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Health Insurance: An Emerging Concept

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Abstract

Introduction

Although health insurance is not a new concept and many people are also getting familiar with it, yet this awareness has not reached to the level of subscription of health insurance products. Insurance has not been able to make inroads in the urban slum areas because of key reasons such as high cost of delivery and low awareness. Besides the direct costs of treatment and medication, it even take a hit on their income when they are unable to go to work due to ill health. Ultimately it causes out of pocket expenditure for them. There is a felt need to provide financial protection for the treatment of major ailments, requiring hospitalization and surgery.

Methodology

A community-based cross-sectional study was carried out in the in the field practice area of community medicine department of b.j.medical college, Ahmedabad from april' 14 to june' 14. Total 231 subjects were taken by Simple random sampling. Data collection was done by using predesign, pretested questionnaire. The data entry was done in Microsoft excel & analysis was done in epi info 7. X2 test was used for analysis.

Result

Out of 231 subjects 58% (134) were aware about health insurance. Covering medical expense (85.07%) was the most common purpose for having health insurance & Reducing out of pocket expenditure (47.76%) was the most common benefit. Government insurance agency was the most preferred health insurance provider. Mean premium amount agreed to be paid by the different socio-economic groups was 1178.42rs. per year

Conclusion

To develop a viable health insurance scheme, it is important to understand people's perceptions and develop a package that is accessible, available, affordable and acceptable to all sections of the society.

Keywords: Health Insurance, Emerging Concept, Out of Pocket Expenditure.

Introduction

India is the fifth largest country in terms of purchasing power parity and is considered one of the fastest emerging economies in the world. However, its health status remains a major concern [1]. India is one of the five countries in the world where public spending is less than 0.9 per cent of GDP, of that a large part (80%) is spent on wages and salaries leaving very meager resources for drugs, supplies, equipment, infrastructure and maintenance [2].

In the present scenario of healthcare in India, majority of care being provided by the private sector [3]. With improved literacy, modest rise in incomes, and rapid spread of print and electronic media, there is greater awareness and increasing demand for better health services.

Health insurance is fast emerging as an important mechanism to finance health care needs of the people. The need for an insurance system that works on the basic principle of pooling of risks of unexpected costs of persons falling ill and needing hospitalization by charging premium from a wider population base of the same community.

Health insurance is an emerging concept yet awareness about it has not reached to the level of subscription of health insurance products. There has not been much progress in the coverage of our population within the health insurance system; only a meager three per cent coverage has been reported [4]. Whether this is due to lack of awareness on part of the public is to be determined.

Members of lower socio-economic groups generally spend a higher proportion of their yearly income on health than do more advantaged groups [5]. One admission to hospital can consume a sizeable share of a poor household's resources, commonly leading to financial crisis. Besides the direct costs of treatment and medication, it even take a hit on their income when they are unable to go to work due to ill health. Ultimately it causes out of pocket expenditure for them. There is a felt need to know perception of people about health insurance.

Aim

To understand people's perception regarding health insurance

Objectives

- 1) To assess the people's awareness regarding health insurance & its benefit
- 2) To know the preferred health insurance provider
- 3) To determine people's willingness to pay for the health insurance

Methodology

Sample Size: Prevalence of awareness regarding health insurance was 64 % in various studies among adolescents and adults. Sample size was calculated by the Following formula.

$$\text{Sample Size (N)} = 4pq/L^2$$

Where, p = Prevalence of pre-hypertension= 64%

$$q = 100-p = 36\%$$

$$L = 10\% \text{ of } p = 6.4$$

$$\text{So Sample size (N)} = 4*64*36/40.96$$

The estimated sample size was 225. Sample size of 231 was taken in our study.

A community based cross sectional study was carried out in the in the field practice area of B. J. Medical college, Ahmedabad from april' 14 to june' 14. Total 231 subjects were interviewed by house to house survey using predesign, pretested questionnaire. First house was selected randomly & then every 3rd house was selected for study. The data entry was done in Microsoft excel & analysis was done in Epi info 7. Simple proportion & Chi square test were used for analyzing the data.

Inclusion Criteria

Persons above or equal to 25 years of age

One person from one house

Result

This study revealed that total 58% (134) subjects having awareness about health insurance.

Table 1: Socio demographic factors affecting awareness about health insurance

Socio demographic factors		Aware	Not aware	total	P value
Age	25-34	34	26	60	0.452
	35-44	43	33	76	
	45-54	25	13	38	
	55-64	22	12	34	
	>= 65	10	13	23	
Religion	Hindu	108	68	176	0.039
	Muslims	15	23	38	
	Others	11	6	17	
Education	Illiterate	11	17	28	0.001
	Primary	42	40	82	
	Secondary & higher secondary	44	31	75	
	Graduate / post graduate	37	9	46	
Occupation	Private job	21	7	28	0.030
	Govt. Job	9	6	15	
	Unskilled worker	22	25	47	
	Skilled worker	8	14	22	
	Retired	26	9	35	
	Home maker	36	26	62	
	Other	12	10	22	
Socio economic class	I	12	4	16	0.011
	II	22	7	29	
	III	32	20	52	
	IV	21	25	46	
	V	47	41	88	
Family type	Joint	48	38	86	0.707
	Nuclear	64	41	105	
	Extended	22	18	40	

Table 1 showing different socio demographic factors affecting awareness regarding health insurance. Out of these factors religion, occupation, socio economic class were found to be statistically significant ($p < 0.05$) while education of the

subject was found to be highly significant ($p < 0.01$). Classification of Socio-economic class was done according to modified Prasad classification [6].

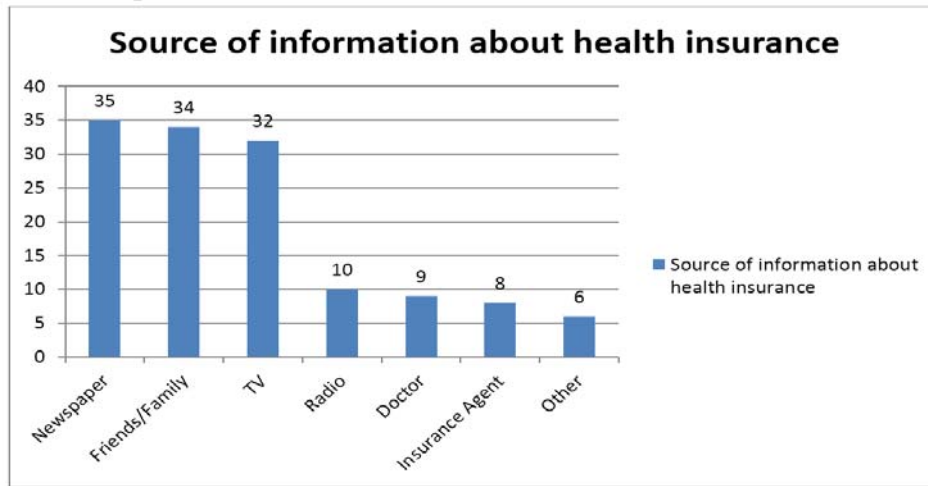


Fig 1: Source of information about Health Insurance

Figure 1 shows majority of aware subjects got source of information either from newspaper (26%), from friends/family members (25%) or from Television (24%) while radio (7%),

doctor (7%), insurance agent (6%) were among other source of information regarding health insurance.

Table 2: Preferred health insurance among aware subjects

Preference for Health Insurance	Frequency (%)
Government	88 (65.67%)
Private	39 (29.10%)
Ngo	7 (5.22%)

Table 2 showing preferred health insurance among 134 aware subjects. Majority (66%) of subjects were in favour of government insurance followed by private insurance (29%),

while less subjects (5%) preferred health insurance from NGO (Non-government organization).

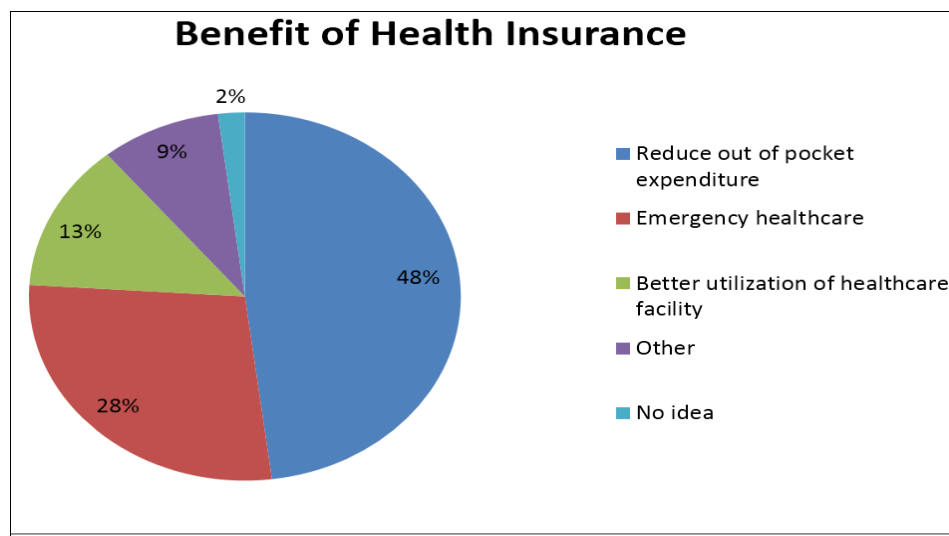


Fig 2: People's perception regarding benefit of Health Insurance

Figure 2 shows people's perception regarding benefit of health insurance. Almost half (48%) of people stated that reduce out of pocket expenditure is the major benefit. While 28% stated

emergency healthcare, 13% stated better utilization of healthcare facility, 9% stated other benefit of health insurance.

Table 3: Mean premium amount agreed to pay by subjects in comparison to their socio economic class

Socio economic class	Frequency(N)	Mean premium/Family (Rs.)	F value	P value
I	16	3248	9.75	0.0001
II	29	2122		
III	52	1522		
IV	46	865		
V	88	452		

Mean premium – 1178.42rs./Family

Table 3 shows mean premium amount agreed to pay by all subjects in comparison to their socio economic class. It shows that socio economic class I were agreed to pay highest amount of premium/family/year while class V were agreed to pay lowest amount of premium & statistically this was found to be highly significant ($p < 0.01$)

Discussion

The whole study was based on the awareness of the respondents. 58 per cent of the respondents were aware of health insurance. Of the total 231 respondents, 58 per cent of the respondents were aware of health insurance whereas 42 per cent of them had no idea about it (Table 1). In a similar study done by Patro ^[7] *et al.* only 22.7 per cent of the study population was aware of health insurance. The high awareness in the present study may be attributed to the high literacy percentage among the respondents.

In our study while taking the educational background into consideration, 80 per cent of graduates and above were aware of health insurance. Socio-economic status had better awareness of health insurance. Results of studies carried out elsewhere were also in agreement with the findings of the present study. Reshmi *et al.* found 93 per cent of graduates & above were aware of health insurance.

In our study even lower most socio economical class was ready to pay premium of 452rs. Per family per year. While mean premium amount agreed to pay by all socio economic class came at 1178rs. Per family per year. Patro *et al.* ^[7] has reported similar findings from their study involving different socio-economic strata of the study population and found that most of them agreed to pay a premium between Rs.600.00 and 1000.00 for a family of five per annum.

Conclusion

To develop a viable health insurance scheme, it is important to understand people's perceptions and develop a package that is accessible, available, affordable and acceptable to all sections of the society.

Health Insurance is the important tool to reach the universal health coverage by reducing out of pocket expenditure.

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