PUBLIC HEALTH IMPACT AND IMPLICATIONS FOR FUTURE ACTIONS: A STUDY ON RASHTRIYA SWASTHYA BIMA YOJANA

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Abstract

Health means ability of the individuals or communities to adapt and self-manage when facing physical, mental, psychological and social changes with environment. World Health Organization (WHO) defined health in its broader sense as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”. Generally, in context an individual lives are of great importance for both his health status and quality of their life. It is increasingly recognized that health is maintained and improved not only through the advancement and application of health science, but also through the efforts and intelligent lifestyle choices of the individual and society. The goal was identified the issues of acceptability and management issues of the scheme among stakeholders in an effort to make RSBY more efficient and effective for all the stakeholders involved. The performance of Rashtriya Swasthya Bima Yojana and to measure the impact on the health status of the society in Kottayam with special reference to Kottayam Municipality. This study covers 120 beneficiaries of RSBY in Kottayam Municipality. The respondents have been selected among BPL families. The Rashtriya Swasthya Bima Yojana attempts to insure poor people against shocks from a low level of healthcare security. In the absence of any such security, the vulnerability of people living at the margins...
or below the poverty line (BPL) increases and they get caught in a ‘medical poverty trap’.

I. INTRODUCTION

Health means ability of the individuals or communities to adapt and self-manage when facing physical, mental, psychological and social changes with environment. World Health Organization (WHO) defined health in its broader sense as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”. Generally, in context an individual lives are of great importance for both his health status and quality of their life. It is increasingly recognized that health is maintained and improved not only through the advancement and application of health science, but also through the efforts and intelligent lifestyle choices of the individual and society. According to the WHO, the main determinants of health include the social and economic environment, the physical environment and the persons individual characteristics and behaviours. For people who are suffering from poverty, illness represents not only a big threat to their earning capacity but also compelled them to falling into debt trap. When they have the need to get proper treatment, they often ignore it because of lack of resources, fearing wage loss etc. Even if they do decide to get the desired health care it forces them to unfortunate sufferings. Ignoring the treatment may lead to death while selling property or taking debts may end a family’s hopes of ever escaping poverty.

This tragic situation can be avoided through a health insurance which shares the risk of a major health shock across many households by pooling them together. A well designed and implemented health insurance may both increase access to healthcare and may even improve its quality over time (Duggal, Ravi 2010). In this context, Government of India decided to design a health insurance scheme which not only avoids the pitfalls of the earlier schemes but goes a step beyond and provides a world class model (Desai, Sapna, 2009). A critical review of the existing and earlier health insurance scheme was done with the objective of learning from their good practices as well as seeks lessons from the mistakes. After taking all this into account and also reviewing other successful models of health insurance in the world in similar settings Rashtriya Swasthya Bima Yojana (RSBY) was designed.

Rashtriya Swasthya Bima Yojana or RSBY started rolling from 1st April 2008.
RSBY has been launched by Ministry of Labour and Employment. Government of India to provide health insurance coverage for Below Poverty Line (BPL) families. The objective of RSBY is to provide protection to BPL households from financial liabilities arising out of health shocks that involve hospitalization.

Beneficiaries under RSBY are entitled to hospitalization coverage up to Rs.30,000/- for most of the diseases that require hospitalization. Government has even fixed the package rates for the hospitals for a large number of interventions. Pre-existing conditions are covered from day one and there is no age limit. Coverage extends to five members of the family which includes the head of the household, spouse and up to three dependents. Beneficiaries need to pay only Rs.30/- as registration fee while Central and State Government pays the premium to the insurer selected by the state Government on the basis of a competitive bidding. On receipt of the smart card and consequent to the commencement of the policy, the beneficiary shall be able to use health service facilities in any of the RSBY empaneled hospital across India. Any hospital which is empaneled under RSBY by any insurance company will provide cashless treatment to the beneficiary.

The RSBY is a project under The Ministry of Labour and Employment. The objective of RSBY is to provide protection to BPL households from financial liabilities arising out of health shocks that involve hospitalization (Das, Jishnu and Leino, Jessica, 2011). The objectives of RSBY are to:

a) Provide financial security to BPL from hospitalization related expenses.

b) Improve access to quality health care.

c) Provide beneficiaries the power of choice to select a health care provider.

d) Provide a scheme which is simple to use for the end user and transparent.
The above table-1 shows that, in all 14 districts of Kerala, the RSBY scheme were implemented. The premium with service tax was same for all districts. The day at which the enrollment commenced were in the same year. The scheme target 2275554 families in Kerala but, only 2060802 families were enrolled. According to the publication of Government of Kerala, in its official website of RSBY in 2009, it reveals that there were 271 private hospitals and 278 public hospitals empanelled with RSBY.

In the Union budget for 2012-13, the government made a total allocation of 1096.7 crore towards RSBY. Although meant to cover the entire BPL population, (about 37.2 per cent of the total Indian population according to the Tendulkar committee estimates) it had enrolled only around 10 per cent of the Indian population by 31st March 2011. Also, it is expected to cost the exchequer at least 3,350crore a year to cover the entire BPL population (European Union State Partnership Programme,2011).

In this scenario, The Federal Government, with the help of state
governments implemented a health insurance scheme called Rashtriya Swasthya Bima Yojana (RSBY) intended for absolute poor in the country in 2008. It has been implemented in different states in India in such a short period of time. Some initial studies from different parts of the country reported challenges in enrollment, claim ratios and fraud claims from different hospitals (Ministry of Health and Family Welfare, 2010). According to NSSO report, only 81% of the population is under the coverage of health insurance. Providing healthcare for vulnerable sections is critical for reaching universal health coverage. In order to validate the findings, a study on RSBY is essential (Rashtriya Swasthya Bima Yojana, 2011). The goal was identified the issues of acceptability and management issues of the scheme among stakeholders in an effort to make RSBY more efficient and effective for all the stakeholders involved. However, the RSBY coming in, the scenario is changing. Health expenditure was 5.9% of the national budget in the year 2009 compared with 7.6% in 1990 and 8.4% in 1985. The running cost of extensive health care infrastructure is high and cannot be met with the current level of expenditure (Jain, Nishant 2010). Hence the scheme has led to a small decrease in out-of-pocket household outpatient expenditure and consequently total expenditure.

From 120 samples, we can find that all the 120 families, the head of the family are men. We also found that majority of them are casual labourers working on daily wages. From our analysis we found that majority of people didn’t have good educational qualification and the new generation enjoying good and better educational qualification. The selected samples were BPL families so that, they earn only a small amount as income every month.

II. Review of Literature

S Nandi, M Nundy, V Prasad, K Kanungo, H Khan, S Haripriya, T Mishra And S Garg (2012), in their study “the implementation of Rashtriya Swasthya Bima Yojana in Chhattisgarh, India: A study of Durg district highlights that the Rashtriya Swasthya Bima Yojana (RSBY) scheme is a health insurance model currently being implemented by the Indian government. This short study undertaken in Durg District of Chhattisgarh reveals that RSBY fails to cover the population living Below Poverty Line (BPL). Likewise, there is discrepancy in the consistency of information and knowledge regarding the scheme among the beneficiaries who are themselves continuing
to incur high out-of-pocket expenses. There are thus severe issues in transparency and accountability within the RSBY scheme. Unless the public health delivery system is strengthened and the private sector regulated and indeed monitored, the scheme will not yield the desired results, and the cost of healthcare will further escalate for the poor. In the absence of regulated health services there needs to be more debate, and indeed greater research, on the implementation and the design of RSBY. Another study was conducted by Tanya Seshadri, Mayur Trivedi and Narayanan Devadasan (2012), the study revealed that in 2011-12, only 45.3% of the eligible BPL households have enrolled in the scheme as per official RSBY figures. This implies the scheme currently covers 20% of the general population i.e. the bottom quintile considering the average household size of five (Census 2011). The issues of the non-surgical packages needs to be resolved as a priority barring which preference for surgical treatment will rise among providers and beneficiaries. The most significant finding was the near absence of financial protection offered by the scheme and calls for strict monitoring at the level of utilization. Addressing the concerns laid out by this study help the scheme to mature considerably. There are several studies which focuses on implementing Health Insurance: The rollout of RSBY in Karnataka” concluded that The National Health insurance scheme- RSBY aims to improve poor people access to quality health care. This paper looks at the implementation of the scheme in Karnataka, drawing on a large survey of eligible household and interviews with empanelled hospitals in the state. Six months after initiation in early 2010, an impressive 85% of eligible households in the sample were aware of the scheme, and 68% had been enrolled. However, the scheme was hardly operational and utilization was virtually zero. A large proportion beneficiary was yet to receive their cards, and mainly did not know how and where to obtain treatment under the scheme. Moreover, hospitals were not ready to treat RSBY patients. Surveyed hospitals complained of a lack of training and delays in the reimbursement of their expenses. Many were refusing to treat patients until the issues were resolved, and others were asking cardholders to pay cash. As is typical for the implementation of a government scheme, many of the problems can be related to a misalignment of incentives (Erlend Berg, Maitreesh Ghatak, R Manjula And Sanchari Roy, 2011). According to the study Ibhushas Balooni,
Kausik Gangopadhyay, Sudeep Turakhia and R.G. Karthik (2013), examines the challenges in the Sustainability of a Targeted Health Care Initiative in India. This unique health insurance targets the poor population to address the inequity in healthcare in the Indian societal context. The initial success stories from this initiative include improved hospitalization rates for the targeted population, a reduction in their out-of-pocket health care spending, and a reasonable incentive encouraging the participation of insurance companies. The sustainability of this initiative, however, is threatened mainly by a lack of information, heterogeneity in access, institutional shortcomings and the long-run escalation of costs. While the government is employing a public-private partnership to implement this initiative, there is need to simultaneously use this model to augment the existing health infrastructure to make this initiative sustainable and effective.

Palacios (2010), in his article on “A New Approach to Providing Health Insurance to the Poor in India: The Early Experience of Rashtriya Swasthya Bima Yojana” stated that Rashtriya Swasthya Bima Yojna (RSBY) is one of the largest health insurance schemes in the world today with coverage for hospitalization being provided to around 60 million people. Most of the covered population are poor and live in rural India. The results from the first two years of the program – voluntary enrolment rates of around 45 per cent and reasonable overall utilization rates – demonstrate that the model is both workable and scalable. However, there are large variations across the country and despite the strengths of its design, the RSBY requires more institutional capacity to supervise and improve the system over time. If this can be achieved, the positive externalities of RSBY may extend beyond health insurance and could fundamentally change the way the Government delivers benefits to India’s poor.

Swarup (2011) in his article “Rashtriya Swasthya Bima Yojana - Scheme with a Difference” stated that RSBY, in fact, attempts to empower the consumer, the BPL family, by giving him a choice. The beneficiary has an option to select from any of the networked hospitals, both in the private and public domain, anywhere in the country. By giving the beneficiary a choice under RSBY, he determines the delivery point and that is his empowerment. A large number of insurance packages do not include pre-existing diseases. The RSBY does. It does to avoid inconvenience to the
consumer in determining which disease was pre-existing and which was not. The scheme aims at being cashless to cater to the peculiar characteristics of the target group. The smart card is portable and valid in all the network hospitals throughout the country. This also takes care of the migrant nature of the beneficiary. All in all, the scheme is different. It is different in the context of its conceptual framework, it is different in the manner in which it is actually rolling out and it is likely to be different in the manner in which it will impact the lives of the poorest of the poor in this country. Some such evidence is already visible.

From the review of earlier studies above, one can conclude that health insurance is an urgent necessity and universal coverage is the need of the hour. Rashtriya Swasthya Bima Yojana - Comprehensive Health Insurance Scheme (RSBY-CHIS), is a move towards this end. But only a few studies are available about the effectiveness and utilization of this health security measure for the poor. So there is a research gap existing with regard to this sector and the present study is a humble attempt to fill this gap.

III. OBJECTIVES OF THE STUDY

The overall objective of the study is to gain an understanding of the performance of Rashtriya Swasthya Bima Yojana and to measure the impact on the health status of the society in Kottayam with special reference to Kottayam Municipality.

The specific objectives are

- To identify the socio-economic status of the beneficiaries of Rashtriya Swasthya Bima Yojana program in Kottayam Municipality.
- To examine the awareness level of beneficiaries of Rashtriya Swasthya Bima Yojana program.
- To evaluate the effectiveness of Rashtriya Swasthya Bima Yojana program.
- To analyze the problems and challenges faced by the beneficiaries of Rashtriya Swasthya Bima Yojana program.

IV. RESEARCH METHODOLOGY

Research in common refers to a search for knowledge. It is an art of scientific investigation. In this, we study the various steps that are generally adopted by a researcher in studying his research problems along with the logic behind him. It is necessary for the researcher to know not only the research methods or techniques but
also the methodology. In this procedure, units to be included in the sample are selected at the convenience of the investigator rather than by any pre-specified or known probabilities of being selected. This study covers 120 beneficiaries of RSBY in Kottayam Municipality. The respondents have been selected among BPL families.

The study used both primary and secondary data for data collection. The primary method of data collection is used in this study is interview with the help of a structured interview schedule. Secondary data that the study used in the project are Health Reports, articles, municipality statistics, journals etc. The major statistical tools used for the study are percentage analysis.

This study was descriptive and explorative in nature and was used Exploratory Factor Analysis. There were 14 questions which were meant to examine the overall effectiveness of RSBY scheme. The attitude of the people towards the effectiveness of RSBY scheme was analyzed using descriptive statistics and Factor Analysis.

Results and Discussion

Profile of the study: In the study majority of the respondents are male that is 23 beneficiaries (76.66%). There are only 7 female beneficiaries (23.33%) of RSBY. This shows that out of the total beneficiaries, the number of male beneficiaries is greater compared to female beneficiaries. It is found that the other backward community (OBC) involves the majority beneficiaries of RSBY scheme.

The beneficiaries from the Scheduled Caste include 23.3%. while collecting data we understood that the beneficiaries from General community is too less compared to others. Our study proved the fact that the benefits of the scheme are mainly utilized by the backward communities having higher economic backwardness.

The sample survey also reveals that 50% of the respondents are below poverty line (BPL), while 46% are above poverty line and 3.3% of total respondents are using Antyodaya Anna Yojana (AAY) cards. From the data it is clear that majority of the beneficiaries have low standard of living, really poor and vulnerable section of the society. Among the 58 % respondents, the majority of, 42% respondents families know about RSBY through panchayath. This shows the role of local bodies in the implementation of such programmes. The least number belongs to the category of awareness through newspaper. It is also
reveals that 57% of 120 families depend on Government hospital, while 30% depends on the Private hospitals. But only 13% of total families depends on both Government and Private hospitals. From the data collected, we can understand that most of the people visit Government hospital, Kottayam which is the nearest and the RSBY empanelled hospital.

**Result**

Exploratory Factor Analysis – Effectiveness and Challenges of Rashtriya Swasthya Bima Yojana program.

Table 2

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>.864</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>1154.089</td>
</tr>
<tr>
<td>Df</td>
<td>90</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Computed from Primary Data

Table No: 2 shows that the results of two test namely, Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity are used to test whether the relationship among variables is significant or not. Kaiser-Meyer-Olkin Measure of Sampling Adequacy shows the value of test statistics as 0.864 which means factor analysis for selected variable is appropriate. Bartlett's Test of Sphericity shows the significant value as 0.000, which means the selected items are statistically significant and exhibit high relationship among different statements of effectiveness of Rashtriya Swasthya Bima Yojana program(RSBY). Rotated Component Matrix table reveals that out of the 14 parameters of the effectiveness of RSBY scheme, two factors have been extracted and these two factors explained the total variance of effect of this scheme to the extent of 57.187 percent.
### Table 3

**Rotated Component Matrix- Effectiveness and Challenges of Rashtriya Swasthya Bima Yojana program.**

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Factor</th>
<th>Statements - Effectiveness and Challenges of Rashtriya Swasthya Bima Yojana program.</th>
<th>Factor Loading</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Factor 1: Effectiveness</td>
<td>Utilization of services</td>
<td>.801</td>
<td>4.25</td>
<td>.867</td>
</tr>
<tr>
<td>R2</td>
<td>Effectiveness</td>
<td>Implementation of schemes</td>
<td>.740</td>
<td>2.84</td>
<td>1.33</td>
</tr>
<tr>
<td>R3</td>
<td>Effectiveness</td>
<td>Participation in Insurance scheme</td>
<td>.718</td>
<td>3.14</td>
<td>.990</td>
</tr>
<tr>
<td>R4</td>
<td>Effectiveness</td>
<td>Improved hospitalization rates for the targeted population</td>
<td>.713</td>
<td>4.68</td>
<td>.878</td>
</tr>
<tr>
<td>R5</td>
<td>Effectiveness</td>
<td>Reduction in their out-of-pocket health care spending</td>
<td>.701</td>
<td>4.10</td>
<td>.964</td>
</tr>
<tr>
<td>R6</td>
<td>Effectiveness</td>
<td>heterogeneity in access</td>
<td>.667</td>
<td>4.68</td>
<td>.878</td>
</tr>
<tr>
<td>R7</td>
<td>Effectiveness</td>
<td>Quality of health services</td>
<td>.599</td>
<td>4.13</td>
<td>.926</td>
</tr>
<tr>
<td>R8</td>
<td>Effectiveness</td>
<td>Awareness about the scheme</td>
<td>.567</td>
<td>4.14</td>
<td>.896</td>
</tr>
<tr>
<td>R9</td>
<td>Effectiveness</td>
<td>Overall satisfaction of the growers</td>
<td>.526</td>
<td>4.71</td>
<td>.947</td>
</tr>
<tr>
<td>R10</td>
<td>Factor 2: Challenges</td>
<td>Lack of facilities</td>
<td>.701</td>
<td>3.97</td>
<td>1.18</td>
</tr>
<tr>
<td>R11</td>
<td>Challenges</td>
<td>Delay in reimbursement of the expense</td>
<td>.691</td>
<td>4.32</td>
<td>1.32</td>
</tr>
<tr>
<td>R12</td>
<td>Challenges</td>
<td>Lack of Information</td>
<td>.671</td>
<td>2.69</td>
<td>1.426</td>
</tr>
<tr>
<td>R13</td>
<td>Challenges</td>
<td>Accessibility of RSBY card</td>
<td>.677</td>
<td>4.67</td>
<td>.794</td>
</tr>
<tr>
<td>R14</td>
<td>Challenges</td>
<td>Coverage of insurance package</td>
<td>.556</td>
<td>4.61</td>
<td>.847</td>
</tr>
</tbody>
</table>

Total Variance Explained= 46.787 % of variance

Source: computed from Primary Data

The nine parameters of opinion about the effectiveness of RSBY scheme R1 to R9 statements were clustered together as factor 1 (Effectiveness) with 24.23 percent of variance and the last our statements of RSBY scheme R10 to R14 were grouped together as factor 2 (Challenges) with variance of 22.56 percent. It is revealed from this loading pattern of factors which exhibits a strong association among the parameters and all the two variables are found to contribute towards the effectiveness of RSBY scheme among poor people.
From the opinion the study identified that 76% of families agree that RSBY reduce the expenditure on health and 14% of families have an opposite opinion. The most highlight of this study is that most of them have not used yet the RSBY card because no need arises, but we also found that beneficiaries were satisfied with the services such as cancer treatments, treatment on imbalances in sugar and pressure etc provided by the hospital. Among the sample of 120 families, 80% of them don’t face any problems in the process of joining the scheme and 20% of them have faced some problems like delay to get the card, website related problems etc. 94% of the 120 families think that RSBY is a good scheme with achieving all its objectives, while 6% of them are against it. But we find the fact that the implementation of this scheme was really beneficial to its utilizers.

The study reveals that among the sample respondents only 74% are availing the benefits through RSBY card and still 26% of it are non-beneficiaries. This shows that the performance of RSBY as an
instrument to ensure universal health care and better functioning of the scheme can be further explored.

It was understood that most of the families (74%) joined the scheme in the year 2009 and no one joined in 2008 when the scheme was commenced. We also found that, till 2013, about 16%, there were families who joined in this scheme and no situation arises yet where the original card was lost and a duplicate card taken. We also understood that the subscribers did not face any problems while joining RSBY and they got the RSBY card without any delay.

**V. CONCLUSION**

The aim of the study was to find out the effectiveness of RSBY at Kottayam Municipality. This study helps the researchers to get an overall idea regarding the effectiveness of the scheme. The study was conducted on the ‘effectiveness of RSBY’ adopted at Kottayam Municipality. The study reveals that only few families utilizes the scheme very effectively. The Rashtriya Swasthya Bima Yojana attempts to insure poor people against shocks from a low level of healthcare security. In the absence of any such security, the vulnerability of people living at the margins or below the poverty line (BPL) increases and they get caught in a ‘medical poverty trap’. It was to safeguard BPL/ poor people from catastrophic out of pocket health spending that RSBY was launched in 2008 as a flagship scheme of the Government of India. In the four years since, RSBY has been successful in enrolling a fair number of targeted beneficiaries in the scheme. However, no matter how elaborates the design, RSBY is not free of faults and limitations.

The research findings of the study will help to make some policy recommendations. These recommendations in light of the policy design of RSBY are only suggestive because they are based on the data analysis, field experience and interviews. The impact of these recommendations on the performance of RSBY as an instrument to ensure healthcare and better functioning of the scheme can be further explored. So, there is need to strengthen Government healthcare service and regulate private healthcare services in order to have desired results of RSBY.

**VI. REFERENCES**


