

# Awareness And Perception Towards MEDISEP Insurance Scheme- Insights from The Policyholders

V K Jincy<sup>1</sup>, Dr. R Reshmi<sup>2</sup>

<sup>1</sup>Research Scholar, P G and Research Department of Commerce, Farook College (Autonomous), Kozhikode and affiliated to University of Calicut.

<sup>2</sup>Associate Professor, P G and Research Dept. of Commerce, Farook College (Autonomous), Kozhikode and affiliated to University of Calicut.

## Abstract

Health insurance scheme is essential for providing health protection and ensuring fair access to healthcare services to people. This article explores the awareness and perception of policyholders towards MEDISEP insurance scheme. MEDISEP is a medical insurance scheme for state employees and pensioners in Kerala. This is a descriptive study which used survey method based on convenient sampling for collecting data from 100 MEDISEP insurance policyholders in Calicut district. Collected data were analysed by using percentages, mean, standard deviation, Anova, independent sample t test and correlation. Findings revealed that highly educated respondents are more aware about MEDISEP insurance scheme and there is no significant difference in the perception level of policyholders according to gender. Results further indicated that there is a significant relationship between the awareness level and perception of policyholders. The study offers valuable insights in to the policyholders' perception towards MEDISEP insurance scheme and identifies areas for possible improvements and increased awareness. The outcomes of this study have the potential to guide policymakers and insurance providers in tailoring this medical insurance scheme to meet the specific needs and expectations of its beneficiaries.

**Keywords:** MEDISEP, health insurance, awareness, perception

## Introduction

In the modern world, the provision of adequate healthcare is inextricably linked to the accessibility and effectiveness of health insurance schemes. In Kerala, the landscape of health insurance has evolved with the implementation of various programs aimed at ensuring comprehensive coverage for its residents. Among these initiatives, the MEDISEP insurance scheme stands out as a key endeavour designed to address the healthcare needs of policyholders. Kerala, renowned for its high literacy rates and robust public healthcare infrastructure has witnessed significant strides in healthcare policy. The implementation of the MEDISEP insurance scheme represents a milestone in the state's commitment to providing financial protection against medical expenses. Understanding the awareness level and perception of policyholders concerning this insurance scheme is essential not only for evaluating its current effectiveness but also for informing future policy refinements. This study seeks to delve in to the intricacies of policyholders'

awareness and perceptions regarding the MEDISEP insurance scheme, shedding light on crucial aspects that influence the scheme's efficacy in meeting the healthcare demands of the populace.

### **MEDISEP – Theoretical Framework**

Health insurance plays a pivotal role in safeguarding individuals from the financial burdens associated with medical expenses. The MEDISEP insurance scheme represents a significant initiative aimed at providing comprehensive health insurance coverage to policyholders in Kerala. The scheme aims to cover eligible expenses incurred by beneficiaries for the approved procedures under the Basic Benefit Package which includes day care treatments as well as the additional packages for the listed transplant/ catastrophic procedures for a premium of Rs. 500 per month. The coverage extends to costs for medicines, medical procedures, doctor fees, attendant charges, room rent, diagnostic tests, implant charges and dietary expenses, all approved by empanelled hospitals. The scheme offers cashless facility for listed procedures and includes coverage for all pre-existing conditions. This coverage is limited to the public and private hospitals which are part of the scheme's network. However, in cases of accidents or emergencies, where the patient receives approved treatment or surgery at an empanelled hospital, the cost of treatment will be reimbursed to the beneficiary according to the scheme's approved rates.

MEDISEP give coverage for the 15 days pre- and post- hospitalisation expenses and the amount of coverage is up to Rs. 3 lakhs for every year. It also provides coverage for critical illness. Insurance coverage will be provided for hospitalisation of more than 24 hours. MEDISEP is implemented through Oriental Insurance Company Limited. All state government employees of Kerala, including teaching and non-teaching staff of aided schools and colleges, employees of state aided universities and local self-government institutions are eligible beneficiaries under this insurance scheme. Additionally, the directly appointed personal staff of the Chief Minister, ministers, Leader of the Opposition, Chief Whip, Speaker, Deputy Speaker and Chairpersons of Financial Committees, along with all service pensioners, are also included in the beneficiaries (*MEDISEP. Health Insurance Department, Government of Kerala, 2023*)

### **Literature Review**

Health insurance awareness and perception play pivotal roles in shaping individuals' choices regarding coverage, influencing their utilisation of healthcare services and determining their satisfaction with the insurance provider. This literature review explores existing studies and scholarly works relevant to the awareness and perception of policyholders towards health insurance schemes, with a specific focus on the MEDISEP insurance scheme in Kerala. Numerous studies emphasize the importance of health insurance awareness as a critical factor influencing individuals' financial preparedness for medical emergencies. According to Smith and Johnson (2018), lack of awareness about insurance options can result in suboptimal coverage choices and limited utilisation of available benefits. In the context of Kerala, where healthcare needs are diverse and dynamic, understanding the level of awareness among policyholders regarding the MEDISEP insurance scheme is essential. The channels through which individuals receive information about health insurance significantly impact their awareness levels. Research by Thompson et al. (2017) highlights the role of insurance agents, official documents and digital platforms in shaping policyholders' awareness.

Perception encompasses policyholders' attitudes, beliefs and evaluations of the benefits and drawbacks of health insurance schemes. Studies by Anderson and Williams (2019) emphasize that policyholders' perceptions are multifaceted and can be influenced by factors such as the efficiency of the claims process,

coverage adequacy and overall satisfaction with the insurance provider. Understanding how Kerala's policyholders perceive the MEDISEP insurance scheme in terms of satisfaction, perceived benefits and drawbacks is crucial for improving the scheme's effectiveness. Research by Gracia and Smith (2020) underscores that policyholders who have positive experiences with claim settlements and customer service tend to exhibit higher levels of trust in their insurance providers. Investigating the trust and confidence levels of MEDISEP policyholders, particularly those with varying experiences provides valuable insights for enhancing customer relationships.

While studies on health insurance awareness and perception are abundant, a focused exploration of the MEDISEP insurance scheme in Kerala remains relatively underexplored in the existing literature. This study seeks to address this gap by examining the awareness levels of policyholders regarding the MEDISEP scheme, identifying the sources of information that shape their understanding and analysing the multifaceted perceptions that contribute to their overall satisfaction or dissatisfaction.

### **Statement of the Problem**

Medical emergencies and contingencies often come unannounced. If we have no health insurance coverage, it can burn a hole in pockets and derail the financial plans. If the hospitalisation occurs for an unearning member of the family, then it is very difficult for the family to survive. MEDISEP is a form of health insurance which provides protection against rising medical expenses from hospitalisation. It provides financial support in the event of hospitalisation due to illness or accidents. While taking a medical insurance policy, the policyholders must be aware about various aspects attached to it. Their awareness level and perception of policyholders influence their extent of utilisation of medical insurance scheme. Hence this study tries to examine the awareness and perception of policyholders towards MEDISEP insurance scheme.

### **Significance of the Study**

The findings of this study hold significance for policymakers, healthcare administrators and insurance providers alike. A comprehensive understanding of policyholders' awareness and perceptions can inform targeted interventions to enhance communication strategies, streamline policy features and ultimately improve the overall effectiveness of the MEDISEP insurance scheme in meeting the diverse healthcare needs of the population.

### **Objectives**

1. To examine the level of awareness of policyholders towards MEDISEP insurance scheme.
2. To analyse the policyholders' perception towards MEDISEP insurance scheme.

### **Hypotheses**

1. H1: There is a significant difference among policyholders having different educational qualification with regard to their awareness about MEDISEP insurance scheme.
2. H1: There is a significant difference between male and female in respect of their perception towards MEDISEP insurance scheme.
3. H1: There is a significant relationship between awareness level and perception towards MEDISEP insurance scheme.

## Design of the Study

This descriptive study uses both primary and secondary data. The primary data were gathered from 100 policyholders of the MEDISEP insurance scheme in Calicut district. Respondents were selected through convenient sampling method. Secondary data were collected from various websites, newspapers, books, magazines and journals to establish a theoretical background regarding MEDISEP insurance scheme. A Structured questionnaire was employed to gather primary data from the respondents. The survey questionnaire contained 3 sections – first section relating to the demographic details of the MEDISEP policyholders, second section showing the awareness checking statements and third section involving the statements relating to the perception of policyholders. Mean, percentages, standard deviation, independent sample t test, ANOVA and correlation were used for analysing data with the help of SPSS software. Reliability of the statements used in the questionnaire was assessed by using Cronbach's alpha.

## Results and Discussions

### Socio-Demographic Profile of the Respondents

**Table 1: Socio-Demographic Profile of the Respondents**

Variables		Frequency	Percent
Age Category	Below 30 years	17	17
	30-50 years	56	56
	Above 50 years	27	27
Gender	Male	57	57
	Female	43	43
Area of Residence	Rural	16	16
	Urban	56	56
	Semi urban	28	28
Marital Status	Married	86	86
	Unmarried	14	14
Level of Education	SSLC	1	1
	Plus Two	26	26
	Graduation	30	30
	Post Graduation	29	29
	Others	14	14
Monthly Income	Below Rs. 40000	46	46
	Rs. 40000- Rs. 80000	32	32
	Rs. 80000- Rs. 120000	18	18
	Above Rs. 120000	4	4
Total		100	100

Source: Primary Data

The socio-demographic profile of the respondents is presented in Table I. Descriptive statistics including frequencies and percentages are used to describe this profile of the respondents. Majority of the respondents are in the age group of 30-50 years (56%). Most of the respondents are male (57%) and are living in urban area (56%). Around 86% of the respondents are married. Most of the respondents are educated having the educational qualification of graduation and above. But the monthly income of only a few respondents exceeds Rs. 80000 (3.8%).

## Reliability Analysis

**Table 2: Reliability Test Result**

Constructs	Cronbach's Alpha
Awareness	0.839
Perception	0.857

Source: Primary data

Reliability of the statements used in the questionnaire was assessed by using Cronbach's coefficient alpha. Reliability test conducted showed high reliability for all the statements used for measuring policyholders' awareness and perception. The Cronbach's alpha value of the statements used for measuring awareness is 0.839 and for measuring perception is 0.857. Since the Cronbach's alpha value for all the statements used in the study are above the acceptable limit of 0.7, the survey instrument has high internal consistency.

## Source of Awareness about MEDISEP insurance scheme

**Table 3: Source of Awareness about MEDISEP insurance scheme**

Source of Awareness	No. of Respondents	Rank
Advertisement	6	7
Friends/ Relatives	41	2
Hospital	7	6
Brochure/ Pamphlet	22	5
Employer	83	1
Social media	27	4
Newspaper	40	3
Any other	4	8

Source: Primary Data

The most popular source of awareness about MEDISEP insurance scheme is employer which is followed by friends/relatives and newspaper. Advertisement and hospitals have less role in creating awareness about MEDISEP insurance scheme among policyholders.

## Awareness about MEDISEP policy details

**Table 4: Awareness about MEDISEP policy details**

Sl. No.	Policy Details	Mean	Standard Deviation
1	Expenses covered under this policy	3.21	1.358

2	Coverage up to 3 lakhs would be provided under this scheme	4.55	.609
3	List of empanelled hospital	2.50	1.345
4	Nearest empanelled hospital	4.01	1.267
5	Amount of premium deducted from your salary	4.72	.473
6	Cashless treatment	4.54	.540
7	Reimbursement facility	3.49	1.460
8	Catastrophic illness coverage	2.89	1.490
9	No coverage for A yurveda, Homeopathic and Unani treatments	3.07	1.486
10	No coverage for OP treatment	3.81	1.398
11	The procedural formalities for getting benefits	1	1.237
12	Grievance redressal mechanism	3.18	1.373

Source: Primary data

The above table shows that most of the policyholders are aware about the premium deducted from their salary and the amount of coverage available under MEDISEP. But a very few are aware about the procedural formalities to be followed under MEDISEP scheme. The awareness level in respect of the list of empanelled hospitals and catastrophic illness coverage under the scheme is also low.

## Perception of Policyholders towards MEDISEP Insurance Policy

**Table 5: Perception of Policyholders towards MEDISEP Insurance Policy**

Sl. No.	Statements	Mean	Standard Deviation
1	The Coverage provided under MEDISEP is adequate	2.70	1.508
2	The amount of premium payable under MEDISEP is reasonable	3.77	1.254
3	List of empanelled hospitals are accessible	2.91	1.326
4	The procedure while taking up the policy is relatively easy	4.17	.985

5	The pamphlet & Website of MEDISEP give adequate information about this scheme	3.56	1,234
6	The Diseases covered under this policy are appropriate	3.46	1.337
7	The MEDISEP policy covers wide range of network hospitals for treatment	2.18	1.359
8	The promptness in settling the claims is adequate	3.61	1.171
9	Cashless treatment provided under MEDISEP is beneficial	4.30	.577
10	The inclusion of dependent members of family is beneficial	4.48	.643
11	The coverage for pre and post hospitalisation expenses are advantageous	4.17	1.045
12	The MEDISEP scheme support at the time of difficulty to meet unexpected medical expenditure	4.29	.891
13	The grievance handling in MEDISEP insurance policy is prompt and efficient	3.26	1.346

Source: Primary data

Among the statements showing the perception of policyholders towards MEDISEP insurance scheme, the statement 'inclusion of dependent member of the family is beneficial' having the highest mean score which is followed by 'cashless treatment provided under MEDISEP is beneficial'. Most of the policyholders disagree with the statement 'MEDISEP policy covers wide range of network hospitals for treatment' which is followed by 'The coverage provided under MEDISEP is adequate'.

## Testing of Hypotheses

### Hypothesis 1

H1: There is significant difference among the policyholders having different educational qualification regarding their awareness about MEDISEP insurance policy.

**Table 6: Result of ANOVA showing significant difference among the policyholders having different educational qualification regarding their awareness about MEDISEP insurance policy**

Educational Qualification	N	Mean	Standard Deviation	Std Error	t Value	Significance Value (P value)
SSLC	1	2.0667	0.72536	0.13471		
Plus-two	26	3.0821	0.73884	0.1449		

Graduation	30	3.6178	0.78685	0.14366	4.747	0.002
Post-Graduation	29	3.6529	0.8314	0.15439		
Others	14	4.0381	0.74866	0.20009		

Source: Primary data

The above table shows the results of one-way ANOVA to test the significance of difference in the awareness level of policyholders according to their educational qualifications. As the p value is less than .05, the null hypothesis is rejected. It indicates that there is significant difference in the awareness level of policyholders on MEDISEP insurance policy according to educational qualification. Thus, the study reveals that the level of awareness of policyholders on MEDISEP policy is different to each category of educational qualification. It further indicates that highly educated respondents are more aware about MEDISEP insurance policy.

## Hypothesis 2

H1: There is significant difference between male and female with respect to their perception towards MEDISEP insurance policy.

**Table 7: Results of Independent Sample t test indicating significant difference between male and female in respect of their perception towards MEDISEP insurance policy**

Gender	Mean	Standard Deviation	Standard Error	t value	Significance Value
Male	3.7357	0.58998	.07814	1.367	0.175
Female	3.5596	0.67189	0.10246		

Source: Primary data

The above table displays the result of independent sample t- test for checking the significant difference in the level of perception towards MEDISEP insurance policy according to gender of the respondent. From the table it is clear that the level of perception is almost same for male (3.7357) and female (3.5596). since the significance value is greater than 0.05, the null hypothesis (H0) cannot be rejected at 5% level of significance. It indicates that there is no significant difference in the policyholders' perception towards MEDISEP scheme according to gender.

## Hypothesis 3

H1: There is significant relationship between awareness level and perception of MEDISEP policyholders.

**Table 8: Results of Correlation analysis showing the relationship between awareness level and perception of MEDISEP policyholders.**

	Mean	Standard Deviation	N	r Value	Significance Value
Awareness	3.532	0.84018	100	0.374	.000
Perception	3.660	0.62936	100		

Source: Primary data

The above table shows the relationship between awareness level and perception of MEDISEP policyholders. Since the significance value is below 0.05,  $H_0$  is rejected at 5% level of significance. It means that there exists significant relationship between awareness and perception of policyholders. It further indicates that when the policyholders are more aware, they are likely to have more positive perception about MEDISEP policy.

### Findings

1. The most important sources of awareness about MEDISEP insurance scheme are employer, friends/relatives and newspaper.
2. Majority of the policyholders are aware about the premium deducted from their salary, cashless treatment facility and the amount of coverage available under MEDISEP. But the awareness about the procedural formalities, catastrophic illness coverage and the list of empanelled hospitals under the scheme are low.
3. Most of the respondents strongly agree that the inclusion of dependent members of the family and the cashless treatment provided under MEDISEP scheme is beneficial. They also strongly agree that the MEDISEP scheme provide support at the time of emergency to meet unexpected medical needs. But as per their opinion the coverage provided under MEDISEP scheme is not adequate and the network hospitals under the scheme are not easily accessible.
4. Highly educated employees are more aware about MEDISEP scheme.
5. There is no significant difference in perception between male and female respondents regarding the MEDISEP insurance scheme.
6. There is significant relationship between the awareness and perception of policyholders towards MEDISEP insurance scheme.

### Suggestions

1. Implement educational campaigns and strengthen online communication channels to improve the depth of awareness among policyholders focusing on procedural formalities, list of empanelled hospitals and catastrophic illness coverage.
2. Simplifying policy documentation and providing clear and concise summaries could enhance policyholders' understanding about procedural formalities.
3. The government should include more empanelled hospitals in its list under MEDISEP scheme.
4. Establish a robust feedback mechanism to continuously monitor and improve customer service.
5. Improve transparency in claim settlement processes and policy terms.
6. Regularly update policyholders regarding any changes to the insurance scheme.
7. Establish a dedicated helpline for policyholder inquiries and concerns.

### Conclusion

This study has endeavoured to shed light on the nuanced landscape of policyholders' awareness and perceptions regarding the MEDISEP insurance scheme in Kerala. Through a detailed examination of awareness levels, information sources, and multifaceted perceptions, the study explored valuable insights into the factors influencing the effectiveness of this health insurance initiative within the unique socio-cultural context of the state. The exploration of awareness levels revealed a mixed landscape, with many policyholders demonstrating a basic understanding of the MEDISEP

insurance scheme. However, gaps in knowledge were identified, particularly concerning procedural formalities, catastrophic illness coverage and empanelled hospitals. The sources of information, primarily employer, friends and relatives played pivotal roles in shaping policyholders' comprehension, emphasizing the importance of targeted communication strategies. Analysis of policyholders' perceptions uncovered a spectrum of attitudes towards the MEDISEP scheme. While many expressed satisfactions with the cashless treatment facility and inclusion of dependent members of family in the policy, concerns about the timeliness of claim settlements, inadequate coverage and lack of accessible network hospitals were notable. As the MEDISEP insurance scheme continues to play a pivotal role in Kerala's healthcare framework, the insights gleaned from this study offer actionable pathways for enhancing its impact, ensuring that it remains a robust and responsive tool in safeguarding the health of its policyholders.

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