Chapter 8
Health Insurance: Future Opportunities in India
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Introduction:

India has the great opportunity to spearhead a variable and competitive health insurance sector and encourage the development of a sound high quality health delivery system. Developing sound health insurance delivery system is very much beneficial for those who have low income people. They can manage easily health risks and helps in developing sustainable health insurance for ensuring the financial security to the low income people.\(^1\) India’s health sector is expanding rapidly contributing to 6% of GDP. So it has become the largest sector in terms of generating employment and revenue not India’s investors also the international level investors also investing in the health sector. In India need for health care services is rising quite rapidly. It is extremely challenging to deliver the affordable health facilities to the investing population of India and large scope of investment opportunities in the Indian health care sector.\(^2\)

“Roti”, “Kapda” and “Makan” is the most important need of the human being is preservation of Health. Only 20% of the world’s population has access to Doctors and Drugs. As India’s population has grown, health care has become one of the country’s largest sectors and health is always a priority in India. India is a developing nation with the grooming population of more than 1.1 billion people. Only 11% of the Indian population only has health insurance coverage.

\(^1\) Santhosha and M.G.Krishnamurthy “Indian Rural Markets: Developing sustainable health insurance for ensuring financial security to the poor”, vol.1 issue-1, October 2010

\(^2\) Perzen Patel, “Challenge and opportunity in India Health Care.” February 27, 2013
The majority of the Indian population is unable to access high quality health care provided by private players as a result of high costs. Many insurance companies are providing alternative financing options so that they too may seek better quality of health care. In few years’ insurance companies have grown and face tremendous growth in year this result many private insurance companies are spread all over & enter into the market. This is also opportunity for the Indian “Middle class people” growing segment to enhance the insurance business. India’s prosperous economy is driving urbanization and creating an expanding middle class, they willing to spend on health care. In the society health insurance term is growing awareness about health insurance main reason is that growing more expensive medical treatment and also many insurance companies bringing in more products to suit all types of customers, health insurance policies are fit in the budget of the people. The increasing literacy helps to improve the awareness level, Aggressive marketing activates of insurance companies certainly increased the awareness. Health insurance in India is one area that requires more attention on the part of the government and private institutions. These institutions make policies, and take major steps for benefit for upper and middle class people of the society. Today the government and private organizations pay attention in rural or urban areas and aim to spread all over health policies. Various state governments have begun health insurance initiatives. For instance, the Andhra Pradesh government is implementing the Aarogya Raksha Scheme since 2000; with a view to increase the  

utilization of permanent methods of family planning by covered the health risks of the acceptors. All people living below the poverty line and those who accept permanent methods of family planning are eligible to be covered under this scheme. The government of Andhra Pradesh pays a premium of Rs 75 per acceptor.

The benefits to be availed of include hospitalization costs up to Rs. 4000 per year for the acceptor and for his/her two children for a total period of five years from date of the family planning operation. The coverage is for common illnesses and accident insurance benefits are also offered. The health insurance scheme aims at strengthening the confidence of poor and illiterate in their ability to get health care for their children. It also seeks to remove any fears in their minds about any risk to survival of their children. Eligibility was Restricted to persons below the poverty line (BPL) who had under gone a family planning operation and to a maximum of two of his/her children below five years ago.

The benefits are:

- **Hospitalization**: Free treatment as an inpatient in the hospital up to a maximum Rs 2000 per hospitalization and subject to the limit of Rs 4000 for all treatment taken under one Arogya Raksha certificate in any one year.

- **Personal accident benefit**: The compensation is allowed only for the named children of the beneficiary who are less than five years old and various depending on the extent of the disability death due to accident. The maximum benefit payable under anyone certificate Rs 10000.⁴

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⁴ South.du.a.c.in
The Tamilnadu government has initiated a health insurance coverage plan for its employees in association with star health and Allied insurance company. These by protect 13 lakhs families are covered. This policy will be covered the employees. Their legal spouse & children or their parents of all status government departments state public sector undertakings, local bodies, state government universities and all statutory boards under the control of Tamilnadu government.  

These are small initiations and encouraging this kind of group insurance in other states also will lead to better penetration. Health insurance products to suit all sections of the society specialized in Health insurance products. Buying insurance products online and increase in number of distribution channels, following steps helps to development the health insurance sector’s growth in India faster rate.

Health care is in a state of under spending change and organization. These developments are impaction all people those who take health care facilities and major. Stakeholders who are tend. Many of the structure, relationships and procedures that have served us well in the past are being re-assessed in the light of these changes. Change and opportunity exists in almost all related fields from drug development, to knowledge sharing and new collaboration models. Yet it is not enough to address these changes in isolation.


The demand for quality health care is expected to double to $76-78 billion by end of 2012, dispute the fact that infrastructure and manpower are both limited. Health care is emerging as one of the most progressive and largest services sectors in India as well as international level. Health insurance can potentially tackle two corners of the iron triangle: accessibility and cost. Only 1 quarter of the Indian population actually has some form of health insurance, and roughly 70% of health expenses are still paid out of pocket. While the India’s growing middle class has created a burgling for demand for health insurance product. The Indian health insurance sector has grown day by day this way private companies enter in this sector; we can say that next 5 year India will become fastest growing segment in the Health insurance market. Mobile Health information technology refers to “Provide portable devices with the capability to create, store, retrieve and transmit data in real time between end users for the purpose of improving patient safety and quality of care”. The flow of mobile health information is characterized by portable hardware coupled with software application and patient data that flow across wireless networks. Mobile health enables clinical access to a variety of major software applications central to patient care and subsequent increase clinician’s reach mobility and ease of information access, regardless of location.

Three important factors make this segment attractive for startups:

1. 70% rural population in India.
2. Significant penetration of mobile phones within Indian population (900 million mobile phones in 2011)
3. Growing number of lifestyle diseases, such as diabetes mellitus, which benefit greatly from remote monitoring and information provision.

Apollo Hospital started one of the first (m Health) Mobile Health Programs. One example is M. Dhil, a Bangalore startup that provides health care information to the general population mainly through text messaging, but increasingly through mobile web and digital content.\(^8\)

The Indian health care sector is ripe for the expansive and significant growth due to the reasons to changed outlook has created an excellent opportunity for the people and investors to provide much needed menageries and financial support. The following sectors having significant opportunities:

1. **Hospitals and Infrastructure:**

   Infrastructure plays important role for demand for tertiary care hospitals and specialty hospitals in India. There is a gap between the availability of the beds and required beds in the hospitals in India. But government would not be playing significant role in bridging this gap giving private players immense opportunity. Some trends that have been observed are that most of the health care players have been setting up additional facilities to super specialty health care government is encouraging this sector by providing certain incentives like lower import duties, higher depreciation on medical equipment and expedited visa for patient from foreign countries.

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India is also witnessing growth of advanced diagnostic equipment and excellent infrastructure. Separately there is also a need for institutions that train professionals, nursing and paramedics to overcome the shortage of trained professionals in the health care sector in India.

2. **Various Models of Hospitals Business:** - There are various models of functioning of the hospitals in India. We have observed that the private sector of the health care are dominates in especially hospital services.

3. **Health Insurance:-**
   India is very large population country. There are many people do not aware about ‘Health Insurance’, few percentage of Indian population that has been covered under health insurance is unfortunately very in significant, the main problem is lack of awareness. There are increases in number of health care insurance policies over past few years majority of the population remains without any coverage. Growing size of middle class population in India that spends on health care has led to the possibility of emergence of health insurance market.⁹

4. **Medical Tourism on the rise:-**
   Medical Tourism is a growing sector in India. We can say that this is health tourism India is a developing concept where by people from world over visit Indian for their medical and relaxation needs. Medical tourism is one of the major external drivers of growth of the Indian health care sector. The emergence of India as a destination for medical tourism leverages the country’s well educated, English speaking, medical staff, state of the art private hospitals and diagnostic facilities. India provides best class medical

treatment. In other way In India provide other medical treatment like traditional way of treatment; a growing number of western tourists are travelling to India to pursue alternate medicine such as Ayurveda. Which has blossomed in the state of Kerala, in south western India? The number of medical tourists increases in year-to-years. India’s government to encourage the growth of medical tourism and also providing a variety of incentives, including lower import duties and higher depreciation rates on medical equipment, as well as expedited visas for overseas patients seeking medical care in India.

5. **Emerging Health Insurance Market**: Health Insurance market has been a liberalization of the Indian health care sector to allow for a much needed private insurance market to emerge. Growing middle class population with increased spending power there has there has been increase number of health policies. IRDA (Insurance Regulatory and development Authority) believes that eliminating tariffs will encourages scientific rating and adoption of better risk management practice IRDA make policies beneficial policies and take necessary steps for increasing population to encourage & stimulate to purchase more and more health policies, implementing of new policies also will encourage the development of innovative practices and customer friendly options for policy holders, boosting penetration. IRDA make policies more affordable to large segments of the populace, boosting health care expenditures per household and driving the demand for quality care. In another effort to improve the insurance prospects for India, the IRDA is focused on standarding medical definitions to endure consistent pricing and products and its providing incentives for stand-alone insurance companies.
6. **Growing of Telemedicine:**

This is a fast growing area of medicine. Telemedicine is the term used for medical information exchanged from one site to another via electronic communications to improve a patient’s clinical health status. Telemedicine includes a growing variety of applications and services using two-way video, email, smart phones, wireless tools, and other forms of telecommunications technology. Several major private hospitals have adopted telemedicine services and a number of hospitals have developed public-private partnerships among them Apollo, AIIMS, Narayana Hridayalaya, Aravind Hospitals, and Sankara Nethralaya. One solution is telemedicine – the remote diagnosis monitoring and treatment of patients through video conferencing or the internet. This is a fast emerging trend in India. The early successes of telemedicine pioneers have led to increased acceptance and proliferation of telemedicine. Today there are approximately 120 telemedicine centers throughout India. The government has also made a major commitment to the growth of telemedicine. The Indian space research organization (ISRO) plans to establish 100 telemedicine centers across the country.

7. **Medical Equipment Market:**

Medical equipment is a tool used in medical treatment. The rebuilding of India’s health care infrastructure combined with the emergence of medical tourism and telemedicine will drive strong demand for medical equipment.

10. www.americantelemed.org
equipment. Such as X-rays machines, CT scanner etc. The government is encouraging the growing of this market, through policies. Such as reduction in import duties on medical equipment, higher depreciation on life saving medical equipment (40% up from 25%) and a number of other fax incentives.

8. **Pharmaceutical Research:**

Research is an area that expected to achieve tremendous growth in coming years. India is a huge and growing population, low per capita drug usage, and increasing incidence of disease. In Health insurance pharmaceutical Research has great opportunities in this field.

9. **Manufacturing:**

Growing large sector of Health insurance manufacturing process are increase or growing fast. India has emerged as major supplies of several bulk drugs, producing these at lower prices compared to formulation producers worldwide.

10. **Other Potential Services**\(^\text{11}\):-

- Possible Targets
- Medical device companies
- Medical equipment companies
- Radio imaging services
- Path labs
- National chains

In the future models, the role of health care entities will undergo several changes. In this sector are have so many future opportunities. In India increasing income this way desire for better quality health services and increase in life expectancy will increase the demand for health insurance. People so much conscious about their health and they aware about new or beneficial policies of health insurance. So people demanded effective policies for their family. In other way, transformative market forces are re shaping the future of healthcare and these transformative forces can be leveraged to respond to and exploit market opportunities. It is no longer astrology but it care to Business success. Performing end to end business processes as if they were done in one location. Global network operating systems are helping organizations control cost and improve competencies. Technology will be a key enabler in this transformation and will serve support differentiation among various players.\textsuperscript{12} increasing affordability with rising income levels across the population, as well as increase insurance coverage, the number of patients accessing health services will raise. This fact is reflected more strongly in the rural and urban middle class clusters. Rising awareness of health and related, out corners and the rising perceived need for health insurance will lead to more patients exhibiting care sucking behavior, especially if covered by insurance. In this research it can expect India’s health care have several opportunities in future and grow at a steady pace during the next decade. The health insurance will need to undertake the

\textsuperscript{12}Girish Shetty “Health insurance evolution in India: An opportunity to expand Access”
February 2014 www.cognizant.com
following several imperatives like to improving quality of service delivered by hospitals quality issues have been reported in private and public facilities. Insurance companies have the negotiating power to assure minimum standards of quality amongst providers awareness of health insurance is increasing by continue efforts towards these and innovate to create necessary products for the non-communicable diseases.

Finally the sector has to identify systems and methods to extend coverage beyond in patients and into the outpatient segment as well, Pharma companies have also great opportunities seen 13 to 14% growth during the last five years.13

The Indian Health care sector is emerging as one of the fast growing services sector in India contributing 6% to the country is growth domestic product (GDP). There was still shortage of 4,477 primary health care centers. According to 2001 population norms and 2,337 community health care centers and 1.75 million beds are required in 2025. For improving basic health facilities especially in rural areas there are needed 6800 more hospitals in India. In the recent past various hospitality brands such as Fortis, Apollo, Max, Global and care have started aggressive expansion in the country. Driving growth of health sector major factors is included increasing population, growing life style cheaper cost of treatment. Booming in medical tourism, improved health insurance penetration, increasing disposable income, government initiatives private health care is coming forth as one of the fastest growing sectors in India, with chain hospital explorations into

various cities like metros. Private health care players innovate new polices and developing new models of health care and various states have launched innovative to attract PPP (Public Private Partnership) investments into health care space. These public private partnership initiatives may help in improving the infrastructure and health care provision in the country for the infrastructure and health care provision in the country for the needs raised. Average annual growth rate forecast in health care infrastructure expenditure 2009-13 Total expenditure of health care different state are different, above facts are staggering and encouraging. Setting up a hospital has become an interesting investment option for entrepreneur in the private sector with the growing apathy of government towards. This sector for the last decade has given opportunity for private sector growth. With India shinning story health care sector has witnessed expansion in the past 5 year and even witnessing now every new development has its sets of challenges. The Industrial challenges are many owing to the fact that the health care sector in India is one of the largest service segment, as well it has emerged as on the of most challenging sectors in India and have also large amount of opportunities in these sectors, because new health care players are now targeting new segments and take major step for improving. Health care sector primary care and diagnostics health awareness, increasing capacity to spend are the key drivers of the preventive and creative segment in India. India health insurance sector is growing in impressive manner; the health insurance penetration rate still has a lot more scope to grow with only 2% of the total population being insured at present.\footnote{G. Nagarajan; Dr. J. Khaja Sheriff “Novel Health care (Hospitals)-creation an Indian perspective”. Vol-2, no.4, April (2013)}
4.1 Basis: Health care Reform Issues:-

Keywords objects

4.1.1-Delivery of culturally appropriate services
4.1.2-Maintaing or Improving Indian Health care system funding.
4.1.3-Respecting and preserving tribal sovereignty.

-: Yojanas as Reforms:-

4.1.4-National Rural Health Mission (NRHH)
4.1.5-Rashtriya Swasthya BimaYojana (RSBY)
4.1.6-Private Health Insurance (PHI)
  -Mediclaim
  -Universal Health Insurance scheme (UHIS)
  -Medical Savings Accounts (MSAS)
4.1.7-Commumity Health Insurance (CHI)
Health care Reforms:-

Introduction:

Healthcare reform has to become an integral part of the Indian healthcare system. They believe that building a knowledge pool would contribute and convert ‘ideas’ into ‘reality’ for the health care sector in India. Tie ups with much healthcare organization. NGO’s, corporate and volunteers to support their vision and mission currently, they are working on issues like advocacy, policy programs throughout India. In future, they will expand the scope to lead its goal and successful in establishing to become an enabler in building a robust healthcare system in India.

The primary object is to make health care a reality for the people of India by promoting community health. Social Justice and human rights related to the provision and distribution of Health services in India.

They are trying to achieve these goals through campaigns policy research, advocacy, and need based training, media and parliament intervention. Publications and audio visuals, dissemination of information and running of Health and development projects in difficult areas. Association for Health care performs strives to build up a strong health movement in the country for a cost effective’s preventive, primitive and rehabilitative health care system. Here economic development doesn’t lead to the progress of a nation.

The healthier a nation is the more conducive it will to all round progress. Association for health care Reform wills perpetually strives to promote health and peace in the society. To strive and achieve for affordable, accessible, quality, comprehensive, preventive, primitive, curative, rehabilitations standards of health care which empower healthcare professional to transform the sector for the benefit of the society in general and nation as a whole.
India is poor health indices are causes for concern. The country does not seem to be on track to meet health targets set for the millennium Development Goals and the 11\textsuperscript{th} five year plan.

The persistence of poor indices of health raises many questions and mandates Review. The high level of expert group constitutes by planning commission and chaired by professor Srinath Reddy recently proposed universal health coverage for all citizens.

The challenge for the nation is to translate into reality this vision of accessible. Affordable and equitable health care for all even many current government initiatives, such as the National Rural Health mission are not effectively implemental in practice. Many standard norms are exercised in the breach. Nonfunctioning health facilities, substandard treatment, denial of care and medical Negligence are not uncommon. However, the law can also be employed to deliver health justice to all India’s peoples, especially its most vulnerable population.\textsuperscript{15}

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15. K.S.Jacob “Health care for all” Jan 26, 2012, 00:37 IST the Hindu.
(Prof. K.S.Jacob is on the faculty of the Christian Medical College, Vellore. The issue raised in this article were the subject of a recent conference “using the law for public health” organized by the Centre for social Medicine and community Health, JNU : Initiative for Health and Equity in society, LOCOST,SAMA, Human right law Networks and Shaheed Hospital, Dalli Rajhara, at New Delhi)
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Association for Health care Reform:

The Association for Health care Reform (AHR) was formed in 2005. AHR is a platform formed by healthcare professionals and executives from the global healthcare industry to share knowledge, intellect, experience and skills, for the overall development of the health care community and to bring all the stakeholders on one platform. The Association for Health care performs aims to come forward and make a visible difference in the lives of people and subsequently the whole nation. They are a platform where individual scattered efforts can transform into a collective and effective force for the renovation of whole of the healthcare community.

It is the largest and the only not for profit organization focused to transform the healthcare sector in India through its healthcare development networks. To seek involvement of the health care professionals, to volunteers in their mission of making the present healthcare scenario a dynamic one, their intend to make the country is health care system responsive to the fact changes taking place dynamically and demographically to further shape the community into a conscientious and responsible part of nation, so that they are able to rise and walk shoulder to shoulder with their brethren to form a robust society and work together for the progress and development of a great nation. Their prime focus is on “universal health care for all”. Other focus areas include cognizance/recognition, economic awareness, social responsibilities etc. related to healthcare, they have leveraged the benefits to technology and has a functional website along with a very active presence on the social media to supplement their growth and coordinate their efforts.

16. AHR is a registered society under societies Registration Act 1860, Maharashtra, Mumbai (Reg.No. 4. B.B.S.D-2005) Published on Friday, 08 feb2013, 21:42
activities. They also advocate people centered policies for dynamic health planning and program management in India. They have pitched major reforms in health care which received overwhelming response from the policy makers and the industry alike. It will continue to address the ‘need gaps’ in policy making through its recommendations from time to time as health care reform is a part of Indian health care system.

**Constitutional Guarantees:**

The constitution guarantees fundamental right to its people. Article 21 gives the citizens the right to life. As with all fundamental rights, the Right to life is justiciable. Many other obligations, required to produce an egalitarian, are enshrined in the constitution and are listed under Directive principles of state policy. These include Article, 47, 39 and 38. Which argue for the need to raise the level of nutrition, enhance standards of living and improve public health? They also make a case for social Justice and sustainable livelihoods. The Supreme Court has, on many occasions. Cited the constitution having read many of these principles into the fundamental rights guaranteed to all its citizens. For example, such reading of directive principles, which deal with improving the health, into Article 21, adds a completely new dimension to the ideal. Such a reading makes them justifiable. It uses general constitutional guarantees, applies them in particular situations and innovates to ensure that the ideals proscribed in the constitution can be legally implemented. Such enlightened reading of the constitution can and should expand the existing justifiable right to include international principles and conventions. Which the country has signed, such progressive reading of the constitution can even fill the gaps in existing legislation by citing the fundamental rights. While the judiciary has been incorrectly accused of act visional overreach, the Supreme Court has consistently employed Juristic principles to reframe constitutional
issues. The Delhi high court issued a landmarks ruling in the consolidate LaxmiMandal/Jaitun case in June 2010 holding that the denial of Natural health care is violation of fundamental constitutional and human rights. Justice S. Muralidhar emphasized that the government is obligated to ensure Natural Health services under the judicially recognized constitutional rights to health and Reproductive rights. He reiterated that the right to health and the Reproductive, rights are part of the Right to life under Article 21 of the constitution. He emphasized that the right to health includes access to and minimum standard of treatment and care in public Health facilities. Much (PIL) public interest litigation has been successful in restoring benefits to people unjustly deprived of their entitlements. The Delhi High court in January 2011 ordered the establishment of shelters for destitute women and the provision of Medical assistance, food and professional help to them. The Supreme Court, in response to (PIL) public interest litigation, has also ruled that private hospitals, which received land at highly subsidized rates from the government, should provide from treatment to the poor. Similarly many other (PILs) in difficult High courts have helped in obtaining compensation for denial of health care, provision of water supply to health facilities, establishments of blood banks in district hospitals construction of shelters for the destitute and camps to provide food rations for the poor.

**Moving Forward:**

The government needs to clarify its position on the health rights of its people. It needs to clearly delineate its obligations and establish legal consequences for non-compliance. A constitutional amendment in relation to the right to health. Similar to the right to education Act. Should be considering.

The government needs to increase its public spending on health to at least 3% GDP. In keeping with its improved economic status. It needs to revitalize its
public health systems which have been systematically under-funded and neglected over the past decades. It also needs to focus on social determinates of health with renewed emphasis on the provision of clear water, sanitation, nutrition housing, education and employment.

The Judiciary should be recognizing that the right to health is constitutionally guaranteed and justifiable. It should fast track (PILs) public interest litigation related to health and should accept the persuasive value of decisions made in the high courts.

Medicaid reform was among the most prominent of state health care reform efforts in 1995, as states attempted to control expenditures by enrolling recipients in managed care programs. Because of its unique structure and history, Medicaid reforms are likely to be affecting the Indian health care system differently than other parts of state health care systems. The Indian health care system is composed of providers and services developed for the exclusive use of Indians people and owned and operated by either the Indian health services (IHS). The purposes of this commentary are to identify issues relative to the Indian health care system that emerge from Medicaid reform initiatives and to suggest strategies for overcoming recognized problems. The Indian health service provides comprehensive health care services free of charge to eligible Indian people regardless of their ability to pay. Indian health services, improves the quality of services delivered to this population.

These objects are largely give importance if –

(1) Ensures the delivery of culturally appropriate services to Indian People.

(2) Maintains or improves Indian health care system funding.

(3) Respects and preserves tribal sovereignty.
Objects: (1) Delivery of culturally Appropriate services:-
Substantial numbers of Indian people rely on Medicaid for their primary health insurance coverage. When state Medicaid programs enroll Indians in managed care programs, several unintended consequences may ensure.\(^\text{17}\) Indian Health care system providers and toward providers who are not as sensitive to the cultural needs of Indian patients. Some Indian people are uncomfortable seeking care outside of the Indian health care system because providers may not familiar with native languages, customs and lifestyle. For example – traditional healer working side by side with physicians play an important role in the delivery of services to some Indians. Indian Health policy maker believe that providers outside of the Indian health care system may be less tolerant of these practices.

(2) Maintaining or Improving Indian Health care system Funding:
Indian Health care facilities have failed to keep pace with both cost increase and need. Indian health care system facilities have more vigorously pursued other third party payment sources. Indian health care system providers worry that reform effort may affects the volume of Medicaid reimbursable services and the amounts that Medicaid pays for services. Indian patients who are assigned to primary care providers in distant location services. They may continue to use local providers because the cost of travel to the assigned provider is too high.

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Because they desire services that are more culturally appropriate or for other reasons. If an out of plan Indian person covered by a managed care plan, that provider probably will not be reimbursed by the plan for the care given. This new source of uncompensated care will add to the funding problems of the Indian health care system. Another possible solution is to hold Indian health care system providers harmless for the provision of services to Indian Medicaid beneficiary. To ensuring access and continuity of care under Medicaid reform is to designate federally qualified health centers as providers who have traditionally been available to treat underserved populations.  

(3) Respecting and Preserving tribal sovereignty:-

Some local Indian health care systems may wish to seek designation as managed care entities themselves. These local systems would contract with Medicaid agencies to provide services to Indians at a fixed amount per enrolled recipient. Some tribal governments that own or operate clinics may be reluctant to contract with larger provider networks because they believe that management of the networks by people who are not members of the tribe provides a challenge to tribal sovereignty. To protect consumers, some state government requires all risk, bearing entities to comply with the reserve requirements of health maintenance organizations. Some state managed care laws provide that the state may assume the operation of a managed care organization for reasons such as insolvency or poor quality. The Indian Health system is the payer of last resort for all eligible Indians. In the unlikely event of default by a managed care plan Sponsored by the Indian health care system, and assumed the liability of financing services to

18. Ibid,
eligible Indian people covered by the plan. People covered by a managed care plan sponsored by the Indian health care system who are not eligible for Indian Health care services financed services would still be at risk of losing coverage and services should the plan default. This strategy rests on the willingness of Indian Health services or tribal health programs to subsidize the Marginal cost of providing services in the care of plan default; to system sponsored managed care enrolls who are not eligible for Indian Health system services. It seems clear that Indians may be treated differently under Medicaid managed care systems without significantly endangering program saving. However, umplementry, Medicaid managed care programs without considering of the unique problems of Indian health care system might weaken the financial position if system providers.¹⁹

The weakening of the Indian health care system may have perverse consequences for Medicaid: to the extent that the system is unable to finance and deliver services Indian citizens of the state might be required to rely more heavily on Medicaid to obtain needed health care services.

It is very widely acknowledge that health is an important component of human development. Empowerment of people comes from the freedom they enjoy and this includes, among others freedom from poverty, hunger, healthy life. Government intervention in health is also argued for due to the presence of high degree of symmetric information in the health sector. Government have had a play important Role through light providing and Regulating health services.

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The health sector challenges in India, like those in other low and Middle income countries, are formidable. Public spending on medical, public health and family welfare in India is much below that what actual Required the gap between the actual spending and the required amount is larger in the relatively low income states and this result is marked interstate inequality. The low levels of spending have had an adverse impact on the creation of a preventive health infrastructure low percent of people spending on health care, there have been met with only limited success. The National Rural health Mission (NRHM) established in 2005 and the recent introduction of Rashtriya Swasthya BimaYojana (RSBY) a national health insurance scheme for people below the poverty line are the two most important initiatives by the central government. Several state governments also have come up with their own insurance scheme and take essential steps to increase health insurance scheme.20

**National Rural Health Mission**

The government of India launched the national Rural Health Mission (NRHM) on the 12th of April 2005. The National Rural Health Mission has been launched with the objective of improving the access to quality health care services for the rural poor especially women and children. The Mission recognizes that good health is an important component of overall socioeconomic development and an improved quality of life. The vision of the mission is to undertake architectural correction of the health system and to improve access to rural people, especially poor people (Resending areas) to equitable, affordable, accountable and effective primary health care.


    National Institute of Public finance and policy working paper no. 2012-100 March 2012
The most significant aspect of (NRHH) National Rural Health Mission is that it is more than a new health scheme or program but a new approach to providing health care services. Some important approaches are as follows:

- Recognizes the importance of integrating the determinants of Health, like nutrition, water and sanitation with health care system.
- Aims at decentralizing planning and management.
- Integrates organizational structures that are the different vertical health schemes.
- Improves delivery of health care services through upgrading and standardizing health centers.
- Introduces standard and guarantee for services quality and triangulated monitoring systems for assuring quality.\(^ {21}\)
- Provides Mechanisms for community participation and management.

**RashtriyaSwasthyaBimaYojana (RSBY)**

Another important reform initiative was the introduction of an insurance scheme, RashtriyaswasthyaBimaYojana a government of India scheme for providing Health insurance to BPL\(^ {22}\) (Below poverty line) citizens of India is in the process of being implemented by different states across India. This scheme is not introduced by Health Ministry but by the union labour ministry. The schemes provides insurance coverage for selected hospitalization expenses and day care procedure to people below the poverty line under this scheme every poor family can access from

\(^{21}\) Abhijit Das, Gitangali, Priti Bhatia, National Rural Health Mission a promise of Better Health care Services for the poor.

\(^{22}\) Project Report on Dr. SathyaShanker, Mr. MujahidAhsan on Behalf of Ministry of labour& Employment, Govt. of India, version 3, 2009
Hospitalization care and day care procedures up to Rs. 3000 per annum in selected private and public health facilities. A maximum of five member of a family can be covered under the scheme on a floater basis. While the state governments are responsible for identifying the eligible poor family for the scheme, the actual implementation of the scheme is done by insurance company which is selected through bids at the state level. The eligible families are provided with a smart card by the insurance company and treatment can be received at the selected health facilities without cash transaction.23

**Private Health Insurance (PHI):**

In this Health insurance scheme (PHI) private Health insurance have an object to improve access to affordable, quality Health care through policies that cover a major portion of their health care spending. Private health insurance aims at spreading the reach of health insurance in the country and enhancing the market share of Health insurance in health financing by developing specific insurance schemes for the formal sector. PHI has a some types are as follows:-

(a) Mediclaim: - The mediclaim policy is consorted with health insurance in India under the umbrella of the GIC. This policy is voluntary health insurance scheme offered by the public sector launched in 1986 and since 1999 this scheme was introduced in the private Health insurance companies.  

23. M. GovindaRao and Mita Choudhary “Health care financing Reforms in India”  
24. www.apollomunichinsurance.com
A mediclaim plan offers coverage to the policy holder in times of difficulty. Whenever there is requirement of medication the expense stand as a huge peril. A part from the medication expenses, the expenses in stand in the form of day care procedure pre hospitalization, post hospitalization and such increases the list of bills. It is not easy for all to pay for it goes out of the affordability limit form many people. But a mediclaim policy can take care of all such additional expenses.

(b) Universal Health Insurance Scheme (UHIS):

The scheme is implementing the improving the access of health care to poor families. The government of India launched the universal health insurance scheme in 2003. It is a standard mediclaim product with an annual cover of Rs. 30,000 for a family. The scheme was to be marketed by the public sector insurance companies and was targeted at the BPL sections of society.

(a) The UHIS has been under designed target only the BPL family. The premium subsidy has been enhanced from Rs 100 to 200 for an individual, Rs 300 for a family of five and Rs 400 for a family of seven, without any Reduction in benefits. Third party administration means who, for the time being, is licensed by the Insurance Regulatory and Development authority and its engaged for a free or remuneration, by the whatever name called as may be specified in the agreement with the company for the provision of health services.

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25. Dr. N. Devadasan planning and implementing health insurance programs in India An operational guide institute of public health Bangalore, India in collaboration with the WHO India country office published in June 2006 Available at:- www.iphindia.org
(b) Medical Saving Accounts (MSAs):- This scheme is not a new concept of international health financing models. India has had its own MSA type model in Health insurance, which has been marketed by Bhavisya Arogya a public sector insurers. In MSAs an individual a family account is opened in which insurance Contributions are deposited and whenever an individual or family deceases he/she can use this fund for health. In these accounts, funds do not lapse even when the funds have not been utilized by the beneficiary rather it accumulate and be used later (MSAs) act as a demand side approach to reduce health care consumption. MSAs can cut costs increases completion and reduce unnecessary public spending MSAs can also encourage people who have not been covered earlier to join the health insurance poor.  

Community Health Insurance (CHI)  
Community health insurance is defined as any not for profit insurance scheme that is primarily at the informal sector and formed on the basis of a collection pooling of health risks. This definition includes natural health organization (NHO) local health insurances and micro health insurance are that they gave been able to reach out to the weaker sections of society and have been benefit packages are tailored to meet the needs of the community and so are more acceptable. Also these meet health system needs as compared to schemes designed by actualrials.

27. Ibid,  
28. Dr. N. Devadasan planning and implementing health insurance programmes in India An operational guide institute of public health Banglore, India in collaboration with the WHO India country office published in June 2006.
There are three types of (CHIS) in the country. The first oldest type is ‘direct’ model, where a hospital has initiated a health insurance product. The hospital is both the provider of care as well as the insurance second type of insurance is ‘Mutual’ model where the NGO organizes and implements the insurance scheme and purchases care from various providers. There are very few examples of this, the most famous being the yeshasvini model. At the last model is ‘linked’ model where the NGOs collects premium forms the community and purchases insurance from a formal insurance company and health care from providers. While India has the spectrum of social, private and community health insurance the penetration in each of these is very low. The reasons are obvious poor designs unsatisfactory products, low quality health care and inefficient administration of the scheme. For comings needs to be addressed. It is precisely this reason why this document is being published to help the planner and manager to design and implement a robust program that takes the needs of the people and the technical requirements into account. India is very diverse and one single solution will not meet the needs of all its citizens. It is a clear case of ‘one size will not for all’. The planner and policy makers need to stratify the population into various categories and design scheme that are specified for each category. Thus for these in the formal sector, mandatory social health insurance. Voluntary private health insurance or voluntary medical savings accounts are viable options that need to be explored. For the informal sector, especially those who are organized, community health insurance are reasonable options. This can also be used in the interior period for the formal sector. However for the poorer section in the informal sector, insurance may not be the answer.  

29. Ibid,
Reforms in the health sector will have to address the need for increasing public spending on health care, focus on preventive health care, take necessary steps to ensure greater access to health care by the poor sector not only improve the productivity of public spending but also improve the different distribution of health Care schemes in the states or our country. State is immediate obligations is the duty to ensure that people can enjoy the minimum essential level of the right to health, such as by ensuring essential primary health care. State must refrain from interfering, directly or indirectly, with the enjoyment of the right to health. This elements of immediate obligations is known as the obligation to respect the right to health and it applies mainly to associate government laws and policies, duty of states to refrain from marketing unsafe medicines and to refrain from censoring, with holding or intentionally misrepresenting health related information, including sex education and information related to maintaining sexual and reproductive health government should take part of its health related laws or policies government must accept that they have obligations to take progressive steps towards realizing fully health insurance schemes and must immediately take steps to set the stages for progress. Many years of independence no effective steps have been taken to implement the constitutional obligation upon the state to secure the health and strength of people.

32. Ibid,
It has rightly been said that nutrition, health and education are the three inputs accepted as significant for the development of human resource. But these sectors get adequate attention only when community becomes affluent to meet the heavy expenditure involved in each.

The focus on improvement in health insurance continues to employ perspectives of curative medicine rather than concentrate on public health approaches clean water sanitation, nutrition, housing, education, employment and social determinants seem to receive a lower priority despite their known impact on the health of population feudal social structures continue to oppress millions of peoples health end economic indicts of the scheduled castes and tribes much lower rates of health and greater poverty without changes in social remain a distant dream for the many million distance. For achieving the constitutional obligations and also the objective of health insurance or health care for all there is lots of need on the part of the government to the general public towards their participation for monitoring and implementation of health care facilities. To this end the government should formulate legislations and health policies facilitating the participation of the public in health care33.

The nation of Indian with a population of 1000 million experiences a vast inequity that exists in the health care industry win barely 3% of the population covered by some form of health insurance, either social or private.

The guiding principle of Bhore committee in 1946 that ‘no individual should fail to secure adequate medical care because of inability to pay for it’ looks unreachable still, after 50 years of Indian independence.

The primary health care system in India is managed mainly by the shallow structure of government health care facilities and other public health care systems in a traditional model of health funding and provisions. But it is unable to justify the demand for health security for 200 million Indian health insurable populations mainly due to service costs being out to the reach of many people, absence of good and effective number of physicians, low rate of education programs, less numbers of hospitals, poor budget of government towards the health program. Even social insurance schemes available in India, such as the Employees state insurance scheme (ESIS) and central government health scheme (CGHS) have restricted coverage to very small segment of the population Indian health insurance sector, it is clearly understood, and we have a far way to go to touch the global health insurance wave. Replacement of the existing system will hardly do anything unless a conscious revolution comes will private players in this sector.34

34. Deepanjan Banerjee “Health Insurance in India – Time for conscious Revolution.”