

2 mark

part-5

1. define health

"Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity."

2. what do you mean health care
Health care refers to the efforts that medical professionals make to restore our physical and mental well-being. The term also includes the provision of services to maintain emotional well-being.

3. define health insurance

Health insurance is a type of insurance that covers the whole or a part of the risk of a person incurring medical expenses. As with other types of insurance is risk among many individuals.

4. what do you mean demand for health

The demand for healthcare is a derived demand from the demand for health. Healthcare is demanded as a means for consumers to achieve a larger stock of "health capital". The demand for health is unlike most other goods because individuals allocate resources in order to both consume and produce health.

5 mark

1. write short note on demand for health

The demand for healthcare is a derived demand from the demand for health. Healthcare is demanded as a means for consumers to achieve a larger stock of

"health capital". The demand for health is unlike most other goods because individuals allocate resources in order to both consume^{value} and produce health.

The above description gives three roles of persons in health economics. The World Health Report (P.52) states that people take four roles in the health care.

contributors

citizens

providers

consumers

Michael Grossman's 1972 model of health production has been extremely influential in this field of study and has several unique elements that make it notable. Grossman's model views each individual as both a producer and a consumer of health. Health is treated as a stock which degrades over time in the absence of "investments" in health, so that health is viewed as a sort of capital. The model acknowledges that health is both a consumption good that yields direct satisfaction and utility, and an investment good, which yields satisfaction to consumers indirectly through fewer sick days. Investment in health is costly as consumers must trade off time and resources devoted to health, such as exercising at a local gym, against other goals. These factors are used to determine the optimal level of health that

an individual will demand. The model makes predictions over the effects of changes in prices of healthcare and other goods, labour market outcomes such as employment and wages, and technological changes. These predictions and other predictions from models extending Grossman's 1972 paper form the basis of much of the econometric research conducted by health economists.

In Grossman's model, the optimal level of investment in health occurs where the marginal cost of health capital is equal to the marginal benefit. With the passing of time, health depreciates at some rate δ . The interest rate faced by the consumer is denoted by r . The marginal cost of health capital can be found by adding these variables: $MCHK = r + \delta$. The marginal benefit of health capital is the rate of return from this capital in both market and non-market sectors. In this model, the optimal health stock can be impacted by factors like age, wages and education. As an example, δ increases with age, so it becomes more and more costly to attain the same level of health capital or health stock as one ages. Age also decreases the marginal benefit of health stock. The optimal health stock will therefore decrease as one ages.

2. List out variable Important of health
health is a state of complete physical, mental and social well-being for a healthy life cycle, a person needs to have a balanced diet and has to regularly exercise. one must also live in a proper shelter, take enough sleep and have good hygiene habits. So, how do we ensure that we are doing all the right things to have a good health. let's spread the awareness for the importance of health.

The health of all organisms depends on their surrounding or their environment. Our social environment is an important factor in our individual health.

public cleanliness is important for individual health. Therefore, we must ensure that we collect and clear the garbage regularly. we must also contact an agency who can take the responsibility of clearing the drains. without this, you could severely affect your health.

we need food for health and for food, we will have to earn money by doing work. For this, the opportunity to do work has to be available. Good economic condition and jobs are, therefore, needed for individual health.

we need to be happy in order to be truly healthy. If we mistreat each other

and are afraid of each other, we cannot be healthy or happy. Social equality and harmony are important for individual health.

Maintain and improve the employee performance both quantitatively and qualitatively

Reduce employee absenteeism and turnover

Minimize industrial unrest and indiscipline

Improve employee morale and motivation.

3. Write short note on supply of health

The total amount of a product [good or service] available for purchase at any specified price in specific time period

Suppliers include hospitals, which provide health care directly, and medical equipment and pharmaceutical companies, which provide inputs to the healthcare production process

The supply provided by producers will rise if the price rises because all firms look to maximize profits

A health production function describes the relationship between combination of health inputs, both medical and non-medical, and resulting health output.

It shows how health inputs interact to produce a particular level of health, and how health state changes if health inputs used and their combination change.

The prices can be high because the supply is limited.

so it is trickier to compare the price of health care across countries because we have to consider differences in market power as well

A bigger problem is that some health-care suppliers, such as hospitals are either gover controlled or not-for-profit institutions

The supply side is problematic. First of all some health-care suppliers have significant market power

we now turn to the supply side of health care. Economists often talk of output being produced using a production function that uses labour, capital and intermediate inputs.

4. why health insurance needed

Doctor and medical facility availability

An individual needs to make sure the doctors, hospitals and medical groups they want to use are contracted with their insurance company.

premium [monthly cost]

This monthly fee, which is paid by the individual, should be affordable and the

individual should be able to maintain that premium over a period of time within the individual's budget.

Deductible

The amount that the policy holder must pay out-of-pocket before the health insurance plan pays its share

co-payment

The amount that the insured must pay before the health plan pays. This is a lot like a deductible but is applied to individual services, which are usually waived from the deductible [except for prescription drugs]

Exclusions

Not all services are covered in some plans. A lot of new plans do not have coverage for maternity or brand name prescription drugs. These exclusions can lower premiums.

out-of-pocket maximum

This is the amount where the policy holder's obligation ends under coinsurance and the insurance company pays 100% of the cost

Health insurance policies can be very confusing

It is best to find an insurance agent who specializes in this kind of coverage and meet with them to review the details

Insurance plans are no more expensive using an agent than going direct.

5 write short note on health insurance in India.

Health insurance in India is a growing segment of India's economy. The Indian health system is one of the largest in the world, with the number of people it concerns; nearly 1.3 billion potential beneficiaries. The health industry in India has rapidly become one of the most important sectors in the country in terms of income and job creation. In 2018, one hundred million Indian households [500 million people] do not benefit from health coverage. In 2011, 3.9% of India's gross domestic product was spent in the health sector. According to the World Health Organization [WHO], this is among the lowest of the BRICS [Brazil, Russia, India, China, South Africa] economies. Policies are available that offer both individual and family cover. Out of this 3.9% health insurance accounts for 5-10% of expenditure, employers account for around 9% while personal expenditure amounts to an astounding 82%. In the year 2016, the NSSO released the report "Key Indicators of Social Consumption in India: Health" based on its 71st round of surveys. The survey carried out in the year 2014 found out that, more than 80% of Indians are not covered under any health insurance plan, and only 18% [government funded 12%] of the urban population and 14% [government funded 13%] of the rural population was covered under any form of health insurance. For the financial year 2014-15, Health insurance premium was ₹ 20,440.

Health insurance is a type of insurance that covers the whole or a part of the risk of a person incurring medical expenses. As with other types of insurance is risk among many individuals. By estimating the overall risk of health risk and health system expenses over the risk pool, an insurer can develop a routine finance structure, such as a monthly premium or payroll tax, to provide the money to pay for the health care benefit specified in the insurance agreement. The benefit is administered by a central organization, such as a government agency, private business, or not-for-profit entity.

10 mark

1. why public sector involved in health department
public sector involvement in health care dates back to 1883 when compulsory sickness insurance was introduced in Germany for some categories of workers. This established the first model of mandatory health-care insurance in the western world.

Healthcare is not a profit maximising industry. Doctors and nurses don't need financial incentives to do a good job but are motivated by aims of patient care and job satisfaction.

Healthcare doesn't work as a free market. Patients tend to trust diagnosis of the doctor. They don't go shopping around for best or cheapest health care. Trying to introduce competition in healthcare is fruitless because in practice patients are not in a position to shop around choosing between different doctors.

In health care, consumer sovereignty does not apply to other markets.

public health care provision means everyone has access to this important public service. left to the free market, there would be some who don't have private healthcare insurance and would suffer.

Healthcare is a merit good. people may underestimate the importance of going to doctor for a check-up. This could lead to some diseases being left unchecked and becoming more serious and difficult to treat

private health care and government subsidies for poor and elderly means very high administration costs.

private health care insurance firms make large profit meaning more expensive healthcare for countries like the US, who have private provision.

The problem of adverse selection. The problem with the private provision is that people who are likely to be unhealthy will have greatest desire to purchase health care insurance. This raises insurance premium. However, young healthy people will then be discouraged from buying relatively more expensive insurance; therefore many young people will not take out insurance meaning insurers are left with a higher percentage of unhealthy people. This problem of adverse selection requires some kind of government intervention to reduce

average premiuming and make sure young healthy people do not neglect to take out health insurance.

When health care is paid for by private insurance, there is actually less mechanism for evaluating the cost/benefit of different treatments. Doctors are happy to prescribe expensive treatments, which may do little to help because the bill is paid for by insurance companies. In the public sector, there is a discipline of sticking within budgets and rationing health care to where it is needed most.

The role of the government in influencing population health is not limited within the health sector but also by various sectors outside the health systems.

Health system

I. Health system strengthening Important

issue that the health system must contend are lack of financial and material resources, health workforce issue and the stewardship challenge of implementing pro-equity health policies in a pluralistic environment. The National Rural Health Mission (NRHM) launched by the government of India is a leap forward in establishing effective integration and convergence of health services and affecting architectural correction in the health care delivery system in India.

II. Health Information System The Integrated

Disease surveillance project was set up to establish a dedicated highway of information relating to disease occurrence required for prevention and containment at the community level, but the slow pace of implementation is due to poor efforts involving critical actors outside the public sector. Health profiles published by the government should be used to help communities prioritize their health problems and to inform local decision making. Public health laboratories have a good capacity to support the government's diagnostic and research activities on health risks and threats, but are not being utilized efficiently. Mechanisms to monitor epidemiological challenges like mental health, occupational health and other environment risks are yet to be put in place.

III. Health research system There is a need for strengthening research infrastructure in the departments of community medicine in various institutes and to foster their partnerships with state health services.

Regulation and enforcement in public health

A good system of regulation is fundamental to successful public health outcomes. It reduces exposure to disease through enforcement of sanitary codes, e.g., water quality

monitoring, slaughterhouse hygiene and food safety. wide gaps exist in the enforcement, monitoring and evaluation, resulting in a weak public health system. This is partly due to poor financing for public health, lack of leadership and commitment of public health functionaries and lack of community involvement. Revival of public health regulation through concerted efforts by the government is possible through updating laws, consulting stakeholders and increasing public awareness of existing laws and their enforcement procedures.

Health promotion

Stopping the spread of STDs and HIV/AIDS, helping youth recognize the dangers of tobacco smoking and promoting physical activity. These are a few examples of behavior change communication that focus on ways that encourage people to make healthy choices. Development of community-wide education programs and other health promotion activities need to be strengthened. Much can be done to improve the effectiveness of health promotion by extending it to rural areas as well; observing days like "Diabetes day" and "Heart day" even in village will help create awareness at the grassroots level.

public health policy

Identification of health objectives and targets is one of the more visible strategies to direct the activities of the health sector, e.g. in the United States, the "Healthy People 2010" offers a simple but powerful idea by providing health objectives in a format that enables diverse groups to combine their efforts and work as a team. Similarly, in India we need a road map to "better health for all" that can be used by states, communities, professional organizations and all sectors. It will also facilitate changes in resource allocation for public health interventions and a platform for concerted intersectoral action, thereby enabling policy coherence.

2. given account of performance of health insurance India

Health insurance is a contract between the insurance company and the insured person to cover the medical cost which arises from illness, injury or the medical complications. The government funded healthcare system the quality and access of services had always been an area of concern in this sector with the liberation of economy the private health market included the health sector and with the passage of time had shown rapid progress however with proliferation of

various health care technology and general prices rise the health care become expensive and unaffordable to large segment of Indian population since health insurance sector has shown tremendous progress but still there are large opportunities as only 4% of Indian population is covered.

Health insurance in a literary sense would be an individual or group purchasing health coverage in advance by paying fees called premium. Health insurance would be an agreement that help to deal payment for health care increased by individuals. Health is always a priority among Indians in spite of significance gain in health it continues to struggle the new challenges. The emerging economy like India leading to a new life style which create some bottle neck leading to some diseases burden of communicable and non-communicable disease. Health insurance in a form of healthcare financing which was introduced in India in 1986-87 by four subsidiary of general insurance corporation to support the ill health care industry they are National Insurance, New India Assurance, Oriental Insurance, unite India Assurance. In the era of liberalization with the price and income there was a growing demand of health insurance policies in the country um how or the other the public sector insurance company fail to meet consumer demand there by paving way

for private insurance companies to enter into this sector. The IRDA eliminated various tariff in 2007 which created more freedom for these private health insurance companies.

Need for Health Insurance

Due to change in the life style of working population there are greater changes of people suffering from various diseases the eating and working habit also result in health problem. A few statistical data reveal that 18% of urban population suffer from hypertension, 30% suffer from heart problems and 1.5 crore Indian population are suffer from diabetes [Source health care in India emerging market report -2007]. The high medical expenses and indirect cost which add financial burden due to incomplete financial planning leads more burdens on the people thus there is a grater need of health insurance among the people.

present scenario of health insurance market in India

As a part of its financial sector reform the India government liberalized the Indian insurance industry by enactment of IRDA Act by the Indian parliament 1999. which led to the opening of private sector before liberalization the Indian insurance sector consist of the government own life insurance corporation and general insurance corporation in 1999. The IRDA licenget 24 private insurance companies of which 21

Covers foreign equity participation in spite of new private companies health insurance vastly remain under developed in India. In 2001, the IRDA introduced provision for third party Administrator to support the administration and management of health insurance product offer by insurance company.

An insurance is the protection for high health care cost it is time for state holder to join hand to overcome the challenges for survival of the health insurance industry. Regulated and managed insurance market can play a significant role in moving health financing toward debt and equity.

The insurance companies should create more awareness regarding health insurance; there should be an strong underwriting and claim management system.

The health insurance company should create more awareness regarding health insurance. There should be a strong underwriting and claim management system.

The health insurance companies should introduce new product for different segment which provide specific treatment. The agent and private player should target new market in rural and semi urban areas which will increase the penetration.

of health insurance. The health insurance companies should control cost by managing controlling hospitals.

Regarding the policy condition the various policy exclusion should be very clear. The various rider and other parameter like pre and post hospitalization, portability, premium relaxation should be transparent the various disease covered should be clearly specified.

The hospital covered should be given in the policy document the government should recognized health insurance as a separate line of business it should introduce capital monitoring and product level norms for private health insurance companies accredited and benchmarking of health insurance provider should be mandatory by government. There should be some quality standard for health insurance companies to follow the norms. The government should reform the public health care system be decentralizing of authority and invest more to insurance standard.

3. why private participation health needed for health sector

Foreigners in increasing numbers are now coming to India for private health care. They come from the middle East, Africa, Pakistan and Bangladesh for complex paediatric cardiac surgery or liver transplants

procedures that are not done in their home countries. They also come from the United Kingdom, Europe, and North America for quick, efficient, and cheap coronary bypasses or orthopaedic procedures.

A shoulder operation in the UK would cost £10,000 (\$17,460; €14,560) done privately or entail several months' wait under the NHS. In India the same operation can be done for £1,700 and within 10 days of a first email contact.

The recent remarkable growth of the private health sector in India has come at a time when public spending on health care at 0.9% of gross domestic product [GDP] is among the lowest in the world and ahead of only five countries - Burundi, Myanmar, Pakistan, Sudan, and Cambodia. This proportion has fallen from an already low 1.3% of GDP in 1991 when the neoliberal economic reforms began.

Yet India ranks among the top 20 of the world's countries in its private spending, at 4.2% of GDP. Employers pay for 9% of spending on private care, health insurance 5-10%, and 82% is from personal funds. As a result, more than

40% of all patients admitted to hospital have to borrow money or sell assets, including inherited property and farmland, to cover expenses, and 25% of farmers are driven below the poverty line by the cost of their medical care.

Despite the suspicions of the people who use the service that may private providers of health care perform unnecessary diagnostic test and surgical procedures, Indians are choosing the private sector in overwhelming numbers. This is because the public alternative is so much worse, with interminable waits in dirty surroundings with hordes of other patients. Many medicines and test are not available in the public sector, so patients have to go to private shops and laboratories. Each harassed doctor may have to see more than 100 patients in a single out patient session. Some of these doctors advise patients, legally or illegally, to "meet them privately" if they want more personalised care. In a recent survey carried out by Transparency International, 30% of patients in government hospitals claimed that they had to pay bribes or use influence to jump queues for treatment and for out patient appointments with senior doctors and to get clean bed sheets and

and better food in hospital

This was not always so, when India became independent of British rule in 1947 the private health sector provided only 5-10% of total patient care. Today it accounts for 82% of outpatient visit, 58% of inpatient expenditure, and 40% of births in institutions. Spending on health has not been a priority for successive governments, and they have encouraged the growth of the private sector. They have subsidised the private sector by releasing prime building land at low rates [as long as a quarter of patients are treated free - a condition that is rarely met], by exemptions from taxes and duties for importing drugs and high tech medical equipment and through concessions to doctors setting up private practices and nursing homes. Moreover, when medical staff trained in public institutions for fees of about 500 rupees [£11; £6; £9] a month move to work in private health care this represents indirect support for the private sector of some 4000m - 5000m rupees per year. They leave not only for better salaries

but also for better working conditions
→ the same reasons why they leave
India to work abroad.

until about 20 years ago the private sector comprised solo practitioners and small hospitals and nursing homes many of the services provided were of exemplary quality, especially those hospitals run by charitable trusts and religious foundations. As the practice of medicine has become more driven by technology, however, smaller organisations have become less able to compete in the private health care business.

The private health sector in India has made some impressive strides but has done so at the cost of the public sector. To regulate it may be, however, just another opportunity for bureaucratic delays and corruption. A better solution might be to impose greater social accountability on private providers making a certain proportion of private service available to the poor.

In India, each year tuberculosis kills half a million people and diarrhoeal diseases more than 600,000. It is time for government to pay more attention to improving the health of Indians rather than to enticing foreigners from affluent countries.