



Rashtriya Swasthya Bima Yojana – Providing Health Insurance to Poor and Economically Weak Sections

Key Features of RSBY

- A paperless and cashless insurance cover (worth INR 30,000 per annum (p.a.)), the RSBY benefits BPL families and 12 categories of workers in the unorganized sector.
- Extensive IT system developed for the implementation of the scheme to improve access to health insurance for poor families. Biometric smart card has the potential to be used for delivering other social security benefits as well.
- One of the world's largest health insurance schemes, the RSBY covers 43 million families across 19 states (as of 31.03.2016). Picked up as one of the top 18 social security schemes in the world by ILO and UNDP.

“Two years back, we got to know that our daughter has kidney stones. The doctor prescribed expensive medicines and scans and suggested that we should go for lithotripsy. Even today, we have to take her for regular check ups. In order to pay for the surgery and check ups, I had to sell off my land and two bullocks.”

- Johan Mohanta, resident of Kalika GP, Balasore (Odisha)

The draft National Health Policy 2015 highlighted that **63 million people are faced with poverty every year on account of healthcare expenditure**. This figure is further substantiated by the fact that the **out-of-pocket expenditure as a percentage of total health expenditure in India stands at 62.4 percent¹**, which is among the highest in the world. Moreover, only 24 percent of the population is covered under health insurance policies, both private and public². These numbers taken together suggest that the case, as stated by Johan Mohanta, is not an aberration but rather the norm. It is in this context that this brief seeks to present an overview of the Rashtriya Swasthya Bima Yojana (RSBY), a centrally sponsored scheme launched by the Government of India with the aim of providing health insurance coverage to BPL families and workers in the unorganized sector.

¹ World Health Organization (WHO) statistics on health financing

² (Reply to Starred Question No.186 in Lok Sabha, 6th May 2016)

Rashtriya Swasthya Bima Yojana (RSBY) – Providing Cashless Hospitalization to the Poor

The Ministry of Labour and Employment, Government of India launched the Rashtriya Swasthya Bima Yojana (RSBY) in the FY 2007-08 and became operational in April 2008. A centrally sponsored scheme, the RSBY seeks to make healthcare facility more accessible to the poor, which includes **Below Poverty Line (BPL) workers and their families as well as 12 other defined categories of workers in the unorganized sector**, by providing healthcare insurance cover worth INR 30,000 p.a. for up to 5 members in the family of the beneficiary. The RSBY is also one of the 10 social security or welfare schemes specified in Schedule I of the Unorganised Workers Social Security Act, 2008, which was enacted by the Parliament in 2008 and aims to provide for the social security and welfare of unorganized workers.

The RSBY seeks to not only **provide protection to BPL workers from the financial liabilities**, which occur as a result of the out-of-pocket expenditure on hospitalization, but also **improve access to quality healthcare across public and private hospitals**. Under the scheme, the **beneficiary is provided a biometric enabled smart card**, which can be used to avail cashless healthcare at any of the empanelled public and private hospitals, anywhere in the country.

The scheme has undergone some significant structural and operational changes in the last year or so. On 1st April 2015, the **scheme was transferred from the Ministry of Labour to the Ministry of Health and Family Welfare** and more recently, the Government of India also issued guidelines for implementation of the Health Insurance Scheme for Weavers under the RSBY. The complete set of defined categories of workers (as defined by Census in National Classification of Occupation) is as follows:

Category of Workers	
Building and Other Construction Workers registered with the Welfare Boards	Sanitation Workers
Licensed Railway Porters	Mine Workers
Street Vendors	Cycle Rickshaw drivers/Rickshaw Pullers
MGNREGA Workers, who have worked for more than 15 days in the last financial year	Rag Pickers
Beedi Workers	Auto Rickshaw/Taxi Drivers
Domestic Workers	Handloom Weavers

When the scheme was introduced, the guidelines stated that the entire country would be covered under the RSBY in five years i.e. by 2012-13. Currently, the **RSBY is being implemented across 441 districts of 19 states in the country and a total of 4.13 crore Smart Cards have been issued** (as of 31.03.2016). The process of identifying and enrolling the BPL families is currently underway or has been completed across 40 other districts in 10 states/UTs, apart from the initial 19 states. The details of the state wise coverage is provided in Annexure I of this brief.

Understanding the Working Mechanism and Benefits under the RSBY – An Overview

The BPL household, which is a beneficiary under the RSBY, is entitled to **coverage of INR 30,000 p.a. on a family floater basis**. This implies that the insurance cover, which is extended to a maximum of 5 members in the family including the head of the household, spouse and up to 3 dependents, can be availed by any of these 5 members. This amount would cover hospitalization or in-patient treatment costs as well as services of a surgical nature (such as surgery of nose, throat and ear, etc.), which can be provided on a day care basis. Additionally, the scheme also provides for transport allowance of INR 100 per visit to the hospital, subject to a cap of INR 1,000 p.a.

The **beneficiary has to pay a registration/renewal fee of INR 30 p.a. to the insurance company**, which is selected by the State Government on the basis of a transparent and fair tendering process, at the time of delivery of the smart card. This amount goes towards meeting the administrative expenses of the State Nodal Agency, which is set up by the state government to look into implementation, monitoring and supervision of the scheme by ensuring comprehensive coordination between the different stakeholders such as the insurer, empanelled hospitals and district authorities. Now, based on the premium amount decided between the state government and the selected insurance company (subject to a ceiling of INR 750 per beneficiary p.a.), **the central government and the state government contribute 75 percent and 25 percent respectively towards the annual premium**. In the case of the states in the North-Eastern Region (NER) and Jammu and Kashmir, the sharing pattern changes to 90:10 between the central government and state government.

It is important to highlight that **in the case of Auto Rickshaw and Taxi drivers, the workers are supposed to contribute 50 percent of the premium amount in addition to the INR 30 paid towards registration or renewal fee**. This would benefit approximately 35.39 lakh auto rickshaw and taxi drivers, registered with the State Transport authorities, as they are an important part of the unorganized workforce in urban areas. The contribution pattern for other defined categories of workers remains the same as for BPL workers.

The Implementation Process – Understanding the role of the different stakeholders

As highlighted in the previous section, the scheme provides health insurance cover to BPL families and workers belonging to the unorganized sector across 12 categories for cashless hospitalization across empaneled hospitals. Now, based on this understanding, it is easy to visualize that there are a lot of activities involved in the implementation of the scheme ranging from **the selection of district in the state (where RSBY would be implemented) to the identification and enrolment of beneficiaries to the selection of the insurance agency to the empanelment of public and private hospitals**. Both the Government of India and the State Government are involved in the different activities but the major responsibility for the implementation of the scheme falls on the state government. This section seeks to provide an overview of the different activities.

1 Selection of Insurance Agency

- The state government selects a **public or private insurance company through a competitive tender process** (technical and financial), which is then approved by the GoI.
- The selected insurance company has to set up an office in the district.
- There can **only be one insurer in each district** but multiple insurers can operate in the state.

2 Empanelment of Hospitals

- The selected insurer has to empanel public and private hospitals in the project area
- Hospitals need to fulfill certain criterias such as **fully equipped medical and surgical facilities, functional and equipped Operating Theatre** and qualified doctors & nursing staff
- The empaneled hospitals receive a **unique Hospital ID number** and are required to **set up a RSBY desk**.

3 Preparation of Beneficiary List and Enrollment Process

- The State Government prepares an **authenticated BPL list** and also a list of **workers under the defined categories** in the prescribed electronic format. This list contains details of all the family members of each beneficiary.
- Based on this data, the **GoI allocates a Unique Registration Number (URN)** to each **beneficiary family**.
- This list is provided to the insurer, who then **prepares an enrolment plan** to complete required procedures (photograph and fingerprint of each member), enroll the beneficiaries, collect registration fee of INR 30 from beneficiary and issue a Smart Card.
- The **list of empaneled hospitals** is provided at the time of enrolment to the beneficiaries and the enrollment period is for one year.

4 Availing Services at Empanelled Hospitals

- The beneficiary, enrolled into the scheme, **can avail cashless hospitalization and health care services that can be treated on a daycare basis** (based on a pre-specified package) **at any of the empanelled hospitals across the country**.
- The smart card **can also be split into two parts**, which is particularly useful for the migrant workers.
- The beneficiary will visit the RSBY desk at the hospital and get their identity verified (using photograph and fingerprint). The pre-specified cost of the procedure is deducted from the smart card and the beneficiary is paid INR 100 as transportation cost by the hospital. Post that, the insurer has to settle the hospital's claims.

The Current Status of RSBY – A Look at the Challenges

A total of 41,331,073 families in 19 states have been enrolled under the RSBY (as of 30.06.2016). This implies that the scheme has reached 57 percent of the 7.27 crore families identified by the states. The smart card holders can avail the benefits under the scheme at **10,725 empanelled hospitals in these 19 states** and a total of **19,83,864 hospitalizations** have taken place under the RSBY. The GoI has allocated INR 1,500 crores for the RSBY during the FY 2016-17. During the Budget Speech, the Finance Minister of the GoI also announced changes to the existing guidelines and a new health protection scheme, which will provide a cover of up to INR 1,00,000 for poor and economically weak families.

While the scheme has achieved significant success in providing health insurance cover to millions of poor families, there exist several gaps and challenges in ensuring achievement of the desired objectives. More importantly, a close look at the enrollment numbers highlights that states like Bihar, Jharkhand, Uttar Pradesh and Uttarakhand, which are among the worst performers on public health indicators and have poor health infrastructure, report very low enrollment i.e. less than 50 percent. Moreover, the scheme has been criticized on the ground that there is a significant lack of primary and secondary healthcare centres in rural areas, as a result of which the villagers have to travel great distances in order to get treated in an empaneled hospital and this also increases the tendency among patients to get hospitalized.

Issues with Data Entry and Poor Condition of Hospitals – the Swaniti Experience

In Balasore district in Odisha, there are a total of 23 empanelled hospitals under RSBY. Hatigarh CHC, which caters to 13 GPs in Jaleswar Block, is one of the empanelled hospitals. While the CHC has set up a special desk as mandated under RSBY, the data entry into the system had happened in a faulty manner. As a result, several patients with smart cards are not able to verify their credentials since the **fingerprint doesn't match with the stored data and are thus forced to pay out of pocket for hospitalization or day care surgery in the centre**. This undermines the very objective of the scheme, which is to protect BPL families against financial liabilities and reduce OOP expenditure.

Another problem, as observed by the team, is that there are hospitals that have been empanelled despite the fact that they don't meet the desired criteria, which is specified in the scheme guidelines and has also been highlighted in the Implementation Process section of this brief. For instance, Keredari CHC is an empanelled hospital in Hazaribagh district in Jharkhand. Now, as per the defined criteria, the CHC should have atleast 10 inpatient medical beds as well as fully equipped and functional OT. However, in the case of Keredari CHC, it **doesn't have the required number of inpatient beds and also doesn't have surgeon to operate on cases, as a result of which the OT is not functional**. Moreover, while it has an X-Ray machine there is no technician to operate it. Yet again, this suggests that the objective of ensuring quality and accessible healthcare for poor people is not being met at the desired level.

Annexure I – State-wise details of RSBY Implementation (as of 30.06.2016)

*The list of hospitals does not include de-empanelled hospitals.

Name of State	Total BPL families	Enrolled BPL Families	Total Hospitalization cases (value in INR)	Public Hospitals	Private Hospitals
Assam	23,71,950	14,21,104 (59.91%)	26,590 (10,94,61,208)	132	40
Bihar	13,822,582	68,99,144 (49.91%)	1,10,888 (83,31,29,185)	135	925
Chhattisgarh	37,24,030	34,42,749 (92.44%)	5,29,420 (3,00,20,19,316)	365	576
Gujarat	43,96,654	18,76,628 (42.68%)	57,857 (40,76,46,949)	482	1020
Haryana	12,29,850	4,37,850 (35.60%)	Data N.A.	33	409
HP	8,77,763	4,80,588 (54.75%)	38,449 (18,03,60,592)	153	21
Jharkhand	36,07,741	16,82,894 (46.65%)	13,686 (8,34,49,061)	173	273
Karnataka	11,346,934	6,731,881 (59.33%)	1,03,287 (61,96,36,777)	268	487
Kerala	22,21,283	20,21,572 (91.01%)	3,48,888 (1,34,66,88,870)	209	171
Manipur	1,20,237	70,925 (58.99%)	2,014 (2,39,48,198)	0	7
Meghalaya	4,79,743	2,56,138 (53.39%)	19,230 (11,40,75,677)	167	15
Mizoram	2,12,572	1,52,983 (71.97%)	16,400 (8,66,01,425)	79	19
Odisha	61,58,498	44,62,959 (72.47%)	2,01,053 (68,87,45,909)	408	172
Punjab	4,52,979	2,32,352 (51.29%)	1,842 (1,18,37,446)	162	139
Rajasthan	38,29,760	27,69,097 (72.30%)	13,420 (11,08,55,965)	420	305
Tripura	7,71,225	4,92,022 (63.80%)	1,08,017 (22,67,35,075)	77	2
Uttar Pradesh	53,01,377	14,64,242 (27.62%)	7,461 (6,28,45,988)	611	784
Uttarakhand	7,28,216	2,85,229 (39.17%)	925 (46,68,018)	94	67
West Bengal	11,100,347	61,50,716 (55.41%)	3,84,437 (2,32,75,50,040)	459	724