



Exploring Health Insurance Awareness: A Customer Perception Study in Visakhapatnam District, Andhra Pradesh.

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ABSTRACT

The insurance industry plays a significant role in our economy, contributing approximately seven percent to the GDP. The heightened market competition, driven by liberalization, has compelled insurers to enhance their customer service. In response to the growing demand for quality healthcare and in alignment with global practices, the IRDA introduced the concept of health insurance. To effectively penetrate the market, insurance companies had to adopt innovative and emerging distribution trends. This study aims to explore the relationship between family annual income and the factors influencing the selection of health insurance policies, as well as the respondents' commitment to premiums. Additionally, the research seeks to identify the correlation between the premium amount and the sum assured. Health insurance has emerged as a transformative force, benefitting the insurance industry, the medical community, and the general populace by making peace of mind affordable. The study concludes that while people are aware of health insurance, there is a reluctance to actively purchase these facilities.

Keywords: Health insurance, Awareness, Customer Perception, YSR Arogya sree, IRDA.

INTRODUCTION

In the dynamic landscape of the insurance sector, Health Insurance has evolved into a pivotal component, proving to be a lucrative domain. The escalating demand for contemporary medical services, propelled by shifts in lifestyle, a burgeoning population, heightened literacy levels, an increased emphasis on quality healthcare, and technological advancements, has positioned Health Insurance as a vital sector experiencing significant growth. Health Insurance, at its core, provides coverage for expenses incurred during hospitalization resulting from illnesses, injuries, accidents, and other health-related contingencies, catering to the evolving needs of individuals in the face of modern challenges. This introduction sets the stage to explore the multifaceted dimensions of Health Insurance in response to the changing dynamics of healthcare demands and societal trends.

NEED FOR THE STUDY:

This study holds significant relevance due to the pivotal role that health insurance plays in safeguarding individuals from unforeseen medical expenses and promoting overall well-being. By covering essential health benefits crucial for maintaining health and addressing illnesses and accidents, health insurance serves as a financial safety net. The study aims to underscore the importance of health insurance by emphasizing its role in offering peace of mind and security through coverage within in-network healthcare settings.

One key aspect highlighted in this study is the preventive nature of health insurance, encouraging individuals to engage in proactive healthcare measures. The inclusion of preventive care services such as vaccines, screenings, and regular check-ups not only contributes to monitoring health but also facilitates the adoption of a healthier lifestyle. Understanding the significance of health insurance in promoting preventive care is essential for individuals to make informed decisions about their well-being.

Ultimately, the study seeks to shed light on how health insurance extends beyond financial protection, becoming a catalyst for proactive health management and fostering a sense of security in the face of unexpected medical challenges. The insights gained from this research contribute to a broader understanding of the integral role health insurance plays in promoting and maintaining individual and community health.

STATEMENT OF THE PROBLEM:

The contemporary landscape of lifestyle choices, characterized by changing lifestyles, unhealthy dietary habits, insufficient physical activity, prolonged and irregular working hours, and sleep deficits, has given rise to a surge in new-age lifestyle diseases. This shift has concurrently intensified the demand for quality healthcare. However, as the cost of healthcare services continues to soar, the necessity for health insurance has become increasingly evident, particularly among the literate demographic.

Despite this growing awareness, a significant challenge persists, with over 80% of healthcare expenditure in India still being borne as out-of-pocket expenses. This disparity underscores a notable lack of awareness and foresight regarding the importance of health insurance, leading to reduced adoption of health insurance products among the general populace. Consequently, there is an urgent need to dissect the barriers hindering the widespread subscription to health insurance and to scrutinize the impact of factors such as education level, income, and other associated variables influencing the decision to forego health insurance among the public. This study seeks to address these pressing issues and contribute insights that can inform policies and initiatives aimed at bridging the existing gaps in health insurance adoption.

REVIEW OF LITERATURE

Yellaiah. J and Ramakrishna. G, (2012) Expanding health insurance coverage is crucial to ease the financial burden of healthcare costs, particularly for poorer households, and it can positively impact their productivity. The study highlights the need for government involvement in introducing and broadening health insurance schemes. Additionally, the study notes that only certain hospitals offer insurance benefits, limiting choices for those insured. To address this issue, the study suggests enabling all hospitals, both public and private, to provide health insurance benefits. This move could encourage more people to opt for health insurance by offering them a wider range of healthcare facilities to choose from.

Sunita Reddy (2013), the 'Aarogyasri Scheme in Andhra Pradesh, India: Some Critical Reflections' article scrutinizes the processes and expenses involved in private and public hospitals. It highlights that Aarogyasri primarily favors expensive tertiary care, straining the state finances significantly and raising doubts about its sustainability. Moreover, this partnership model tends to undermine the potential of the underutilized public sector. The proposed path towards a sustainable and inclusive healthcare system for the people of Andhra Pradesh involves prioritizing and reinforcing the public healthcare sector to ensure a comprehensive health initiative like Arogyadhara.

Bhageerathy Reshmi et. al. (2021) study stated that the One of the key strategies for increasing the availability of universal healthcare through better financial protection and healthcare utilization is health insurance. The purpose of this review is to inventory the different health insurance awareness-raising initiatives that have been carried out in India and to present data supporting the impact of these initiatives on the awareness and adoption of health insurance among Indian residents.

Parisi Diletta et. al. (2023) A study assessing the awareness of the Pradhan Mantri Jan Arogya Yojana (PM-JAY) in India found that 62% of eligible respondents were aware of the scheme, with 78% knowing they were eligible. Older respondents with higher education and salaried jobs were more likely to know about PM-JAY, while respondents from Meghalaya and Tamil Nadu had lower awareness. Other backward classes, wealthier socio-economic status, and those from Meghalaya or Gujarat were more likely to know their eligibility status. The study recommends implementing state-specific information dissemination approaches to empower beneficiaries to demand their entitled services.

OBJECTIVES OF THE STUDY

1. To examine the customers' perception towards Health Insurance.
2. To study Health Insurance as a product on offer.
3. To Suggest Measures for improving Health Insurance Awareness among the Individuals.

MATERIALS AND METHODOLOGY

1. The Secondary Data:

This study is based on secondary data and primary data. The secondary data was collected from various sources such as the scheme website, available assessment reports, the Statistical Abstract of Andhra Pradesh published by the Directorate of Economics & Statistics Government of Andhra Pradesh, National Family Health Survey (NFHS), District Level Households and Facility Survey (DLHS), Census 2011 and other related government documents.

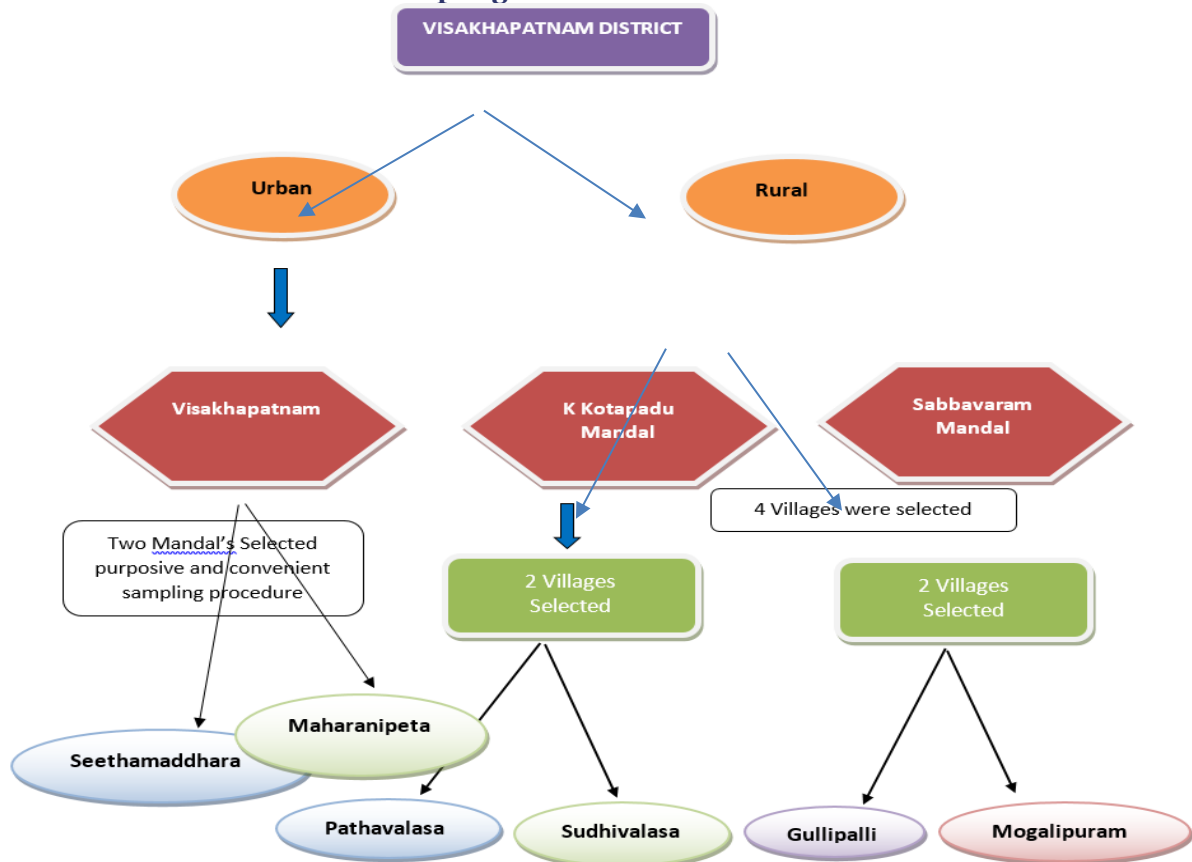
2. The Primary Data:

The Primary data was collected from the Visakhapatnam district. A Convenient sampling method was employed for village selection. A random sampling method was applied for data collection. During the survey, it was found that most people in the area knew about these insurance companies. The sample size is 312, the survey was conducted in three regions i.e., Urban, and rural areas of Visakhapatnam districts, out of 156 samples covered in urban areas, and 156 samples were collected from rural areas of the Visakhapatnam district. The samples were collected from the villages of Pathavalasa and Sudhivalasa of K Kotapadu Mandal and Gullipalli and Mogalipuram from Sabbavaram mandal of Visakhapatnam district for the rural sector, while the study of Seethamadhara and Maharanipeta from Visakhapatnam city covered in the present study.

RESEARCH AREA

The research was set up in Andhra Pradesh's Visakhapatnam District, known for its diverse population comprising urban, and rural communities. This district is subdivided into four revenue divisions and comprises 64 revenue Mandal. Visakhapatnam, a district within the Andhra Pradesh State of India, spans an area of 11,161 km², encompassing 10,528.84 km² of rural terrain and 632.16 km² of urban spaces. In 2011, its population was recorded at 4,290,589 individuals, with 2,035,922 residing in urban areas and 2,254,667 in rural zones, resulting in a population density of 384.4 people per square kilometer. The district boasts approximately 10,97,042 houses, with 5,17,625 in urban areas and 5,79,417 in rural regions, spread across its 3,072 villages. The research employed a convenient sampling method for village selection and a random sampling technique for data collection. Throughout the survey, it became evident that a significant portion of the local population was aware of these insurance companies. The sample size consisted of 312 individuals, with 156 samples gathered from urban areas, and 156 from rural zones within Visakhapatnam district. The samples have been collected from 4 villages of rural and 2 are urban areas of Visakhapatnam district. Specifically, samples were collected from Pathavalasa and Sudhivalasa villages in K Kotapadu Mandal and Gullipalli and Mogalipuram from Sabbavaram mandal of Visakhapatnam district for the rural sector, while the study also encompassed Visakhapatnam city in its exploration of urban regions of Seethamadhara and Maharanipeta.

Schematic Presentation of the Sampling Procedure



SIGNIFICANCE:

This study holds significance in providing valuable insights into the current state of health insurance awareness in Visakhapatnam District, contributing to the development of targeted interventions and educational campaigns. Ultimately, the findings aim to empower individuals to make informed choices regarding their healthcare coverage.

SCOPE OF THE STUDY

The research focuses solely on the former Visakhapatnam district. It aims to examine the factors influencing health insurance coverage offered by both private and public companies across urban, and rural areas. However, this study does not encompass topics such as healthcare measures involving nutrition supplements, hygiene, or preventive actions.

RESULTS AND ANALYSIS

The annual income of the family and having health insurance in the study are presented in the Table 1.

Table: Annual Income of the family wise having Health Insurance

Annual Income	Status of Health Insurance		
	No	Yes	Total
Up to 50,000	0	25	25
50,001 to 1,00,000	1	76	77
1,00,001 to 2,00,000	0	22	22
2,00,001 to 3,00,000	3	51	54
3,00,001 to 4,00,000	9	25	34
4,00,001 to 5,00,000	45	11	56
5,00,001 to 6,00,000	7	10	17
6,00,001 to 7,00,000	10	10	20
7,00,001 to 8,00,000	5	2	7
Total	80	232	312

Chi-Square test:

To check whether there is any association between the Annual Income and for taking Health Insurance Policy, the Chi-square test has been conducted and results are presented in Table.

Ho: There is no significant association between Annual Income and for taking Health Insurance Policy (Independent).

H1: There is a significant association between Annual Income and for taking Health Insurance Policy (Dependent).

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	235.577	16	0.00
Likelihood Ratio	262.049	16	0.00
N of Valid Cases	312		

It can be observed from the Table the chi-square value is statistically highly significant. Therefore, it can be concluded that the annual income is associated with the taking health insurance policy. The association between selecting health insurance policy and education level of head of the family, are belongs to respondent and medical expenditure more favorable to selecting health insurance policy.

Table: Association between education level of head of households and other factors associated with selecting health insurance policy.

Factors	Chi-square Value	d.f	Significant
Education Level	235.577 ^a	16	.000*
No of dependents of family	18.478 ^a	16	.297*
Area	219.497 ^a	2	.000*
Medical expenditure	22.556 ^a	10	.013*
<i>Note: * Correlation is significant at the 0.05 level (2-tailed).</i>			
<i>Results computed using SPSS20.0</i>			

From the table, it is noticed that Education level of head of the family, Area belongs to sample respondent are probably significant at 1 percent level, medical expenditure is significant at 5 percent level and number of dependents in family is not significant at any probability level. Hence taking health insurance policy associated with the education level, area of the respondent and medical expenses in the study area. The impact of annual income of the respondent on premium commitment examine by using the regression analysis and the results are presented in the following table.

Table: Influence of Annual Income of the family and the Premium Commitment

Model Summary						
Model	R	R ²	AdjustedR ²	Std. Error of the Estimate		
1	0.494 ^a	0.245	.235	.66112		
Analysis of Variance						
Model		SS	Df	Mean Square	F	Sig.
1	Regression	1.971	1	1.971	4.510	.36 ^b
	Residual	45.019	103	.437		
	Total	46.990	104			
Regression Coefficient						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	B			
(Constant)	1.081	.159			6.793	.000*
Premium Commitment	.99	.047	.205		2.124	.036

a. Predictors: (Constant); Commitment to pay b. Dependent Variable: Annual Income

Note: Results obtained by using SPSS 20.0. *Significant@5%level of significance;

From the Table it is observed that R² value is 24.5% and adjusted R² value is 23.5%. It means 23.5% of the variation in dependent variable is explained by the chosen independent variable. It is also found that the F=4.510 and is significant at 5% level. Hence, the *Null Hypothesis, H₀₁* is rejected. Thus, there is a significant relationship between Annual Income of the family and the premium commitment.

CONCLUSION

Health planners advised that for the expansion of health insurance as an essential component of India's health reform and poverty reduction. Even though, enrollment of health insurance in India is very limited. The study concluded that annual income is associated with the taking health insurance policy. Also education level of the head of the household, area belongs to respondent and medical expenditure of family are significantly associated with the possession of the health insurance. The independent variable explains only twenty four percent of variation in commitment of premium commitment by the respondent in the study area. It is also observed from the study was awareness on health insurance was low.

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Case study:

J Butchi Raju, aged 47 year, hailing from Pathavalasa in Rural area. He said that I believes that the average person is unaware of the true meaning of health insurance, and I am covered by a specific plan. I haven't learned what the terms mean, so I don't know. I can read and write, but what about those who might not be literate? Can you imagine how long it will take them to learn the terms and conditions? They would be ignorant. Thus, the general public is ignorant. I believe that socially conscious organizations, not insurance agents, should be in charge of raising that awareness.