health awareness among Intra Asia participants.

"To reduce the inpatient claim ratio, we do not focus solely on inpatient care. We start with health promotions. Health promotions can be directed at clients, such as promoting healthy lifestyles. These promotions can impact inpatient and outpatient care. So, webinars are already running." (AF)

The Head of the Health Division stated that the SOPs implemented at Intra Asia are very strict and disciplined, ensuring that claim ratio procedures run effectively.

"They are implemented, and they must run well. If they don't, it will impact the claim ratio." (IT)

"So far, everything is disciplined and in accordance with the SOPs." (IP)

In its monitoring procedures, Intra Asia employs external parties, namely Third Party Administrators (TPAs), to ensure that any issues or obstacles are resolved effectively and promptly.

"The monitoring process is running, but it still needs someone to focus on it. Currently, it is running but not yet maximized. Monitoring has specific times, such as checking in the morning, afternoon, and evening after taking medicine to track progress." (AF)

"Our team or the TPA team, because we use a TPA, should monitor and inform from the beginning what the underwriting SOP is, both for underwriting and claims. However, regarding the claim ratio, it doesn't solely depend on the claim itself. It also goes back to the participant's benefit provisions and policy terms of the company. For

example, whether the policy terms are too broad or if there are any lost claims. We always coordinate with Intra Asia's internal team." (IT)

The Head of the Health Division continued:

"Since we use a TPA team, we must confirm with the TPA first because we use a TPA provider. We cannot directly recharge the hospital as it would violate the existing provisions. We will continue to coordinate with the TPA to resolve these issues. Regarding participant complaints, we confirm with participants and inform them about issues at the hospital, such as pending documents or participant diagnosis information." (IT)

"We are aware of the SOP, and our work complies with the SOP, which was explained to us from the beginning." (IP)

IP further elaborated:

"For the SOP, we check the patient's details, such as which company they are from, the participant's age, the hospital where they are being treated, how many days they have been hospitalized, and the clinical conditions, among others." (IP)

Intra Asia does not experience significant challenges, as most issues are general and easily resolved.

"There are no significant challenges so far. We rely on monitoring from the system, checking which participants and updates are there. The main issue is with third-party TPAs, as we cannot directly engage with providers, which takes more time than if we had our provider for follow-up and monitoring." (IT)

"As for challenges, our team sometimes visits hospitals, and the hospital staff may be busy attending to patients, causing delays in obtaining medical information. Similarly, when calling the hospital, the administrative or nursing staff may be occupied, requiring us to call back later." (IP)

This is echoed by the Head of the Health Division, who stated that challenges within Intra Asia primarily involve the TPA team.

"Yes, we conduct monitoring through the TPA, so the TPA visits the hospital. The challenge lies there because the TPA team may encounter busy hospital staff or nurses, requiring multiple follow-ups." (IP)

Intra Asia employs several methods to reduce the claim ratio or losses, including:

"For claims, we always coordinate with the technical team. They evaluate why claims are significant and whether they align with the participant's benefits and policy terms. If the issue lies in the benefit provisions being too broad or lost claims, we coordinate with the internal team." (IT)

"In my opinion, if the claims team follows the rules and SOPs accurately and adheres to the policy terms, such as ensuring the medical indications and examinations align, the claims can be reduced effectively. Nothing should be overlooked, such as missing test results, which must be requested. Following the existing provisions properly during monitoring significantly reduces claims." (IT)

"In that case, the analysis should be stricter. For instance, the TPA conducts its analysis, and we tighten it further. We ensure that underwriting aligns with the participant's

policy. *If it doesn't, we re-evaluate. For instance, if the medical indications are insufficient, we reject it, but if it aligns, we proceed. Tightening the analysis helps reduce the claim ratio.*" (IP)

"What we usually do to reduce inpatient claim ratios at Intra Asia includes limiting benefit amounts to align with their budget and restricting certain benefits. For example, we limit high-risk benefits, like emergency services for asthma attacks, severe asthma, febrile seizures, heavy bleeding, dehydration with diarrhea, loss of consciousness, or chronic food poisoning. We also review prescriptions and benefit recovery for the same illnesses, which can effectively reduce inpatient ratios. Additionally, we restrict room upgrades for unavailable rooms, allowing upgrades for no more than 2x24 hours. After that, patients must return to rooms according to their entitlement. APS provisions apply to unavailable rooms, limiting costs to either a percentage or a fixed amount like IDR 75,000 for smaller rooms. We also regulate room upgrades requested by the participants themselves, ensuring APS parameters are followed to prevent excessive claims." (JN)

The standard operating procedures implemented by the company are strict and disciplined, aiming to ensure smooth claim ratio processes. The company also employs external teams to assist its internal team, facilitating faster and more accurate claims processing. Adhering to strict SOPs helps the company reduce the claim ratio by limiting certain benefits while aligning with the company's chosen policy budget. This aligns with the purpose of SOPs: to enable a company or organization to operate actively, effectively, and efficiently (Soediro et al., 2021). Strict SOP implementation also enhances employee performance, maintains product quality, and improves profitability and business growth. Without clear rules, company operations would lack direction, workflows would become chaotic, and employee performance would suffer (Amalia, 2019).

CONCLUSION

Based on the discussion, three main factors contribute to the high inpatient claim ratio at PT Intra Asia: human resources (HR), facilities and infrastructure, and the implementation of Standard Operating Procedures (SOPs). Adequate HR plays a crucial role in ensuring smooth claim management. However, the company faces limitations in its workforce, particularly during periods of high claim volume. With only three employees in the claims division, the absence of one member often requires others to cover additional tasks, which can hinder efficiency. The second factor is facilities and infrastructure, which support employee performance to ensure optimal work processes. PT Intra Asia has integrated technology into its operations, including internet-based systems. While the internet connection is generally sufficient, issues such as reduced speed or unstable connectivity can still impede the claims process. The third factor is the strict and disciplined application of SOPs. The company regularly reviews claim data every 3–6 months to ensure both participants and the company are informed of usage histories. For improvement, the company is advised to add more HR during periods of high claim activity, establish contingency plans for internet disruptions, and enhance coordination with the TPA to minimize potential miscommunication.

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