

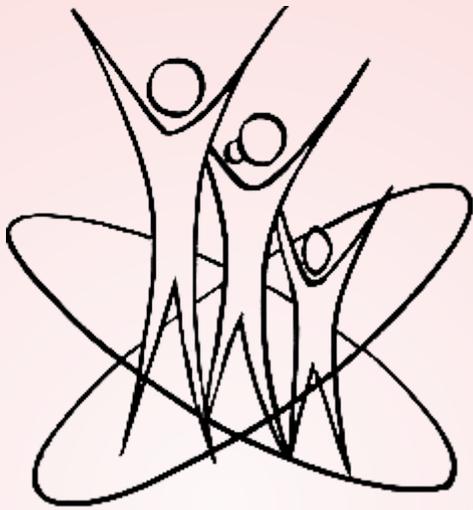
Workshop on
Viable and Sustainable
Pro Poor Health Insurance



Madurai Symposium 2013
Fostering Development Knowledge

September 13, 2013





economic, political and financial has been engaging our attention for a long while now. Sustainability would not stem from mere availability of resources and it cannot be narrow-jacketed in a financial issue. This is where governance in its broader sense including leadership, husbanding the resources with equity, management culture, participatory process in management, etc assumes critical importance in development. In the same vein governance being a much larger and complex issue and qualitatively different, there is a need to put that in a context of various development programmes and identify and address those issues of governance relevant to each of the programmes. It is with this understanding from a broader and contextual perspective, this Symposium would focus on governance of some of the topical and nationally important programmes such as poverty reduction, water, agriculture in small and marginal holdings, environment, microfinance, panchayats, digital divide, financial inclusion process, social security etc.

Introduction

India spends only 4.1 percent of its GDP on healthcare. Despite a reasonable growth in the economy this amounts to far less than many developing countries of the world. About eighty per cent of overall health expenditure in India is met out of pocket by the people. Hardly five per cent of the health expenditure is covered through health

The Madurai Symposium 2013

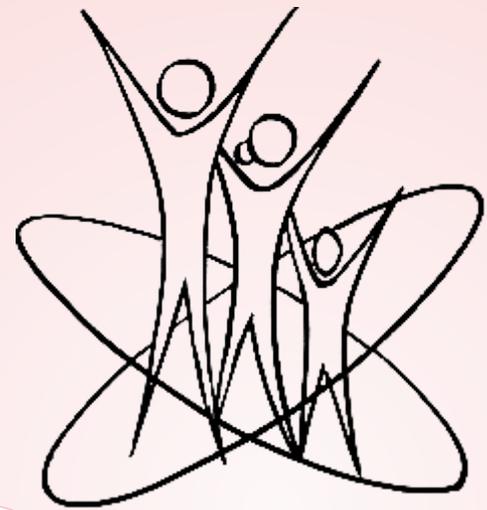
The Madurai Symposium is a unique development platform which brings together different stakeholders people/community institutions, civil societies, Government, NGOs, Banks, donors, philanthropies and academia to share, learn from each others' experience and practices and it throws opportunities for collaborative endeavours. The Symposium attracts over 15,000 participants and the one being organized in 2013 is the sixth. The theme of the Symposium 2013 is 'Governance for Advancing Development'.

Over the years there is an increasing realization that while resource is the most important necessary condition and it is not sufficient to ensure development process in a perfect way. Sustainability of the development programmes and processes from holistic perspective of social,

insurance. With about 68.2 percent of population living with less than 2 dollars a day, such a dismal spending by the state leaves the poor at the mercy of nature. Obviously, the two pronged strategies of increasing the national health budget to provide public health care access as well as facilitating health insurance access, would bring down the out of pocket health expenses of the nation.

As per World Bank estimate -2002, one quarter of Indians fall into poverty as a result of medical expenses in the event of hospitalization. This proves that health risk is a paramount factor of poverty, and safeguarding people from this risk would entail poverty reduction and livelihoods protection. The poor need health insurance for preventing huge health expenditure that affects the sustainability of livelihoods.

Health insurance schemes are abundant in the market. However, for the poor, the available schemes are State Government run schemes, Rashtriya Swasthya Bima Yojana and Universal Health Insurance Scheme (UHS). Among these, the government premium subsidy support has been withdrawn for UHS from April 2013, thus requiring the insured poor to pay the entire risk premium. DHAN Foundation is a fore runner of UHS implementation and has facilitated health insurance access under UHS to over three lakhs poor in collaboration with National Insurance Company Limited in different parts of the country.



Our UHS experience and the analysis has brought out the following:

- ✍ Less hospitalization rate- 1.02 percent under UHS against 6.4 percent under medicaid insurance
- ✍ Lesser claim ratio – Under UHS, claim ratio is 27 percent among DHAN clientele and it is overall 56 percent, whereas it is 102 percent under medicaid insurance.

These indicate the scope for improving the product features under UHS. Moreover, since the government subsidy support is not available at present, the insurer and the insured clientele could work towards improving the product. The specific areas to be looked into are on the aspects of improving the room rent criterion, leaving away the per disease limits and sub limits as well as inclusion of pre and post hospitalization covers.

In this background, towards designing an affordable and appropriate health insurance product in tune with the needs of the poor, which

is viable and sustainable for the insurer, this workshop is organised by National Insurance Company Limited and DHAN Foundation, involving different stakeholders - Mainstream insurers, third party administrators, community organizations, development institutions and health care providers, with the following objectives.

Objectives

1. Appreciation of health insurance needs of poor
2. Sensitization of the viability and sustainability of health insurance to poor

3. Evolving design inputs for a viable and sustainable pro poor health insurance

Expected outcomes

1. Product design inputs
2. Road map for the roll out of viable and sustainable pro poor health insurance product.

Date : September 13, 2013 – Friday

Time : 10 AM

Venue : Tamukkam Grounds, Tallakulam, Madurai

DHAN Foundation

DHAN Foundation works with over one million poor families in 12 states of India, striving to improve the lives and livelihoods of vulnerable communities by organizing them to reduce poverty and address their various development needs. The interventions are spread across urban, rural, coastal and tribal contexts. It works in different thematic areas including micro finance, tankfed agriculture, rainfed agriculture, information & communication technology for poor and self governance of local bodies.

People Mutuals

People Mutuals, the insurance initiative of DHAN Foundation, strives for safeguarding the poor from risks and vulnerabilities through collaboration with insurance providers and mutual solutions to reduce poverty. The poor are provided access to insurance company products that meet their needs. The gaps in the insurance company products are identified and mutual solutions are evolved and designed to ensure comprehensive risk coverage. At present over one million poor have been provided with access to different types of insurance including life, health, livestock, crop and micro pension.

For further information please contact:

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