



COVID 19 AND ITS IMPACT ON HEALTH INSURANCE INDUSTRY IN INDIA

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ABSTRACT:

Population health status is seen as an important economic development indicator for the Indian economy. Health services have a significant impact on individuals and communities' social welfare is an important part of the politics and economy of the country. The percentage of India's national budget allocated to the health sector remains one of the worlds lowest, and spending on health care is mostly out of pocket. At present, efforts are being made to expand health insurance coverage as one way to address health disparities and reduce the costs of catastrophic health care.

In this review, we document reasons for the rising need of health insurance amid the global pandemic and its impact on the growth of the health insurance industry. We briefly highlight difficulties faced by individuals and the health insurance industry specifically during the pandemic. We argue that public awareness and understanding of insurance and its utilization for the treatment of Covid 19 patients requires more lucidity.

Key words: -

Objectives of the Study

- To study the impact of Covid 19 on health insurance industry in India.
- To study and identify various difficulties and hardships faced by individuals in obtaining health insurance policies during the pandemic.
- To study various government guidelines directed towards the health insurance industries on the pandemic

INTRODUCTION:

Health insurance covers cost of an insured individual's medical and surgical expenses subject to the terms of insurance coverage, either the insured pays costs out-of-pocket and is subsequently reimbursed or the insurance company reimburses costs directly. Arranging for funds at the eleventh hour can be a challenge for a person who hasn't saved much money. This is especially disheartening for seniors, since most of the ailments hit at an advanced age. Health insurance can also be described as a contract between an insurance company and an individual. Debt relating to health has pushed many low- and middle-

income households into poverty. Out of pocket expenditure has been estimated to be directly responsible for the deepening of poverty in both rural and urban areas, pushing 32 million to 39 million Indians into poverty each year. It has been proposed in the field of public health and health policy that health insurance may provide a significant safety net for low- and middle-income people by reducing emergency healthcare costs for all social groups.

While in the midst of a pandemic like this it becomes even more important to have the right health cover and the right amount of coverage.

Telepathy, the new era

Telehealth is the use of electronic information and telecommunications technologies to support long-distance clinical healthcare, patient and vocational health education, public healthcare and healthcare administration. Technologies include videoconferencing, internet, storage and forward imagery, streaming media, and wireless and terrestrial communications.

Telehealth until now had limited opportunities for growth but with the ongoing pandemic it has found a new life. Telehealth increases provider

capacity and more importantly increases the safety of both patients and healthcare providers by eliminating in person appointments. Many routine health services are only available through telehealth as a result of Covid 19. Most insurance providers are waiving all non Covid 19 insurance co-payments and deductibles for telehealth services. Telehealth is seen as a boon in terms of both economic prospects and availability for health insurance companies. Wider availability leads to greater familiarity and acceptance that may extend patients' acceptance once a coronavirus health crisis has receded. Insurance companies are hoping for telehealth expansion which will lead to a reduction in claims costs.

Government guidelines

India's insurance regulator, Insurance Regulatory and Development Authority of India (IRDAI) has issued guidelines for the treatment of claims made under corona virus to general insurers and health insurers. Insurance Regulatory and Development Authority of India (IRDAI) has asked all general and standalone health insurance companies to give policy holders the option to pay health insurance premiums in installments. It has also allowed policy holders to delay payment of premiums up to an extent of 60 days. While this is beneficial to the policy holder it could tremendously affect the insurance companies by decreasing cash inflows during a period when the insurance companies are attempting to accelerate claim payments. The insurance regulator has made it clear that any hospitalization case due to Covid 19 would need to be covered under health insurance that covered admission to a hospital. This means that individuals who tested positive and are undergoing treatment would be eligible to get claims under their health policy. The regulator has also asked insurers that the cost of medical expenses incurred during the course of treatment including the quarantine period

shall be settled in accordance to the applicable terms and conditions within the policy contract and regulatory framework. Further the regulator has asked insurers to thoroughly assess the claims reported under Covid 19 to be reviewed by the claims review committee before repudiating the claims. IRDAI has asked insurers to design products covering the treatment cost of coronavirus. It said "In order to provide need based health insurance coverage, insurers are introducing products for various specific diseases including vector borne diseases. For the purpose of meeting health insurance requirements of various sections, insurers are advised to design products covering the costs of treatment for Corona Virus."

Bane for the health insurance industry

Since IRDAI has allowed delaying payment of policy premium, the insurance companies fear exhausting of pool resources. A lot of people who have no access to online payments are facing difficulty in renewing, upgrading an existing policy or issuing a new one. Health insurance firms require a medical examination on certain conditions with guidelines in accordance with their terms and conditions, which has also been difficult in duration of lockdown by the common man, which is another reason for the decrease in the new policies being issued. As a result of increased unemployment and the overall economic downturn, health insurance companies also expect increased policy cancellations. Health insurance policy cancellations will also place an additional burden on the healthcare system when the patients become uninsured.

All is not lost

The entire population remained inside for over a month which resulted in reduced environmental pollution which will eventually be a boon for patients suffering from respiratory diseases. Clubbed with social distancing, frequent hand

washing and disinfection of the country, hygiene habits of the citizens have improved which will remain for a long period of time. Corona is paving a way for a healthy, hygienic and cleaner India, provided it is built on by both citizens and government.

CONCLUSION:

Assessing the Covid 19 effect of health insurance involves a holistic, multi disciplinary approach that encompasses its significance and is responsive to the wider social, political and economic context within which policy is produced and applied. **The country needs a long term strategic structural solution and not just a stimulus package. Health insurance industry can hope for some growth when speaking in terms of alternatives like telepathy and an increase fear among individuals of the growing pandemic. However some conditions have left the industry in dilemma which includes the delay in payment of premiums and cancelation of policies due to nonpayment of premiums.** Higher deficits and harder decisions, if taken for India's growth and if not wasted largesse, are not going to be questioned now. It is the time when one can put health insurance industry on the path of growth again if proper and timely decisions are taken.

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