

A Study on Awareness Level of Health Insurance among Youth with Special Reference to Bangalore

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ABSTRACT

Health insurance is a protection product which covers medical and surgical costs of an insured person. Health insurance covers whole or part of the risk of a person incurring medical expenses. The study examines the awareness level of health insurance among youth in Bangalore and also finds out the reasons for opting and for not opting health insurance policy. The sample size for the study is 409 respondents. The data collected through convenient sampling through questionnaire. Most of the young people are aware regarding health insurance. The main reason for opting for health insurance is due to the tax benefits and the risk cover which it provides. The reason for not opting for the health insurance is mainly because it is expensive. There is a need for coming up with insurance policies that are structured in a way that it is opted by middle class and lower middle class families.

INTRODUCTION

Health insurance plays a vital role in our day to day life. It is a protection product which covers medical and surgical costs of an insured person. It repays the costs incurred by sickness or damage or pays the care provider of the protected individual directly. Health insurance covers whole or part of the risk of a person incurring medical expenses. Health insurance designs fluctuate in the benefits and services they offer, their costs, their qualification prerequisites, and their way to deal with valuing or setting up premiums. In the period of escalating expenses of medicinal medications, and life's unexpected happenings, the most imperative of all of a health insurance is that it offers money related assurance in such circumstances. We can have tax benefits on the premiums paid towards your health insurance under Section 80D of the Income Tax Act, subject to terms and conditions. This makes a medical coverage design an ideal expense arranging device that adds a plume to the top on your investment. The awareness level of health insurance is also an important aspect. awareness is defined with respect to people's knowledge of and attitude towards insurance. The high rate of uninsured youthful grown-ups is of significance in light of the fact that at that age they are thought to be in the prime of their well being. Furthermore, the absence of health insurance scope can be attributed as a hindrance to human services and may leave youthful grown-ups helpless against high medicinal costs (Federal Interagency Forum on Child and Family Statistics, 2014). The awareness level of health insurance can be ascertained by measuring the awareness level health insurance terms, different schemes offered by companies, cost of health insurance and so on. Cost of health insurance is also plays a vital role in health insurance sector. Selecting health insurance is a difficult financial decision. Although financial literacy is admitted to be an essential tool to make sound monetary choices, it might not be a skill for many consumers. Many Americans lack knowledge and skills to make informed monetary choices and to deal with their assets (Bartholomae, 2005). One such money related and

medical coverage education ability is overseeing hazard through health insurance.

REVIEW OF LITERATURE

Health insurance has become a popular area of research which has gained a lot of attention in the recent times. Health insurance literacy becomes an unavoidable factor. Health insurance literacy is defined as "the knowledge, ability, and confidence to find and evaluate information about health plans, select the best plan for his or her family for their own or their family's financial and health circumstances, and use the plan once enrolled" Many scholars have investigated about health literacy and knowledge of health insurance options among young adults.

Some authors reveal that there is a causal relationship between insurance market activity and economic growth. Both life and non-life insurance have a positive and significant causal effect on economic growth. The goal of the present paper is to provide a systematic assessment of the impact of insurance market activity (life and non-life insurance) on economic growth. To accomplish this task we use measures of insurance premiums as a proxy of insurance activity for a set of 56 countries over the 1976-2004 period. Both life and non-life insurance premiums have a positive and significant effect on economic growth. However, the results suggest that non-life insurance has a larger effect in high-income countries than in developing (Arena, 2006).

Few researchers have focused on various medical programs, such as the Medicare program in United States. (Carla M. Bann, 2004) states that beneficiary who receives help with health insurance decisions have lower awareness of the Medicare program and are less likely to be aware of and use information sources than beneficiaries who make their own decisions.

For any study on health insurance literacy levels, it is necessary to identify the factors that contribute to health insurance literacy levels. The results of the recent study by (Suzanne Bartholomae, 2016) provide support for different associations between individual socio demographic characteristics and health insurance literacy. (Suzanne Bartholomae, 2016) further states that age was not connected with gains in health insurance literacy, but in the OLS model health insurance literacy model, the youngest program participants had significantly lower health insurance knowledge comparative to middle-aged participants.

The awareness level of health insurance among youth is more as compared to elders. Some scholars found out that (Louis G. Pol, 2000) A number of studies have documented the rising number of persons under age 65 who do not have health insurance. This paper focuses on the health insurance status of near elderly; those persons age 55 through 64. A comparison age group, persons age 45 through 54, is selected for benchmark purpose. The effect of Medicare policy changes on the number of near elderly persons without health insurance, and how prolonged periods of time without health insurance may lead to an increased burden on Medicare as newly eligible Medicare recipients seek services to address their pent-up demand for health.

Due to increase in the cost of health insurance the most of youth would not prefer to afford it. Some scholars found out that (Stabile, 2000) the increase in the health insurance cost; workers are forced to drop out the medical coverage and, to some extent, to substitute higher wages and other benefits (such as pension coverage) for health insurance benefits.

Most of the people have health insurance, and they are also aware of the various schemes and they really know about the health insurance. (Nelson, Thompson, Davenport, & Penalosa, 2000) states that 97% of the respondents are insured. Majority of the respondents are take advices from health care provider at least once in a year.

The paper focuses on the awareness of the insurance of Ghana. As a result most of the Ghanaians, mainly the informal sector do not take the insurance. This is mainly because of the perception that they are inviting evil if they plan ahead for future, lack of insurance knowledge, low income and the believe that God will protect them from their calamities. Due to this, the attitude of the study confirms that the insurance company will renege on their promise. They even suggest on the education of insurance should be given importance, government’s supervision on insurance operations is strengthened and the company should improve their client orientation to redeem their public’s wrong interpretation. (Owusu, 2012)

OBJECTIVES

- To assess the awareness level of health insurance among youth.
- To find out the reasons for opting and for not opting health insurance policy.
- To determine the confidence levels of youth regarding health insurance policy and procedures for opting health insurance.

METHODOLOGY

Any research is valid only if there is a systematic and regulated method applied for the collection and analysis of the data. The data for the following study are collected through primary as well as secondary sources. The study is based on the data collected from young adults in Bengaluru state. The samples were selected with the help of convenience sampling technique. Simple random sampling techniques are used to select the respondents from the available database. Using the following two sampling techniques the data collected were classified into two based on gender- male and female. The sample size for the study is 409 respondents. For primary data collection, structured questionnaire has been used. Questionnaire formed for the study consisted of closed-ended questions and it collected personal information, awareness levels, confidence levels etc. of the young adults regarding health insurance policies. Secondary data relating to the study were collected from books, journals, research articles, and websites. Percentage analysis, descriptive analysis, and tests like one way Anova and simple linear regression are used depending on the nature of data collected from the respondents. The reliability of the data in this study was analyzed using Statistical Package for Social Sciences (SPSS) version 20.

LIMITATIONS

There were a few limitations while conducting the following study. The study focused only at the young adults in Bengaluru. Therefore there is a lack of holistic view on the concept and perceptions cannot give conclusive results when confined to a smaller population. Also, the lack of willingness among the young adults to respond to the survey led to problems in data collection and was time consuming.

ANALYSIS AND INTERPRETATION

Table-1 Health Insurance Coverage

	Frequency	Percent
Yes	258	63.1
No	137	33.5
Don't know	14	3.4
Total	409	100.0

Out of the data collected 63% of the respondents were observed to be covered under the health insurance policy whereas 33.5% were not covered under the same .The above data also reflect that approximately 3.4% of the respondents were unaware about the health insurance policies.

Table-2 Reasons for health insurance coverage

	Frequency	Percent
risk cover	243	59.4
tax benefits	38	9.3
expecting health problem	102	24.9
Availability of better scheme	26	6.4
Total	409	100.0

As per the above table, 59.4% respondents for opt health insurance for risk coverage whereas 24.9% respondents opt for health insurance in the anticipation of health problem. Likewise, 9.3% the respondents opt health insurance for availing tax benefits and 6.4% respondents opt the same for availing better schemes.

Table-3 Reasons for no health insurance coverage

	Frequency	percent	Valid percent
Too expensive	72	17.6	51.4
Don't need insurance	49	12	35
Don't know how	12	2.9	8.6
Others	7	1.7	5
Total	140	34.2	100

Missing system	269	65.8	
Total	409	100	

Above table it was found out that 51.4% respondents do not have health insurance because of expensive of taking policy. 35% of people don't need insurance and only 8.6% don't know about how to take health insurance.

Table-4 Relationship between gender and health insurance coverage

		Sum of Squares	Df	Mean Square	Friedman's Chi-Square	Sig
Between People		120.565	408	.296		
Within People	Between Items	1.413 ^a	1	1.413	5.303	.021
	Residual	107.587	408	.264		
	Total	109.000	409	.267		
Total		229.565	817	.281		
Grand Mean = 1.44						
a. Kendall's coefficient of concordance W = .006.						

The above table tries to find out if there is any relationship between Gender and health insurance coverage. The p value of 0.021 is lower than the 0.05 and therefore the there is a

significant relationship between gender and health insurance coverage.

Table-5 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825a	.681	.680	.272

- a. Predictors: (Constant): Respondents who have health insurance coverage
- b. Dependent variable: Others in the household with health insurance coverage

The above model attempts to determine the impact of health insurance policy holder and the family members of such a person. Typically, an attempt is made to find out the influence a policy holder has on other people in the family or household who also opt for health insurance policies regarding their decision to take a health insurance policy.

variable, respondents who have health insurance coverage. Accordingly, R squared value of .681 indicates that 68.1% changes in the dependant variable is explained by the independent variable. Therefore almost 68% of people in the family who opt for health insurance policy are influenced by the respondents who have health insurance coverage in the family.

This table provides the R and R² values. The R value represents the simple correlation and is 0.825 (the "R" Column), which indicates a high degree of correlation among the dependent and independent variables. The R² value (the "R Square" column) indicates how much of the total variation in the dependent variable, Others in the household with health insurance coverage can be explained by the independent

Confidence level

The below tables deals with the confidence level of respondents regarding the Where To Find Information Needed If Not Offered Through Employer and also To Estimate Your Health Care Needs In The Next Year

Table-6 Know Where To Find Information Needed If Not Offered Through Employer

	Frequency	percent
not at all confident	80	19.6
slightly confident	129	31.5
moderately confident	93	22.7
very confident	31	7.6
Don't know	76	18.6
Total	409	100.0

If participants knew where to find the information needed to choose a health plan if insurance was not offered through an employer, 19.6% of participants were not at all confident

.likewise 31.5% slightly confident and only 7.6% are very confident.

Table-7 Know How To Estimate Your Health Care Needs In The Next Year.

	Frequency	percent
not at all confident	76	18.6
slightly confident	135	33.0

moderately confident	95	23.2
very confident	25	6.1
Don't know	78	19.1
Total	409	100.0

When participants were asked if they knew how to estimate that they would have to pay for their health care needs in the

next year, 51% were not at all confident or slightly confident and only around 30% are confident.

Table-8 Know Where to Go For Help If Having Trouble Affording Health Insurance

	Frequency	percent
not at all confident	80	19.6
slightly confident	144	35.2
moderately confident	100	24.4
very confident	43	10.5
Don't know	42	10.3
Total	409	100.0

Only 34% of respondents are confident about where to go for help in the event that you were experiencing difficulty

managing health insurance outside an employer. 19.6% not at all confident and 35.2 are slightly confident.

Table 9: Awareness level of respondents regarding health insurance coverage

		I am aware of companies providing health insurance	I am aware of health insurance terms	I am aware of different schemes offered by major health insurance companies	I am aware of diseases not covered in health insurance	I am aware of the general cost of health insurance premium	I am aware of health insurance claim procedure
N	Valid	212	212	212	212	212	212
	Missing	0	0	0	0	0	0
Mean		1.93	2.29	2.35	2.29	2.29	2.27
Std. Deviation		1.060	1.258	1.132	.993	.988	1.007
a. Gender = male							

Statistics							
		I am aware of companies providing health insurance	I am aware of health insurance term	I am aware of different schemes offered by major health insurance companies	I am aware of diseases not covered in health insurance	I am aware of the general cost of health insurance premium	I am aware of health insurance claim procedure
N	Valid	197	197	197	197	197	197
	Missing	0	0	0	0	0	0
Mean		2.27	2.40	2.40	2.49	2.37	2.38
Std. Deviation		1.197	1.391	1.223	1.077	1.010	1.041
a. Gender = female							

From the above table it is found out that women are more aware than men about companies providing health insurance and also most of the people are aware of health insurance terms.

Both men and women have very less awareness regarding the various diseases covered under the health insurance. People are moderately aware of health insurance claim procedure and differnt schemes offered by major health insurance terms.

FINDINGS

- Most of the young people are aware regarding health insurance and out of these, the awareness level of female is comparatively more.
- From the study, it was found out that the main reason for opting for health insurance is due to the

tax benefits and the risk cover which it provides. The reason for not opting for the health insurance is mainly because it is expensive.

- It was observed that majority of the youth is slightly confident on where to find the information regarding health insurance if it is not provided by the employer and how to estimate the health care needs in the following year. They are also slightly confident regarding where to go for help if they cant afford a health insurance.

CONCLUSION

The study has given conclusive results regarding the interest and awareness level of young adults in opting health insurance. The study shows that though people are aware of the

various insurance policies, most people find it too expensive. There is a need for coming up with insurance policies that are structured in a way that it is opted by middle class and lower middle class families. It is important to educate the youth and conduct various awareness drives so as to improve the

confidence level of the young adults in areas of health insurance. Health insurance is an important concept in today's world and with rising number of health issues in the world, knowledge of health insurance becomes important.

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