

A study of Health Insurance Subscribers and Non-Subscribers in Indore Region

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Abstract:

The present research is an effort in the field of health insurance. It divides the respondents into two parts, health insurance subscribers and non-subscribers. The health insurance industry has grown significantly mainly due to liberalization of economy and general awareness therefore, the study examines if the respondents are aware about health insurance and if they are aware, have they purchased a policy. It explores the factors that a respondent looks upon while subscribing to a health insurance policy and further it explores the reasons that have obstructed the respondents who have not subscribed to a health insurance policy. The study was conducted in Indore region of Madhya Pradesh, the questionnaire was made on Google Forms with 10 general question, 15 questions for health insurance policy subscribers and 12 questions for non-health insurance policy subscribers and was filled by 329 people from general public, out of which 175 were policy holders and 154 were non policy holders. The analysis was done using one-way AONVA. The results showed high level of awareness among them about health insurance. The various sources of information included TV, newspaper, family, friends, movies, etc. We concluded that the major obstruction for purchase of policy among non-policy holder is preference to invest in some other areas, not feeling the need to buy it and so on. Also the factors that influence purchase of policy are reputation, technology, services by employees etc.

Keywords: Awareness level, Health Insurance, non-policy subscribers, policy subscribers.

INTRODUCTION

In India Health insurance is a flourishing sector of India's economy. The health system of India is one of the largest in the world, as the number of people it concerns is nearly about 1.3 billion potential recipients. The healthcare industry in India has speedily become one of the most influential segments in the country in provisions of earnings and job generation. Social and Economic advancement and health of nation are associated with each other in such a manner that it is impractical to attain one without other i.e. one cannot be achieved in segregation. It is no doubt that the economic advancement in India is gaining strength over the last few decades because of the initiatives taken by the government in public health care facilities. But these initiatives' results are only modest by international standards, because the India is ranked 118 among WHO member's countries on the ground of global health conduct.

The main purpose of our research is to find out awareness level of health insurance among non-subscribers in Indore region, to determine the reason that obstructs the subscription of health insurance among non-policy holders and to examine the factors that influence the selection of health insurance policy. The study witnessed that the health insurance is now known to everyone through various means such as TV, followed by family, newspaper, friends, movies, agent etc. The reason that obstructs the subscription of health insurance among non-policy subscriber found due to Lack of Reliability and Comprehensive Coverage, Lack of Availability and Accessibility of Services, Narrow Policy Options and Prefer Other Mode to Invest. There are also factors that influence decision while choosing the health insurance company such as name and reputation of the insurance company, maximum customer satisfaction, prompt claim process, reliability of services offered, availability of tax benefits and so on. Thus the demand of health insurance in India cannot be unnoticed.

LITERATURE REVIEW

There has been many researches with objects similar so this study. Some such studies were reviewed from the year 1994 to year 2018. Purohit and Siddiqui (1994) examined the utilization of health services in India by making the comparison of Indian states in terms of low, medium and high household expenditure on health care and concluded that there is no serious government initiative to encourage utilization of health services by means of devising health insurance. Sanyal (1996) assessed that the burden of health care expenditure in rural areas was twice in 1986-87 as

compared to 1963-64 and also provided that household is the main contributor to the financing of health care in India, so the health planners (more than 38%) live in rural areas, but the health care insurance currently operating in urban areas would have to pay more consideration regarding this.

Gumber and kulkarni (2000) took a case study in Gujarat and provided that SEWA a type of health insurance scheme is strongly preferred by those who can't afford and also not access the services of various other schemes. Ahuja and De (2004) did study on health insurance for poor in India confirmed that the demand for health insurance is limited where supplies of health services is weak and explained interstate variation in demand for health insurance by poor in relation to variation in healthcare infrastructure. Beside this the study also provided that healthcare infrastructure is positively related to demand for health insurance by poor, whereas the proportion of Below Poverty Line (BPL) population is negatively related. In order to build demand for health insurance, it is necessary to address the demand side and at the same time design the insurance schemes by taking into consideration the paying capacity of the poor.

Ahuja and Narang (2005) provided an overview of existing forms and emerging trends in health insurance for low income segment in India and concluded that health insurance schemes have considerable scope of improvement for a country like India by providing appropriate incentives and bringing these under the regulatory ambit. The study suggested that in order to develop health insurance for poor in a big way, health care provisions need to be strengthened and streamlined as well as coordination among multiple agencies is needed. Dror (2006) laid seven myths regarding health insurance and examined the realities behind these myths. The evidence shown that most people are willing to pay 1.35% of income or more for health insurance and the solvent market for health insurance business exist in India; however tapping of it is contingent upon understanding the customer's needs and wants. Dror (2007) examined why the "one-size-fits-all" health insurance products are not suitable to low income people in India and provided that there is presence of considerable variability to pay for health insurance which is because of multiple reasons like variability in income, frequency of illness among households, quality and proximity of providers (private, public) in different locations.

Joglekar (2008) examined the impact of health insurance on catastrophic out-of-pocket (OOP) health expenditure in India and taken zero percent as threshold level to define and examine such impact. It showed that in India, OOP health expenditure by households account for around 70% of total expenditure on health and thereby pushes households in to poverty. Garg and Karan (2009) assessed the differential impact of out-of-pocket (OOP) expenditure and its components between developed and less developed regions in India. The results showed that OOP expenditure is about 5% of total households' expenditure (ranging from about 2% in Assam to 7% in Kerala) with higher proportion in rural areas. Further in order to reduce OOP expenditure targeted policies are needed which in turn could help to prevent almost 60% of poverty.

Shankar Prinja, Manmeet Kaur, and Rajesh Kumar (2012) studied universal health insurance in India: Ensuring equity, efficiency, and quality and it concluded that universalizing the health insurance is not the sole answer to India's health system problems. It entails major revamping of governance and management capacity, infrastructure, management information system, and regulatory frameworks. Special efforts are needed to upgrade the MIS system, which will be critical to success of monitoring of insurance claims, setting premiums, and establishing risk pools. Unregulated private sector market with lack of quality accreditation requires attention.

Thakur and Sushil Kumar (2013) made a study depicting challenges of health insurance companies for penetration through existing marketing practices and strategies for penetrating the untapped health insurance market in India. Maumita Ghosh (2013) did study of a sample size of 200 randomly selected people from Darjeeling district. The author discussed the level of awareness and willingness of people to take a health insurance scheme. According to this study only about 18.5% are covered by some form of health insurance.

Bhaskar Purohit (2014) in his research discussed that community based health insurance (CBHI) for unorganized sector in rural areas in India is required to be tapped. While the impact would be of great advantage to the poor, it is not effective because of poor implementation and lack of proper regulation. Further this scheme should be extended to bring under its purview the informal sector in urban and rural areas as this scheme only covers the rural poor.

Pooja Kansra and Harinder Singh Gill (2016), have examined the awareness of health insurance in urban districts of Punjab in Amritsar, Jalandhar and Ludhiana. According to their findings awareness of health Insurance was less than 50 percent and it was mainly through insurance agents, friends or family members. The awareness of health insurance depended on education and income of the respondents.

Prabhjot K. Dilawari, Shyamal Koley (2016) have discussed in their research study the awareness of the policy holders towards effectiveness of services and the difference between TPA's and health insurance agents. Ramaiah Itumalla, G. V. R. K. Acharyulu and L. Kalyan Vishwanath Reddy (2016) studied the Issues and challenges to Health Insurance in India and concluded that existing central and state health insurance schemes needs substantial reforms to make them more efficient and socially useful. They suggested that there is a need to create awareness on

rights and responsibilities, standardization of cost, increased tax benefit, and pool for senior citizen. Yadlapalli S. Kusuma, Manisha Pal, Bontha V. (2018) assessed Health Insurance awareness, utilization, and its determinants among urban poor in Delhi. The study was conducted in 2998 households from 85 urban clusters. Only 19% knew about health insurance, 18% had health insurance (8% Employees State Insurance Scheme – ESIS – 8% Central Government Health Scheme – CGHS – 1.4%; Rashtriya Swasthya Bima Yojana (RSBY) – 9.4% of the eligible households). The study concluded that awareness of health insurance was low. The mandatory health insurance schemes (ESIS and CGHS) better served the healthcare needs of the beneficiaries as compared with the RSBY. The RSBY played a limited role in meeting the healthcare needs of the people, thus may not be capable of contributing significantly in the efforts of achieving equity in healthcare for the poor.

OBJECTIVE OF THE STUDY

1. To find out awareness level of health insurance among subscribers and non-subscribers in Indore Region.
2. To determine the reasons that obstructs the subscription of health insurance among non-health insurance policy holders.
3. To examine the factors that influences the selection of a health insurance policy.

POLICY SUBSCRIBERS ANALYSIS

The demographic details of the data collected from respondents are given below:

GENDER	MALE	100	FEMALE	75
AGE	LESS THAN 30	74	30-40	39
	40-50	36	ABOVE 50	26
MARITAL STATUS	SINGLE	70	MARRIED	105
FAMILY TYPE	JOINT	73	NUCLEAR	102
EDUCATION	ILLITERATE	1	PRIMARY	1
	MIDDLE	4	MATRIC	11
	HIGHER SECONDARY	30	GRADUATION	104
	POST GRADUATION	24	VOCATIONAL	0
OCCUPATION	EMPLOYED	86	SELF EMPLOYED	2
	LABOUR	1	HOUSEWIFE	31
	UNEMPLOYED	38	PROFESSIONAL	7
	FAMILY OWNED BUSINESS	9	RETIRED	1

INTERPRETATION

There was not a statistically significant difference among buyers of health insurance policy in Name and Reputation of the insurance company as determined by one-way ANOVA ($F(3,171) = 0.661, p = 0.577$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Use of modern technology by insurance company as determined by one-way ANOVA ($F(3,171) = 1.907, p = 0.130$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Courteousness of employees, brokers and corporate agents as determined by one-way ANOVA ($F(3,171) = 1.444, p = 0.232$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy.

There was not a statistically significant difference among buyers of health insurance policy in Services provided by the employees, brokers and corporate agents as determined by one-way ANOVA ($F(3,171) = 0.453, p = 0.715$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Capability and knowledge of employees, brokers and corporate agents as determined by one-way ANOVA ($F(3,171) = 1.279, p = 0.283$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Use of extensive promotional activities as determined by one-way ANOVA ($F(3,171) = 0.555, p = 0.645$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy.

There was not a statistically significant difference among buyers of health insurance policy in Maximum customer satisfaction as determined by one-way ANOVA ($F(3,171) = 0.543, p = 0.654$), here is not a statistically significant

difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Prompt claim process with least formalities as determined by one-way ANOVA ($F(3,171) = 0.830, p = 0.479$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was a statistically significant difference among buyers of health insurance policy in Availability of loan facility to meet associated cost of health insurance as determined by one-way ANOVA ($F(3,171) = 2.771, p = 0.043$), here is a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. Cost of Health Insurance is determined by multiple factors which include monthly income, family size, presence of previously known health disease and so on which differ from one person to another.

There was not a statistically significant difference among buyers of health insurance policy in Nominal premium charged as determined by one-way ANOVA ($F(3,171) = 1.623, p = 0.186$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Reliability of services offered as determined by one-way ANOVA ($F(3,171) = 0.430, p = 0.732$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was a statistically significant difference among buyers of health insurance policy in Cashless facility as determined by one-way ANOVA ($F(3,171) = 2.994, p = 0.032$), here is a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. The cashless facility is determined by the information sent by the hospital is insufficient or if the ailment is not covered under the policy or if the request for pre-authorization is not sent in time and so on which will differ from person to person as per their experience.

There was not a statistically significant difference among buyers of health insurance policy in Easy accessibility and availability of services in linked hospitals as determined by one-way ANOVA ($F(3,171) = 0.867, p = 0.460$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Availability of tax benefits as determined by one-way ANOVA ($F(3,171) = 0.748, p = 0.525$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. There was not a statistically significant difference among buyers of health insurance policy in Goodwill and linkage of company with TPA as determined by one-way ANOVA ($F(3,171) = 1.129, p = 0.339$), here is not a statistically significant difference between our group means i.e., the family floater, individual, group and other health insurance policy. The Cronbach's Alpha or the coefficient of reliability for the Policy Subscriber is 0.891. The hypothesis for the variables i.e. Name and Reputation of the insurance Company; Use of modern technology by insurance company; Courteousness of employees, brokers and corporate agents; Services provided by the employees, brokers and corporate agents; Capability and knowledge of employees, brokers and corporate agents; Use of extensive promotional activities; Maximum customer satisfaction; Prompt claim process with least formalities; Nominal premium charged; Reliability of services offered; Easy accessibility and availability of services in linked hospitals; Availability of tax benefits; Goodwill and linkage of company with TPA is accepted as their calculated value is greater than tabular value (0.05) and the hypothesis for the variables i.e. Availability of loan facility to meet associated cost of health insurance and Cashless facility show significance difference and thus rejected as their calculated values is less than tabular value (0.05).

NON – POLICY SUBSCRIBERS ANALYSIS

The demographic details of the data collected from respondents are given below:

GENDER	MALE	92	FEMALE	62
AGE	BELOW 30	80	30-40	33
	40-50	26	ABOVE 50	15
MARITAL STATUS	MARRIED	74	SINGLE	80
FAMILY	JOINT	74	NUCLEAR	80
EDUCATION	ILLETERATE	0	PRIMARY	0
	MIDDLE	6	MATRIC	12
	HIGHER SECONDARY	28	GRADUATION	83
	POST GRADUATION	23	VOCATIONAL	2
OCCUPATION	EMPLOYED	57	SELF EMPLOYED	10

	LABOUR	3	HOUSEWIFE	18
	UNEMPLOYED	55	PROFESSIONAL	3
	FAMILY OWNED BUSINESS	5	RETIRED	3

INTERPRETATION

There was a statistically significant difference between groups with low salary or non – availability of funds as determined by one-way ANOVA ($F(1,152) = 5.452, p = 0.021$). Here is statistically significant difference between our group means i.e. Respondents who know about the health insurance policy and respondents who do not know about health insurance policy. The low salary or non-availability of funds is determined by low family income, expense in some other areas or lack of qualification which may differ from person to person. There was a statistically significant difference between groups who do not like to buy health insurance policy as determined by one-way ANOVA ($F(1,152) = 5.370, p = 0.022$). Here is a statistically significant difference between our group means i.e. Respondents who know about the health insurance policy and respondents who do not know about health insurance policy. The preference of people who do not like to buy health insurance is determined by lack of trust on insurance companies or agents, presence of previously known disease, lack of knowledge or so which may differ from person to person. There was a statistically significant difference between groups who feel the need to buy the health insurance policy as determined by the one-way ANOVA ($F(1,152) = 4.538, p = 0.035$). Here is a statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. The need to buy the health insurance policy is determined by the family size, the number of senior citizens in the family and the frequency of illness in family.

There was no statistically significant difference between groups who prefer to invest in areas other than health insurance as determined by the one-way ANOVA ($F(1,152) = 1.379, p = 0.242$). Here is no statistically significant difference between our groups means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. There was statistically significant difference between groups who are unaware about it as determined by the one-way ANOVA ($F(1,152) = 48.619, p = 0.000$). Here is a statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. The awareness about health insurance policy is determined by awareness in the surroundings, need of health insurance policy or policy taken by friends, family and relatives.

There was a significant difference between groups who were not suggested about health insurance by anyone as determined by one-way ANOVA ($F(1,152) = 15.714, p = 0.000$). Here is a statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. The suggestion given about health insurance is determined by policy holders among family members, knowledge and perception about health insurance among surrounding people. There was a statistically significant difference between groups whose friends, family and relatives did not take health insurance as determined by one-way ANOVA ($F(1,152) = 13.253, p = 0.000$). Here is a statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. The non-subscription of health insurance policy by friends’ family and relatives is determined by lack of knowledge about health insurance in the surroundings which may differ from person to person.

There was no statistically significant difference between groups who are saving in some other areas to fulfil healthcare needs as determined by one-way ANOVA ($F(1,152) = 0.182, p = 0.671$). Here is no statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. There was a statistically significant difference between groups who have difficulty to approach insurance agents as determined by one-way ANOVA ($F(1,152) = 4.087, p = 0.045$). Here is a statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. The approachability to an insurance agent is determined by marketing of an insurance company, communication skills and behaviour of the insurance agent which may differ from person to person on the basis of their experience.

There was no statistically significant difference between groups who found inadequacy of knowledge on the part of insurance agent as determined by one-way ANOVA ($F(1,152) = 1.540, p = 0.216$). Here is no statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. There was a statistically significant difference between groups who could not access linked hospitals easily as determined by one-way ANOVA ($F(1,152) = 4.873, p = 0.029$). Here is a

statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. The accessibility of linked hospitals is determined by the presence of TPA linked hospital in locality, ambulatory service by the hospital, presence of direct link road to the hospital which may differ on the basis of person's experience. There was a statistically significant difference between groups who had difficulty in availing services in hospitals as determined by one-way ANOVA ($F(1,152) = 6.448, p = 0.012$). Here is a statistically significant difference between our group means i.e. respondents who know about the health insurance policy and respondents who do not know about the health insurance policy. The ease of availing health insurance services in linked hospitals is determined by the cashless facility, quick response from insurance companies, quick resolving of queries and minimum waiting time.

In the reliability coefficient or the Cronbach's alpha for non-policy subscriber which should be more than 0.5 and nearest to 1, is 0.741. In variable 1, variable 2, variable 3, variable 5, variable 6, variable 7, variable 9, variable 11, variable 12 i.e. low salary or non-availability of funds, who do not like to buy health insurance policy, do not feel the need to buy the health insurance policy, unaware about health insurance, not suggested about health insurance by anyone, family and relatives did not take health insurance, have difficulty to approach insurance agents, could not access linked hospitals easily, in availing services in hospitals respectively, the null hypothesis is rejected because the calculated value is less than table value, 0.05. In variable 4, variable 8, variable 10 i.e. prefer to invest in areas other than health insurance, saving in some other areas to fulfil healthcare needs, found inadequacy of knowledge on the part of insurance agent respectively, the null hypothesis is accepted because the calculated value of is more than table value, 0.05.

Conclusion:

This research had responses from both the policy subscribers as well non-policy subscribers. In policy subscribers two hypothesis had a significant difference and were rejected i.e. cost of health insurance and cashless facility as it is determined by multiple factors which include monthly income, family size, presence of previously known health disease, the information sent by the hospital is insufficient or if the ailment is not covered under the policy or if the request for pre-authorisation is not sent in time and so on which will differ from person to person as per their experience. The hypothesis for non-policy subscriber had significant difference for the variables like low salary or non – availability of funds; who do not like to buy or feel the need to buy; who are unaware about it; who were not suggested about health insurance policy by anyone; who's friends, family and relatives did not take health insurance; find it difficult to approach insurance agents; who could not access linked hospitals easily; who had difficulty in availing services in hospitals as it is determined by lack of trust on insurance companies or agents, presence of previously known disease, lack of knowledge, the presence of TPA linked hospital in locality, ambulatory service by the hospital which may differ on the basis of person's experience.

The health insurance is now known to everyone through various means such as TV, followed by family, newspaper, friends, movies, agent etc. The reason that obstructs the subscription of health insurance among non-policy subscriber found due to Lack of Reliability and Comprehensive Coverage, Lack of Availability and Accessibility of Services, Narrow Policy Options, Prefer Other Mode to Invest. There are factors that influence decision while choosing the health insurance company such as name and reputation of the insurance company, maximum customer satisfaction, prompt claim process, reliability of services offered, availability of tax benefits and so on.

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