



MICRO-INSURANCE BRIEFS



Tamil Nadu: Kadamalai Federation Health Insurance Scheme (DHAN Foundation)

Scheme Design

Since 1997-98 the Development of Humane Action (DHAN) Foundation has carried out innovative rural development work and has up scaled these to many parts of the country. At present it operates in Andhra Pradesh, Tamil Nadu, Karnataka, Orissa, Madya Pradesh, Rajasthan, Kerala, Maharastra and Union Territory Pondicherry with an outreach to 6 lakh poor households. DHAN Foundation believes that poverty and resource degradation are best addressed by linking communities with mainstream sectors like banks, insurance companies and government agencies as the poor have a legitimate right over resources available.

The Kalanjiam Community Banking Programme was evolved by DHAN as an alternative banking system managed by poor women. People institutions are promoted at three levels – self-help groups (SHGs) at village level, cluster development associations at the level of groups of villages and federation of SHGs at block level. Tank fed Agriculture Programme, Rainfed Farming Development, Working with Panchayats, Post Tsunami Programme, Information and Communication Technology for Poor and Tata-DHAN Academy are the other development activities of DHAN Foundation.

Insurance, one of the programme components safeguards the poor from risks and vulnerabilities. It is offered through community programmes or in collaboration with insurance companies. Over 4.5 lakh poor access insurance, of which 60000 are covered under community based insurance schemes of life, health and crop.

Community based health insurance was first offered by the Kadamailaikundu federation at Theni District in April 2000. A well designed scheme it includes features such as ownership of hospital, widespread community health support through local village health workers and an efficient monitoring system. It has evolved into a mutual insurance programme model, fully owned and managed by the community. By July 2007, the programme was replicated in five additional federations in Theni District. A 24 hours Community Hospital – SUHAM (Sustainable Healthcare Advancement) Hospital has been established at Theni with surgical facilities and pharmacy.

Eligibility Conditions

The scheme is open to all member of the Kadamalai Kalajia Vattara Sangam federation of Women SHG's promoted by DHAN Foundation

Exclusions

No exclusions. Secondary care entitlement only upto 55 years, those above this age get benefits at Kalanjiam Hospital only.

General Overview

Starting date:	April 2000
Ownership profile:	Federation of SHGs
Target group:	SHG members and their families
Outreach:	Six SHG federations in Theni Dt, TN
Intervention area:	Rural
Risks covered:	Health care
Premium Insured/Y:	Rs 250/family of 5 or Rs 200/person
Co-contribution:	No
Total premium:	Rs 250
No of insured:	15725

Operational Mechanisms

Type of scheme:	In-House
Insurance company:	NA
Insurance plan year:	July - June
Insured unit:	Family of 5
Type of enrolment:	Voluntary
One-time enrolm.fee:	None
Premium payment:	Upfront
Easy payment mech:	Special savings in SHG's
Waiting period:	None
Indirect subsidy:	Admin costs covered by MF activities

Scope of Health benefits

Tertiary health care:	☹
Hospitalization:	☹
Deliveries:	☹
Access to medicines:	☹
Primary Health Care:	☹

Level of Health benefits

Hospitalization:	Up to Rs 10,000 per family
Medicines:	
Primary health care	

Service Delivery

Prior H. check-up:	No
Tie-ups with HP:	Yes
Type of agreement:	Formal
No of Assoc. HP:	9
Access to HC serv:	free access + referral
Co-payment:	PHC & secondary level hospitals - 25%; None at SUHAM
HC service payment:	Cashless
TPA intervention:	No
Addit. financial ben.:	Wage compensation
Addit. non-fin. ben.:	Mobile clinics

Plan Benefits

- 75% of total hospitalisation expenses upto maximum of Rs 10,000 per family
- Primary Health care at community hospital
- Wage loss compensation of Rs 75/day to a maximum of 15 days if hospitalised at a government hospital

Premium

The annual premium to cover a family of five is Rs 250. For an individual with no dependants/family it is Rs 200 per year

Insurance Plan Key Features

The insurance plan has the following main features:

- A community owned and managed mutual health scheme
- Mutual model – promoted by federations, spreads risk across mutual members and backed up by a reinsurance mechanism presently provided by Eureka Re (Netherlands)
- Scheme has its own hospital that takes care of primary health at federation and one 24 hour hospital at district HQ providing secondary health care
- Also ties up with 9 referral hospitals for the secondary level care
- Has mobile clinic services reaching the villages through a van

Main Achievements

- Steady membership with high renewal rate
- Scheme has been expanded to 4 more federations
- 24 hour community hospitals with surgical facilities and pharmacy established at District HQ

Remaining Challenges

- Extending coverage to all members of the federation

Development Plans

- Working with government health care system through public private partnership

Activity Indicators

