

Final Report
On
RSBY & BKKY
AT
ANGUL, GAJAPATI & PURI

For



P&C DEPARTMENT, GOVT. OF ODISHA
ODISHA SECRETARIAT

by



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1.0 INTRODUCTION:

1.1 RASHTRIYA SWASTHYA BIMA YOJANA (RSBY):

(RSBY, literally "National Health Insurance Programme", Hindi (राष्ट्रीय स्वास्थ्य बीमा योजना) is a government-run health insurance scheme for the Indian poor. It provides for cashless insurance for hospitalisation in public as well as private hospitals. The scheme started enrolling on April 1, 2008 and has been implemented in 25 states of India. A total of 36 million families have been enrolled as of February 2014. In the starting RSBY is a project under the Ministry of Labour and Employment. Now it is transferred to Ministry of Health and family welfare from April 1, 2015.

Every "below poverty line" (BPL) family holding a yellow ration card pays Rs.30 registration fee to get a biometric-enabled smart card containing their fingerprints and photographs. This enables them to receive inpatient medical care of up to 30000 per family per year in any of the empanelled hospitals. Pre-existing illnesses are covered from day one, for head of household, spouse and up to three dependent children or parents.

In the Union Budget for 2012-13, the government made a total allocation of 1096.7 crore (US\$160 million) towards RSBY. Although meant to cover the entire BPL population, (about 37.2 per cent of the total Indian population according to the Tendulkar committee estimates) it had enrolled only around 10 per cent of the Indian population by March 31, 2011. Also, it is expected to cost the exchequer at least 3350 crore (US\$500 million) a year to cover the entire BPL population.

The scheme has won plaudits from the World Bank, the UN and the ILO as one of the world's best health insurance schemes. Germany has shown interest in adopting the smart card based model for revamping its own social security system, the oldest in the world, by replacing its current, expensive, system of voucher based benefits for 2.5 million children. The Indo-German Social Security Programme, created as part of a co-operation pact between the two countries is guiding this collaboration.

One of the big changes that this scheme entails is bringing investments to unnerved areas. Most private investments in healthcare in India have been focused on tertiary or specialized

care in urban areas. However, with RSBY coming in, the scenario is changing. New age companies like G local Healthcare Systems, a company based out of Kolkata and funded by Tier I Capital Funds like Sequoia Capital and E levar Equity are setting up State of Art Hospitals in Semi Urban - rural settings. This trend can create the infrastructure that India's healthcare system desperately needs.

As per report from Council for Social Development, it was found that this scheme has not been very effective. Increase in outpatient expenditure, hospitalization and medicines have compelled insurance companies to exclude several diseases out of their policies and thus making it not affordable for BPL families. Report also has found that most of the beneficiaries are from higher classes and not targeted beneficiaries.

Highlights of the existing guideline:

- I. BPL and MNREGA families have only been enrolled under RSBY.
- II. Family size limited to 5 members per family
- III. Enrolment of beneficiaries annually/every year after completion of the policy one period.
- IV. Financing for the Scheme;
 - (a) Contribution by Government of India: 75% of the estimated annual premium of Rs.750, subject to a maximum of Rs.565 per family per annum. Additionally, the cost of the smart cards will also be borne by the Central Government @ Rs.60/- per card.
 - (b) Contribution by the respective State Governments: 25% of the annual premium, as well as any additional premium in cases where the total premium exceeds Rs.750.
 - (c) The beneficiary pays Rs.30 per annum as registration/renewal fee.
 - (d) Any administrative and other related cost of administering the scheme in each State, or otherwise included in the premium cost, is to be borne by the State Governments.
- V. Splitting of the Smart card (In case some members of a family stays in different place)

- VI. In the supplementary agreement of RSBY issued by the Ministry of Labour & Employment, GoI, Insurance Companies have to disburse 70 % of the total premium towards settlement of Claims raised by the empanelled hospitals.
- VII. Annual Insurance coverage is Rs. 30,000/- per family on floater basis.

1.2 BIJU KRUSHAK KALYAN YOJANA (BKKY):

Odisha lives in its Villages and farmers are its backbone. They toil hard to feed the nation. They suffer in silence and when they are affected by ailments and diseases, pay heavy economic, social and emotional price. The most important and major cause of our farmers falling to poverty trap is the financial hazards and deprivation that health related expenses bring to them. BKKY is brought in as a tribute to the Farmers and their families to provide them health security. It is an earnest effort to provide them financial support through health and accident insurance as a part of the commitment of the welfare state. Rural Odisha houses 83% of the total population of the state. One of the major insecurities for rural populace and farmers is absence of health cover for such farmers and their family members. Insecurity relating to absence of health cover, heavy expenditure on medical care and hospitalization and recourse to inadequate and incompetent treatment is not only a social and psychological burden borne by these populace but there are significant economic costs resulting from loss of earning and progressive deterioration of health .Thus, with a view to providing health insurance cover to farmers in the Rural Odisha and their families, the Government of Odisha has announced the “Biju Krushak Kalyan Yojana”.

Highlights of the existing guideline:

1. Farmer families have been enrolled under BKKY.
2. Family size limited to 5 members per family
3. Enrolment of beneficiaries every 3 year and auto renewal of smart cards every year.
4. Financing for the Scheme;
 - (a) State Government financing the scheme completely.
 - (b) The beneficiary pays Rs.30 per annum as registration fee once in 3 years.
 - (c) Refund clause of 80 percent as claim against the total premium paid to the Insurance Companies.
 - (d) Benefit Package:

The Benefits within this scheme will be provided in two separate streams called BKKY Stream I and BKKY Stream II. These benefits, to be provided on a cashless basis to the Beneficiaries up to the limit of their annual coverage, package charges on specific procedures and subject to other terms and conditions outlined herein, are the following:

(A) BKKY Stream I:

Coverage for meeting expenses of hospitalization for medical and/or surgical procedures including maternity benefit and new born care, to the enrolled families for up to ₹ 30,000/- per family per year subject to limits, in any of the empanelled Health Care Providers across Odisha for those procedures listed in RSBY. The benefit to the family will be on floater basis, i.e., the total reimbursement of ₹ 30,000/- can be availed individually or collectively by the enrolled members of the family per year;

And, Coverage for meeting expenses of hospitalization for medical and/or surgical procedures to the enrolled families for up to ₹ 70,000/- per family per year on a floater basis, subject to limits, in any of the empanelled Critical Care Providers across Odisha and outside, for specific procedures. Those Families who are eligible to be enrolled under RSBY are not eligible for coverage under BKKY Stream-I.

(B) BKKY Stream II:

Coverage for meeting expenses of hospitalization for medical and/or surgical procedures to the enrolled families for up to ₹ 70,000/- per family per year on a floater basis, subject to limits, in any of the empanelled Critical Care Providers across Odisha and outside, for specific procedures. **All the RSBY eligible beneficiary families are eligible for coverage under BKKY Stream-II.**

2.0 SCOPE OF THE STUDY:-

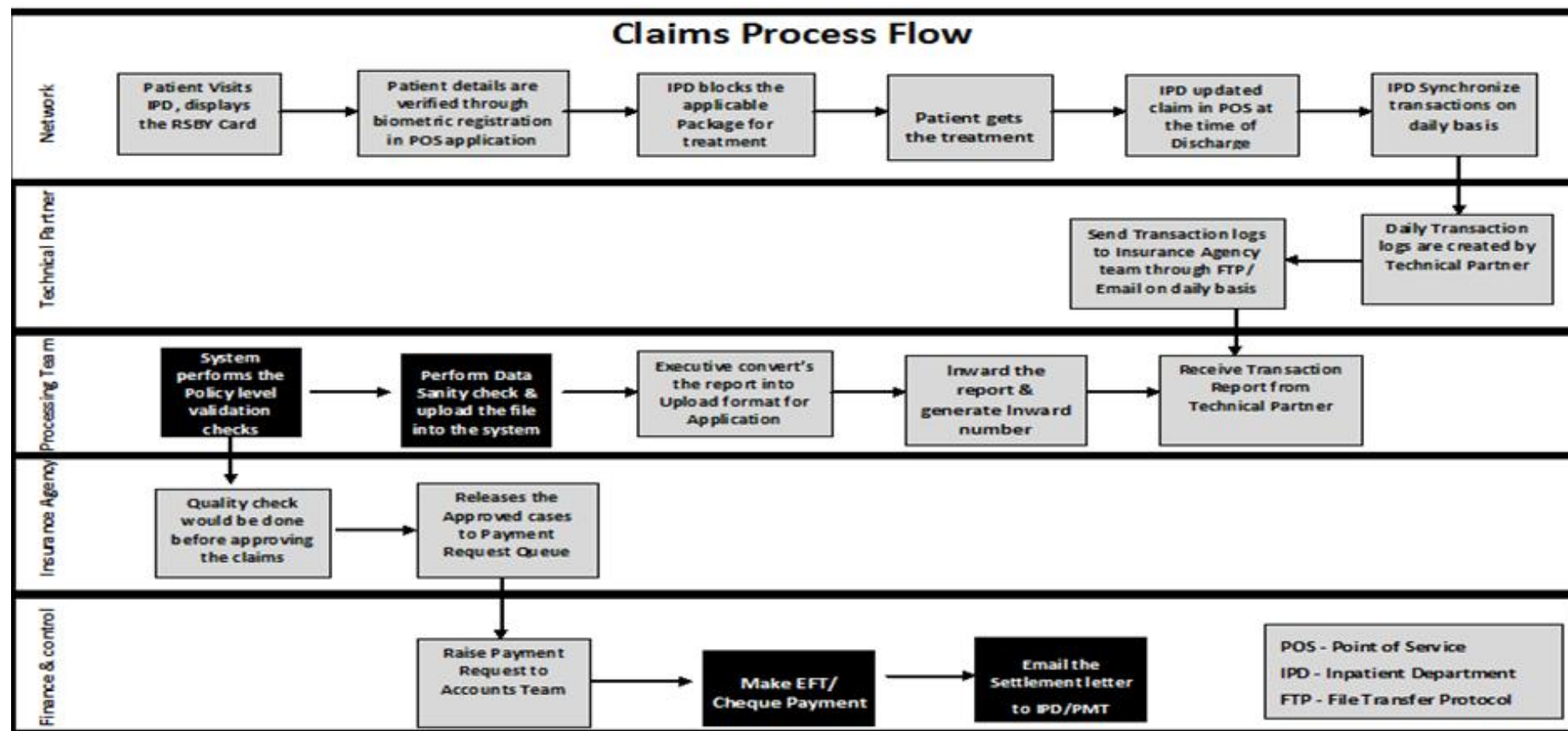
The scope of the study covers various dimensions of insurance scheme with the help of both secondary data and primary data collected from the field study and interaction with the various stakeholders at District/ Block/ Village level.

3.0 OBJECTIVE OF THE STUDY:

- To understand the patterns in healthcare access among poor households and analyse the Impact of RSBY, BK KY in influencing access to healthcare among the target households.
- To understand the pattern of healthcare-related expenses among poor households and gauge the impact of RSBY, BK KY as a measure to reduce the burden of medical expenditure on the target households.
- To understand the gaps, if any, in information, service delivery and implementation of RSBY, BK KY.
- The objective of this paper is to analyze treatment-seeking behaviour among beneficiaries of RSBY, BK KY, and its impact on increasing access to healthcare.

4.0 PROCESS FLOW

Figure 1: Process flow of RSBY and BKKY



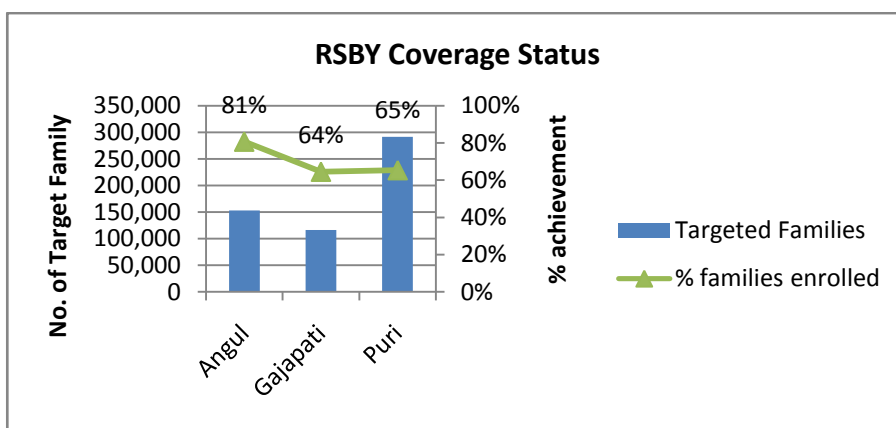
5.0 OBSERVATIONS AND FINDINGS:

5.1 RSBY Coverage Status:

The percentage of enrollment is lowest in Puri followed by Gajapati, but the same is appreciating in Angul with a total of 81% of the total families targeted. Many BPL beneficiary now migrate from their hometown and work in cities where there exist opportunity for their livelihood. But these people's names are still kept in the BPL households list and will also be regarded as part of the denominator of enrolment rate. BPL households live in a very remote area as in Gumma block which is difficult to access geographically. The cost to go to these areas and enrol these people is much higher than the money which the Third Party Administrator can get from the insurance company. Besides the high economic cost, to enrol the BPL households in the areas infested with anti-government areas of Chhendipada industrial block is a very dangerous job.



Figure 2: RSBY Coverage Status

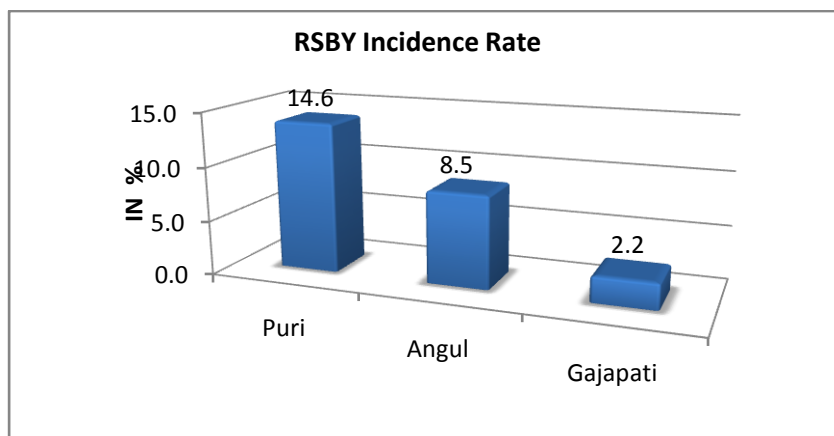


Source: NHM Odisha

5.2 Incidence Ratio:

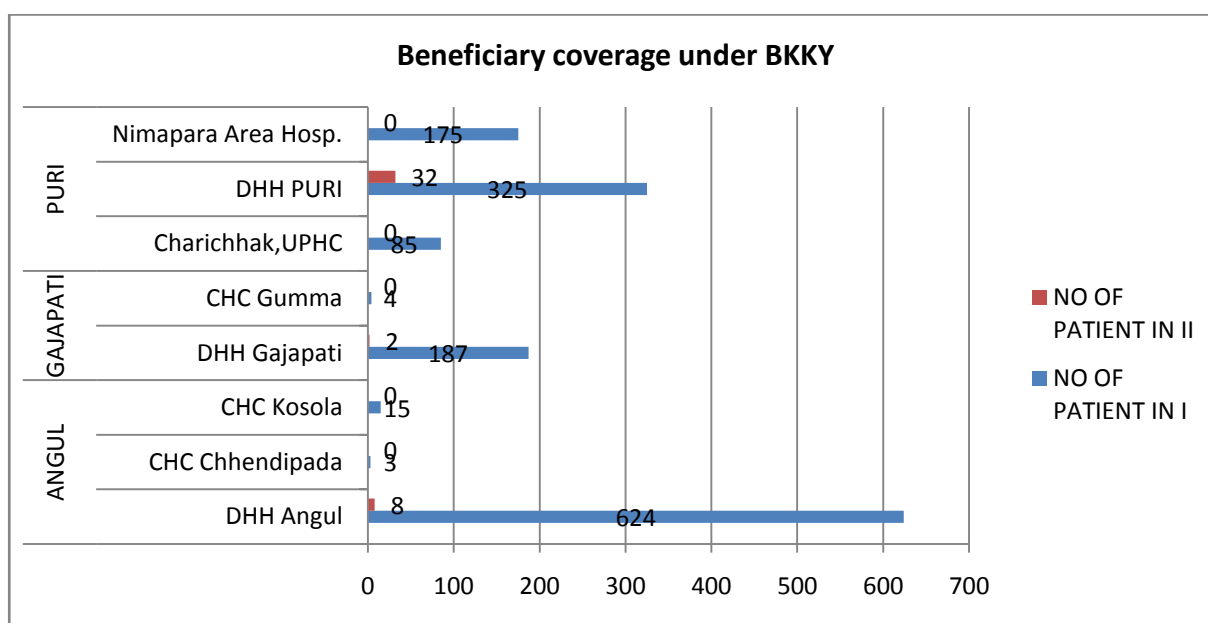
Incidence ratio (No. of claims/ total families registered) shows that dependability or utilization factor which is highest around 14.6% in Puri and comparatively more than other two districts. In Puri, Angul the Success rate is higher due to proper infrastructure for RSBY/ BKKY and awareness amongst the stakeholders. In Gajapati due to non-awareness of the scheme, and lack of Kiosk, Internet in CHC; the success rate of the scheme is low. The major factors responsible for the poor utilization are:

- Households' poor awareness on the RSBY/BKKY benefits and procedures;
- The inadequate number of empanelled hospitals in that area to provide requisite treatment;
- Empanelled hospitals' refusal or delay of treatment to the RSBY smartcard holders due to internet issues, card and fingerprint scanner issues;
- The long-term/ inordinate delay to issue the smartcards.
- The mismatch in the credentials of the card at the Kiosk level, the same is due to the wrong registration of the user and their tagging of the credentials.

Figure 3: Incidence rate of the three districts

Source: NHM Odisha

5.3 BKKY Coverage Status:

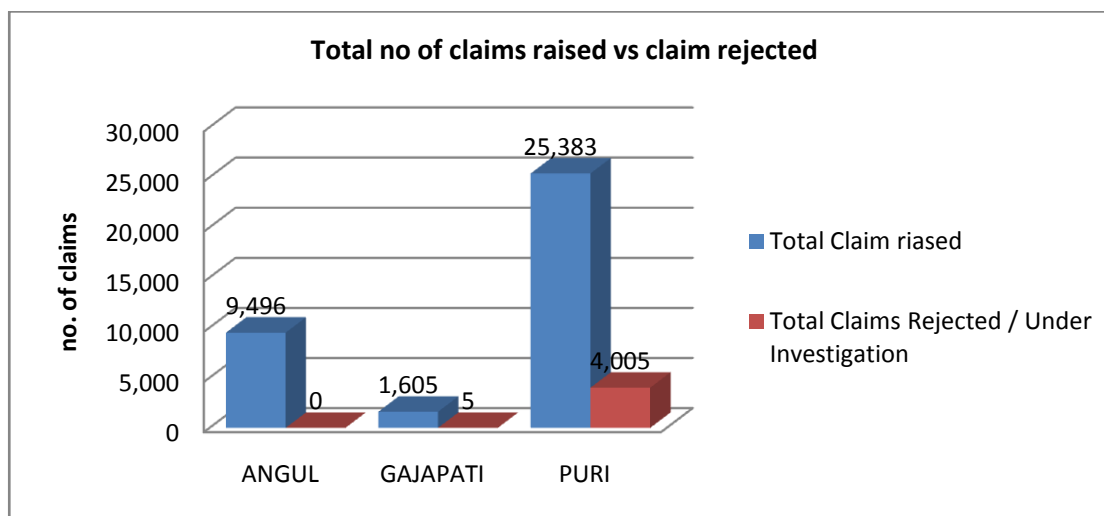
Figure 4: Beneficiary coverage under BKKY

Source: NHM Odisha

- The BKKY II caters to the cases of critical illness which is not covered under BKKY I
- The no. of patients availed the benefits under BKKY II is very less as there is neither proper infrastructure nor resources are available at the CHC level for managing the critical ailments.

5.4 Claim Settlement Status:

Figure 5: Total no of claims raised vs claim rejected

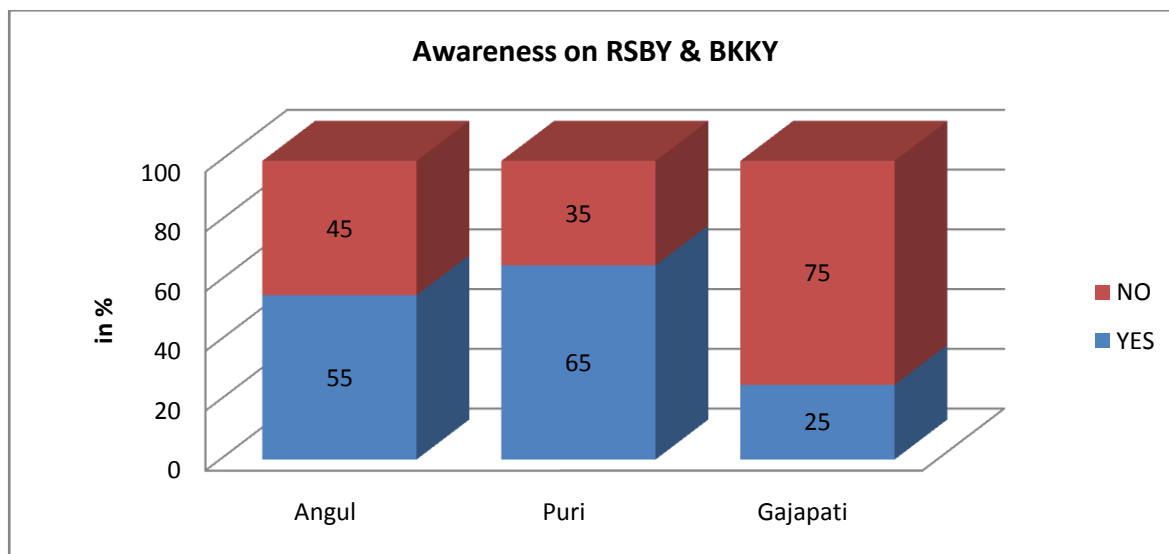


Source: NHM Odisha

- In Puri District, 15% of the claims are rejected after investigation, while the same is 0%, 0.3% in Angul and Gajapati district respectively.
- Firstly, the lack of efficient mechanism of dispute resolution between hospital and insurance company causes the long-term delay of reimbursement, which finally makes some hospitals refuse to entertain the beneficiaries availing the benefits under RSBY/BKKY.
- It is a common issue in the readability of the credentials in the card; as the registration of the card by the agency during enrolment is not systematic. The error in reading the credentials of the smart card at the Kiosk, forbids the user to avail the benefits of RSBY/BKKY.

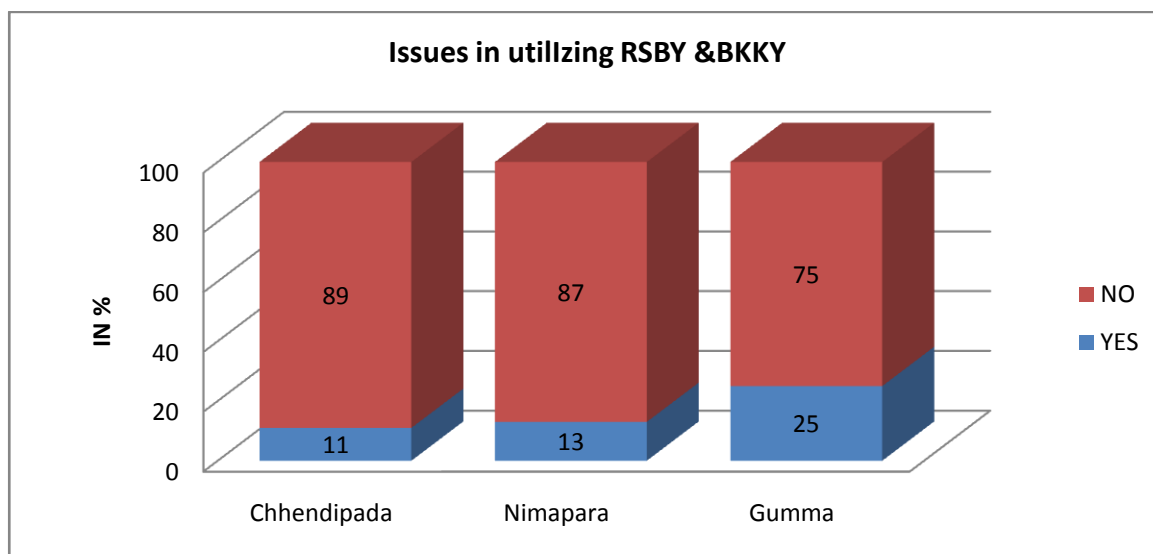
6.0 BENEFICIARY PROSPECTIVE:

Figure 6: Awareness about RSBY & BK KY



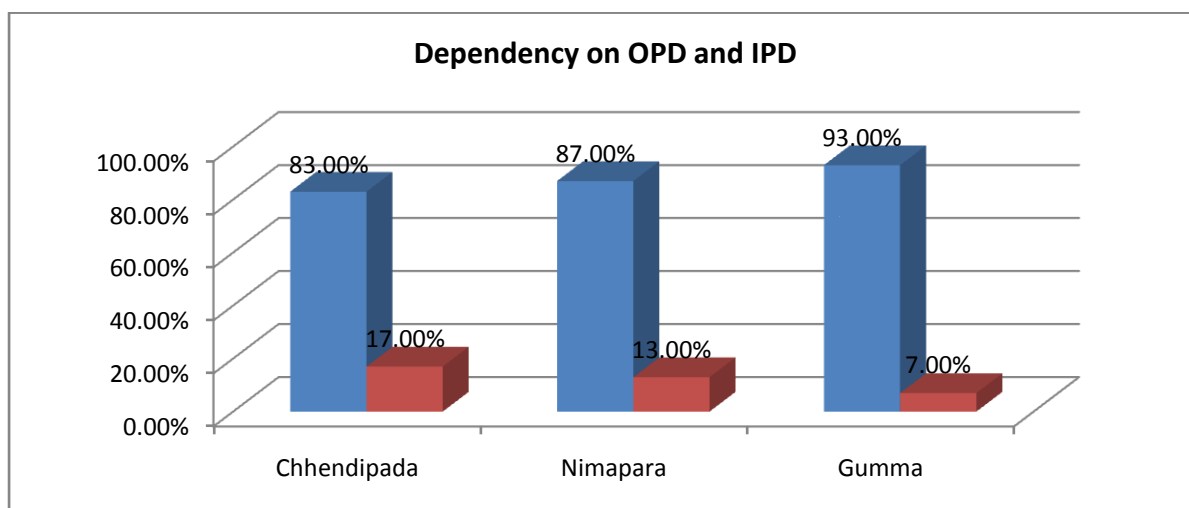
(Source: Primary data through FGD with the beneficiary)

- Awareness is crucial for the success of the scheme as the beneficiaries are not quite familiar with the scheme and its significance. From the Figure 6, it can be inferred that the awareness about the schemes is just 55% and 65% in Chhendiapada and Nimapara block respectively, while the same is further less in Gumma block with just 25 % of the respondents have opined about their awareness of the scheme.
- It's also found that no such initiative is made by the block administration for creation of awareness on the significance of RSBY/BK KY.
- During the study, it's revealed that no such sensitization material like leaflets, pamphlets of the scheme was sufficiently available at ASHA/ANM and PHC level, resulting in the failure in creating necessary sensitization of the scheme amongst the beneficiary.

Figure 7: Issues in utilizing RSBY & BKKY

(Source: Primary data through FGD with the beneficiary)

- In Chhendipada and Nimapara block around 11 % and 13% of the beneficiaries responded that they have encountered problem while using the smart cards, which include problems like the non-readability of the card, wrong credentials of the card etc., while in Gumma block, 25 % of the beneficiaries complaint of non availability of services/ infrastructure at CHC.

Figure 8: Dependency of OPD and IPD

(Source: Primary data through FGD with the beneficiary)

In all the three blocks, majority of beneficiaries' dependant on OPD for health issues and avoid get admitted to IPD due to loss of wage. So, mostly don't get benefitted from insurance until and unless a severe health issue occurs.

7.0 SWOT:

7.1 Strength:

- At a nominal out-of-pocket enrolment fee of Rs30 per year BPL families can cover up to five members for more than 700 medical treatments and procedures at government-set prices under RSBY/BKKY.
- Public-Private Partnership (PPP): Public and private medical facilities, third party administrators (TPA) and insurers partner with the State Nodal Agencies (SNAs).
- Health care services are provided by government-contracted hospitals, both public and private, and beneficiaries use a RSBY/BKKY biometric identity card, without the need for cash transactions or insurance claims
- Place of enrollment-local school/Panchayat office, so no extra travel costs incurred.
- Complementary role in reducing out-of-pocket (OOP) payments
- RSBY/BKKY has been a path-breaking innovative social security scheme in the arena of health insurance which has made extensive use of technology for - customer acquisition/distribution (enrolment), customer service (transactions/claims, modifications), control and monitoring.

7.2 Weaknesses:

- RSBY brochure or list of hospitals not distributed properly among beneficiaries.
- Lack of proper monitoring and coordination between different sectors.
- IEC is not effective in sensitization.
- Grievance redressal mechanisms: not adequately responsive in Claims, Software and hardware issues.
- Error of credibility mapping during enrolment and registration of card.
- ICT and infrastructure is not available at CHC level.

7.3 Opportunities:

- Very little information available in the public domain and the need for greater transparency and proactive disclosure about the details is being emphasized.
- Decrease in OOP expenses with streamlining of system.
- Long term sustainability

- RSBY has created bulk business opportunity for insurers, healthcare providers, intermediaries, smart card and IT enabled services.

7.4 Threats:

- The spread of health insurance coverage is rather limited as achievement is not 100% till now. The low enrolment rate and utilization are in sharp contrast with so many benefits of RSBY.
- Migration of patients from public sector to private health sector
- Competition among insurance companies.
- CHCs and PHCs unable to compete with private hospitals [better amenities, specialists.

8.0 RECOMMENDATIONS AND POLICY OPTIONS:

Poor enrolment of beneficiary:

- ❖ Steps should be taken for creating awareness on significance of RSBY/BKKY from the grass root level.
- ❖ For better participation in registration the Insurance Company should be instructed by the concerned Department to monitor regularly. Provision should be made for initiation of request for addition or deletion of members at the CHC level.

Poor Infrastructure and other resources:

- ❖ The infrastructure should be strengthened for managing the RSBY/BKKY at the CHC level.
- ❖ Skilled manpower should be engaged follow the process of initialization of process & correction like finger print correction, photo upload correction etc.
- ❖ As far as infrastructure is concerned separate equipments like- scanner, Biometric finger print etc which don't have link with any other systems.

Non Awareness of the scheme:

- ❖ Steps should be taken for development of awareness by ASHA/AWW for better participation under the scheme.

Discrepancy during claim and/or hospitalisation:

- ❖ Regular monitoring may be made at CHC level during the registration of beneficiary.
- ❖ A data base on the credential of beneficiary should be maintained at DHH level which can be utilised during renewal or fresh registration.

Frequent change of insurance company and delay in receipt of cards:

- ❖ Provision should be made for issue of insta card to the beneficiary on the date of registration. Uniform database should be maintained by all insurance companies.

Non Uniformity in the implementation:

- ❖ For effective implementation and monitoring, the RSBY and BKKY should be monitored by a single agency/dept. at State/ district level.

9.0 CONCLUSION:

Initiatives may be taken to reduce instances of early and late dropouts and, in turn, improve complete the process of scheme implementation in a structured manner.

- It is thus clear from the study that majority of the beneficiaries were having average satisfaction with the services provided through the RSBY/BKKY as really assisted them to reduce their hospitalization expenses and utilize better hospital facilities. Even though RSBY/BKKY has a positive role in reducing the hospitalization expenditure among the beneficiaries, low awareness level, limited number of private empanelled hospitals, poor implementation of the scheme, absence of effective monitoring mechanism and redressal of grievances, timely reimbursement to hospitals, ambiguities in the benefits of the scheme, etc.
- A goal for RSBY/BKKY is to directly reduce impoverishment through health costs; however, in the spirit of social health insurance, it must also protect against the loss of wages that almost every disease; this is critical for BPL households. Over a phased manner, RSBY should also take care of loss of wages due to illness which is a cause of medical impoverishment and many poor HHs do not seek medical care because of the same

- Lack of access to the RSBY can occur at multiple stages; at enrolment, during handing of cards, or at the time of visiting an empanelled hospital. Enrolment rates vary widely across state, Part of this at least is due to lack of awareness about RSBY. RSBY awareness depends on practices at the gram Panchayat level that are difficult to control or even observe for a state level.
- RSBY is still in its initial few years of roll-out, and monitoring and auditing of data needs to improve for the long-term sustainability of the program. Excess billing and Performance of unnecessary procedures are standard concerns with hospital systems financed through insurance, and it is not clear how RSBY tackles them as of now.
- Empanelling more hospitals, Increasing the awareness level of the beneficiaries, Rectifying the ambiguities in the implementation of the scheme, Including OPD coverage, Timely reimbursement to hospitals, and Establishing a good monitoring mechanism and effective grievance redressal of the beneficiaries will surely improve the scheme and its utilization effectively.