

Role of Insurance in Determining Utilization of Healthcare and Financial Risk Protection in India

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Abstract

Background: Universal health coverage has become a policy goal in most developing economies. We assess the association of health insurance (HI) schemes in general, and RSBY (National Health Insurance Scheme) in particular, on extent and pattern of healthcare utilization. Secondly, we assess the relationship of HI and RSBY on out-of-pocket (OOP) expenditures and financial risk protection (FRP). **Methods:** A cross-sectional study was undertaken to interview 62335 individuals among 12,134 households in 8 districts of three states in India i.e. Gujarat, Haryana and Uttar Pradesh (UP). Data on socio-demographic characteristics, assets, education, occupation, consumption expenditure, illness in last 15 days or hospitalization during last 365 days, treatment sought and its OOP expenditure was collected. We computed catastrophic health expenditures (CHE) as indicator for FRP. Hospitalization rate, choice of care provider and CHE were regressed to assess their association with insurance status and type of insurance scheme, after adjusting for other covariates. **Results:** Mean OOP expenditures for outpatient care among insured and uninsured were INR 961 (USD 16) and INR 840 (USD 14); and INR 32573 (USD 543) and INR 24788 (USD 413) for an episode of hospitalization respectively. The prevalence of CHE for hospitalization was 28% and 26% among the insured and uninsured population respectively. No significant association was observed in multivariate analysis between hospitalization rate, choice of care provider or CHE with insurance status or RSBY in particular. **Conclusion:** Health insurance in its present form does not seem to provide requisite improvement in access to care or financial risk protection.