

The advantages of primary health care



**ASSIGN
BUSTER**

Primary health care is a vital function of an society acting as backbone. India was one of the first countries to recognize the advantages of Primary Health Care (PHC). PHC was conceptualized in 1946 when Sir Joseph Bhore committee made recommendations that formed the foundation stone for health service in India.

Recommendations:-

Integration of preventive and curative services at all administrative levels.

Short term Primary Health Centers for every 40, 000 population.

Long Term- Primary Health Centers per 10, 000-20, 000 population to have 75 beds.

Formation of Village health committee

Provision of Social Doctor

Three months training in preventive and social medicine to prepare social physicians.

First Five Year plan (1951-1955)

Community Development Program launched, 1952 keeping in eye 80% population lived in rural areas. Each Community Development Block (CDB) formation

approximately 100 villages with a total population of one lakh.

For one CDB, one Primary Health Centre was created.

Second Five Year plan (1956-61)

“ Health Survey and Planning Committee”, The Mudaliar Committee, had to review the progress made in the health sector after submission of Bhore committee report. The major recommendation:-

To limit the population served by primary health centres to 40, 000

Improvement in the quality of health care provided by these centers.

Provision of one basic health worker per 10, 000 populations was recommended.

The Jungalwalla Committee 1967

Highlighted importance of integration of health services. Integrated health services were defined as “ a service with a unified approach for all problems instead of a segmented approach for all different problems”.

The committee recommended integration from the highest to lowest level in the services, organization and personnel.

The Kartar Singh Committee on Multipurpose workers 1973

Laid down the norms about health workers ensuring proper coverage

one primary health centre to be established for every 50, 000 population

Each primary health centre to be divided into 16 sub-centres each for a population of 3, 000 to 3, 500.

Each sub-centre to be staffed by a team of one male and one female health worker.

The work of 3-4 health workers to be supervised by one health assistant.

Major Goals to be achieved by National health Policy 2002

Eradicate Polio and Yaws

Eliminate Leprosy

Eliminate Kala Azar

Eliminate Lymphatic Filariasis

Achieve zero level growth of HIV/AIDS

Reduce mortality by 50% on account of TB, Malaria, other vector and water borne diseases

Reduce prevalence of blindness to 0.5%

Reduce IMR 30/1000 and MMR 100/lakh

Increase utilization of public health facilities from <20% to > 75%

Establish an integrated system of surveillance, national health accounts and health statistics

Increase health expenditure by Govt. as a % of GDP from existing 0.9% to 2%

Increase share of central grants to constitute at least 25% of total health spending

Legal Framework

Insurance act, 1938 came into effect from 1st July 1939 (Amended in 1950, 1999). Contains provision regarding licensing of agents and their remunerations, prohibition of rebates and protection of policy holders interest.

IRDA Act 1999, IRDA responsible for the administration of the insurance act.

Power to register insurance companies.

Monitor and certify terms of business.

Inspect documents of insurers

Adjudicating disputes between insurers and intermediaries.

Decide on dispute related to settlement of claim.

Life Insurance Corporation Act, 1956 for LIC only which was later on ceased on amendment of Insurance act 1999.

Consumer protection Act 1986 (COPA) ensures that consumers of policies can approach any of the listed organization in the act for redress in case he is not satisfied with the goods or services provided.

Income Tax Act : The premium paid is deducted under Section 80 D of the ITA.

MRTP Act 1969 (Monopoly and restrictive trade Practices act)

Controls concentration of economic power in one hand

Restricts monopoly in the market

Employees State insurance act, 1948

Treatment rcvd & benefits

Benefits not received

Eligibility

Central Government health Scheme (CGHS) addresses consumer complaints.

Arbitration and Conciliation Act, 1996 addresses all complaints and demand for compensation.

Indian Contract Act 1872 for

Breach of contract

Deficiency in services

Damages

Dispute of facts

Negligence

Drugs control act (1950) and Indian Medical council act (1956)

Literature Review

Health Policy Challenges of India: private health Insurance lessons from the International Experience by Ajay Mahal

The research concentrates on Regular development of Health Services in India and persisting challenges which are growing at the same pace. The area of study concentrates on United states, United Kingdom, Canada, Brazil, Germany, Israel. The research focuses on the health care system in Canada and appreciates the control methods used for services. The research findings are highlighted as:

Patient satisfaction and Quality of care

How to reconcile the need for choice among providers with cost containment.

Reconciliation of consumer choice with equity.

The study concentrates on the cost factor in the consumer's mind and how the governments of these countries are trying to achieve the balance. Too much specialties and more supply of doctors may increase the cost of care. While conducting the study it was not taken into account that Health services have a long term impact. The study considers the short term impact which is seen by the consumer and drives him to the product.

Health Insurance in India – Prognosis and prospectus by Randall P Ellis, Moneer Alam, Indrani Gupta.

Corroborating evidence that the system is disproportionately private is the estimate that 80 per cent of all registered allopathic physicians are private [Uplekar and George 1994, p 10]. An even higher estimate for the private sector appears in a report of the Planning Commission's Working Group on Health Management and Financing which estimated that household expenditures on treatment may be as much as 8.4 per cent of GDP versus public spending of only 1.1 per cent of GDP (Planning commission report 1996)

In recent years nominal user fees have been charged at government facilities in Andhra Pradesh, West Bengal, Punjab and Karnataka. These fees remain low in comparison to both private fees and the unofficial payments which are still made at most public facilities in these states and in other parts of the country. Nonetheless, these efforts at cost recovery remain an important initiative for improving incentives, decentralizing some spending authority and augmenting resources at public health facilities.

The life insurance companies in India have relied on actuarial methods and life tables for fixing premia. The employment of rigorous procedures for the fixation of premia was not possible owing to paucity of the epidemiological data cross-classified by region and major socioeconomic

class. The GIC and its subsidiaries do not have the option of estimating probabilities associated with the vulnerability of individuals to various diseases. Hence, they have relied mainly on simplified procedures based on the information available to them from the policy documents and the claims register. Recently, however, the GIC introduced a differential system for

setting premia for its Mediclaim policies which adjusts for health expenditure differences as between five age groups. Information has also been collected for differences in claims rates by age, sex, rural/urban, habitat, occupation, and income groups. The age dimension, however, remains the only criterion being used by the GIC for adjusting premia.

Inter Regional Inequality Facility – Health Insurance for the poor, India by Rajeev Ahuja, Senior Fellow Indian Council for Research on International Economic Relations (ICRIER)

The series of Policy Briefs summarizes the experiences of Government initiatives aimed at addressing inequality in Africa, Asia and Latin America.

The study concentrates on some of the initiatives and suggests some key learning for success of health insurance for individuals and families on low-incomes.

Provision of healthcare services of a reasonable quality;

Possibility of resource mobilization from the targeted population in order to recover costs.

Presence of intermediary agency to overcome the informational disadvantages and high transaction costs involved in providing insurance to low-income groups.

A Healthier future for India by Rajat Gupta (The McKinsey Quarterly, Jan 2008)

The report speaks about acting on three fronts:

<https://assignbuster.com/the-advantages-of-primary-health-care/>

A series of policy reforms needed to provide subsidized health insurance for the country citizens.

Innovation in products. Today most of them offer only limited services.

Regulatory environment which recognizes health insurance as separate business and not part of the insurance industry. It is essential for the growth of the sector.

Health Insurance in India by K. Sujatha Rao Secretary, National Commission on Macroeconomics and Health, GOI.

The present system of financing and payment systems raise several important concerns on the suitability of the structure to meet current day problems and future challenges. The large size of out of pocket expenditures provides an opportunity to pool these resources and facilitate spreading risk from households to government and employers on a shared basis which will be a more equitable financial arrangement. The dimension of equity is of particular concern as the inelasticity's of demand for acute care, are resulting in over 33 lakh persons being pushed below poverty line, every year. In short the social benefits of instituting social insurance as a financial instrument to replace user fees, outweighs the possible risks of moral hazard and increased costs, typical outcomes of prepaid insurance. How to minimize these two market failures are of concern and need to be addressed by developing a well thought out strategy taking international evidence into account so we build on existing knowledge and learn from others' experiences. It is argued that it is not advisable for governments to intervene in health insurance markets in a piecemeal manner-insurance for pensioners

<https://assignbuster.com/the-advantages-of-primary-health-care/>

by the Department of Personnel; for weavers by the Department of Textiles, for fishermen by the Department of Agriculture, for farmers by the Department of Cooperatives, poor women by the Department of Rural Development etc., as such attempts fragment risk pools. In other words, resorting to insurance as a financing instrument must be an act of a deliberate strategy that addresses the market failures in order to ensure that inequities do not widen and the poor are not marginalized two typical outcomes of private, fragmented insurance systems In conclusion it is reiterated that given the fiscal constraints for government to provide universal access to free health care, insurance can be an important means of mobilizing resources, providing risk protection and achieving improved health outcomes. The critical need is to experiment with the wide range of financing instruments available in different scenarios and have adequate flexibility in the design features, the structures and processes, institutional mechanisms and regulatory frameworks, so that a viable balance can be achieved for minimizing market distortions so that the outcomes do not make the cure worse than the disease (Enthoven 1983, 1993). Unregulated markets are inefficient and inequitable, requiring governments to intervene to ensure no segmentation in the system (Bloom, 2001). For this, the burden of building partnerships and managing change is on the government, which in turn needs to base its strategy on sound research.

Community Health Insurance in India- An overview by N Devadasan, Kent Ranson, Wim Van Damme, Bart Criel

The objectives range from “ providing low cost health care” to “ protecting the households from high hospitalisation costs.” BAIF, DHAN, Navsarjan Trust

<https://assignbuster.com/the-advantages-of-primary-health-care/>

and RAHA explicitly state that the health insurance scheme was developed to prevent the individual member from bearing the financial burden of hospitalisation. Health insurance was also seen by some organisations as a method of encouraging participation by the community in their own healthcare. And finally, especially the more activist organizations (ACCORD, RAHA) used community health insurance as a measure to increase solidarity among its members - "one for all and all for one."

Health Care in India - Emerging market report, 2007 (PWC)

A growing healthcare sector

Healthcare is one of India's largest sectors, in terms of revenue and employment, and the sector is expanding rapidly. During the 1990s, Indian healthcare grew at a compound annual rate of 16%. Today the total value of the sector is more than \$34 billion. This translates to \$34 per capita or roughly 6% of GDP. By 2012, India's healthcare sector is projected to grow to nearly \$40 billion. The private sector accounts for more than 80% of total healthcare spending in India. Unless there is a decline in the combined federal and state government deficit, which currently stands at roughly 9%, the opportunity for significantly higher public health spending will be limited.

One driver of growth in the healthcare sector is India's booming population, currently 1.1 billion and increasing at a 2% annual rate. By 2030, India is expected to surpass China as the world's most populous nation. By 2050, the population is projected to reach 1.6 billion.

Government Health Expenditure of India: A benchmark study by Economic Research foundation, 2006

Health expenditure in India is dominated by Private spending. The study covers “ Pattern of health expenditure in India”.

House holds- 68. 8 %

External funding 14. 4%

Central Government 7. 2%

Firms 5. 1%

Others 4. 7%

Source: National Health account for India, 2001-2002

Absolute levels of total government spending on health, family welfare and child development are absurdly low by international standards, not only in per capita terms but also as share of GDP. Government spending on health amounts to less than 1 per cent of GDP. This has meant that a disproportionately large and growing share of the burden of health care has been borne by households in India, such that they account for an increasing share of total expenditure (nearly three-quarters in the most recent year for which data are available). Unlike many other countries, this is completely in the form of

Out-of-pocket expenses, which are inherently regressive. Also, the share of household consumption expenditure devoted to health care has also been

increasing over time, especially in rural areas where it now accounts for nearly 7 per cent of the household budget on average.

Origin and Evolution of Primary Health care in India

The study is about history of Health insurance in India Post-Independence. The paper starts with the Bhore committee report and follows on with major findings and suggestions of all the reports. The report also places some light on National Rural Health mission and its strategies.

FICCI Health Insurance Report – 2010

The report covers areas:-

Promoting Quality Healthcare through Health Insurance

Suggested standard format for provider bills

Suggested discharge summary contents

TPA/Insurer contract and concept on standardization of TPA hospital contract

The report covers US healthcare industry and lay guideline for development of Indian healthcare industry on same patterns.

Rise of health insurance in India “ What’s driving your revolution”, Health conference, International Finance Corporation, April 20th 2007.

The report covers the areas of healthcare financing in the country. It differentiates the growth factors and gives a 35% growth figure for last 5

years from the report date. It gives the 75-25 ratio of private and public health services.

Research Objective

To find out various factors influencing buying behavior towards health insurance product.

To measure the relative weight age.

To find out mutual correlation between factors and purchase decision by the consumers.

Major Hypothesis

H₀ = Word of mouth is not the most effective advertisement for sale of health insurance products.

H = Word of mouth is the most effective advertisement for sale of health insurance products.

Research Methodology

Descriptive method is used as research design. The research included Survey method as data collection tool.

Sample Design:- 1. Target population –

Delhi working population in IT sector.

Lower middle class

Rural people who are employed as daily wages labour

2. Sample Size: 70

3. Sample Selection Simple random sampling

The target population has been intentionally selected with a view to get data from a mix population. It will help in identifying the behavior of people from different economic class.

Data Collection

Secondary data source:

Government bodies (National Health care report, Rural Health Policies, Budgetary provisions, UID program, etc)

Private research bodies (McKenzie report on health insurance in India, PWC report, FICCI health insurance group report)

Research paper published and presented in international seminars, journals and conferences.

Primary data collection was done through filling up of questionnaire.

Analysis tools used: SPSS and Excel

DATA ANALYSIS

No of respondents 70 and their distribution on the basis of yearly earnings.

From the readings we have following findings:

No. of Respondents in salary range less than 1lakh is of those people who are labours, daily wages workers, hawkers etc.

<https://assignbuster.com/the-advantages-of-primary-health-care/>

No. of Respondents in salary range less than 2lakhs is of those people who are fresher's, some old people who are working as Guards.

No. of Respondents in salary range less than 3lakhs is of those people who are in IT enabled services and small time freelancers.

No. of Respondents in salary range less than 4lakhs is of those people who are in IT field, BPO.

No. of Respondents in salary range less than 5lakhs is of those people who are in IT field and Government employees.

No. of Respondents in salary range less than 9lakhs but more than 5lakhs is of those people who are in IT field, Government service, Self employed.

Do you have an Insurance Policy?

The question was asked for General insurance policy and not specific to Health insurance only.

The finding suggested that out of 70 respondents

55(79%) have insurance policy,

15 (21%) do not have insurance policy.

Market Share of the organizations providing coverage on the basis of Respondents.

The result is based on insurance policy owned by the respondents.

Out of 70 respondents

<https://assignbuster.com/the-advantages-of-primary-health-care/>

LIC has a share of 45%.

ICICI Prudential & Lombard has a share of 13%

Kotak life has share of 6% followed by Max New York Life & HDFC at 4% each.

TATA AIG has a share of 3% & Birla Sun Life has 2 %.

Bajaj Allianz has 1%.

21% of the respondents do not have an insurance policy.

Reason for buying Insurance Policy.

The result is based on insurance policy and not health insurance policy in specific. The respondents were asked for the reason for buying policy when they bought it first time.

Out of 70 respondents

Tax saving 43%

Security 23%

Investment 10%

Other 3%

Do not have an insurance policy as they do not feel the need for an insurance policy 21 %.

Which type of Policy do you have?

<https://assignbuster.com/the-advantages-of-primary-health-care/>

The question was asked with the purpose to find the share of health insurance policy out of total insurance policy.

The data is based on survey of 70 respondents.

Traditional policy owners have 49%.

ULIP policy owners 19%

Health Insurance & Pension plan at 4%

Others 3%

21% of the respondents did not have an insurance policy.

How did you come to know about the policy?

The Question was asked in order to find out if word of mouth (Office/Family/Referrals) has a major share in insurance policy sales.

The data is based on survey of 70 respondents.

21% of the respondents were influenced by Advertisement (Newspaper, Magazines, Internet, and Hoardings).

40% of the respondents were influenced by the Insurance Advisor.

Family, friends, referrals have 12%.

6 % of the respondents were influenced by Kiosk, Directly from insurance office, direct calling, and Website sales.

4% of the respondents have other reasons.

21% of the respondents do not have insurance so they did not participate in the question.

Factors influencing the purchase decision of the policy.

The question was asked for the first insurance policy owned.

The data is based on survey of 70 respondents.

33% of the respondents opted insurance for Savings(Tax Benefit)

17% of the respondents were influenced by advisors.

13% of the respondents have faith in there family, friend, relatives, colleagues.

6% of the respondents were influenced by advertisements.

9% of the respondents have taken policy as an investment option for long time.

21% of the respondents do not have an insurance policy.

Do you have health benefit policy?

The question was asked because if people do not have health insurance policy then what other options they have if any. The findings had a clear difference from the previous question findings which suggested only three respondents had health insurance policy.

Out of 70 respondents

63% of the respondents said they have other form of health coverage.

37 % of the respondents did not have health insurance coverage.

Name of the Source providing medical facilities.

The Question was asked to find, what these other sources are.

Out of 70 respondents surveyed

37% of the respondents have medical coverage from there office.

7% of the respondents are availing medical care and facilities through NGO's working in the area.

4% of the respondents use the charitable hospital or medicine shops(trust owned) to get the medical facilities.

19% of the respondents have others which is Government health insurance schemes at state level and Central level.

33% of the respondents did not had health insurance.

If you buy a Second policy what are the factors which will influence your purchase decision.

The question was asked to only 55 respondents and the data represents the same.

31 % of the respondents said they will look for new policy.

25% of the respondents said they will look for better services from there insurance provider.

9% of the respondents said that they would like to fill the gap left by there current policy.

15% of the respondents will depend on the inputs from there friends, relatives, colleagues, etc.

Others have 20% of the share with different views.

Technical factors responsible for effecting purchase decision

The Question was asked to find out factors related to policy which influence buyers decision.

Out of 70 respondents

48% of the respondents will look for Benefits from the Policy cover.

30% of the respondents will look for returns as they think it as safe investment.

20% of the respondents will look for the premium as per their pocket size.

2% of the respondents have other reasons.