

# Rashtriya Swasthya Bima Yojana (RSBY) and outpatient coverage

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## ABSTRACT

The healthcare industry worldwide is undergoing a radical transformation. An enthusiastic healthcare system of the Government of India (GOI) continually tries to tackle numerous challenges facing the system. The Rashtriya Swasthya Bima Yojana (RSBY) program has provided secondary level healthcare facilities to more than 36 million families across most states in India. This particular health insurance initiative was taken by the GOI with the purpose to safeguard the pitiable or marginalized Indian population or those households who are facing economic risks due to hospitalization and their everyday expenditures. RSBY provides affordable and accessible healthcare services along with insurance coverage for secondary care. However, it is limited to inpatient treatment or hospitalization. For outpatient coverage many strategies have been applied but low enrolment is still an existing flaw under this streamer. The present paper discusses various features of RSBY, outpatient projects undertaken, and various obstacles that can be removed to integrate this insurance scheme with primary healthcare in India.

**Keywords:** Ayushman Bharat (B), health insurance, India, outpatient coverage, Rashtriya Swasthya Bima Yojana

## Introduction

In general, scarcity, well-being, and revenue opportunities have been recognized as closely entangled issues, especially in developing countries, due to which the healthcare sector faces numerous challenges.

A vigorous healthcare system constantly tries to tackle these health-related challenges in an effective manner.<sup>[1,2]</sup> The Government of India (GOI) has recognized various inequities

and inefficiencies in its healthcare system's delivery and finance, and to solve these issues GOI have tried to introduce various measures such as increase in the budgetary allocations for healthcare system. Even the various state governments have also launched similar health insurance schemes to have a uniform health insurance scheme especially to meet the needs of the economically backward population. One such prominent approach by the GOI is the initiation of Rashtriya Swasthya Bima Yojana (RSBY).<sup>[3]</sup>

During the past few years, many developing countries have introduced tax-financed health insurance coverage for their underprivileged populations. During 2008, India along with the support from Indian Ministry of Labour and Employment (MoL and E), coupled this endeavor and introduced the "RSBY" with

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the proposal to shield pitiable Indian households from economic risks associated with everyday hospitalization expenditures. In this RSBY venture, 65 million families were targeted and more than 41 million families got enrolled themselves by the end of September 2016.<sup>[3]</sup> Basically, RSBY is a government-sponsored proposal for the population who fall under below poverty line (BPL) in India. Under this scheme there is a provision of major portion (approximately 75%) being remunerated by the GOI, whereas the rest is remunerated by the respective state government. However, in northeastern states and Jammu and Kashmir, 90% is being paid by GOI's contribution and only 10% by the respective state government.<sup>[2,3]</sup>

For around 30 million families, among many of the Indian states, the RSBY program has provided the secondary level of healthcare whereas the outpatient services are just exterior to the range of the plan. Hence, Indian policymakers are trying to lay down a foundation in the primary healthcare system to improve the affordability and accessibility of healthcare services [Figure 1]. Even RSBY program is still under reconsideration considering the fact that it will integrate in a better way with primary care approach in India.<sup>[1,4]</sup>

## Literature Search

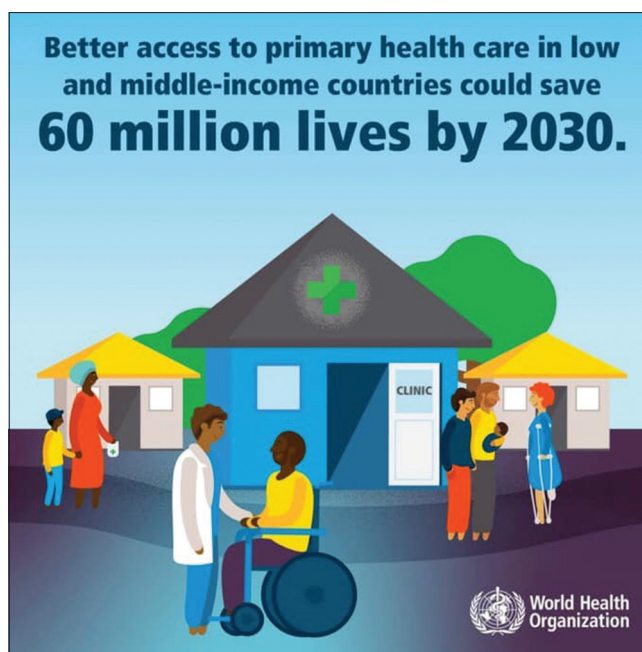
A literature search was done through electronic as well as manual search way with the help of relevant keywords like insurance, RSBY, India, outpatient coverage, benefits, etc., in various search engines including PubMed, MEDLINE, Google, Google Scholar, Cochrane, NLM, and so on. Moreover, original websites of RSBY of India were also consulted. Reports published only in English language were included in the review.

## Birth of RSBY scheme

Indian governments always have an aphorism of providing social security and healthcare services to entire population and various steps have been taken in this context. One of the important policy milestones is the launch of the RSBY scheme in early April 2008 by the Indian MoL and E.<sup>[3,4]</sup> Primarily it was casing only the below poverty line (BPL) households, but later on stretched towards non-BPL categories too especially few informal sector workers which are being financed by GOI and various state governments. This scheme was targeted with the aim of covering 70 million families by the end of twelfth five year plan (2012–17).

## Objectives of RSBY

In India, about one-third of the population is underneath the poverty line with a very limited capacity to pay for insurance, which consequences into a foremost problem for insurance coverage schemes.<sup>[1,3]</sup> Hence, the Central Government's Ministry of Labor and Employment designed the RSBY scheme, with an outlook of enrolling the unorganized zone with a health insurance scheme, to shield them from the financial shocks arising out of medical tragedy. Even the affordable and accessible



**Figure 1:** Saving lives by improving access and affordability of primary healthcare services

healthcare services are also one of the agendas behind this scheme to improve the healthcare sector, especially for illiterate or marginalized individuals.<sup>[3]</sup> RSBY provides insurance coverage for secondary care that is usually provided at community health centers, district hospitals, and medical colleges except for primary care and tertiary care. Thus, RSBY was launched with a determined plan to wrap the whole population lying underneath the poverty line by 2012-13.<sup>[3,5]</sup>

## Outpatient (OP) coverage in RSBY

An extensive array of benefits including those from medical practitioners, specialist fees, routine check-ups, vaccinations, alternate treatments, investigating tests such as Xrays and pathological testing, and home nursing, and so on are incorporated under any outpatient insurance coverage. Whereas routine ambulatory services, which are of relatively low cost and people might be expected to meet these costs out of their pockets, are not covered under this banner. Still few of the healthcare benefits of having health insurance with OP coverage are included such as assistance of the insured person to claim expenses other than that incurred during hospitalization days along with coverage of pharmacy bills of the insured. Moreover the sum assured is based on the age of the insured rather the basis of 24-h hospitalization. Tax exemption is one of the benefits for premium paid health insurance services and with OP coverage, claim reimbursement can be done multiple times by the insured during the policy period which further makes the monetary value of a health insurance policy.<sup>[3-6]</sup> RSBY does not cover OPD expenses or expenses in hospitals which do not lead to hospitalization. Therefore, medicines and tests which are not related or do not lead to hospitalization need to be paid by the beneficiary. This

is a critical reason for a probable 23% increase in outpatient costs in the households that enrolled in the RSBY before 2010, observed in the 2017 study wherein the program was evaluated up to March 2012.<sup>[4]</sup>

### Focus on the referral system

The referral system plays a pivotal role in disease management in any healthcare system. Typically, this system is pyramidal. Primary healthcare centers (PHC) constitute the base, which is large in numbers. An active referral system ensures a handy relationship between all three (primary, secondary, and tertiary) levels of the healthcare delivery system.<sup>[7]</sup> In a country like India, it is seen that patients can go to any level of the healthcare system. Large numbers of patients are often seen to visit OPDs of higher levels of healthcare for their minor illnesses. These can be easily accommodated at a lower level without burdening the higher-level facilities. Moreover, nowadays, technology using artificial intelligence (AI) can be used to improve the process of referral. E-referral is also known as “electronic referrals or electronic consultation” in which there is a seamless transfer of patient information through an electronic platform from a primary to a secondary treating practitioner’s client management system.<sup>[8]</sup> An online referral management system (ORMS) will not only save the initial golden hour but will also lead to decline in mortality. The ORMS will save unnecessary paperwork in hospitals. Based on “Real-Time” technology, it will help to understand better disease patterns and illnesses and also aid in policy decision making.

The University of California San Francisco (UCSF) in conjunction with San Francisco General Hospital (SFGH), San Francisco’s main safety net provider of outpatient specialty care, developed a web-based referral system (eReferral) that allows for iterative communication between referring and specialty providers.<sup>[9]</sup> The specialist can use this system to communicate with the referring provider to address the patient’s issue, with or without an appointment. This system led to decrease in the waiting time of patients for new appointments presumably by decreasing inappropriate referrals and avoidable follow-ups thereby further decreasing the OPD load altogether.

Another innovative referral system was developed in New Zealand in 2008 called “health pathways” which was managed by the community. It integrates guidelines on referrals and existing resources for doctors, to avoid unnecessary referrals. Simultaneously, they also perform proper investigations before making a referral to check if the treatment can only be provided at the lower level.<sup>[7]</sup>

### The Outpatient Healthcare Pilot with RSBY

To address the burden of high expenditure for outpatient healthcare and improve health-seeking behavior among the poor population, the outpatient healthcare pilot project was conceived. This project began in July 2011 in the Puri District of Odisha and from November 2011 in the Mehsana District of Gujarat. It

introduced the delivery of cashless outpatient healthcare services in these two districts.<sup>[10]</sup> All the households enrolled under this scheme were informed that during the present year, in addition to inpatient healthcare services, the RSBY smart card entitled them to avail outpatient healthcare services as well. RSBY beneficiaries could now use the same card to avail of both the healthcare benefits. A selected insurance company provides the risk pooling arrangement for both the healthcare benefits, creates awareness on the benefits, impanels the providers, and handles operations with the support of state nodal agency.<sup>[10]</sup>

### RSBY Outpatient Pilot Project Technology

RSBY outpatient pilot projects were conducted in the states of Odisha, Gujarat, Punjab, Andhra Pradesh, Mizoram, and Uttarakhand.<sup>[11]</sup> The main aim of these pilot projects was to understand the health-seeking behavior of the people, whether they sought care earlier if it was covered under insurance, and whether the provision of primary care reduced the need and use of inpatient care. The RSBY enrolled families in the pilot districts, who were given ten free outpatient visits per year, per family (as additional outpatient product features), in any public or private impaneled outpatient healthcare facility; access to outpatient healthcare facilities for a period of seven consecutive days, should there be a need for follow-up; and no exclusions of any diseases for medical consultation. Moreover, 100 INR per visit was also reimbursed to the beneficiaries to cover the cost of consultation and medicines.

A new RSBY technology platform was constructed for the pilot project.<sup>[11]</sup> Beneficiary verification and maintaining patients’ medical records were managed by this platform. Data entry into the outpatient system was done by the physician or the personnel at the RSBY help desk. The RSBY outpatient application was installed on a desktop, and the fingerprint and smart card readers were attached. A mobile-based system was also made by installing an application on the mobile phone. Reimbursement to the healthcare providers was done by the insurance company according to the number of successfully processed claims. RSBY technology management software platform controlled the entire business operation developed especially for outpatient services.

### Scheme design and incentive structure under RSBY

A recent study was conducted in a couple of cities in the states of Punjab and Haryana involving a review of key documents, in-depth interviews of key stakeholders, exit interviews of RSBY, and non-RSBY beneficiaries, and analyses of secondary databases from state nodal agencies.<sup>[12]</sup> According to the study findings, the process of enrollment of beneficiaries was inefficient which led to lack of coverage for the beneficiaries at the beginning of the contract period. Furthermore, the prices stated for procedures in RSBY made no mention of quality. Results from the present study showed that effective oversight was conspicuously lacking, especially during the process of enrolment of beneficiaries, empanelment of health facilities, awareness building, and implementation. However, RSBY was

seen as a landmark scheme contributing significantly to the design of Ayushman Bharat (AB), specifically Pradhan Mantri Jan Arogya Yojana (PMJAY).<sup>[9]</sup> But unfortunately, cost of medicines and diagnostics in OPD (Outpatient Department) are the major contributors to OOP (Out of the pocket) expenditures, which were neither covered in RSBY nor in PMJAY.

Results of another study conducted on the basis of data obtained from the National Sample Survey Organisation (NSSO) in three different years revealed that outpatient expenditures that account for the bulk of OOP healthcare spending is mostly unaffected and utilization of outpatient care may even have increased on account of RSBY.<sup>[13]</sup> It was also analyzed that RSBY did not offer any significant protection for poor households. Although OOP spending levels did not change, RSBY raised household nonmedical spending by 5%.

An exploratory study conducted in West Bengal regarding the economic viability of the RSBY revealed that market failure conditions of this insurance model can only be prevented by raising the premium rates by the insurance companies. It could also have a financial burden on the state budgets affecting the viability of the scheme in the long run.<sup>[14]</sup>

According to the findings of some other study conducted among the urban poor population of Delhi, only 9.5% of RSBY beneficiaries utilized the schemes for episodic and chronic illnesses as very limited of illnesses are covered for treatment under the RSBY.<sup>[15]</sup> RSBY played a limited role in meeting the healthcare needs of the people, thus may not be capable of contributing significantly to the efforts of achieving equity in healthcare for the poor. Moreover, it was also reported that the population enrolled under government schemes and state health insurance (SHI) utilized the public hospitals/clinics both for OP and IP care compared to population enrolled under RSBY and private insurances.<sup>[16]</sup>

### Ayushman Bharat-National Health Protection Mission (AB-NHPM)

The GOI launched the AB-NHPM in September 2018 to combat rising Out of the pocket expenditure (OOPE) among Indian households which is pushing more and more people below the poverty threshold.<sup>[17]</sup> Ayushman Bharat provided an increased coverage limit of INR 5 lakhs. Despite this change, some less-desired aspects of the RSBY have unfortunately seeped into the AB-NHPM scheme. Three main reasons needed to be addressed in this context.

- Outpatient expenditure which forms a major part of OOPE has been left out of the ambit of AB-NHPM which is well above 55% and AN-NHPM would only cover 32% of total OOPE directly. Another thing is the behavioral pattern of the vulnerable sections of the society which AB-NHPM aims to target. It is a well-established fact that poorer people who rely on daily income, tend to avoid hospitalization owing to

their loss of income. Therefore, outpatient care including diagnostics and provision of medicines needs to be insured for them.

- AB-NHPM, in its current form (similar to the RSBY), may not be able to account for the rising private players' participation in the Indian healthcare sector. Matching the health care services provided by the private sector under its scheme will give more value to the compensation.
- Preparing the entire medical procedure list at the central level is a potentially suboptimal move, given the heterogeneity in healthcare needs across the country. According to the ranking given by NITI Aayog, it is seen that even the top-performing states with the highest government expenditure on health, there is quite high OOPE expenditure in the private sector. A similar trend is noted for the states which are at the bottom of the performance table as well.

### Hurdles in outpatient coverage with RSBY

RSBY has faced various issues such as lack of a nationalized trade name in this OP coverage either it being general or dental or even diagnostic. Also, there are few definite factors that have truncated the expansion and intensification of health insurance in the past and are expected to have an influence in the near future, which includes incomplete responsiveness in promoting health insurance to the wide-ranging public along with dearth of dependable data and epidemiological understanding on the outline of the disease and management cost that is essential for crafting health insurance product specifications.<sup>[1,6]</sup>

- Sometimes scheming frauds in matters allied with billing and promptness in service for claims consideration and payment are considered as hurdles in regularizing the OP cover.
- Risk of adverse selection of people with pre-existing ailments and unhealthy persons further lead to lack of actuarial data.<sup>[18]</sup>
- Lack of technically skilled manpower that has sound knowledge in the research and development activities associated with medical aspects of the health insurance and well-trained staff to meet the expectations of the clients.<sup>[6,19]</sup>
- Insurance with OPD coverage vs health cards or discount cards or health cards are exclusive schemes that provide discounted rates on medical, health, and drug expenses by charging monthly or an annual membership fee but are in no way replacement for hospitalization cover.
- Lack of cooperation and coordination with healthcare providers regarding processing and settlement of claims also have a negative implication on the insurance business.<sup>[2,6,18]</sup>

### Potency of the paper in family medicine and primary care

The current paper occupied with various electronic and manual research databases with no precincts on time of publication. Even we tried to include the reference lists of searched literature reviews. However, due to paucity in literature only fewer articles were available which limits the information in somewhat way. But it highlights and provides momentous information regarding

RSBY and outpatient coverage which can contribute appreciably towards general or family medicine with primary care. Overall our analysis through this paper shows that RSBY has not provided any significant financial protection for poor households. The burden of outpatient expenditures that account for the bulk of OOP healthcare spending is mostly unaffected and utilization of outpatient care may even have increased on account of RSBY.

The discipline of family medicine and the roles and interests of family practitioners are evolving. Depending on the needs of the patient and the resources required, the family physician (FP) provides definitive care, shared care, supportive care, integrated care, or directs the care provided by others. Family physicians contribute significantly in providing routine OPD care. FPs manage upper respiratory infections (seasonal and routine), manage geriatric conditions, demonstrate healthy behaviors, including good diets and exercise, and adequately perform health counseling in OPD. Family physicians are trained to deliver a range of acute, chronic, and preventive medical care services in their office practices (routine OPD). In addition to diagnosing and treating illness, they also provide preventive care, including routine checkups, health-risk assessments, immunization and screening tests, and personalized counseling on maintaining a healthy lifestyle. Many family physicians in western countries deliver babies and also provide prenatal care in routine prenatal check-ups. In other words, the family physician evaluates the total health needs of the patient and provides personal care within one or more fields of medicine. The family physician refers the patient when indicated to other sources of care while preserving continuity of care. In many western countries like US, family physicians work together to see patients, answer phone calls, and take care of urgent problems that arise in their routine OPD practice.<sup>[20]</sup>

## Conclusion

India with a considerable middle-class population and expenditures related to health pushes families into indebtedness and deeper poverty. But various health insurance schemes either by the Indian government or state government are inoculated in the healthcare system and one such scheme is RSBY which is a social welfare scheme with inbuilt incentives for various stakeholders to motivate them to provide hospitalization coverage to the poor. However, it is limited to inpatient treatment or hospitalization and low enrolment with the lack of coverage for outpatient costs are flaws still existing under this banner. But it is becoming a successful business model nowadays, as private insurance sector players are also participating in RSBY. Though RSBY is cost-effective in terms of family floater healthcare plan, successfully laid down by Indian government; however, it still needs to create more awareness and accessibility among marginalized or BPL populations.

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## Conflicts of interest

There are no conflicts of interest.

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