

## Original article |

# AWARENESS OF HEALTH INSURANCE AND ITS RELATED ISSUES IN RURAL AREAS OF JAMNAGAR DISTRICT

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## ABSTRACT

**Introduction:** The rural population are more vulnerable to risks such as illness, injury, accident and death because of their social and economic situation. There is need to provide financial protection to poor families for the same. Health insurance could be a way of removing the financial barriers and improving accessibility to quality medical care by the poor and also an effective social security mechanism.

**Objective:** Objective of this study is to find the awareness regarding health insurance and its source of information and to know the reasons for opting health insurance as well as to assess determinant of awareness of health insurance.

**Material and Methods:** Study was done in 4 villages and 100 houses from each village were covered by systemic random sampling from April 2012 to July 2012 making a total sample size of 400. A pretested questionnaire was used to collect the data through house to house survey. Data entry and analysis was done using epi info 7 statistical software.

**Results:** Of the total 400 respondents, 57.25 percent (229) of the respondents were aware of health insurance. A statistically significant association were found between awareness and various determinants viz. Sex, education, occupation and socio economic class. Major reasons for opting for health insurance were; refund of cost of drug during illness (100%), followed by economical gain (40.65%).

**Conclusions:** Awareness regarding health insurance is poor; therefore awareness creation is needed. Education, socio-economical status and occupation were favourable determinants for opting health insurance.

**Key words:** health insurance, awareness, determinants

## INTRODUCTION

Health insurance is an instrument wherein 'an individual or group purchase health care coverage in advance by paying a fee called premium. In other words, it's an instrument which helps to defer, delay, reduce or altogether avoid payment

for health care incurred by individuals and households.<sup>1</sup>

Health insurance is fast emerging as an important 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.<sup>2</sup>

The rural population face the same risks as the urban population such as illness, injury, accident and death. The rural population are more vulnerable to such risks because of their social and economic situation. There is a felt need to provide financial protection to rural families for the treatment of major ailments, requiring hospitalization and surgery. Health insurance could be a way of removing the financial barriers and improving accessibility to quality medical care by the poor and also an effective social security mechanism. The insurance sector for low-income families in the rural population remains at a very nascent stage in India.<sup>3</sup>

For most people living in developing countries and especially in rural areas "health insurance" is still an unknown word. It is generally assumed that people cannot afford such type of social protection (except the upper class). For most people living in poor developing countries illness still represents a permanent threat to their income earning capacity. Beside the direct costs for treatment and drugs, indirect costs for the missing labour force of the ill and the occupying person have to be shouldered by the household.<sup>3</sup>

Objective of this study is to find the awareness regarding health insurance and its source of information and to know the reasons for opting health insurance as well as to assess determinant of awareness of health insurance.

## MATERIALS AND METHODS

Study was conducted in 4 village of Jamnagar district namely Naghedi, Aliya, Bada, Dhuvav which are the field practice area of Rural Health Training Centre of department of PSM Shree M. P. Shah Medical College, Jamnagar. 100 houses from each village were covered by systemic random sampling technique. A total of 400 houses were covered for the purpose of study. The study period was from April 2012 to July 2012. A pretested questionnaire was used to collect the relevant details. A house to house survey was conducted after obtaining informed consent. Care was also taken to ensure privacy and confidentiality of the interview. The interview was taken either from the head of the family or the family member who takes financial decisions in the house. Families were classified

socio-economically by using modified Prasad classification<sup>4</sup> considering consumer price index of 887(Average 2011).<sup>5</sup>

Data entry and analysis was performed using Epi Info statistical software (CDC, Atlanta, GA, USA). Percentage was calculated to explore the level of awareness about health insurance in the study population. Chi square test was applied to check the association between various determinant and awareness of health insurance and p value was kept significant at the level of 0.05.

## RESULT:

A total of 400 respondents were interviewed over a period of four months.

**Table 1: Socio Demographics Characteristics of Respondent (N=400)**

Characteristics	Respondent (%)
<b>Age(years)</b>	
21 - 30	77 (19.25)
31 - 40	131 (32.75)
41 - 50	112 (28.00)
51 - 60	61 (15.25)
61 - 70( >60 )	19 (4.75)
<b>Sex</b>	
Female	152 (38.00)
Male	248 (62.00)
<b>Religion</b>	
Hindu	362 (90.50)
Muslim	38 (9.50)
<b>Education</b>	
Illiterate	88 (22.00)
Primary	118 (29.50)
Secondary	95 (23.75)
Higher secondary	54 (13.50)
Graduate	45 (11.25)
<b>Occupation</b>	
Business	70 (17.50)
Farmer	71 (17.75)
Housewife	49 (12.25)
Labour	128 (32.00)
Service	47 (11.75)
Retired (pensioner)	5 (1.25)
Other	30 (7.50)
<b>Socio economical class</b>	
I (>4349)	27 (6.75)
II (2186 - 4348)	52 (13.00)
III (1311 - 2185)	95 (23.75)
IV (656 - 1310)	158 (39.50)
V (< 655)	68 (17.00)

Of the total respondents, 32.75% were in the age group of 31-40 years followed by 41-50 years of age (28%) and 4.75 per cent of respondents were in the age group of  $\geq 61$  years. Males constituted 62 percent and females were 38 percent. Majority (90.5%) of respondents were Hindu while Muslims were 9.5 percent. Almost 1/5 (22%) respondent were illiterate, 29.5% educated up to primary level and 23.75 percent up to secondary level.

Majority of respondent were labourer (32%) followed by farmers (17.75%) and businessmen (17.50%). According to modified Prasad socio-economic classification 65.5% of the respondents belonged to lower class i.e. class IV (39.5%) and class V (17%).

**Table 2: Awareness and Source of Information about Health Insurance among Respondents**

	Respondents(%)
<b>Awareness (n =400)</b>	
Yes	229 (57.25)
No	171 (42.75)
<b>Source of information (n=229)</b>	
Television	59 (25.75)
Radio	08 (3.5)
Family/Friends/relative/at work from colleagues	87 (38)
Newspaper	12 (5.25)
Insurance agents	63 (27.5)

The whole study was based on the awareness of the respondents. Of the total 400 respondents, 57.25 percent (229) of the respondents were aware of health insurance whereas 42.75 per cent of them had no idea about it.

Table 2 also depicts about the primary source of information. 38 percent of the respondents said that family/friends/relative/colleagues were the primary source of information followed by insurance agent (27.5%) and television (25.75%). A good number of respondents also got to know about it from newspaper (5.25) and radio (3.5%)

Out of the total 400 households surveyed 57.25% (229) families were aware of health insurance. Out of them who were aware of health insurance 39.76% (91) families had taken health insurance.

All the families who had taken health insurance (91) thought that insurance for health is refund of cost of drugs during illness, and 40.65%(37) thought that Money return with interest when policy mature, 31.87%.(29) thought it that provide compensation if something bad happens, 2.20% (2) thought that insurance makes life

easier, 25.28%(23) thought that it provide free of cost major surgeries (table 3)

**Table: 3 Major reasons for opting for health insurance (n=91)**

Reason for taking health insurance	Respondents (%)
Refund of cost of drugs during illness	91 (100)
Money return with interest when policy mature	37 (40.65)
provide compensation if something bad happens	29 (31.87)
insurance makes life easier	2 (2.20)
provide free of cost major surgeries	23 (25.28)

A significant association were found between awareness and various determinants viz. Sex, education, occupation and socio economical class. A large number of educated person were aware of health insurance while taking the professional background into consideration majority of businessmen, servicemen, retired personals are aware and majority of labour were not aware of health insurance. (Table 4)

## DISCUSSION

The present study is an effort in the area of health insurance to assess the individuals' awareness level and to know determinants of awareness. The present study is an effort to examine what are the reasons behind those who have in favour of taking insurance.

Majority of the respondents were in the age group of 31-40 years of age and 4.75 per cent of respondents were in the age group of  $\geq 61$  years of age. Similar finding was observed in study by B reshmi et al<sup>2</sup> where Majority of the respondents were in the age group of 35-44 years of age (33.9%) and only 9.1 per cent of respondents were in the age group of  $\geq 65$  years of age.

In the present study Males constituted 62 percent and females 38 percent of the respondents. In the other study by suwarna madhukumar<sup>3</sup> also observe in their study where males were 94.9% and females were 5.1%. The proportions of females were less compared to males as the head of the family and the financial decision maker is mostly a male in rural areas in India also the time of data collection was evening hours and many males come back from their work. Contrary to it in the study of B reshmi et al<sup>2</sup> this ratio is reverse and male constitute 38.4% and female 61.6 %.

**Table 4: Determinants of Awareness of Health Insurance**

Determinants	Total (n=400)	Awareness		Chi square value	P value`		
		Yes (N=229)	No (N=171)				
<b>Sex</b>							
Male	248 (62)	186 (81.2)	62 (36.3)	82.117	< 0.0001		
Female	152 (38)	43 (18.8)	109 (63.7)				
<b>Religion</b>							
Hindu	362 (90.5)	205 (89.5)	157 (91.8)	0.362	0.5475		
Muslim	38 (9.5)	24 (10.5)	14 (8.2)				
<b>Education</b>							
Illiterate	88 (22)	3 (1.3)	85 (49.7)	170.988	< 0.001		
Primary	118 (29.5)	64 (27.9)	54 (31.6)				
Secondary	95 (23.75)	68 (29.7)	27 (15.8)				
Higher secondary	54 (13.5)	49 (21.4)	5 (2.9)				
Graduate	45 (11.25)	45 (19.7)	0 (0.0)				
<b>Occupation</b>							
Business	70 (17.5)	64 (27.9)	6 (3.5)	154.997	< 0.0001		
Farmer	71 (17.75)	53 (23.1)	18 (10.5)				
Housewife	49 (12.25)	17 (7.4)	32 (18.7)				
Labour	128 (32)	25 (10.9)	103 (60.2)				
Retired	5 (1.25)	4 (1.7)	1 (0.6)				
Service	47 (11.75)	43 (18.8)	4 (2.3)				
Other	30 (7.5)	23 (10.0)	7 (4.1)				
<b>Socio economical class</b>							
I (>4349)	27 (6.75)	27 (11.8)	0 (0.0)			167.050	<0.0001
II (2186 - 4348)	52 (13)	47 (20.5)	5 (2.9)				
III (1311 - 2185)	95 (23.75)	85 (37.1)	10 (5.8)				
IV (656 - 1310)	158 (39.5)	64 (27.9)	94 (55.0)				
V (< 655)	68 (17)	6 (2.6)	62 (36.3)				

Figure in Parenthesis indicate percentage

In the present study, awareness increased with education. This finding is similar to the finding by Sumindhar Kaur.<sup>6</sup> In our study awareness was found to be more in class I (100%) and class II (90.38%) than lower socioeconomic classes (class IV and class V). But in other study by suwarna madhukumar<sup>3</sup> found that class III and class IV Socio-economic status had better awareness of health insurance. Hence it can be stated that the socioeconomic status and education do play an important role in awareness on health insurance.

Awareness and perception regarding health insurance was still very preliminary as observed in the present study. In the present study 42.75 percent of families had no idea about it and also who were aware 60.25% don't have health insurance. In the other study by jangati<sup>7</sup> 66.5 % people don't know about health insurance. But Mathiyazhagan<sup>8</sup> concluded in their respective studies that their study population had reasonable knowledge about health insurance.

Awareness in the present study was seen mainly through family/friend/relative (38%) insurance agent (27.5%) and television (25.75%). in the other study by jangati<sup>7</sup> 13 per cent of the respon-

dents said that newspaper was the source of information followed by from family/friends (9%), television (6.5%), insurance agents (3 %) radio (1 %) and internet (1 %). Studies conducted by Reshmi et al<sup>2</sup> showed 34% were aware through TV.

An effective information, education and communication activities will improve the understanding of the people about insurance.

Gumber and Kulkarni<sup>9</sup> in their study found out that the need for education on the concept of health information is a crucial aspect on extending awareness about health insurance on a large-scale.

## CONCLUSIONS

Awareness regarding health insurance is poor (57.25%); therefore awareness creation is needed. Education, socio-economical status and occupation were favourable determinants for opting health insurance. Reason for opting for health insurance was mainly related to medical care and financial aspects.

Media seemed to have played an important role in dissemination of information. This calls for effective information, education, and communication activities which will improve understanding of insurance by the public.

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