Rashtriya Swasthya Bima Yojana

The Public Private Partnership Model

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Private Public Partnership Model

- Transfer payment model to cover healthcare expenditure risk
- For all BPL households in India
- Government finances the premium
- The insurance market bears the risk
- Beneficiary pays 30 Rs (60 cents)
- The insurer is chosen through a district level bid
- Staggered roll-out

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Business Model

- Government - supply failure, easier management, more competition. Double subsidy!
- Insurers - New markets, larger risk pool, lower distribution costs
- Healthcare providers and brokers - more business

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Framework

- Shared financing - 25% + 75%
- Shared origination
- Shared administration

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Costs

- Poor states
- Political will
- Lack of technical infrastructure
- Standardization costs

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Benefits

- Ownership creates initiative
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Suited to the Client?

- Choice - Public or private healthcare
- Cashless and paperless for the poor and illiterate
- Portable across states for the migrating population

- BPL database
- Quality healthcare?
- Financial literacy?
- Enough information?

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Using Technology to Scale

- Automation
- Digitization
- Standardization without vendor lock-in
- Real time monitoring?
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- National Average: 44.0%
- Delhi, Jharkhand and Maharashtra are the worst performers.
- Haryana, Chandigarh, Nagaland and HP - best
- States with *bad* districts - Maharashtra, Punjab, UP, Kerala, Jharkhand
- Insurer not correlated with the bad performance of the districts

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- National Average: 1.77%
- 8 of 15 states show abnormally high/low incidence ratios
- High IR districts frequently in Gujarat, Kerala
- Low IR districts frequently in Maharashtra, Punjab, UP
- Exceptional fluctuations at the district level

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Observations

- Delhi & Kerala: High incidence even with low conversion
- HP: Low incidence with high conversion
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- Accumulated historical risk?
- Endemic risk?
- Evolution of health-seeking behavior over time?
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Curious case of Goa

- Near zero incidence ratio for Goa.
- Zero incidence for South Goa!
- Three empanelled hospitals in Goa.
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Mandate a minimum density of empanelled hospitals?

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Fraud?

Delhi

- High incidence ratio
- All private hospitals
- Abnormally high female hospitalization rates

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- E.g.: Fraudulent hysterectomies, Yashaswini.
- Bihar and Jharkhand?

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Conclusions

- Cost-benefit analysis of the double subsidy? Should stop one?
- De-centeralization is important at the Indian scale
- Technology is vital
- Need quality control; real-time monitoring; and redressal support system
- Low conversion ratio
- Highly fluctuating incidence ratio; possibility of fraud; pricing regulation?

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Thank You

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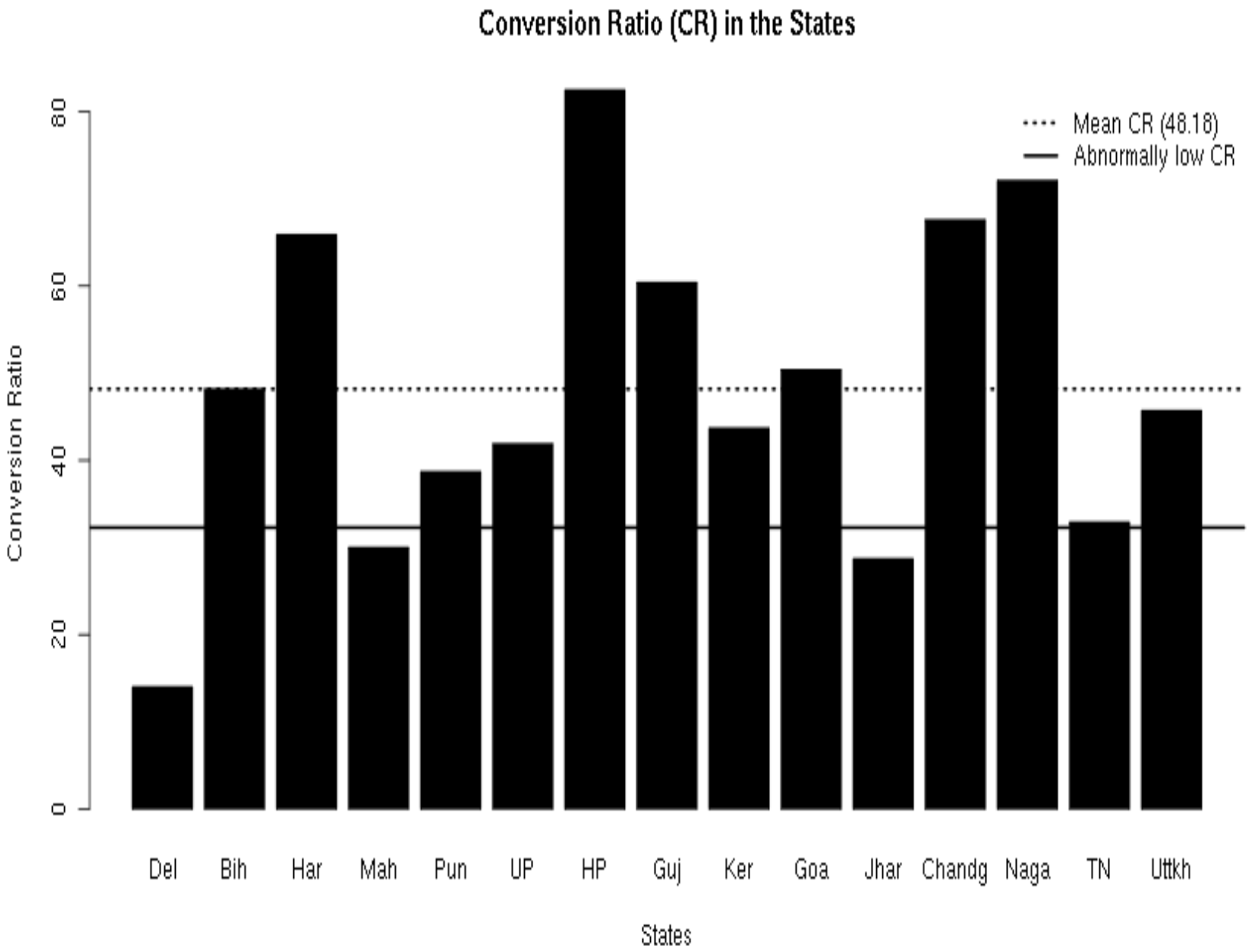
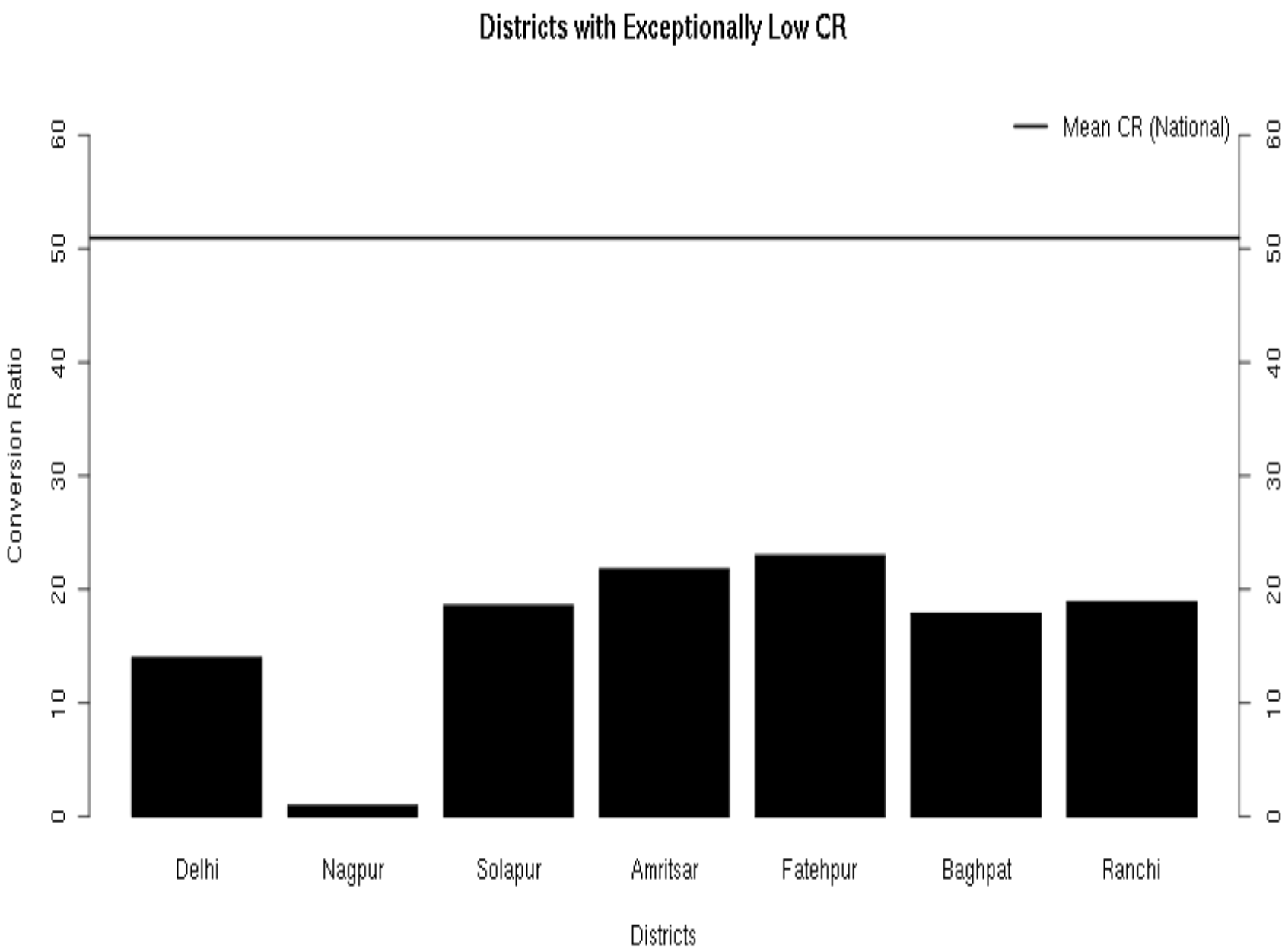
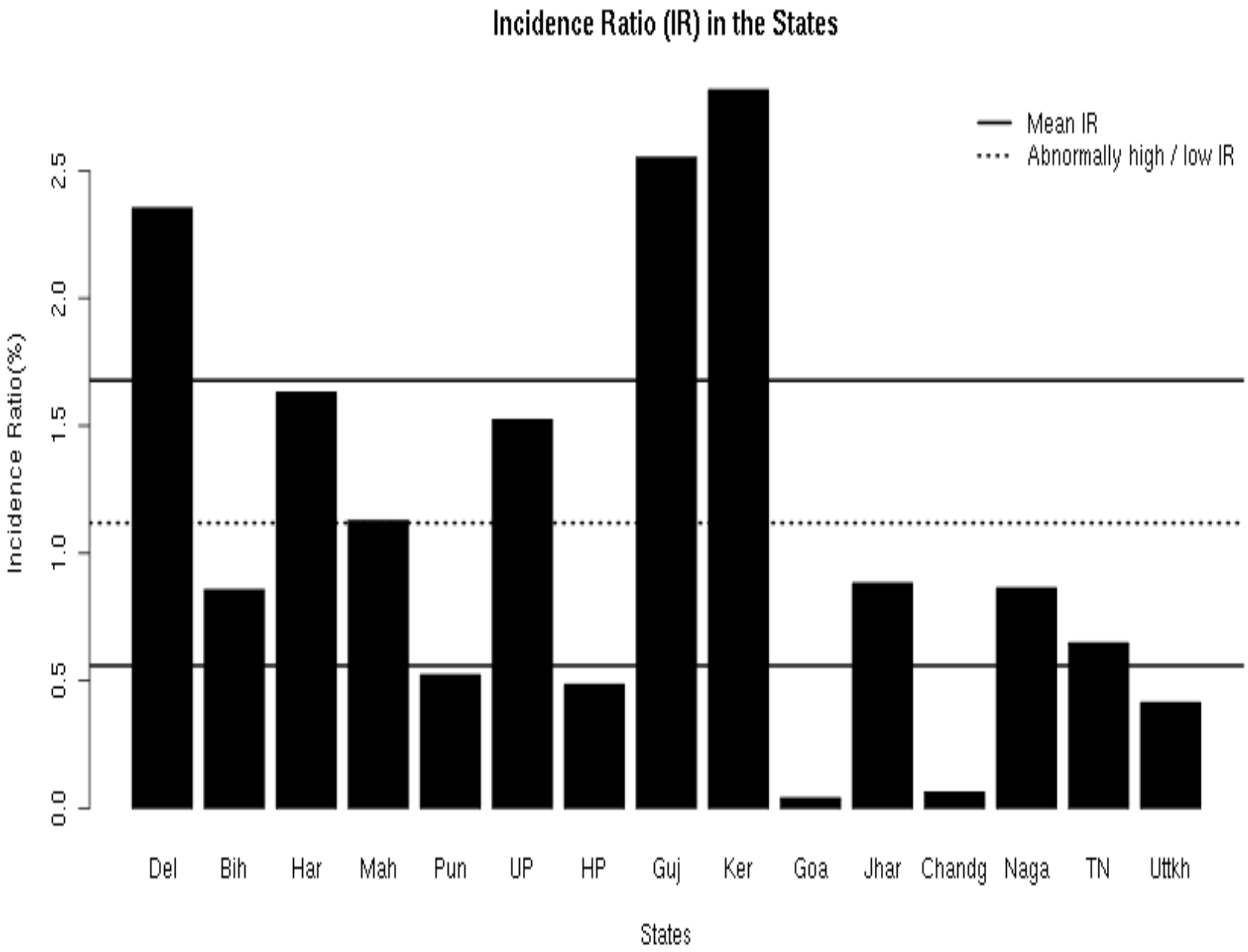

Conversion Ratio (CR) in the States
Mean CR (48.18)
Abnormally low CR
Conversion Ratio
0
20
40
60
80
Del
Bih
Har
Mah
Pun
UP
HP
Guj
Ker
Goa
Jhar
Chandg
Naga
TN
Uttkh
States


Districts with Exceptionally Low CR
Mean CR (National)
Conversion Ratio
0
10
20
30
40
50
60
Delhi
Nagpur
Solapur
Amritsar
Fatehpur
Baghpat
Ranchi
Districts


Incidence Ratio (IR) in the States
Mean IR
Abnormally high / low IR
Incidence Ratio(%)
0.0
0.5
1.0
1.5
2.0
2.5
Del
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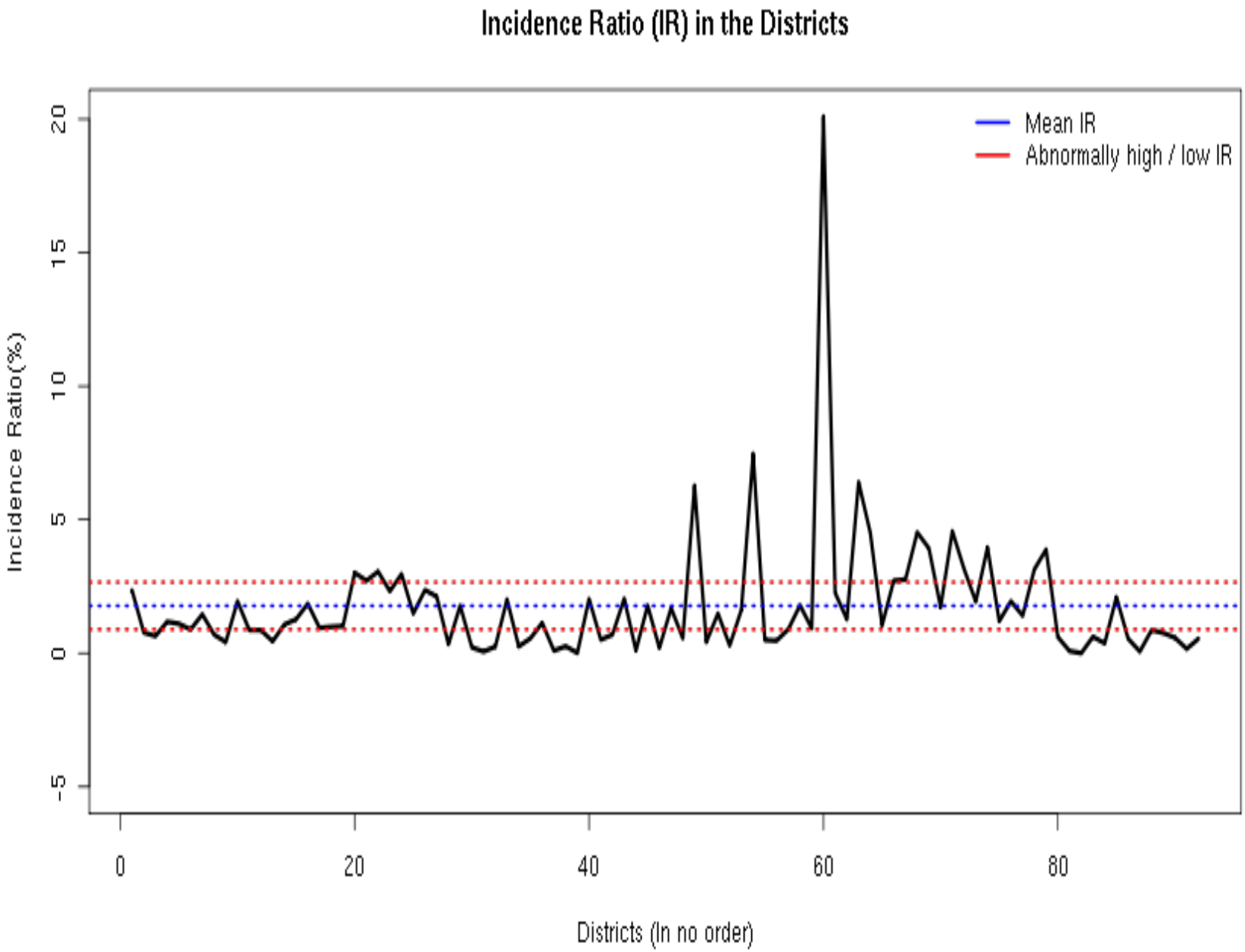
Incidence Ratio (IR) in the Districts
Mean IR
Abnormally high / low IR
Incidence Ratio(%)
20
15
10
5
0
-5
0
20
40
60
80
Districts (In no order)