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C1.1 Health Insurance Penetration in India

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Waves of Reforms...Oceans of Opportunities

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Government Health Insurance Schemes: Table of Contents

- Who are the beneficiaries?
- What are the benefits?
- How are the schemes funded?
- How are provider payments made?
- What has been the impact ?
- What are the challenges?
- Way Forward

Schemes and Beneficiaries(1)

Scheme	Geography	Target Population	Number of Beneficiaries
Employees State Insurance Scheme	Pan India	All employees from any firm having more than 10 employees & earning up to 15000 a year	Approx. 55 Mio.
Central Government Health Insurance Scheme	25 cities	Largely employees & pensioners of central govt., MP's, state governors	Approx. 3 Mio
Yeshasvini	Rural Karnataka	Members of rural cooperative societies	Approx. 3 Mio.
Rajiv Aarogyasri	Andhra Pradesh	Families with white ration card	Approx. 70 Mio.

Schemes and Beneficiaries(2)

Scheme	Geography	Target Population	Number of Beneficiaries
RSBY ¹	Pan India (30 states)	Below Poverty Line (BPL)	Approx. 103 Mio.
TN Chief Ministers Scheme	Tamil Nadu	BPL & families with annual income < Rs. 72,000	Approx. 38 Mio
Vajpayee Arogyshri ²	Karnataka	BPL	9.5 Mio

Across all the government schemes, there are approx. 280 Mio beneficiaries.

Over 220 Mio. Lives covered in the last five years.

1: RSBY Website, assuming 3 members per active card

2: Website

Source: Government Sponsored health insurance in India: Gerard La Forgia and Somil Nagpal

Benefits, Funding & Payment (1)

Scheme	Benefits	Source of Funds	Payment Mechanism
Employees State Insurance Scheme	Comprehensive IP & OP benefits	Employer & Employee contribution, State subsidies	Budget for own facilities, salary for staff, package rates for private facilities
Central Government Health Insurance Scheme	Comprehensive IP & OP benefits	Employee contribution (small), Central government funds	Salaried doctors, Package rates for private facilities
Yeshasvini	1200 notified surgeries (specified exclusions), Rs. 200,000 per person	Beneficiary & State government contribution	Package rates

Benefits, Funding & Payment (2)

Scheme	Benefits	Source of Funds	Payment Mechanism
Rajiv Aarogysri	938 identified hospitalization procedures, Rs. 150,000 per family with a buffer of Rs.50,000	State government	Package rates with public and private providers
RSBY ¹	IP cover with SI of Rs. 30000 per family	Central and State government, beneficiary	Package rates with public and private providers
TN Chief Ministers Scheme	400 defined surgical procedures. Rs. 100,000 per family	State government	Package rates based on provider tier
Vajpayee Arogyshri ²	402 predefined packages and 50 follow up. Rs 150,000 per family with a buffer of Rs 50,000	State government	Package rates

Source :Government Sponsored health insurance in India: Gerard La Forgia and Somil Nagpal

Impact

Access

- Access has improved
- Large number of private facilities in the fold

Protection

- Limited formal evaluation
- Early indications are that goal is being achieved in a limited way

Health Status

- Limited impact
- New schemes focus on secondary / tertiary care

Challenges

Targeting & Beneficiary identification

Institutional capability

- 1) People
- 2) Process
- 3) Technology & Standards

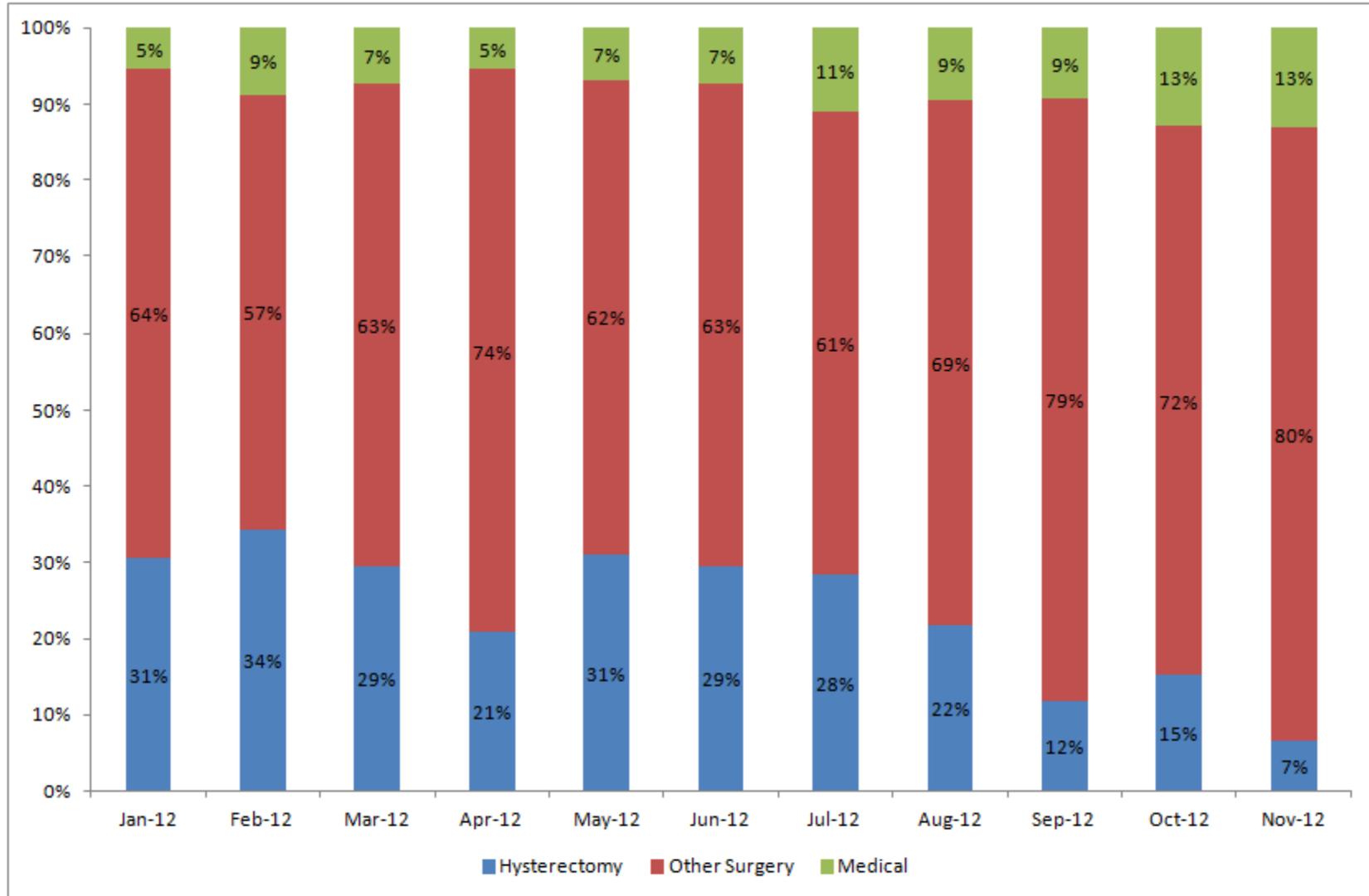
Payment mechanisms

- 1) Fee for service
- 2) Package rates

Limited focus on primary care

Fraud and Abuse

Challenges : Fraud & Abuse



Way Forward - Micro

Unify Approach

- 1) Benefit design
- 2) Coordinating Agencies
- 3) Payments & Platforms

Consolidate purchasing power with providers to drive

- 1) Quality
- 2) Efficiency

Governance & Institutional capability

Minimize duplication and risk of 'fragmentation'

Focus on data quality and standards

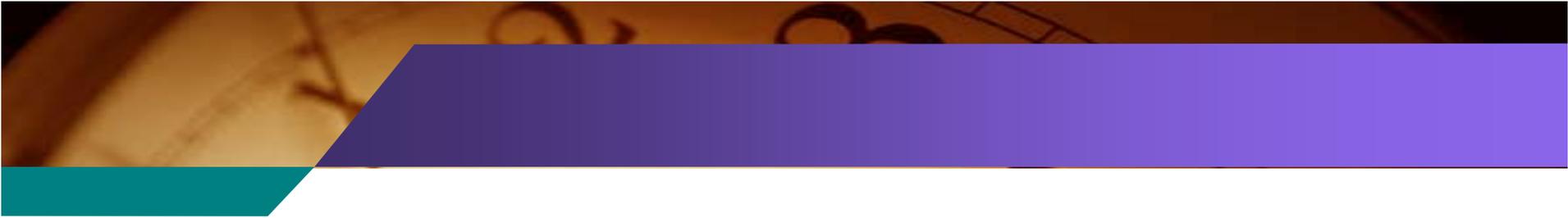
Way Forward - Macro

How should India achieve “Universal Healthcare”?

- Supply vs. Demand side

Focus on public health needs to increase

- Preventive and Promotive
- Clean Water
- Sanitation
- Personal hygiene



THANK YOU

