“India’s new act adds … a **solid national health insurance** foundation”

The Indian Mass Health Scheme Story

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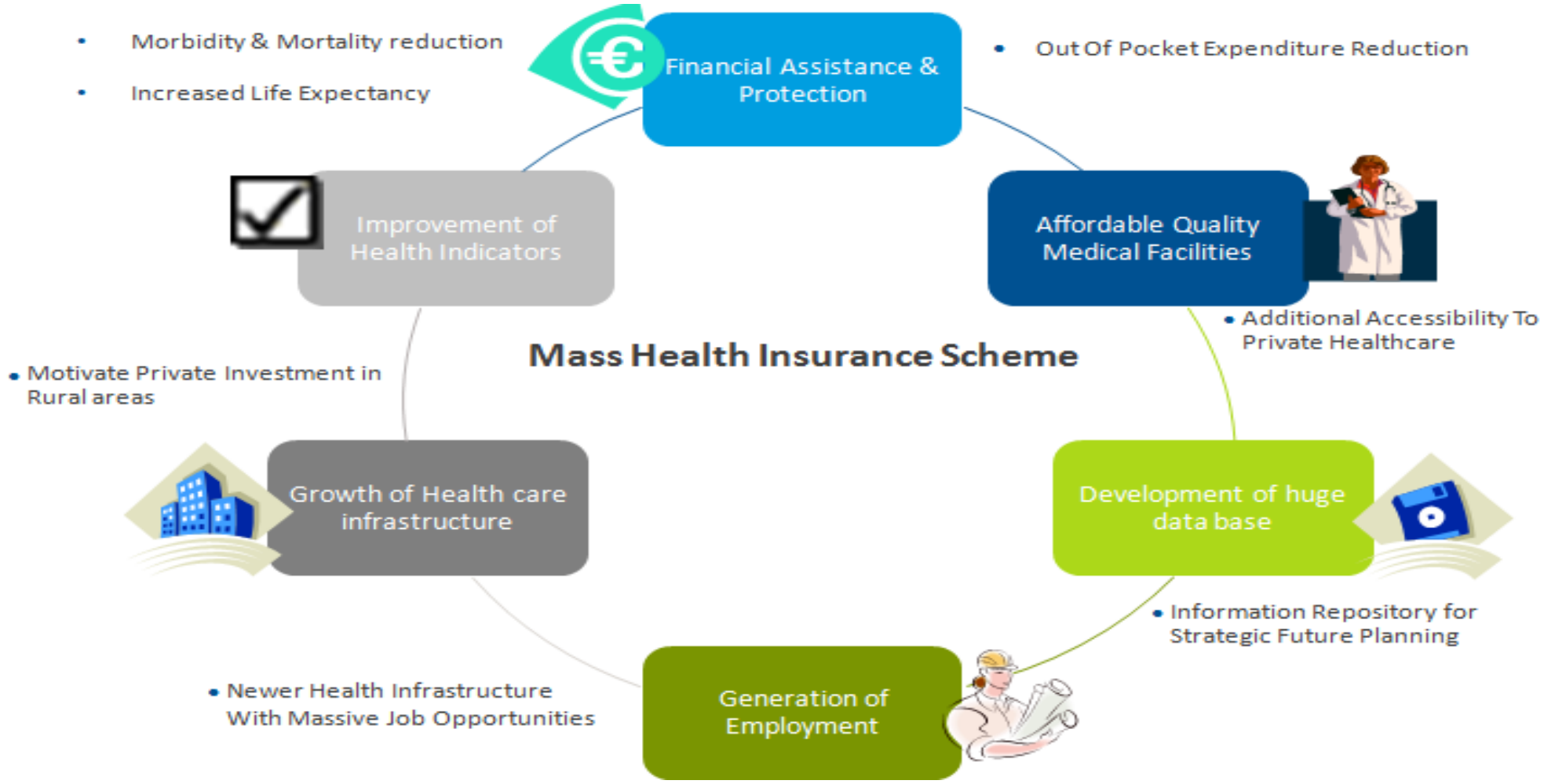
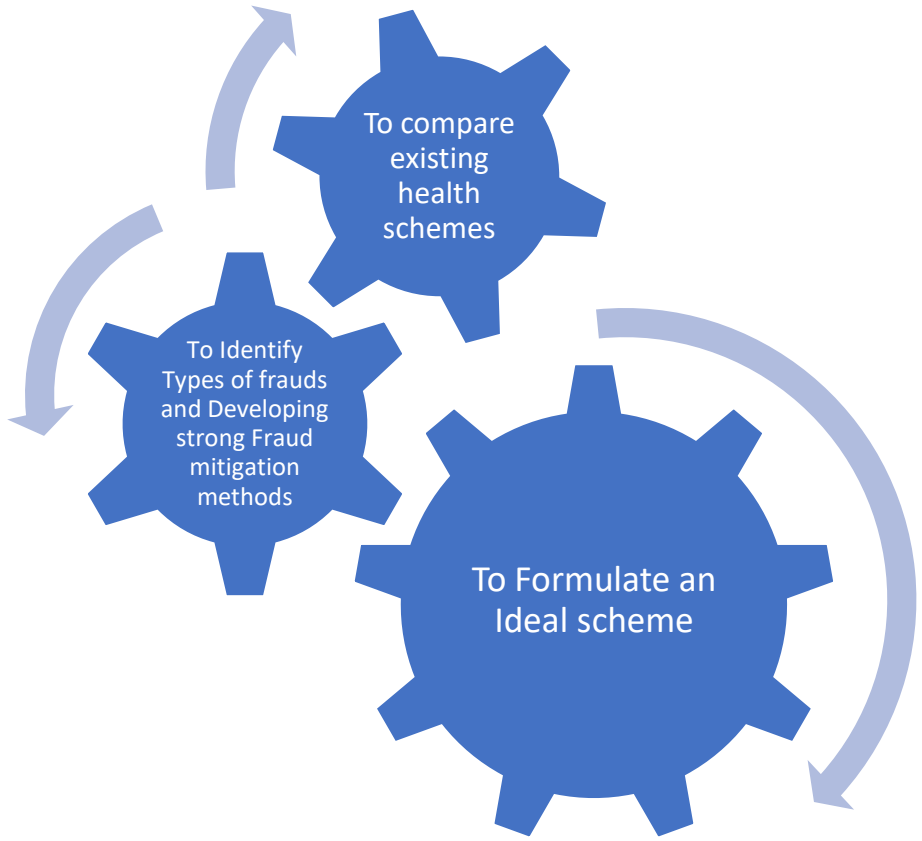
Need of health insurance

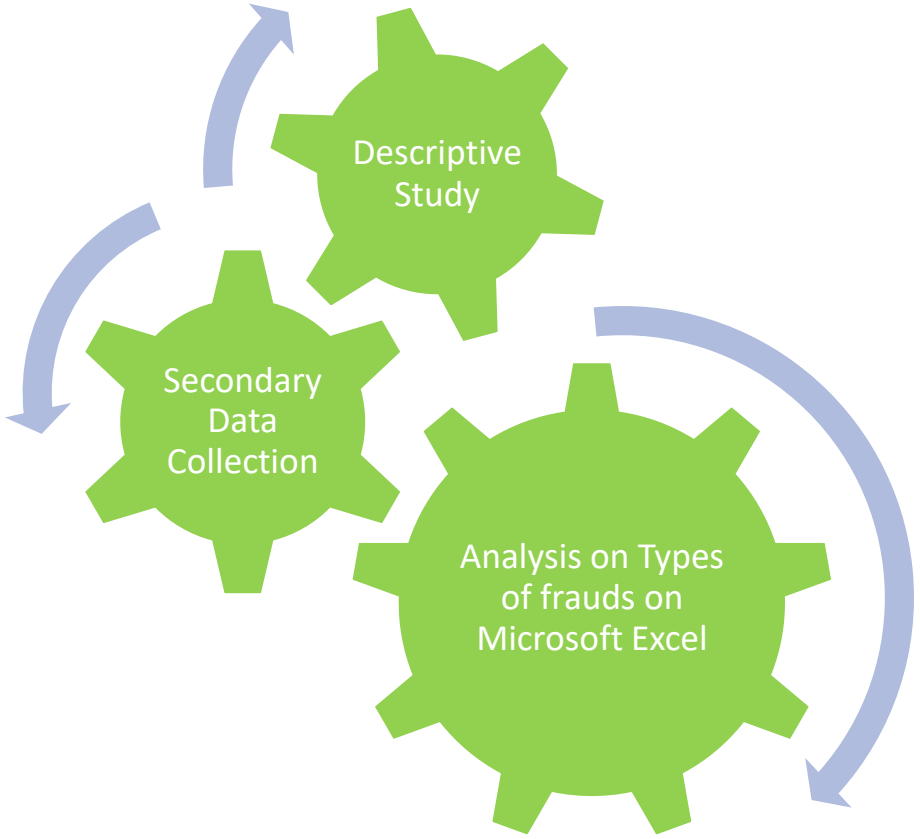


Study on Existing Mass Health Schemes and Formulating an Ideal National Health Insurance Scheme

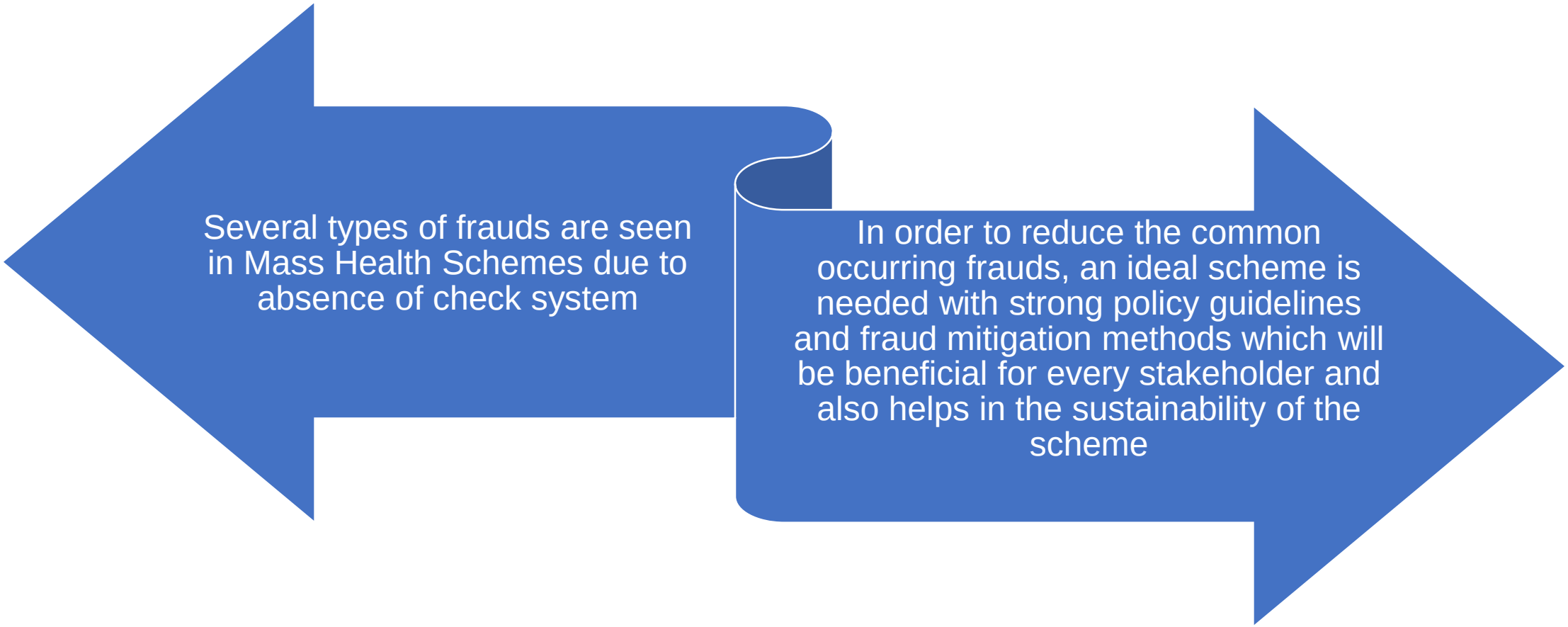
OBJECTIVES



METHODOLOGY



Rationale


Several types of frauds are seen in Mass Health Schemes due to absence of check system
In order to reduce the common occurring frauds, an ideal scheme is needed with strong policy guidelines and fraud mitigation methods which will be beneficial for every stakeholder and also helps in the sustainability of the scheme

Comparison of Different State Health Insurance Scheme

State Health Insurance Scheme	Strength	Pitfall
Rajiv Arogyasri Yojana – Andhra Pradesh	Government restricted package	Exclusion of marginalised population
Kalaignar Health Insurance Scheme for Life Saving Treatment – Tamil Nadu	Robust Enrolment process	Sum Insured per Family was less(1 lac)
Rashtriya Swasthya Bima Yojana (RSBY) – India	Cashless and paperless scheme	Quality of enrolment data is not good
Rajiv Gandhi Jeevandayee Arogya Yojna (RGJAY) - Maharashtra	121 follow up packages	Secondary care not covered
Mukhyamantri Amrutum (MA) - Gujarat	Robust grievance redressal system	Tertiary treatment covered

Failure reason for a Mass Health Insurance Scheme

The fault in it's stars

The leap of faith of the poor fraught with …

Failure reason for any Mass Health Insurance Scheme

The fault in it's stars

The leap of faith of the poor fraught with …

The price crash

A **faulty product**

Mis-coordinated **State and Centre**

The role of **non-state actors**

The **(mis)use** of a smart card

Rampant **fraud went unchecked**

Top-line driven insurers without experience/ capacity crashed prices in many states and later bailed on state's poor when claims reached a certain level

Failure reason for any Mass Health Insurance Scheme

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A product lacking clear demarcation of roles of stakeholders with low focus on beneficiary, automatic pre-authorization and lack of freedom to state to run its scheme

Failure reason for any Mass Health Insurance Scheme

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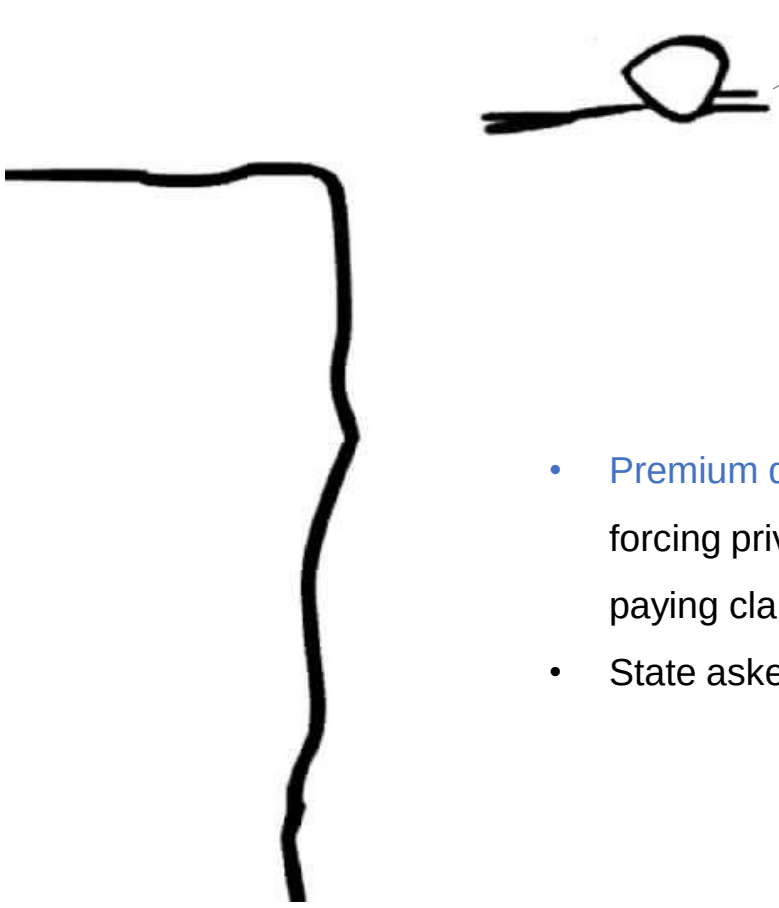

The **price crash**

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- Premium delay (of as many as 3 years) often forcing private insurance companies to stop paying claims leading to scheme collapse
- State asked for but refused flexibility

Failure reason for any Mass Health Insurance Scheme

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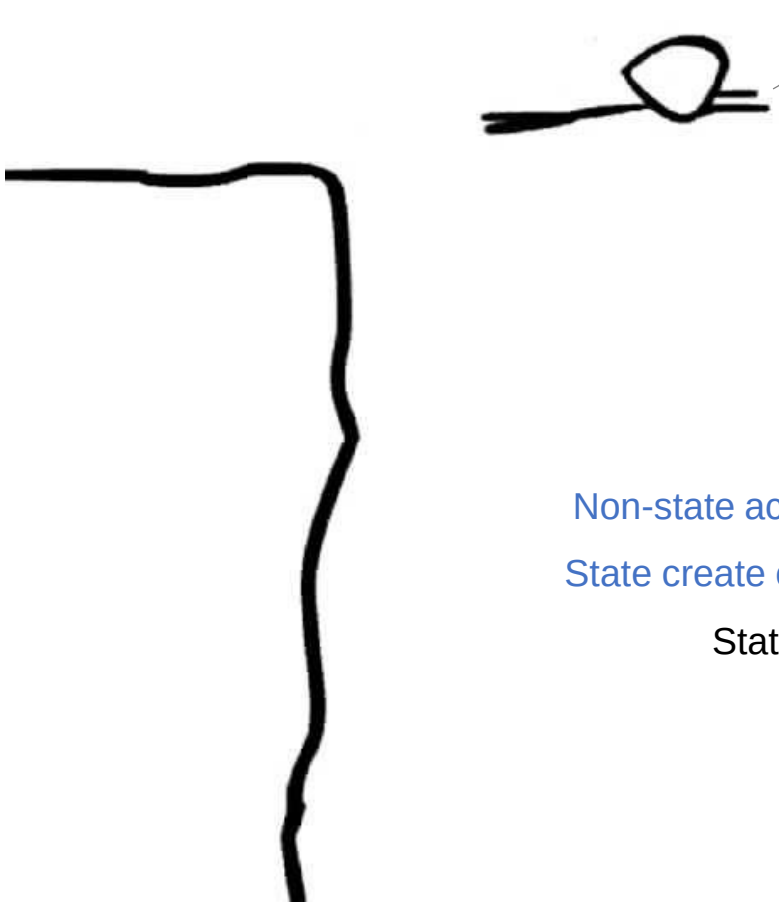

The **price crash**

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Non-state actors who meddle between Centre and State create confusion and only stall the progress a State makes towards the scheme

Failure reason for any Mass Health Insurance Scheme

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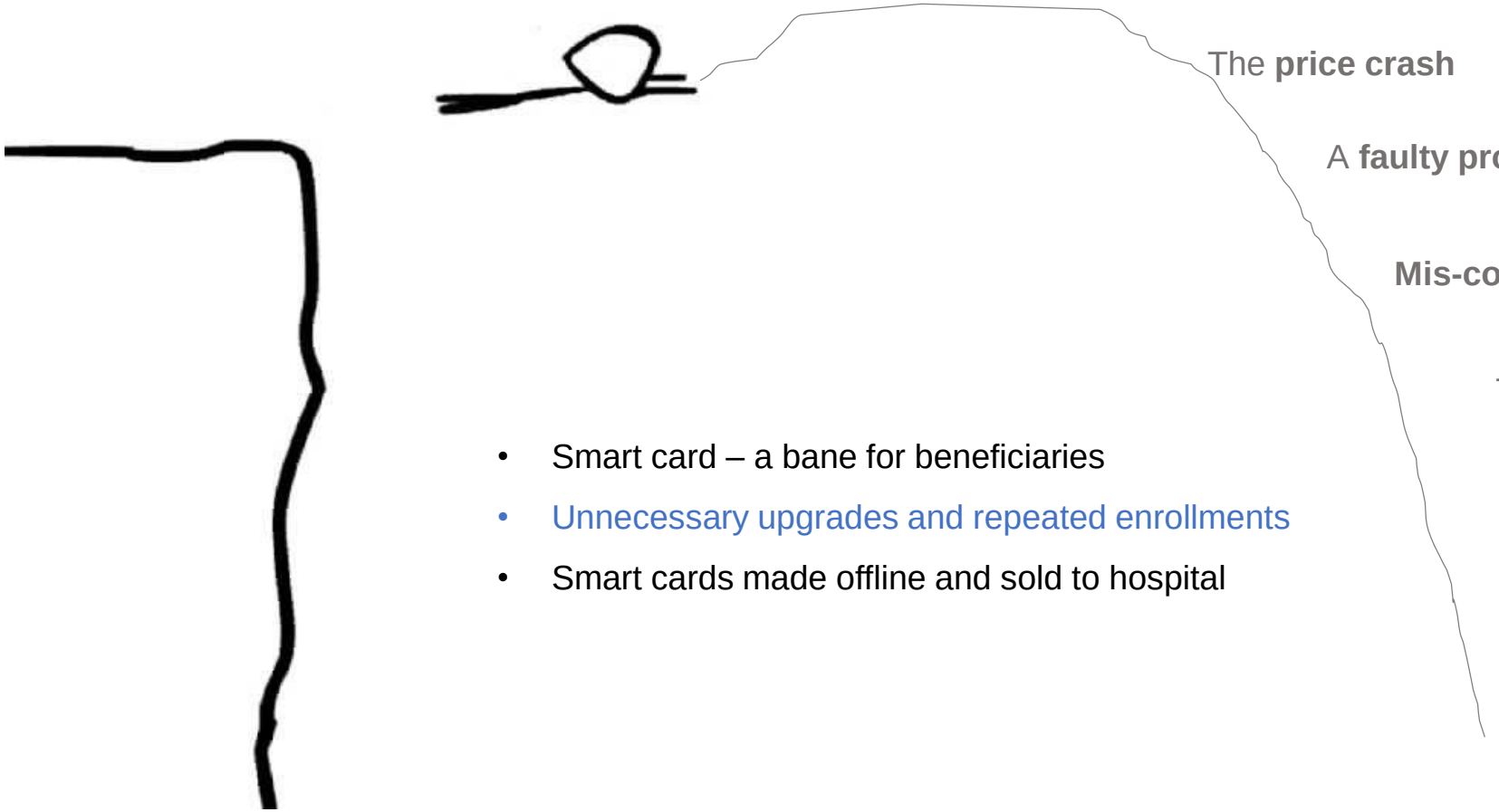

The **price crash**

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Mis-coordinated State and Centre

The role of non-state actors

The (mis)use of a smart card

Rampant fraud went unchecked

- Smart card – a bane for beneficiaries
- Unnecessary upgrades and repeated enrollments
- Smart cards made offline and sold to hospital

Failure reason for any Mass Health Insurance Scheme

The fault in it's stars

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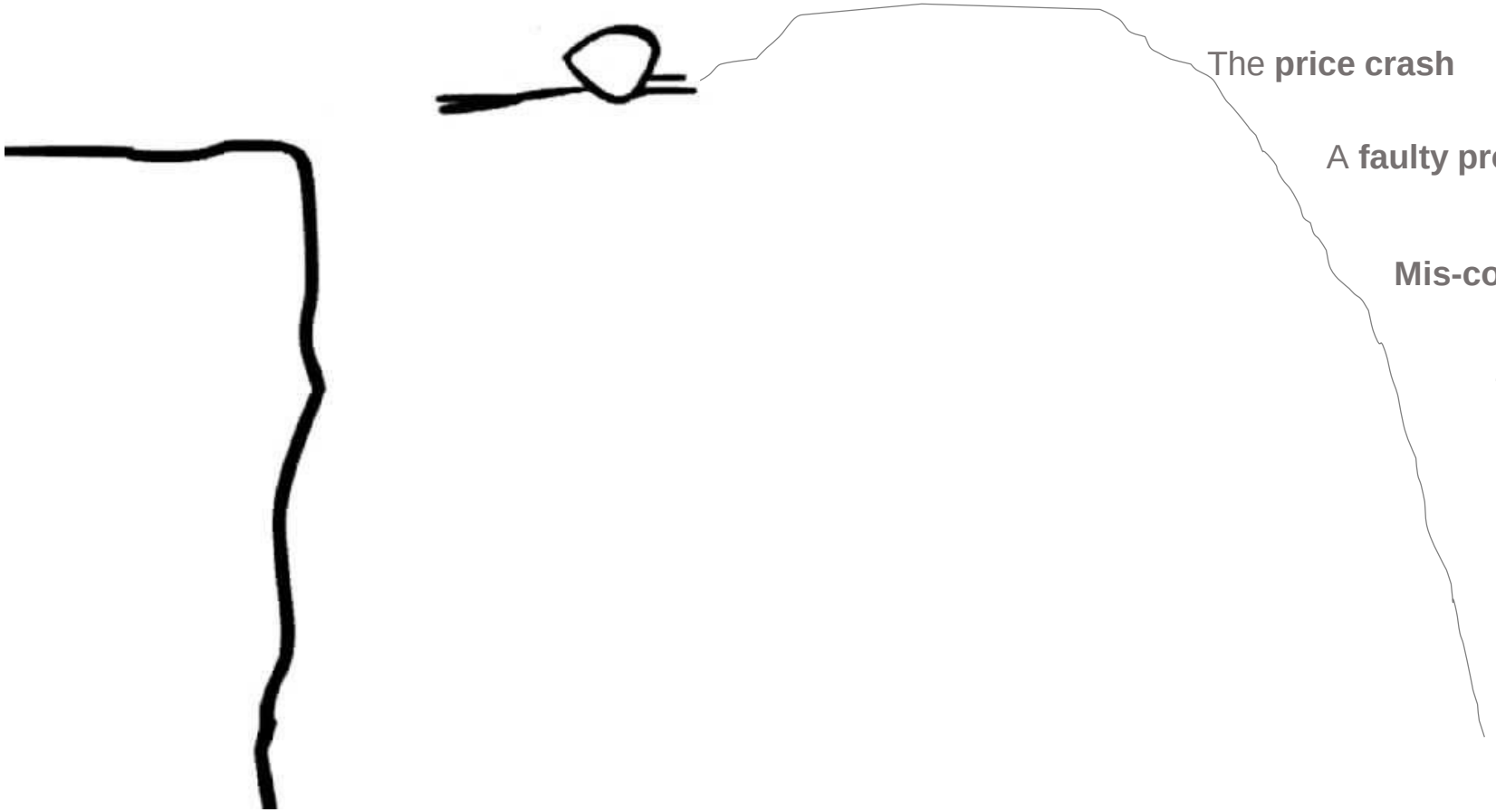

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Stage-wise fraud observed Pan India

Enrollment

- Printing of fake cards
- Cards printed but instead of distributing to beneficiaries sold to hospitals
- Charging extra money for enrolling non eligible beneficiaries (due to absence of reliable biometric-backed database)

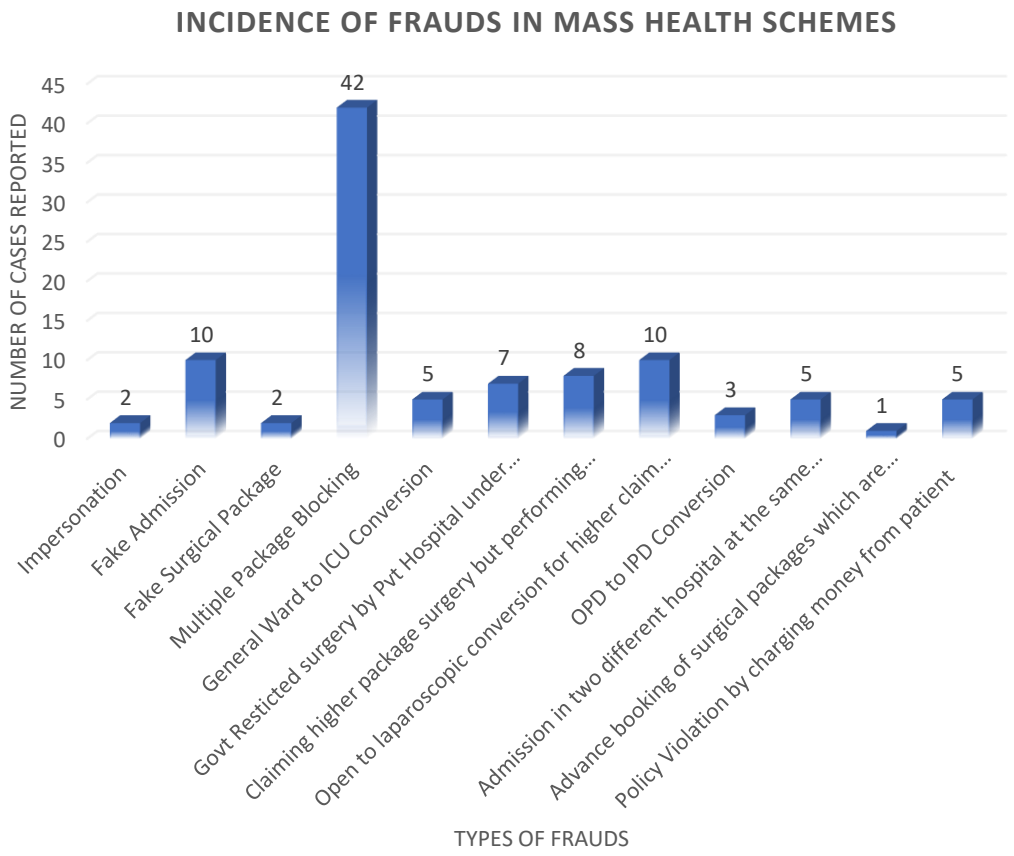
Claims

- Money siphoned off beneficiary's sum insured without beneficiary's knowledge
- Surgical Packages claimed but no surgery conducted
- Patients charged for diagnostics and medicines (even though covered within treatment package)
- Patients treated for minor surgeries but charged for high-end surgeries (e.g. conducted open surgery but charged for laparoscopic surgeries)

Hospital Empanelment

- Hospitals without necessary infrastructure empaneled due to extraneous considerations
- Non implementation of grading parameters set for hospitals leading to increased claims outgo
- Insurers lack control of de-empanelment of hospitals engaged in malpractices

Types of Frauds reported



Types of Frauds reported in different mass health scheme:

- Impersonation
- Fake Admission
  Fake surgical package/billing for services not rendered
- Multiple package blocking/Unbundling of services
- General Ward to ICU Conversion
- Govt. Reserved Surgery done by Pvt. hospital under other allowed packages
- Claiming higher package surgery but performing lower package surgery/Upcoding of services
- Open to laparoscopic conversion for higher claim amount
- General ward to ICU conversion
- Policy Violation by charging money from patient

Rampant fraud went unchecked

Three components require special attention

1 Beneficiary identity

- Enrolment of non-eligible beneficiaries
- Printing of fake smart cards
- Cards printed and sold to hospitals

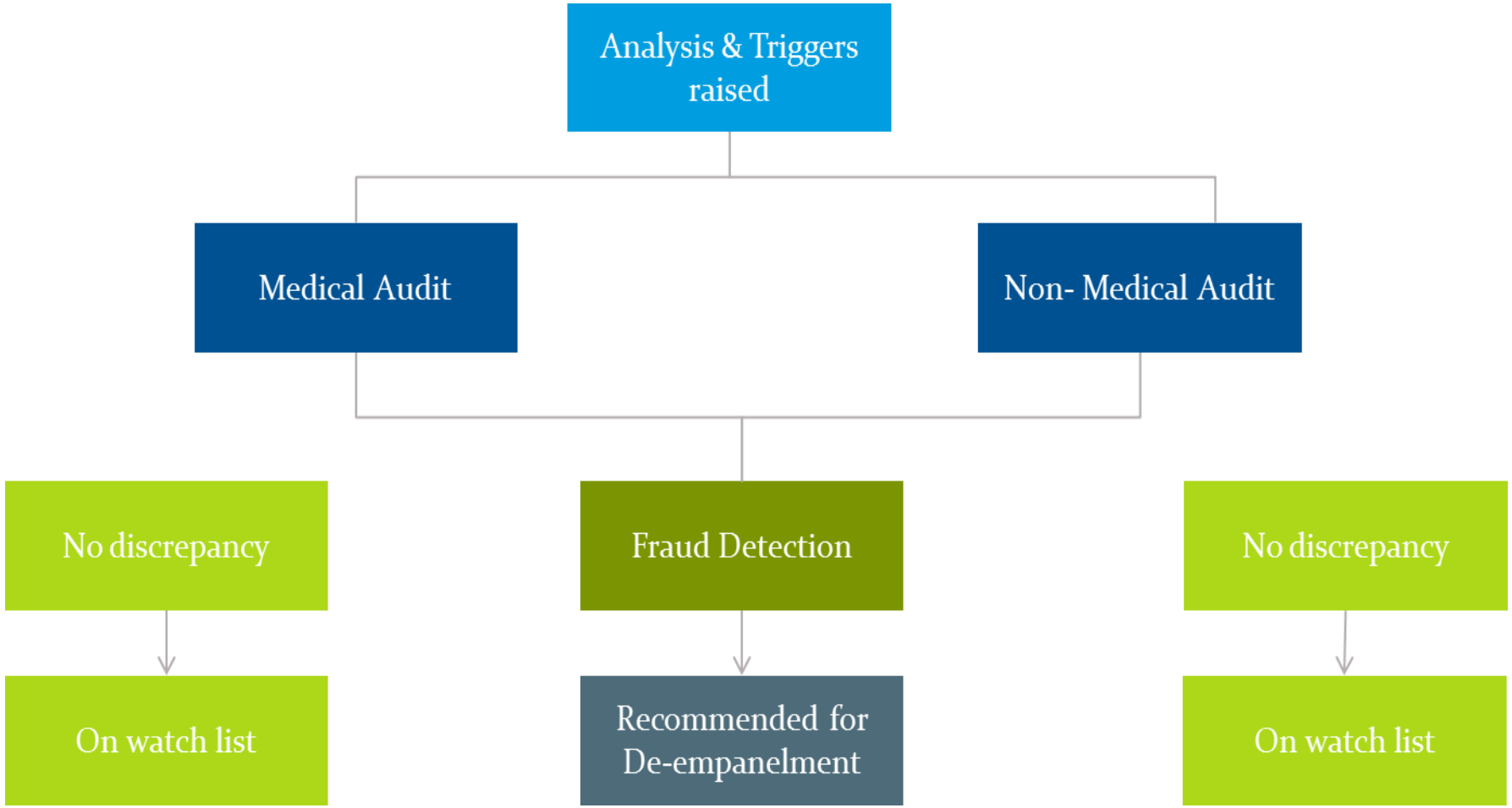
2 Hospitals

- Non-qualifying hospitals
  - lack of infrastructure
  - lack of qualified staff
  - poor hygiene

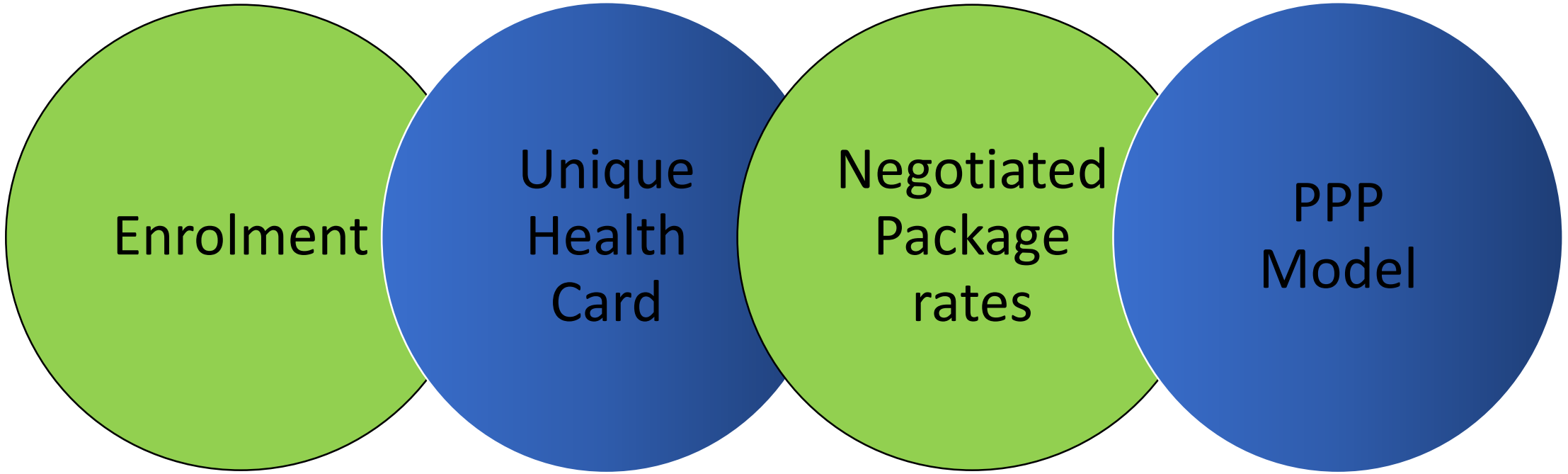
3 Claims

- No pre-authorization for any treatment conducted
- Patients treated for unnecessary procedures
- Surgeries accounted but not conducted
- Treatments overcharged

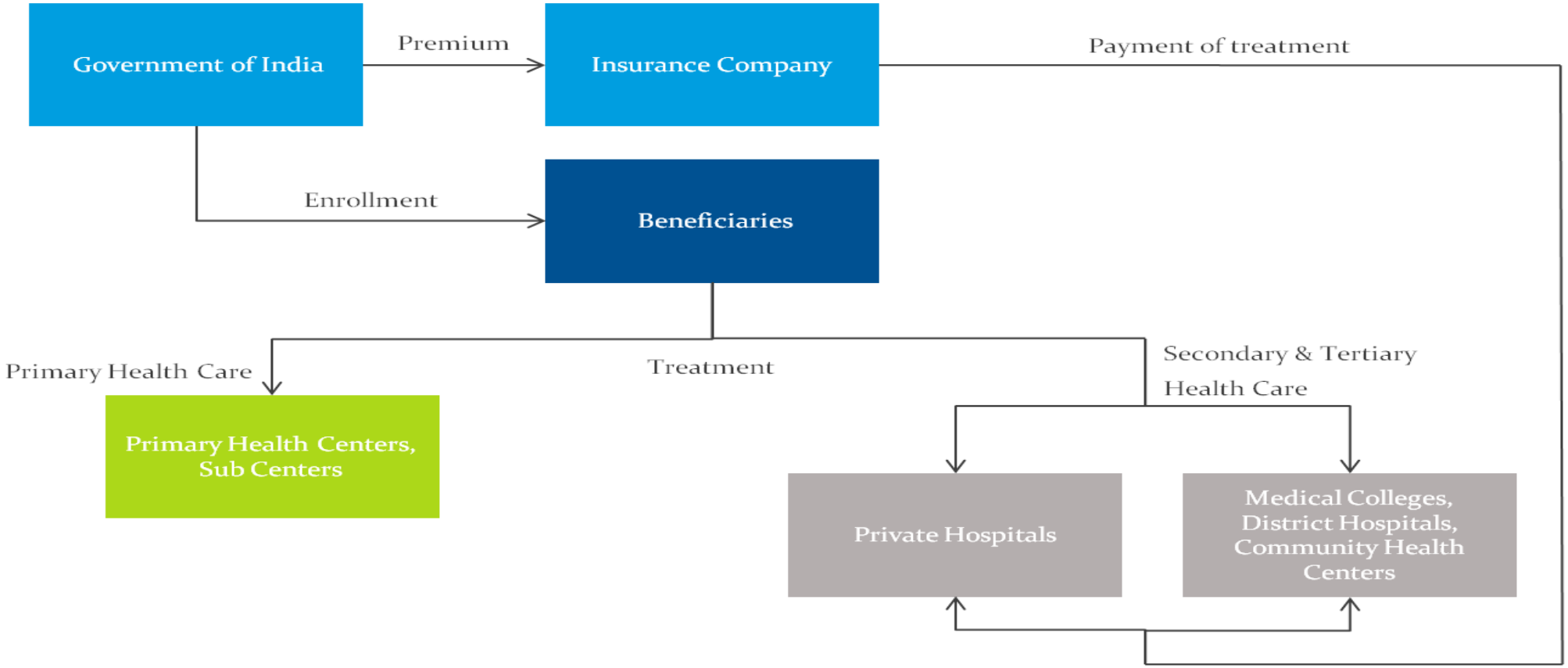
Fraud Mitigation



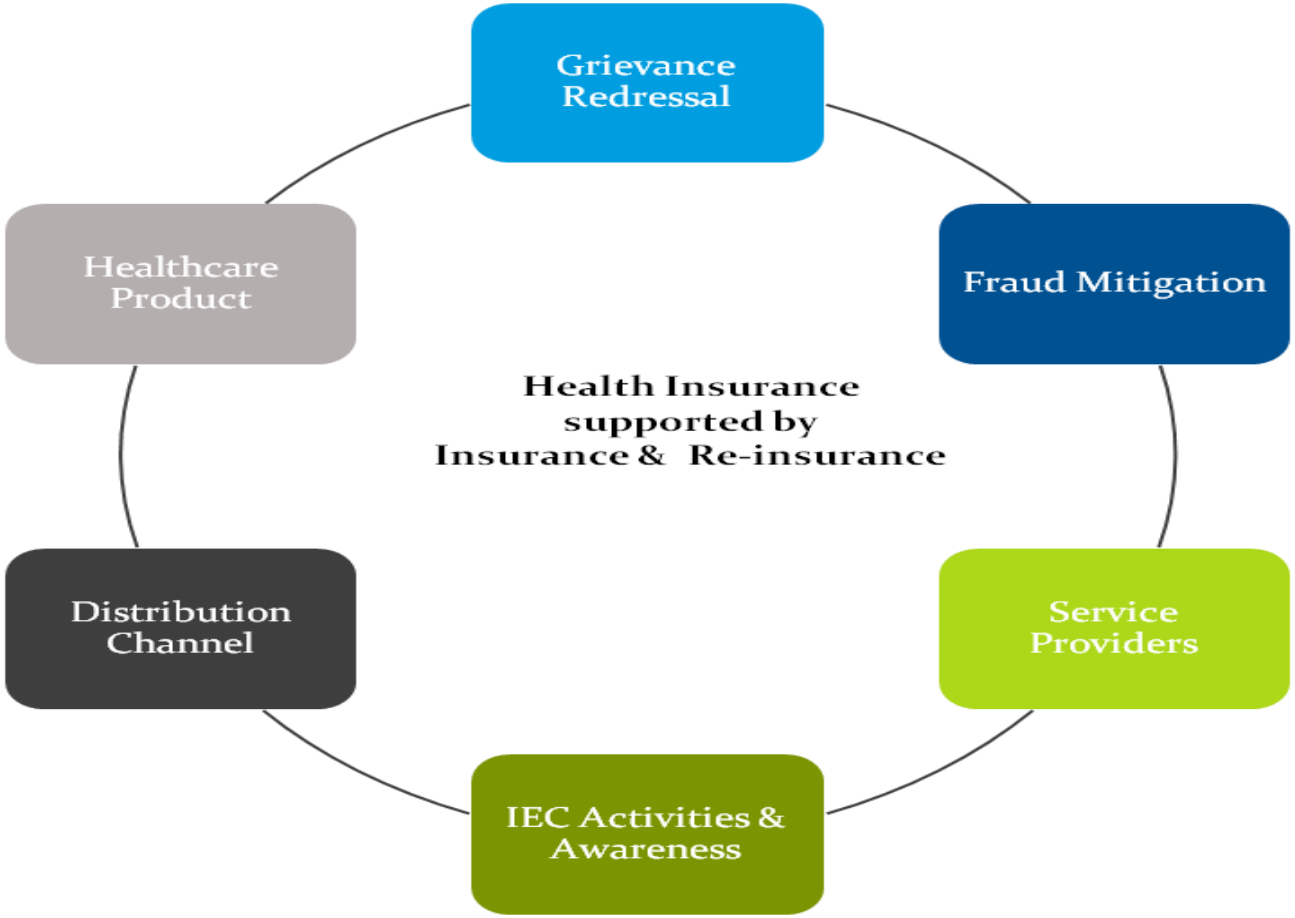
Four Pillars of Ideal Mass Health Scheme



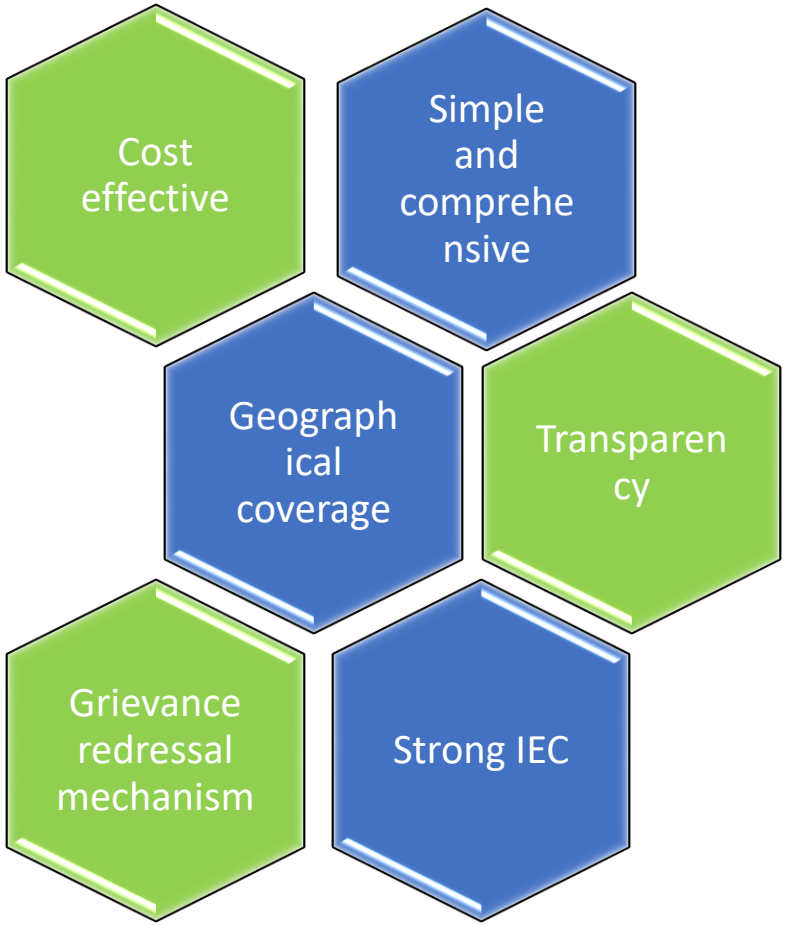
Bird's Eye View of the Process Flow



Proposed Structure of an Ideal Scheme



USP of Proposed Scheme



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