

# SWASTHYA BIMA YOJANA

## 1. BACKGROUND

The workers in the unorganized sector constitute about 93% of the total work force in the country. The Government has been implementing some social security measures for certain occupational groups but the coverage is miniscule. Majority of the workers are still without any social security coverage. Recognizing the need for providing social security to these workers, the Central Government has introduced a Bill in the Parliament.

One of the major insecurities for workers in the unorganized sector is the frequent incidences of illness and need for medical care and hospitalization of such workers and their family members. Despite the expansion in the health facilities, illness remains one of the most prevalent causes of human deprivation in India. It has been clearly recognized that health insurance is one way of providing protection to poor households against the risk of health spending leading to poverty. However, most efforts to provide health insurance in the past have faced difficulties in both design and implementation. The poor are unable or unwilling to take up health insurance because of its cost, or lack of perceived benefits. Organizing and administering health insurance, especially in rural areas, is also difficult.

## 2. OBJECTIVE

Recognizing the diversity with regard to public health infrastructure, socio-economic conditions and the administrative network, the health insurance scheme aims to facilitate launching of health insurance projects in all the districts of the States in a phased manner for BPL workers. The definition of BPL is the one prescribed by the Planning Commission.

### **3. SALIENT FEATURES OF THE SCHEME**

#### **Funding Pattern**

- (i) 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. The cost of smart card will be borne by the Central Government.
- (ii) Contribution by respective State Governments: 25% of the annual premium, as well as any additional premium.
- (iii) The beneficiary would pay Rs. 30 per annum as registration/renewal fee.
- (iv) The administrative and other related cost of administering the scheme would be borne by the respective State Governments

#### **Implementing Agency & Formulation of Projects**

The State Government while formulating the pilot project will determine the implementing agency on behalf of the State Government.

#### **Eligibility**

- Unorganized sector workers belonging to BPL category and their family members (a family unit of five) shall be the beneficiaries under the scheme.
- It will be the responsibility of the implementing agencies to verify the eligibility of the unorganized sector workers and his family members who are proposed to be benefited under the scheme.
- The beneficiaries will be issued smart cards for the purpose of identification.

## **Benefits**

The beneficiary shall be eligible for such in-patient health care insurance benefits as would be designed by the respective State Governments based on the requirement of the people/ geographical area. However, the State Governments are advised to incorporate at least the following minimum benefits in the package / scheme:

- The unorganised sector worker and his family (unit of five) will be covered. Total sum insured would be Rs. 30,000/- per family per annum on a family floater basis.
- Cashless attendance to all covered ailments
- Hospitalization expenses, taking care of most common illnesses with as few exclusions as possible
- All pre-existing diseases to be covered
- Transportation costs (actual with maximum limit of Rs. 100 per visit) within an overall limit of Rs.1000.

## **4. FORMULATION OF THE PROJECTS**

The State Government shall formulate project/projects for providing health insurance benefits, taking into account the aforementioned points, for the workers and their families in the unorganized sectors for a defined geographical area, preferably a district. While formulating the project/projects, the following aspects may be considered:

- There must be a clearly defined institution capable of organizing a health insurance programme. It can be an autonomous body, State Government Department, a Cooperative Society or even an NGO. The organization should have the technical skills to understand the concept of health insurance, should be able to design a programme that is technically sound, should have skills to be able to discuss with the community and should have the administrative capacity to organize the programme.

- There must be a network of health care providers (public and private). The Project should incorporate use of private and all public healthcare providers, including ESI hospitals.
- There should be some basic data available regarding the demographic profile of the District.
- The cost of the scheme, i.e., total premium per year, along with the procedure adopted to arrive at the premium.
- The procedure for collecting the registration/renewal fee from the beneficiary should be outlined in the proposal.

## **5. SETTING UP OF TECHNICAL CELL:**

A Cell would be constituted in the Ministry, administering the scheme, to assist the State Governments in formulating projects. The Cell would be headed by a Sr. Advisor who would be assisted by two Advisors. The expert would be hired on contract basis or on deputation. The Cell would perform following functions:

- a) Plan the insurance scheme based on the requirements of State;
- b) Workout financial implication and other details;
- c) Assist the State Governments in the preparation of pilot projects
- d) Assist in the effective implementation of the Scheme.
- e) Monitor and evaluate the implementation of the project.

The proposal for launching health insurance project would be submitted to the Administrative Ministry for approval along with all the financial implications and details.

## **6. SELECTION OF INSURANCE PROVIDER:**

The selection of the health insurance provider shall be done by the state/implementing agency through tendering process inviting both Public and Private Insurers for better terms of reference. The State Government would formulate the projects and determine the implementing agency such as Insurance Trust/ Insurance Cell/ Mother NGO etc. to monitor/supervise the scheme and integrate with insurance company. This would be further monitored at State and Central level.

## **7. APPROVAL AND MONITORING COMMITTEE:**

A Committee consisting of the following shall examine the proposals submitted by the State Governments and grant approval to the projects:

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| i) Joint Secretary/Director General Labour Welfare,<br>Ministry of Labour & Employment | <b>Convener</b> |
| ii) Representatives of Ministry of Finance   | <b>Member</b>   |
| iii) Representatives of Ministry of Health and Family Welfare                          | <b>Member</b>   |
| iv) Representatives of Planning Commission   | <b>Member</b>   |

The Committee will also periodically monitor and review the progress of the projects.

## **8. RELEASE OF FUNDS:**

On the approval of the project, the State Government will, from time to time, intimate the Central Government about the payment of the premium to the Insurance Company. The Central Government, on receipt of this information, shall release its share of premium.

## **9. MONITORING AND EVALUATION:**

The State Government will put in place a well defined mechanism for monitoring and evaluation of the pilot project at the time of its implementation. At the Central Government level, the Cell constituted for examining project proposals shall also periodically monitor and evaluate the performance of each pilot project with a view to evolving workable models which can be up-scaled for wider application.

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