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Health Insurance - Access for the Patient Care in Multispecialty Hospital of India

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Abstract

***Purpose*: - The study aims to assess the different causes which show the poor penetration of Health Insurance is less in India.**

***Design/methodology/approach*: - Primary Study was conducted in Multispecialty Hospital. The primary data were collected through the structured questionnaire. Respondents are Patient through the convenience sampling method. The different causes which show the preference of Health Insurance are assessed**

***Findings*: - This study assessed the vital Causes at the individual level which act in favour of to purchase the Health Insurance by Individual for the better Quality of Services and reduce the burden of the Health Expenditure. It also highlights the 91% patient have the life insurance policy while only 39% patient have health insurance policy. Most of the individual purchase life insurance but the penetration of the Health insurance is poor as compared to the life insurance.**

***Conclusions*: - The High health expenditure is also increase the penetration of Health Insurance in India but due to unawareness, unfamiliar system requirement to possess the health insurance, unfairness to select the Health insurance reduce the penetration of Health Insurance in India**

***Social implications*: – Government, Health Insurance Companies and Hospital can address vital causes of poor penetration of Health Insurance in India**

***Originality/value*: - This study assessed the different causes which show the poor penetration of Health Insurance is less in India. This study mainly focused on the different causes which show poor penetration of Health Insurance through the factor analysis.**

Keywords: Health Insurance, Penetration, Patient care etc.

Introduction

Health insurance is a form of collectivism by means of which people collectively pool their risk, in this case the risk of incurring medical expenses. Healthcare is one of the largest sectors, in terms of revenue and employment, and this sector is expanding rapidly. According to Technopak Advisors in their report – 'India Healthcare Trends 2008', Healthcare, which is a US$ 35 billion industry in India, is expected to reach over US$ 75 billion by 2012 and US$ 150 billion by 2017. The industry has today become a growth engine for the Indian economy.

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India is a growing segment of India's economy. In 2011, 3.9%[1] of India's gross domestic product was spent in the health sector. According to the World Health Organization (WHO), this is among the lowest of the BRICS (Brazil, Russia, India, China, and South Africa) economies. Policies are available that offer both individual and family cover. Out of this 3.9%, health insurance accounts for 5-10% of expenditure, employers account for around 9% while personal expenditure amounts to an astounding 82%[2].The increase in the number of affordable middle class, rise in insured population, widening demand supply gap, growing number of life style diseases especially cancer, cardiovascular diseases, diabetes and chronic respiratory diseases, are some of the factors which are fuelling this growth in Indian healthcare industry. To meet this growing demand, the country needs US$ 50 billion annually for the next 20 years, says a Confederation of Indian Industry (CII) study. India spends about 6% of GDP on health expenditure. Private health care expenditure is 75% or 4.25% of GDP and most of the rest (1.75%) is government funding[3]. At present, the insurance coverage is negligible. Most of the public funding is for preventive, promotive and primary care programmers while private expenditure is largely for curative care. Over the period the private health care expenditure has grown at the rate of 12.84% per annum and for each one percent increase in per capital income the private health care expenditure has increased by 1.47%. Number of private doctors and private clinical facilities are also expanding exponentially. Indian health financing scene raises number of challenges, which are: 1. Increasing health care costs, 2. High financial burden on poor eroding their incomes, 3.Increasing burden of new diseases and health risks and 4. Neglect of preventive and primary care and public health functions due to underfunding of the government health care.

Reasons for Poor Penetration of Health Insurance

Penetration of health insurance has been slow and halting, despite the 'huge market' estimated to range between Rs 7.5–20 crore. Some reasons that explain for the slow expansion of health insurance in the country are as follows: 1. Lack of regulations and control on provider behavior 2. Unaffordable premiums and high claim ratios 3. Reluctance of the health insurance companies to promote their products and lack of innovation 4. Too many exclusions and administrative procedures 5. Inadequate supply of services6. Co-variant risks

Literature Review of the Study

There is growing evidence that the level of health care spending in India .This evidence also suggests that more than three-quarters of this spending includes private 'out-of-pocket expenses'. Despite such a high share of expenditure by individuals, the provision of health care, that is adequate in terms of quality and access, is becoming more and more problematic. Particularly, public delivery of health care is poor in quality, presumably for reasons of inadequate financing. This highlights the need for alternative finances, including provision

[1] "WHO South-East Asia Region: India statistics summary (2002 - present)". World Health Organization.
[2] http://www.cppr.in/article/health-insurance-and-telecom-markets-a-comparative-study/
[3] http://www.iimahd.ernet.in

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for medical insurance at a much wider level. (Ellis, Alam, & Gupta, 2000)As India and China continue on their path to development, they may increasingly face the problem of providing drug benefits, whose cost is difficult to control or constrain, especially in a setting where the country is producing for the world market(Pauly, 2008) Penetration of community health insurance programs in rural India will require education of the consumer base, careful attention to premium rate setting, and deeper understanding of social networks that may act as financial substitutes for health insurance(Jain, Swetha, Johar, & Raghavan, 2014) A well-designed CHI scheme has the potential to improve access to hospital care, even for vulnerable sections of the community-the poorest, individuals with pre-existing conditions like diabetes and hypertension, and pregnant women.(Narayanan Devadasan et al., 2010) The results show that involving prospective clients in benefit package design can be done without compromising the judiciousness of rationing choices, even with people who have low education, low-income and no previous experience in similar exercises.(Dror et al., 2007) This article aims to review the potentials of health insurance interventions in order to improve access to quality care in India based on experiences of community health insurance schemes.(Michielsen et al., 2011) This paper assesses the impact of the entry of private players in the health insurance market on the size of the insurance market and the distribution of public health subsidies on health care provision in India(Mahal, 2003) The benefit packages generally include both primary and secondary care and most of the providers are in the private sector. Most of the schemes require external resources for financial sustainability(Narayanan Devadasan, Ranson, Van Damme, Acharya, & Criel, 2006) The study concludes that (1) the scheme does not address the major barriers to accessing (inpatient) health care; and (2) the process of seeking reimbursement under the scheme is burdensome for the poor. Design and implementation of an equitable scheme must involve: a careful assessment of barriers to health care seeking; interventions to address the main barriers; and reimbursement requiring minimum paperwork and at the time/place of service utilization. ? (Kent Ranson et al., 2006) The study find some evidence on the existence of adverse selection: households with a higher ratio of sick members were more likely to purchase insurance.(Ito & Kono, 2010) Insured persons reported slightly higher WTP values than uninsured. About two-thirds of the sample agreed to pay at least 1%; about half the sample was willing to pay at least 1.35%; 30% was willing to pay about 2.0% of annual HH income as health insurance premium. The correlation between WTP and education is secondary to that of WTP with HH income. Household composition did not affect WTP.(David Mark, Radermacher, & Koren, 2007) The findings have implications for community-based health insurance schemes in India can protect poor households against the uncertain risk of medical expenses. To facilitate reimbursement, administration, particularly processing of claims, should happen near claimants. Fine-tuning the design of a scheme is an ongoing process - a system of monitoring and evaluation is vital.(Ranson, 2002) One of the major challenges after privatization of insurance would be how to develop such mechanisms,

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which help making consumers aware about the various intricacies of insurance plans. As of now information, knowledge and awareness of existing insurance plans is very limited. (Gupta, 2007) (Gumber and Kulkarni,2000) It suggests a broad policy approach to aligning and mobilizing forces that would allow segmented expansion of public and private health insurance.(Bhattacharjya & Sapra, 2008) Community health insurance programmes in India offer valuable lessons for policy-makers. Documented here are 12 schemes where health insurance has been operationalised.(N Devadasan, Ranson, Damme, & Criel, 2004) In India, the quality of care in most health services is poor. The government recognizes this and has been working on both supply and demand aspects. In particular, it is promoting community health insurance (CHI) schemes, so that patients can access quality services. This observational study was undertaken to measure the level of satisfaction among insured and uninsured patients in two CHI schemes in India(N Devadasan et al., 2011)Many a times the insurance claims are rejected due to some small technical reasons. This leads to disputes. Most of the time the conditions and various points included in insurance policy contracts is not negotiable and these are binding on consumers. There is no analysis on what fair practice is and what unfair practice is. Given that insurance companies are large and almost monopoly setting the consumers is treated as secondary and they do not have opportunity to negotiate the terms and conditions of a contract. Many times insurance companies do not strictly follow the conditions in all cases and this create confusion and disputes. (Shah M 1999) The most important area of dispute and unfair treatment is the knowledge and implications of pre-exiting conditions. A number of cases of litigation are disagreement on these pre-existing conditions. The patients with these pre-existing conditions are denied claims for treatment of complications. This is not fair and leads to disputes. Health insurance is typically annual and has to be renewed yearly. Policy, which is not renewed in time lapses and a new policy has to be taken out. Medical conditions detected during the interim period are treated as pre-existing condition for the new policy, which is not fair. This is seen as major issue as it changes the conditionality about what constitutes pre- exiting conditions. Courts, however, have ruled that even if there is delay in renewing the policies it should be considered as renewed policy. In case two doctors give different reports one favoring consumer and other insurance company, the insurance company generally follows the later opinion. There are several such consumer-related issues, which need to be addressed in health insurance. Secondly the present Mediclaim policy premiums are high and do not differentiate between people living in urban and rural areas where the costs of medical care are different. Thus the present policy is less attractive to poor and rural people.(Road, 2004)The tax subsidy provided to the Mediclaim is also going largely to the rich who are the taxpayers. The newer health insurance policies have to improve upon the shortcoming of the existing policies.

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Research questions and hypotheses

The following of the research question are:
RQ1. To know preference of the consumer about health insurance.
RQ2. Find out the preference of the difference insurance by the respondents.
RQ3. Assess the causes of Patient's constraints for poor penetration health insurance plans

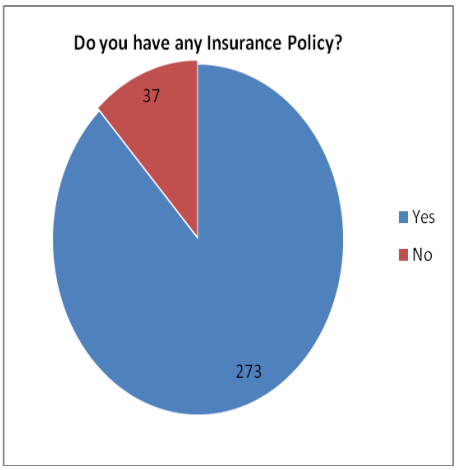
Accordingly, the following hypotheses were generated after the literature review:
H1a. There is no significance difference in causes which Patient's constraints for poor penetration health insurance plans.

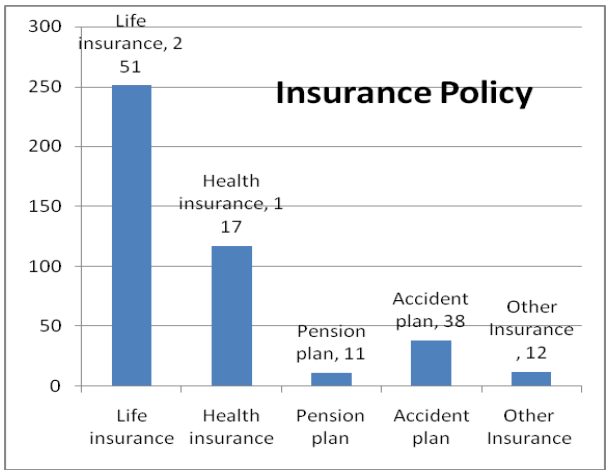
Research Methodology

- Data sources: Primary data and secondary data
- Research design: - Descriptive research design.
- Sampling unit: Patient related Private Multispecialty Hospital.
- Sample size: 375 samples are to be served.
- Sampling methods: Convenient Sampling Method
- Sampling Area: Gujarat
- Respondent: Patient related Multispecialty Hospital.
- Research approach: Survey method is used.
- Research instrument: Structured Questionnaire

Data analysis

The quantitative data will be analyzed using combination of descriptive and statistical inference techniques. SPSS used and the results will be presented in the form of graphs and chart as appropriate.





Factor Analysis: Factor analysis is used to find factors among observed variables. In other words, if data contains many variables, Researcher can use factor analysis to reduce the number of variables.

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KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.543
Bartlett's Test of Sphericity	Approx. Chi-Square	337.462
	Df	28
	Sig.	.000

Kaiser-Meyer-Olkin (KMO) and Bartlett's Test: The KMO measures the sampling adequacy which should be greater than 0.5 for a satisfactory factor analysis to proceed. If any pair of variables has a value less than this, consider dropping one of them from the analysis. The off-diagonal elements should all be very small in a good model. KMO measure is 0.543.

Bartlett's test of sphericity is significant That is, its associated probability is less than 0.05. In fact, it is actually 0.000, i.e. the significance level is small enough to reject the null hypothesis. This means that correlation matrix is not an identity matrix.
The next item from the output is a table of communalities which shows how much of the variance in the variables has been accounted for by the extracted factors.

Communalities

	Initial	Extraction
Difficulty to get Health Insurance claim	1.000	.926
Unfairness of Selective Health Insurance	1.000	.879
Health Insurance Premium is High	1.000	.644
Facing problem for purchase Health Policy due to system requirement	1.000	.933
Difficulty finding Specialist Physicians	1.000	.778
Difficulty finding Hospital nearby Home	1.000	.753
Hospital prepare High Price bill if you have health insurance	1.000	.797
Hospital don’t provide better care if you have health Insurance	1.000	.773

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Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.709	33.863	33.863	2.709	33.863	33.863	2.589	32.368	32.368
2	1.594	19.924	53.788	1.594	19.924	53.788	1.600	19.996	52.364
3	1.132	14.153	67.941	1.132	14.153	67.941	1.195	14.931	67.295
4	1.047	13.087	81.028	1.047	13.087	81.028	1.099	13.732	81.028
5	.642	8.023	89.050						
6	.490	6.130	95.180						
7	.272	3.399	98.579						
8	.114	1.421	100.000						

The next item shows all the factors extractable from the analysis along with their Eigen values, the percent of variance attributable to each factor, and the cumulative variance of the factor and the previous factors.

The scree plot is a graph of the Eigen values against all the factors. The graph is useful for determining how many factors to retain. The point of interest is where the curve starts to flatten. It can be seen that the curve begins to flatten between factors 3 and 4. Note also that factor 4 has an Eigen value of less than 1, so only three factors have been retained.

Eigenvalue: The standardized variance associate with a particular factor. The sum of the eigenvaluescan not exceeds the number of items in the analysis, since each item contributes one to the sum of variances.

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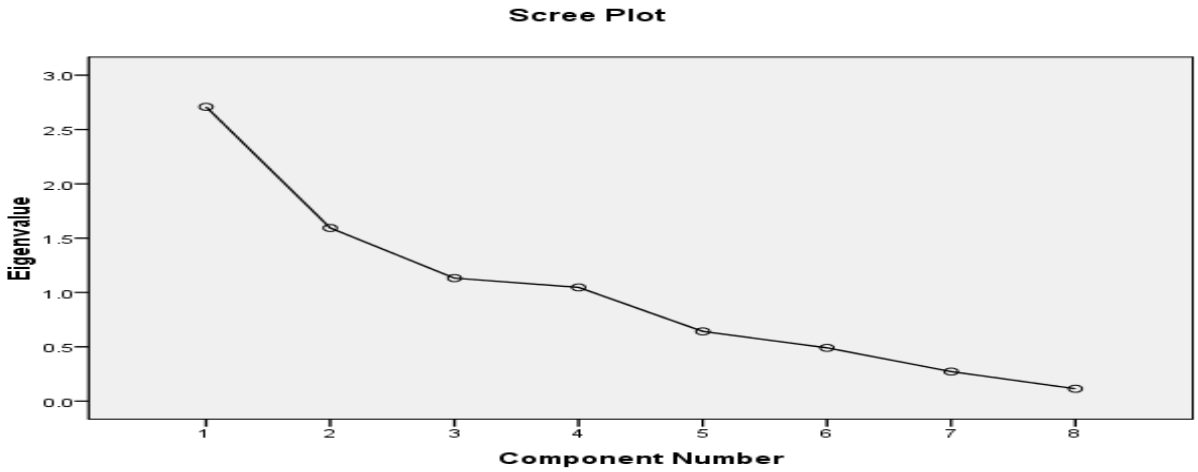

Component Matrix[a]

	Component			
	1	2	3	4
Difficulty to get Health Insurance claim	-.624	.723	-.110	.043
Unfairness of Selective Health Insurance	-.205	.007	.350	.845
Health Insurance Premium is High	.770	.189	-.091	.085
Facing problem for purchase Health Policy due to system requirement	.072	.922	-.251	.120
Difficulty finding Specialist Physicians	-.689	.046	.549	-.010
Difficulty finding Hospital nearby Home	.672	.135	.520	.114
Hospital prepare High Price bill if you have health insurance	.155	.380	.595	-.525
Hospital don't provide better care if you have health Insurance	.854	.144	.033	.144

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

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Component (Factor) Matrix

The table below shows the loadings of the eight variables on the three factors extracted. The higher the absolute value of the loading, the more the factor contributes to the variable. The gap on the table represent loadings that are less than 0.5, this makes reading the table easier. We suppressed all loadings less than 0.5.

Rotated Component (Factor) Matrix

The idea of rotation is to reduce the number factors on which the variables under investigation have high loadings. Rotation does not actually change anything but makes the interpretation of the analysis easier. Looking at the table below, we can see that satisfied / enthusiastic with your present working condition are substantially loaded on Factor (Component) 3 while any career growth while working with at present rural set up and satisfied with salary/honorarium given to you while working in rural area are substantially loaded on Factor 2. All the remaining variables are substantially loaded on Factor 1. These factors can be used as variables for further analysis.

Rotated Component Matrix[a]

	Component			
	1	2	3	4
Difficulty to get Health Insurance claim	-.464	.838	.041	.081
Unfaireness of Selective Helath Insurance	-.056	.041	-.123	.927
Health Insurance Premium is High	.795	.051	.056	-.073
Facing problem for purchase Health Policy due to system requirement	.266	.927	.052	-.013
Difficulty finding Specialist Physicians	-.715	.031	.373	.356
Difficulty finding Hospital nearby Home	.633	-.146	.511	.265
Hospital prepare High Price bill if you have health insurance	.033	.100	.870	-.172
Hospital don’t provide better care if you have health Insurance	.869	-.036	.127	.027

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

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Conclusion

This study shows that the penetration of the health insurance is really poor. Even the other insurance penetration is really poor because the growth of insurance sector starts till 2001. While service sector do not provide better quality in India. The Health Insurance players cannot boom the market though there are really huge prospects related the Health insurance. the Patients mainly faces the causes like Difficulty to get Health Insurance claim, Unfairness of Selective Health Insurance, Health Insurance Premium is High, Facing problem for purchase Health Policy due to system requirement, Difficulty finding Specialist Physicians, Difficulty finding Hospital nearby Home, Hospital prepare High Price bill if you have health insurance, Hospital don't provide better care if you have health Insurance. But through the Factor analysis the vital causes of the poor penetration are the Facing problem for purchase Health Policy due to system requirement, Hospital don't provide better care if you have health Insurance, Unfairness of Selective Health Insurance etc. There is really need to provide the individual proper knowledge related the Health insurance policy by the private insurance players, Hospital and the government because that is really basic requirement for the nation people.

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