

## Awareness of Health Insurance in Indore: A Cross-Sectional Descriptive Study

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### Abstract

**Background:** Health insurance policies insure against several illnesses and guarantee a financial security if ever a treatment is required.

**Objectives:** The main purpose of study was to find out awareness of health insurance among households in Indore. Secondly to assess the awareness of people regarding government sponsored health insurance schemes and in last to find out source of information regarding health insurance & the reason for not having health insurance. Focus was on the variables like the Education, Gender, Occupation, Income, type of the families etc.

**Material & Method:** The study was conducted in Indore city and 200 subjects were selected from randomly selected general people. The collected data were analysed with the help of various tools and techniques to draw meaningful inferences and conclusion which were obtained using Excel and some using SPSS.

**Results:** Result shows that 41% of the respondents heard the term health insurance. 66% were interested in having a health insurance and almost equal 63.4% were willing to spend less than Rs.1000 for health insurance.

**Conclusion:** Many people aware but had incomplete information regarding various aspects of health insurance & its importance. Hence it is important to increase the awareness community on various aspects of health insurance in view to meet the ever rising medical expenses in view of unpredictable illness & injuries.

**Key words:** Health Insurance, Health Plan, Awareness

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### Introduction

"Globally, 150 million people are forced to spend nearly half of their income on medical care. They are also the most likely to fall in the illness-poverty trap", explains Assane Diop, Executive Director of the ILO's Social Protection Sector.<sup>(1)</sup>

According to ILO health insurance is "the reduction or elimination of the uncertain risk of loss for the individual or household by combining a larger number of similarly exposed individuals or households who are included in a common fund that makes good the loss caused to any one member" (ILO,1996).<sup>(2)</sup>

Health insurance policies insure against several illnesses and guarantee a financial security if ever a treatment is required. They safeguard a person's peace of mind, eliminate all worries about treatment expenses, and allow focusing one's energy on more important things, like getting better. An individual is exposed to various risks in daily life and many of these can actually be insured. Life insurance and general insurance companies offer a variety of products covering different types of risks. Not only is there a

dearth of knowledge about these but also most individuals are not aware of the value that insurance, as an option, could add to their lives.

While affordability and the place of insurance in the list of an individual's priority in this context are important questions, quite a few are uninsured purely due to lack of awareness about insurance as a protection tool and details about the types of insurances that are possible. All stakeholders have the responsibility of creating this awareness.

Launched in 1986, the health insurance industry has grown significantly mainly due to liberalization of economy and general awareness. Health insurance in India is a growing segment of India's economy. According to WHO expenditure on health should 5% of countries GDP.<sup>(3)</sup> In 2011, 3.9% of India's GDP was spent in the health sector. Out of which health insurance accounts for 5-10% expenditure.

### Barriers in the Subscription of Health Insurance

Low salary/non availability of funds, Don't like to buy, Don't feel the need for it, Prefer to invest money in some other areas, Unaware about it, No one suggested about it, Not taken by friends, relatives etc. Saving in some other areas to meet health care needs, Lack of comprehensive coverage.<sup>(4)</sup>

**Health Insurance Policies in India:** There is several health insurance or medical insurance plans in India. These can be divided into the following categories based on the coverage offered:

**Hospitalization Plans:** These health insurance plans cover the expenses in case one needs to be hospitalized. Within this category, products may have different payout structures and limits for various heads of expenditure. The hospitalization coverage may be reimbursement based plans or fixed benefit plans. These plans aim to cover the more frequent medical expenses.

**Critical Illness Plans:** These health insurance plans provide you coverage against critical illnesses such as heart attack, organ transplants, stroke, and kidney failure among others. These plans aim to cover infrequent and higher medical expenses.

**Hospital Daily Cash Benefit Plans:** Daily cash benefit is a defined benefit policy that pays a defined sum of money for every day of hospitalization.

#### **Rashtriya Swasthya Bima Yojana (RSBY):**

The Government of India decided to introduce Rashtriya Swasthya Bima Yojana (RSBY), a Health Insurance Scheme for the Below Poverty Line families with the objectives of reducing out-of-pocket expenditure on health and increasing access to health care. RSBY was launched in early 2008 and was initially designed to target only the Below Poverty Line (BPL) households, but has been expanded to cover other defined categories of unorganised workers.

1. The premium cost for enrolled beneficiaries under the scheme is shared by Government of India and the State Governments.
2. The beneficiaries under RSBY are entitled to hospitalization coverage up to Rs. 30,000/- per annum on family floater basis, for most of the diseases that require hospitalization.
3. Pre-existing conditions are covered from day one and there is no age limit.
4. The coverage extends to maximum five members of the family which includes the head of household, spouse and up to three dependents.
5. The beneficiaries need to pay only Rs. 30/- as registration fee for a year while Central and State Government pays the premium as per their sharing ratio to the insurer selected by the State Government on the basis of a competitive bidding.

#### **Deen Dayal Antyodaya Upchar Yojna (DDY)**

The Government of Madhya Pradesh with its commitment to provide social security to the under privileged section of the society launched the Deen Dayal Antyodaya Upchar Yojana on 25<sup>th</sup> September 2004. The scheme covers all BPL families. It provides free treatment and investigation facility to patients belonging to BPL families who are hospitalized in govt. hospitals. The scheme in seeks to provide social security coverage to the population belonging to the lower socioeconomic strata of the society and safeguard them from indebtedness arising from illness.

#### **Benefits**

1. Free medical treatment and investigation up to a limit of Rs. 30,000/- per family per annum for treatment and investigation in all government health facilities. The benefit is available only to hospitalized patients.
2. The benefit provided is limited to cover the cost of medicines and investigations, other costs such as bed charges; physician's fees etc. are not accounted for.
3. The benefit is available for all disease and conditions including delivery, without any exclusion.
4. Madhya Pradesh is Empowered action group state hence health insurance plays a significant role in reducing out pocket expenditure so it is very important to study the awareness & importance of health insurance hence this study tries to find out awareness of health insurance & various factors affecting it.

#### **Material and Method**

This study was a cross-sectional study done from November 2015 to February 2016. A predefined convenient sample of 200 (50 households from each four colonies surrounding MGM Medical college campus) selected households in Indore city was taken. A pretested Semi structured questionnaire prepared which enquired in to sociodemographic variables of respondents (the oldest available family member above the age of 18 years at the time of interview) awareness regarding health insurance, its importance & reasons behind its non-utilization. The questionnaire was translated to Hindi & back translated to English. Proforma was filled after explaining the rationale of study and taking consent. The data were collected and analysis was done by using Microsoft Excel sheets.

#### **Results**

Among respondents/subjects 62% were males and 38% were females. There were 69% were self-employed, 12% were doing government job & 19% were doing private job. 70% percent of the respondents stayed in nuclear family and 30% percent were residing in the joint family. 59% respondents were not aware about health insurance & 41% were aware but unsubscribed it. 62% were not having any major illness or life threatening condition which led to major expenditure.

Out of all 200 subjects, 82 (41%) who had some information of health insurance were of the opinion that-

- a. 41% thought health insurance provides protection only against critical illnesses.
- b. 59% knew health insurance can reduce out-of-pocket expenditure.
- c. 63.4% were willing to spend less than Rs. 1000 for health insurance.

- d. 56% knew that entire family can be covered under health insurance.
- e. 75% thought that health insurance provides only partial reimbursement.
- f. 66% were not aware of any friend /relative who had reaped the benefit of health insurance.
- g. 63% were aware of the procedure to obtain a health insurance.
- h. 88% preferred government health insurance plan over a private one.
- i. 63% were not aware of RSBY currently operational under central government health scheme.
- j. 78% were not aware of the nationalised banking sector schemes in association with insurance companies which provide health insurance at low premium.
- k. 51% were not aware of the provisions under DDY provided by M.P. government for B.P.L. families
- l. 66% were interested in having a health insurance & out of 34% not interested in having health insurance, 16% thought that it is not relevant, 12% said it is too expensive & rest 6% said that it all hospitals not covered.

**Table 1: Family income per annum (N=200)**

S. No	Particulars	Total
1	Up to Rs 25000	12(6%)
2	Rs. 25,001 - Rs. 50,000	52(26%)
3	Rs. 50,001 – Rs. 1,00,000	106(53%)
4	More than Rs. 1,00,000	30(15%)

**Table 2: Source of information regarding health insurance (N=200)**

S. No	Particulars	Total
1	Television	14%
2	Radio	1%
3	Doctor	1%
4	Newspaper	14%
5	Family and friends	7%
6	Insurance agent	5%
7	Internet	1%
8	None	59%

**Table 3: Money spent per year on health related issues (N=200)**

S. No.	Particulars	Total
1	Less than Rs. 1000	20%
2	Rs. 1000 - Rs. 3000	14%
3	Rs. 3000 - Rs.5000	23%
4	More than Rs. 5000	43%

## Discussion

The present study is an effort to assess the individuals' awareness level of knowledge regarding health insurance among 200 residents of Indore city. This study found that out of 200 respondents 82(41%) aware of health insurance.

This finding is similar to the study done by **Ashish Bansal, Shewtank Goel**<sup>(5)</sup> et al. in Fatehgarh Medical college of Uttar Pradesh found the prevalence of the awareness of health insurance among 422 rural study subjects was 44.5%.

In a study conducted by Department of Community Medicine, **Kasturba Medical College, Mangalore (2012)** on "Awareness Of Health Insurance in A South Indian Population" reveals that the awareness of health insurance was found to be 64.0 per cent.<sup>(6)</sup>

Similarly **Maumita Ghosh**<sup>(7)</sup> et al. in a study in Darjeeling district found 65.5% subjects were not aware. In a study conducted by USAID and prepared by **Constella Futures**<sup>(8)</sup> New Delhi (2008) on "Health Insurance Needs, Awareness and Assessment in the Bahraich District, Uttar Pradesh", the awareness about health insurance was found to be 37.9%.

**Dr. Dhiraj Jain**<sup>(9)</sup> et al. in Udaipur Rajasthan concluded that even among uninsured households, 80 per cent have heard of life insurance and know their rights and duties. Although many might have heard about life or health insurance, there is a lack of knowledge about the various aspects of insurance even among policy holders.

In present study **major sources of information** were television and newspaper while in a similar study conducted by Kasturba Medical College it was family/friends and newspaper while in a study conducted by **Insurance Regulatory and Development Authority (IRDA)**<sup>(10)</sup> to carry out a pan India survey about awareness levels about insurance both amongst the uninsured and insured population (2011), the awareness of health insurance created mainly by agents.

In current study in Indore 41.5% study population thought that health insurance protects only against critical illnesses while in the study of IRDA it was 47.8% among the population at national level.

In Present study 58.5% study population thought that health insurance can reduce out-of-pocket expenditure while in a similar study conducted by Kasturba Medical College it was 41.3% of study population were thinking in same manner.

In this study 63.4% subjects were willing to pay less than Rs. 1000 for health insurance while in the study of Kasturba Medical College mean premium amount agreeable to be paid by the respondents for health insurance was found to be Rs 1804.00.

In present study 73.2% subjects thought that health insurance provides partial reimbursement while in study of IRDA it was found to be 53.6%.

In this study 87.8% subjects preferred government health insurance plan while in a similar study of Kasturba Medical College it was 85.96% for low socio-economic group, 61.4% for middle group and 35.29% for high group. Peoples of low socioeconomic status rely more on government sector.

In Present study 53.65% subjects thought that health insurance was not relevant and 34.1% thought that it was too expensive while in study of IRDA 56.25% thought it was too expensive and 25% thought it was not that important.

From our study we conclude that the determinants of awareness of health insurance were: religion, type of the family, education, occupation, annual income. Education, annual income, occupation of the respondent and religion plays vital role of the Determinants of awareness of the health insurance. Higher education and higher annual income increase awareness of health insurance also will increase.<sup>(11)</sup>

### Conclusion

Present study suggest that need of the hour is to launch information, education and communication activities in order to make communities aware of the need of health insurance to meet the ever rising medical expenses in view of unpredictable illness and injuries. The major source of information was media (television and newspaper). Among the not aware/ not exposed, maximum was illiterate or had only primary education. Most of the subjects in our study preferred government plan over a private plan. Amongst the aware, though less but a significant number of subjects thought that health insurance provides protection only against critical illnesses. A significant number of subjects amongst those aware did not have any knowledge of the nationalised banking sector schemes in association with insurance companies which provide health insurance at low premium.

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