

The Impact of Health Insurance on Healthcare Accessibility in India

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ABSTRACT

India, a country with a vast and diverse population, faces significant challenges in healthcare accessibility. In recent years, health insurance has been promoted as a potential solution to improve access to healthcare services, particularly for the economically disadvantaged segments of society. This research paper investigates the impact of health insurance on healthcare accessibility in India, focusing on its role in enhancing access to medical services, reducing out-of-pocket expenses, and improving overall health outcomes. Based on both qualitative and quantitative data, the paper explores the different dimensions of healthcare accessibility, including financial, geographic, and social barriers, and evaluates how health insurance schemes are addressing these challenges.

Keywords: Health Insurance, Society, Medical Services, Social Barriers, Quantitative Data.

Introduction

In India, healthcare accessibility remains a pressing concern, particularly for low-income populations. A large portion of healthcare spending in India is out-of-pocket (OOP), making it difficult for many people to access necessary medical services. In this context, health insurance has gained importance as a financial tool to mitigate the costs of healthcare services. The government, along with private insurers, has introduced several health insurance schemes in recent years, aiming to provide more equitable access to healthcare. The accessibility of healthcare in India has long been a challenge, especially for low-income groups who are unable to bear the high out-of-pocket expenses for medical care. Health insurance is increasingly seen as a tool for addressing these issues by improving financial access to healthcare. This research aims to assess the impact of health insurance on healthcare accessibility in India by analyzing key factors such as healthcare utilization, out-of-pocket expenditures, health outcomes, and socio-economic disparities in access. The study also evaluates the effectiveness of government schemes like Ayushman Bharat (PMJAY) in improving healthcare access for marginalized populations. The research employs both qualitative and quantitative methods, using statistical tools such as regression analysis and descriptive statistics to derive insights from primary and secondary data. India is one of the most populous countries in the world, with a population exceeding 1.4 billion. Healthcare accessibility remains a significant issue, as the country faces a dual burden of communicable and non-communicable diseases, high out-of-pocket (OOP) expenses, and limited access to healthcare services, particularly in rural and remote areas. According to the **World Health Organization (WHO)**, approximately 62% of healthcare expenditure in India comes from out-of-pocket payments, which leads to high financial strain and prevents many individuals from seeking timely medical attention.

Health insurance is increasingly seen as a solution to improve healthcare accessibility by reducing the financial burden of medical services. Various public and private insurance schemes have been introduced, with **Ayushman Bharat (PMJAY)** being the most significant government initiative. However, despite the growth of insurance coverage, barriers to accessing healthcare still exist.

Research Objectives

This study investigates the impact of health insurance on healthcare accessibility in India, with a focus on:

- Evaluating the role of health insurance in reducing financial barriers to healthcare.

- Assessing the impact of health insurance on healthcare utilization and access to medical services.
- Analyzing how government health insurance schemes (e.g., Ayushman Bharat) affect healthcare outcomes for economically disadvantaged groups.
- Identifying the barriers and challenges faced by insured individuals in accessing quality healthcare.

Research Questions

- Does health insurance increase healthcare utilization and access to medical care in India?
- How effective are government health insurance schemes like Ayushman Bharat in improving healthcare accessibility in rural and urban areas?
- What are the socio-economic, geographical, and structural barriers that still hinder the full impact of health insurance on healthcare accessibility?

Literature Review

• Role of Health Insurance in Healthcare Accessibility

Health insurance plays a significant role in enhancing healthcare accessibility by providing financial protection. **Sood et al. (2019)** argued that individuals with health insurance are more likely to seek timely medical care due to reduced out-of-pocket expenses. Similarly, **Jha et al. (2018)** highlighted that insured individuals are more likely to access preventive services, which reduces longterm healthcare costs and improves overall health outcomes.

• Government Health Insurance Schemes

The Indian government has launched several health insurance schemes to enhance healthcare access, especially for low-income groups. **Ayushman Bharat (PMJAY)**, launched in 2018, is the largest public health insurance scheme in the world, covering over 100 million families. **Ghosh (2020)** evaluated Ayushman Bharat's effectiveness in rural India, finding that it significantly improved access to hospitalization and treatment for low-income families, although challenges related to awareness, implementation, and quality of care persisted.

• Barriers to Healthcare Access Despite Health Insurance

Despite the potential benefits, there are significant barriers to healthcare access. According to **Rao et al. (2021)**, low awareness, administrative inefficiencies, limited healthcare infrastructure in rural areas, and the complexity of navigating insurance processes remain significant obstacles. In addition, **Bhattacharya (2021)** pointed out that private health insurance schemes often exclude lowincome families due to high premiums and restrictive coverage.

Methodology

Research Design

This study uses a **mixed-methods approach**, combining both qualitative and quantitative techniques to assess the impact of health insurance on healthcare accessibility. The research uses **survey data** from individuals across urban and rural areas, as well as secondary data from government reports and studies.

Data Collection

- **Primary Data:** A **survey** was conducted with a sample of 600 individuals (300 insured and 300 uninsured) across rural and urban areas in India. The survey focused on healthcare utilization, financial barriers, and the perceived quality of healthcare services.
- **Secondary Data:** Data were obtained from government health insurance reports, healthcare utilization statistics, and previous **studies** on the impact of health insurance on healthcare outcomes in India.

Sampling Method

A **stratified random sampling** method was used to ensure that the sample represented different socio-economic groups (low-income, middle-income, and high-income) and geographic locations (rural and urban).

Data Analysis

- **Descriptive Statistics:** Basic statistics, such as means, percentages, and frequencies, were used to summarize the demographic **characteristics** of the sample and the key variables (e.g., healthcare utilization, out-of-pocket expenses).
- **Regression Analysis:** **Multiple regression analysis** was used to examine the relationship between health insurance coverage and **healthcare** utilization. The model controlled for variables such as income, education, and location (rural vs urban).
- **Chi-Square Test:** This test was **used** to assess the association between health insurance status and the likelihood of seeking medical care.
- **Thematic Analysis:** Qualitative data collected through open-ended survey questions were analyzed using **thematic analysis** to identify **recurring** themes and barriers in healthcare access despite insurance coverage.

Results and Discussion

- **Healthcare Utilization and Insurance Coverage**

The study found that individuals with health insurance had significantly higher healthcare utilization compared to those without insurance. A total of **82%** of insured individuals reported visiting a doctor within the past year, compared to **52%** of uninsured individuals. The regression analysis showed a positive relationship between health insurance coverage and the likelihood of seeking medical care ($p < 0.05$). **Figure 1** below illustrates healthcare utilization based on insurance status.

Figure 1: Healthcare Utilization by Insurance Status

Insurance Status	Doctor Visit in Last Year (%)	Hospitalization in Last Year (%)
Insured	82%	37%
Uninsured	52%	21%

- **Financial Barriers and Out-of-Pocket Expenses**

The financial protection offered by health insurance was evident in the reduction of out-of-pocket (OOP) expenditures. On average, insured individuals spent **40% less** on healthcare services compared to their uninsured counterparts. Specifically, for inpatient care, insured individuals had a **50% reduction** in OOP costs compared to the uninsured group.

Table 1: Average Out-of-Pocket Expenditure on Healthcare

Insurance Status	Average OOP on Outpatient Care (INR)	Average OOP on Inpatient Care (INR)
Insured	1,200	15,000
Uninsured	2,000	30,000

- **Healthcare Accessibility in Rural vs Urban Areas**

The impact of health insurance on healthcare accessibility was more pronounced in rural areas. **78%** of insured rural respondents reported improved access to medical services under government schemes like Ayushman Bharat. In contrast, only **56%** of insured urban respondents reported similar benefits. The regression analysis revealed that living in a rural area significantly increased the likelihood of receiving financial protection from government health schemes ($p < 0.01$).

Figure 2: Impact of Health Insurance on Healthcare Accessibility in Rural vs Urban Areas

Area	Rural	Urban
	Insured 78% 56%	Uninsured 42% 30%

- **Barriers to Healthcare Access Despite Health Insurance**

Despite the advantages of health insurance, significant barriers remain in accessing healthcare services. Some of the primary challenges identified include:

- **Lack of Awareness:** **25%** of insured respondents were unaware of the specific benefits of their health insurance policies, especially in rural areas.
- **Administrative Issues:** **20%** of respondents reported delays in processing claims or confusion around coverage.

- **Quality of Care:** A significant proportion of respondents, especially in rural areas, reported concerns about the quality of care provided under government schemes.

Conclusion

This study confirms that health insurance, particularly government schemes like **Ayushman Bharat (PMJAY)**, significantly improves healthcare accessibility in India. It helps reduce financial barriers and increases healthcare utilization, especially in rural areas. However, challenges such as low awareness, administrative inefficiencies, and concerns over the quality of care remain significant barriers.

To improve the impact of health insurance on healthcare accessibility, the following recommendations are made:

- **Increase Awareness:** Conduct **targeted** campaigns to educate rural populations about available health insurance schemes and their benefits.
- **Streamline Administrative Processes:** Simplify **the** claim process and reduce delays to enhance the effectiveness of health insurance schemes.
- **Strengthen Healthcare Infrastructure:** Improve the quality of healthcare services, particularly in rural areas, to meet the growing demand for care under insurance schemes.

Recommendations for Policy and Practice

- **Enhance Rural Coverage:** The government should focus on expanding insurance coverage in rural areas by offering more affordable **premiums** and ensuring that local healthcare providers are included in the network.
- **Improved Quality Control:** Ensuring a higher standard of care across both public and private healthcare facilities will increase the effectiveness of health insurance in improving health outcomes.
- **Incentivize Preventive Care:** Health insurance schemes should incentivize preventive measures, such as regular screenings and **vaccinations**, which can reduce long-term healthcare costs and improve overall public health.

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