A Conceptual Review Paper On Health Insurance in India
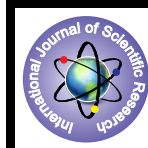
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ABSTRACT *The review of literature justify the study, check out the repetitive work on the same subject matter, eliminates the chances of academic piracy and gives the researcher an understanding of what still remain to be done in the area of the subject under study. Therefore, keeping in mind the importance of the review of related literature, the researcher attempts here to review the available literature. Since health insurance is a very essential part in one person's life so it becomes essential and beneficial to make a study on the growth of health insurance so that in our country the lot of people can take benefit from it and India can also get high ranking in the matter of health safety.*

The researcher has reviewed many studies related to Health Insurance and its related issues. Some of them, which are more significant in respect to the proposed study, are highlighted here as follows:-

D. Mavalankar and R. Bhat (2000) in their article, "Health Insurance in India Opportunities, challenges and concerns" reviews health insurance situation in India, opportunities it provide, the challenges it face and concerns it raises. The author discuss several imperative for opening of the health insurance sector in India for private investment, some of them are: government is unable to provide more resources for healthcare and institute cost recovery, Need for long-term financial resource on sustainable basis for the development of infrastructure sector etc.

R. P. Ellis et al., (2000) in their article, "Health insurance in India- Prognosis and Prospects" attempts to review a variety of health insurance system in India, their limitation and role of the general insurance corporation as an important insurance agency. They highlighted the need for a competitive environment. This paper recommends improvement in delivery of health care and its financing, efficient functioning of the ESIS and CGHS and amending the mediclaim system and alteration in exclusion clause.

Ramesh Bhat and Falan Reuben (2001) in their article, "Analysis of claim and reimbursements made under mediclaim policy of general insurance corporation of India" analyses 621 claims and reimbursements data pertaining to policy initiation year 1997-98 and 1998-99 of Ahmedabad. They found that number of policies and premium collected have grown 30% during 1998-00 and 50% during 1999-2000. It was found that the number of claims increased by about 93% during 1998-99 1/3rd of reimbursement is made towards doctors' fees. Diagnostic charges are 30%. Insurance company took on an average 121 days to settle the claim. IRDA's proposal to ensure payment settlement within 7 days is highly ambitious.

Ajay Mahal(2002) assessed that the entry of private health insurance could have adverse implications for some of goal of health policy, particularly for equity. However an informed consumer and well defined and implemented insurance regulation regime could potentially address many of bad outcomes. There are areas where regulation with regard to health insurance would be clearly useful in instituting benefits packages, restrictions on risk-selection procedure and addressing aspects of consumer protection.

Bhat at el (2005) in their paper "Third party administrator and health insurance in India: perception of policyholders and providers" found that there is low level of awareness among policyholders about existence of TPAs and empanelled hospitals. They rely on their insurance agents. TPAs insist on standardisation of fee structure of medical services. Healthcare providers experience substantial delay in setting of their claim by TPAs. Provider

Perceive significant burden in terms of effort and expenditure after introduction of TPAs. There is no substantial increase in patient's turnover after empanelling with TPAs.

Carlos Pestana Barros et al (2005) in their paper "Evaluating the Efficiency and Productivity of Insurance Companies with a Malmquist Index: A Case Study for Portugal" estimates changes in total productivity, breaking this down into technically efficient change and technological change by means of data envelopment analysis applied to a representative sample of insurance companies operating in the Portuguese market. The aim of this procedure is to seek out those best practices that will lead to improved performance in the market. We rank the companies according to their change in total productivity for the period 1995–2001, concluding that some companies experienced productivity growth while others experienced a decrease in productivity. The implications arising from the study are considered in terms of managerial policy.

B.Hidayat et al (2009) in their paper "The selection of an appropriate count data model for modelling health insurance and health care demand:case of Indonesia" apply several estimators to Indonesian household data to estimate the relationship between health insurance and the number of outpatient visits to public and private providers. Once endogeneity of insurance is taken into account, there is a 63 percent increase in the average number of public visits by the beneficiaries of mandatory insurance for civil servants. However, insurance status does not make any difference for the number of future outpatient visit.

P. Jain et al., (2010) in their paper, "Problems faced by the Health Insurance Policyholders of Different Public and Private Health Insurance Companies for Settlements of their Claims" measure the problem faced by customers. The objectives were to study reason for rejection of claim, satisfaction level of customer and difficulties faced by insured in getting their claim. Main reason for claim rejection was pre-existing disease and incomplete document. From public sector Undertaking (P.S.U.) out of 56, 48 respondents were satisfied with their insurer. From private sector undertaking, out of 44, 16 are satisfied and 20 are highly satisfied with their insurer.

Bawa et al (2011) in their paper "Third party administrators (TPAs) in India:An insight into role defined and role played with reference to IRDA" tell about introduction of TPAs was made

by IRDA in order to regulate the healthcare services and costs. In this paper an attempt was made to examine all those conditions, code of conduct/role which is defined by IRDA and role in practice played by TPAs. The results of the study provided that parity exist in case of: providers of services as and when need; streamline and simplifies the claim process; automatic development of information system etc. Alternatively, deviation exist in case of: lack of knowledge about coverage and exclusion in policies; failure to meet the expectations of parties involved; delay in settlement of claims; failure to meet the service responsibility; indirect cost to consumer etc.

Ravikant Sharma (2011) in his paper, "A Comparison of Health Insurance Segment- India vs. China" seeks to compare the health insurance aspects of both the economies India and China. Both economies have vast potential of health insurance and 45% of world's population lives in this area. Secondary data are used for study. In China health care expenditure per capita – 278$ PPP. In India health care expenditure per capita – 82$ PPP. BHI and NCMS in China and CGHS (central government health scheme) and ESIS (employee's state insurance scheme) in India are state sponsored Health insurance scheme. The China insurance regulatory commission (CIRC) had establish as industry regulator in 1998 while IRDA has in 1999, supervise Indian insurance industry. China regulators sets a limit of 50% and India put 26% for joint venture for foreign direct investment.

Al-Amri et al. (2012) in their paper "Analyzing the technical efficiency of insurance companies in GCC" analyze the performances of the insurance sector in Gulf Cooperation Council (GCC) countries and carry out a comparative analysis for its different units. The authors analyse the technical efficiency of insurances in the GCC countries using

DEA methodology and Malmquist Productivity Index (MPI). The study considers 39 insurance firms in the region, with a panel data covering the period 2005-2007. The authors found that the insurance industry in the GCC is moderately efficient and there is large room for improvement.

T.N.R.Kavitha et al.(2012) in their article, "Customer attitude towards general insurance- A Factor Analysis Approach" make an attempt at Erode district with the sample of 750 respondents to find out the influencing factor of the policyholder in the study areas. For this, respondent's opinion on the various related statements were collected with a 5 point scaling. Factor analysis, an important multivariate technique has used. 25 factors are considered. Respondents are highly satisfied for factors like product price, officers/agents location etc. Respondents are neutral towards factor like product type, office appearance, and guidance/help at time of purchasing the policy.

Ruchita Verma(2012) in her article, "A study of perspective and productivity of health insurance Business in India with reference to key determinants" examine productivity as well as change in productivity of health insurance business and to identify the various derives behind such changes. A period of 8 years from 2002-03 to 2009-10 is considered and public sector companies are mainly taken as key area of investigation. Data Envelopment Analysis (DEA) and two key determinants of input and one determinants of output is considered the result of DEA provides that TEPC, which comprises of EC, TC, PTEC and SEC followed diverse path during the period under consideration. In almost all the year the TFPC lies between first two categories i.e. either less than 1 or 1-2, except for the year 2004-05 to 2005-06 as during this year TFPC lies in 3rd category i.e. it was even more than 2.

J. Jaypradha (2012) in the article, "Problems and prospects of health insurance in India" highlighted that the health insurance sector has registered 30% growth rate in 2008-09. The penetra-

tion health insurance in India had risen to 4.8%, in 2008 as compared to 1.2% in 1999-2000. The average medical expenditure of an Indian household is 6.7% of the annual income. There are many factors for low penetration, some are- a. non availability of attractive health insurance products, b. lack of awareness, c. absence of stringent rules by IRDA, e. monopoly of health insurance market prior to 1999. Market size of health insurance business in India in 2008 is 5125 Rs. Crore. In 2008-09, gross premium of all health insurance companies was 30601 Rs. Crore

Beest et al (2012) in their paper "Health insurance and switching behaviour: Evidence from the Netherlands." Tell about the introduction of the Health Insurance Act in the Netherlands in 2006 and evaluates the switching behaviour of Dutch consumers. Three surveys were conducted: from 2005- 2006 (n = 478), 2008-2009 (n = 389), and 2010- 2011 (n = 191). In 2005-2006, almost 20 percent of the Dutch consumers switched their insurance company. In between 2006 and 2012, however, the percentage of switchers decreased to less than four percent. The main cause of this decrease is that consumers no longer perceive sufficient differences between insurance companies in terms of premium and service. In addition, consumers have difficulties finding the pro- per information making the right decision and believe they may not be accepted for the supplementary insurance.

R. Amsaveni and S. Gomathi (2013) made an attempt to find out medi-claim policy holder satisfaction, to identify the reason for preferring medi-claim policy to safe guard themselves and avoid future risk, majority of the respondents have taken personal scheme to employees. The major problems faced by the respondents are lack of timely communication and limited list of hospitals covered by the insurance companies. Primary data were collected from 300 respondents for a period of 6 months from Jan. 2012 to June 2012. Secondary data have been collected from various books, journals, magazines and internet. Tools that are applied percentage, chi-square, ANOVA, factor analysis and weighted average ranks score. Among 300 respondents, 90 are facing problems with regard to mediclaim policy. Majority of respondents are satisfied. Age, education and income of respondents are influenced by reason for preferring mediclaim.

K. Selva Kumar and Dr. S. Vijay Kumar (2013) in their article, "Attitude of policy holders towards administration of general insurance companies with reference to Madurai region" The study reveals that 23% policy holders belongs to low level of attitude, 46% to medium level of attitude and 31% to high level of attitude. There is significant relationship between ages, sex, education, and marital status, type of family, community and level of their attitude towards Administration of services of public sector general insurance companies holds good. Out of nine factors eight factors are significant; only one factor i.e. social group of policyholder is not significant.

Poursamad et al (2013) in their paper determine the method of providing health insurance service. The present research is a descriptive plan in which 502 insured individuals, 316 of service providers and 8 managers of insurance organization took part. Obtained results from testing quality to show that 82.66% insured as average, 83.54% employees knew the quality as well and 62.5% managers declared it as average. Since most insured people, employees and managers evaluated insurance services in an average rate and there is considerable difference between views of managers and employees about the quality.

Thus, Health insurance is one of the growing segments of non life insurance industry. It holds 22.24% of non life insurance business (IRDA Annual Reports 2012-13).This is one of the recent origins in India and still it is an embryonic stage. This sector have both opportunities and challenges which should be

kept into mind by all insurance companies dealing in health insurance in order to maximum their market share.

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