

**IS THERE A MISSING MIDDLE IN HEALTH INSURANCE ACCESS? INDIAN  
EVIDENCE FOR 2019-21**

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## ABSTRACT

Expansion of health insurance ensued from India's effort to achieve Universal Health Coverage (UHC). Despite the launch of The Pradhan Mantri Jan Arogya Yojana (PMJAY) in 2018 as part of this initiative, India's health insurance market is still characterized by high out-of-pocket expenditure (OOPE), posing a significant financial burden on individuals. Recent data shows that only 33.9% of males and 29.8% of females have reported having a health insurance card, indicating a low penetration. The NITI Aayog (2021) report indicated that the middle 30% of the population is missing out on health insurance and termed them the "missing middle". The current study aims to analyze the existence and characteristics of the missing middle in some more detail using the NFHS-5 (2019-20) dataset which is a demand-side perspective. Multinomial Probit estimates based on three options of health insurance: none, at least one government insurance, and only private and other insurance indicate the existence of the missing middle in terms of education for men, age and wealth index for women, but not in terms of social status assessed by religion and caste, and other general characteristics like marital status, media exposure, state, occupation, and size of the household. Therefore, the study highlights the need for creating more awareness and appropriate pricing of premiums for private insurance providers so that health insurance coverage will improve for the missing middle population and thereby the overall health insurance penetration in India.

**Keywords:** Health Insurance, Missing Middle, Universal Health Coverage, Education, Age, Occupation, Social status

**JEL Codes:** I13, I14, I15, J24, J26, J44, J71