

The factor people
need medical
insurance nowadays
health and social care
essay



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ABSTRACT

" Future is unpredictable and rather, uncertain" is to understand the need for medical insurance it is important. Medical insurance is a type of insurance coverage; the insured covered the cost of medical and surgical expenses. Depending to the different types of medical insurance, regardless of the insured pay the cost of pocket, and then be reimbursed, or the insurance company to pay suppliers directly. Medical insurance can either reimburse the insured for expenses sustained from illness or injury or pay the care provider directly. Demographic factors used in the study are age, gender, occupation, education, medical aspect and financial status. A sample of 200 working people and household on Malaysia are chosen to participate in the questionnaires will be given out in order to conduct this study. The questionnaire items will be measured by a five point Likers scales and hypotheses and the data collection is based on questionnaire survey and the data are analyzed by using SPSS. SPSS is the descriptive analysis of factor analysis , it will be done using statistical technique and chi square using the analysis of SPSS. Therefore, the result for this study need to be same as the previous study which is the factor people need medical insurance nowadays.

Chapter 1 : Research Overview

Introduction

This chapter is to discuss about the background of study, motivation of study, research objective, research questions, hypothesis and the significance of study

1. 1 Background of study

Medical insurance is important for several reasons. Uninsured people access to medical, timely care, they have worse health outcomes, lack of insurance for them and their family's financial burden. In addition, value-added services expanding coverage benefits outweigh the costs. From hospitals and clinics to improve the safety net to take care of, but it does not completely replace the medical insurance. Due to skyrocketing inflation, quality healthcare, hospitalization is becoming very expensive. In the case of major hospitalization which will incur huge cost, puts a big burden on one's savings and risks putting themselves in debt. Medical insurance plan, to help more people in the dissemination of such risks, bring down the cost per person. (Tseng, H. (2004)) Medical costs are sky high these days. Doctor's appointments may produce big bucks. The elaborate medical expenses could eat into your savings means that future. Medical insurance policy kicks to ensure that you get the necessary treatment, still in control in your pocket. Medical insurance is very important, because of the coverage, and help people get timely medical care and to improve their lives and health. It covers the risk in the case of financial difficulties, long-term illness. In the past few years has made a huge awareness. This must be in the range of uncertainty, it has been observed in recent times, such as terrorist attacks. (Janes, C., Chulundorj, C., Hilliard, C., Rak, K. and Janchiv, K. (2006)) Acquiring insurance might be a good choice for them but it does come with a downside. As purchasing insurance incurs a huge sum, it will put a burden on the people to pay up the monthly or yearly annum to keep their insurance active and valid. The people also would be stressed about the paying the premium and lose out on other payments.

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1. 2 Motivation of study

It is very important to have medical insurance because medical insurance coverage to help people get timely medical services, to improve their lives and health. Uninsured people access to medical, timely care, they are worthy of health outcomes, lack of insurance financial burden for them and their families. In this research is to identify the factor people need insurance nowadays. After identify, insurance agents could know what the people need in the insurance from the result that had make. Thought the research, an obvious objective can be set by to understanding the need of people need insurance.

1. 3 General objective

The factors of people need medical insurance

Specific objective

To study the impact of education on need of medical insurance
To study the impact of age on need of medical insurance
To study the impact of gender on need of medical insurance
To study the impact of medical aspect on need of medical insurance
To study the impact of occupation on need of medical insurance
To study the impact financial status on need of medical insurance

Research question

RQ1: What is the impact of education on need of medical insurance? RQ2: What is the impact of age on need of medical insurance? RQ3: What is the impact of gender on need of medical insurance? RQ4: What is the impact of medical aspect on need of medical insurance? RQ5: What is the impact of

occupation on need of medical insurance? RQ6: What is the impact financial status on need of medical insurance?

Hypothesis

H11: Education has impact on the need of medical insurance
H12: Age has impact on need of medical insurance
H13: Gender has impact on need of medical insurance
H14: Medical aspect has impact on need of medical insurance
H15: Financial status has impact need of medical insurance
H16: Occupation has impact need of medical insurance

Significance of study

This study is to enhance the need of the medical insurance among the people. The feedback from the people why they need medical insurance can be information for insurance agent, organization, worker, personal and family to know which plan are suitable for them.

1. 8 Summary

This chapter shows the background and the factors which will impact the need of medical insurance. In this chapter, objective of the study and research question are identify for this research.

Chapter 2: Literature Review

2. 0 Introduction

In this chapter, the results of an independent variable and the dependent variable and enter literature review past studies. In addition, the independent variables will be discussed in more clearly and will be defined according to the study.

2. 1Age

An older individual will have more difficulty purchasing medical insurance compared to younger individual. This is due to higher premium charges applied by medical insurers to adults in the age group of 50 to 64 years old. As the individual gets old, they tend to purchase medical risk protection. Age is also proposed as a representation for risk-aversion (King and Mossialos, 2002). Insurers charge a higher premium on older people than younger people, older people in the illness or death of a high risk of costs incurred to the insurer to repay the insured sum to the named proxy.

2. 2Gender

When we are looking at gender factor, males would acquire medical insurance compared to females. This is because males are predominately have higher buying power or proposes in getting a family policy. Another reason is that males tend to get into risky activities, thus have higher mortality rate. (Cashin, C., Borowitz, M. and Zuess, O. (2002)). Insurers also charge higher premiums to women of child-bearing age because they tend to use more health care services than men. A recent study shows that women tends to pay up to 31 percent higher premium than men for the same policy. The percentage is even higher for women at the age group of 25 years, which is about 84 percent higher. The reason for such high price of premium is because women has higher needs of healthcare such as pregnancy, and the treatments for female-related illness and medication are higher , therefore having an insurance provides an additional coverage for future incidents . (Brown, S. W. and Swartz, T. A. (1989))

2.3 Medical Aspect

Personal health status is one of the biggest driving factors in acquiring medical insurance. However, Propper (1993) found a negative correlation, King and Mossialos (2002), found a positive correlation between good health and medical insurance coverage. Medical insurance can be seen as a good complement in having a quality lifestyle. Besides that, medical insurance uptake is also depending on several factors such as: Previous medical history whereas a poorer health status will result in higher claims later in the policy term. Higher claims also applicable to individuals whom by physical condition are currently disabled or undergoing medical treatment. Fitness indicators such as blood pressure and weight will affect the premium paid by individuals. Being underweight is also one sign of poor healthcare. When an individual signs for a medical insurance, family medical history is also taken into consideration before the deal is finalized. The insurer might charge high premium for individual whom have a history of medical condition as they are at higher risk of claiming their agreed insured amount compared to people who are in pink of health. (Gamboa, R. M., Bantista, C. G. and Beninguda, M. L. (1993)), The same fact applies to individuals who has allergies than individuals who don't. The method commonly used for first time applicant is the health status assessment. (Besley, T., Hall, J. and Preston, I. (1998))

2.4 Financial status

There is an upcoming trend nowadays where lower income group are purchasing insurance which is significantly higher priced, showing moral hazards and lucrative insurance benefits. Lower income group individuals go for such insurance as a secure fallback in case something bad happens,

therefore ensuring continuity of a normal lifestyle. (Abel-Smith, D. and Falkingham, J. (1995)) Anyways, all this comes with a downfall where moral hazards will arise, because the individual would go into debt in paying the high premium rates and might as well forgo several important payments or essential items in life. (Abbring, J. H., Chiappori, P. A., Heckman, J. J. and Pinquet, J. (2003))

2. 5Occupation

Type of occupations are also one big factors in medical insurance claims as white collar jobs and professionals are generally the least at risk compared to blue collared and technical crews. (Habibov, N. and Fan, L. (2007)).

Insurers charges higher premiums to people working in high risk environment due to heighten tendency for mishaps to occur, in which case the insurers have to pay claims to the relevant parties (Almario, E. S. Beringuda, M. L., Gonzales, E. and Jeffers, J. R. (1993)) . For example, premiums can be higher for loggers, miners, hairdressers , construction workers, taxi drivers , crop dusters, bartenders, parking lot attendants and hospital workers as the rate of accident occurring in this line of work is much larger because to the interaction with external factor such as environmental, other individuals and mechanical failures. (Ching, P. (1992)). Their work is dangerous; when they get disease in their working place, they need to pay the expensive medical bills, and this will become burden to them will they need to pay the medical bill.

2. 6 Education

Education status has a positive effect on medical insurance signup. In a

healthy mode of production, it is expected that there will be more education,
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as a proxy of the human capital that will give greater health of the marginal efficiency of investment, which may mean that may reach the level of health of different levels may be lower than those less education / human capital investment. (Malaysian Medical Association (2002)) , This bundled investment may affect the demand for, and then increase or decrease by providing medical insurance for medical insurance. If this is the case, we may encounter signs of positive or negative results, the production function of the family, according to the needs of the individual utility configuration. (Yusof, M. F. (2003))

2. 8 Conceptual Framework

2. 9 Summary

There have been many past studies done in this research. This study intends to focus solely on six independent variable such as age, gender, medical aspect, financial status; occupation and education on the people need medical insurance.

Chapter 3 Research Methodology

3. 0 Introduction

This chapter discusses the samples, sampling frame and data collection methods which are required this study

3. 1 Samples

This sample comprises of 200 working adults and household in Malaysia. The samples should have satisfied all the following condition: They are working adults and householdThey have at least 20 years oldThey must have medical insuranceThey must provide a true or fair view in answering the questionIn <https://assignbuster.com/the-factor-people-need-medical-insurance-nowadays-health-and-social-care-essay/>

this research, primary data will be collected from the respondents with distribution of questionnaire. Have a pilot test conducted initially amongst 20 people to discover errors in the potential questionnaire. Once the test is done, the revised questionnaires will be distributed to collect more data. Based on the questionnaire on demographic characteristics such as age, gender, income, education, occupation financial status and it also concentrate in medical aspect. This questionnaire items are measured by a five point liker scale. Data collection method is using cross sectional. It is measured as follows: 1 is strongly disagree 2 is disagree 3 is neutral 4 is agree 5 is strongly disagree

3. 2 Data Analysis

Statistical Package for Social Science (SPSS) will be used to complete and analyses all the date collection for this research.

3. 3 Method and Statistical Technique

This study will have a descriptive statistical technique and chi square using the analysis of SPSS. Besides that statistical analysis use to find out result. Data collected were utilized to study independent variable on dependent variable the factor people need medical insurance.

3. 4 Summary

From this chapter, the methodology of this study can be seen clearly, thus to improving the information for the factor people need medical.