AN OBSERVATIONAL STUDY ON ACCEPTABILITY OF OPD INSURANCE PRODUCTS IN INDIA

Dissertation submitted to

The IIHMR University, Jaipur

for the partial fulfilment for the award of the degree of

Master of Business Administration (MBA)

in

Hospital and Health Management

by

Dr. M Khurram Jahan

Under the Supervision and Guidance of

Dr. P R Sodani

President, IIHMR University, Jaipur

2023

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DECLARATION BY STUDENT

I hereby declare that this dissertation titled, "**An Observational Study on Acceptability of OPD Insurance Products in India"** is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from the published or unpublished work of others throughout has been duly acknowledged in the text.

Dr. M Khurram Jahan

Dated:

CERTIFICATE BY ORGANISATION

This is to certify that **Dr. M Khurram Jahan** in partial fulfilment of the requirements for the award of the degree of MBA (Hospital and Health Management) from the IIHMR University, Jaipur has successfully completed his internship at **Care Health Insurance**, Gurgaon during February 20- May 19, 2023.

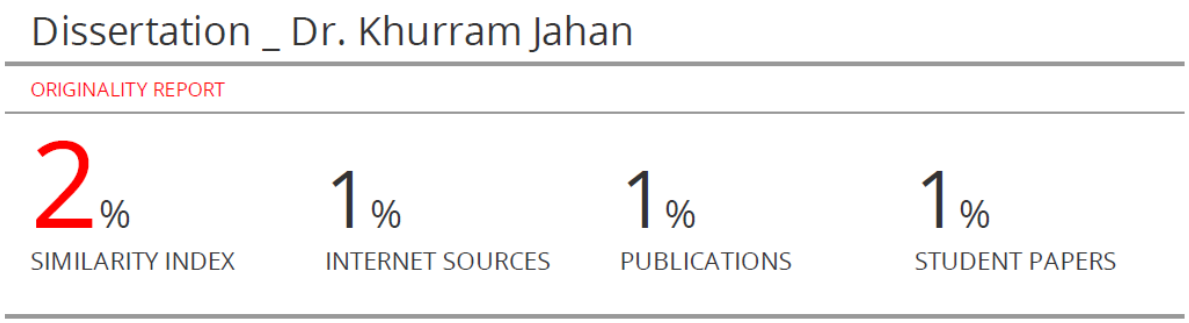
Place:

Date:

Mr. Akash Tiwari
Head – Group Underwriting
Care Health Insurance

CERTIFICATE BY INSTITUTION

PLAGIARISM REPORT



The thesis has 02% plagiarism on evaluation by Turnitin Software.

ACKNOWLEDGEMENT

I am grateful for the fortunate opportunity and exposure I had at Care Health Insurance in Gurgaon, and would like to express my sincere gratitude to the individuals who guided, assisted, and motivated me throughout this endeavour.

I would like to express my sincere appreciation to my external mentor, Mr. Akash Tiwari (Head – Group Underwriting) at Care Insurance, who not only gave me the opportunity to work on this project but also provided me with invaluable guidance throughout the research process. I am deeply grateful for his expertise and support in helping me navigate the complexities of this research.

I would also like to extend my gratitude to my internal faculty guide at the University, Dr. P R Sodani, for providing me with the necessary guidance and support to carry out this research. His unwavering support and insightful guidance have been instrumental in the successful completion of this project.

Furthermore, I would like to extend my gratitude to the entire 'Group Underwriting' team at Care Health Insurance for guiding me throughout the project and for welcoming me to work as a part of their team.

I wish to express my appreciation towards my family and friends for their constant support and encouragement, which has been a significant source of strength for me to persevere and surmount the obstacles that came my way.

I would also like to express my sincere gratitude to the Dean Dr. (Col.) Mahender Kumar and the University Placement Cell for providing me with the opportunity to work on this research project, which has been a significant milestone in my academic career.

This acknowledgement is a testament to the collective effort of all the individuals who have contributed to the successful completion of this thesis. I express my gratitude to you all for your unwavering support and encouragement throughout this journey.

Dr. M Khurram Jahan

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TABLE OF ABBREVATIONS

S. No	Abbreviation	Meaning
01	OPD	Out Patient Department
02	IPD	In Patient Department
03	TDS	Tax deductible at Source
04	INIA	International Network of Insurance Associations
05	GFIA	Global Federation of Insurance Associations
06	PSU	Public Service Undertaking
07	OOPE	Out of Pocket Expenditure
08	NSS	National Sample Survey
09	ESIC	Employees' State Insurance Corporation
10	IRDA	Insurance Regulatory and Development Authority

ABSTRACT

Despite the potential benefits, OPD insurance policies in India receive inadequate attention and utilization compared to developed nations. The primary reason for the underutilization of OPD coverage is the low awareness (42%) among registered providers and organizations responsible for health insurance acquisition. Limited knowledge or complete unawareness of the availability of OPD insurance products hinders their adoption.

As a consequence, OPD coverage remains significantly underused, imposing a heavy financial burden on households and individuals, particularly those from lower socio-economic classes. Only a small fraction of organizations (17%) among the studied thirty-six organizations have incorporated OPD coverage into their health insurance policies, highlighting the immense untapped potential in this area.

Improving awareness and educating the population about the significance of OPD coverage are key to unlocking its potential. By doing so, the burden of healthcare expenditure on individuals and households can be significantly alleviated, preventing many Indian families from falling below the poverty line.

Collaboration among insurance providers, policymakers, and stakeholders is crucial to drive the necessary changes and ensure that OPD coverage receives the attention it deserves.

Furthermore, addressing the challenges associated with the absence of a well-organized national health records system will contribute to enhancing insurers' confidence in offering OPD products.

Raising awareness about OPD coverage and implementing suitable measures are vital steps toward realizing its potential and ensuring better healthcare access for all individuals in India.

1. INTRODUCTION:

1.1 History of Insurance - Global

The fundamental concept of insurance, which involves transferring or distributing risk, was utilized by Babylonian, Chinese, Egyptian and Indian traders dating back to the 3rd and 2nd millennia BC.

In ancient China, merchants who journeyed along dangerous river rapids would distribute their goods across multiple vessels to reduce the risk of loss in the event of any single vessel capsizing.

In the early years of the fourteenth century, instances can be seen wherein contracts for marine insurance were drawn up in the commercial cities of Italy. As such, the concept of insurance in its primitive form has been utilized since thousands of years. (Holdsworth, 1917)

During the Enlightenment era in Europe, beginning in the late 17th century, insurance became significantly more advanced. This led to the development of specialized types of insurance such as Property, Life, and Accident insurance. Additionally, age-based premiums and premiums based on mortality rates were introduced, establishing a more scientific approach to insurance.

During the late 19th century, governments began implementing national insurance programs to provide coverage for sickness and old age. In Germany, these programs were built upon a longstanding tradition of welfare programs in Prussia and Saxony that originated as early as the 1840s.

In 2008, the International Network of Insurance Associations (INIA), which was originally an informal network, became operational. It was later succeeded

by the Global Federation of Insurance Associations (GFIA), which was officially established in 2012.

The GFIA's primary objective is to enhance the effectiveness of the insurance industry in providing input to international regulatory bodies and contributing to global discussions on topics of shared interest. It comprises 40 member associations and one observer association in 67 countries, whose companies account for approximately 89% of the total insurance premiums worldwide. (Hennock, 2007)

1.2 History of insurance - India

In India, the concepts of insurance have been known to appear in ancient Hindu scriptures, such as the *Dharmasastra*, *Arthashastra*, and *Manusmriti*, which date back to the 3rd century BC. Overseas traders also implemented a system of marine insurance.

Case in point, the joint family system, which is a distinct characteristic of India, functioned as a form of social insurance for every member of the family in terms of their life.

The legal framework concerning insurance has gradually developed over time and has undergone several phases, from nationalisation of the insurance industry to recent reforms that permit the entry of private players and foreign investment in the insurance industry.

The Constitution of India follows a federal system, where there is a division of powers between the Centre and the States. Insurance is included in the Union List, which is a list of subjects that are exclusively under the legislative competence of the Centre. As a result, the Central Legislature has the authority

to regulate the insurance industry in India, ensuring that the law in this regard is uniform across all territories of India.

During the nineteenth century, insurance in India was initiated without any regulations in place. This was a typical occurrence during the colonial era, where a small number of British insurance companies held a dominant position in the market, primarily serving large urban centres.

In 1870, a company established by Europeans in Calcutta marked the beginning of life insurance in India. This company was known as the Bombay Mutual Life Assurance Society and was the first life insurance company to operate on Indian soil.

Following India's independence, the insurance business experienced significant growth, with Indian companies reinforcing their hold on the industry. However, despite the growth witnessed, insurance remained largely an urban phenomenon.

On the 19th of January, 1956, the Central Government took over the management of life insurance business from 245 Indian and foreign insurers and provident societies that were operating in India at the time.

In September of that year, the Life Insurance Corporation (LIC) was established through the Life Insurance Corporation Act, 1956 (LIC Act). The LIC was granted the exclusive privilege to conduct life insurance business in India.

Since the nationalisation of the insurance industry in 1956, the LIC held a monopoly in India's life insurance sector, while the GIC, along with its four subsidiaries, enjoyed a monopoly in the general insurance business. Both the LIC and GIC have played a significant role in the development of the insurance market in India and in providing insurance coverage across the country through an extensive network.

In 1994, the insurance sector invited private participation to introduce competition among insurers and provide consumers with a choice.

Starting from 1991, the Indian Government implemented several reforms in the financial sector, leading to the liberalisation of the Indian economy. Consequently, it was only a matter of time before this liberalisation impacted the insurance sector.

A significant gap in the funds required for infrastructure was felt, especially since much of these funds could be filled by life insurance funds, which are typically long-tenure funds. (Singh, 2019)

1.3 Indian Insurance Framework

In 1993, a committee was established by the government, which was headed by former Reserve Bank of India governor R. N. Malhotra, with the objective of making recommendations for insurance reform to complement the financial sector reforms that were already underway.

The committee presented its report in 1994, which suggested that the private sector should be permitted to enter the insurance industry. Foreign companies were advised to enter the market by establishing Indian companies, preferably as joint ventures with Indian partners, with a cap on foreign shareholding at 26%.

In line with the recommendations of the Malhotra Committee, the Insurance Regulatory and Development Authority (IRDA) was established in 1999 to regulate and develop the insurance industry. The IRDA was incorporated in April 2000, with the aim of promoting competition to increase consumer choice, reduce premiums, and enhance customer satisfaction, while also ensuring the financial stability of the insurance market.

In August 2000, the IRDA opened up the market by inviting registration applications. Foreign companies were permitted to own up to 26 percent of the market. Since 2000, the authority has been able to create regulations under Section 114A of the Insurance Act, 1938, ranging from company registrations to policyholder protection, and has played an instrumental role in shaping the Indian insurance market.

The IRDA's primary objectives are to protect the interests of policyholders, promote the development and growth of the insurance industry, ensure the financial stability of insurance companies, and regulate the functioning of insurance companies to maintain fair competition in the market.

The IRDA has the authority to grant licenses to insurance companies, approve insurance products, and establish regulations for the conduct of insurance business in India. (GoI, 2023)

1.4 Indian Health Insurance Market

The health insurance market in India is one of the fastest growing industries in spite of the fact that it is still in its early stages. With huge opportunities for the marketing and distribution of health insurance products, there is a large potential for the health insurance market share to expand in India and reach a larger population.

The private health insurance sector in India is booming, with more and more private health insurers entering the market to provide quality health healthcare to a greater segment of the population with customised healthcare coverage.

Although Indians have access to free or low-cost healthcare in the public sector, they are increasingly selecting private hospitals over public hospitals due to the disparity in quality and sophistication of treatment. This shift is a motivator for

private insurers to enter the market and provide a more comprehensive health insurance.

Owing to the awareness generated by the Covid-19 pandemic about life's uncertainties, unpredictability, and the lack of preparations in the event of a medical emergency, the health insurance business in India has changed dramatically over the previous three years. As such the customer's perception and their need for health insurance have both changed significantly.

The rising expensed of hospitalisation is also a cause for this shift, with the number of health hazards steadily increasing. This has made customers realise the long-term importance of purchasing health insurance since a major health emergency can burn a huge hole in a person's wallet and in most cases, exceed their savings.

Consumers also realise now that purchasing a more comprehensive health insurance plan is a better option because it provides a more holistic approach to healthcare by providing coverage for diseases, pre-existing conditions and OPD coverage.

In spite of the achieved landmarks, a significant portion of the customer base still lacks specialised or customer health insurance creating a gap in the market where the insurance penetration is not yet optimum. This gap is to be filled with such specialised and customised products.

Distribution of Market Share:

State wise, the distribution of health insurance in India is not evenly spread amongst the various states. Based on reports from 2019-20, fewer than 40 percent of families in 11 Indian states are covered by health insurance products. (Radhakrishnan, 2021)

Maharashtra has the highest share of Insurance premiums across India at 29% followed by Tamil Nadu at 11%. Karnataka has a share of 10% followed by Delhi at 8% and Gujarat at 6%. Rest of the states together have a market share of 36%. (Loop, 2022)

Market Share based on distribution among Indian states.

State	Market Share
Maharashtra	29%
Tamil Nadu	11%
Karnataka	10%
Delhi	8%
Gujarat	6%
Rest of the states	36%

Based on the gross premium collection in Fiscal Year 2021, the top three Indian health insurance companies are New India Assurance, Star Health, and United India Insurance.

New India Assurance has an 18 percent market share, while Star Health and United India each have 16 percent and 11 percent. (Loop, 2022)

Market Share based on distribution among Health Insurance Providers in India.

Health Insurance Providers	Market Share
New India Assurance (PSU)	18%
Star Health	16%
United India (PSU)	11%
National Insurance (PSU)	10%
Oriental Insurance (PSU)	8%
HDFC Ergo General	6%
ICICI Lombard	5%
CARE Health	4%
Bajaj Allianz	4%
Max Bupa Health	3%
SBI General	2%
Aditya Birla Health	2%
TATA AIG General	2%
Reliance General	2%

1.4 OPD Coverage in Health Insurance Products

The OPD coverage provides a range of benefits, including coverage for medical practitioner and specialist fees, routine check-ups, vaccinations, prescription medications, and diagnostic tests.

Under the OPD coverage, the inclusions may also encompass expenses such as doctor's fees, crutches, wheelchairs, routine check-ups, vaccinations, hearing aids, minor surgeries, dressings, dental treatments, spectacles, contact lenses, and more.

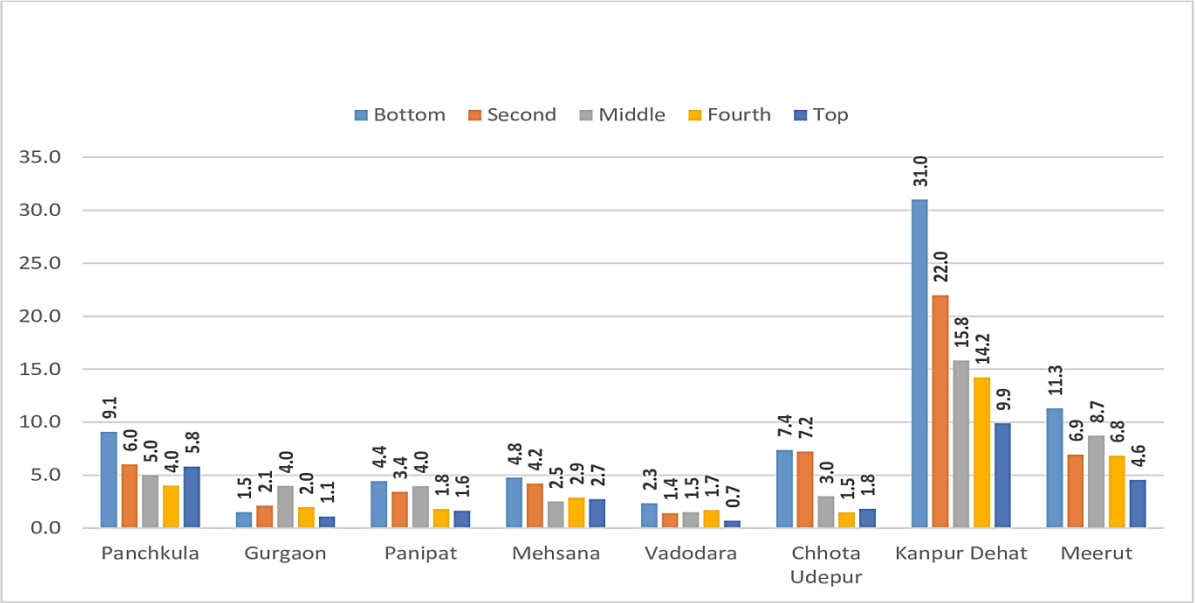
Since these treatments are typically predictable and relatively inexpensive, individuals are generally expected to bear these costs as Out of Pocket Expenditure (OOPE).

The findings indicate that individuals who are economically vulnerable spend a higher proportion of their per capita consumption expenditure on OPD expenses. Outpatient care is predominantly sought from private providers, and while switching providers is not very common, it mostly involves a transition to private providers.

Successive National Sample Survey data demonstrates a consistent rise in the share of OOPE in the total consumption expenditure of households. (Indrani Gupta, 2016)

Figure I. (Indrani Gupta, 2016)

Expenditure quantile wise variation in the share (%) of OPD in total consumption expenditure.



High out-of-pocket expenditure (OOPE) has become an established characteristic of the healthcare financing system in India, and there is ample

evidence to demonstrate that this system continues to impose financial strain on individuals and households.

While most of the existing literature in India has primarily focused on the determinants of health spending during hospitalization, there are comparatively fewer independent studies examining health-seeking behaviour and expenditure specifically on Out-Patient Departments (OPDs). Nonetheless, a review of the available literature does yield several significant findings.

For instance, by analyzing data from the 60th health round of the National Sample Survey (NSS), it is evident that OPD expenses have a greater impoverishing impact compared to costs associated with In-Patient Care, both in urban and rural areas.
(Peter Berman, 2010)

Research findings also indicate that out-of-pocket expenditure (OOPE) for out-patient visits is primarily covered using personal income and savings, thereby highlighting the concern of "ability-to-pay" as a determinant of health-seeking behaviour for OPD services. (Joe, 2014)

Another study reveals that 3.5% of the population experienced poverty due to out-of-pocket expenditure (OOPE), but this percentage dropped to 0.5% when OOPE specifically related to out-patient care was excluded. This finding underscores the importance of comprehensive coverage schemes that should encompass medications and overall, out-patient care. (Renu Shahrawat, 2012)

These studies conclusively demonstrate the significant impact of OPD coverage on households, emphasizing the need for insurance products to adequately reflect its importance for the public.

The absence of a well-organized national health records system creates a sense of caution among insurers when it comes to covering risks, further contributing to the uncertainty faced by insurance providers in offering OPD products.

2. REVIEW OF LITERATURE:

Research on OPD and Preventive Care by Dhiraj Kr Nath (2018) concluded that OPD and Preventive Care expenses can be a significant financial burden on individuals and traditional life insurance policies do not cover these expenses. Some insurance companies have introduced health insurance policies that include coverage for OPD and preventive care. Furthermore, the health insurance market could expand even further if viable models of insurance coverage were developed for these expenses. (*Insurance for Outpatient and Preventive Care - Future of Health Insurance*, Bimaquest, NIA, Pune)

According to Dr. Steward Doss (2022), Inclusion of OPD benefits along with IPD care can enhance the effectiveness and worth of healthcare services. Bundling fragmented and simplified services such as physician fee, cost of diagnostics, medicine, and drug cost can contribute to this advantage and this approach can result in improved health outcomes for the society as a whole. (*Health Insurance In 2042 Challenges and Opportunities*, National Insurance Academy, Pune.

Based on a study by R. Gambhir, Ravneet Malhi, Saru Khosla, Rina Singh, A. Bhardwaj and M. Kumar, OPD coverage is an emerging trend in private-sector health insurance. This coverage helps individuals claim expenses that are not related to hospitalization. Despite its usefulness, OPD coverage is not a comprehensive offering under health insurance. Major insurance companies are currently providing this coverage for an additional premium. (*Out-patient coverage: Private sector insurance in India*, 2019, National Library of Medicine, USA)

Rajeev Ahuja and Alka Narang (2005) in a study concluded that Health insurance for the poor is on a rise. This, they believed is partly due to the regulatory requirement by IRDA which mandates that insurance companies

extend their services to rural areas. (*Emerging Trends in Health Insurance for Low-Income Groups*, Economic and Political Weekly, Mumbai)

In another study by J.B. Babbar and Kunal Babbar, it was highlighted that strengthening the regulatory framework and institutions, such as IRDA, is recommended for ensuring competition and choice in the healthcare market. Synergy between AB-NHPM and Health and Wellness Centers is recommended as a desirable goal. Such synergy can prevent demand-side moral hazard and healthcare cost escalation. (*Universal Health Coverage and Role of Health Insurance*, 2019, Health and Population – Perspectives and Issues, The National Institute of Health and Family Welfare)

A study conducted by L. M. Singh et al. (2022) concluded that for outpatient care, the expenditure was higher in public facilities. Medicine expenses constitute the largest portion of total out-of-pocket expenses. The insurance impact model indicates that covering medicine expenses alone can reduce medical impoverishment by 85% for outpatient care and 71% for inpatient care. The urban poor tend to prefer private facilities for illness treatment, but public facilities for delivery. (*Potential Impact of the Insurance on Catastrophic Health Expenditures Among the Urban Poor Population in India*, Sage Journals)

Studies conducted by C. P. Reichal, J. Somasundaram and L. Arivarasu (2020) with a sample population of 100 individuals aged 18-60 found that 43% had family floater policies, and Star Health Insurance and Allied Co. Ltd. were the popular insurers. Overall, the study concludes that the sample population shows awareness and knowledge about health insurance plans, surpassing previous research. (*Need of health insurance policies and its coverage - A cross sectional survey*, 2020, European Journal of Molecular & Clinical Medicine)

According to Peter Berman, Rajeev Ahuja, Laveesh Bhandari, based on the analysis of the NSSO's 60th survey, Indian households experience a substantial financial burden due to excessive expenditures on private healthcare. This burden is evident in both urban and rural areas, with out-patient care being particularly impoverishing when compared to in-patient care. (*The Impoverishing Effect of Healthcare Payments in India: New Methodology and Findings*, 2010, Economic and Political Weekly)

In a 2008 study by David M. Dror, Olga van Putten-Rademake and Ruth Koren, a survey conducted in five rural areas of India, encompassing 3,531 households, indicated that a predominant source of funding for health services is out-of-pocket expenditure. The survey further reveals that the median cost of a single episode of illness is alarmingly high, amounting to 73% of the monthly income for the affected households. (*Cost of illness: Evidence from a study in five resource-poor locations in India,* Indian Journal of Medical Research, New Delhi)

These findings were supplemented by a 2016 study by Indrani Gupta and Samik Chowhury in which stated that based on several surveys conducted by the National Sample Survey (NSS) on Household Consumer Expenditure, highlight a notable increase in the burden of out-of-pocket expenditure (OOPE) on healthcare, especially among lower economic quantiles. While the proportion of spending on drugs has decreased, it remains a significant component. On the other hand, expenses related to diagnostics and non-medical items have seen a significant rise. (Financing for health coverage in India: Issues and Concerns, Social Science Research Network (SSRN), New York)

William Joe (2014) concluded that around 60% of rural areas resort to distressed health financing, which involves employing strategies to manage healthcare costs. In urban areas, approximately 40% of the population relies on distressed health financing methods to cope with healthcare expenses.

(Distressed financing of household Out-of-Pocket healthcare payments in India: Incidence and Correlates, Oxford Academic: Health Policy and Planning)

Another study by Renu Shahrawat and Krishna D Rao found that the largest portion (72%) of out-of-pocket expenditure (OOPE) on health payments is attributed to medicine costs. The negative impact of OOPE on health payments is particularly pronounced among the poor and near-poor populations. Insurance schemes that aim to assist the poor should consider incorporating coverage for medicines and outpatient care, with a specific focus on the near-poor and individuals above the poverty line.

The study also revealed that 3.5% of the population experienced poverty due to out-of-pocket expenditure (OOPE), but this percentage dropped to 0.5% when OOPE specifically related to out-patient care was excluded. This finding underscores the importance of comprehensive coverage schemes that should encompass medications and overall, out-patient care (*Insured yet vulnerable: out-of-pocket payments and India's poor*, Oxford Academic:Health Policy and Planning)

3. METHODOLOGY

3.1 Aim:

To understand the extent and cause for exclusion of OPD products in health insurance policies.

3.2 Research question:

What is the acceptability for inclusion of OPD Cover in Healthcare Benefits purchased by organizations?

3.3 Objectives:

1. Extent of awareness about OPD products among target population
2. Market penetration of OPD products.
3. Factors for not including OPD Products in their insurance policies.
4. Benefits being provided in OPD Products.

3.4 Materials and Method:

- **Study Design:**
  Observational Study Design – Cross-Sectional Study.
- **Setting:**
  Care Health Insurance, Gurgaon, India.
  (Provided a venue for visitation access to different organisations)

- **Study Population**:

  Inclusion criteria**:**
  Human Resource Professionals, Procurement Heads & Brokers**.**

Exclusion criteria**:**

Individual employees.

- **Study tools:**

  Data was taken primarily through the questionnaire *(Figure II)* which constitutes of the questions that fulfil the requirements of the objectives for this study.

  A questionnaire was developed by the researcher based on the objectives of the study and data was collected on visitations to various organisations. (Annexure – A). In cases where the study warranted more information, brief interactions or interviews were also conducted.

- **Duration of the study:**

  The duration for the study was three Months (March – May 2023).

- **Sample Size:**

  Data was taken from thirty-six different organisations that have or are in the process of acquiring Group Health Insurance for their employees.

  Data for this study was collected from primary sources through visitations to the offices of the Human Resource Professionals, Procurement Heads & Brokers of the subject organisations since no study of this specific nature has been done before and as such, enough secondary sources are not available.

- **Sampling Technique:**

  Simple Random Sampling was used for the conduction of this study.

- **Data Collection Procedure**:

  Listed below is the procedure for data collection.

  Step 1:

  Preparation of a questionnaire based on the objectives of the study.

  Step 2:

  Identification of the subjects i.e., organisations that fall under the criteria of the study.

  Step 3:

  Visitations to the listed Organisations to gather data based on the questionnaire.

  Step 4:

  Compilation of data.

  Step 5:

  Analysis and interpretation of data.

The software majorly used is Microsoft Office Suite, including the following:

For Data Analysis: Ms Excel, Ms Word, and Ms PowerPoint.

For Communication: Ms Teams, Zoom, and Ms Outlook.

- **Ethical considerations:**

Following consideration concerning ethics will be strictly followed:

- Any classified data will be kept confidential.
- All the participants (organisations) of the study will be informed about the nature of the study and their participation within.
- Any discussion planned will not be recorded to maintain the confidentiality of the firm.
- Any classified data will be kept confidential. Any discussion planned will not be recorded to maintain the confidentiality of the firm.

3.5 Operational Definitions:

1. **Health Insurance:**
   Health insurance is a contract between a company and a consumer. The company agrees to pay all or some of the insured person's healthcare costs in return for payment of a monthly premium. (Investopedia)

2. **Insurance Coverage:**
   Insurance coverage is the amount of risk or liability that is covered for an individual or entity by way of insurance services. (Investopedia)

3. **OPD Coverage:**
   Out-patient Department coverage refers to the health insurance policy that covers healthcare services that are administered without an overnight stay in a hospital or medical facility. (Investopedia)

4. **Group Health Insurance:**

   Group Insurance health plans provide coverage to a group of members, usually comprised of company employees or members of an organization. Group health members usually receive insurance at a reduced cost because the insurer's risk is spread across a group of policyholders. (Ramandeep S. Gambhir et al., 2019)

5. **Distressed Healthcare Financing:**

   It is the Out-of-Pocket payments financed through borrowings or sale of household assets or through contributions from family and friends to pay for healthcare. (Joe, 2014)

6. **Emergency Care**:

   It is the management of an illness or injury which results in symptoms which occur suddenly or unexpectedly, and requires immediate care by a medical practitioner to prevent death or serious long-term impairment of the insured member's health. (Care, 2020)

7. **Grace Period:**

   It is the specified period of time immediately following the premium date during which payment can be made to renew or continue a policy in force without loss of continuity benefits such as waiting periods and coverage of pre-existing diseases. (Care, 2020)

8. **Indemnity:**

   It refers to when an insurance provider compensates the policy holder up to the extent of expenses incurred on occurrence of an event which results in a financial loss and is covered as a subject matter of the insurance cover. (Healthcare.gov, 2022)

9. Premium:

The premium is the amount of money paid by an individual or policyholder to an insurance company in exchange for coverage under a health insurance plan. It is typically paid on a regular basis, such as monthly or annually. (Investopedia)

10. Deductible:

A deductible is the fixed amount that an individual must pay out of pocket before their health insurance coverage begins to cover eligible medical expenses. It is usually an annual amount that resets each year. (Healthcare.gov, 2022)

11. Co-payment:

A co-payment, often referred to as a copay, is a fixed fee that an individual must pay at the time of receiving specific medical services or filling a prescription. The amount of the co-payment can vary depending on the type of service or medication. (Plus, 2022)

12. Network:

A network refers to a group of healthcare providers, such as doctors, hospitals, clinics, and pharmacies, that have agreed to provide medical services and products to individuals enrolled in a particular health insurance plan. (Healthcare.gov, 2022)

3. RESULTS:

Through the analysis of the data collected, the following objectives were accomplished:

1. Extent of awareness about OPD products among target population
2. Market penetration of OPD products.
3. Factors for not including OPD Products in their insurance policies.
4. Benefits being provided in OPD Products.

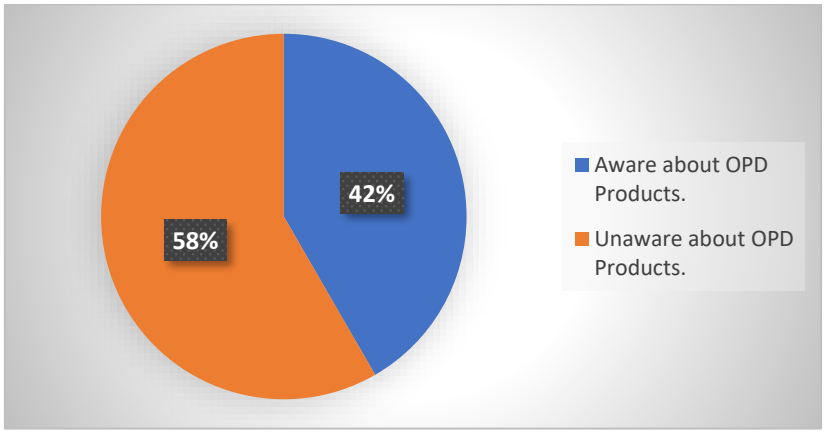
These have been expanded as follows:

1. **Extent of awareness about OPD products among target population**:

   Being a comparatively new feature in the insurance industry, the awareness about the OPD Insurance products was quite low.
   Out of the thirty-six organisations taken as a sample, only fifteen organisations were aware about the existence of OPD products in the insurance market.

Figure III.

Extent of awareness about OPD Products



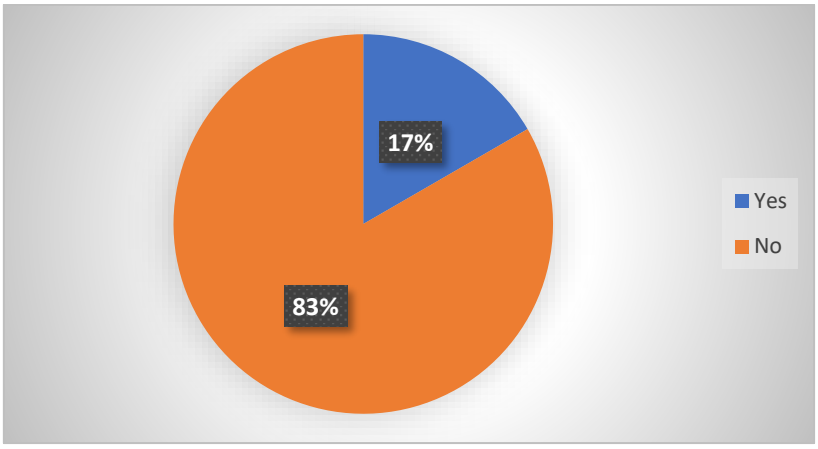
As illustrated (Figure III), the percentage of organisations that were aware about the availability of OPD products in the market was 42% compared to the percentage of organisations that were oblivious to the existence of OPD insurance products in the market.

2. Market penetration of OPD products.

Out of the fifteen organisations that were aware of the availability of OPD insurance products, only six had included the benefits derived from OPD products in their insurance policy.

Figure IV.

Inclusion of OPD Products in the health insurance policy.



As such, bird's eye perspective of the data (Figure IV) illustrates that of the organisations that have an active health insurance policy, only seventeen percent have included OPD products in their insurance plans.

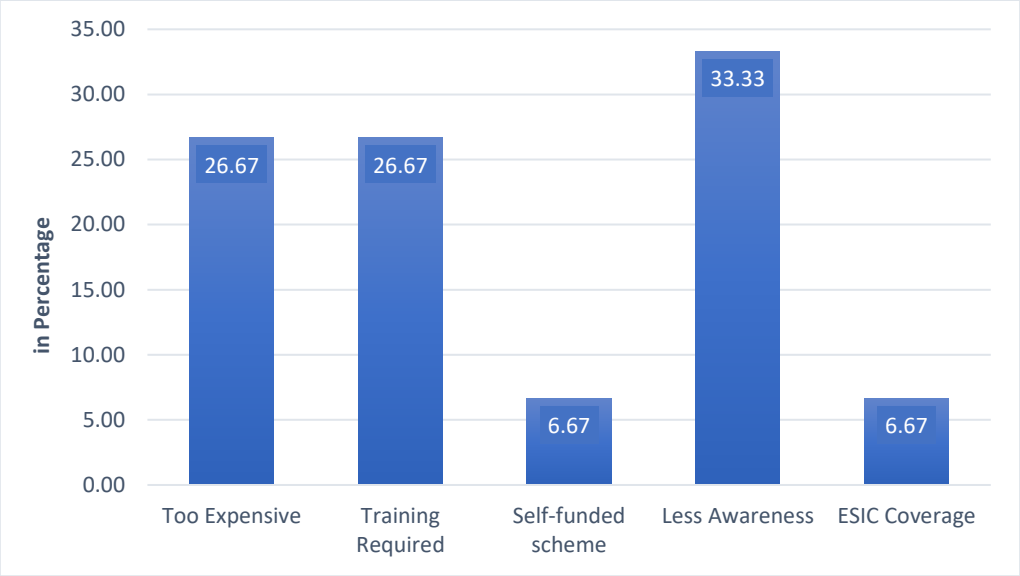
3. Factors for not including OPD Products in their insurance policies.

Out of the organisations that did not opt for the benefits provided by inclusion of OPD products, the most common reason was low awareness about such products.

Costly premiums of the OPD products available and lack of training about the subject were also major causes.

Figure V.

Factors for exclusion of OPD Products in the health insurance policy.



The percentage of organisations that cited a lack of awareness about the OPD products as the reason for not having them included in their insurance policy was thirty three percent.

Furthermore, about twenty seven percent of the representatives of the subject organisations stated that they required more training before advocating for the admission of OPD products in their insurance policy.

Such products being too expensive was also a decisive factor for twenty seven percent of the organisations.

4. Benefits being provided in OPD Products.

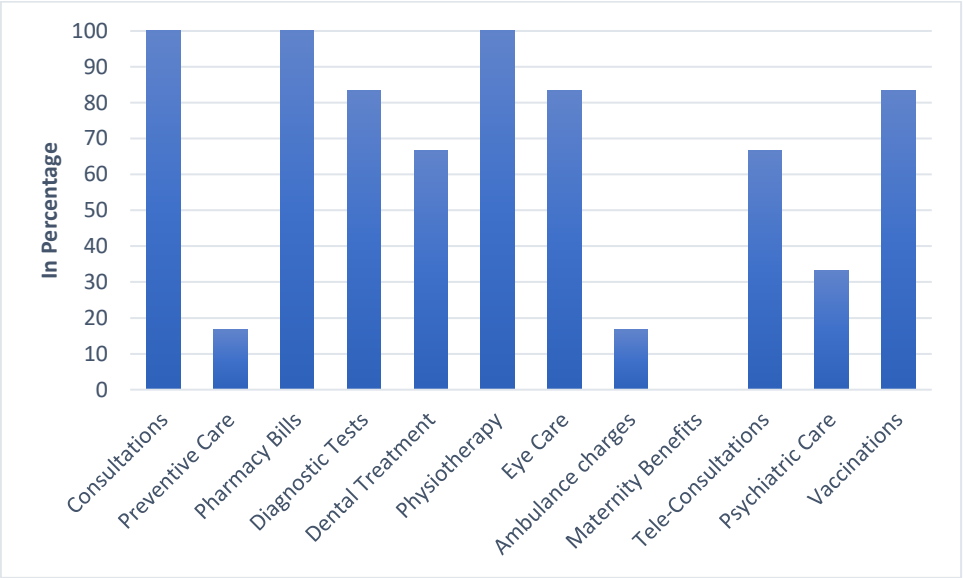
A number of benefits can be provided in an OPD product, the most prominent of them being Consultations, Preventive Care, Pharmacy Bills, Diagnostic tests,

Dental Treatment, Physiotherapy, Eye Care, Ambulance Charges, Maternity Benefits, Tele-consultations, Psychiatric Care and Vaccinations among others.

Amongst the totality of the benefits that can be provided in an OPD product adopted by the organisations, the benefits that featured in all policies were Consultations, Pharmacy Bills and Physiotherapy.

Figure VI.

Benefits being provided in OPD Products.



The benefits that were present in about eighty three percent of the policies opted for by the organisation were Diagnostic Tests, Eye Care and Vaccinations.

Dental Treatment and Tele-consultations were present in sixty seven percent of the cases. Psychiatric care was provided as a benefit in thirty three percent of the policies whereas Preventive Care and Ambulance Charges were featured in seventeen percent. Maternity Benefits were absent in all of the OPD health insurance policies.

5. CONCLUSION:

The insurance coverage for OPD is often overlooked by registered providers in their insurance products. Most insurance plans only cover hospitalization expenses, which include costs incurred after being discharged from the hospital following illness, injury, or surgery.

Analysis of the data indicates that the underutilization of OPD coverage is primarily due to low awareness (42%) about OPD products in the Indian insurance market. Many organizations responsible for acquiring health insurance for their employees have limited knowledge or are completely unaware of the availability of OPD insurance products.

As a result of this lack of awareness, OPD coverage remains significantly underused in India. When fully utilized, it has the potential to alleviate the financial burden on households and individuals, especially those belonging to lower and lower-middle socio-economic classes, and even prevent many households from slipping below the poverty line.

Among the thirty-six organizations included in this study, only six organizations (17%) had incorporated OPD coverage into their health insurance policies. This indicates a very low adoption rate among corporate organizations, highlighting the tremendous untapped potential in this area.

In conclusion, not only have we fallen behind in utilizing this opportunity, but we have also failed to educate the general population about the significance of OPD coverage in the Indian healthcare system. Therefore, a comprehensive re-evaluation and assessment of the usage of health insurance products are necessary.

6. DISCUSSION:

In the realm of insurance, there is a pressing matter concerning OPD health insurance products. In comparison to the practices followed in developed nations, OPD insurance policies in India do not receive the attention and utilization they rightfully deserve.

Despite the immense potential of this market in India, insurance providers perceive it as highly risky due to the scarcity of available data and research. This perception, coupled with prevailing market apprehensions, becomes a hindrance to the industry's growth.

However, this viewpoint is fundamentally flawed. The concept of insurance itself is based on assuming calculated risks. Numerous algorithms and processes exist that consider factors such as age, number of lives, medical history, and lifestyle to assess and mitigate risks, but delving into the specifics is beyond the scope of this study.

Through this study, we conclude that the lack of implementation of OPD products is not due to apprehension but rather stems from a lack of awareness about them.

By improving awareness and educating the population about the importance of OPD coverage, we can significantly alleviate the burden of healthcare expenditure on individuals and households, thereby preventing many Indian families from slipping below the poverty line.

7. SUGGESTIONS:

Following are some suggestions that can be adopted to create awareness and streamline the process of implementation of the OPD insurance products:

Incentivize OPD Coverage:

Offer attractive incentives, such as reduced premiums or additional benefits, to individuals and organizations that include OPD coverage in their health insurance policies. This approach can encourage adoption and motivate insurance providers to promote OPD products.

Utilize Technology:

Leverage technology solutions, such as mobile applications and online platforms, to streamline OPD insurance processes. Enable easy access to policy information, claim submissions, and tracking, making it convenient for policyholders to utilize their OPD coverage.

Government Support and Regulations:

Advocate for supportive policies and regulations that promote the inclusion of OPD coverage in health insurance offerings. Encourage government initiatives to educate the public about OPD products and their benefits.

Collaboration with Insurance Intermediaries:

Engage with insurance brokers, agents, and intermediaries to actively promote OPD coverage to their clients. Provide them with training and resources to effectively communicate the advantages of OPD products.

Community Outreach Programs:

Organize health camps, seminars, and community events to raise awareness about OPD coverage in underserved areas. Collaborate with local healthcare organizations and community leaders to reach vulnerable populations and educate them about the importance of OPD insurance.

Research and Data Collection:

Conduct regular studies and gather data to assess the impact and effectiveness of OPD coverage. Analyse trends, consumer behaviour, and market dynamics to inform future strategies and identify areas for improvement.

By implementing these suggestions, the underutilization and low awareness of OPD products can be addressed, leading to increased adoption, improved healthcare access, and reduced financial burdens for individuals and households in India.

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ANNEXURE – A

Questionnaire for collection of data

Questionnaire

No:_____

1. **Name of the Organisation:**
   _____
2. **Name and Designation of respondent:**
   _____
3. **Do you provide any Health Insurance Policy to your employees?**

   Yes ☐ / No ☐

If Yes:

a) Are you aware of the OPD Insurance Products?

☐ Yes
☐ No

b) Is OPD included in your Health Insurance policy?

☐ Yes
☐ No

c) If Yes, what is the sum insured for OPD for an employee/family?
(In Rupees)

☐ 0 - 5,000
☐ 5,000 -10,000
☐ 10,000 - 20,000
☐ 20,000 - 50,000
☐ 50,000 – 1,00,000
☐ Above 1,00,000

If No:

a) What are the possible reasons for not providing health insurance to your employees?

☐ Too expensive.

☐ Products too complex.

☐ Have a Self-funded scheme.

☐ Have no idea of such product.

☐ Other:
_____
_____
_____
_____
_____

If OPD Cover is provided, which of the following inclusions are covered:

- ☐ Consultations
- ☐ Preventive care
- ☐ Pharmacy bills
- ☐ Diagnostic Tests
- ☐ Dental Treatment
- ☐ Physiotherapy
- ☐ Eye Care
- ☐ Ambulance charges
- ☐ Maternity benefits
- ☐ Tele - Consultations
- ☐ Psychiatric care
- ☐ Other

If OPD Cover is not provided, which of the following inclusions would you want to be covered:

- ☐ Consultations
- ☐ Preventive care
- ☐ Pharmacy bills
- ☐ Diagnostic Tests
- ☐ Dental Treatment
- ☐ Physiotherapy
- ☐ Eye Care
- ☐ Ambulance charges
- ☐ Maternity benefits
- ☐ Tele - Consultations
- ☐ Psychiatric care
- ☐ Other

If OPD Cover is not provided, which of the following segments would you prefer as the sum insured for the group cover (In Rupees):

- ☐ 0 - 5,000
- ☐ 5,000 -10,000
- ☐ 10,000 - 20,000
- ☐ 20,000 - 50,000
- ☐ 50,000 - 1,00,000
- ☐ Above 1,00,000

To whom would you want the policy to be extended to:

☐ Employee / ☐ Spouse / ☐ Family