

**WALLET WELLNESS:  
DIAGNOSING HOW PUBLIC HEALTH  
INSURANCE SCHEMES IMPACT  
HOUSEHOLD FINANCES IN INDIA**

**ANINDYO KAMAL SEN**

*A project report submitted*

*in partial fulfillment of the requirement for the award of the degree of*

**MASTER OF ARTS**

**IN**

**FINANCIAL ECONOMICS**



May 2025

**MADRAS SCHOOL OF ECONOMICS**  
Chennai - 600025

## ABSTRACT

This paper examines the impact of publicly-funded health insurance (PFHI) programs on household finances in India. Using data from the Comprehensive Annual Modular Survey 2022-23, the research employs propensity score matching and instrumental variable approaches to address endogeneity concerns and estimate causal effects. Results indicate that PFHI enrollment reduces out-of-pocket medical expenditure by approximately Rs. 1,352 (21.6%) for below-poverty-line households. The benefits vary across demographic groups, with urban households and those from the Hindu community experiencing greater reductions in medical expenses. Despite improved rural coverage, wealth-related disparities in program enrollment persist. While internet access shows positive association with PFHI participation, its effect is modest, suggesting non-digital outreach channels are effective. The findings affirm that PFHI programs successfully reduce financial burden on vulnerable households, supporting their continued implementation as effective policy instruments for healthcare financing in developing countries.