

Health insurance awareness and its relationship with overall well-being among individuals

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ABSTRACT

Health insurance playing a major role as a protection for health is one of the rapidly growing sectors in the Indian economy. People are being conscious about their well-being both in rural and urban areas. Health insurance is not only provided by the government of India, it is provided by the private insurance companies also. There needs to be proper awareness about the benefits offered by these insurance companies by including subjects on insurance and banking in the academics, mobile vans, integrating of all the affiliated hospitals in the Google maps etc. and also understand the underlying facts of being insured. Before an individual gets himself insured, it becomes a necessity to analyse the opportunities available and the costs associated with it. The major opportunities offered by the health insurance are for the educated youths, middle class, BPL card holders etc. At the same time there are reasons as to why individuals do not prefer health insurance and the reasons may vary with regard to the schemes offered to the public. Health insurance protects the individuals by paying huge amount of medical services with the payment of considerable premium amount in return and this can be partial or full amount. The insurance companies should carefully frame their messages or the content that influence the public in acquiring such insurance schemes. When there are many plans being offered, the individuals need to analyse the loop holes of it and then proceed further and this requires proper understanding of those plans.

Ayushman Bharat Yojana is a newly launched scheme by the Central Government of India in the year 2018, and its main aim being covering both preventing and promoting health, to largely address healthcare. It is expected to cover approximately 10 crore poor families for time being by setting up 1.5 lakhs wellness centres across the country. In order to provide cashless benefits E- cards had been generated and are trying to pool in more private hospitals along with government hospitals to provide this scheme and its benefits.

This paper showcases the awareness level of health insurance amongst people residing in Bangalore and their opinion regarding the newly launched scheme ‘Ayushman Bharat’.

Keywords – Health insurance, government and private schemes, opportunities and access, urban and rural people, Ayushman Bharat.

INTRODUCTION

Health insurance is an insurance that acts as a protection that covers the cost that an individual incurs with regard medical, surgical and hospitalization expenses. Health insurance is a form of insurance cover where an individual and the insurance provider enters into a contract, where in the latter will agree to compensate at the time of occurrence of any uncertain event from the premium paid by the individual. There is no maturity of this policy that is the amount will not be paid back to the insured until and unless any uncertain event occurs.

At some point in life people probably need expensive medical care. Health insurance like other kinds of insurance protects those individuals against significant financial loss. Thus this can be in the form of two basic plans which are group plans and individual plans. A group buys insurance for everyone in the group which is less expensive and members belonging to the group can enroll even if pre-existing conditions exist whereas individual plans are customizable to match individual's personal needs and is comparatively more expensive to group plans.

The health care expenditure of few countries are like UK is 8.4%, Brazil is 7.5%, Cambodia is 12%, China is 8%, Ghana is 5.6%, Indonesia is 4%, Mexico is 6.1%, Sri Lanka is 3.7% and this is with reference from recent past data.

HEALTH INSURANCE IN INDIA

The health insurance industry in India was launched in 1986 and witnessed a rapid growth in the 1990's economic reforms and general awareness. The India's health system became one of the largest in the world having beneficiaries of 1.3 billion people is an emerging segment of India's economy. The Indians prefer individual health insurance plans over the group health insurance plans. According to WHO, the Indians out of their expenses 9% of the people prefer group insurance and 82% of the people prefer individual insurance.

Ayushman Bharat, the world's biggest health care scheme was launched on 23rd September 2018 by Prime Minister Modi in Ranchi. The scheme has been renamed as Prime Minister Jan Arogya Yojana. About 50 crores citizen are stand to the benefit offering insurance of Rs 5 lakh per family covering the poor and economically backward sections. The entire process of Ayushman Bharat is digitalized in all the hospitals empanelled with the scheme. No premium is collected from the beneficiaries to take the insurance cover. The medical expense for secondary and tertiary care procedure comes under the ambit of the scheme. Rashtriya Swasthya Bima Yojana , Senior Citizen Health Insurance Scheme, Central Government Health Scheme, Employee's State Insurance Scheme etc; are the multiple schemes which are subsumed in the National Health Protection Scheme that is AYUSHMAN BHARAT.

OBJECTIVES OF THE STUDY

- To analyze and understand the awareness of health insurance in India.
- To study the opinion about the newly launched scheme 'Ayushman Bharat'.
- To study the behavioral pattern of people towards the health insurance.

SCOPE OF THE STUDY

- Research paper limits to the aspect of understanding the level of awareness about health insurance
- To understand the gap between the health insurance schemes and the beneficiaries.
- To study the effectiveness of Ayushman Bharath among the respondents.
- Research paper is focused on government health insurance schemes

STATEMENT OF PROBLEM

The Indian health insurance sector is growing since the 1990's but at a slower pace and the main reason being lack of awareness about the opportunities that is offered to the citizens. Even though there are many schemes which is not being effectively communicated to the people and this creates a gap between the schemes providers and the beneficiaries of the scheme. Therefore there is a need to understand the actual reason as to why people do not take health insurance.

BENEFITS OF HEALTH INSURANCE

- If the person is insured with health insurance cashless treatment is provided to them by the insurance companies that works in collaboration with the respective hospitals
- Medical inflation can be met by having a health insurance
- Premium paid on health insurance is tax deductible under section 80D of Income tax Act
- Periodic health check up to the policyholders of health insurance and it is cashless if the tests are done at the empanelled hospitals or centres.

METHODOLOGY

The research on health insurance – awareness and well-being of humans was based on both primary data and secondary data. The primary data was collected from the questionnaire from a sample of 116 students from urban and rural area of Bangalore and represented in the form of graphs. The secondary data was collected from the online websites relating health insurance and a couple of books. This data was classified and tabulated. Findings have been summarized and suggestions have been made.

LIMITATIONS

- The primary data of this research was randomly collected from the people residing in Bangalore both urban and rural.
- The research mainly focuses on present scenario of health insurance where in few of the respondents are not aware of the benefits through health insurance.

LITERATURE REVIEW

A number of research papers and articles provide a detailed insight about the health insurance and a view about its opportunities and challenges in India.

Binny, Dr Meenu Gupta (2017), the authors have analysed that the insurance sector in India is growing rapidly in both urban and rural areas and yet there exists a between citizens of India

and insurance service providers because of lack of awareness and also because of complexity in the structure in the form of high claim ratios, less understanding of products, changing needs of the customers etc.,

Shefali Malhotra, Ira Patnak, Shubho Roy and Ajay Shah,10/5/2018. This research paper talks about Indian Health Care, their analyses of the claim ratio and the complaints rates are increasing, suggests that there are problems in health insurance. This is because of deficiencies in regulations, weak enforcement of regulations and faulty institutional design of consumer redress. The solutions are in the law framing.

K Swathi, R Anuradha (2018), the authors talk about the awareness created by the General Insurance Corporation of India and the insurance regulatory and development authority and to reduce the procrastination for buying the health insurance. They also mentioned about the transition due to introduction of private health care financing, increased income, health consciousness among different classes of the society.

ANALYSIS AND INTERPRETATION OF THE STUDY

Table no 1 showing the occupation of the respondents

Occupation	percentage
Students	40%
Tax analysts	9%
Business	3%
Others	42%

From the above table it is analysed that the majority of the respondents are the students who are in their 20s and the next highest being the tax analysts comprising of 9% , the business category comprises of 3% and the remaining 42% is by the other occupational categories like agriculture, managers, service providers etc; therefore it can be inferred that the study majorly comprises of the students.

Chart no 1 showing the occupation of the respondents

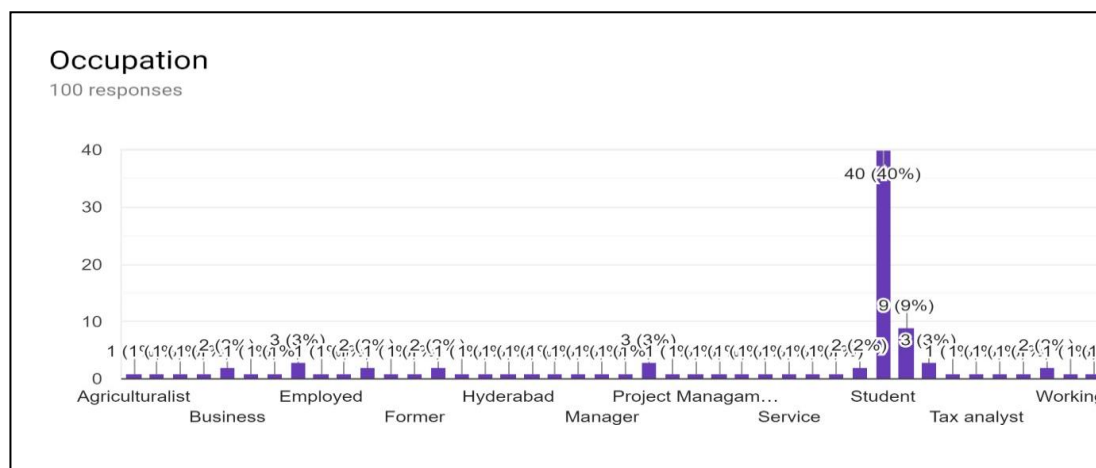


Table no 2: Showing the percentage of respondents in rural and urban region

Region	percentage
Rural	28%
Urban	72%

The above table shows the region of the respondents that is urban or rural of Bangalore. The table shows that 72% of the respondents are from the urban area and the remaining 28% of the respondents are from the rural area. therefore it can be inferred that this study majorly comprises of the opinions of people from urban area.

Chart no 2. Showing the number of respondents from rural or urban

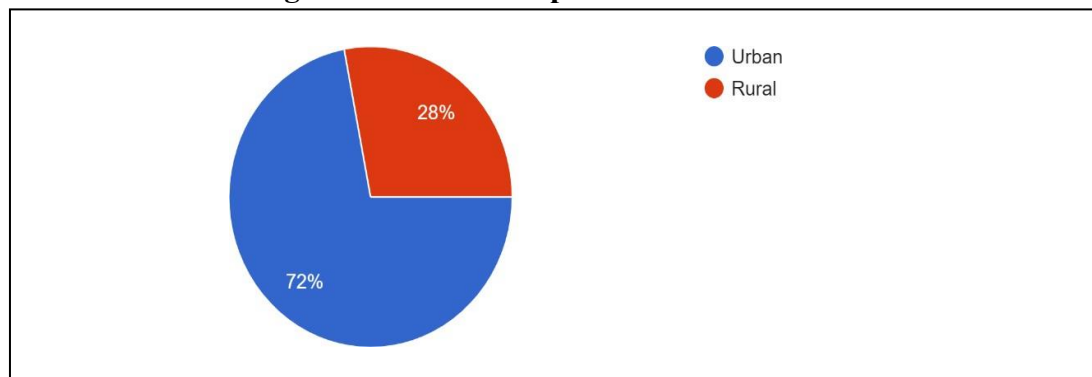


Table no 3: Showing the awareness of respondents regarding health insurance

Awareness	percentages
Yes	95%
No	5%

The above table shows about the awareness level of health insurance in India. Out of the all the respondents 5% of the people are not aware of the existence of the health insurance schemes and policies. This may because of the varied reasons and the remaining 95% of the respondents are aware of it but not necessarily owning a health insurance. Therefore it can be inferred that with the growth in insurance sector the awareness level is also increasing but there people who are totally unaware about it and certain actions needs to be taken to overcome this.

Chart no 3. Showing the awareness of the respondents

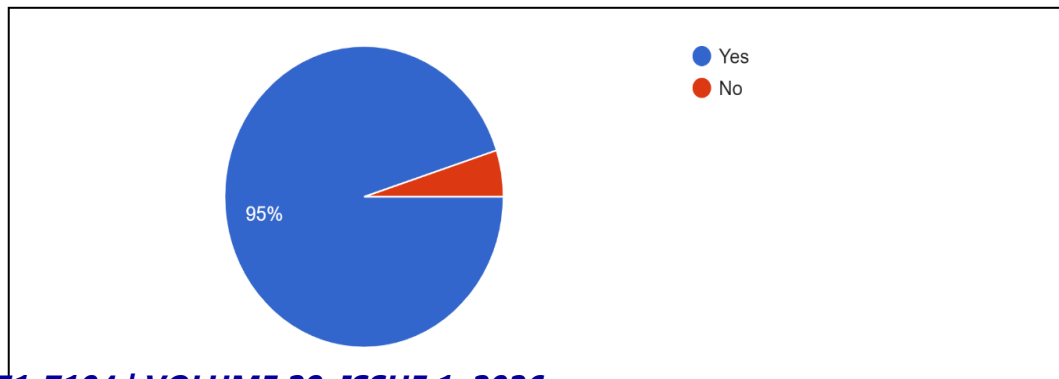


Table no 4. Showing the sources through which the respondents get the information on health insurance

Sources	Percentages
TV Ads	59%
Internet	56%
Friends/ Relatives	48%
Others (Average)	12.42%

The above table shows the major sources from where the respondents receive information about health insurance. 59% of the information is received from television ads, then 56% of them received information from internet , 48% of the information from friends and relatives and the remaining from other sources like company brochure, hospitals etc.

Therefore it can be inferred that the major information is being received from both traditional and modern forms of information spreading and these sources can be used to create more awareness.

Chart no 4. Showing the various sources through which the respondents get the information on health insurance

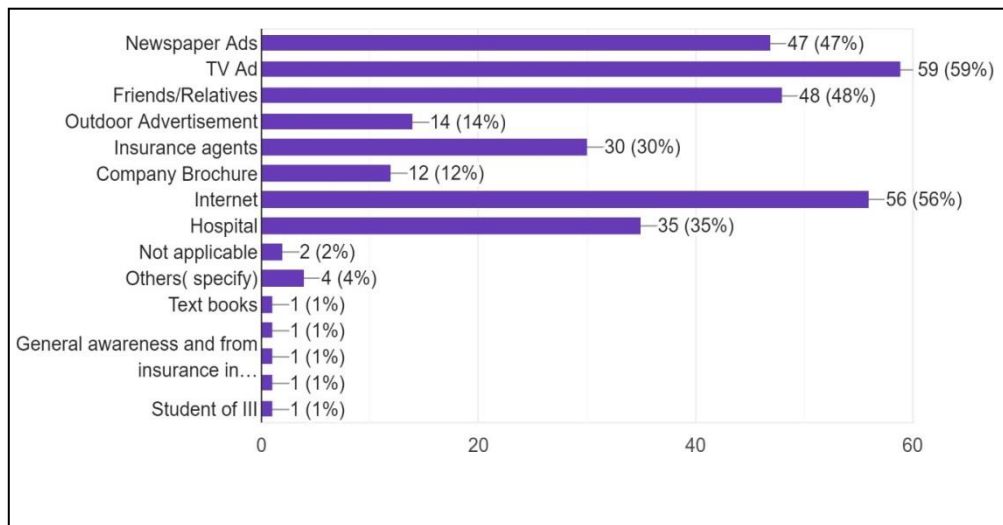


Table no 5. Showing the type of message of health insurance which influences the respondents

Type of messages	Percentages
Family Health protection	52%
Fear of big houses	20%
Health risk cover	16%
Well -being and health	10%
Not applicable	2%

The above table shows that what kind of messages from the health insurance companies influence the individuals to buy a health insurance. Majority of the respondents that is 52% give importance to the family health protection, 20% of them because of the fear of huge expenses and out of the remaining 28% , 2% of the respondents belong to not applicable category as they are not aware of health insurance. Therefore we can infer that the individuals in India give more importance to the family and their health than other factors.

Chart no 5. Showing the type of message of health insurance which influences the respondents

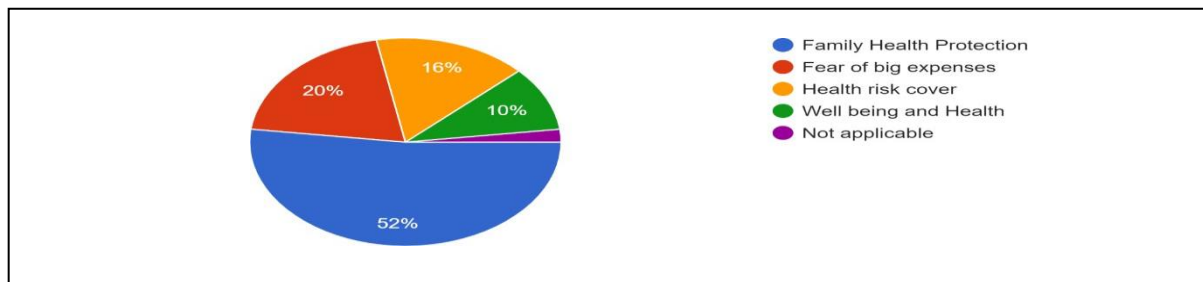


Table no 6. Showing the most used source for meeting the medical expenses of the respondents

Sources	percentages
Health care for product	46%
Own savings	35%
Health insurance	8%
Group health insurance from employer/association	11%

The above table shows the most used source of fund for meeting the respondents medical expenses. 46% of them usually spend money on health from their own savings, 35% of them rely on health insurance, 11% solely on the government health care and 8% on the health insurance availed by them through employment. Therefore it can be inferred that the respondents rely more on their savings rather than health insurance because of unawareness and lack of guarantee for the medical expenses to be met at the right time.

Chart no 6. Showing the most used source of fund for meeting the medical expenses among the respondents

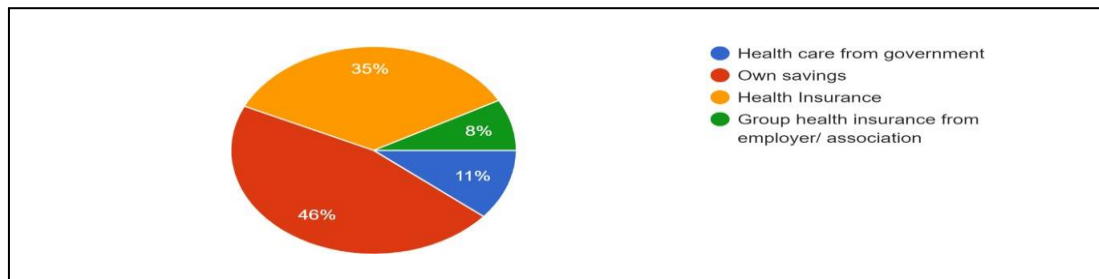


Table no 7. Showing the awareness of the respondents regarding the various health insurance schemes

SCHEMES	PERCENTAGES
RASHTRIYA SWASTHYA BIMA YOJANA	36%
ESI SCHEME	27%
CENTRAL GOVERNMENT HEALTH SCHEMES	20%
UNIVERSAL HEALTH SCHEMES	22%
AYUSHMAN BHARATH	51%
STATE GOVERNMENT SCHEMES	24%

The above table shows the awareness of health insurance schemes that is available for the people. 51% of the respondents are aware about Ayushman Bharath, 36 % of them are aware about the Rashtriya Swasthya Bima Yojana, and the remaining 13% of them are aware about ESI, state government schemes etc. Therefore it can be inferred

Chart no 7 Showing the awareness of the respondents to various health insurance schemes

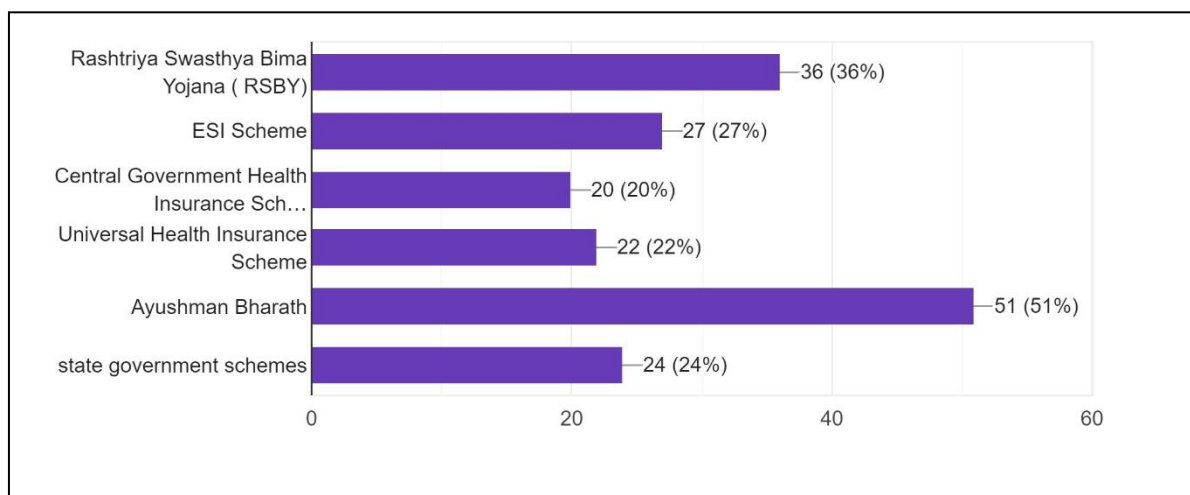


Table no 8. Showing the reasons for opting a health insurance policy

Reasons	percentages
To protect from rising cost of health care	65%
Uncertain Health problems	59%
Tax benefits	14%
Reducing out of pocket expenses	24%
Attractive schemes are available	2%

From the above table we can understand that there are few reasons which influence the people to take up the health insurance policy. From the survey the respondents opted for health insurance policy for the reasons such as to protect the rising cost of health care, uncertain health

problems, tax benefits, to reduce out of pocket expenses etc., Therefore it can be inferred that 65% of the respondents opted for health insurance scheme to protect from the rising cost of health care followed by 59% for uncertain health problems.

Chart no 8. Showing the reasons for opting health insurance policy

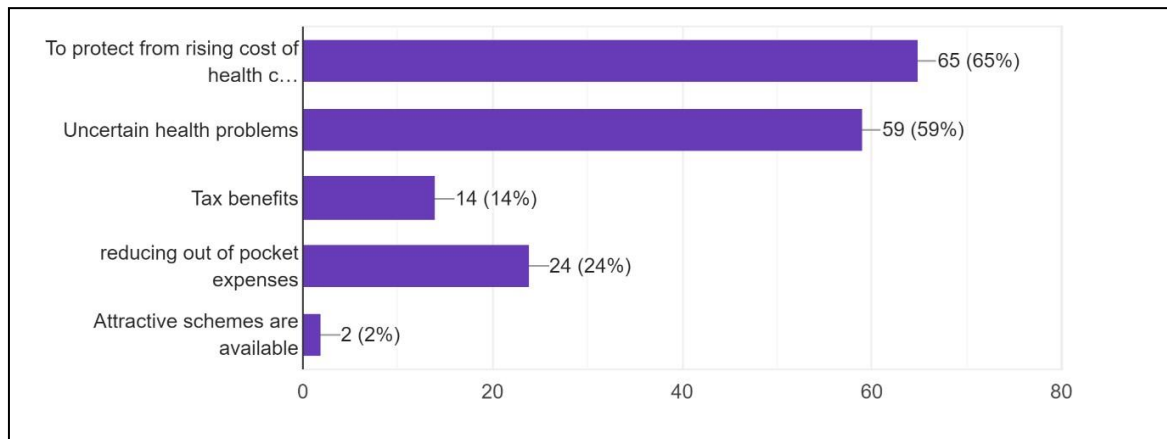


Table no 9. Showing the reasons why people don't take up health insurance

Reasons	percentages
Did not feel the need	14%
No returns on investment	13%
High premium charged	20%
Poor services provided and coverage	16%
Complicated terms and conditions	37%

From the above table we can understand that there are few reasons which hinders the people not to take up the health insurance policy such as no returns on investment like life insurance, high premium charged, complicated terms and conditions etc., Therefore it can be inferred that 37% of the respondents did not take up the policy due to the complicated terms and conditions in the policy where as 20% of the respondents felt that high premiums charged were the reason followed by 16% felt that due to poor services and coverage were the reasons for them not to take the policy.

Chart no 9. Showing the reasons of the respondents for not taking up the health insurance

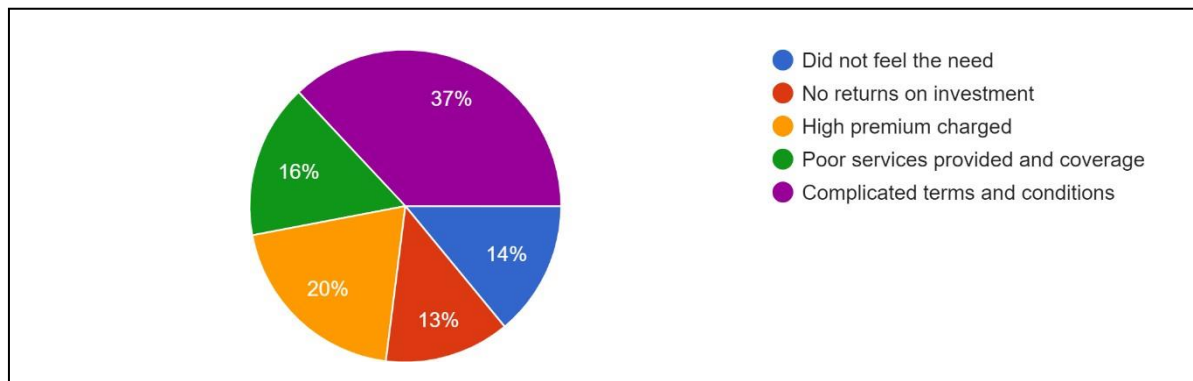


Table no 10. Showing preferences of respondents regarding the schemes

Preferences	Percentages
Government schemes	16%
Private schemes	16%
Both	68%

From the above table we can understand that there is preference among the people while selecting the schemes. Therefore it can be inferred that equal number of respondents prefer government and private schemes i.e. 16% where as 68% of the respondents prefer a combination of government and private scheme.

Chart no 10. Showing the preferences of respondents regarding the schemes

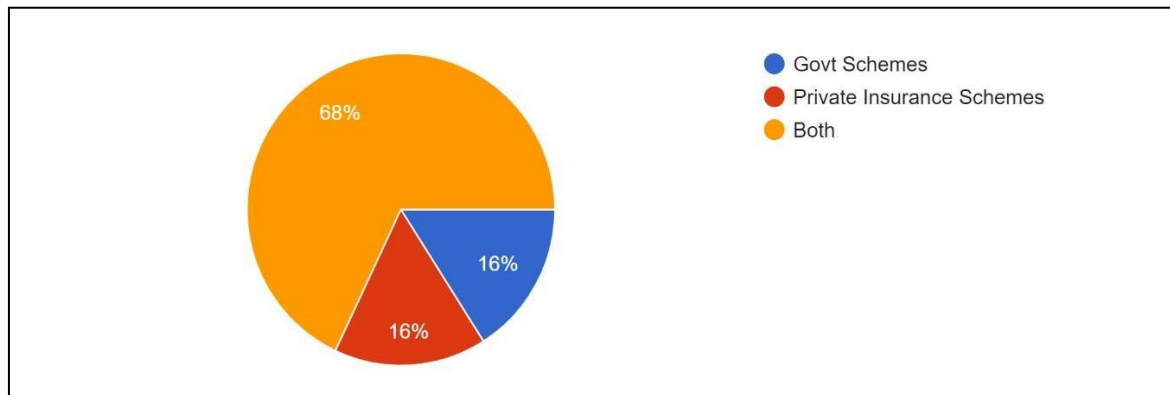


Table no 11. Showing the schemes offered by the government will be available at the right time

Availability of schemes	Percentages
Yes	13%
No	18%
Maybe	69%

The above table shows the availability of government schemes at the right time. Therefore it is inferred that 13% of the respondents feel that the schemes provided by the government will be available at right time where as 18% of the respondents feel that the schemes are not available at the right time. And the majority of the respondents are unsure whether the schemes will be available at the right time or not.

Chart no 11. Showing the schemes offered by the government will be available at the right time

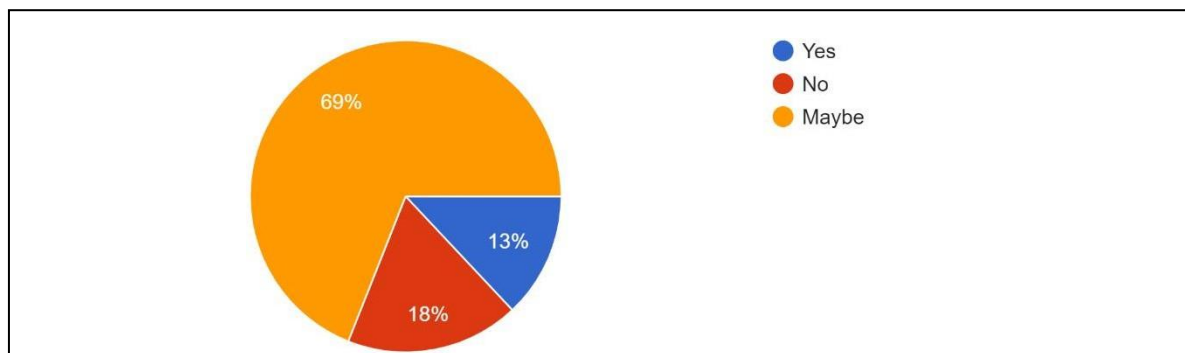


Table no 12. Showing the awareness of Ayushman Bharath

Awareness	Percentages
Yes	58%
No	42%

The above table shows the awareness of the people regarding the newly launched health protection scheme i.e. Ayushman Bharath. Therefore it can be inferred that majority of the respondents are aware of Ayushman Bharath i.e. 58% and 42% of the respondents are not aware of this scheme. There is no much difference between the respondents who are aware and the respondents who are unaware.

Chart no. 12 Showing the awareness of Ayushman Bharath

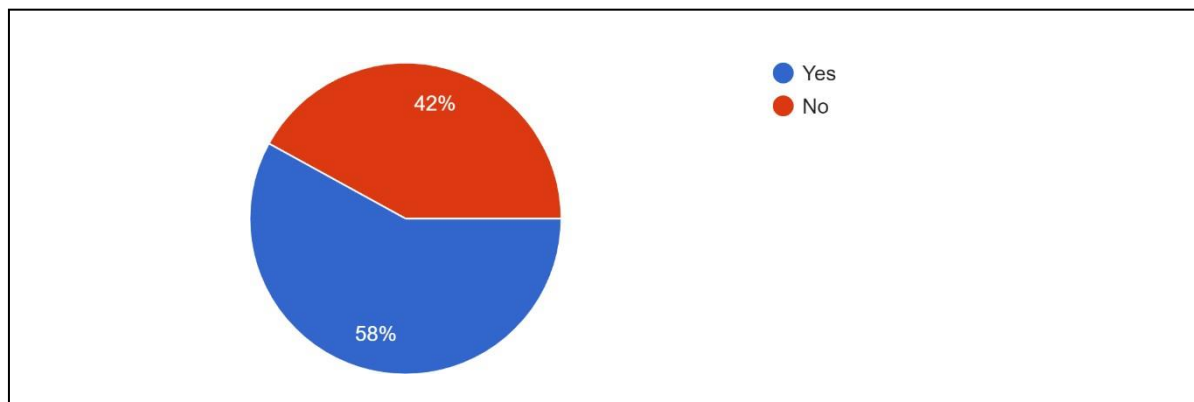
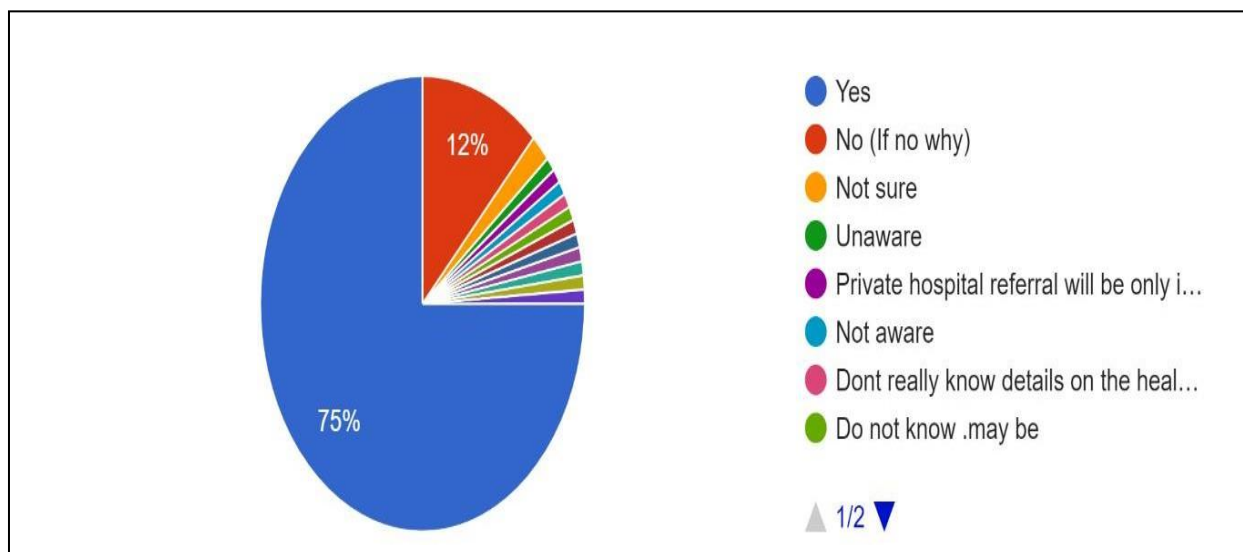


Table no 13. Showing the effectiveness of Ayushman Bharath

Effective	Percentages
yes	75%
No (total)	25%

The above table shows the effectiveness of the newly launched National Health Protection Scheme i.e. Ayushman Bharath. Therefore it can be inferred that 75% of the respondents feel that this scheme will be effective where as 25% of the respondents feel that it will not be effective giving the reasons such as unawareness, less private hospital being empanelled under the scheme, when all the citizens will be benefited from the scheme.

Chart no 13. Showing the effectiveness of Ayushman Bharath



FINDINGS

- With the growth in insurance sector the awareness level is also increasing but there are people who are totally unaware about it and certain actions needs to be taken to overcome this.
- The major information is being received from both traditional and modern forms of information spreading like Tv Ads, Internet, friends or relatives etc.,
- The individuals in India give more importance to the family and their health than other factors.
- The respondents rely more on their savings rather than health insurance because of unawareness and lack of guarantee for the medical expenses to be met at the right time.
- The recently launched scheme, Ayushman Bharat is gaining popularity amongst the people and this is because of its opportunities and benefits offered to the citizens of

India.

- The respondents opted for health insurance policy for the reasons such as medical inflation, uncertain health problems, tax benefits, to reduce out of pocket expenses etc.,
- Few reasons which hinders the people not to take up the health insurance policy such as no returns on investment like life insurance, high premium charged, complicated terms and conditions etc.,
- Majority of the respondents are unsure whether the schemes will be available at the right time or not.
- Respondents are of the opinion that the Ayushman Bharath will be effective if it covers all the citizens in the country

RECOMMENDATIONS

- Subjects like insurance and banking must be included in the academics which helps to create awareness.
- Regular awareness campaign must be conducted by the respective local municipalities and analyse the improvements and developments in their jurisdiction by using mobile vans.
- There is a communication gap between the insurance providers and the beneficiaries this is majorly seen in rural region and hence this can be reduced by communicating in the regional languages.
- The country is moving towards digitalization so the technology must be used for verifying the beneficiaries mainly rural people with the help of biometric systems if they fail to carry the scheme card.
- Not all the individuals in India are employed and out of all those employed do not receive high salary and savings made from this form is not sufficient to meet the uncertain events and hence owning a health insurance proves to beneficial.
- For senior citizen and child care there must be special package where the limit can be increased
- Individuals who feel that there is no return on investment should take up health insurance schemes which has low premium to be paid.

CONCLUSION

Economic growth is a major indicator of countries well-being and development. Empirical studies suggest that a significant portion of economic growth is contributed by human capital. The two major contributors of human capital are the elements of level of education and health of the people.

Health insurance in India being the major sector of growth is gaining popularity at large because of its opportunities and benefits that is offered to the citizens of India by the health insurance service providers. These services are offered by both government and the private health insurance agencies to compensate at the time of occurrence of any uncertain event.

Along with the opportunities and benefits it also has challenges which act as a major drawback for the Indian citizens (about 78% of the population of India) has no form of health insurance. The reasons being lack of awareness of the existing health insurance schemes, deficiency in the regulation of health insurance, complexity in the structure of the system, faulty institutional design of consumer redress and many more. India with the population of 1.3 billion possess around 18% of the global population and around 22% of the global disease burden. India ranks 154th on the health care index Global Burden of Disease study (GBD). More than 78 to 83% of health care expenditure in India is met out of individuals' pockets'.

And therefore in order to provide more benefits there is a need to step up health care funding mechanism. The cost of health insurance depends on the age, sum assured, the current health status, lifestyle etc. Only 2% of India's population consciously decides to buy health insurance and there is 9.6% of contribution by health insurance in India to the general insurance market. The rural population spends on an average Rs.5636 for the hospitalized treatment in a public sector hospital and Rs. 21726 at a private sector hospital.

Even though this sector is growing there are certain hindrances which need to be overcome like increasing the awareness level through certain officials like corporator, MLA, MP of the respective locality, there must be proper utilization of the technology like artificial intelligence, proper grievance redressal mechanism etc., and one such recently launched scheme is Ayushman Bharath which is currently showing a positive growth scale. Ayushman Bharath is gaining popularity but the awareness level has to be further pushed across the country and there must be more clarity in the message that is being conveyed.

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