

**A STUDY ON POSSIBLE FEATURES OF POTENTIAL
HEALTH INSURANCE SCHEMES FOR THE URBAN
INFORMAL SECTOR IN DELHI**



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for the Degree of Master of Science in Health Economics**

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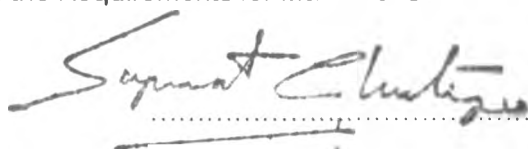
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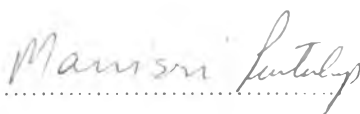
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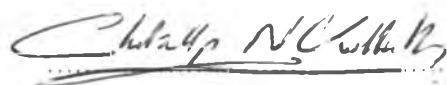
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This study used descriptive and methodological approaches to explore the possibilities of introducing a health insurance scheme for the urban informal sector in Delhi. The data for the study was collected from manual workers engaged in informal sector in Khanpur area of Delhi. The analysis consists of three parts. In the first part, health insurance schemes for informal sector in few countries are reviewed. In the second part, ability to pay (ATP) and willingness to pay (WTP) models are developed to understand the factors that can influence the ATP and WTP of the sample households. In the third part, various possibilities of introducing a health insurance scheme for informal sector in Delhi is examined partly on the basis of the study findings and partly on other available information.

The study showed that on an average the sample households spend 5.57 percent of their monthly income on health care. The per capita health expenditure per year is estimated as Rs. 255.06 (US \$ 7.08). The wage loss due to illness in the households is found to be substantial. The logit regression analysis of ATP and WTP showed household income, percent of income spent on health care and savings are statistically significant factors influencing household ATP for health care. Whereas, education of head of households, family size, number of earning members, ownership of property and households priority on health care are statistically significant factors influencing WTP.

Two alternative health insurance schemes viz; one voluntary and the other employer contributory scheme are designed. The study concludes that the feasibility of introducing an employer contributory scheme in Delhi is limited at the outset. The right path may be a voluntary health insurance scheme covering one region or certain occupational categories. Once the scheme became popular and relevant elements are found feasible, a moderate beginning may be made for employer contributory scheme, while the scope of voluntary insurance may be extended to self-employed.

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ABBREVIATIONS

ATP	: Ability To Pay
CGHS	: Central Government Health Scheme
CSO	: Central Statistical Organization
ESIS	: Employees State Insurance Scheme
FRCH	: Foundation for Research in Community Health
GICI	: General Insurance Corporation of India
HCF	: Health Card Fund
IIM	: Indian Institute of Management
ILO	: International Labour Organization
MH&FW	: Ministry of Health & Family Welfare
MOPH	: Ministry of Public Health
NCAER	: National Council for Applied Economic Research
NGO	: Non Governmental Organization
NIHFW	: National Institute of Health and Family Welfare
NSSO	: National Sample Survey Organization
RMP	: Registered Medical Practitioner
Rs.	: Rupees (Indian Rupee)
VHS	: Voluntary Health Services
WHO	: World Health Organization
WTP	: Willingness To Pay