

## ORIGINAL RESEARCH ARTICLE

**KAP on Health Insurance among Selected Rural and Urban Population of Chidambaram, Tamil Nadu****S.P Priyadarsini\*<sup>1</sup> and N.Ethirajan<sup>2</sup>**

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**ABSTRACT**

**Background:** Decades after independence, the rural poor in India still do not have access to regular financial services that we in an urban milieu not only expect but actually demand. For most people in rural India, life insurance is unheard of. It is often presumed that the rural poor can neither understand nor afford a product like health insurance. This is a pity since this section of society lives under constant threat of illnesses and the threats it poses. Besides the direct costs of treatment and medication, the poor have to even take a hit on their income when they are unable to go to work due to ill health.

**Objectives:** To find out the Knowledge, Perception and Attitude on Health Insurance among the selected rural and urban population of Chidambaram

**Study Design:** Descriptive study.

**Study Setting:** Kumaramangalam village and 4 wards in Chidambaram Municipal area. **Subjects:** 200 households in rural area and 200 households in urban.

**Materials and Methods:** A pretested proforma was used to collect the socio-demographic characteristics and the knowledge, perception and attitude of rural and urban households on health insurance.

**Results and Conclusions:** Majority of the rural (74%) and urban (47.27%) households get debts for their health expenditure. Urban (47.6%) people had good awareness on health insurance than their rural counterparts (28.6%). The reason stated for not having health insurance among the rural respondents is the lack of affordability (50.3%) whereas in the urban area, it is lack of awareness (54.1%).

**Key words:** Rural, Urban, health Insurance, socio-demographic characteristics.

**1. INTRODUCTION**

India is the fifth largest country in terms of purchasing power parity and is considered one of the fastest emerging economies in the world. However, its health status remains a major concern. [1] India which is the largest of SEAR countries received negligible external assistance (0.7%) in 1990, unlike other countries of this region for which external assistance is an important component of health spending, accounting for more than 10% of expenditures. [2] Indian healthcare system, both public and private, is still not capable and regulated enough to provide assurance on quality of healthcare delivered. As the Government is constantly poorly funded and private providers seek to save on costs or resort to over treatment to maximize profits, low quality is an issue for both. Around 70% of

India's healthcare expenditure is financed out of pocket. This limits the propensity of Indians to spend on healthcare particularly in Lower and Middle Income group which comprises a round 95% of population. Borrowing is the largest source of financing out-of-pocket expenditure pushing nearly 3.3 % of India's population to below the poverty line each year. As a result, even in urban India a round 12% of ailments go untreated. Further, of the ailments that remain untreated in rural India, for 1/3<sup>rd</sup> of the cases, the reason is lack of financial affordability. [3]

Health insurance penetration in India is slow. Major health related insurance schemes together cover only 12 % of Indian population. While private health insurance has grown at 40% per annum post liberalization, low awareness and high

premiums have still kept health insurance out of reach of larger population. This untapped market need calls for innovation. [3] The reasons for poor reach of health insurance schemes in India are many. High premium, lack of transparency, poor honoring of claims, more exclusions, claim not applicable for common health expenditure like immunization, antenatal care and delivery charges and lack of awareness. Hence, this study is planned to ascertain the Knowledge and Perception of Health Insurance among the selected Rural and Urban population.

## 2. MATERIALS AND METHODS

This descriptive study was conducted at the selected urban and rural population in Chidambaram municipality and an nearby village respectively to ascertain the knowledge, perception and attitude on health insurance among the general public.

A pilot study was carried out among 15 rural respondents in Pithavaram and 15 urban respondents in ward No.15 and picked up by a convenient sampling. A questionnaire was prepared to interview the respondents to assess their knowledge, perception and attitude on health insurance. Results of the pilot study were used to modify the tool and the methods.

The study was conducted for a period of 14 months from July 2008. Since the investigator carried out the survey, there was no problem of observer variation as far as this study is concerned. Survey was carried out either in early morning or late evening when people were usually present in their home.

The rural population was selected from Kumaramangalam village by a convenient sampling. The village is about 4 km east of Chidambaram. There are about 212 households and the entire population was taken for the study. The main occupation of the people in this area is agriculture, the cultivated crops being paddy and millets.

Participation of the head of the households or the responsible adult member was ensured after explaining the nature of the study. In some families, where the head of the households or the respondents were away, 2 more visits were made to contact them. There were about 12 non-responders and 8 absentees were encountered during the study.

In the urban area, the interview was carried out among 200 households. In few cases where the house was locked, the adjacent house was taken for the study and it was less than 10 households. For the urban population, the Chidambaram town

was chosen. Among the 33 wards of Chidambaram town, 4 wards 3, 19, 23 and 26 were selected by simple random sampling. The populations of these wards were about 8597 and the total households are 1720. The main occupation of the people in this area is agriculture, business and government jobs.

From each ward 50 households were selected by systematic random sampling by taking every 8<sup>th</sup> house and the total households included were 200 for the study. Data analysis was done by using SPSS 17.0 version. Statistical methods used were - frequency, percentage and chi-square test.

## 3. RESULTS

A total of 200 rural and 200 urban respondents were interviewed. The age and sex distribution of the beneficiaries was as follows: a majority of the rural (63.2%) as well as the urban respondents (71.5%) belong to the age group of 31 - 40 years (**Table 1**).

### Awareness on health insurance

Compared to rural (17.5%) majority of the urban (42%) respondents were aware about health insurance (**Table 2**) and this difference found to be statistically significant ( $p < 0.001$ ). As regards the source of health expenditure majority of the rural and urban respondents spent by getting debts (74%), own source (50.91%) respectively (**Fig 1**).

### Sources of information and the perception of the respondents about health insurance

- Television has played a major source of information to both rural (74.3%) and urban (89.3%) respondents followed by insurance agents (28.6%) for rural and newspaper (31%) for urban population.
- Both in rural and urban areas, the respondents have the opinion that health insurance prevents from bearing the financial burden of hospitalization.
- They have also felt that, health insurance provides easy access to health care.

Among the surveyed households, one household in rural and four households in urban have had health insurance coverage for their family.

### Attitude towards health insurance

The reason stated for not having health insurance among the rural respondents is the lack of affordability (50.3%) whereas in the urban area, it is lack of awareness (54.1%). More proportion of the respondents from urban area (17.34% vs. 2.5%) have reportedly expressed that insurance is not necessary (**Table 3**). As regards the willingness to join in health insurance is

concerned, majority both in rural (58.5%) as well as urban (54.5%) shows positive attitude (Fig 2).

**Table 1: Socio economic status of the Respondents**

Characteristics	Rural (%)	Urban (%)
<b>Education</b>		
Illiterate	10.8	1.2
Up to secondary	73.5	45.1
HSC	2.9	11
Diploma/Degree	10.8	32.4
Professional	2	10.3
<b>Occupation</b>		
Skilled	4.9	16.3
Semi-skilled	50	76.9
Unskilled	45.1	6.8
<b>Annual Income</b>		
Less than Rs.40000	82	36.5
Rs.40000-80000	10.5	22.5
Above Rs.80000	7.5	41s
Total	100%	100%

**Table 2 : Distribution of the Respondents by Reported Awareness about health insurance**

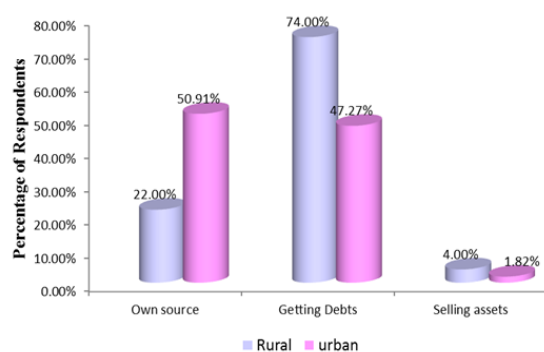
Awareness about health insurance	Rural	Urban
Aware	35(17.5%)	84(42.0%)
Not aware	165(82.5%)	116(58.0%)
Total	200(100.0%)	200(100.0%)

$\chi^2 = 28.721$  ;  $d.f = 1$  ;  $P \text{ value} < 0.001$

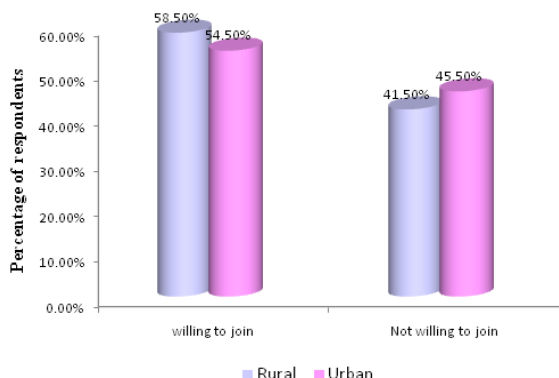
**Table 3 : Distribution of the respondents vs. reasons for not having health insurance**

Reasons	Rural (n=199)	Urban(n=196)
Not aware	94(47.2%)	106(54.1%)
Not affordable	100(50.3%)	56(28.56%)
Not necessary	5(2.5%)	34(17.34%)
Total	199(100%)	196(100%)

**Figure 1: Comparison of sources of financing health expenditure for any illness in rural / urban population**



**Figure 2 : Willingness of the respondents to join in health insurance**



## 4. DISCUSSION

### Awareness on health insurance

A few studies have proved that the awareness on health insurance varies between rural and urban areas.<sup>[4]</sup> In the present study also, there is a difference in the level of awareness regarding health insurance (Rural 17.5% and urban 42%) is observed and the difference is statistically significant ( $p < 0.001$ ). Higher level of awareness i.e.64% in the urban community has been reported by Reshmi *et al.*<sup>[5]</sup>

### Sources of information about health insurance

Even though, health insurance being a commercial product for insurance companies, they are not giving sufficient publicity to it, through the media that can reach all sections of society. The reason could be that compared to motor insurance and life insurance products, the claim ratio is found to be higher in health insurance products and hence the returns from health insurance is poor.

Regarding the sources of information about health insurance, the present study shows that television plays a major source of information to both rural (74.3%) and urban (89.3%) respondents. In contrast to this, Reshmi *et al.*<sup>[5]</sup> have noticed that family friends play a major source of information for 34.8% of the respondents followed by newspaper (32.35%) and television (10.3%). This highlights the reach of television as one of the effective mass media even in remote rural areas.

### Changing health care services and cost

Morbidity in the population is found to influence the purchasing of insurance products. The unhealthy people are more likely to purchase health insurance because they anticipate large medical bills.

The present study shows that a majority of the urban families (50.91%) have spent from their own source for the care of illness whereas the majority of the rural families (74%) have borrowed money to meet out the health care expenditure. Similar results have been observed in a cross sectional study by Sodani<sup>[6]</sup> among the rural BPL and low income urban families that 67% have availed treatment at the private set ups and 45 per cent of the families have borrowed money on interest to meet out the health emergencies.

Thus demographic transition towards more proportion of old age population and the morbidity transition towards more chronic health problems and the ever increasing medical treatment cost would affect the need for alternative sources of funding.

**Perception of people towards health insurance**

The general perception of people towards the insurance service is that it should be easily accessible, transparent, and cost effective. There should be more information available about health insurance so that common people may get the essence of health insurance and can avail the facility of modern health care in the face of very high expense for medical care.

The present study shows that the respondents both in rural and urban have expressed the opinion that health insurance prevents from bearing the financial burden of hospitalisation and they have also felt that it provides easy access to health care. Similar finding is reported by Bimal Balasingham<sup>[7]</sup> that 65% respondents prefer cashless hospitalization admission and 79% of the participants willing to purchase the product for the sake of their children.

**Attitude of general public towards health insurance**

Awareness per se does not lead to increased enrollment. What is important is the positive attitude of public towards Health Insurance.

Sodani<sup>[6]</sup> has observed that a majority of the households were willing to pay on an average Rs. 253 per person per year for a comprehensive health insurance plan. Results have been observed in the present study that a majority of the rural (58.5%) as well as the urban respondents (54.5%) are willing to join in health insurance schemes. Among them, 76.92% of the rural respondents are willing to pay less than Rs. 500 and 49.54% of the urban respondents are willing to pay more than Rs.500. This shows that people in the rural and urban population have a positive attitude towards health insurance and they don't mind paying for the insurance.

**Limitation**

As far as rural population is concerned, generalization is difficult since the village selection was convenient.

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