

AN ANALYSIS ON CONSUMER BEHAVIOR TOWARDS HEALTH INSURANCE IN DHARMAPURI DISTRICT

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Abstract

Health insurance is emerging as a vital mechanism to finance health care needs of the people. The need for an insurance system that works on the basic principle of pooling of risks of unexpected costs of persons falling ill and needing hospitalization by charging premium from a wider population base of the same community. The study is descriptive in nature with an aim to evaluate the awareness of health insurance in two blocks from Dharmapuri and Krishnagiri. The primary data was collected with the help of specially prepared interview schedule. A total of 216 respondents were selected from two blocks by using simple random sampling method. The results reveals that, 60 per cent of the respondents opined that it would reduce the out-of-pocket expenditure and 16 percent opined that it would help in case of emergency medical situations, showing no significant difference. To conclude, most of the respondents were of the opinion that government should have a clear policy, through which public can be made to contribute compulsorily to a health insurance scheme to ensure unnecessary out-of-pocket expenditures and also better utilization of their health care facilities.

Key Words: *Perception of Health Insurance, Type of Health Insurance.*

Introduction

Health insurance is emerging as a vital mechanism to finance health care needs of the people. The need for an insurance system that works on the basic principle of pooling of risks of unexpected costs of persons falling ill and needing hospitalization by charging premium from a wider population base of the same community. In the present scenario the annual expenditure on health in India amounts to about \$7.00 in rural areas and \$10.00 in urban areas per person, majority of care being provided by the private sector. With improved literacy, rise in incomes, and rapid spread of print and electronic media, there is a greater awareness and increasing demand for better health services. During the last 50 years India has developed a large government health infrastructure with more than 150 medical colleges, 450 district hospitals, 3000 Community Health Centres, 20,000 Primary Health Care centres and 130,000 Sub-Health Centres. On top of this there are large number of private and NGO health facilities and practitioners scatters though out the country. There is growing evidence that the level of health care spending in India – currently at over 6 per cent of its total GDP – is considerably higher than that in many other developing countries. This study aims at evaluating the awareness of health insurance in two blocks from Dharmapuri and Krishnagiri.

Objectives of the Study

1. To evaluate the awareness and source of information about health insurance.
2. To examine the type of health insurance preferred by the respondents.
3. To identify the purpose and benefits of taking health insurance.

Design of the Study

The present study has covered two blocks from Dharmapuri and Krishnagiri were selected for the study. The primary data was collected with the help of specially prepared interview schedule. Totally 216

respondents were selected from two blocks by using simple random sampling method. This is purely a descriptive study. For analyzing the data statistical tools such as percentages, chi-square tests, averages, Cramer's V, and probability analysis technique were used

Data Analysis and Interpretation

Table No. 1 - Age of the Respondents

Age (Years)	No. of Respondents	Percentage
Below 25	26	12.04
25 – 34	58	26.85
35 – 44	90	41.67
45 – 54	22	10.19
55 – 64	8	3.70
Above 65	12	5.56
TOTAL	216	100.00

Source: Primary data

($\chi^2=36$; Standard deviation: 31.80; SED = 12.98; $\chi^2=14044.44$, $t = 2.77$, $DF = 5$, $P \text{ value} = 0.0392$)

Majority of the respondents were in the age group of 35–44 years of age (42%) followed by 25–34 years of age (27%). Only 6 per cent of respondents were in the age group of above 65 years of age. The result of chi-square analysis ($\chi^2=14044.44$, $P=0.0392$, $df = 5$, $t = 2.77$), revealed that there is significant relationship of awareness of health insurance and age of the respondents in the study area.

Table No. 2 - Educational Statuses of the Respondents

Education Level	Dharmapuri	%	Krishnagiri	%	Total	%
Primary	1	0.46	6	2.78	7	3.24
High School	8	3.70	31	14.35	39	18.05
Higher Secondary	6	2.78	26	12.04	32	14.82
Degree	21	9.72	94	43.52	115	53.24
Others	4	1.85	17	7.87	21	9.72
Illiterate	1	0.46	1	0.46	2	0.92
Total	41	18.98	175	81.02	216	100.00

Source: Primary data

($\chi^2=1.45$, $P=0.919$, Correlation= 0.08169, $t=1.5827$, $df = 10$, S.D: 7.47: 33.75; SED: 3.05: 13.78)

About 3% of the respondents had primary education, about 19% had high school education, about 15% possessed higher secondary level education and about 53% had pursued degrees. Further, only about 1% remained illiterate and the difference was statistically not significant ($\chi^2=1.45$, $P=0.919$, Correlation= 0.08169, $t=1.5827$).

Table No. 3 - Monthly Income of the Respondents

Size of Income (Rs.)	Dharmapuri	%	Krishnagiri	%	Total	%
Below 10000	4	1.85	18	8.33	22	10.18
10000-20000	13	6.02	67	31.02	80	37.04
Above 30000	24	11.11	90	41.67	114	52.78
Total	41	18.98	175	81.02	216	100.00

Source: Primary data ($\chi^2 = 0.72$, $P=0.6977$, $df=2$, Cramer's V=0.0577)

The study revealed that 11% of the respondents are earning an income up to Rs.10000, 37% of the respondents are earning Rs.10000-Rs.20000 monthly and the others (53%) are earning above Rs.30000 monthly. The result of chi-square- test ($\chi^2=0.72$, $P=0.6977$, $df=2$, Cramer's $V=0.0577$) revealed that there is no significant difference between awareness of health insurance and earning of the respondents in Dharmapuri District.

Table No: 4 Awareness of Health Insurance

Awareness	Dharmapuri	Krishnagiri	Total
Yes	28 (68)	99 (57)	127 (59)
No	13 (32)	76 (43)	89 (41)
TOTAL	41 (100)	175 (100)	216 (100)

Source: Primary data ($\chi^2=1.43$, $P=0.2318$, $df=1$, Cramer's $V=0.0933$)

The whole study was based on the awareness of the respondents. Of the total 216 respondents, 59 per cent of the respondents were aware of health insurance whereas 41 per cent of them had no idea about it. The chi-square analysis result ($\chi^2=1.43$, $P=0.2318$, $df=1$, Cramer's $V=0.0933$) shows no significant relationship of awareness of health insurance in Dharmapuri District.

Table No. 5 - Source of Information

Source Of Information	Dharmapuri	%	Krishnagiri	%	Total	%
Doctor	1	0.46	-	-	1	0.46
Insurance agents	3	1.39	7	3.24	10	4.63
Internet	3	1.39	4	1.85	7	3.24
Newspaper	8	3.70	21	9.72	29	13.43
Television/Radio	14	6.48	40	18.52	54	25
Family/Friends	12	5.56	103	47.69	115	53.24
Total	41	18.98	175	81.02	216	100.00

Source: Primary data ($\chi^2: 6.83: 29.17$; $S.D: 5.34: 39.01$; $SED: 16.07$; $t: 1.3892$; $df: 10$)

The table depicts the source of information of health insurance. 53 per cent of the respondents said that family/friend newspaper (53%) were the source of information followed by from, television and radio (25%), newspaper (13%). A good number of respondents also got to know about it from insurance agents (5%), doctors (1%) and from the internet (3%) showed significant difference ($t= 1.3892$; $df= 10$).

Table No. 6 - Type of Health Insurance Preferred

Preference	Dharmapuri	%	Krishnagiri	%	Total	%
Private	13	6.02	54	25.0	67	31.02
Govt.	22	10.18	103	47.6	125	57.87
Others	6	2.78	18	8.93	24	11.11
Total	41	18.98	175	81.00	216	100.00

Source: Primary data ($\chi^2=0.73$, $P=0.6942$, $df=2$, Cramer's $V=0.0581$)

The more population preferred government health insurance schemes (58%) over private schemes (31%), this trend was statistically significant ($\chi^2=0.73$, $P=0.6942$, $df=2$, Cramer's $V=0.0581$).

Table No. 7 - Perceived Purpose of Taking Health Insurance

Purpose	Dharmapuri	%	Krishnagiri	%	Total	%
Covering medical expenses	17	7.87	135	62.58	152	70.37
Tax gains	10	4.63	19	8.79	29	13.42
Influence of employers	9	4.17	14	6.48	23	10.65
Others	5	2.31	7	3.24	12	5.52
Total	41	18.98	175	81.02	216	100.00

Source: Primary data ($\chi^2=20.63$, $P=.0001$, $df=3$, Cramer's $V=0.309$)

The table depicts the purpose of health insurance as perceived by the respondents when they were queried on their awareness and knowledge of health insurance. A good majority of the respondents (70%) was of the opinion that the health insurance would cover their medical expenses. The chi-square analysis result ($\chi^2=20.63$, $P=.0001$, $df=3$, Cramer's $V=0.309$) shows significant relationship of the purpose and awareness and knowledge of health insurance in Dharmapuri and Krishnagiri District of Tamilnadu at 5% level.

Table No. 8 - Benefits of Taking Health Insurance

Benefits	Dharmapuri	%	Krishnagiri	%	Total	%
Reduce out of pocket expenditure	27	12.49	103	47.69	130	60.18
Better utilization of health care Facility	2	0.93	21	9.72	23	10.65
Emergency health care	3	1.39	31	14.35	34	15.74
Others	6	2.78	8	3.70	14	6.48
No idea	3	1.39	12	5.56	15	6.95
Total	41	18.98	175	81.02	216	100.00

Source: Primary data ($\chi^2=9.33$, $P=.0534$, $df=4$, Cramer's $V=0.2078$, Correlation =0.203519)

When asked about the benefits of health insurance, 60 per cent of the respondents stated that it would reduce the out-of-pocket expenditure and the other group opined that it would help in case of emergency medical situations. About 16 per cent of the group also felt that the benefit of health insurance would help in case of emergency medical situations, showed no significant difference ($\chi^2=9.33$, $P=.0534$, $df=4$, Cramer's $V=0.2078$, Correlation =0.203519).

Conclusion

The health insurance companies should come out with clear cut policy details, as many of the respondents had vague ideas about the various benefits and risks involved in a policy. The middle and low socio-economic groups are a potential market to be tapped as they are ready to spend a reasonable amount as premium payable per annum rather than huge medical expenses in case of any adversities. If the private insurance players want to venture in the market, they should try to imbibe trust in the people as most of the respondents preferred government health insurance schemes, the reason being guarantee for their capital. To develop a viable health insurance scheme, it is important to understand people's perceptions and develop a package that is accessible, available, affordable and acceptable to all sections of the society. To conclude, most of the respondents were of the opinion that government should come out with a clear cut policy, where the public can be made to contribute compulsorily to a health insurance scheme to ensure unnecessary out-of-pocket expenditures and also better utilization of their health care facilities.

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