

# **SOCIAL SECURITY MANAGEMENT IN INDIA**

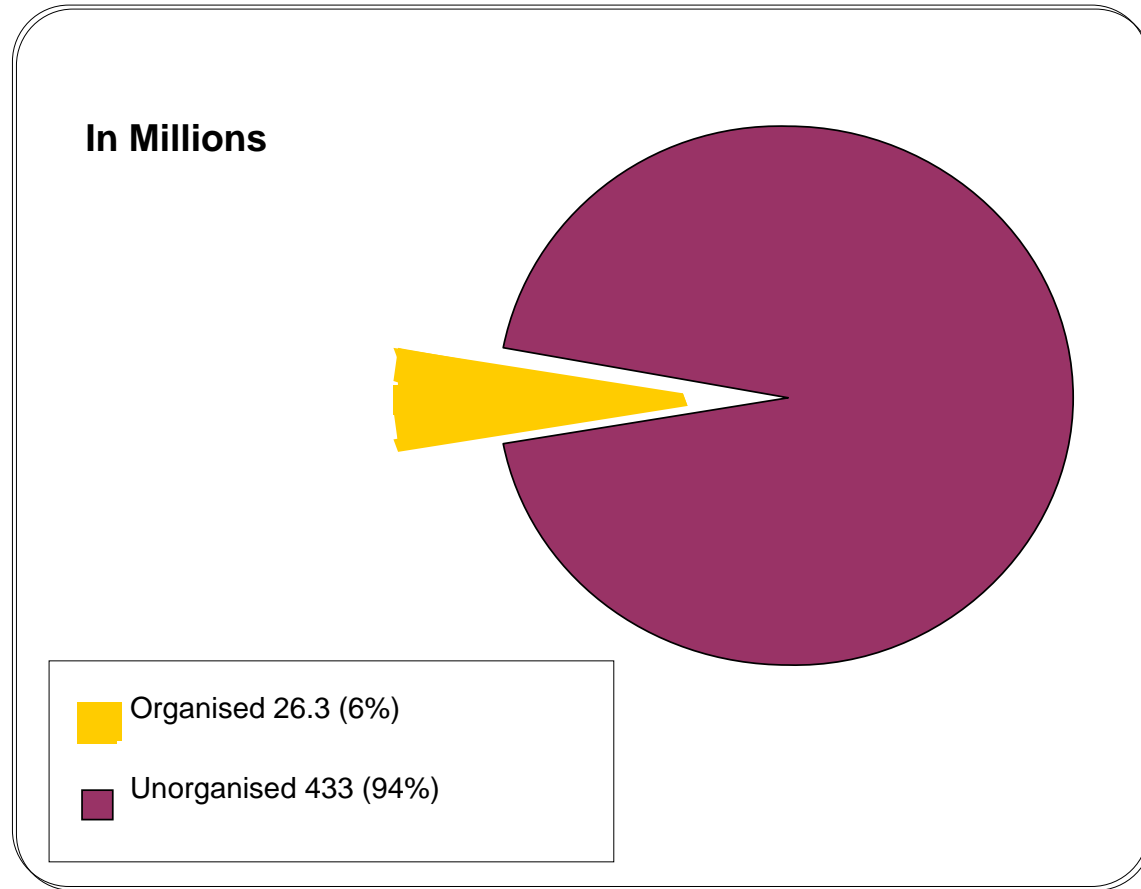
*.....and the recent Health  
Insurance initiative (RSBY)*

# ECONOMIC GROWTH IN INDIA

*...Some Indicators*

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

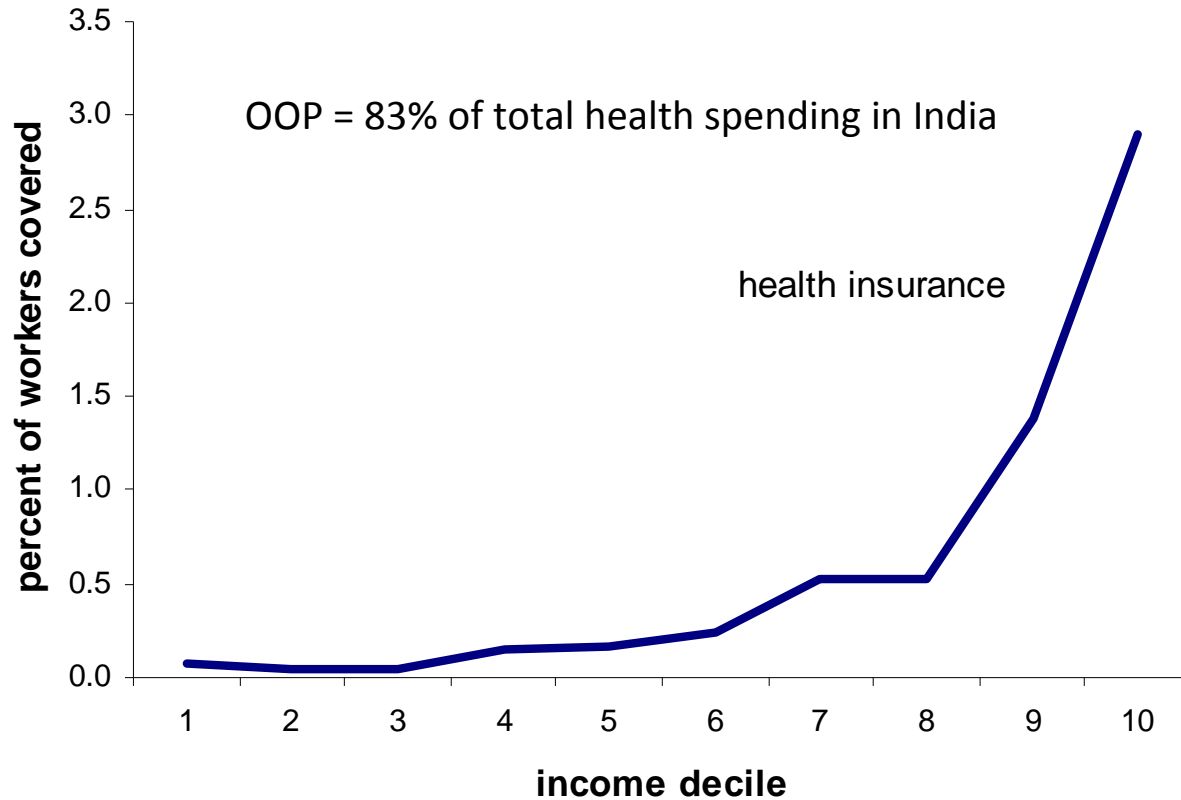
# WORKFORCE IN INDIA



# 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



*Data for All- India 2004*

# OUT OF POCKET (OOP) EXPENSES AND INDEBTEDNESS IN INDIA

(Amount in \$US)

		ALL INDIA	POOREST
1.	Average OOP Payments made per hospitalization in Govt. facilities	70	54
2.	Average OOP Payments made per hospitalization in private facilities	158	115
3.	%age of people indebted due to OP Care	23	21
4.	%age of people indebted due to IP Care	52	64
	<b>SOURCE: NSSO, GOI</b>		

# **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**

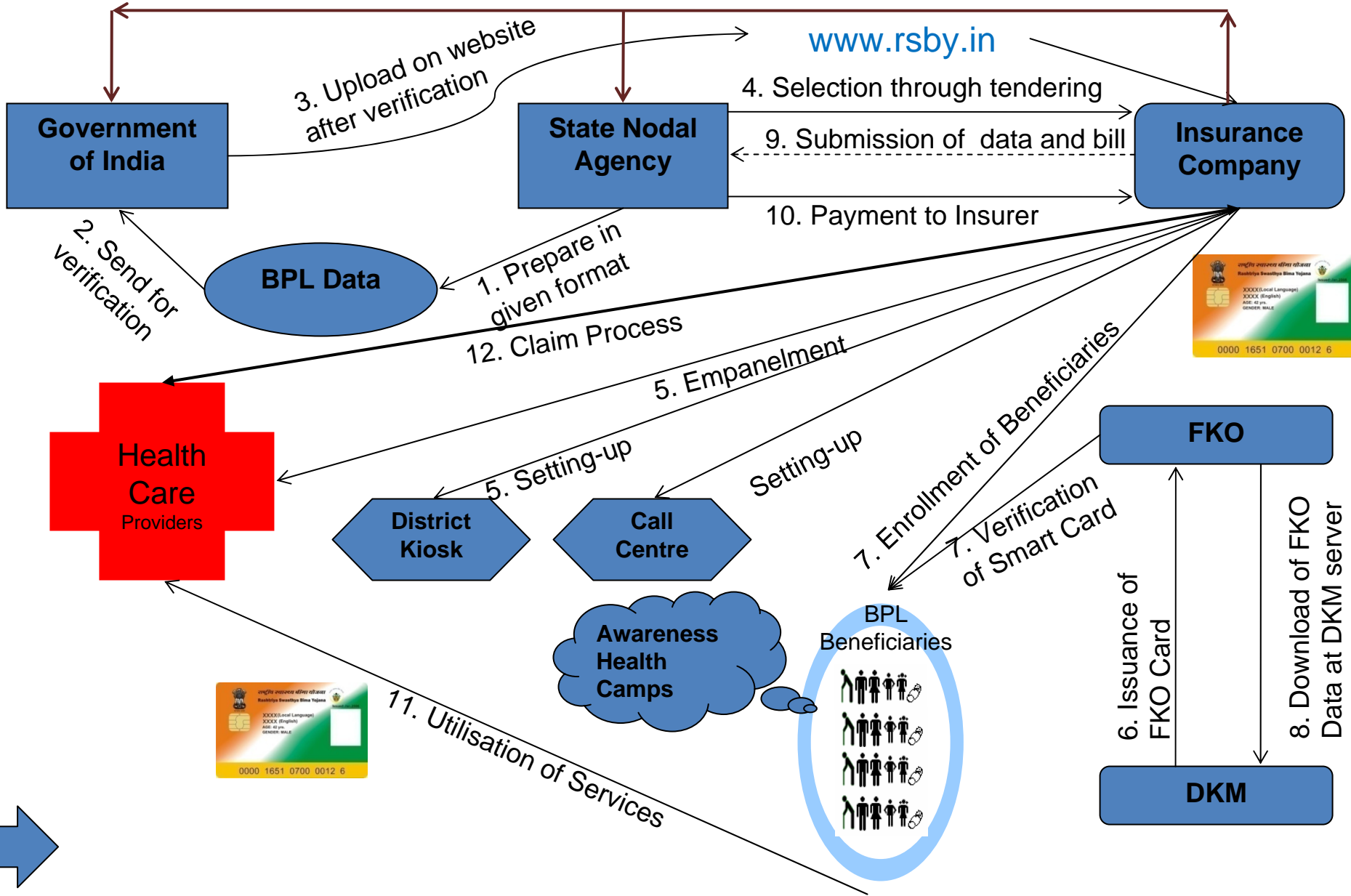
## *Benefits*

- **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**

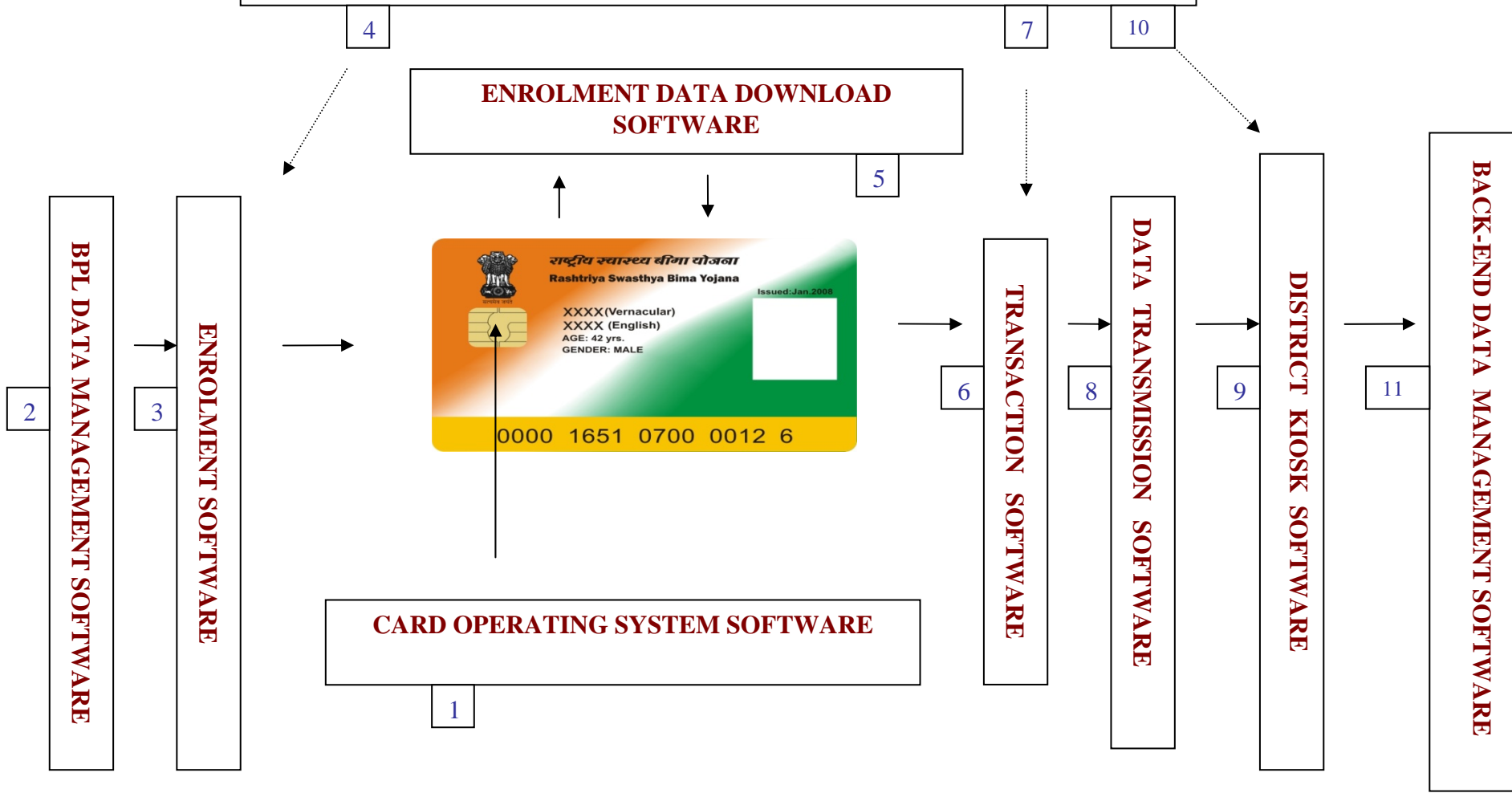
### 13. Submission of Data to State and Central Govt.



# SMART CARD



# KEY MANAGEMENT SYSTEM SOFTWARES



**SMART CARD, I.T. APPLICATIONS & RSBY**

# **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*



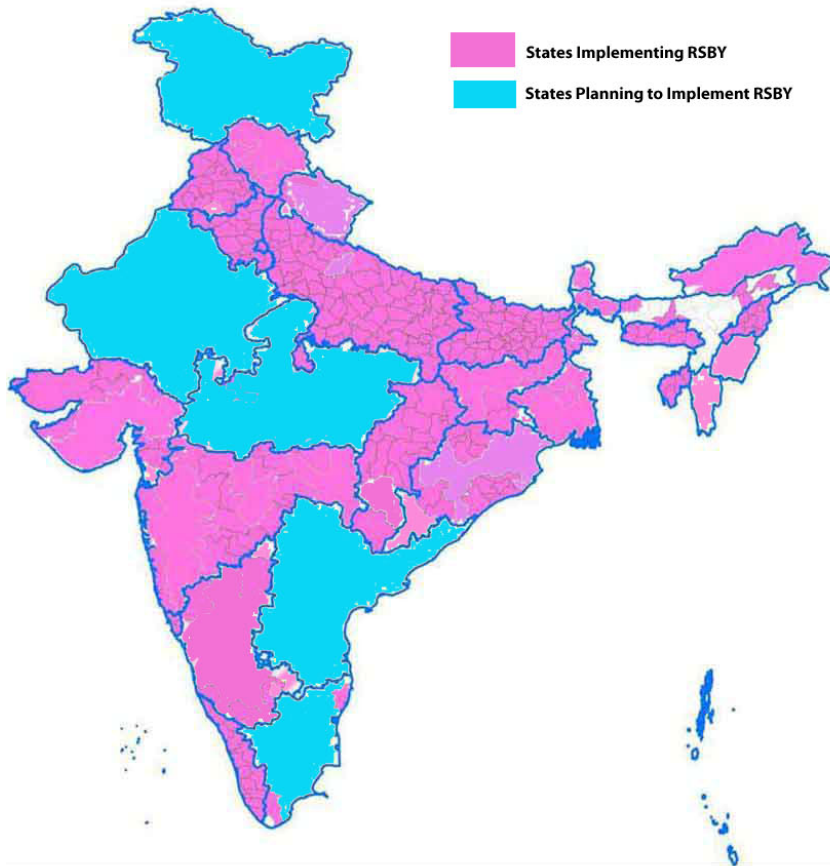
# ***WHERE DID IT ALL BEGIN?***

**EXPANSION OF RSBY ACROSS INDIA (Mar 08- Jul 08)**



# Current Status of RSBY Implementation in India

## EXPANSION OF RSBY ACROSS INDIA (2011)



- 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

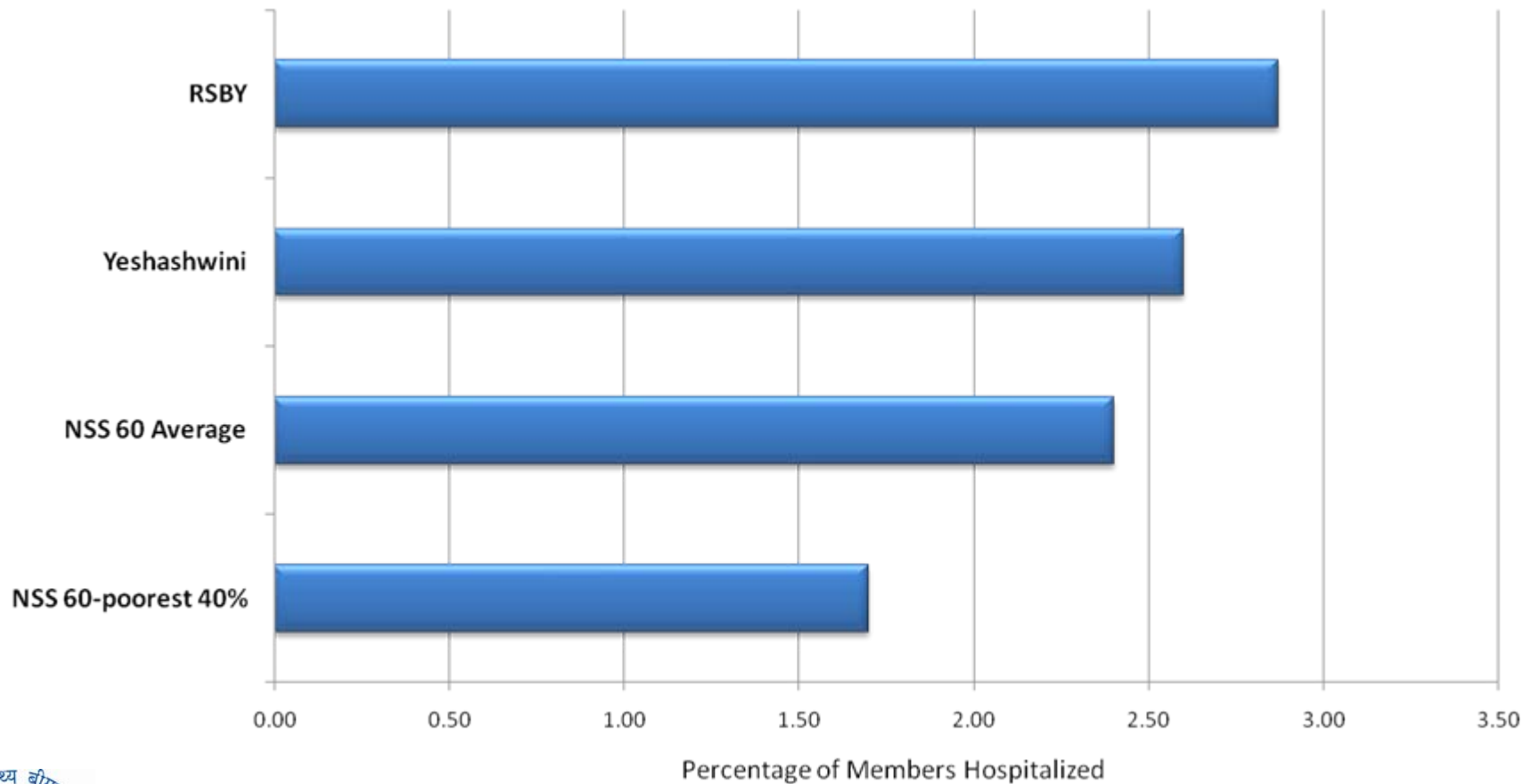
- Initial trends.
- Initial impact.



# 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

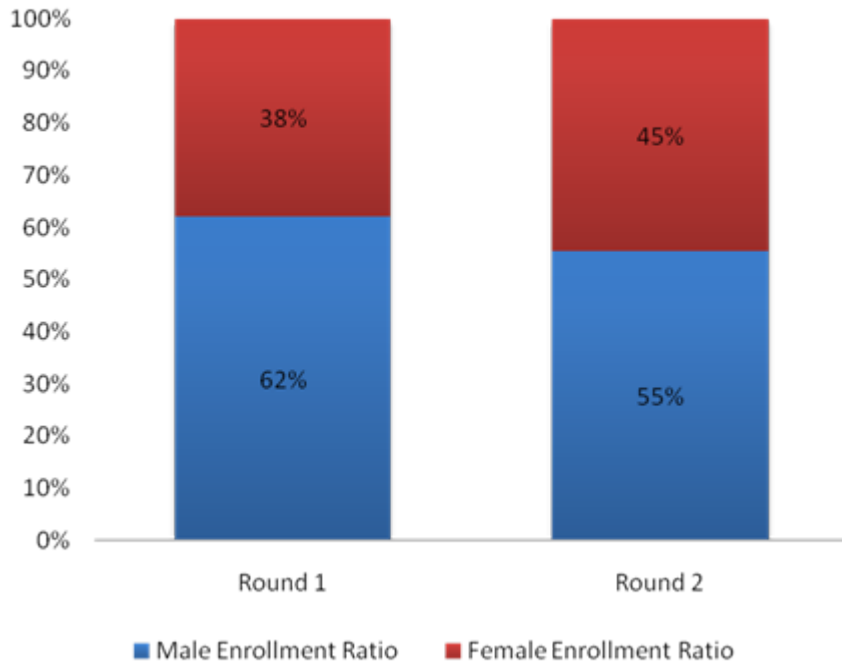


Note: Estimate based on monthly hospitalizations; includes multiple procedures within same household in case of RSBY

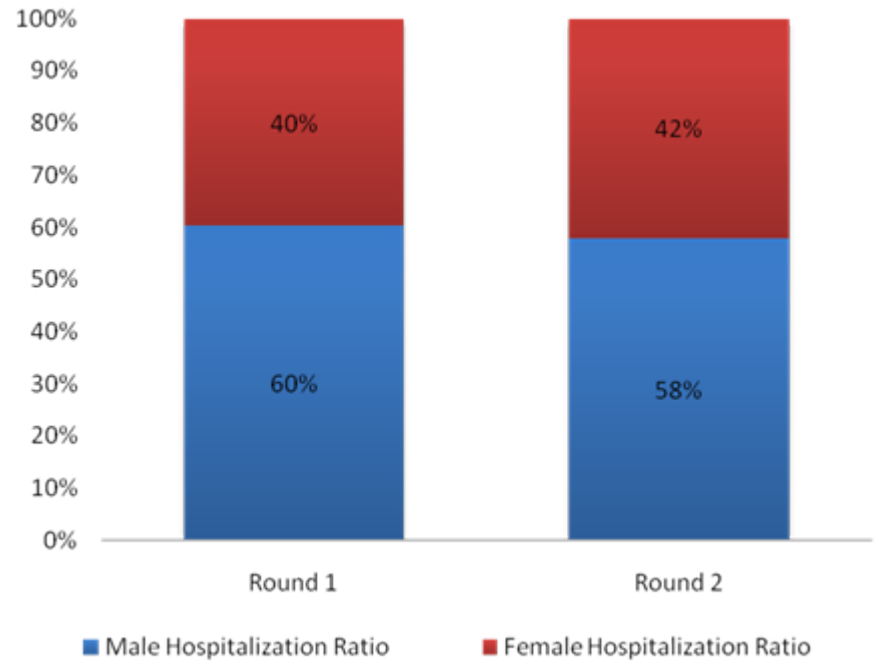


# Male - Female Distribution in Absolute Numbers

## Male- Female in Enrollment

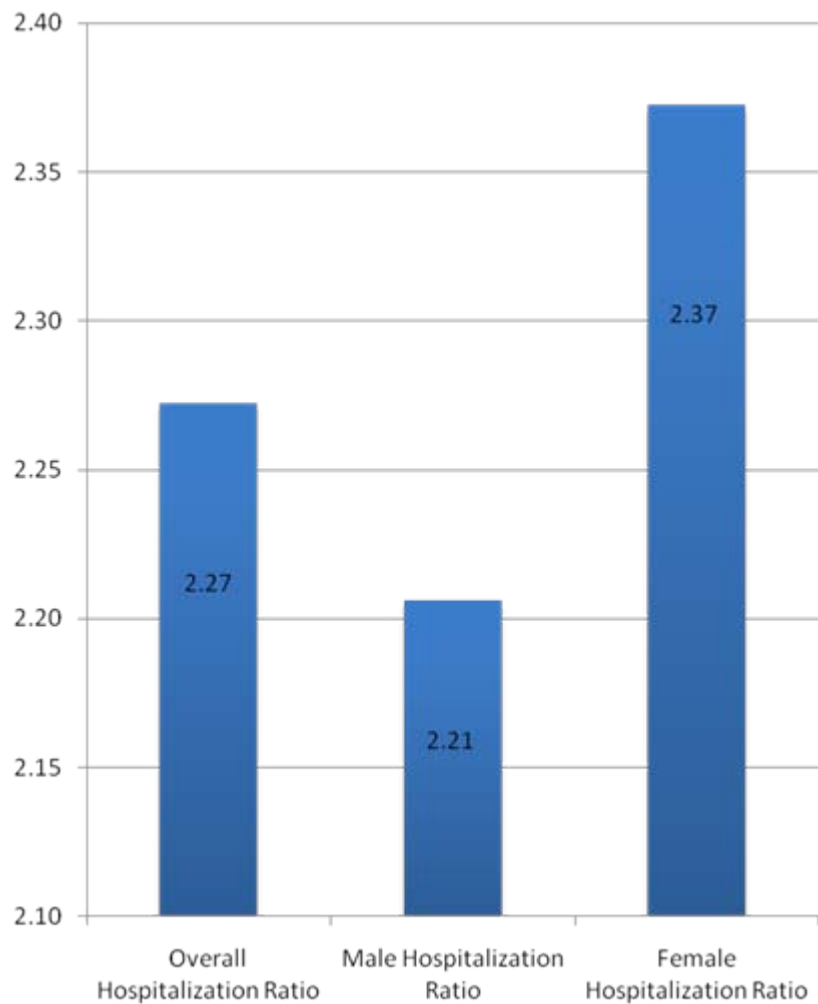


## Male Female in Hospitalization



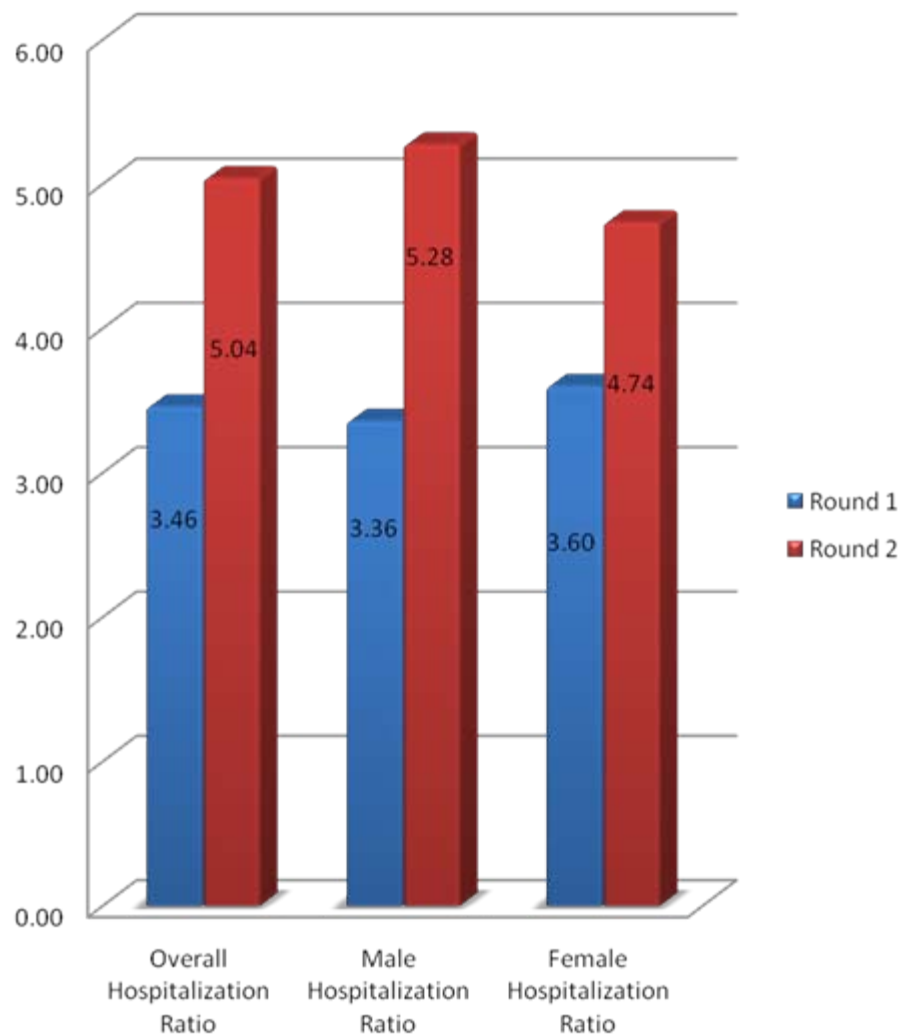
## 247 Districts where One Year Completed

### *Male/Female Hospitalization Ratio*



## 69 Districts where Two Years Completed

### *Male/Female Hospitalization Ratio*



# 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

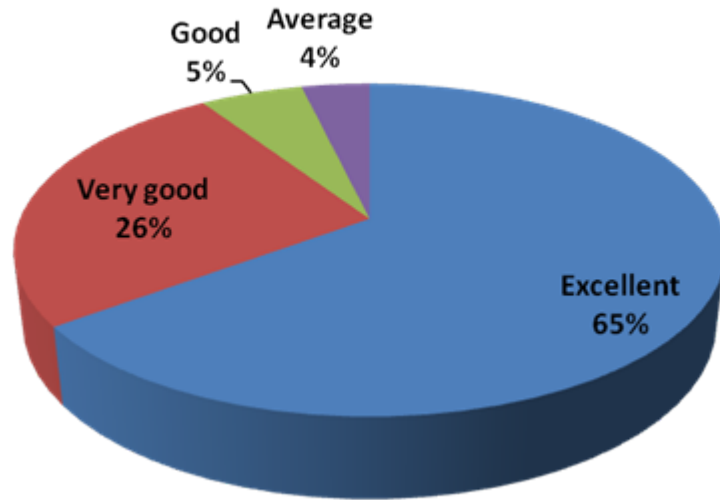
Name of Health facility	Claim amount (Rs)
Medical College, Kozhikode	25052769
Medical College, Kottayam	19578048
MCH Vandanam, Alappuzha	15201870
THQH, Chertala, Alappuzha	15057922
Medical College, Trivandrum	12374607
New Medical College, Thrissur	9836165
District Hospital Malappuram	9333799
Chest Hospital, Thrissur	7277928
District Hospital, Palakkad	6491750
District Hospital, Kollam	6166760
THQH, Kanjirapally, Kottayam	5564357
General Hospital, Alappuzha	5513825
THQH, Changanassery	5465287
District Hospital, Kottayam	5393764
General Hospital, Kasargod	5286323
General Hospital, Trivandrum	5109698
General Hospital, Pathanamthitta	4872458



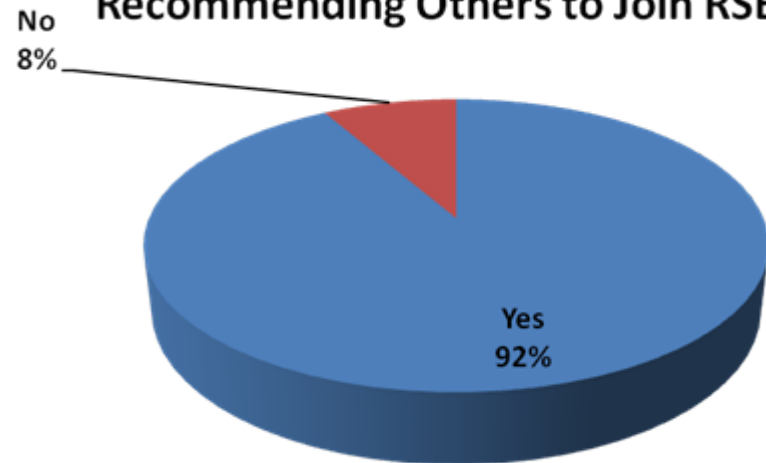
***.....evaluation surveys***

# Survey Results – Kerala

## Satisfaction About Treatment

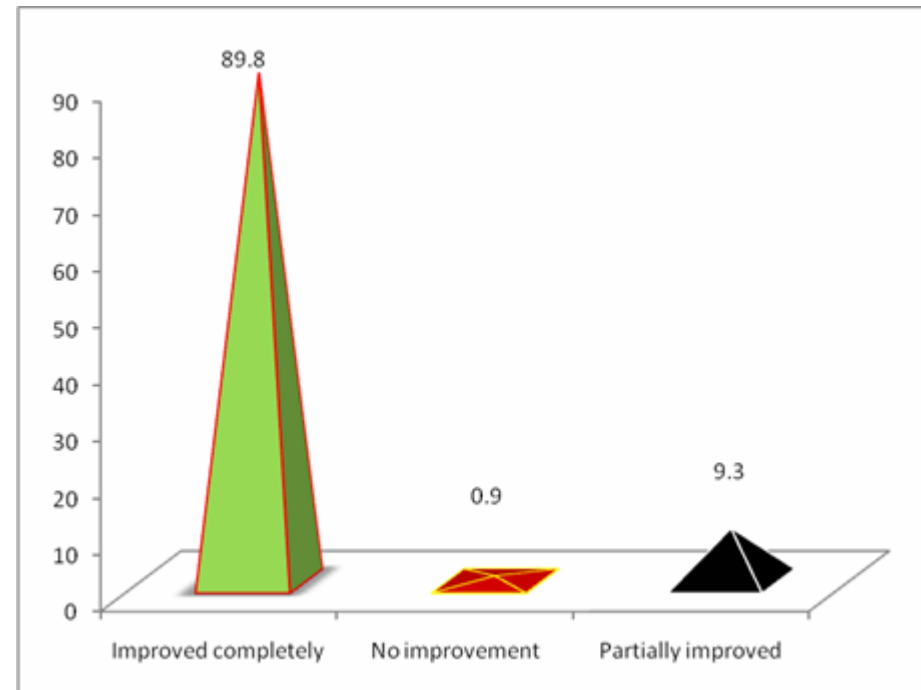


## Recommending Others to Join RSBY



# Service Delivery – Health Status Post RSBY Treatment

Health Status	Percent
Has improved completely	89.8
No improvement	0.9
Partially improved	9.3
Total	100.0





# 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**

## **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.

#### Leading Touch

India is introducing a smart-card-based health-insurance system for the nation's poorest. With million-dollar health-care snapshots:

Health expenditures are a percentage of GDP, 2008: 4.8%

Hospital care per 1,000 people, 2008: 100

Drugs available by trained personnel, 2007-2008: 49%

Infants fully immunized against measles by their first birthday, 2007: 54%

Population with access to improved sanitation, 2007: 82%

Source: World Health Organization



John Cunniff for Wall Street Journal

# THE TIMES OF INDIA

## MEN AND IDEAS

GURCHARAN DAS



Nothing causes as much anxiety in a family as when someone falls sick. Nearly 65% of India's poor get into debt and 1% fall below the poverty line each year because of illness, according to National Sample Survey Organisation (NSSO) 2004. The answer, of course, is health insurance, but only 6% of India's workers have it. Free public hospitals are not an option as two out of five doctors are absent, and there is a 50% chance of receiving the wrong treatment, according to Jishnu Das and Jeffrey Hammer's study. This tragic state of affairs is, however, set to change dramatically with Rashtriya Swasthya Bima Yojana (RSBY), a visionary national health insurance scheme, which provides Rs 30,000 'in patient' health benefits at a premium of Rs 600, which the government pays if you are poor.

A brainchild of an IAS officer, Anil Swarup, this scheme will succeed when oth-

## Finally, a lifeline for India's poor

ers have failed because of choice, competition and a magical 'smart card'. A patient can choose from almost 1,000 private or government hospitals. States can choose from 18 public or private insurance companies. Insurers have the incentive to recruit the poor as they earn premiums by doing so. Hospitals will not turn away the poor because they don't want to lose the Rs 30,000 in potential revenue. The poor have a choice to exit a bad hospital, something that only the rich can do today. Competition between hospitals will improve the quality of health-care and new hospitals will come up because there is now money in catering to the poor.

The insured carry a smart card with a photo, fingerprints of the family and an official's 'key' who is accountable. It makes transactions cashless and paperless for the 725 pre-agreed medical procedures. This card contains Rs 30,000 and it tracks expenses day to day in the hospital and the money is deducted automatically after each procedure. No need for pre-approval or reimbursement. Since the poor are migrato-

ry birds, the smart card empowers a Bihari to use a hospital in Gujarat. Smart cards are designed to prevent fraud because of 11 unique types of embedded software.

So far 500,000 cards have been issued in six months covering 2.5 million people. Most states have agreed to the scheme because the centre foots 75% of the premia. Haryana and Gujarat are the most enthusiastic states. Uttarakhand and Orissa are dragging their feet. Kerala is offering it to everyone as long as the non-poor pay their own premia; thus, it has become a universal product of the insurance company. Only Madhya Pradesh and the North-East states, to their disgrace, have not joined. If all goes according to plan, 30 crore people or one third of India will be covered in five years at an annual cost of Rs 4500 crores — a tiny sum compared to the money wasted in dozens of other schemes. Previous state health insurance schemes failed because they insisted that people use public hospitals and public insurers — with predictable results. This one will succeed because in-

urance companies, hospitals, and patients all have 'skin in the game'.

Smart cards can dramatically cut corruption in all our social programmes. India spends 14% of GDP in subsidies for the poor, which is more than enough to wipe out poverty. But poverty persists because subsidies leak out through corruption. Smart cards can also carry data on payments for rations (PDS) or earnings from employment schemes (National Rural Employment Guarantee Scheme) and it can expose corruption very quickly. Despite the Left's strident rhetoric, middle class Indians do not resent income transfers to the poor as long as the benefits reach the poor. Our problems in India are of the 'how', not of the 'what'. The smart card addresses the 'how', and we know it's powerful because corrupt officials and politicians are trying hard to kill it. For the nation, it is the best Diwali present amidst all the gloom in the marketplace.

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“For the nation, it is the best Diwali present amidst all the gloom in the marketplace”

ANNIVERSARY ISSUE

OUTLOOK

# Business

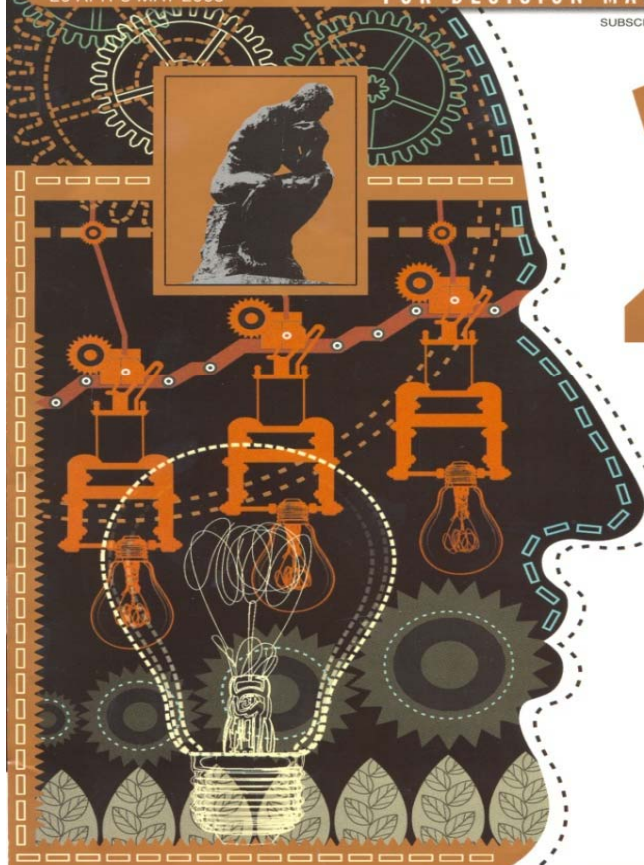
20 APR-3 MAY 2008

FOR DECISION MAKERS

Rs 15

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# 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.

# BBC

- 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.”*

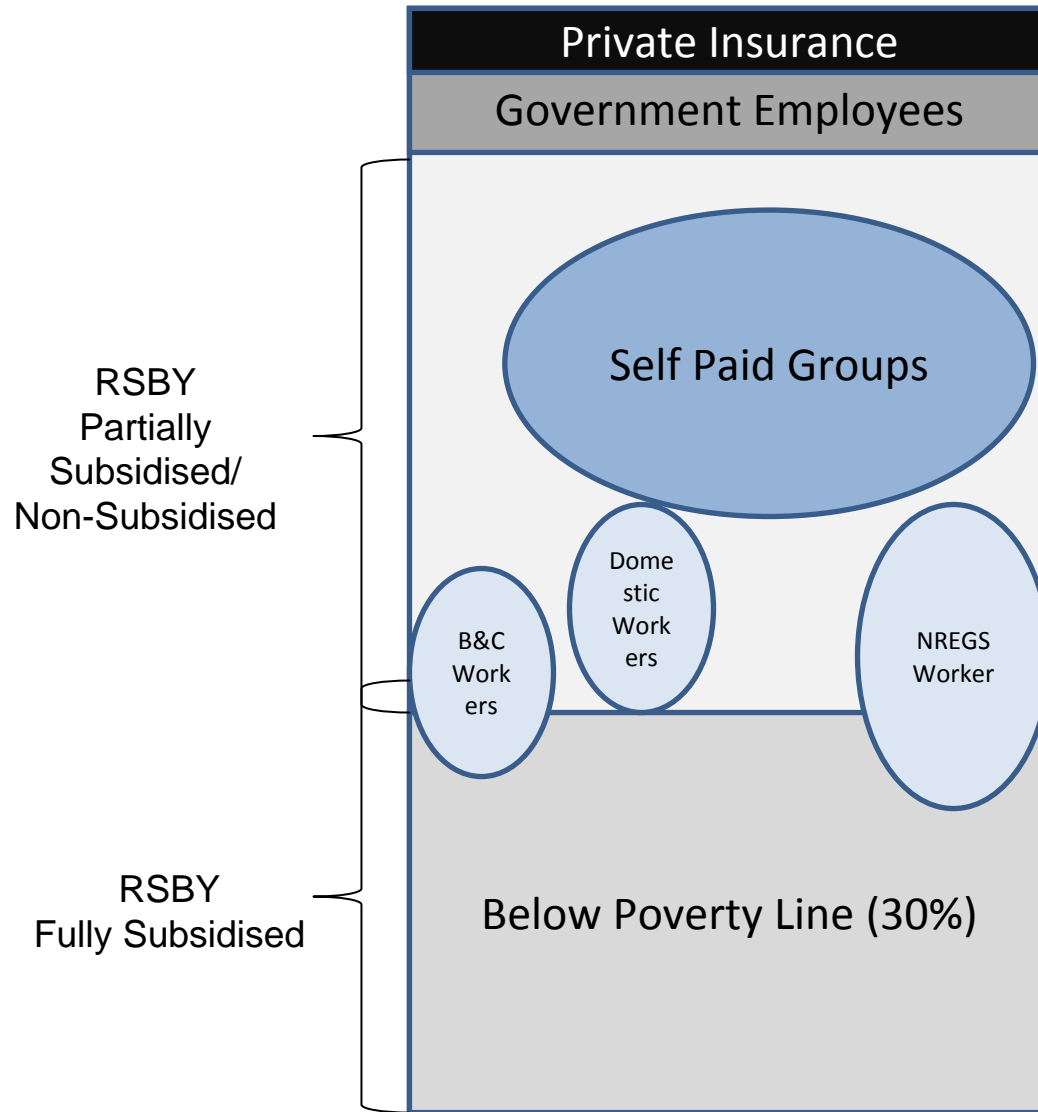
# Bill Gates Foundation

- *“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

# Expansion Plan of RSBY



# 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.*