

RASHTRIYA SWASTHYA BIMA YOJANA

GUIDELINES

**Health Insurance Scheme
For
The Unorganized Sector Workers**

**Ministry of Labour & Employment
Government of India**

RASHTRIYA SWASTHYA BIMA YOJANA

GUIDELINES

1. INTRODUCTION

The workers in the unorganized sector constitute about 94% of the total work force in the country. One of the major insecurities for workers in the unorganized sector is absence of health cover for such workers and their family members. Insecurity relating to absence of health cover, heavy expenditure on medical care and hospitalization and recourse to inadequate and incompetent treatment is not only a social and psychological burden borne by these workers but there are significant economic costs resulting from loss of earning and progressive deterioration of health. Thus, with a view to providing health insurance cover to Below Poverty Line (BPL) workers in the unorganised sector and their families, the Central Government has announced the “Rashtriya Swasthya Bima Yojana”.

2. HOUSEHOLD ELIGIBILITY CRITERIA

2.1 Coverage under the scheme would be provided for BPL workers and their families [up to a unit of five). A family would thus 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 data base. If the parents are listed as a separate family in the data base, they shall be eligible for a separate card. The definition of BPL would be the one prescribed by the Planning Commission for the purposes of determining the eligible BPL population in each State/district. It would be the responsibility of the respective State Government to verify the eligibility of specific BPL workers and their family members who would be the beneficiaries of the scheme, and to share such information with the insurance provider. To this end, an authenticated BPL list [or lists where the covered area includes urban and rural areas] providing the details of each BPL family will be prepared by the State Government/Nodal agency. The data would be provided in the prescribed electronic format to the insurer. The State Governments may, if required, seek the assistance of an outside agency for the task of data entry. However, the responsibility for providing the correct data shall be that of the State Government and it would be expected of the State Government that it shall put in place a foolproof system of supervision and authentication of the data.

2.2 Proof of the eligibility of BPL households for the purposes of the scheme will be provided by issuance of smart cards to all beneficiary households.

3. **ENROLMENT OF BENEFICIARIES**

The enrolment of the beneficiaries will be undertaken by the Insurance company selected by the State Government and approved by the Government. The Insurer shall enroll the BPL beneficiaries based on the soft data provided by the State Government/Nodal Agency and issue Smart card as per Central Government specifications through Smart Card Vender and handover the same to the beneficiaries at enrolment station/village level itself during the enrolment period. Further the enrolment process shall continue at designated centers agreed by the Government /Nodal Agency after the enrolment period is over to provide the smart card for remaining beneficiaries. Insurer in consultation with the State Government/ Nodal Agency shall chalk out the enrolment cycle up to village level in a manner that representative of Insurer, Government/Nodal Agency and smart card vender can complete the task in scheduled time. The process of enrolment shall be as under:

- (a) The data relating to BPL families in the selected districts shall be entered into prescribed software by the concerned State Government/Nodal Agency.
- (b) A soft and hard copy of this data shall be provided by the State Government/Nodal Agency to the INSURER selected by the State Government/Nodal Agency.
- (c) The Insurer will arrange for preparation of the smart card as per the prescribed stipulation.
- (d) A schedule of programme shall be worked out by the Government/Nodal Agency in consultation with the Insurer for each enrolment station/village in the district.
- (e) Advance publicity of the visit of representatives of the State Government and the Insurance Provider shall be done by the State Government/Nodal Agency in respective villages.
- (f) List of BPL should be posted prominently in the enrolment station/village by the Insurer.
- (g) The representatives shall visit each enrolment station/village in the selected district jointly on the pre-schedule dates for purpose of taking photograph of the head of the family and the thumb impression of the head of the family and the other eligible member of the family, enrolment and issuance of smart card.
- (h) The softwares to be used by the Insurance Company for the purpose of enrolment and thereafter for the purpose of transaction at the hospitals and data transmission therefrom shall be the ones approved by the Central Government.

- (i) At the time of enrolment, the government official shall identify each beneficiary in the presence of the insurance representative.
- (j) At the time of handing over the card, the INSURER shall collect the registration fee of Rs.30/- from the beneficiary.
- (k) This amount will be adjusted against the amount of premium to be paid to the INSURER by the Nodal Agency.
- (l) The Insurer's representative shall also provide a pamphlet along with Smart Card to the beneficiary indicating the list of the networked hospitals, the availability of benefits and the names and details of the contact person/persons. To prevent damage to the smart card, a plastic jacket should be provided to keep the smart card.
- (m) The beneficiary shall also be informed about the date on which the card will become operational (month).

4. **IMPLEMENTATION SCHEDULE**

The scheme will be implemented by the State Government in a phased manner in the next five years. The entire country will be covered by 2012-13. In districts where the Scheme is introduced, it would supercede the Universal Health Insurance Scheme (UHIS). State wise coverage of the number of districts is at ***Annexure-I***.

5. **FINANCING FOR THE SCHEME**

Financing of the scheme would be as follows:

- (a) Contribution by Government of India: 75% of the estimated annual premium of Rs.750, subject to a maximum of Rs.565 per family per annum. Additionally, the cost of the smart cards will also be borne by the Central Government @ Rs.60/- per card.
- (b) Contribution by the respective State Governments: 25% of the annual premium, as well as any additional premium in cases where the total premium exceeds Rs.750.
- (c) The beneficiary would pay Rs.30 per annum as registration/renewal fee.
- (d) Any administrative and other related cost of administering the scheme in each State, not otherwise included in the premium cost, shall be borne by the respective State Governments.

6. HEALTH SERVICES BENEFIT PACKAGE

6.1 The beneficiary shall be eligible for coverage of the financial costs of such in-patient health care services as would be negotiated by the respective State government with the insurer(s), as well as agreed daycare procedures not requiring hospitalization. However, the following minimum features of the health insurance plan would be as follows :

- (a) Total sum insured of Rs.30,000 per BPL family per annum on a family floater basis.
- (b) Pre-existing conditions to be covered, subject to minimal exclusions. An indicative list of exclusions is provided in *Annexure II*.
- (c) Coverage of health services related to hospitalization and services of a surgical nature which can be provided on a daycare basis. *Annexure-III* contains an indicative list of daycare treatment.
- (d) Cashless coverage of all health services in the insured package.
- (e) Provision for a smart-card based system of beneficiary identification/verification and point of service processing of client transactions.
- (f) Provision for reasonable pre and post-hospitalization expenses for one day prior and 5 days after hospitalization, but subject to a maximum share of the total costs of the hospitalization.
- (g) Provision for transport allowance (actual with limit of Rs.100 per visit) but subject to an annual ceiling of Rs.1000.

6.2 In addition to the above minimum, in their proposals, States should specify in detail the proposed package of health services to be covered under the Scheme, as well as the proposed exclusions.

7. PAYMENT OF PREMIUM

Payment of registration fee and premium installment will be as follows:

- a) The registration fee of Rs.30 by the beneficiary to the insurance company.
- b) The first installment will come from the State Nodal Agency to the insurance company in the nature of 25% of (X-60)-30.
(X being the premium amount per beneficiary).

- c) The second installment will be paid by the Central Government through the State Nodal Agency as per the following formulation:

75% of (X-60)+60

(Subject to a maximum of Rs.565/- + Rs.60/-)

{ Any amount beyond the contribution by the Central Government will be borne by the State Government. }

8. **ELIGIBLE HEALTH SERVICES PROVIDERS**

Both public (including ESI) and private health providers which provide hospitalization and/or daycare services would be eligible for inclusion under the insurance scheme, subject to such requirements for empanelment as agreed to between the State Government and insurers.

9. **REQUIREMENT OF TENDER TO SELECT INSURANCE PROVIDER**

The State Government will be required to select one or more health insurers on a periodic basis according to a tender process which would take account of both the price of the insurance package and technical merit of the proposal. The tender should be open to both public and private sector health insurers who meet the relevant IRDA standards. If the period of the contract with the successful bidder exceeds one year, the State should provide for performance indicators or other mechanisms to extend the contract annually.

10. **SUBMISSION AND APPROVAL OF THE PROPOSAL**

10.1 The proposals of the State Governments will be considered by the Approval and Monitoring Committee set up by the Central Government. The elements that States would need to address in their proposals include the following:

- (a) Tendering and contracting procedure for insurer/partners.
- (b) Overseeing arrangements (e.g. district and block monitoring bodies). Representatives of civil society, including Panchayati Raj institutions, should be adequately represented on relevant State, District and Block level overseeing bodies.
- (c) Status of BPL data and its conformity with the prescribed standards, readiness for provision to insurer and estimates of BPL population in covered districts.

- (d) Training plan of State Government, insurers and others to ensure adequate capacity for Scheme implementation.
- (e) IEC/awareness raising mechanisms (start-up and ongoing), including any special/extra channels for harder-to-reach groups. Role of intermediaries/NGOs/MFIs/Cooperatives therein.
- (f) Enrollment and renewal procedures, including identification of beneficiaries.
- (g) Empanelment/accreditation of health providers, including minimum requirements for health facilities to be included in the Scheme and administrative capacity. An indicative list of requirements is provided in *Annexure IV*.
- (h) Process for smart card provision and operation.
- (i) MIS and database management, including collection of data on patients/providers and its use.
- (j) Evaluation of impact and performance, including provision for baseline survey(s).
- (k) Grievance redressal mechanisms.
- (l) Financing plan for State Government premium contributions and other administrative expenses to be incurred in Scheme operation.
- (m) How the proposed Scheme would interact with any existing health insurance schemes in the proposed district(s).

10.2 The Central Government Approval and Monitoring Committee would assess all State Government proposals to ensure that credible implementation arrangements were in place for all of the above.

11. **RESPONSIBILITIES OF GOVERNMENT OF INDIA**

In addition to its financing commitment outlined in Point 4, the Government of India shall undertake the following actions in order to operationalize the Health Insurance scheme:

- (a) Issuance and periodic revision of guidelines for the Scheme.
- (b) Establishment of an Approval and Monitoring Committee to assess health insurance proposals submitted by State Governments for Government of India financing contribution.

- (c) In consultation with the States, development of such protocols and common standards as may be necessary to ensure effective functioning of the Scheme on a national basis. This would include determination of the protocol for nationally unique identification numbers for BPL families, specification of the minimal technical standards of the smart card, ensuring timely transfer of the Central financing share of insurance premia, establishment of common reporting protocols for States as part of Scheme monitoring and such other design and implementation issues considered necessary for the functioning of a coherent national system.
- (d) Establishment of a Technical Support Cell within the Ministry of Labour and Employment which would provide expert inputs to Central and State Governments on matters pertaining to the design, implementation and monitoring/evaluation of the Scheme. The Cell would be headed by a Senior Advisor, who would be assisted by two Advisors, database management team, support staff, and such other expert personnel as determined from time to time to be necessary to support effective implementation of the Scheme. The Cell would carry out the following functions, *inter alia*:
 - i. Provide technical support to States in development of health insurance schemes for submission to the Central Government.
 - ii. Provide ongoing support to State Governments (coordinating with similar Cells at State level) on technical issues in implementation of the Scheme in individual States, including monitoring and evaluation.
 - iii. Provide the Approval and Monitoring Committee with such financial estimates as may be necessary to assess the budgetary implications of both Central and State Government commitments under the Scheme.
 - iv. Provide technical inputs to the Approval and Monitoring Committee which will allow it to carry out its monitoring and evaluation functions effectively.
 - v. Undertake and/or commission detailed evaluation studies on Scheme functioning.

12. DISTRICT SELECTION BY STATES

States would be responsible for proposing selected district(s) for inclusion in the Scheme, subject to the phased maximum number of districts per State as outlined in Annexure I. In proposing districts for inclusion in the Scheme, States should ascertain that districts have:

- (a) An adequate network of hospitals/health facilities which meets minimum standards for service delivery and operation of transactions related to the Scheme.
- (b) Adequate presence of potential intermediaries which can partner with health insurers to ensure effective outreach and grassroots support to beneficiaries in various aspects of operation of the Scheme.
- (c) Other basic infrastructure necessary to ensure successful implementation of the Scheme (e.g. electricity; roads).

ANNEXURE -I

SUGGESTED IMPLEMENTATION SCHEDULE

Sl. No.	STATE	NO. OF DISTRICTS	YEARS				
			2008-09	2009-10	2010-11	2011-12	2012-13
			1	2	3	4	5
1.	ANDHRA PRADESH	23	5	5	5	4	4
2.	ASSAM	23	5	5	5	4	4
3.	ARUNCHAL PRADESH	14	2	3	3	3	3
4.	GUJARAT	25	5	5	5	5	5
5.	BIHAR	37	8	7	7	8	7
6.	HARYANA	19	4	4	4	4	3
7.	HIMACHAL PRADESH	12	2	2	2	3	3
8.	JAMMU & KASHMIR	14	2	3	3	3	3
9.	KARNATAKA	27	6	6	5	5	5
10.	KERALA	14	2	3	3	3	3
11.	MADHYA PRADESH	48	10	9	10	9	10
12.	MAHARASHTRA	35	7	7	7	7	7
13.	MANIPUR	9	1	2	2	2	2
14.	MEGHALAYA	7	1	1	1	2	2
15.	MIZORAM	8	1	1	2	2	2
16.	NAGALAND	8	1	1	2	2	2
17.	ORISSA	30	6	6	6	6	6
18.	PUNJAB	17	3	3	3	4	4
19.	RAJASTHAN	32	7	6	6	6	7
20.	SIKKIM	4	1	1	1	1	
21.	TAMIL NADU	29	6	6	6	5	6
22.	TRIPURA	4	1	1	1	1	
23.	UTTAR PRADESH	70	14	14	14	14	14
24.	WEST BENGAL	19	3	4	4	4	4
25.	DELHI	9	1	2	2	2	2
26.	GOA	2	1	1			
27.	PONDICHERY	4	1	1	1	1	
28.	LAKSHDWEEP	1	1				
29.	DAMAN & DIU	1	1				
30.	DADRA & NAGAR	1	1				
31.	CHANDIGARH	1	1				
32.	ANDAMAN & NICOBAR	2	1	1			
33.	UTTARANCHAL	13	2	2	3	3	3
34.	JHARKHAND	22	4	5	4	4	5
35.	CHATTISGARH	16	3	3	3	3	4
	TOTAL	600	120	120	120	120	120

INDICATIVE LIST OF BASIC EXCLUSIONS:

In line with the financial protection objective of the Scheme, there should be minimum exclusions. The list of exclusions would be negotiated between State Government and insurers, and be subject to assessment by the Approval and Monitoring Committee to ensure that it was not overly wide. Common exclusions that would be expected would include:

1. Conditions that do not require hospitalization
2. Congenital external diseases
3. Drug and Alcohol Induced illness
4. Sterilization and Fertility related procedures
5. Vaccination
6. War, Nuclear invasion
7. Suicide
8. Naturopathy, Unani, Siddha, Ayurveda

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INDICATIVE LIST OF DAY CARE TREATMENT

Given advances in treatment techniques, many health services formerly requiring hospitalization can now be treated on a day care basis. Examples of such services which States should consider negotiating in their coverage package with health insurers include:

1. Haemo-Dialysis
2. Parenteral Chemotherapy
3. Radiotherapy
4. Eye Surgery
5. Lithotripsy (kidney stone removal)
6. Tonsillectomy
7. D&C
8. Dental surgery following an accident
9. Surgery of Hernia
10. Surgery of Hydrocele
11. Surgery of Prostate
12. Gastrointestinal Surgery
13. Genital Surgery
14. Surgery of Nose
15. Surgery of Throat
16. Surgery of Ear
17. Surgery of Appendix
18. Surgery of Urinary System
19. Treatment of fractures/dislocation (excluding hair line fracture), Contracture releases and minor reconstructive procedures of limbs which otherwise require hospitalisation
20. Laparoscopic therapeutic surgeries carried out in day-care
21. Any surgery under General Anaesthesia
22. Any disease/procedure mutually agreed upon.

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ANNEXURE IV**GUIDANCE FOR ENROLLMENT OF HOSPITALS**

Hospital and other health facilities with desired infrastructure for inpatient and daycare services will need to be empanelled. It is essential to have a proper system of empanelment. The process will be carried out by the Insurer. However, States may assist to complete the task.

All Government hospitals (including Primary and Community Health Centres) and ESI hospitals can be empanelled provided they possess the facility to read and manage smart cards. The criteria for empanelling private hospitals and health facilities would be as follows:

- a) At least 10 inpatient medical beds for primary inpatient health care.
- b) Fully equipped and engaged in providing Medical and Surgical facilities, including diagnostic facilities, i.e. pathology testing and X-ray, E.C.G. etc for the care and treatment of injured or sick persons as in-patient.
- c) Fully equipped Operating Theatre of its own where surgical operations are carried out.
- d) Fully qualified doctors and nursing staff under its employment round the clock.
- e) Maintaining of necessary records as required to provide necessary records of the insured patient to the Insurer or his representative/Government/trust as and when required.
- f) Registration with Income Tax Department.
- g) Telephone/fax and internet facilities, and machine(s) to read and manage smart card transactions.

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