



Health insurance sector - Challenges & Prospective growth trends –role of government

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Abstract : Health insurance of the people has become necessary as lifestyles have dramatically changed the health priorities of the people. Health issues are doubling at an increasing rate while people are failing to meet the increasing expenditure arising from health risk management. Health insurance becomes necessary to meet such demands of health. health insurance becomes more attractive when it reaches larger sections. Hence an awareness about health risk in changed urbanization influences is needed. Health insurance schemes do not cover all fatalities & diseases .They are selective hence there is a need to cover all types of illness under health cover with priority . Health is everything , hence there is a need to review health care governance by the central & state governments towards maintaining balance of urban rural , rich & poor , Private & public etc. This paper analyses the importance of health insurance challenges , issues linking health insurance coverage, & opportunities open for health insurance companies.

Keywords: Health Insurance, impact on economy, impact on community empowerment , challenge ahead

Introduction: These days' people are racing towards achieving material success & are neglecting health. Increasing stress from professional life , lack of physical activity , deteriorating environmental support , vulnerability to diseases have changed the health scenario.(Joe- Health inequality in India 2003)Majority of the health issues are thus related to life style disorders. Hence people are made to spend heavily on health & they have to set aside for contingency health expenditures as well. Majority of the people sell their ancestral properties, or borrow money, or to meet the contingency expenditures. But health insurance schemes can be very supportive to people as the shocking medical bills can be dealt in easily. (Joe. (2008). Health inequality in India: Evidence from NFHS-3. Economic and Political Weekly, 43)..

Concept of Health Insurance : It covers the cost of an insured individual's

medical & surgical expenses Subject to the terms of insurance coverage either the insured pays costs out of pocket & is subsequently reimbursed or the insurance company reimburses directly . Certain health insurance plans covers up to 30-40 illness under coverage. (Joe- Health inequality in India: 2008)

Choosing a better health plan- Choosing a better health plan depends on maximum period of time over which the premium remains constant even after making claims. several health plans include

1. Enhanced cover on claim-free years at same premium
2. Expansive cover of illnesses and health conditions. So if there is a family history for a particular health condition like heart ailments, ensure the health plan has it covered.



3. Flexibility to tailor-make the plan in terms of health cover, benefit options and premium payment.
4. Hassle-free claim process with cashless benefits on surgeries and hospitalization across a wide network of hospitals.
5. Tax benefits under relevant sections of the law

Need for health insurance

1. In India, Life expectancy has increased from 37 years in 1951 to 63 years in 2001. Hence the number of people in the age bracket of 45-65 is increasing. (Roy & others -Social Inequalities in Health and Nutrition in Selected States.) .
2. In India , less than 15% of the population is covered under pre paid insurance plans 3.4% of the population are covered under ESI 85% of the population meet their medical expenses personally.
3. According to world bank & National Commission report on Macro economics only 5% of the population are covered under health insurance. (Report of the National Commission on Macro economics 2013).
4. In India , best medical covers by health insurance has been available with Apollo, Fortis, Hinduja , Max Escorts etc.
5. In India health care expenditure per capita according to IRDA report 2012-2013, there are 17 Private Insurance companies who do business in General Health Insurance along with 4 Public Sector biggies and 4 standalone insurance companies who's core

business in only Health Insurance. (IRDA 2012 -2013) WHO has listed India 112th position among 190 countries (world health report 2000).

6. public spending on healthcare should be doubled to more than 2% of GDP from the current 1% .
7. According to WHO statistics, about 47% and 31% of hospital admissions in rural and urban India, respectively, were financed by loans and sale of assets. WHO says, 3.2% Indians will fall below the poverty line because of high medical bills.
8. About 70% of Indians spend their entire income on healthcare and purchasing drugs. Such unforeseen Medical emergencies not only stress our immediate cash flows, they are also likely to adversely impact financial commitments towards regular savings thus impacting achievements of any long term financial goals. Add to it the burden of any loans that one may take to pay for medical expenses. The cost of medical care is also increasing due to inflation and advancements in medical technology. At the same time the longevity is improving thus forcing us to consume more medical care.

Even though Government is dealing with these issues with the help of all stake holders the problems persists. Health problems of the villagers continue to soar high amidst supportive measures. There are problems connected with qualified medical functionaries, non access to



medical facilities, lack of medical infrastructure, lack of medical drugs etc.

Increasing demand for health benefits-

Different aspects of health issues India is facing needs comprehensive strategies to tackle issues pertaining to

1. Maternity deaths
2. Girl children below 1- 5 year deaths
3. Pre natal deaths
4. Mal nutrition
5. Under nutrition
6. Complete absence of pure drinking water facilities
7. Complete nonexistence of Sanitation
8. Absolute absence of Hygiene
9. Complete deficiency of medical care units
10. Absence of healthy practices & medical care knowledge

Challenges of health insurance sector -

1. Health insurance schemes have to be extended to all people both rural & urban. several of the schemes are only urban oriented these companies have to consider of launching schemes for rural people who are more vulnerable to diseases.
2. Health insurance becomes more attractive when it reaches larger sections. Hence an awareness about health risk in changed urbanization influences is needed.
3. Health insurance schemes do not cover all types of fatalities & diseases .They are selective , hence there is a need to cover all types of illness under health cover.

4. The health insurance companies have to have a uniform code of risk coverage .This inequity has to be dealt with.
5. Below poverty line people suffer from health care insurance cover hence there is a urgent need to restructure health insurance industry.
6. Government & non government health insurance differ in their scope , priority , benefits & affordability hence the integration of such policies is needed.
7. Our health is everything , hence there is a need to review health care governance by the central & state governments towards maintaining balance of urban rural , rich & poor , Private & public etc.

Health insurance plans should have supportive affordability , increased benefits for people, comparative study & market analysis

Conclusion: Thus health insurance is one of the fundamental insurance life cover besides it is a necessity for all As it provides financial security to meet health related contingencies it is demand . Health insurance becomes more attractive when it reaches larger sections irrespective of income brackets , regional bracket & sector bracket. Health insurance schemes should cover all types of fatalities & diseases .Hence there is a need to cover all types of illness under health cover. Thus getting adequate & timely health insurance has assumed importance like never before given the rise trends in accidents diseases critical illness, heavy medical treatments.

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