

Health Insurance: An Indian Perspective

Gurmeet Singh Sarla

Head of Department of Surgery,
General & Laparoscopic Surgeon,
Military Hospital Khadki, Pune,
Maharashtra, India

Abstract

Health insurance is transfer or monetization of risk that covers the whole or a part of the risk of a person incurring medical expenses due to accidents, illnesses, or injuries. It serves as a critical method for financing medical needs and is recognized as a promising avenue towards achieving universal health coverage. It started with Workmen's compensation act in India which required to provide financial protection to workers against injury and death arising out of employment. Employment state insurance scheme, Central government health scheme and Ex-servicemen contributory health scheme are some of the insurance schemes running successfully in India for different beneficiaries. Insurance Regulatory and Development Authority of India is an autonomous and statutory body which plays a crucial role in maintaining a robust and consumer-friendly insurance ecosystem in India. Universal health coverage means that all people have access to quality promotive, preventive, curative, rehabilitative and palliative health services, whenever and wherever they need, without causing financial hardship. As the world's population ages and life expectancy increases, there will be growing pressure on governments to establish sustainable methods that prevent their citizens from falling into poverty due to healthcare expenses. Health insurance isn't solely about individual coverage; it has implications for the entire family. We discuss various innovative strategies required to be adapted by the health insurance industry so that they better serve the population and contribute to overall well-being and financial security of the society.

Keywords: Health Insurance, Medical Insurance, Universal Health Coverage, ESIS, CGHS, ECHS, IRDAI

Introduction

Health insurance serves as a critical method for financing medical needs in various countries. Some individuals lack the financial means to pay directly for necessary healthcare services, while others may face serious disadvantages if they do so. When those without financial risk protection fall ill, they encounter a dilemma: either use health services and risk further impoverishment due to out-of-pocket expenses, or forgo services and remain ill, potentially affecting their ability to work or function. Health insurance plays a vital role in enhancing service utilization and shielding households from the financial burden of medical costs. It is an essential aspect of ensuring people's well-being and financial stability. The World Health Organization recognizes health insurance as a promising avenue towards achieving universal health coverage.

History

Health insurance is transfer or monetization of risk that covers the whole or a part of the risk of a person incurring medical expenses due to accidents, illnesses, or injuries. Medical insurance or health insurance is most needed during the periods of dependency at the two extremes of life or when a phase comes in an individual's life when he is unable to work and earn his livelihood due to illness, injury or maternity. In 1923, Workmen's compensation act in India provided financial protection to workers against injury and death arising out of employment. Subsequently Maternity Benefit Act came into play and the employer was liable to pay for the expenses.

Health Insurance Schemes

Employee State Insurance Corporation, a statutory body created under the Employee State Insurance Act, 1948 provides financial assistance to workers earning less than Rs.21000 per month and their families in the event of sickness, injury or disability under Employment state insurance scheme (ESIS). Central Government Health

*Corresponding Author:

Gurmeet Singh Sarla, Head of
Department of Surgery, General &
Laparoscopic Surgeon, Military Hospital
Khadki, Pune, Maharashtra, India.

Email: rjaki@gmail.com

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Scheme (CGHS) is a health insurance scheme for serving and retired central government employees and their families in which they can enroll by paying a monthly contribution in which the beneficiaries can access outpatient and inpatient treatments, diagnostic tests and medicines under the scheme. Ex-servicemen Contributory Health Scheme (ECHS) was authorized by the Government of India on December 30, 2002 which provides medical assistance to ex-servicemen and their dependents offering allopathic and AYUSH (Ayurveda, Yoga, Unani, Siddha, and Homeopathy) medical care. It operates through a network of ECHS polyclinics, service medical facilities, government medical colleges and hospitals, empanelled private hospitals and specified government AYUSH hospitals.

Regulating Body

Insurance Regulatory and Development Authority of India (IRDAI) is an autonomous and statutory body under the jurisdiction of the Ministry of Finance, Government of India which is responsible for regulating and licensing insurance industry and plays a crucial role in maintaining a robust and consumer-friendly insurance ecosystem in India.

Health Care System in India

India has a complex and mixed healthcare framework with presence of parallel public and private healthcare systems [1]. Health policies in India have been guided by the principle of equity with prioritizing the needs of the poor and underprivileged [2]. Approximately 71% of the healthcare spending in India is met by Out-of-pocket expenditure which is not only an immediate financial burden to the poor households but also pushes the households into a never-ending poverty trap [3].

Initiatives of Government of India

The public healthcare system was reframed as the National Rural Health Mission in 2005 and subsequently restructured as National Health Mission in 2014 to address the healthcare-related inequities in India [3]. Janani Suraksha Yojana is safe motherhood programme which aims to reduce maternal and neonatal mortality by promoting institutional delivery among poor pregnant women [4]. Rashtriya Swasthya Bima Yojana provides health insurance coverage up to ₹30,000 per family per annum covering the unorganized sector workers and their family members and aims to protect below poverty line households from financial liabilities arising due to ailments that require hospitalization [4].

Universal Health Coverage

Universal health coverage means that all people have access to quality promotive, preventive, curative, rehabilitative and palliative health services, whenever and wherever they need, without causing financial hardship. The objectives of universal health coverage include equity, quality and financial protection [5]. To achieve universal health coverage, Government of India announced Ayushman Bharat programme in 2018 with initiatives of Health and Wellness centers and National health protection scheme Pradhan Mantri Jan Arogya Yojana which is intended to cover around 500 million beneficiaries to provide coverage upto Rs 500,000 per family, per year [6].

Importance of Health Insurance

Studies have shown that availability or lack of medical insurance plays an important role in individual health, as the uninsured are the least likely to use preventative medical services, are the most likely to encounter financial barriers to access care, and report the highest rates of preventable hospitalizations [7].

A study by Anderson et al revealed that the uninsured utilize emergency services at higher rates than the insured [7]. By ensuring uninterrupted access to health care and early access to preventive care, health insurance is likely to have a positive impact on health [8]. Baker et al., in his study has shown that continuously and intermittently uninsured adults ages 50-60 were found to be more likely to have a major decline in overall health and the development of new physical difficulties compared with their continuously insured counterpart [9]. McWilliams et al found improved health over the years among people who had been previously uninsured, compared with those who had always had medical insurance, more so for individuals with diabetes and cardiovascular disease [10]. Wherry et al in his study found that health insurance during childhood positively affects health and predicts future adult health outcome [11].

Conclusion

As the world's population ages and life expectancy increases, there will be growing pressure on governments to establish sustainable methods that prevent their citizens from falling into poverty due to healthcare expenses. Health insurance isn't solely about individual coverage; it has implications for the entire family. When any family member lacks insurance, it puts the financial and emotional well-being of the entire household at risk. To ensure sustained growth in the health insurance industry in India, it's essential to adopt innovative strategies and adapt to evolving dynamics. Implementation of robust risk management practices to mitigate potential losses by assessing and managing risks associated with policyholders is of prime importance. Exploring ways to control costs without compromising the quality of healthcare services by negotiating favorable rates with healthcare providers, optimizing administrative processes, and leveraging technology for efficiency is another way to improve coverage of health insurance. Streamlining claims processing to enhance customer experience by timely and accurate claims settlement is crucial for customer satisfaction. Developing comprehensive product portfolios that cater to different segments of the population which are tailor made based on demographics, income levels, and specific healthcare needs will go a long way in increasing the reach of medical insurance. Launching awareness campaigns to educate the public about the importance of health insurance benefits and coverage options available to them will help the insurance industry better serve the population and contribute to overall well-being and financial security of the society.

Abbreviations Used

ESIS: Employment state insurance scheme.
CGHS: Central Government Health Scheme
ECHS: Ex-servicemen contributory health scheme
IRDAI: Insurance Regulatory and Development Authority of India

Conclusion

Many of the observed physiological changes after FMT treatment are anti-diabetic in nature including improved glucose handling, basal metabolic rate enhancement and lower levels of systemic inflammation. Although there are still many unknowns surrounding to FMT, new discoveries will continue to bridge these gaps in our understanding of FMT to standardize the protocol to improve metabolic disorders related to gut dysbiosis like obesity and diabetes.

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