Rashtriya Swasthya Bima Yojna (RSBY)

What is Rashtriya Swasthaya Bima Yojna (RSBY)?

Rashtriya Swasthaya Bima Yojna is a Central Government Scheme announced by the Prime Minister Manmohan Singh on the previous year's Independence Day (August 15, 2007). It is a new health insurance scheme for the Below Poverty Line (BPL) families in the unorganized sector. It was formally launched on October 1, 2007.

What is the objective of this Scheme?

The objective of RSBY is to provide the insurance cover to below poverty line (BPL) households from major health shocks that involve hospitalization.

Is it being implemented all over the country?

There is a five year plan for rolling out the RSBY which allows each participating state to contract 20 per cent of their respective districts each year. By April 1, 2008, almost every large state government has expressed its intention of joining the scheme and fifteen States (Delhi, Rajasthan, Gujarat, Haryana, Bihar, Uttrakhand, Kerala, Punjab, Chhatisgarh, Karnataka, Maharashtra, Tamilnadu, Uttar Pradesh, West Bengal and Jharkhand) have already issued advertisements.

Three states – Delhi, Haryana and Rajasthan – have begun enrollment. More than 6000 smart cards have been issued to the beneficiaries till 31.3.2008. The MoU has also been signed with the State of Punjab on 8.4.08.

Should State be allowed only 20 percent of the districts in the first year? Is there any timeframe given to the States to submit their proposals to implement the scheme?

As per the guidelines each State has to take up 20% of the districts each year in the next five years. However, the Central Government would consider additional districts if slots become available on account of inability of other States in furnishing their proposals. As of now, no time frame has been fixed but it would be done in due course.

Who is bearing the cost of running this Scheme? How does it work?

The majority of the financing, about 75 per cent, is provided by the Government of India (GOI), while the remainder is paid by the state government. State governments engage in a competitive bidding process and select a public or private insurance company licensed to provide health insurance by the Insurance Regulatory Development Authority (IRDA). The technical bids submitted must include a number of elements as per GOI requirements. The insurer must agree to cover the benefit package prescribed by GOI through a cashless facility that in turn requires the use of smart cards which must be issued to all members. This requires that a sub-contract be arranged with a qualified smart card provider. The insurer must also agree to engage intermediaries with local presence such as NGOs etc. in order to

provide grassroots outreach and assist members in utilizing the services after enrolment. The insurer must also provide a list of empanelled hospitals that will participate in the cashless arrangement. These hospitals must meet certain basic minimum requirements (e.g., size and registration) and must agree to set up a special RSBY desk with smart card reader and trained staff. The list should include public and private hospitals.

The financial bid is essentially an annual premium per enrolled household. The insurer is compensated on the basis of the number of Smart Cards issued, i.e. households covered. Each contract is specified on the basis of an individual district in a state and the insurer agrees to set up an office in each district where it operates. While more than one insurer can operate in a particular state, only one insurer can operate in a single district at any given point in time. The hardware and software specifications laid down by GOI imply inter-operability across districts and states.

What is the health expenditure limit for a BPL beneficiary?

BPL families are entitled to more than 700 in-patient medical procedures with a cost of up to 30,000 rupees per annum for a nominal registration fee of 30 rupees. Pre-existing medical conditions are covered and there is no age limit. Coverage extends to the head of household, spouse and up to three dependents.

Does the beneficiary bear the cost and then gets reimbursement or is there some other arrangement to meet the hospitalization expenses?

The use of Smart Card has not only made the scheme truly cashless, it has also provided interoperability to facilitate use by migrant labour. Only for the first time, contribution of 30/- rupees would be sought by way of Registration fee, from the BPL beneficiary with a view to inculcating a sense of ownership in them. Transportation cost of Rs. 100/- per visit with an overall limit of Rs. 1,000/- per annum is also admissible under the scheme.

What is procedure of enrolling a BPL Household to the Scheme? How will it get its Smart Card?

An electronic list of eligible BPL households is provided to the insurer according to a pre-specified format. The list is posted in each village prior to the enrollment and the date and location is publicized in advance. Mobile stations are set up at local centers (e.g., public schools). These stations are equipped with the hardware required to collect biometric information (fingerprints) of the members of the household covered and to print smart cards with a photo. The smart card along with an information pamphlet describing the scheme and the list of hospitals is provided on the spot once the beneficiary has paid the 30 rupee fee. The process takes less than ten minutes.

Three individuals must be present at each enrollment: A district-level, state government officer is present and must insert his own, centrally-issued smart card to verify the legitimacy of the enrolment. (In this way, each enrollee can be tracked to a particular state government official). In addition, a smart card vendor and insurance company representative must be

present. At the end of the day of enrolment, the list of households issued smart cards is sent to the state government and centralized at the district level.

Who would issue the Smart Card? Who would own the card? Will the smart card be delivered on-the-spot?

The smart card will be issued by the insurance company through the instrumentality of the smart card service providers. However, the ownership, of the card will remain with the Central government. The smart card would be delivered on the spot after printing on the location itself. The cost, if any, would be borne by the insurance company as a part of the overall bill.

Can the card be issued in the absence of head of the family? Can it be issued in the absence of member/members of the family? Can the additions be made post-issue of the card?

The smart card cannot be issued in the absence of head of the family as his photograph has to appear on the face of the card. However, it can be issued in case the head of the family is present but the members of the family are missing. Their details can be added subsequently at the district kiosk to be maintained by the insurance companies.

What would be the consequences of loss of smart card? How would it be re-issued?

A new card can be issued in case of loss of smart card. However, the beneficiary will have to bear the cost of duplicate card. As the details of the family would be available in the database, the card could be issued at the district kiosk.

What is the definition of “family”? Does it include the parents? If the family size is more than five, who should be left out? Who would take this decision?

Coverage under the scheme is being provided for BPL workers and their families (up to a unit of five). A family would comprise the household head, spouse and up to three dependents. The dependents would include such children and/or parents of the head of the family as are listed as part of the family in the BPL database. If the family size is more than five, the head of the family would decide as to who all should be left out. However, in case the name of the spouse is listed as part of the family in the database, the second member would necessarily be the spouse and the selection would be for the remaining three slots.

Is OPD covered? Is OPD consultation free? If not free, who would pay those charges? Which all ailments are excluded? Are these ailments be specified? Is there an indicative list? What is that list?

The OPD facilities are not covered under this scheme. However, OPD consultation is free. Beyond consultation, if any expenditure is incurred in the OPD, which does not lead to hospitalization, will be met by the beneficiaries. Common exclusions have been listed out in the detailed Guidelines. These common exclusions include:

- Conditions that do not require hospitalization
- Congenital external diseases
- Drug and Alcohol Induced illness
- Sterilization and Fertility related procedures
- Vaccination
- War, Nuclear invasion
- Suicide
- Naturopathy, Unani, Siddha, Ayurveda

However, the aforementioned are only indicative in nature and it has been specified in the Guidelines that there should be minimum exclusions and the list of exclusions would be negotiated between State and the Insurers and would be subject to assessment by the Approval and Monitoring Committee to ensure that it is not overly wide.

How the transaction at the Hospital will take place?

The smart card entitles its bearer to a list of pre-specified in-patient services in the second month following enrollment. So, for example, someone enrolled in the month of February can use the card at designated hospitals as of April 1st of the same year through March 31st of the following year. (Provisions exist for pro-rata premium payments to the insurance company in the event of partial year enrolment subject to a minimum of six months.) The transaction process begins when the member visits the participating hospital and his or her card is swiped. If a diagnosis leads to a procedure, the appropriate prescribed package is selected in the software menu. Upon release, the card is again swiped and the pre-specified cost of the procedure is deducted from the 30,000 rupee total on the card. A receipt is printed and provided to the member.

Are medical procedures listed out? Is the cost also listed out? Who should determine the cost? Is it mandatory for the hospitals? Is there a uniformity of costs for public and private hospitals? Is it uniform throughout the State? Is it uniform throughout the country?

With a view to provide security to the beneficiaries in terms of the charges levied for a particular treatment and to standardize the cost of each medical procedure, it was found necessary to list out the medical procedures and the cost thereof. However, the cost of each medical procedure is not mandatory for the State which can negotiate it separately with the insurance company who in turn would enter into a contract with the network hospitals

accordingly. However, the States have been mandated to fix some cost. There is, therefore, no uniformity mandated throughout the country but the cost has to be fixed in each State making use of the suggestions given by the Central Government.

Can a beneficiary be transferred to another empanelled hospital? What are the cost implications for the beneficiary? Who will bear the cost?

The beneficiary can be transferred to another empanelled hospital and so long as there is amount available in the insurance cover, the beneficiary will not bear the cost. The second network hospital will pay the amount for the concerned insurance company.

In case of death of head of the family will the card continue to operate?

In case of death of head of the family, the card can continue to operate for other members of the family whose details exist in the chip of the card.

In case of death of a family member can he be replaced by another member who was not originally listed in the card?

In case of death of a family member, he can be replaced by another member who was not originally listed in the card. However, the name of this additional member should have been there in the BPL database available at the time of enrollment.

If the bill goes beyond Rs.30,000/- who bears the cost?

If the bill goes beyond Rs.30,000/-, the cost thereof shall be borne by the beneficiary.

Will there be a helpline accessible to all the beneficiaries? Who would maintain it?

The Insurance companies are mandated to set up helpline in each district and it shall be their responsibility to maintain it.

Will a Government Department handle the funds in the State? Or an independent agency do that? Will this agency be wholly owned by the State Government?

For a seamless flow of fund to the insurance companies, an independent legal entity, under the control of State Government, has to be designated as nodal agency. The fund flow will take place through this agency.

Who would collect Rs.30/- from the beneficiary? How will it be accounted for?

The registration fee of Rs.30 would be collected from the beneficiary by the insurance company and adjusted against the payment of premium to be made to the insurance company by the State Government.

How the transactions at the Hospitals would be monitored?

Information on the transactions that take place each day at each hospital is uploaded through a phone line to a database on a district server. A separate set of pre-formatted tables are generated for the insurer and for the government respectively. This allows the insurer to track claims, transfer funds to the hospitals and investigate in the case of suspicious claim patterns through on-site audits. Governments are able to monitor utilization of the program by members and to some extent, begin to measure the impact of the program. (Rigorous M&E methods are being designed and may be supported by the World Bank.) Periodic reports would be made publicly available on the internet and through published reports.

Is there any official website of Rashriya Swasthaya Bima Yojna (RSBY) ?

The website address for full details of the scheme is : http://rsby.in/

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