



Psychological Study on changes in the Perception towards Health Insurance Products after the onset of COVID-19

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ABSTRACT

As a human being we are susceptible to various diseases and to cure us healthcare facilities are much needed. The healthcare system in India is largely public-funded then also people prefer to opt for private healthcare facilities to avail better and quality services. For the average population in India to avail healthcare services at these private healthcare facilities becomes a financial burden. At this point, health insurance comes into play and as the majority of the population have little knowledge consumers must be made aware about the benefits of health insurance. Educating the population is necessary. In this paper, we wanted to focus on that even though a major chunk of the Indian population is still not insured but with the onset of COVID-19, it is impacting people thought process the role of health insurance in today's times. With COVID-19 striking at full force and millions of people falling prey to the pandemic, health insurance is acting as a boon in this time of economic crisis. Especially for people who lost their jobs due to the pandemic and those who need to avail regular healthcare facilities, expenditure on healthcare is a burden in the times of recession thus COVID-19 shaping up health insurance thoughts.

Keywords: Psychology; COVID-19, Health Insurance, Consumer Perception, Out Of Pocket (OOP)

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INTRODUCTION

Health and its importance can truly be felt when we don't have it. The saying "health is wealth" is true as the wealth without health is of no use simultaneously if there is no wealth health is also questionable. [1] The public health care system is widely diversified and has a strong backbone still its presence lacks due to inadequate quality services, accessibility and availability of services. As there is a lack of implementation of proper system in public healthcare, the role private health care provider in India came into existence and has significantly gone up increasing healthcare cost. [2] On an average, the healthcare expenditure of a person in a private facility is way higher but healthcare is not an option. [3] Before the pandemic happened the curve of healthcare was taking a slow turn towards preventive care rather than curative care but the onset of COVID-19 has taken the world as well as the healthcare world by storm. The lack of vaccine and the contagiousness of the virus makes it susceptible to making a million of people hospitalized. Health insurance pays for medical treatment expenses incurred by the insured after staying at the hospital. The health insurance company can provide cashless treatment or they can reimburse the amount that has been utilized by the insured person during his stay. It generally pools the cost of healthcare expenditure through prepayments and thus the healthy people bear the cost of unhealthy people. People generally take health insurance as they may get any disease and the cost of the treatment is uncertain. Before taking up any insurance people generally look into the credibility of the brand, their reliability, the network of hospitals covered, incurred claim ratio of the insurers, claim settlement ratio and the amount of the premiums and various factors have a key role to play like how to get easily insured, the level of paperwork. [4] With the onset of COVID-19 insurers are making it ensure that the customers get easily converted and they are giving their full effort to make it seamless and hassle-free and everything is digitalized so that getting insurance can be done at the comfort of their home. COVID has drastically affected the patients and with the over-burdening of treatment cost in times of crisis, health insurance playing a vital role. [5]

LITERATURE REVIEW

The prime objective of government-funded public healthcare facilities is to provide healthcare at standardized rates. It lacks optimum utilization of resources because of inefficiency and ineffectiveness. The plans and schemes formulated by the government are targeting a specific class of people and thus mostly the upper and the middle class are left with no choice than to get treated from private institutions.

The extent of financial liabilities on the shoulder of the families getting treated in a private facility is huge. The majority of the financial expenditures are out of pocket and the treatments are usually curative. [6] The causes of financial liability have numerous reason but one of them has to be the poorly funded Indian healthcare system because it is not catering to the population with quality of healthcare services. The general public has no option than to get treated in a private facility and getting treated at a higher cost. One of the reasons for having a financial burden is also them not being insured. [7]

Different promotional techniques are implied by the insurance companies extensively. But with promotions, customer education is important at the same time awareness about health insurance is crucial. A cost capping on the services provided by private healthcare providers is important so that the insures instead of controlling claim cost with numerous terms and conditions can pay them out. Instead of gaining underwriting profit, customers should be made aware of all the possible options of health insurance plans fitting their condition and need so that they can select their ideal plan. The more and the better the concept of health insurance is explained to the more they will be drawn to health insurance. [8] Insurance providers, insurance brokers, potential consumers, current clients, etc. play a significant role in growing health insurance (HI) enrolment policies. Unemployment levels for a country like ours are very high. Since large parts of the population are unemployed, funding for Out Of Pocket (OOP), a significant number of respondents, would have a dent in terms of the masses' socio-economic trend. [9] Various factors like age, gender, occupation, socio-economic condition, the standard of living, thought process is majorly the reason why a person tends to buy a particular product. A person tends to buy a particular product when they are young but over time when the age their preference tend to change. Similarly, as per one's occupation, they tend to choose the different product accordingly to their need. The Products to be formulated in a way that they meet all the criteria and expectation of every category. [10] The insurance industry is extensively customer-centric but still, they need to assess the customer expectations and wants so that their requirements are met, that they are satisfied. A satisfied, as well as unhappy customer, tends to influence other customer bases. Word of mouth is effective in the insurance business, a happy and satisfied customer tend to suggest their family and friend how the service and the product have met their expectations. Contrary if the experience is sour it may tamper the customer base. A happy customer tends to renew the policy over time. To make a customer happy, customer journey mapping is necessary so as to determine where dissatisfaction arises. [11]

MATERIAL AND METHODS

This study is descriptive and cross-sectional in nature. Primary as well as secondary data have been collected for this study. The primary data was collected by doing a survey. The important sources of secondary data are IRDAI data, journals, newspaper articles, websites etc. The sample size of the population taken for the study was 138 varying between age group 20-58 customers have been selected following the convenient sampling method.

RESULTS AND DISCUSSION

Results

Total of 138 people participated in this survey, 61.6 per cent were males and 38.4 per cent were females.

Table 1: **Awareness about Health Insurance**

Particulars	Percentage
Completely	38.4
Considerably	36.2
Moderately	19.6
Slightly	3.6
Not at all	2.2

81.9 per cent people have health insurance policies and 85.5 per cent of people's family members are also insured.

Table 2: **Preferred Coverage of Health Insurance**

Coverage Amount	Percentage
Up to 5L	30.4
5L-15L	39.1
15L-30L	17.4
More than 30L	13.1

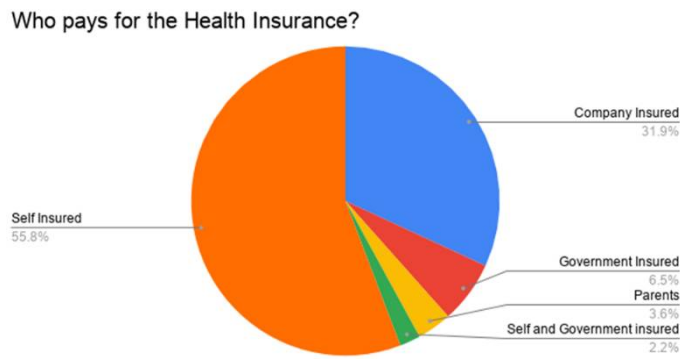


Fig 1: Chart showing who pays for the health insurance

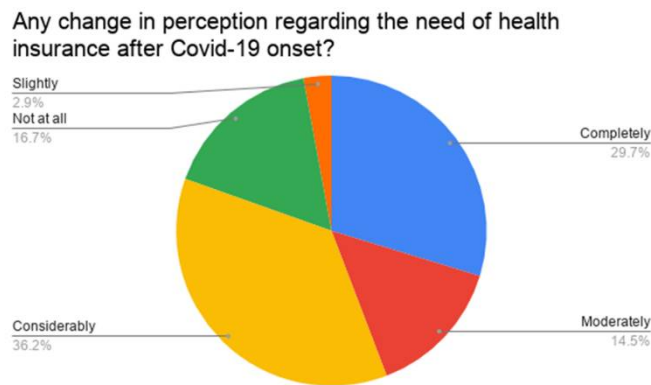


Fig 2: Chart showing the change in perception regarding the need of health insurance post-COVID

72.5 percent people believe that health insurance premium is not an unnecessary expenditure even if there is no claim in the policy year while 10.9 percent people believe that it is an unnecessary expense and 16.7 percent were not sure about it.

Table 3: Preference for claim service management

Particulars	Percentage
Claim service managed by the Insurer	55.8
Claim service managed by the external organization i.e. TPA	21.0
Does not matter	23.2

Table 4: Preference for claim settlement

Particulars	Percentage
Online paperless	87.0
Offline	3.6
Does not matter	9.4

91 percent people have given the preference to an insurer that provides additional services like e-portal and mobile app for self-servicing, 9 percent people didn't have any preferences for this.

DISCUSSION

The survey was conducted to get a clear picture as to post COVID-19 how the consumer's perception is shaping up, how COVID has impacted their thought process and whether this pandemic will bring a change in people perception regarding health insurance and whether they will understand its true value. TABLE 1 shows that 38.4 per cent of the respondents are educated enough thereby These respondents are completely aware of health insurance and can take a sole decision before buying a health insurance policy. Rest 36.2 per cent thinks they are considerably aware and may require little guidance in selecting the plan best suited for them. They can be given a brief idea which product will be better for them keeping in mind their history of health, their economic status, age group and the level of coverage they want. The remaining percentage of people who thinks they have moderate knowledge or slight

knowledge and no knowledge at all for them education regarding health insurance is important. This will give them a perspective on how health insurance can help them in financial crisis, how the financial risk can be mitigated. As 81.9 per cent people have health insurance policies and along with them 85.5 per cent people's family members are also insured thus as according to the guidelines of IRDA, percentage population are covered under the regular insurance plan and they need not take special corona plan. If keeping in mind the current COVID-19 scenario they feel their current sum insured is not enough then the insured people can get another plan. The lowest percentage of people 13.1 per cent exact believes that more than 30 lakhs sum insured is the preferred coverage while 17.4 percent believes that 15 lakhs -30 lakhs is the ideal as per them while quite a percentage of people (30.4 percent) believes that up to 5lakhs coverage is enough to cover their medical expenses. A major proportion of the people (39.1 percent) believes that 5lakhs -15lakhs is enough. As per an article published in The Indian express the average cost of covid-19 bills ranges between 3lakhs to 16lakhs. Major Percentage of the people are self-insured the highest contribution is 55.8 percent whereas 31.9 percent of the people are company insured, majority out of which usually don't have a clear idea whether their company insured health insurance is sufficient. Does the corporate plan cover all the necessary pre-existing diseases or medical emergencies Rest 3.6 percent are insured by their parents i.e. their parents make their decisions or either influence their decisions so they are the sole decision-maker. 6.5% percent of the sample population are insured under various government schemes like (RSBY) Rashtriya Swasthya Bima Yojana, employment state insurance scheme (ESIS), Central government health scheme (CGHS), Aam Aadmi Bima Yojana (AABY), Universal Health Insurance Scheme (UHIS) and Ayushman Bharat scheme. Remaining 2.2 believes getting insurance from the government as well as self is enough. Even though 72.5% percent thinks that health insurance premium is not an expense without a return on investment. This percentage of the population are aware how health insurance through premiums pools the medical cost of other people while the percentage of people i.e 27.6 percent still have less or no knowledge how health insurance can mitigate the financial burden or how a policy without any claim can get still get benefit. Supposedly without any claim in 1year duration can get them no claim bonus (ncb) which will increase the sum insured of the person. Majority of the people prefer in house claim settlement (55.8 percent) because they feel that the process they can directly contact to the insurer and thus if there is any difficulty from approval of the claim to the reimbursement of the money. 21 percent thinks that an assistance by third party administration will provide more support as they will not need to get involved in the entire process it will be taken care by TPA. The rest 23.2 percent it does not matter who is providing assistance in settlements of claims until n unless the claim is getting settled. For 9.4 percent it does not matter where the claim is getting settled until n unless it is getting settled. 3.6 percent prefers a human touch in their claim settlement procedure while 87 percent of them prefers online paperless claim settlement and keeping in mind corona situation insurance companies are going way seamless and giving better service in their online paperless claim settlement. 92 percent prefers the options of having an online portal/mobile where they will be able to get a new policy, get the status of their policy and also their claim settlement status. As per the survey conducted 81.9% have health insurance but 39.9% have brought health insurance recently and another 39.9 % still confused whether to take another health insurance or a new one and 18.1% wants to buy another health insurance. Post this pandemic 83.3 per cent of the people have slight to complete change in perception out of this 83.3 per cent, 29.7 per cent perception of the people has completely changed and 36.2 per cent people's perception has changed considerably post this pandemic.

RECOMMENDATIONS

Recommendations based on the analysis are

- Educating the existing customers
- Making the population aware of health insurance and its benefits
- Innovation in the products
- Benefits to attract customer base.

CONCLUSION

To conclude all we can say is that the Perceptions of population post this pandemic has changed drastically. The general population is concerned about their health and their family's health, they don't want any financial burden and would prefer financial security. At this time of global recession, the expenses on healthcare facilities can be an added stress. Covid-19 has questioned that jobs are not permanent and the stated fact that there is mass layoff thus the company insured health insurance policy won't be valid anymore. Moreover, in recent times the expenditure of treatment at a hospital can be expensive. People are finding it to be the right time to invest in health insurance. Various plans

specifically of COVID-19 are launched by IRDA to assist in times of corona. These plans are specific to corona. The underlying question is that even though people's perception has changed in this scenario but whether the graph shows a positive growth post the pandemic get over is to be considered. Corona is playing a crucial role in awaking the population and showing them the need of health insurance, companies should utilize this opportunity to retain the customer base in this pandemic and thereby educating them.

CONFLICT OF INTEREST

The authors declare that they have no conflict of interest.

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