

An Comparative Study of Pre and Post Health Insurance Schemes in Karnataka

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Abstract

The health insurance schemes are very necessary to everyone in Indian country are with regards improve their life styles and which is including for very essential for every one for improving their health and some of strategies to improve the own insurance companies potential even insurance companies are majorly help to the employees their health and family members. Insurance Corporation is a sector of Health Insurance that has emerged as a major growth driver and as the most prominent segment in the expansion of insurance space. The study highlighted that health insurance and health insurance schemes are one of the largest Social Security Schemes of the world where no upper limit on medical expenditure has been fixed for beneficiaries. The study was made on the overview of health insurance Corporation of India and tries to bring out the banking details of provisions available to customer and persons and their dependents both in and banking facilities under the Employees of Karnataka state.

Keywords: Arogya Karnataka scheme, health insurance, post and pre study

Introduction

India's rapid rate of economic growth over the past decade has been one of the more significant developments in the global economy. This growth has its roots in the introduction of economic liberalization in the early 1990s, which has allowed India to exploit its economic potential and raise the population's standard of living. The banking and health insurance sector has a very vital role in this process. From inception till today these two sectors have gone through drastic changes with changing demographics and priorities of country people. The challenges of changing regulations and rapid growth of technology had impacted these two sectors and they changed the way of its operations in various manners and paved the way to take feasible actions for this purpose. Banking and Insurance sector comprises the public and private sector, having own set of issues, this paper tries to highlight features of this two sector, recent trends, challenges faced today and tries to suggest some feasible measures for growth of these two sectors the Indian context. **Keywords:** Public sector Banks,

Bank, Insurance, Penetration, Financial Inclusion. Introduction Finance and management of risk are considered the two most important factors for countries economic growth and overall stability. The growth of these two sectors is associated with the growth of industry, trade and commerce. In fact history of these two sectors can be traced back from the British period, as the first Bank was set up in 1786, Bank of Hindustan, latter on East India Company established three banks Bank of Bengal, Bank of Bombay and Bank of Madras in the year 1809, 1840 and 1843 respectively. The first Bank established exclusively by Indians is Allahabad Bank in 1865. Indian Banking sector witnessed a dramatic transformation; it can be seen with the help of three phases, Pre-matured phase - introduced formal banking sector to India, Mature phase – regulating the banks introduced in first phase and introduction of various acts, main role of RBI these are the main features of this phase, Innovation phase – liberalization, introduction of private as well as foreign players, Fin-tech institutions, initiatives taken by Government for financial inclusion, these are some characteristics of this phase. Talking about the Insurance sector, India lagged countries, the inception of insurance sector was with general insurance products. The two vital players in this sector are LIC (inception 1956) and GIC (inception 1973). With the LPG policy, doors for private sector were opened in and after 1999. This brought competitiveness in Insurance sector and started coping up with the requirements of people.

Literature Review

International Insurance Society (2012): In the current scenario countries are much more likely to experience sustained growth in their business, if their insurance markets are well developed. Development of insurance market is closely related to improved financial sector performance and it is true that without the investment of the public and private sector in their infrastructure it is impossible for insurance market to develop adequately.

Lian Han et. (2010): analyzed that business to plan strategically around the reality of change, to understand that change and to manage it, becomes important not only for the survival and sustainability of the sector but also to continue delivering a service to millions of customers who have invested in the insurance and rely on the sector for help when things go awry. The term sustainability is a buzzword and the terms such as sustainable development and corporate sustainability corporate social responsibility are often used interchangeably.

Marcel Van Marrewijk, (2003). States that the business owes society an obligation or debt – for taking something from the former so it must give something in return to the latter, and this would continue to provide the fertile grounds for the latter's continuous existence. Sustainable Insurance Due to the need of the time, the concept of Sustainable Insurance evolve in the economy which is a strategic approach where all activities in the insurance value chain, including interaction with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing and monitoring risk and opportunities associated with environmental, social and governance issues. Sustainable insurance aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social and economic stability.

The Need of the Study

In most developing countries including India, utilization of basic health services has remained poor. The situation is even worse in rural areas where both the living standards and the quality of healthcare services are low. Health risks pose the greatest threat to their lives and livelihoods. Even a minor health shock can cause a impact on persons' ability to work and curtail their earning capacity. Moreover, there is a strong link between health and income at low income levels. A health shock usually affects the poor the most

Research Methodology

The present study is engaged in a detailed understanding of existing government health insurance schemes in Karnataka state. Insurance empirical study is being endeavored to capture the perceptions on government health insurance schemes – overall awareness, enrolment process, utilization status, and satisfaction level of its existing beneficiaries in Karnataka.

The following section covers the research methodology of the present thesis. It includes research Design, source of data, sampling design and statistical tools and techniques.

Data Source

The present research will be carried out with the help of secondary sources of data.

Collection of Secondary Data

The present study also gathers data from secondary sources. The data would be collected from various reports Annual reports of social security schemes of various states, Newspapers, Journals, Magazines, thesis, dissertation reports, Books, etc. Furthermore, the required secondary data would also be gathered from electronic sources.

Scope of the Study

The present study is focused on reviewing the existing government health insurance scheme mechanism it draws a road map for policy makers regarding amplifying the health insurance coverage for poor workers in Karnataka.

Statement of the Problem

Insurance is one that recognizes the health and well-being of individuals as an asset in the society. While ill-health is a liability whose adverse effects reach beyond the individual into the society at large. To ensure good health to all the people of the country is the responsibility of government irrespective of their income level. The high and medium income group people are capable of availing healthcare services on their own capacities whereas the poor people are incapable of availing the health care services as well as healthcare facilities in the form of health insurances. Hence, it is the responsibility of the government to provide health care services directly to the needy people at affordable prices and protect the health risk in the form of insurance to cover the poor.

Objectives of the Study

The specific objectives of the paper are:

- To study the present health Insurance sector scenario.
- To study the key features of health Insurance sector.
- To study recent trends in health Insurance sector.

Subsuming of Existing Schemes

The following existing schemes shall be subsumed in the Arogya Karnataka scheme.

- i. Yeshaswini Scheme;
- ii. Vajpayee Arogyashree Scheme;
- iii. Rajiv Arogya Bhagya Scheme;
- iv. Rashtriya Swasthaya Bima Yojana (RSBY) including RSBY for senior citizens;
- v. Rashtriya Bala Swasthaya Karyakram (RBSK);
- vi. Mukhyamantri Santwana Harish Scheme.
- vii. Indira Suraksha Yojana

The schemes meant for the members of the Karnataka State Legislature, government employees and police personnel shall be brought under this new scheme after the related medical attendance rules applicable to them are amended.

History of the Scheme: Arogya Karnataka

The Karnataka Integrated Public Health Policy 2017 read at above envisages the attainment of the highest possible level of good health and well-being of all people in the State through a preventive, promotive, curative and rehabilitative healthcare orientation, with universal access to affordable and quality healthcare services to all, and inclusion of health in all developmental policies. The Policy also envisages that all the fragmented social insurance schemes be merged into a single health assurance plan to improve efficiency and outreach. The policy expects the State Government to develop robust and sustainable financing mechanisms by strengthening the public sector and harnessing private services (not-for-profit), to ensure that public services of the highest quality are maintained, keeping the public health interest in mind, whenever needed. The Karnataka Vision 2025 Document read at above envisions achieving Universal Healthcare through an equitable, accessible, affordable, qualitative and well governed health system for the people of Karnataka. The document aims to achieve this vision by strengthening and reforming public healthcare system to enhance its credibility, efficiency and effectiveness, establishing objective, transparent and unobtrusive regulations and regulatory mechanism for the private hospitals, and using technology for sector management from a service delivery perspective.

The National Health Policy read at (3) above envisages universal access to quality healthcare services without anyone having to face financial hardship as a consequence. The policy further envisages the following.

- Assuring availability of free comprehensive primary healthcare services for all aspects of reproductive, maternal, child and adolescent health and for treatment of the most prevalent communicable, non-communicable and occupational diseases in the population.
- Ensuring improved access and affordability of quality secondary and tertiary healthcare services through a combination of public hospitals and well measured strategic purchasing of services in healthcare deficit areas, from private care providers, especially the not-for profit providers.
- Achieving a significant reduction in out of pocket expenditure of healthcare costs thereby reducing the proportion of households experiencing catastrophic health expenditures and consequent impoverishment.

The Government of Karnataka provides a range of healthcare services through public health institutions administered by the Health & Family Welfare Department, and hospitals and centers of excellence attached to government medical colleges. These institutions, hospitals and centers (all referred to collectively as PHIs hereafter) cater to about 687 lakh patients in a year providing about 3000 types of treatments. These services include hospital-based treatment for 41 lakh in-patients, 2.4 lakh major surgeries, 2.7 lakh minor surgeries and 5.7 lakh child birth deliveries in a year. In addition to the healthcare normally available in the PHIs, the State Government also implements the following health assurance and health insurance schemes, with support from the Government of India and in partnership with private hospitals, to provide secondary and tertiary healthcare:

- Yeshaswini Scheme providing specified secondary and tertiary surgical treatment for members of cooperative societies and their family members that make annual contribution;
- Vajpayee Arogyashree Scheme providing free specified tertiary healthcare for persons belonging to BPL families;
- Rajiv Arogya Bhagya Scheme providing specified tertiary healthcare for persons above the poverty line on co-payment basis;

- Rashtriya Swasthaya Bima Yojana (RSBY) providing free specified secondary healthcare to BPL persons and persons working in un-organized sectors and their family members, and providing specified tertiary healthcare to senior citizens among those;
- Rashtriya Bala Swasthaya Karyakram (RBSK) providing free specified secondary and tertiary healthcare to students up to 18 years of age in government and aided schools and children in anganwadi
- Mukhyamantri Santwana Harish Scheme providing emergency healthcare to all victims of road accidents.
- Indira Suraksha Yojane providing healthcare to dependent family members of farmers who committed suicide.
- Jyothi Sanjeevini Scheme providing specified tertiary healthcare to government servants and their dependent family members;
- Arogya Bhagya Scheme providing specified secondary and tertiary healthcare to police personnel and their dependent family members;
- The Karnataka Legislative (Members, Medical Attendance) Rules 1968, for providing specified secondary and tertiary healthcare to members of Karnataka State Legislature.

The above listed schemes cover about 3.25 lakh cases of secondary healthcare and 1.25 lakh cases of tertiary healthcare treatments in a year at a total expenditure of about Rs. 900 Crore per annum. The Yeshaswini scheme gets an annual contribution of about Rs.100 Crore from the members, which is utilized to partly fund the scheme out lay of approx. Rs.400 Crore in a year. The schemes at sl.no. (iv) and (v), namely RSBY and RBSK are partly funded by the Government of India to the extent of 60 percent. The RSBY is implemented, except the component for the senior citizens, in insurance mode. In addition to the healthcare available to government servants under the scheme at sl. no. (vii), they also get reimbursement for their medical care as per Karnataka Government Servants' (Medical Attendance) Rules. The insights and learning's gained in implementing the above-listed schemes suggest significant overlap across schemes in terms of scope and coverage, sub-optimal utilization of the PHIs, and variations in the treatment rates in private hospitals. The design of some of those schemes has resulted the by-passing of the public health system in favor of availing healthcare services from private healthcare providers. Such by-passing of the public health system has contributed inadvertently to the weakening of the system in terms of service delivery and productivity. The goal of universal, equitable and sustainable healthcare can be possible, as noted in the policies and the Vision document read above, only through a credible, efficient and effective public health system, supplemented by a lightly but credibly regulated private health system. The basic premise of provisioning of universal health services is that the available capacities in the public health system are augmented and utilized in full before recourse is made for availing the services from the private providers.

Considering the above imperatives, the following order is made to achieve the policy goal of universal, equitable and sustainable healthcare over a period of some time.

Findings and Suggestions

Insurance and banking in India are major contributing in India have registered considerable development and how it is growing panel wise with the onset of health care and health insurance sector reforms starting in the pre and post independence. It is beneficiaries to note that the development in these markets has been in a gradual and calibrated manner, sequenced in line with the reforms in the real sector. The impact of these reforms has been evident in the process discovery process, the easing of restrictions and the higher and lowering of transaction costs. Apart from these, there has been evidence a greater domestic educational system.

Conclusion

Realizing of the importance of social security in the country led to the promulgation of health insurance schemes and health reforms. It was a major legislation on social security for workers in independent India. The legislation on the creation and development of a foolproof multidimensional social security system, when the country's economy was in a very fledgling state, a remarkable gesture towards the socio-economic amelioration of a workforce though limited in number and geographic distribution. As the administrator banking sector RBI provides social protection to employees in the organized sector and their dependents in contingencies such as Loans, maternity or death and disablement due to an employment injury or occupational some other have to help by banks in recent days.

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