PREFACE

Human desire to live a disease free and long life has evolved the present day health system. Health systems have existed since the time of organized form of group living. Initially, individuals who learnt and practiced medicine and surgery, as a family trade provided health care. Often medicine received patronage of the state.

The modern health system in India is barely hundred years old. Technology was primitive and understanding of disease and mechanism of control was poor. Few people would ever visit a hospital and the concept of hospitalization for child birth was alien to people's thinking. This was the norm till the first half of the 20th century.

Economic progress, spread of literacy and public health interventions led to smaller families, lesser number of births, increased probability of surviving the infancy and childhood, reduction in maternal mortality, control of epidemics and reduction in mortality, all led to increased expectancy of life. It became obvious that social development and efficiency of the health system was responsible for these changes in peoples lives.

Curative medicine and preventive medicine are the two arms of this system. Modern system of medicine has, by and large, controlled the menace of communicable diseases with intelligent application of antibiotics, vaccines and public health measures. Life can now be saved from failure of organs by life-support machines in short term and organ transplantation in long term. The
human race now faces the challenges of degenerative and non-communicable diseases for which the modern medicine has fewer answers. In addition, new infectious diseases have emerged as killers.

After understanding the genesis of disease and developing the technology to control it, there has been an increasing awareness that the modern health system has failed in many areas. First and foremost it has encouraged cost escalations, causing financial agony and distress to low and middle income brackets.

Eighty-seven percent of the health expenditure in India is from private sources. However most of this expenditure is after occurrence of the illness. This implies that: 1) people do not depend on the state for the health care 2) there exists an user charge system for utilizing public sector infrastructure and 3) there is a significant private sector participation in providing health infrastructure as well as service provision.

If the health expenditure is planned in advance through health insurance, then an effective system of health security can be created. It must be emphasized here that the concept of free health service as a component of social security as visualized in 1950s has not worked even in affluent societies. Thus, it is only a matter of time that health insurance with adequate checks and balances alongwith safety net for the weaker sections of the society would be initiated for funding of health care in a planned manner.

The Indian public is uninformed and misinformed about health insurance, and therefore is missing out on a timely wonderful and practical financial tool.
The main reason is that most people do not take health problem seriously until it grows out of proportions.

This research study focuses on the role played by the mediclaim insurance policy in helping its members to overcome the funding problems in times of medical exigencies. It is a micro study conducted in Chennai, the capital city of Tamilnadu state. The goal is to make people realize that insurance can play a significant role provided they utilize the services properly to be benefited as members.