

**SOCIAL AND ECONOMIC
CHANGE MONOGRAPHS**

57

**Health Insurance for
the Poor and Elderly:
Is RSBY the Answer?**

**Meenakshi Rajeev
B P Vani**



**INSTITUTE FOR SOCIAL AND
ECONOMIC CHANGE**

**Bangalore
2018**

www.isec.ac.in

SOCIAL AND ECONOMIC CHANGE MONOGRAPH SERIES

Number 57
ISBN 81-7791-156-2

March 2018

Series Editor:
Sunil Nautiyal

Associate Editor:
E Vishnuvardhan Reddy

© 2018, Copyright Reserved
The Institute for Social and Economic Change
Bangalore

The Institute for Social and Economic Change (ISEC) is engaged in interdisciplinary research in analytical and applied areas of social sciences, encompassing diverse aspects of change and development. ISEC works with central, state and local governments as well as international agencies by undertaking systematic studies of resource potential, identifying factors influencing growth and examining measures for reducing poverty. The thrust areas of research include state and local economic policies, issues relating to sociological and demographic transition, environmental issues and fiscal, administrative and political decentralization and governance. It pursues fruitful contacts with other institutions and scholars devoted to social science research through collaborative research programmes, seminars, etc.

The Social and Economic Change Monograph Series provides an opportunity for ISEC faculty, visiting fellows and PhD scholars to disseminate their ideas and research work. Monographs in the series present empirical analyses and generally deal with wider issues of public policy at a sectoral, regional or national level.

Publication of this Monograph has been made possible through the generous support of Sir Ratan Tata Deferred Endowment Fund.



**SOCIAL AND ECONOMIC
CHANGE MONOGRAPHS**

57

Health Insurance for the Poor and Elderly: Is RSBY the Answer?

**Meenakshi Rajeev
B P Vani**

**Institute for Social and Economic Change
Bangalore
2018**

Foreword

With the increasing life expectancy at birth coupled with decreasing mortality, the elderly prominently feature while considering provision of health access to the most vulnerable groups. The proportion of elderly is expected to rise from 7.5% of the population in 2010 to 11.1% in 2025 reaching 160 million by 2025. The non-communicable diseases like cancer, arthritis, joint replacement, heart problems, blood pressure, diabetes etc., are increasingly becoming common among the elderly. The treatment for such chronic ailments is becoming colossal and unaffordable for them due to their modest post-retirement benefits.

The 52nd (1995), 60th (2004) and 71st (2014) rounds of National Sample Surveys have evidences towards higher rates of prevalence and incidence of diseases and hospitalization among the elderly compared with other cohorts.

This monograph by Prof Meenakshi Rajeev and Prof B P Vani analyzes the medical expenditure on health for the elderly using NSSO data coupled with primary survey, focussing on the reach and utilization of the Rashtriya Swasthya Bima Yojna (RSBY), India's first information technology-enabled health insurance scheme. In 2012, the average state-level enrolment for RSBY was 50% which differed across States. For Karnataka, enrolment was 41%, offering scope for expansion of the scheme. Poorer districts with lower incomes exhibited better enrolment rates. In addition, certain backward districts also showed low enrolment rates, despite having greater proportion of the poor. The Hyderabad-Karnataka region districts of Gulbarga, Bidar, Koppal, Raichur and Bellary with poor HDI also revealed low rates of enrolment for RSBY.

The data revealed that even though about 20 percent of the aged people perceived that their health status is poor, 37% in rural areas and 44% in urban areas were suffering from one disease or the other. With the social, economic and institutional dimensions affecting the treatment pattern, the share of the elderly in receiving treatment was higher for those whose spouse was present. The lowest percentage of the elderly received treatment in the lowest income quintile. The elderly with RSBY insurance or access to government schemes had better chances of getting treated. The financial constraints were the main reason for not availing benefits for those living in urban areas where medical services are relatively expensive. The study indicated that if the poor are relieved from the burden of medical expenditure by the RSBY, then 25.5 million people in rural areas and 5.3 million people in urban areas can be lifted above poverty line.

The field survey to analyze the enrolment in RSBY reveals a satisfactory level of enrolment in the state of Karnataka. The major lacuna, however, was the dissemination of information concerning utilization of the (information technology enabled) health insurance card given after enrolment. Further, visits to the public hospitals revealed that due to factors *inter alia*, non-operational technology (for utilization of the information technology enabled health insurance card), the state hospitals were unable to provide benefits of RSBY to the poor. Based on field experiences, the study therefore suggests that state hospitals should be proactive in providing the technological amenities for utilization of the scheme by the poorest of the poor who are constrained to visit private hospitals.

This monograph is a valuable addition to the literature on performance of RSBY programme in Karnataka relating to healthcare of the elderly. Professors Meenakshi Rajeev and BP Vani deserve rich appreciation for their contributions to research on health economics of the geriatric population.

March, 2018
Bangalore

M G Chandrakanth
Director