

HEALTH INSURANCE AND IMPORTANCE OF MEDICAL CARE

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ABSTRACT

Health care is only one of the factors that determine health. Other factors include individual behaviors, environmental factors, social factors, education, income, and genetics. If we think of an individual as a producer of health, the key production inputs are the time and money spent on health-improving activities and health care. The purpose of this article to discuss the need and importance of health insurance and its medical care and also it create awareness to take among public financial beneficiary. The study is based on secondary data.

Keywords: Health Care, Social Factors, Public Financial, Secondary Data.

Introduction

Health insurance can be defined as a way to distribute the financial risk associated with the variation of individuals' health care expenditures by pooling costs over time through pre-payment and over people by risk pooling. health insurance is a contract between you and the health insurance company that agrees you to provide particular policy for a premium with subject of policy and scheme of insurance is based that includes hospital fees, surgeon fees etc.

Most of the Health Insurances Companies in India offer 5 lacs to 10 lacs coverage which in my opinion may just not be enough in case of critical illness. However, few companies have come with higher coverage but you also need to pay higher premium amount for the same (Health Cover up to Rs 1Cr). The idea of Health Insurance is to provide an individual with financial assistance so that one could avail the best medical treatment without losing the hard earned savings and investments.

Trends in Health Insurance

Coverage Health insurance helps shield families from the financial risk of the unanticipated health expenses of serious illness or injury, and facilitates access to the health care system, thereby improving health outcomes. Because health insurance policies cover most health care costs, including the costs of routine, predictable health care services, consumers have little incentive to try to access and act on price information. This moral hazard effect encourages overuse of certain types of health care, gives little incentive for consumers to consider costs in their search for a provider, and distorts incentives for technological change.

Health insurers and their sponsors (employers) recognize that insurance reduces consumer incentives to be responsive to costs. Insurers use a variety of cost-control mechanisms such as utilization review, pre-approval, and drug formularies to attempt to manage costs and, in part, counteract the lack of cost consciousness by consumers.

Review of Literature

K. Selva Kumar and Dr. S. Vijay Kumar (2013) in their article, "Attitude of policy holders in the direction of administration of general insurance companies with orientation 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 an important relationship between ages, sex, education, and marital status, type of family, community and level of their attitude headed for administration of services of public sector general insurance companies holds good. R.

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Amsaveni and S. Gomathi (2013) made an attempt to find out medical claim policy holder satisfaction, to recognize the reason for preferring medical claim policy to safe guard themselves and stay away from 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 health insurance providers.

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 relating to policy beginning year 1997-98 and 1998-99 of Ahmadabad. They found that number of policies and premium collected have grown 30% during 1998- 00 and 50% during 1999-2000.

R. P. Ellis et al., (2000) in the article, "Health insurance in India- Prognosis and Prospects" tries 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 focused 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 clau

Need of Health Insurance

- Protect against economic loss in the event of illness/ accidents
- Protect against the rising cost of health care, which is out pacing other cost in general



Importance of Health Insurance

- Raising of medical cost
- Sharing of health related risk
- Uncertain hospital bills
- Family health insurance
- Tax benefits
- Medical insurance
- Cashless medical treatment

Medical Insurance

It is the General form of Medical Insurance (Cashless) which takes care of your medical expenses in case of hospitalization. The Insurance either reimburses the payment made by an individual or directly bears the hospitalization expenses up to the limit of sum insured. T

"Health is our greatest Asset", every individual should follow a healthy diet in order to keep oneself fit. As unhealthy lifestyle leads to health ailments which not only restricts normal life but also leads to financial drain. Health Insurance is a necessity with the rising treatment costs coupled with inflationary pressure & post treatment expenses. Moreover, Medical expenses is on the higher side in India whereas, Public Expenditure is still on the lower side when compared to other nation.

Tax Benefit

Payment that is made towards the premiums indeed comes under section 80D, i.e it is exempted under this section up to a certain amount. Individuals having age below 60 years can claim up to 15000 rupees for the health insurance premium paid. It can be taken not for only themselves but can be for spouse, children, and parents. On the other hand additional 5000 can be claimed for regular treatments.

Benefits of Health Insurance

- **Cashless Treatment:** when you possess insurance, you become eligible for cashless treatments at one of the various hospital networks your insurer has collaborated with.
- **Medical Checkup:** when you choose health insurance, as per your plan type, you become eligible for health checkups.

- **Alternative Treatment:** many insurance companies provide coverage for alternative treatment such as, homeopathic, yoga and others. on buying a policy that covers this element, you will be able to make the most of the offered treatment without bearing expenses on your own.
- **Daily Hospital Cash Allowance:** This daily cash allowance feature is one of the hidden benefits of health insurance (if featured in the policy) that lets you take care of your additional expenses like food, travel and others during hospitalization.

Emergency Funds for Medical Needs

Expensive home loans, children's school fees and rising cost of living might impact your savings in a big way. Cashless hospitalization facility is a boon in such situations as it keeps you mentally relaxed and you can handle a medical emergency without much of hassle. This facility reduces the need to keep funds aside for medical emergency and enables to get good treatment at network hospitals.

Surgeries and Illness Covered in the Policy

You should read the terms and conditions of the policy and be well informed about the illness and surgeries covered by the policy. This ensures that in times of getting a treatment or surgery done if it is covered, you can plan accordingly get required approvals before getting admitted in the hospital.

Different Health Insurance Plan

- **Individual Health Insurance:** This policy covers the health expenses and hospitalization expenses of individual who has taken the policy. Premium under this policy is determined as per the age of insured.
- **Family Health Insurance Plan:** Under this policy, an individual can include all the family members against multiple diseases under a single cover. Family health plan offers a fixed sum assured for the family members, which can be availed by all members of the family or by any one individual in the family.
- **Senior Citizen Health insurance Plan:** This policy is designed for the senior citizens or individuals over 60 years of age offering protection from health issues during old age.
- **Surgery and Critical Illness Insurance Plan:** This plan is suitable for the insured that requires treatment against critical illness, such as kidney failure, paralysis, cancer, heart attack etc. As the medical expenses of these treatments are very high, the premium applicable to these types of policies is also high.
- **Personal Accident Plan:** This policy covers hospitalization expenses in the event of an accident. Premium amount is depending upon the amount of cover taken.
- **Unit Linked Health Plan:** These plans offer a unique combination of insurance and savings both at the same time. This policy helps in building a corpus which can be used to meet those expenditures which are not covered by the insurance policy.

Health Insurance Policies in India

- Max Bupa Health Insurance
- HDFC Ergo Health Insurance
- Bharti Axa Health Insurance
- SBI Health Insurance
- L&T Health Insurance
- Bajaj Allianz Health Insurance
- Apollo Munich Health Insurance
- National Health Insurance

Healthcare Schemes by Government of India

The Indian government (center & state) have launched numerous schemes to improve healthcare and make it accessible for the weaker sections of society Here is a list of health insurance schemes provided by the government:

- **Rashtriya Swasthya Bima Yojana (RSBY):** This scheme was launched by the Ministry of Labour and Employment to provide health insurance coverage for families below the poverty line. The Beneficiaries under this scheme can avail a health benefits cover of up to Rs.30, 000. A registration fee of Rs 30 is chargeable.
- **Pradhan Mantri Suraksha Bima Yojana:** Is an initiative by the government to bring access to insurance especially for the economically weaker sections of society. This scheme features affordable premiums and provides compensation to the family of the deceased.

Conclusions

Historically, HMOs (Health Maintenance Organization) tended to use the term "health plan", while commercial insurance companies used the term "health insurance". A health plan can also refer to a subscription-based medical care arrangement offered through HMOs, preferred provider organizations, or point of service plans. These plans are similar to pre-paid dental, pre-paid legal and pre-paid vision plans. The year 1999, with the passing of Insurance Regulatory Development Authority Bill (IRDA), marked the beginning of a new era for Indian Health Insurance, with a couple of international players investing in the Indian health insurance market by teaming up with local companies.

The hospitals and medical centers which do remain open are full to capacity, with patients in need of urgent care overflowing as healthcare professionals struggle to cope with the influx of patients and a severe shortage of essential medical supplies. Health care services offered whether by public or private sectors are those services such as the diagnosis, prevention of the diseases, the treatment of illnesses, injuries and other health impairment of the people around the world. People do not want to get ill, however all got sick once in a while in their lives. Accidents also happen in people at some point in their lives. This reason alone can lead us to conclude that health care is indeed important.

Health care is offered particularly by health care providers and professionals such as dentists, physicians, ophthalmologists, midwives, nurses, pharmacies and others. They are the ones that primarily cater the patient's demands and needs in their health. Health care is a broad term that pertains to a system that involves the maintenance and the improvement of medical services in order to cater the medical demands of the people.

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