STUDY FOR DISSERTATION:

AN OBSERVATIONAL STUDY ON ACCEPTABILITY OF OPD INSURANCE PRODUCTS IN INDIA

Presented by:

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HIGHLIGHTS:

1. What are OPD Products?
2. Why are these important?
3. Current implementation.
4. Methodology of the study.
5. Results of the Study.
6. Conclusion and Discussion.
7. Suggestions for Improvement.

1

WHAT ARE OPD INSURANCE PRODUCTS?

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**.'

Source: Investopedia.com

OUT-PATIENT DEPARTMENT INSURANCE

'OPD coverage is the health insurance policy that covers healthcare services that are administered **without an overnight stay** in a hospital or medical facility.'

Source: Outlook India.

FOLLOWING BENEFITS CAN BE COVERED UNDER OPD INSURANCE PRODUCTS:

- CONSULTATIONS
- PREVENTIVE CARE
- PHARMACY BILLS
- DIAGNOSTIC TESTS
- DENTAL TREATMENT
- PHYSIOTHERAPY
- EYE CARE
- AMBULANCE CHARGES
- MATERNITY BENEFITS
- TELE-CONSULTATIONS
- PSYCHIATRIC CARE
- VACCINATIONS

2

WHY ARE OPD INSURANCE PRODUCTS IMPORTANT?

▪ COVERS OPD SERVICES

Cover for **medical practitioner** and **specialist fees, routine check-ups, vaccinations, prescription medications,** and **diagnostic tests**.

These also include **crutches, wheelchairs, routine check-ups, vaccinations, hearing aids, minor surgeries, dressings, dental treatments, spectacles, contact lenses**, and more.

▪ REDUCES OOPE ON HEALTHCARE

- Outpatient care is predominantly sought from **private providers**, including those who are economically vulnerable.
- National Sample Survey data demonstrates a **consistent rise** in the share of OOPE in the total consumption expenditure of households. (1)
- 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.** (2)

Sources:

(1) *Financing for health coverage in India: Issues and Concerns*, 2016, Social Science Research Network (SSRN), New York

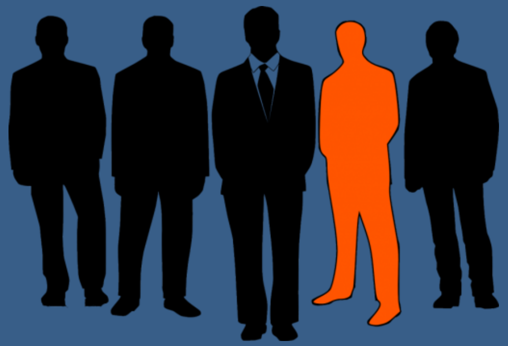
(2) *Insured yet vulnerable: out-of-pocket payments and India's poor*, 2012, Oxford Academic: Health Policy and Planning

3

WHAT IS THE CURRENT IMPLEMENTATION?

FOLLOWING PLAYERS ARE CURRENTLY RUNNING OPD PRODUCTS IN THE MARKET:

- Aditya Birla Group
- Care Health Insurance
- Niva Bupa
- Star Health Insurance
- Bajaj Allianz
- Maniapal Signa
- Tata AIG



But, inspite of its presence in the market, OPD coverage is an overwhelmingly under-used product in India.

Source:
Policybazaar Insurance Brokers Private Limited
https://www.policybazaar.com/health-insurance/opd-cover

4

METHODOLOGY OF THE STUDY

AIM

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

RESEARCH QUESTION

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

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.

MATERIALS AND METHOD

- **Study Design:**

  Observational Study Design – Cross-Sectional Study.

- **Setting:**

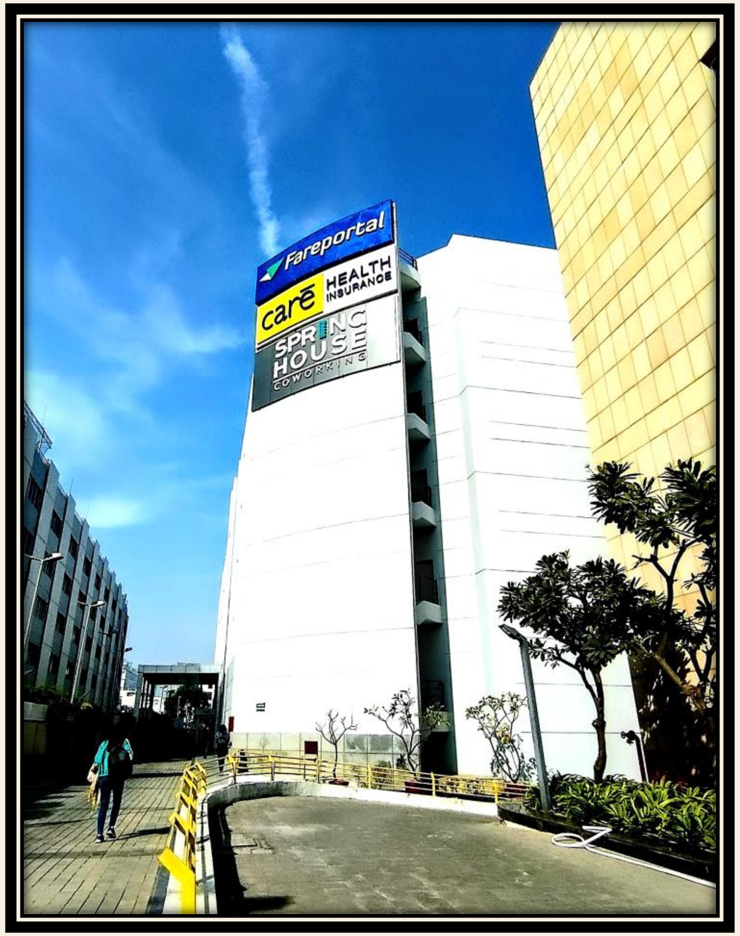
  Care Health Insurance, Gurgaon, India.

- **Inclusion criteria:**

  Human Resource Professionals, Procurement Heads & Brokers.

- **Study tools:**

  Data was taken primarily through the questionnaire which constitutes of the questions that fulfil the requirements of the objectives for this study.



- **Duration of the study:** 3 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.
- **Sampling Technique:**

  Simple Random Sampling was used for the conduction of this study.
- **Data Collection Procedure**:

  Illustrated below is the procedure for data collection.

Step 1: Preparation of a questionnaire

Step 2: Identification of the subjects

Step 3: Collection of data

Step 4: Compilation of data.

Step 5: Analysis and interpretation of data.

5

RESULTS OF THE STUDY

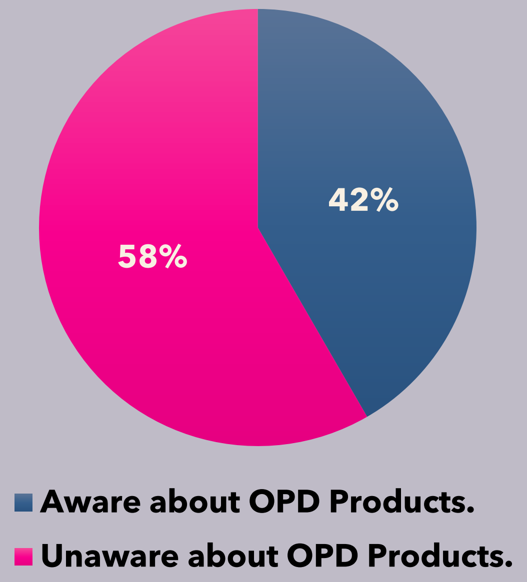
OBJECTIVES ACCOMPLISHED:

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.

1. EXTENT OF AWARENESS ABOUT OPD PRODUCTS AMONG TARGET POPULATION

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.

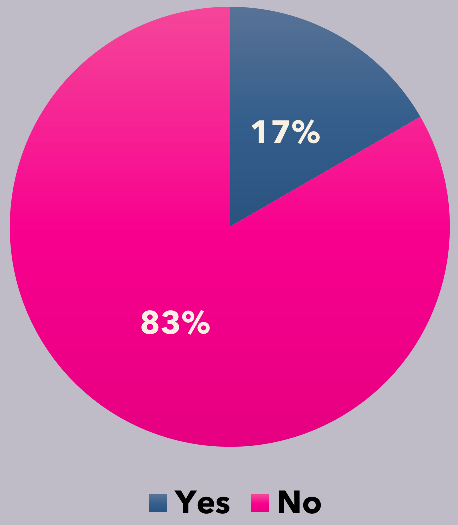
The percentage of organisations that were aware about the availability of OPD products in the market was **42%** compared to the percentage of organisations that were oblivious to the existence of OPD insurance products in the market.



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.

Out of the organisations that have an active health insurance policy, only **seventeen percent** have included OPD products in their insurance plans.

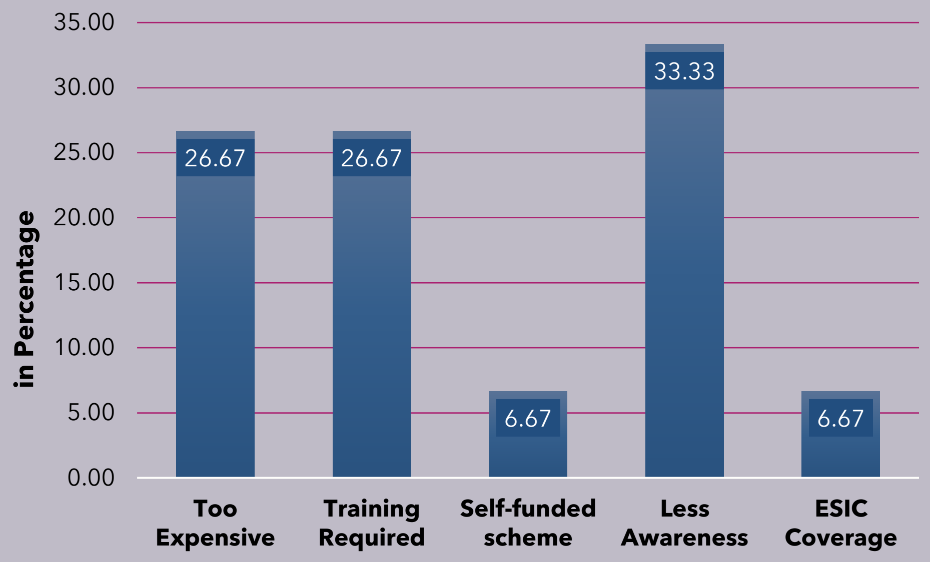


Inclusion of OPD Products in health insurance policy

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.

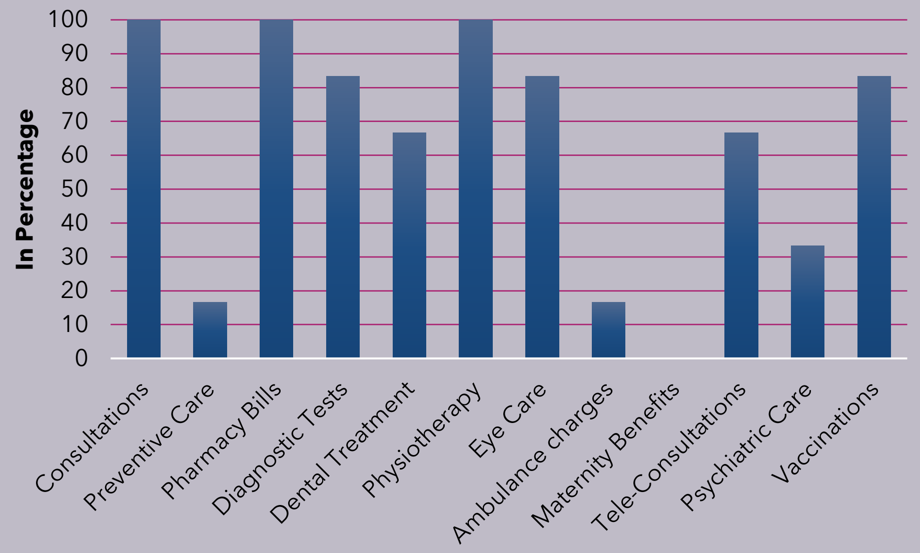
Costly premiums of the OPD products available and **lack of training** about the subject were also major causes.



4. BENEFITS BEING PROVIDED IN OPD PRODUCTS

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.**

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.**



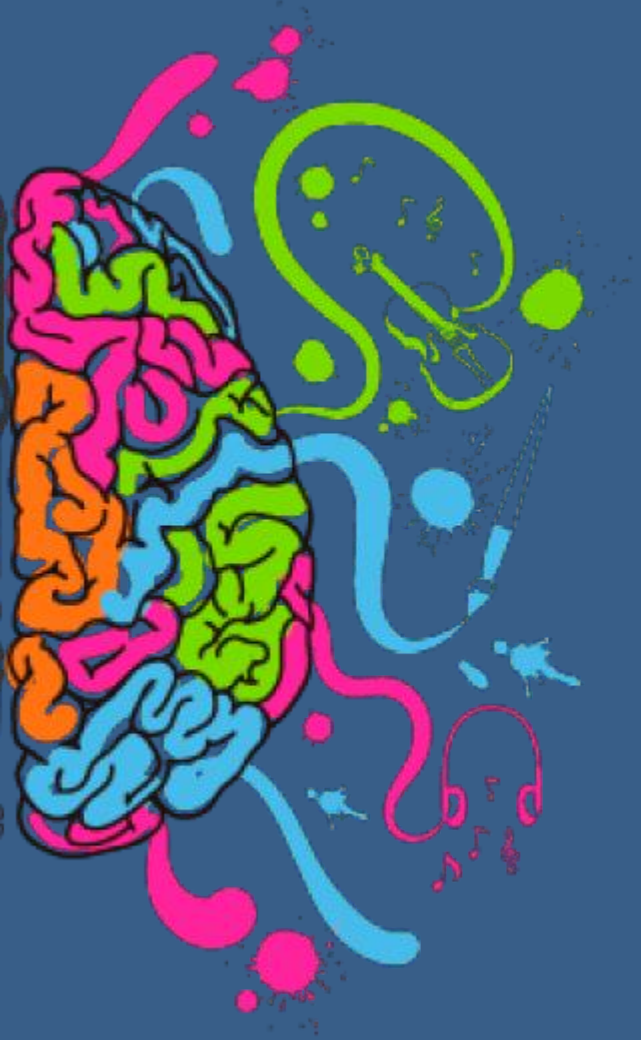
6

CONCLUSION AND DISCUSSION

- As a result of a **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**.
- 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.

7

SUGGESTIONS FOR IMPROVEMENT



1. INCENTIVIZE OPD COVERAGE
2. UTILISE TECHNOLOGY
3. GOVERNMENT SUPPORT AND REGULATIONS
4. COLLABORATION WITH INTERMIDIARIES
5. COMMUNITY OUTREACH PROGRAMS
6. RESEARCH AND DATA COLLECTION

THANK YOU

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1313