

Performance Evaluation of Rashtriya Swasthya Bima Yojana in Kerala

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Abstract

The Indian health insurance sector is one of the fast growing segments of Indian health care system. There were lots of health insurance products available to cover the needs of mass organized community and at the same time there were no single system to cover the health care needs of the mass unorganized community in India. In order to overcome this issue the Government of India has introduced a new scheme called Rashtriya Swasthya Bima Yojana in the year 2008 with the objective of providing financial protection against catastrophic health costs by reducing out of pocket expenditure for hospitalization. The scheme also provides better accessing to quality health care for below poverty line households and other vulnerable groups in the unorganized sector. In this context the present study has been conducted to know how far the new scheme could penetrates the health care system of Kerala.

Keywords: RSBY - Rashtriya Swasthya Bima Yojana, BPL- Below Poverty Line, WHO- World Health Organization, CHIS- Comprehensive Health Insurance Scheme, AGR- Annual Growth Rate, AAGR- Average Annual Growth Rate.

Health care delivery system in India consists of private, public and mixed ownership institutions. The government sector or the public sector includes medical colleges, district hospitals, primary health centers, community health centers and tertiary care hospitals. The private sector hospitals have more perceived quality than public hospitals by the general population, which to a greater extent is true. Most hospitals are equipped with skilled staff, modern technology and imported machineries. Reduction of import duties and loosening of regulations helped in proliferation of quality private hospitals in the country in the last two decades. Now, India has such private hospitals that have all the facilities and quality of care comparable to any state of the art hospitals in the developed countries. Even though everything is available here in the country, majority of its citizens cannot access such high quality services due to unthinkably high healthcare costs.

This is especially true for the marginalized and unprivileged in the society. Again, private health sector also has varying degree of quality of care as it operates in an unregulated market.

Most Indians pay their own medical costs. According to the World Health Organization (WHO), private expenditure represented 73.5 per cent of total health expenditure in India in 2007 (of which out-of-pocket expenditure of households was about 90%), when public funds covered only 26.5 per cent of total healthcare costs. In India, particularly rural India, the highest component of cost is due to medicines, not hospitalizations. According to WHO, 2005 data, drugs represented about 49 per cent of total; out of this 75 per cent is out-of-pocket expenditure (77% in rural areas and a little less than 70% in urban areas). It has also been reported that hospitalization of a person belonging to the lowest monthly expenditure class in rural India cost in 2004 2,530 in a government institution and 5,431 in a private institution (representing over 10 and 25 times, respectively, the monthly income of the households), and another study of WHO suggested that hospitalizations were the source of impoverishment due to low insurance penetration and heavy reliance of patients/payers on current income and short-term borrowing. Similarly most

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Received on 28.11.2018, **Accepted on** 31.12.2018

people in India go to government hospitals not out of choice, but out of compulsion due to poverty and huge health care costs in the private sector. Noncompliance to medical advice due to unbearable costs is one of the reasons for increased morbidity and mortality since health insurance is not common at all. People have to pay the bills from their own pockets. Affordable and accessible healthcare programs are to be developed immediately to tackle this burgeoning problem in India.

Rashtriya Swasthya Bima Yojana

The Rashtriya Swasthya Bima Yojana (RSBY) has emerged as an effective instrument for providing basic health cover to poor and marginal workers. The Central Governments in association with State Government is initiating various National programmes for the control of communicable and non-communicable diseases. The benefit of health insurance as a financing mechanism for ever rising medical expenditure is well known. Rashtriya Swasthya Bima Yojana (RSBY) is a cashless national health insurance welfare scheme introduced by the government of India with the objective of providing protection to BPL households from financial liabilities arising out of health setbacks involving hospitalization.

Rashtriya Swasthya Bima Yojana (RSBY) was launched in the year 2008 with the primary objective of providing health insurance cover to the poorest of the poor in the country. Moreover, it also empowers them to choose their health service provider, either private or public, thus creating an incentive mechanism for providers to improve the quality of their services. The scheme covers up to five members in a family. In this scheme, the enrollment for beneficiaries is done through biometric smart cards. A robust backend data management system is being evolved to track pan India transactions and provide detailed analytical reports. Till 30th September, 2012 the scheme has seen a distribution of more than 32.5 million smart cards providing health insurance cover to around 110 million persons.

The scheme has completed four years of implementation as on 31st March, 2012 with a modest beginning in 2 districts on 1st April 2008. It has now spread to more than 430 districts of 26 States/UTs. Data is available for 330 districts that have completed one full year. In 210 districts, the scheme has completed two years and in 50 districts three years. When we look at the enrollment in such 50 districts that have completed three years, we discern a very interesting trend. The proportion of women in terms of enrollment has gone up from 40% to 48%.

Since the implementation of RSBY/CHIS (Comprehensive Health Insurance Scheme) scheme till April 2010 the revenue generated by empanelled government hospitals is more than that of the empanelled private hospitals. Public health institutions contribute more than 60% of the case load as well as 57% of revenue generated for the public health institutions through the scheme. It stands at almost 25 crores out of Rs. 44 crores collection for year 2009-10 and is projected at 30 crores next year. In the Union Budget for 2012-13, the government made a total allocation of 1096.7 crore towards RSBY. Although meant to cover the entire BPL population, (about 37.2 per cent of the total Indian population according to the Tendulkar committee estimates) it had enrolled only around 10 per cent of the Indian population by March 31, 2011. Also, it is expected to cost the exchequer at least 3,350 crore a year to cover the entire BPL population.

World Bank has observed that "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 the 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."

RSBY has Two fold Objectives

1. To provide financial protection against catastrophic health costs by reducing out of pocket expenditure for hospitalization.
2. To improve access to quality health care for below poverty line households and other vulnerable groups in the unorganized sector.

Objectives of the Study

1. To understand the penetration of the RSBY policy at hospital level in Kerala.
2. To examine the penetration of RSBY at Beneficiaries level in Kerala.

Research Methodology

The study is descriptive and analytical in nature and the study is mainly based on the secondary data.

Tools Used for Analysis

Statistical tools such as Simple Percentage, Standard Deviation and Annual Average Growth Rates were used for the analysis of collected data.

Table 1: Penetration of RSBY at hospital level.

District	RSBY hospitals	Total hospitals	Percentage to Total	RSBY private hospitals	Total PVT hospitals	% to total
Alapuzha	46	102	45	20	76	26
Ernakulum	41	106	39	24	89	27
idukki	26	97	27	13	84	15
Kannur	25	101	25	11	87	13
Kasaragod	23	92	25	11	80	14
Kollam	47	106	44	25	84	30
Kottayam	37	101	37	18	82	22
Kozhikode	52	114	46	25	87	29
Malappuram	56	116	48	24	84	29
Palakkad	46	104	44	21	79	27
pathanamthitta	25	89	28	18	82	22
Thiruvananthapuram	68	123	55	35	90	39
Thrissur	45	98	46	23	76	30
Wayanad	12	84	14	3	75	4

Source of data: www.rsby.gov.in, list of modern medicine institutions under directorate of health services 2014, health information cell directorate of health services and www.hospitallistkerala.com.

Note: Here total hospital does not include PHS, CHS, ayurvedic and homeopathy hospitals.

Interpretations

The above table 1 shows the district wise list of total hospitals which has empanelled under the

States	2008-09 AGR	2009-10 AGR	2010-11 AGR	2011-12 AGR	2012-13 AGR	2013-14 AGR	2014-15 AGR	AAGR	SD
Bihar	---	53610.14	165.97	298.65	-16.87	-29.93	-96.69	8988.54	117888.16
Delhi	--	157.06	181.00	-39.89	-80.42	0	0	36.29	9896.36
Gujarat	---	1981.31	-26.30	149.90	24.69	16.98	-42.38	350.70	53451.43
Haryana	---	1674.19	-29.29	61.88	-28.82	-48.41	-41.11	264.74	22866.00
Jharkhand	---	5014.42	124.76	48.31	-2.73	28.28	-12.14	866.81	13177.67
Kerala	---	89576.51	184.70	36.39	22.94	5.75	-56.13	14961.69	253202.25
Maharashtra	---	791100	-2.40	187.52	-31.26	-77.30	0	131862.76	32782.45
Punjab	---	2319.87	113.47	33.97	-7.88	-42.05	51.64	411.50	3643.61
Uttar Pradesh	--	9441.75	354.199	-26.82	-23.58	-50.99	14.29	1618.14	122692.6
West Bengal	--	6781.42	243.09	588.69	16.19	-7.23	34.34	1276.08	138938.79

Source: of data: Datanet India Pvt Ltd

Note: selected only those states which implemented the scheme in the starting year itself.

RSBY scheme. It is clear from the table that the highest percentage of hospital empanelment to the scheme is existed in Trivandrum and the lowest is existed in wayanad, out of total number of 84 hospitals only 14 percentage hospitals empanelled to the scheme. While taking the private hospital

empanelment it is clear that no district have at least 50% empanelment. Trivandrum district (39%) has highest private hospital participation to the scheme and wayanad (4%) has lowest participation.

Table 2: Annual growth rate of beneficiaries availed benefits under RSBY (2008-2009 to 2014-2015).

Interpretations

The above table 2 presents the annual growth rate of beneficiaries who availed benefits of the scheme during the periods 2008-2009 to 2014-2015. The highest growth rate was achieved by Maharashtra and the second position achieved by Kerala. Delhi is

the state which has lowest annual growth rate. But the SD of both the states shows wide variability in its growth rate it was due to there is wide variability in the in number of benefits availed between the starting year and the subsequent years. At the same time as compared to other states, Punjab and delhi have better consistency its AAGR.

Table 3: Target families and Families enrolled to RSBY (as on 31-03-2017).

Sl No	Districts	Total target families	Total families enrolled to the scheme	Percentage
1.	Alapuzha	244224	233939	96
2.	Ernakulum	168366	144683	86
3.	idukki	141083	113615	81
4.	Kannur	145781	136896	94
5.	Kasaragod	83208	69510	84
6.	Kollam	158900	145923	92
7.	Kottayam	156343	139220	89
8.	Kozhikode	240675	236098	98
9.	Malappuram	144259	132044	92
10.	Palakkad	183326	162329	89
11.	pathanamthitta	87929	75249	86
12.	Thiruvananthapuram	233966	226019	97
13.	Thrissur	196319	160010	82
14.	Wayanad	91175	85267	94
15.	Total	2275554	2060802	91

Source: www.rsby.gov.in

Interpretations

The above table 3 shows the district wise list of percentages of families enrolled to the scheme to the total target families. Kozhikode and Trivandrum have the highest enrollment to the scheme. And at the same time Idukki and Thrissur have the lowest enrollment percentage. The state has achieved 91% of families enrollment in relation to its target families.

Findings

1. Kerala has been completed 10years of RSBY implementation still out of 1433 total hospitals only 549 hospitals are providing scheme benefits. It means that around 62% hospitals not come under the scheme.
2. Out of 1155 total private hospitals in Kerala only 271 were empanelled to the scheme, i.e only 23% private hospital participation to the

scheme.

3. There is 100 percentage public hospital supports to the scheme.
4. An important reason for the poor participation of private hospital is the huge financial burden due to high claim rejections of insurer/TPAs.
5. Only 10 states of India, namely, Bihar, Delhi, Gujarat, Haryana, Jharkhand, Kerala, Maharashtra, Punjab, Uttar Pradesh and West Bengal implemented the scheme immediately after passing RSBY bill in the parliament.
6. In the implanting year the penetration to the scheme was very poor.
7. In terms of beneficiaries utilization of the scheme the highest Average Annual Growth Rate was achieved by Maharastra and the second position achieved by Kerala.
8. Delhi is the state which has poor AAGR.
9. As compared to other states, Punjab and delhi have better consistency its AAGR.
10. With regard to the enrollment of families to RSBY scheme the state has achieved 91% of its targets.
11. All districts have achieved an enrollment above 80% of its target families.
12. Kozhikode and Trivandrum have the highest enrollment ratio and Idukki and Thrissur have the lowest enrollment percentage.

Conclusion

Rashtriya Swasthya Bhima Yojna (RSBY) is a national level initiative and its objective is to provide quality health care to the beneficiaries especially the mass unorganized community. Even though the scheme has completed 10years still there are lots of states such as Madhya Pradesh, Andra Pradesh, Arunachal Pradesh etc. which is newly experienced the benefits of the scheme and in some states like Tamil Nadu, Rajasthan, Manipur, Mizoram, and Goa etc there were only a few beneficiaries who availed the benefits. Kerala is one of the pioneer States in implementing RSBY right from the First year of its introduction. Kerala has implemented the Union Government Scheme in the name Comprehensive Health Insurance Scheme of Kerala (CHIS) after some modifications in accordance with the state level needs. As compared to other sates the RSBY has faster penetration to the health insurance sectors of Kerala. The Government can

speed up its growth by ensuring maximum private hospitals participation, allocating more funds and by modifying the terms and conditions of the scheme in such a way to reduce chance of rejection of claims at the insurer level.

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