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Satyendra Yadav, student of the International Medical Institute, Kursk State Medical University, Kursk, Russia.

Email: satyendrayadava98@gmail.com

Science tutor: Vlasova Olga Vladimirovna, Head of Economics and Management department of Kursk State Medical University

INDIAN HEALTH INSURANCE MARKET

Abstract: healthcare markets and insurance systems are complex and multifaceted. In India, the health insurance market is rapidly expanding, driven by the escalating cost of quality healthcare and the increasing demand for healthcare coverage. The market is expected to reach INR 1.5 trillion by 2029, growing at a compound annual growth rate (CAGR) of 10.6%.

Keywords: healthcare market, insurance systems, challenges, trends, India, economy.

Сатьяendra Ядав, студент Международного медицинского института, Курский государственный медицинский университет, Курск, Россия.

Email: satyendrayadava98@gmail.com

Научный руководитель: Власова Ольга Владимировна, и.о.заведующего кафедрой экономики и менеджмента ФГБОУ ВО «Курский государственный медицинский университет»

РЫНОК МЕДИЦИНСКОГО СТРАХОВАНИЯ В ИНДИИ

Аннотация: рынки здравоохранения и системы страхования сложны и многогранны. В Индии рынок медицинского страхования быстро расширяется, что обусловлено ростом стоимости качественного медицинского обслуживания и растущим спросом на медицинское страхование. Ожидается, что к 2029 году объем рынка достигнет 1,5 трлн индийских рупий, а среднегодовой темп роста составит 10,6%.

Ключевые слова: рынок здравоохранения, страховые системы, вызовы, тенденции, Индия, экономика.

The healthcare industry is undergoing rapid transformation, driven by shifting demographics, advancing technologies, and evolving patient needs. At the heart of this transformation are healthcare markets and insurance systems, which play a critical role in shaping the delivery, financing, and accessibility of healthcare services.

Healthcare markets refer to the complex interactions between healthcare providers, payers, and patients, influencing the supply and demand of healthcare services. Insurance systems, on the other hand, serve as a financial intermediary, pooling risks and providing financial protection to individuals and families against unexpected medical expenses.

The interplay between healthcare markets and insurance systems has significant implications for healthcare outcomes, costs, and accessibility. As healthcare systems worldwide grapple with rising costs, unequal access, and changing patient expectations, understanding the dynamics of healthcare markets and insurance systems is crucial for policymakers, healthcare leaders, and stakeholders seeking to create more efficient, equitable, and patient-centered healthcare systems.

Key Players in the Indian Health Insurance Market:

- Star Health and Allied Insurance Co Ltd
- Aditya Birla Group

- Niva Bupa Health Insurance Company Limited
- Bajaj Allianz Health Insurance
- Bharti AXA Life Insurance

Globally, the healthcare insurance market size was estimated at \$2.4 trillion in 2019 and is expected to expand at a CAGR of 6.7% from 2020 to 2027. The market is driven by the high cost of healthcare, rising prevalence of chronic diseases, and increasing disposable income.

Increasing underwriting losses: Despite growing premium earnings, the sector is struggling to earn underwriting profits.

Rising healthcare costs: The COVID-19 pandemic has led to a spike in healthcare costs, making it challenging for insurance providers to maintain profitability.

Attracting younger customers: The health insurance market in India is struggling to attract younger customers, highlighting the need for innovative products and services [3].

Value-Based Care: The adoption of value-based care (VBC) is expected to accelerate, with 90 million lives projected to be in VBC models by 2027, up from 43 million in 2022

Medicare Advantage: Medicare Advantage penetration is expected to continue growing, reaching 52% by 2027, driven by the increasing popularity of Medicare Advantage plans among seniors

Specialty Pharmacy: Specialty pharmacy is expected to be a key driver of growth in the pharmacy market, with revenue projected to increase at an 8% CAGR from 2022 to 2027

Government-Sponsored Programs: Government-sponsored programs, such as Medicare and Medicaid, are expected to play a larger role in the US healthcare market, with profit pools projected to increase by 65% by 2027

Commercial Insurance: Commercial insurance is expected to experience slower growth, with profit pools projected to increase at a 7% CAGR from 2022 to 2027 [1, 2].

The review also explored the impact of different types of insurance schemes, including:

Community-Based Health Insurance (CBHI): CBHI schemes showed mixed results, with some studies reporting positive effects on healthcare utilization and health status.

Voluntary Health Insurance (non-CBHI): Voluntary health insurance schemes showed positive effects on healthcare utilization, but mixed results on financial protection.

Compulsory Health Insurance: Compulsory health insurance schemes showed positive effects on healthcare utilization and financial protection.

This highlights the importance of health insurance in improving healthcare utilization, financial protection, and health status in LMICs. However, the evidence is not consistent across all types of insurance schemes, and more research is needed to understand the impact of health insurance on healthcare outcomes in these countries but this data gives us brief summary and review on this topic and you can easily analyze through it.

Lets focus on Healthcare markets and insurance systems in India and Russia share some similarities, but also have distinct differences [4].

India has a mixed healthcare system, with both public and private providers. The government provides free or subsidized healthcare to low-income individuals and families through various programs, while private hospitals and clinics cater to those who can afford them.

Russia, on the other hand, has a publicly-funded healthcare system, with the Federal Compulsory Medical Insurance Fund (OMI) providing comprehensive coverage

to all citizens and registered residents. However, the quality of care can vary significantly depending on the region and type of facility.

In India, health insurance is primarily provided by private insurance companies, with various plans available for individuals, families, and groups. The government also offers health insurance schemes, such as the Ayushman Bharat Yojana, which provides coverage to low-income families

In Russia, health insurance is mandatory for all citizens and registered residents, with the OMI providing comprehensive coverage. However, some individuals may choose to purchase additional private health insurance for better quality care or access to specialized treatments.

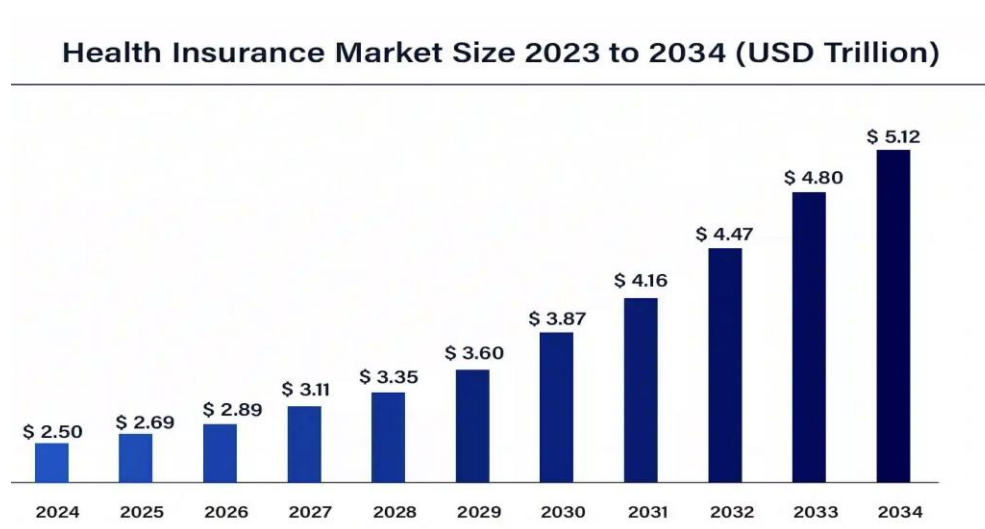


Figure – Health insurance data comparison

Challenges Facing the Health Insurance Sector in India

Increasing underwriting losses: Despite growing premium earnings, the sector is struggling to earn underwriting profits .

Rising healthcare costs: The COVID-19 pandemic has led to a spike in healthcare costs, making it challenging for insurance providers to maintain profitability .

Attracting younger customers: The health insurance market in India is struggling to attract younger customers, highlighting the need for innovative products and services .

Both India and Russia face challenges in their healthcare systems, including inadequate infrastructure, shortage of healthcare professionals, and rising healthcare costs. However, there are also opportunities for growth and improvement. India's healthcare market is expected to grow significantly, driven by increasing demand for quality healthcare services and rising health insurance penetration.

Russia's healthcare system, on the other hand, is expected to benefit from government initiatives aimed at improving healthcare infrastructure and increasing access to quality care.

In conclusion, while both India and Russia face challenges in their healthcare systems, there are also opportunities for growth and improvement. Understanding the similarities and differences between these two countries' healthcare markets and insurance systems can provide valuable insights for policymakers, healthcare professionals, and individuals seeking quality healthcare services, the healthcare market and insurance systems are undergoing significant changes, driven by shifts in consumer behavior, advances in technology, and changes in government policies. As the healthcare industry continues to evolve, it's essential to stay informed about the latest trends and developments [5].

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