



# A STUDY ON AWARENESS AND CHALLENGES RELATED TO HEALTH INSURANCE FOR SENIOR CITIZENS

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## ABSTRACT

*Every person on this earth living in any country must have the chance to live a long, healthy and happy life. Having said that the environments in which we live can sometimes not be conducive to the same. The socio-cultural and physical environment that we live in exposes us to various risks as well as access to services like health and social care.*

*Technology and modernization have led to improvements in diet, health awareness, medical facilities, and life expectancy. The death rate has also decreased and hereby we are faced with an increasingly ageing population.*

*The Elderly face social, emotional and financial problems which are peculiar to their age and situation in life. Their financial status is directly connected with their financial independence.*

*However, their financial condition and their financial planning can make old age a tolerable and even enjoyable period of their lives.*

*This is where health insurance comes to the rescue. By defraying the cost of expensive quality healthcare, health insurance can indeed contribute to a peaceful, risk-free and healthy life for our elderly adults.*

*This research study is an effort to gauge the awareness levels and challenges faced by elderly citizens in subscribing to health insurance plans.*

**KEYWORDS:** *Pandemic, Health Insurance, Socio-economic, Senior Citizens, Challenges*

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## 1.1.1 INTRODUCTION

The Pandemic has forced people to realize the importance of health insurance having experienced how medical, hospitalization and post-hospitalization expenses have eaten into their life-long savings.

Having said that even today very few Indians have health insurance. India is one of the top-most countries in the world in terms of out-of-pocket spending on medical costs.

A survey conducted in early 2021 reveals that nearly 71 per cent of people now consider health insurance to be a necessity as compared to only 20 per cent in the Pre-pandemic era<sup>1</sup>.

The Health Insurance sector in India can be said to be a few decades old. Medical Insurance in India started with the launch of Employees State Insurance Scheme in 1948. General Insurance Corporation (GIC) launched India's first Medici claim policy in 1986.

The Insurance sector received a boost with the privatization of the Insurance sector after the Indian Government embraced liberalization and introduced the new economic policy in 1991. The Insurance Regulatory and development Authority (IRDA) Bill was passed in Parliament and this was the turning point in Insurance Sector in India.

The Health Insurance space in India has achieved high rates of growth since the period after liberalization due to few reasons such as

1. Opening of the sector to private insurance players

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<sup>1</sup> <https://www.etmoney.com/blog/post-covid-health-insurance-trends-a-survey-by-max-bupa/>



2. A marked focus on health among various sections of society
3. An increase in the disposable income of households.
4. More customer-friendly approach by the Health Insurance Companies, agents and employees.
5. Price and service competition between health insurers and absence of bureaucratic attitude in health insurance employees.

## 1.2 PROBLEMS FACED BY ELDERLY

Ageing is an inevitable and eventuality with all of us. No one can escape the process of ageing. Ageing is accompanied by a loss in productivity and as a consequence some elderly citizens also face loss of confidence.

When people get older, they face a number of issues, such as deteriorating health, retirement, money issues, loneliness, and dependency on others.

Most of the elderly persons are leading retired lives. They either get occupied in some kind of honorary work, or manage the household chores through obtaining assistance from the caregivers or they follow their daily routine.

Income levels of the elderly are impacted due to the technological advancements in modern times. Elderly educated or skilled people may find it difficult to get alternate or reasonable sources of employment or profession after their retirement. Many of them may not be financially savvy and prefer to invest their money in safe avenues though the returns may be modest.

A disconnect is observed in many families between the elderly members and the younger generation. The latter are devoting lesser time and effort to maintain their relationships as a result of their increased intellectual and professional interests.

With the disintegration of the Joint Family system in most communities of India the aged people prefer to live independently with their spouses and end up making decisions on their own and managing their money on their own.

Most of the time, elderly people only use technology to converse on the phone, watch television, or listen to music and religious programming on the radio or on their mobile phones. This shows that they frequently don't know how to use technology to carry out different jobs and responsibilities.

## 1.3 BRIEF LITERATURE REVIEW

Joshi, Manish (2016) in their study have identified various factors influencing consumer when taking health insurance. Number of young professionals with higher spending capacity is increasing nowadays resulting in buying health insurance on the basis of financial affordability. This gives tax benefit as an added advantage. These professionals prefer to buy individual health insurance than group health insurance because they keep changing their jobs for professional growth. Senior consumers are more concerned about their health and prefer to have annuity benefit on each and every type of investment, policy or saving tool. Online health insurance business can be increased by providing easiness in virtual environment. Availability of online claim lodgment facility is a must in online health insurance contract execution<sup>2</sup>.

Ellis et al (2001) indicate that mediclaim has provided a model for health insurance for the middle class and the rich. It covers hospitalization costs, which could be catastrophic. But given that the premium is on higher side, it has remained limited to middle class, urban tax payers segment of the population. There is also element of adverse selection problem as the scheme is voluntary. As the scheme reimburses charges without limit, it also will push up the prices of services in the private sector. Analysis of mediclaim data from one centre indicates wide variation of charges for same operation in the same city. Anecdotal evidence from doctors also indicates that charges are increased if patients are insured. All these effects will tend to increase the prices of private health care thus hurting the uninsured.<sup>3</sup>

A Study conducted by Deloitte (2015) on "healthcare outlook India" estimated that spending on health care in India was 5% of GDP in 2013 and is expected to remain level. Government's low spending on health care is burdening the patients and their families. Healthcare sector in India is facing several problems like lack of proper infrastructure, shortage of medical staff. Health insurance sector are providing different plans for poor and employees for better accessibility of health care.

R Anbu (2014) in his study has concluded that that the health insurance policies are bought more by the older respondents than by the younger respondents and it is mostly true among the males. This indicates the fact that the younger respondents are satisfied with the group policies which are provided by their companies or organizations, while the older respondents prefer to go for individual policies, the insurance agents or advisors find it easier to sell the health insurance policies among those who are older than among the younger population. Health insurance should be made simpler and less complex, coverage of ailments should be standardised and so

<sup>2</sup> Joshi Manish (2016), "Factors Influencing Consumer Behavior for Health Insurance", INSTITUTE OF MANAGEMENT STUDIES DEVI AHILYA VISHWAVIDYALAYA,

<sup>3</sup> Ellis R.P., Alam M, and Gupta L., (2001), "Health Insurance in India: Prognosis and Prospectus", Boston University, Boston and Institute of Economic Growth, Delhi, pp. 11-16.



also tariffication Moreover, new standalone health insurance companies should be allowed to enter the market to broad base the coverage of health insurance<sup>4</sup>

#### 1.4 OBJECTIVES OF THE STUDY

1. To study the need for health insurance status among the senior citizen population in the country.
2. To study awareness and perceptions of health insurance among the sample of senior citizens selected.
3. To bring out some of the challenges faced by senior citizens in subscribing to medical insurance.

#### 1.5 RESEARCH METHODOLOGY

This research study is based on secondary and primary data. Secondary Data has been collected and analyzed from sources like books, magazines, newspapers, journals, publications by Government agencies and websites. An attempt was made to conduct a poll of senior citizens from Mumbai. A questionnaire was created to collect information from elderly adults in the age group above 60 years in the Mumbai Metro Region. Purposive and snowball sampling were used to collect data. About 49 people responded, and 42 of the questionnaires were deemed to be complete and eligible for study. The data was analysed and presented in tables and graphs after a thorough examination.

#### 1.6 DATA AND RESULTS

##### 1.6.1 Descriptive Statistics:

The frequency distribution of the demographics of the sample data is as given below:

**Table 2: Brief Profile of the Respondents**

##### Gender

	Frequency	Percent
Valid Female	17	40.5
Valid Male	25	59.5
Total	42	100

Source: Primary Data Collection 2022

##### Educational Level

	Frequency	Percent
Valid Less than High School	1	2.4
Valid Matriculation	8	19
Valid Graduate	19	45.2
Valid Post-Graduate	6	14
Valid Professionally Qualified	8	19
Total	42	100

Source: Primary Data Collection 2022

##### Annual Income Level

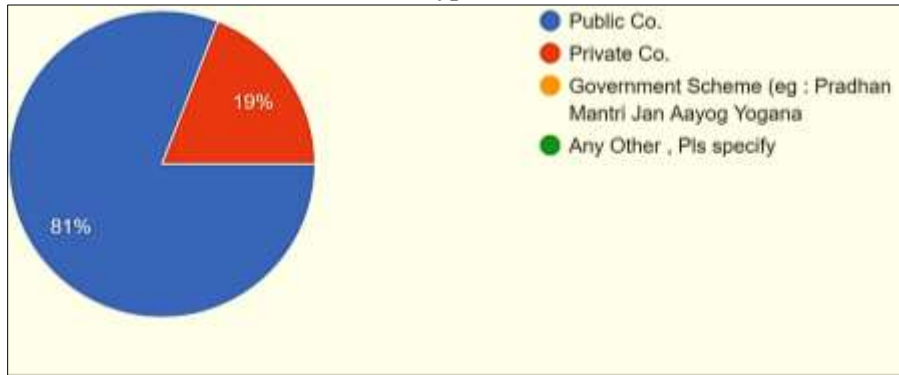
	Frequency	Percent
Upto 250,000	5	11.90
250,001 to 500,000	15	35.71
500,001 to 750,000	9	21.43
750,001 to 10,00,000	2	4.76
10,00,001 & above	11	26.19
Total	42	100

Source: Primary Data Collection 2022

<sup>4</sup> R Anbu (2014), "MARKETING OF HEALTH INSURANCE POLICIES: A COMPARATIVE STUDY ON PUBLIC AND PRIVATE INSURANCE COMPANIES IN CHENNAI CITY," UNIVERSITY OF MADRAS

### 1.6.2 AWARENESS LEVELS ABOUT HEALTH INSURANCE AND PREFERENCES

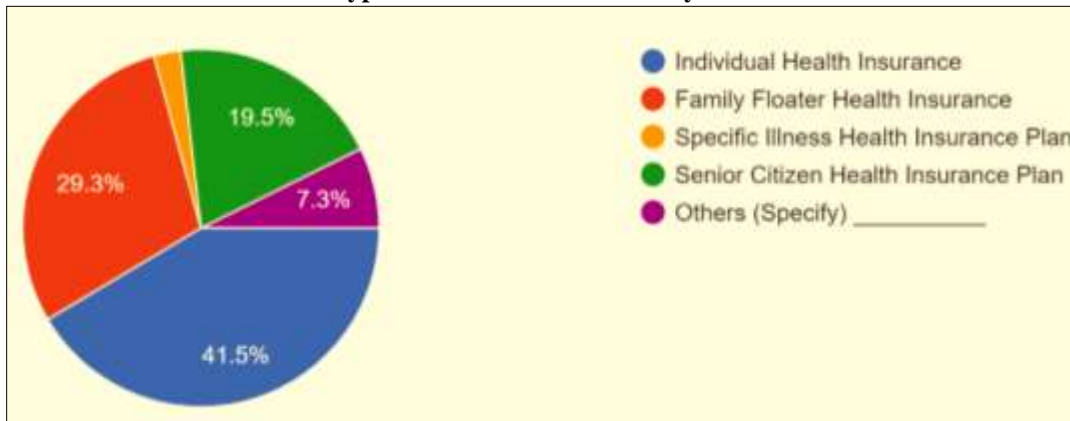
**Table 3: Type of Insurer**



Source: Primary Data Collection 2022

Public Insurers seem to be the preferred choice for nearly 81 Percent of the respondents.

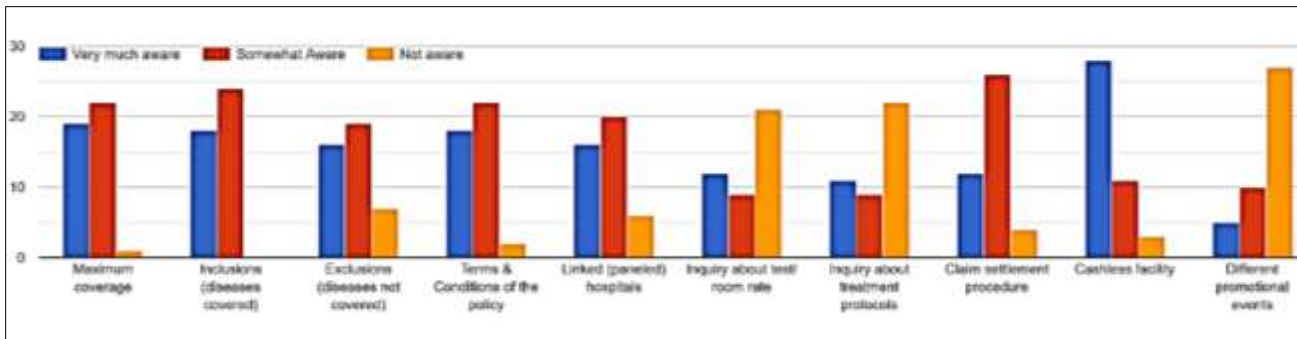
**Table 4: Type of Health Insurance Policy subscribed to**



Source: Primary Data Collection 2022

Individual Health Insurance Policies seem to be the preferred choice for nearly 42 Percent of the respondents, followed by Family Floater 30 percent and 19.5 % going for Senior Citizen health insurance plan.

**Table 5: Awareness Level of Elements of Health Insurance**

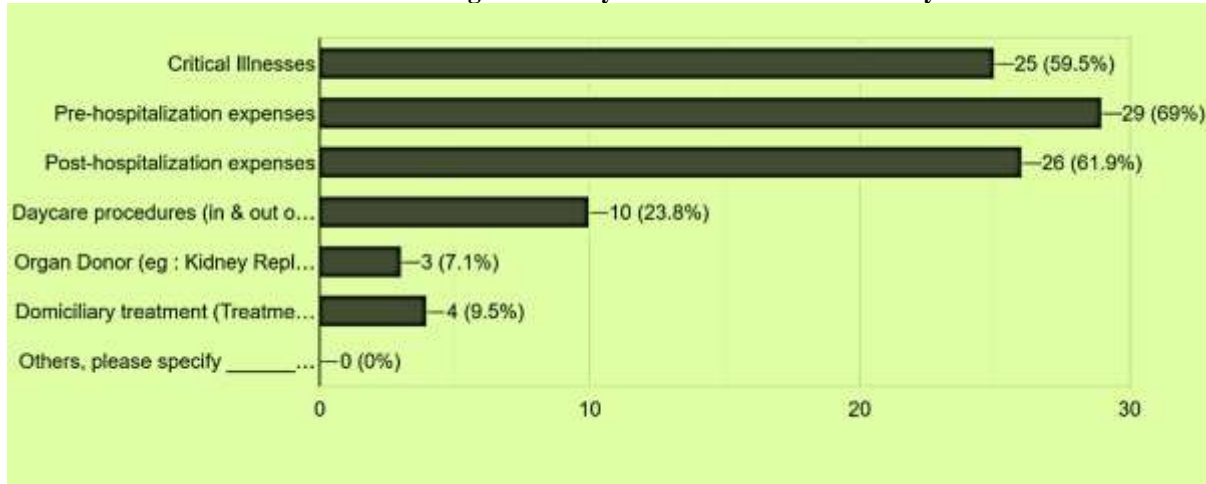


Source: Primary Data Collection 2022



From above Table 5, we can infer that among the sample surveyed, awareness levels about the different aspects of health insurance policy seem to be good. However, the respondents sampled reported low or No awareness about test room rates, treatment protocols, and different promotional events.

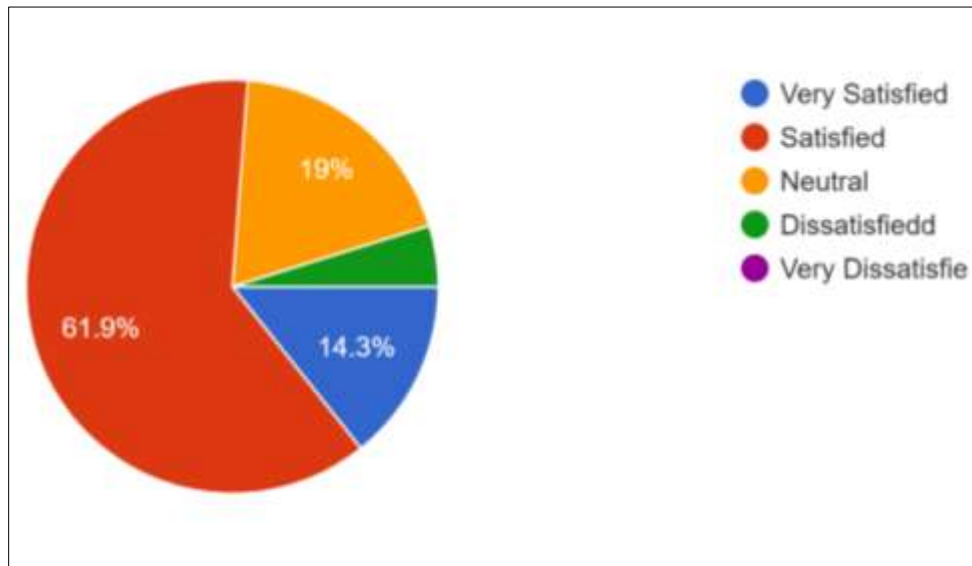
**Table 6: Coverage offered by the Health Insurance Policy**



Source: Primary Data Collection 2022

Maximum respondents had pre and post hospitalization Coverage. Whereas Daycare procedures, organ donation and domiciliary treatments (Treatment at home) were less popular.

**Table 7: Satisfaction Level of Health Insurance**

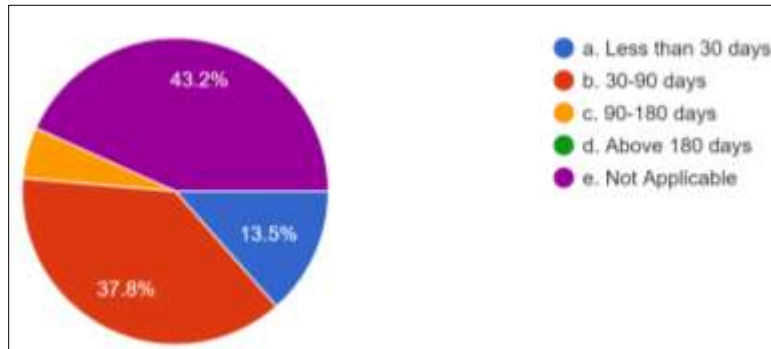


Source: Primary Data Collection 2022

From above Table 7, we can say that satisfaction level seems to be quite high and a small Percentage (19%) were neutral in their opinion.



**Table 8: Time Taken for Claim settlement**

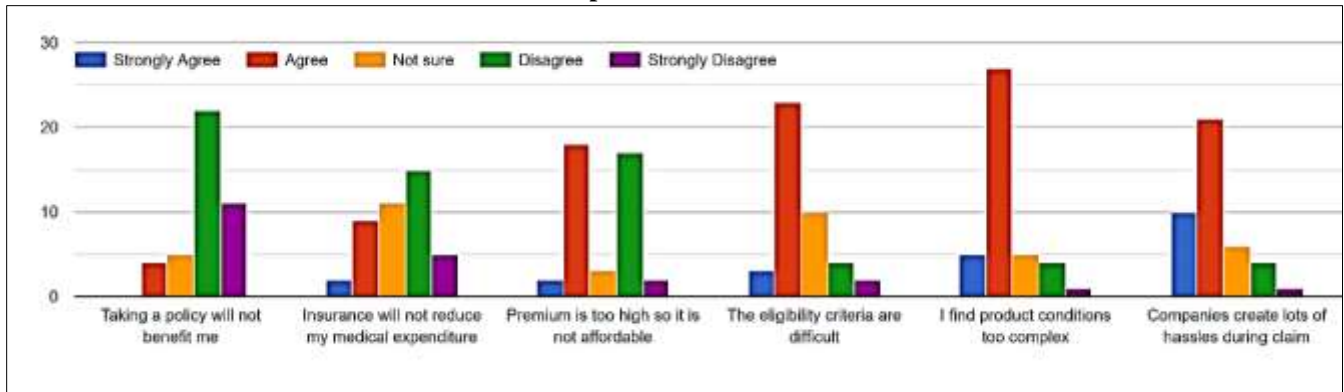


Source: Primary Data Collection 2022

Most of the respondents surveyed had not filed a claim (43 per cent) whereas 38 per cent reported claim settlement period of 30 to 90 days, and only 14 per cent reported prompt claim settlement i.e. less than 30 days.

**1.6.3 CHALLENGES OR PROBLEMS FACED IN HEALTH INSURANCE**

**Table 9: Perception about Health Insurance**

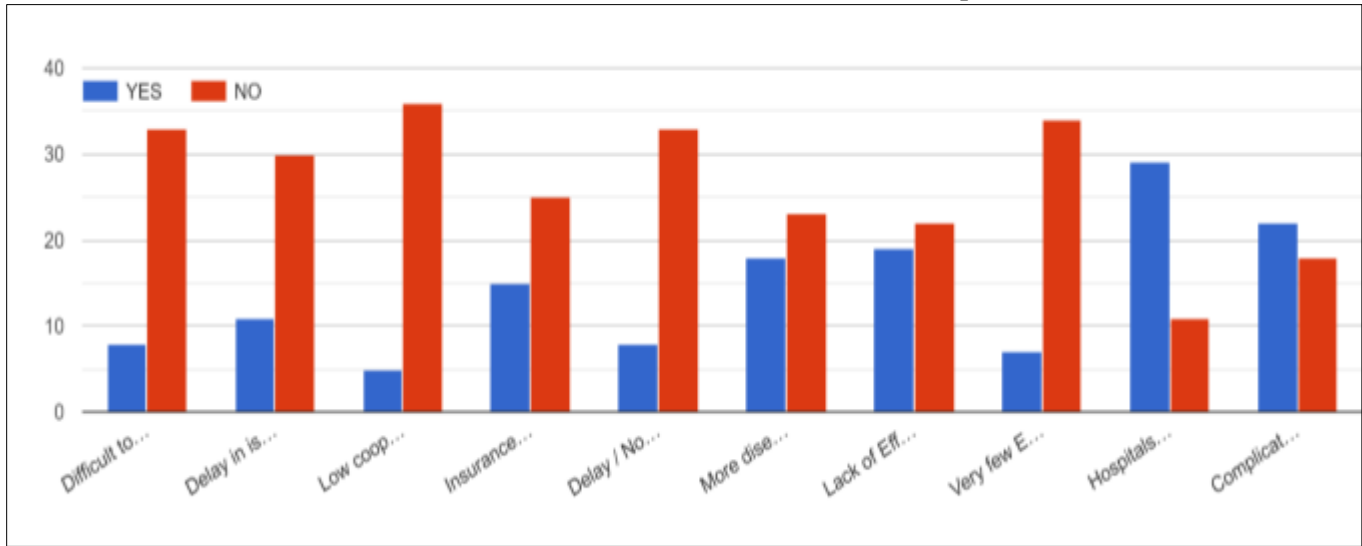


Source: Primary Data Collection 2022

From above Table 3, we can infer that among the sample surveyed, majority of the respondents did perceive that taking a policy benefits them. Majority of them also responded that Eligibility criteria are difficult. A majority of them found product conditions too complex and agreed that companies do create lots of hassles in claim settlement.



**Table 10: Problems faced in Health Insurance subscription**



Source: Primary Data Collection 2022

The problems listed were as follows:	No. of respondents in agreement
Difficult to get policy due to age and medical history	8
Delay in issue of policy	11
Low co-Operation of the Executives	05
Insurance policy was not clear and transparent	15
Delay / Non-Settlement of Claim	08
More Diseases out of coverage	18
Lack of Efficient Complaint redressal system	19
Hospitals charge higher rates from Insured people	29
Complicated and Excessive Paper-work	22

Source: Primary Data Collection 2022

So, the major problem as we can see is Hospitals charging higher rates from Insured people, Complicated and excessive paper work and Lack of Efficient Complaint redressal system

A Lack of clarity and transparency in policy is recorded as a problem as well as a higher list of diseases out of coverage.

**1.6.4 SUGGESTIONS RECEIVED FROM RESPONDENTS**

In the process of Data collection from the respondents, a few valid suggestions were received and the same are indicated in the table below.



**Table 4: Suggestions about Health Insurance**

A gist of the suggestions as received from the respondents is as below

- There must be least hassles during a medical event, and professional claim procedure.
- Insurance companies should refund full claim amount without any deductions
- There must be Hassle free cashless admission and prompt settlement without unfair deductions.
- It is the need of the hour to have good coverage, easy claims and quick settlement
- There must be promptness, clarity and honesty in dealing.
- There should be lower premium charging from senior citizen
- Companies not ready to cover senior citizens and this is more so if they have a history of medical illness. This needs to be changed.

Source: Primary Data Collection 2022

### 1.7 LIMITATIONS OF THE RESEARCH STUDY

This research study has the limitation of relying only on limited secondary and primary data. Customer satisfaction, actual claim settlement and other important parameters could be measured more accurately on the basis of a larger primary data which this study has not able to gather due to time and resource constraint. In that sense, these are the limitations of this study and these form the basis for future research in this area.

### 1.8 CONCLUSION

In the words of Ms. S. Gupta, Chairman and Managing Director, National Insurance Co Ltd, inadequate health insurance awareness, gaps in understanding the product, and the value of return on investment of health insurance purchased are some of the key issues for its low penetration in India<sup>5</sup>

Senior Citizens are the category of the population that is the most vulnerable to life-threatening diseases and ailments. These are the people who need the maximum healthcare facilities. Yet it is ironical that this section of the society finds it the most difficult to avail of good health insurance schemes.

The Health Insurance Sector has the massive responsibility to cover this section of our society so that they can age and live gracefully, and live happy, healthy and dignified lives without the fear of huge medical costs.

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4. R Anbu (2014), "MARKETING OF HEALTH INSURANCE POLICIES: A COMPARATIVE STUDY ON PUBLIC AND PRIVATE INSURANCE COMPANIES IN CHENNAI CITY," *UNIVERSITY OF MADRAS*
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