

Summary

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**Munich Re
Foundation**
From Knowledge
to Action



Parallel Session 4 – Innovative microinsurance products Health

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Hospital tie-ups to increase access and reduce insurance costs for a community based health insurance scheme

Vimo SEWA has been offering hospitalization insurance to its members since 1992. Under Vimo SEWA's hospitalization insurance, insured members could go to a provider of their choice, and submit bills for reimbursement. In January 2006, the 'cashless system' was introduced as an optional system for payment of hospitalization costs in Ahmedabad city. Under this system, Vimo SEWA identified certain hospitals using criteria of cost and quality. Insured members using these hospitals were paid while still in hospital.

In September 2006, Vimo SEWA carried out a research study to understand uptake of the 'cashless system' (CL). We compared claimants that had used the CL system (CL users) and those that had not. The latter category included those that had used the CL hospitals (system non-users) and those that chose other hospitals (hospital non-users).

System non-users had the lowest education and income levels. Lack of knowledge was the primary reason for non-use, followed by lack of understanding about how to use the system. Pre-occupation with tending to the hospitalized member prevented some members from being able to inform Vimo SEWA about the hospitalization.

Claimants selected hospitals on the basis of previous utilization, convenient location, or referral by a doctor. Members were less likely to use the CL system if the hospitalization was unexpected.

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