SOCIAL SECURITY MANAGEMENT IN INDIA

...and the recent Health Insurance initiative (RSBY)
## ECONOMIC GROWTH IN INDIA

...Some Indicators

<table>
<thead>
<tr>
<th></th>
<th>50-51</th>
<th>90-91</th>
<th>03-04</th>
<th>08-09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food Grains</strong> (Million Tonnes)</td>
<td>50.8</td>
<td>176.4</td>
<td>212.2</td>
<td>233.88</td>
</tr>
<tr>
<td><strong>Finished Steel</strong> (Million Tonnes)</td>
<td>1</td>
<td>13.53</td>
<td>36.9</td>
<td>57.16</td>
</tr>
<tr>
<td><strong>Electricity Generation</strong> (Billion KWH)</td>
<td>5.1</td>
<td>264.3</td>
<td>565.1</td>
<td>842.5</td>
</tr>
<tr>
<td><strong>Foreign Exchange Reserves</strong> ($ Billion)</td>
<td>1.9</td>
<td>2.2</td>
<td>107.4</td>
<td>251.98</td>
</tr>
<tr>
<td><strong>Exports</strong> ($ Bn)</td>
<td>0.15</td>
<td>8</td>
<td>73.3</td>
<td>105.15</td>
</tr>
<tr>
<td><strong>Life Expectancy</strong> (years)</td>
<td>32.1</td>
<td>58.7</td>
<td>65.3</td>
<td>63.4</td>
</tr>
<tr>
<td><strong>Literacy rate</strong> (% of population)</td>
<td>18.3</td>
<td>52.4</td>
<td>65.4</td>
<td>66</td>
</tr>
</tbody>
</table>
WORKFORCE IN INDIA

In Millions

- Organised: 26.3 (6%)
- Unorganised: 433 (94%)
RECENT INITIATIVES TO PROVIDE SOCIAL SECURITY

- Employment Security through National Rural Employment Guarantee (NREGA)
- National Pension Scheme (NPS)
- Life and disability cover through the Aam Aadmi Bima Yojana
- Health Security through Rashtriya Swasthya Bima Yojana (RSBY)
- Unorganized Workers’ Social Security Act, 2008
HEALTH INSURANCE COVERAGE
VERY LOW

OOP = 83% of total health spending in India

Percent of workers covered

income decile

Data for All-India 2004
## OUT OF POCKET (OOP) EXPENSES AND INDEBTEDNESS IN INDIA

(Amount in $US)

<table>
<thead>
<tr>
<th></th>
<th>ALL INDIA</th>
<th>POOREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Average OOP Payments made per hospitalization in Govt. facilities</td>
<td>70</td>
<td>54</td>
</tr>
<tr>
<td>2. Average OOP Payments made per hospitalization in private facilities</td>
<td>158</td>
<td>115</td>
</tr>
<tr>
<td>3. %age of people indebted due to OP Care</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>4. %age of people indebted due to IP Care</td>
<td>52</td>
<td>64</td>
</tr>
</tbody>
</table>

*SOURCE: NSSO, GOI*
CHARACTERISTICS OF UNORGANIZED SECTOR WORKERS

• Poor
• Illiterate
• Migratory
RASHTRIYA SWASTHYA BIMA YOJANA

The Scheme

• Total sum Insured of Rs 30,000 ( U.S. $ 650) per BPL family (a unit of five) on a family floater basis

• Pre-existing diseases covered

• Coverage of health services related to hospitalization and certain procedures which can be provided on a day-care basis
RASHTRIYA SWASTHYA BIMA YOJANA

Benefits

• Cashless coverage for hospitalization with few exceptions.
• Provision of Smart Card.
• Provision of pre and post hospitalization expenses.
• Transport allowance @Rs.100 (U.S.$ 2.2) per visit up to a ceiling of Rs. 1000 (U.S. $ 22) as part of the benefits.
FUNDING

• Contribution by GOI: 75% of the estimated annual premium.
• Contribution by the State Governments: 25% of the annual premium.
• Additional benefits can be provided by the State Government but the cost has to be borne by the State.
• Beneficiary to pay Rs. 30 (U.S.$ 0.65) per annum as Registration Fee.
• Administrative cost to be borne by the State Government.
• Cost of Smart Card to be borne by the Central Government @ Rs.60 (U.S.$1.30) per beneficiary
13. Submission of Data to State and Central Govt.

Government of India

BPL Data

State Nodal Agency

Insurance Company

Health Care Providers

District Kiosk

Call Centre

FKO

DKM

www.rsby.in

5. Empanelment

1. Prepare in given format

2. Send for verification

3. Upload on website after verification

4. Selection through tendering

5. Setting-up

6. Issuance of FKO Card

7. Verification of Smart Card

8. Download of FKO Data at DKM server

9. Submission of data and bill

10. Payment to Insurer

11. Utilisation of Services

12. Claim Process

11. Health Care Providers

Awareness Health Camps

Beneficiaries

6. Issuance of FKO Card

5. Setting-up

7. Enrollment of Beneficiaries

6. Issuance of FKO Card
SMART CARD
WHAT WAS REQUIRED TO BE DONE DURING THE INITIAL PHASE?

• Insurance related Tasks.

• Information Technology related Tasks.

• Marketing of the Scheme.
TASKS DURING THE INITIAL PHASE

*Insurance and Medical Services Related Activities*

- Issue of Guidelines.
- Preparing Draft Tender Document to be issued by the State Governments.
- Preparing Draft Contract Document between States and Insurance Companies.
- Standardizing Medical Procedures and the Costs thereof. (States can modify the price list)
- Preparing Draft MOU between Centre and the States.
- Guidelines for evaluating the process and the outputs.
TASKS DURING THE INITIAL PHASE

Information Technology Related Issues

• Standardization of Smart Card specifications.
• Standardization of Smart Card Handling Devices specifications.
• Preparation of Enrolment software for issue of Smart Cards.
• Standardization of software specifications for transacting business with smart cards.
• Evolving IT package for settlement of claims.
• Evolving MIS for monitoring and evaluation.
• Evolving Key Management System (KMS) with a view to providing security.
• Putting in place a Software Certification System.
TASKS DURING THE INITIAL PHASE

Marketing of the Scheme

• Within the Central Government
• State Governments
• Insurance Companies
• Health Service Providers
• Smart Card Service Providers
• Intermediaries
HOW IS RSBY DIFFERENT?

- IT used to reach the poor on a large scale.
- The BPL families are being empowered with a choice. They can choose from among several hospitals (both public and private) for treatment.
- A ‘business’ model for a social sector scheme. (Fortune at the bottom of the pyramid).
- Marketing of the scheme.
- Key Management System (KMS) to make the scheme foolproof.
- Simple front end but extremely complex back end.
- Paperless.
- Validity of the smart card throughout the country.
ENROLMENT KIT

Web Camera: for Photograph

Optical Biometric Scanner: for Fingerprints

Data Masters: Based on State’s BPL data

Battery Power Back-up: for Undisrupted Enrolment

Dye-Sublimation Printer
FIRST RECIPIENT OF SMART CARD

Village: Chappar; District: Yamunanagar; State: Haryana
WHERE DID IT ALL BEGIN?

EXPANSION OF RSBY ACROSS INDIA (Mar 08- Jul 08)
Current Status of RSBY Implementation in India

- Cards issued – App. 24.2 Million
- People enrolled – App. 92 million
- Number of People benefitted till now – App. 2.3 million
- Number of Hospitals Empanelled – App. 8600
- States where Service delivery has started – Twenty Five
- Number of Insurance Companies Involved – Eleven
PERCEPTIONS ABOUT THE SCHEME

• Evaluation
• In the Media
• The International Agencies
PRIMARY DATA ANALYSES

• Initial trends.
• Initial impact.
INITIAL IMPACT

- Improvement in access to Healthcare. Health infrastructure being set up in remote areas by the private sector.
- Public Sector hospitals competing and improving performance to gain access to flexible funds and incentives.
- Penetration in the areas affected by extremist activities.
- Marked improvement in utilization by women in the scheme.
- For expenditures beyond Rs. 30,000 (US $650), State Governments linking with other schemes.
- States funding premium for certain categories above poverty line.
- Independent Groups paying the entire premium to ride the RSBY platform.
- Below Poverty Level (BPL) lists improving on account of exposure.
- Disease profiling in each District.
Utilization rates for RSBY members suggest increased access to hospital services

Note: Estimate based on monthly hospitalizations; includes multiple procedures within same household in case of RSBY
Male - Female Distribution in Absolute Numbers

Male-Female in Enrollment

- Round 1: Male 62%, Female 38%
- Round 2: Male 55%, Female 45%

Male Female in Hospitalization

- Round 1: Male 60%, Female 40%
- Round 2: Male 58%, Female 42%
247 Districts where One Year Completed

*Male/Female Hospitalization Ratio*

[Graph showing hospitalization ratios for males and females, with specific values for overall and gender-specific ratios.]

69 Districts where Two Years Completed

*Male/Female Hospitalization Ratio*

[Graph showing hospitalization ratios for males and females, comparing Round 1 and Round 2, with specific values for overall and gender-specific ratios.]
Public sector hospitals must play key role in RSBY and can benefit from RSBY as well

In Kerala government hospitals, revenue from RSBY is used for:
• 75% earmarked for KMC to fill critical gaps
  • Improving hospital environment
  • Providing additional consumables and maintaining equipments
  • Building and acquiring capacity
  • Covering operational expenses of ambulance service
• 25% on incentivizing staffs

Outcome:
• Better equipped to provide more patient friendly services and to compete with private hospitals

<table>
<thead>
<tr>
<th>Name of Health facility</th>
<th>Claim amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical College, Kozhikode</td>
<td>250052769</td>
</tr>
<tr>
<td>Medical College, Kottayam</td>
<td>19578048</td>
</tr>
<tr>
<td>MCH Vandanam, Alappuzha</td>
<td>15201870</td>
</tr>
<tr>
<td>THQH, Chertala, Alappuzha</td>
<td>15057922</td>
</tr>
<tr>
<td>Medical College, Trivandrum</td>
<td>12374607</td>
</tr>
<tr>
<td>New Medical College, Thrissur</td>
<td>9833165</td>
</tr>
<tr>
<td>District Hospital Malappuram</td>
<td>9333799</td>
</tr>
<tr>
<td>Chest Hospital, Thrissur</td>
<td>7277928</td>
</tr>
<tr>
<td>District Hospital, Palakkad</td>
<td>6491750</td>
</tr>
<tr>
<td>District Hospital, Kollam</td>
<td>6168760</td>
</tr>
<tr>
<td>THQH, Kanjirapally, Kottayam</td>
<td>5564357</td>
</tr>
<tr>
<td>General Hospital, Alappuzha</td>
<td>5513825</td>
</tr>
<tr>
<td>THQH, Changanassery</td>
<td>5465287</td>
</tr>
<tr>
<td>District Hospital, Kottayam</td>
<td>5393764</td>
</tr>
<tr>
<td>General Hospital, Kasargod</td>
<td>5286323</td>
</tr>
<tr>
<td>General Hospital, Trivandrum</td>
<td>5109698</td>
</tr>
<tr>
<td>General Hospital, Pathanamthitta</td>
<td>4872458</td>
</tr>
</tbody>
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evaluation surveys
Survey Results – Kerala

Satisfaction About Treatment

- Excellent: 65%
- Very good: 26%
- Good: 5%
- Average: 4%

Recommending Others to Join RSBY

- Yes: 92%
- No: 8%

Survey done by Ratnagiri College in 2009
## Service Delivery – Health Status Post RSBY Treatment

<table>
<thead>
<tr>
<th>Health Status</th>
<th>Percent</th>
</tr>
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<tbody>
<tr>
<td>Has improved completely</td>
<td>89.8</td>
</tr>
<tr>
<td>No improvement</td>
<td>0.9</td>
</tr>
<tr>
<td>Partially improved</td>
<td>9.3</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Survey conducted by The Research Institute Rajagiri College of Social Sciences 2009
Survey Results – Gujarat

• More than 80% of beneficiaries had to spend less than one hour at the enrollment station
• 89.7% of beneficiaries that were enrolled but had not used the scheme said that they will enroll next year.
• 98.3% of beneficiaries that had used the RSBY card said they will enroll next year also.
• 83% of respondents said that they will recommend the same hospital to their relatives where they received treatment under RSBY.
• 88.9% of respondents who used RSBY said their out of pocket expenditure on health came down because of RSBY.

Survey done by Datamation Consultants in 2010
BENEFICIARY RESPONSE IN DELHI

• 92% of beneficiary said that they would recommend others especially their relatives and friends to join the scheme.
• 94 percent patients would have gone to a public hospital in the absence of RSBY

Source: Survey organised by GTZ and World Bank in Delhi, 2009
in the media
August 26, 2008

India's Poor Get Health Care in a Card
Credit Plan Gives Nation's Neediest the Funding for Medical Treatment -- and Tool for Charging It
By JACKIE RANGE
August 26, 2008; Page A10

"For poor people, it's great," says Mr. Kumar.

"It's the best scheme India has, I think, and real welfare for the poor," he says.
For the nation, it is the best Diwali present amidst all the gloom in the marketplace
25

Ideas that will change our world

Insights: Kishore Biyani, YC Deveshwar, Corinne Figueredo, Sunil Mittal, Shiv Nadar, CK Prahalad and Raman Roy
"A plastic square has given Husain the power to save his wife's life."

The Rashtriya Swasthya Bima Yojana (RSBY) has transformed the life of over 65 million people in the unorganised sector.
• It’s a government effort and *it seems to be working*.
• The biggest change that this card has brought about is that it has brought money into hands of people. So no hospital, public or private, can afford to ignore even the poorest of patients.
• The government seems to have *a winning model* with the first market driven welfare scheme where all the players, the insurance companies, hospitals and patients get to benefit.
international agencies
The World Bank

• “......congratulate you on the growing success of the Rashtriya Swasthya Bima Yojana (RSBY). Increasingly, the scheme is being seen as a model of good design and implementation with important lessons for other programs”

• “The experience with the design and implementation of the Rashtriya Swasthya Bima Yojana (RSBY) in particular, is one of the most promising efforts in India to bridge this gap by providing health insurance to millions of poor households. The program is now internationally recognized for its innovative approach to harnessing information technology to reach the poor.”
Bill Gates Foundation

• “The process was very efficient”
• “.........quite impressed to see a system where an SMS is sent........whenever a patient presents at an empanelled hospital”
RECOGNITION BY UNDP AND ILO

• The scheme has been selected for publication in a document “Sharing Innovative Experiences: Social Protection Floor Success Stories” being brought out by UNDP
Initiatives in the Context of Domestic Workers

• RSBY has been extended to Domestic Workers.
• Registration of Placement Agencies
• Task Force constituted to evolve a comprehensive National Policy for Domestic Workers
POTENTIAL OF THE SMART CARD

• Smart card as a transparent delivery mechanism can be used to deliver benefits of other Social Security Schemes like:
  – Public Distribution System of Food Grains etc.
  – Financial Inclusion entitlements
  – Fertiliser Subsidy
  – Education entitlement
...........the journey has just begun and the smart card is revolutionizing the way we think.