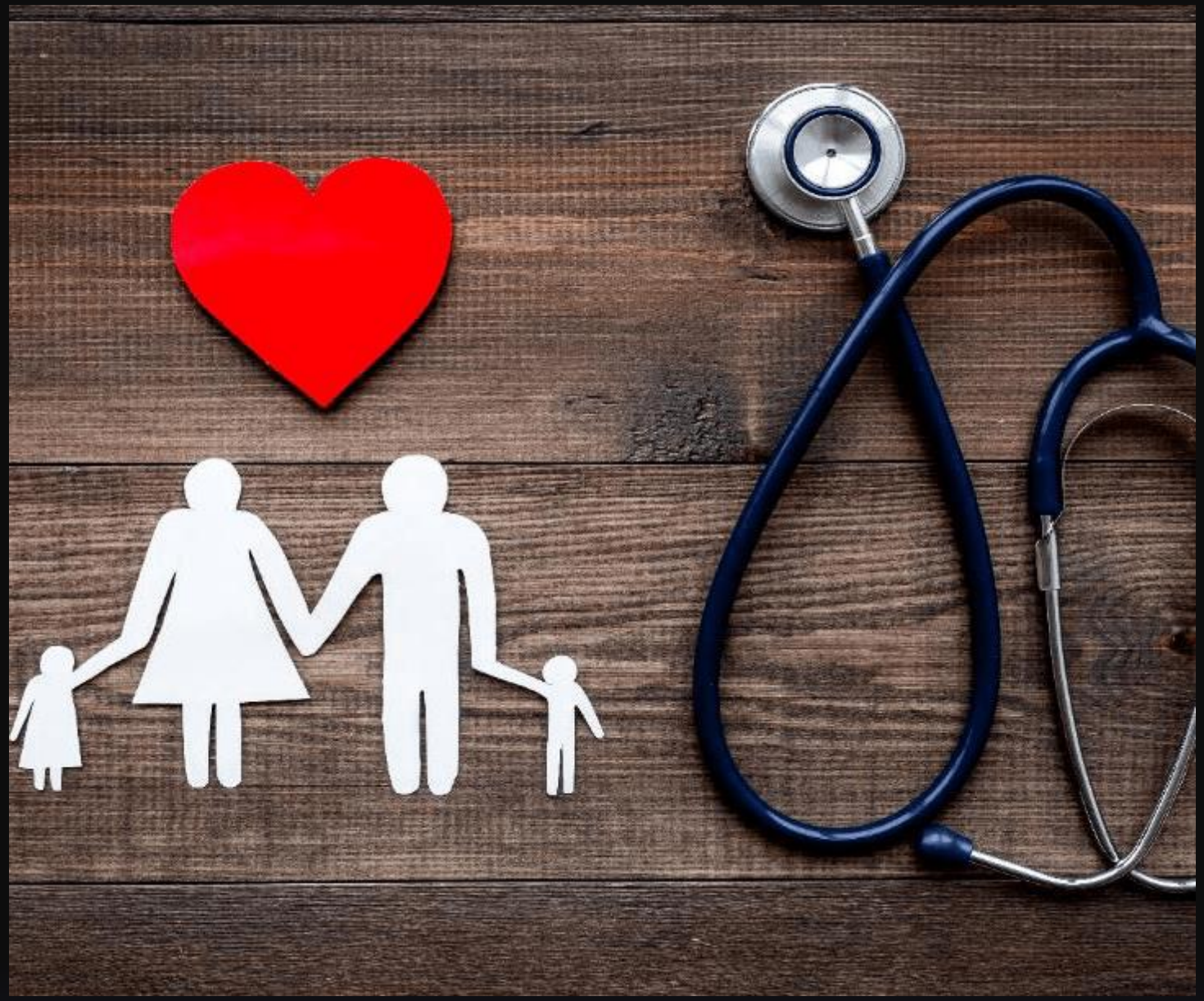
GOVERNMENT HEALTH INSURANCE SCHEME IN INDIA



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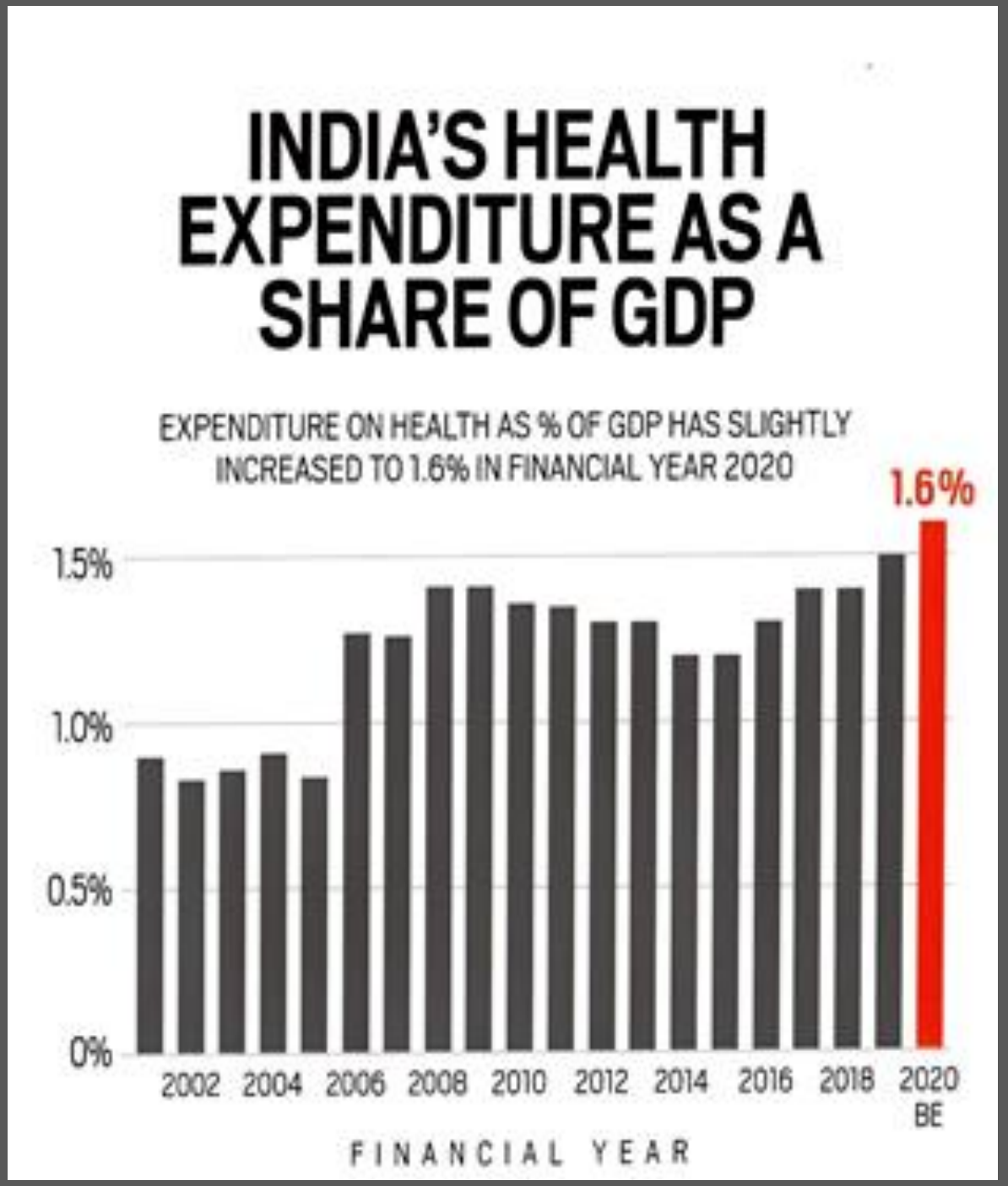
INTRODUCTION

- Healthcare being a state of enormous transition in India, various health financing options have been explored by government and private sectors to manage the problem arising out of increasing cost of care and changing epidemiological pattern of diseases.
- Over a decade a number of health financing schemes have been modified substantially and new schemes have been initiated by the government.
- Government supported health insurance schemes serve as a social hostage in India.
- Government health insurance schemes offer wide coverage at incredibly affordable premiums.

- The total per capita government spending on healthcare has nearly doubled from 1,008 per person in FY 15 to 1,944 in FY 20 The total expenditure by the center and states for FY 20 was rupees 2.6 trillion.
- Of the total public expenditure, the center share is 25%
- Over the last five years the total public expenditure on health has risen at 15% CAGR
- India's total health expenditure at 3.6% of GDP as per OECD is lower compared to other countries.
- Fg 1.1: Source National Health Profile, 2020



CLASSIFICATION

- Ayushman Bharat
- Awaz Health Insurance Scheme
- Aam Aadmi Bima Yojana
- Bhamashah Swasthya Bima Yojana
- Central Government Health Scheme
- Chief Minister Comprehensive Insurance Scheme
- Mukhyamantri Amrutum Yojana
- Rashtriya Swasthya Bima Yojana

FEATURES

SCHEME	LAUNCH YEAR	VISION	BUDGET	BENEFICIARY	BENEFITS
Ayushman Bharat	23 September 2018 MOHFW All States & UT	To ensure access to quality and affordable healthcare and financial protection against fatal health expenditure	8,088 Crore (2021-2022)	Deprived rural families and identified occupational category of urban workers(SECC)	• 50 crore beneficiaries • 5 Lakh per family per year
Awaz Health Insurance Scheme	November 2017 Kerela State Governme nt	To identify and provide coverage for about 5 lakhs inter state laborers living in Kerala.	10 crore	Migrant laborers (18-60 years)	• Health Insurance upto 15,000 • Accidental Death Coverage –Upto 2 Lakhs

SCHEME	LAUNCH YEAR	VISION	BUDGET	BENEFICIARY	BENEFITS
Aam Aadmi Bima Yojana	2 October 2007 Ministry of Finance	To dispense financial aid to the rural poor who fall below the poverty line and support their families in the event of dearth or disability of the insured.	150 Crore	Member (18-59 years) head of the family or one earning member of BPL family under identified vocation al group/rural landless house holds	Life cover - Natural Death Surviving Beneficiaries 30,000 Accidental Death/Permanent Disability:75,000 Partial Accidental Disability:37,500 50% of premium amount is subsidized and paid by the government from social security fund.

Bhamashah Swasthya Bima Yojana	December 13, 2015 Rajasthan State Governme nt	To Reduce the financial risk of surplus expenditure by offering financial cover to beneficiaries against illness.	1,800 Cro re	Beneficiaries who are covered under NFSA and RSBY are eligible for BSBY	General Illness Cover :Rs 30,000 Critical Illness Cover :Rs 3 Lakhs Pre hospitalization expenses- Cover for seven days Post hospitalization- Cover for 15 days Transport allowance for polytrauma and cardiac cases –Rs 100 to Rs 5000

SCHEME	LAUNCH YEAR	VISION	BUDGET	BENEFICIARY	BENEFITS
Central Government Health Scheme	1954 Ministry of Health and Family Welfare	To be the first choice in providing health care healthcare services and ensuring holistic well being across beneficiaries entire life span.	1350 crore (2019-2020)	Provides comprehensive health care facilities for central govt. Employees and pensioners and their dependents resid ing in CGHS covered cities.	Maximum Duration Of Indoor Treatment • 12 Days for specialized (Super Specialty) Treatment • 7 Days for other Major Surgeries • 3 Days for Laparoscopic Surgeries/normal deliveries • 1 day for day care/normal deliveries

SCHEME	LAUNCH YEAR	VISION	BUDGET	BENEFICIARY	BENEFITS
Chief Minister Comprehensive Insurance Scheme	January 11, 2012 Tamil Naidu State Government	To provide quality healthcare through empaneled government and private hospitals. To reduce the financial hardships to the enrolled families and move towards universal health coverage by effectively linking with public health system.	750 crore(annual allocation)	Resident of Tamil Nadu (Name must be mentioned in family card) with annual income less than 72,000/annum.	The scheme seeks to provide cashless hospitalization facility for certain specified ailments. The scheme provides coverage up to Rs 5,00,000 per 1.34 crore family per year.

SCHEME	LAUNCH YEAR	VISION	BUDGET	BENEFICIARY	BENEFITS
Mukhyamantri Amrutum Yojana	September 4, 2012 Gujarat State Government	To provide quality medical and surgical care for the catastrophic illnesses involving hospitalization, surgeries and therapies through an empanel network of hospitals to the BPL families.	Rs 64,255 crore	Families whose annual income is less than Rs 4 Lakh. ASHA Workers Class 3&4 employees appointed by government who are on fixed pay. U-win card holders.	Medical Expenses: Rs 5 lakh per family per annum Travel charges-Rs 300 per hospitalization Repatriation of remains: Rs 6/ per kilometer from hospital to place of residence.

SCHEME	LAUNCH YEAR	VISION	BUDGET	BENEFICIARY	BENEFITS
Rashtriya Swasthya Bima Yojana	April 1, 2008 MOHFW	To provide protection to BPL households from financial liabilities arising out of health shocks that involve hospitalization.	Until 2020-Expenditure 2.27 billion rupees	Unorganized sector workers belonging to BPL Category and their family members	30,000 per family per annum. Pre –existing diseases to be covered Cashless attendance Transportation cost within an overall limit of Rs 1000.

Rationale

There is much debate at national and state level about how to move and advance as means of providing optimum state of universal coverage to beneficiaries in India. There is limited evidence on the effect of government health insurance on health and well being of beneficiaries in developing countries. This paper presents review of government health insurance system, opportunities it provides, challenges it faces and the concern it raises.

Research Question

How effective and efficient is government health insurance system in providing health coverage to beneficiaries?

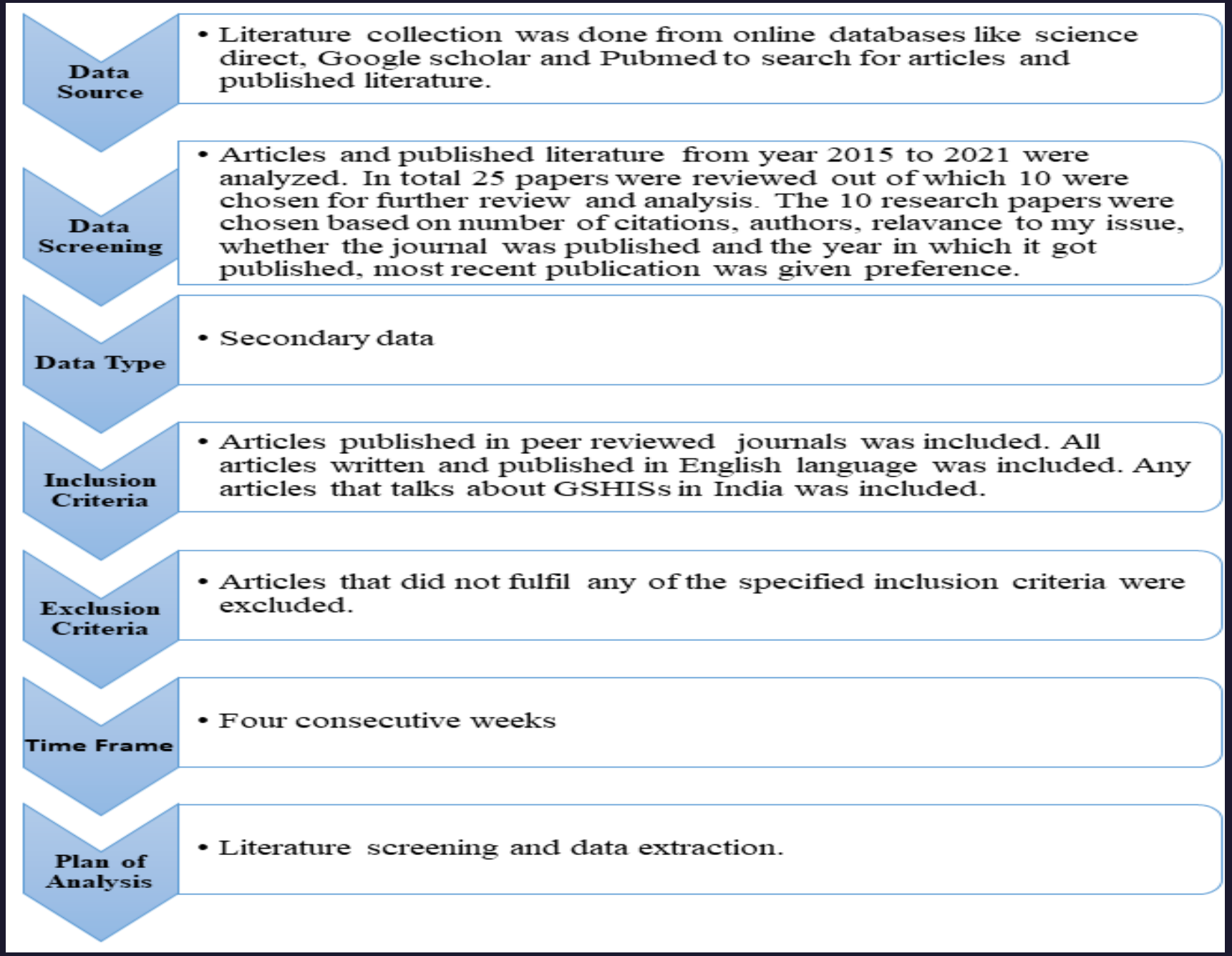
AIM

To explore health insurance system in India with an aim of investigating the issues that serve as a blockade to attain universal coverage.

- **OBJECTIVE:**

- To analyze the government health insurance system to further understand the challenges it faces and opportunities it provides.
- To discuss the implications of GSHIS.
- To measure the effects of two central and two state based government health insurance schemes on out of pocket expenditure and service utility.

Methodology



Findings

- GSHIS fails to improve the quality of network providers using their financial leverage.
- The structural aspects of quality is the prime focus of hospital empanelment.
- Scheme merger into an integrated state based insurance system has been influenced by differences related to the definition of BPL status, coverage caps, benefits packages, price structure, empanelment criteria.
- It was found that though few schemes have strengthen their monitoring system but issues such as general weakness of systems and dearth of data and analysis influence the optimal functioning.
- Due to disparities in central and state authorities RSBY schemes though have rolled out in states in large number, but it has not progressed on the issue of integration with state government sponsored schemes.
- Indirect cost associated with hospitalization is not recognized and compensated by Ayushman Bharat Scheme.

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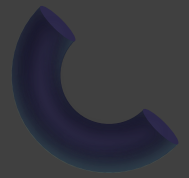
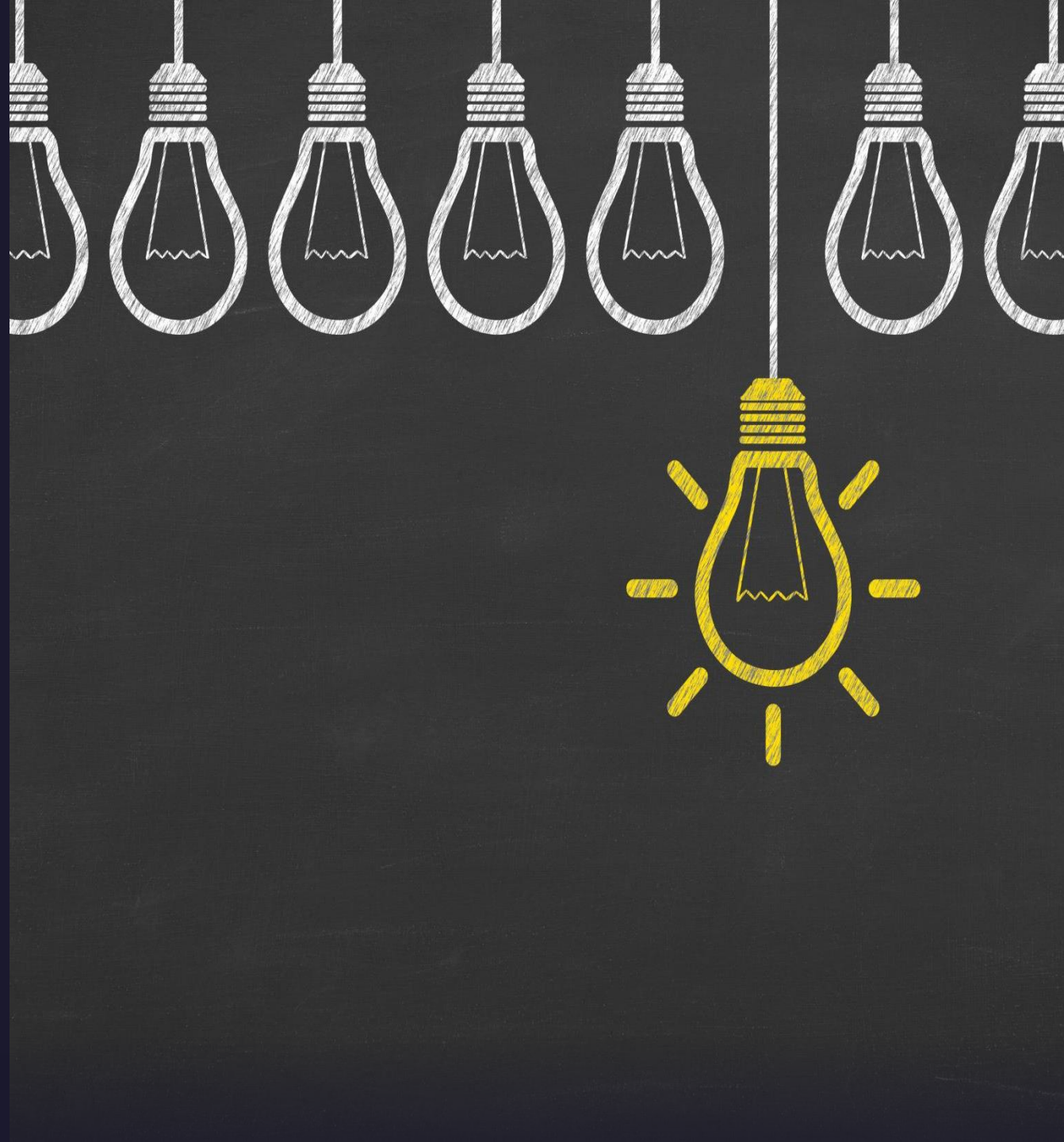
- Aam Aadmi Bima Yojana has few limitations, death due to substance abuse, death or disablement due to mental illness, hospitalization expenses are not covered under this scheme.
- Out of pocket expenditure has increased to 65% -70% due to low public spending on healthcare which serves as barrier to access health for low socio income group beneficiaries.
- An estimated 60 million Indians are pushed into poverty each year due to out of pocket payments for health.
- Only 30% public expenditure on health is by central government. Remaining 70% of public health expenditure is by states.
- As per finance commission, the states and union public health expenditure should be increased in a progressive manner to reach 2.5 % of GDP by 2025.

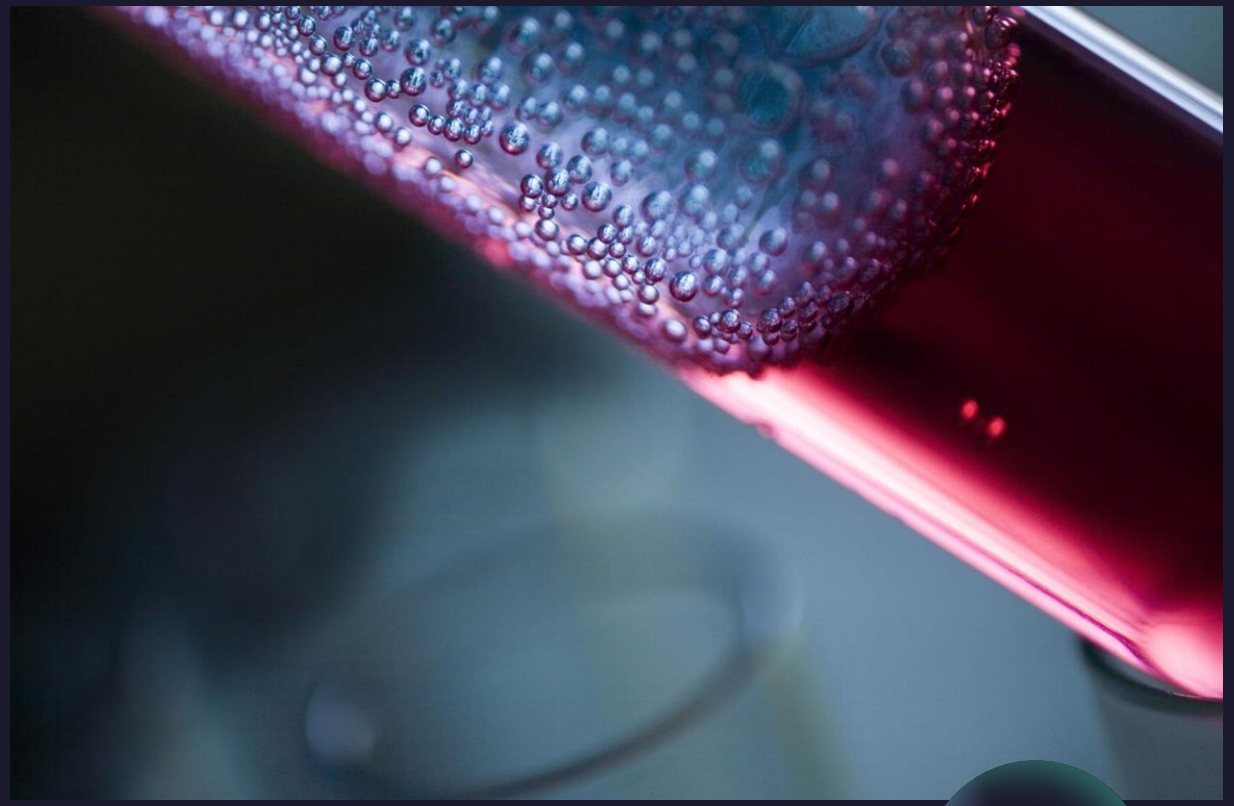


RECOMMENDATION

- To overcome financing and delivery obstacles to attain universal coverage GSHIS can serve as change agents.
- There is a need to introduce quality based purchasing and expand public hospital autonomy.
- Governance and co-ordination between private and public health sector insurance reform should be promoted.
- The collection, dissemination, analysis and implication of consumer information should be strengthened.
- Public hospital autonomy should be expanded.
- Reinforce cost containment by consolidating the GSHIS purchasing power, reforming provider payment mechanisms and strengthening utilization management and control system.



CONCLUSION



If liberalized health insurance industry can develop rapidly in future. The health insurance model of developed country should be replicated for effective and desirable outcomes. Even though government funding facilitates implication and provision of government health insurance, large segment of beneficiaries are unaware about the healthcare provision. As a result they are doomed to opt for out of pocket expense thus increasing their overall health expenditure and financial burden. Therefore there is a need to generate awareness regarding the accessibility and availability of health insurance system. Strategies should be modulated based on the informative data driven from implication of GSHIS. Better coverage and health services should be provided to beneficiaries at lower cost without over use of procedures and technologies in provision of healthcare.

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