

## An Evaluative Study of Rajiv Aarogyasri Health Insurance Scheme in Vizianagaram District of Andhra Pradesh

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Received date: October 31, 2016; Accepted date: November 14, 2016; Published date: November 18, 2016

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### Abstract

Governments all over the world today have come to accept the health of people as a public responsibility. Health is a very significant and vital factor for the prosperity of a country. Health is one of the most important indicators for socio-economic development. After independence, in India, health has been given a constitutional recognition as a major factor for the national development. Article 47 of the Directive Principles of Indian Constitution points out that the basic responsibility of the state as the promotion of health and standard of living of its people. It also, further says, 'the state shall regard the raising of the level of nutrition and improvement of public health as among the primary duties and in particular, the state shall endeavor to introduce prohibition of the consumption, except for medical purposes of intoxicating drinks or drugs which are injurious to health'.

While visiting a hospital in India, one often contemplates the sheer impossibility of delivering quality health care services to the economically downtrodden. It is commonplace for poor Indians to use their life savings to access quality treatment for themselves and their loved ones. To address this problem of indebtedness of the poor due to overwhelming health costs, the Government of Andhra Pradesh launched the Rajiv Aarogyasri Health Insurance Scheme on 01-04-2007 in three backward districts of Mahaboobnagar, Anantapur and Srikakulam on pilot basis was subsequently extended to the entire state in phased manner to cover 2.3 core Below Poverty Line families in 23 districts from 17-07-2008. Thus from the past Nine years Rajiv Aarogyasri Scheme working in the state and provides health insurance to Below Poverty Line, it is the right time to evaluate the scheme and to offer suggestions to improve its performance.

**Keywords:** Health; Aarogyasri; Health insurance

### Introduction

Governments all over the world today have come to accept the health of people as a public responsibility. Health is a very significant and vital factor for the prosperity of a country. Health is one of the most important indicators for socio-economic development. World Development Report 1993 says, "Improved health reduced production losses, permits the proper utilization of natural resources, increases the ability to literate for the next generation and frees the resources that would otherwise have to be spent treating illness". According to preamble of Constitution of the World Health Organization, health is defined as "a state of complete physical, mental and social wellbeing and not merely an absence of disease or infirmity, nothing could be greater importance than the health of the people in terms of resources for socio-economic development".

Health according to the Constitution of India is a state subject. The State Government assisted by local bodies is responsible for providing health care facilities to its people. This results in different policies and programs of health care in various states. They make use of different systems of planning, acquisition and maintenance of equipment, hospital administration, charging of services, patients services etc. The result is incompatible information requirements and the decision-making process causing wide variations in the overall health status of

people in various states. This does not allow any standards to be adopted for the better achievement of health objectives.

After independence, in India, health has been given a constitutional recognition as a major factor for the national development. Article 47 of the Directive Principles of Indian Constitution points out that the basic responsibility of the state as the promotion of health and standard of living of its people. It also, further says, 'the state shall regard the raising of the level of nutrition and improvement of public health as among the primary duties and in particular, the state shall endeavor to introduce prohibition of the consumption, except for medical purposes of intoxicating drinks or drugs which are injurious to health'.

Poverty is undoubtedly one of the greatest challenges facing by India. Given the large proportion of its underprivileged population, the delivery of basic universal services seems almost unattainable. This issue is exemplified in public health service delivery. While visiting a hospital in India, one often contemplates the sheer impossibility of delivering quality health care services to the economically downtrodden. It is commonplace for poor Indians to use their life savings to access quality treatment for themselves and their loved ones. To address this problem of indebtedness of the poor due to overwhelming health costs, the Government of Andhra Pradesh launched the Rajiv Aarogyasri Health Insurance Scheme on 01-04-2007.

The State Government of Andhra Pradesh launched a community health insurance scheme called "Rajiv Aarogyasri Health Insurance Scheme" with effect from 01.04.2007. On consequent reorganization of the State of Andhra Pradesh into the States of Telangana and Andhra Pradesh with effect from 02-06-2014, the Government of Andhra Pradesh was issued the orders (G.O.MS.No. 127, dated 27-09-2014) to rename the 'Rajiv Aarogyasri Scheme' as "Dr. Nandamuri Taraka Ramarao Aarogya Seva" and 100 procedures shall be added to the existing 938 procedures to provide cashless treatment in the empanelled network hospitals (total 1038 procedures), and also the then existing limit of financial coverage of Rs.2.00 lakhs per family per annum is hereby enhanced to Rs 2.50 lakhs per family per annum. Latter a new G.O was passed by the state on 17-12-2014 stated that renaming of Dr. Nandamuri Taraka Rama Rao Aarogya Seva as Dr. Nandamuri Taraka Rama Rao Vaidya Seva, at present this scheme called as N.T.R Vaidya Seva.

### Need for the Study

Health insurance is a safeguard against rising medical costs. The burden of expenditure on health care indicates a potential for community health insurance schemes for such sections of the society. It is estimated that the Indian workforce is covered by some form of health insurance through Central Government health schemes, State Government health schemes, and medi-claim. The low level of health insurance coverage's is due to the fact that Government policies have been designed to provide free health services through the public sector. Public insurance companies have paid very little attention to community health insurance because of low profitability and high risk involved. Keeping the above scenario in mind, the State Government of Andhra Pradesh in an effort to assist the Below Poverty Line families (BPL) has decided to introduce health insurance for treating the dreaded diseases. Big successes under this scheme have brought back the smile on the face of poor families. Let us strive to make Harithandra Pradesh as "Aarogyandhra Pradesh".

Thus from the past Nine years Rajiv Aarogyasri Scheme working in the state and provides health insurance to Below Poverty Line, it is the right time to evaluate the scheme and to offer suggestions to improve its performance<sup>1</sup>.

### Specific objectives of the present study

The study is taken up with the following objectives:

- To study the evolution of Health Administration in India and health care system in Andhra Pradesh.
- To examine the structure of Rajiv Aarogyasri Community Health Insurance scheme applied to the beneficiaries under Below Poverty Line families.
- To analyze the perceptions of patients relating to the services rendered to them by the hospitals through Rajiv Aarogyasri scheme.
- To analyze the experiences and difficulties faced by the beneficiaries in obtaining Rajiv Aarogyasri Health Insurance Scheme.
- To find out the drawbacks and suggest necessary measures to reduce impediments and improve the quality of services rendered through Rajiv Aarogyasri scheme.

### Hypothesis

In order to conduct the study, some hypotheses were formulated basing on the observations made by studying the related literature. The following are the hypothesis of the present study:

- The lower and middle age group patients may prefer Private hospitals for treatment through Rajiv Aarogyasri scheme.
- There may be a variation between caste and preference of hospital for getting treatment in Private as well as Government hospitals.
- There may be significant difference between selection of hospitals and patients employment status for treatment.
- There may be a significant relationship between income level and selection of hospital.
- There may be key role played by the Aarogya Mithra in the Rajiv Aarogyasri health insurance scheme.
- Media may be responsible for creating awareness about the Rajiv Aarogyasri scheme.
- The facilities provided to the patients by the hospitals may not up to the mark.
- 108/104 ambulances may be rendering good services to the patients.
- There may be a significant relationship between ration card and selection of hospital.

### Tools and Materials

Researcher has retrieved data and literature from secondary sources like published and unpublished literature in the form of books and articles in the journals. Reports and Governmental documents as well as leaflets and brochures and from various authentic sources were collected and studies for getting information. Researcher has prepared well-structured schedule which contains both closed ended and open ended questions to collect data from the beneficiaries of Rajiv Aarogyasri scheme from Vizianagaram district. Primary data has been collected through field survey by administering schedules to the sample respondents who were drawn from the Vizianagaram district. It contains 33 items in which the first item (1-7) is used to gather the personal information of the beneficiaries, 8-17 items related perceptions on Rajiv Aarogyasri scheme, 18-22 related to hospitalization, 23-27 items are related to post hospitalization and 28-33 items are related to administration of Aarogya Mithra. Interview and observation and focus group discussion techniques were also used to collect the necessary data to fulfill the objectives<sup>2</sup>.

### Sampling

Out of 23 districts in Andhra Pradesh (at present Andhra Pradesh state is having 13 districts only), the core focus of research has been focused on the region of Vizianagaram which consists of 34 mandals. With the heterogeneity of beneficiaries hailing from Vizianagaram district, the researcher selected this area using Purposive and convenient sampling technique was used to selecting respondents. The field survey for primary data collection was conducted in three different phases. In the first phase, a pilot survey was conducted to prepare a prototype questionnaire, in the second phase, questionnaire was tested and finalized. In the third phase, final field survey had been conducted by administrating the finalized questionnaire to the sample

<sup>1</sup> Aarogyasri Brochure 2010.

<sup>2</sup> Bid document for renewal of Aarogyasri for BPL population in 8 districts of Andhra Pradesh.

respondents. Simple random sampling has been used to select 34 mandals and thereby 15 beneficiaries from each mandal. The current sample size undertaken for research is 510. Out of the total selected beneficiaries only 400 was taken as sample by using convenient sampling and they were responded and showed their willingness to provide information for the present research study.

### Key concepts

The following are the key concepts of the present study to evaluate the Rajiv Aarogyasri scheme.

- **Awareness:** Knowledge of the beneficiaries regarding rules, regulations and procedures and practices of the Rajiv Aarogyasri scheme.
- **Responsiveness:** Doctors response to patients relating to the services rendered to them.
- **Grievances:** Complaints lodge by beneficiaries towards the services rendered through Rajiv Aarogyasri health insurance scheme.
- **Delay:** Duration of the time taken in rendering services to the beneficiaries.
- **Equity:** Treatment given to the beneficiaries without any discrimination under the Rajiv Aarogyasri scheme.

### Computation of Data (Data Analysis)

Information on this study, as already stated is obtained in three forms information from official records, questionnaire and informal interviews. Each type of information has been carefully analyzed and tabulated according to the need of the study. Simple percentages are thus mostly used. Interpretation and generalization of data were made on the basis of empirical analysis. Tables and graphs present the univariate and bivariate frequency and percentage distribution.

### Andhra Pradesh state brief profile

Andhra Pradesh is one of the 29 states of India, situated on the southeastern coast of the country. The state is the eighth largest state in India covering an area of 160,205 km<sup>2</sup> (61,855 sq mi.). As per 2011 census of India, the state is tenth largest by population with 49,386,799 inhabitants. On 2nd June 2014, the north-western portion of the state was bifurcated to form a new state of Telangana. In accordance with the Andhra Pradesh Reorganization Act, 2014, Hyderabad will remain the de jure capital of both Andhra Pradesh and Telangana states for a period of time not exceeding 10 years [1].

The state has a coastline of 974 km (605 mi.), the second longest among all the states of India after Gujarat. It is bordered by Telangana in the north-west, Chhattisgarh in the north, Odisha in the north-east, Karnataka in the west, Tamil Nadu in the south and the water body of Bay of Bengal in the east. A small enclave of 30 km<sup>2</sup> (12 sq mi.) of Yanam, a district of Puducherry, lies south of Kakinada in the Godavari delta to the northeast of the state. There are two regions in the state namely Coastal Andhra and Rayalaseema. These two regions comprise 13 districts, with 9 in Coastal Andhra and 4 in Rayalaseema. Visakhapatnam is the largest city and a commercial hub of the state<sup>3</sup>.

### Vizianagaram district profile

Vizianagaram district was formed on 1st June 1979, with some parts carved from the neighbouring districts of Srikakulam and Visakhapatnam. It is, at present, the largest municipality of Andhra Pradesh in terms of population. It is located about 18 km inland from the Bay of Bengal, and 52 km northeast of Visakhapatnam. It is one among the north circars in Coastal Andhra extends over an area of 6,539 Sq Kms. with a density of 343 per Sq. KM covering with 2 Revenue divisions, 34 Revenue Mandals, 12 Towns, 1551 Villages, 920 Panchayats, and as per 2011 census, 23.44 lakhs population with 58.89% literacy (68.15% male and 49.8% female literacy) [2].

### Back ground of Rajiv Aarogyasri

Public health care in India often faces heavy criticism. Serious shortcomings in quality of and access to services, quantity of personnel and equipment, and levels of funding haunt the public health care system. Moreover, government hospitals face a myriad of problems, exposing the poorest sectors of society to insufficient and low quality treatment. With diseases and the numbers of affected on the rise, it is crucial to develop a sound and effective health care delivery process. In such circumstances, a public private partnership may offer a solution<sup>4</sup>.

The Government of Andhra Pradesh was introduced the scheme i.e., Rajiv Aarogyasri Health Insurance Scheme on 01-04-2007 in three backward districts of Mahaboobnagar, Anantapur and Srikakulam on pilot basis was subsequently extended to the entire state in phased manner to cover 2.3 core Below Poverty Line families in 23 districts from 17-07-2008. While designing the scheme, experience gained in other States implementing similar schemes viz. Yashaswini of Karnataka, Karuna of Tamilnadu, and Universal Health Insurance Scheme of Govt. of India was carefully studied<sup>5</sup>.

A list of 533(389 surgical and 144 medical) such procedures were identified for inclusion under the scheme. These procedures were covered under the banner Aarogyasri-II and launched in the State on 17th July 2008 in order to enable all BPL families avail cashless treatment for more procedures. 79 new procedures in the specialties of Obstetrics, Eye, ENT, Cardiology, and Trauma and Critical care were further added in the Scheme with effect from 14th November, 2008, thus bringing the total procedures covered under the Scheme to 942. At present the scheme is covering 1038 procedures<sup>6</sup>.

### Objectives of the Rajiv Aarogyasri Community Health Insurance scheme

- Improve overall health infrastructure for the betterment of citizen well-being.
- Provide social protection by addressing the problem of growing indebtedness faced by the poor due to burdensome health care costs.
- Monitor trends in diseases and treatment of ailments to ensure that healthcare reaches the grassroots.
- Provide health security to the largest and most disadvantaged segment of the population.
- To increase access to health care.

<sup>3</sup> Aarogyasri Health Care Trust PPT 2009.

<sup>4</sup> www.aarogyasri.org

<sup>5</sup> Vizianagaram district hand book.

<sup>6</sup> www.apcensus.gov.in

- To protect families from high medical expenditure.
- To provide options in terms of health care providers.
- To improve quality of public health care system.

### Major Findings of the Study

- The middle age group patients and lower age groups prefer Private hospitals and there is significant relation between the age and selection of hospitals for treatment through Rajiv Aarogyasri Scheme.
- Majority of the male and female patients prefer to visit private hospitals for treatment. Hence there is no relation between the gender and selection of hospitals for treatment through Rajiv Aarogyasri Scheme.
- Most of the P.G level educated beneficiaries prefer Government hospitals and majority of the graduate level educated beneficiaries like to get treatment at private hospitals through Rajiv Aarogyasri scheme. Hence there is a significant relation between the education and selection of hospitals for treatment through this Scheme among the patients.
- More than 50 percent of BC and OC patients prefer Private hospitals and ST, SC patients are interested in Government hospitals for treatment. Hence, there is a significant difference between the category and selection of hospitals for treatment through this scheme.
- Employed and Unemployed patients preferred both Private and Government hospitals and there is no significant difference between selection of hospitals and patient employment status for treatment through Rajiv Aarogyasri Scheme.
- The study reports a significant relation between the income and selection of hospitals for treatment through Rajiv Aarogyasri Scheme. Hence, Income is one of the factor which influences selection of hospital for treatment among the beneficiaries.
- Daily and weekly beneficiaries prefer Government hospitals, whereas, monthly income patients prefer to visit Private hospitals. Hence, there is a significant relation between the payment received and selection of hospitals for treatment through Rajiv Aarogyasri Scheme.
- There is a significant relation between the ration card and selection of hospital for treatment through Rajiv Aarogyasri Scheme. It is found that (Annapurna and White ration card) beneficiaries prefer Private Hospitals.
- Information awareness by Television/Radio, Friends/Relatives, Newspapers and Medical camps encouraged the beneficiaries to take treatment in network hospitals. Hence, there is a significant relation between the knowledge of Rajiv Aarogyasri Scheme and selection of network hospitals for treatment.
- Age is one of the important factors which influenced the beneficiaries in their satisfaction towards the facilities and benefits provided by the Rajiv Aarogyasri Scheme and with comfort levels with doctors in the network hospitals, bed facilities in the network hospitals, Services offered by the hospitals and approach of Aarogya Mithra are found relevant among different age groups<sup>7</sup>.
- Education is one of the important factors which influenced the beneficiaries in their satisfaction towards the facilities and benefits

provided by the Rajiv Aarogyasri Scheme, in comfort levels with doctors in the network hospitals.

- Capacity of the beds in private hospitals is more than in Government hospitals. In single specialty and general hospitals the beds capacity is less, whereas in multi-specialty hospitals the beds capacity is more. Majority of the beneficiaries agreed that Rajiv Aarogyasri was doing wonders in the medical field<sup>8</sup>.
- It is observed in the study that network hospitals are not providing food and beverages to the patients, although there is a provision for such service in Rajiv Aarogyasri Scheme.
- Network Hospitals having limited resources and management has to improve all types of services under Rajiv Aarogyasri strategy.
- As per the respondents' views, the top three measures used to evaluate the importance of Rajiv Aarogyasri irrespective of the type of hospital, bed capacity, specialization or quality service, on time service and responsiveness.
- The network hospitals opined that the cashless treatment service is one of the most important reasons for the success of Rajiv Aarogyasri programme.

### Suggestions

- Patients reported lack of bed facilities and they lose time and resources in searching alternate hospital for treatment. This may be overcome by coordinating, the scheme with more network hospitals and by increasing the bed capacity than the existing one. This way the scheme will reach out to more number of beneficiaries at the right time and at the right place.
- The Government should take measures to inspect the network hospitals on a regular basis in order to find the discrepancies in the functioning of the scheme. As it has been found by the researcher that some network hospitals are not providing food and beverage facilities to the beneficiaries. As the provision of food and beverages to the beneficiaries is of utmost importance as they belong to BPL families and they do not have the resources to feed themselves. This is crucial where post-operative care is needed [3].
- The Government can engage more social welfare workers to spread information about the scheme in rural areas. More awareness can be brought about by repeated broad cast in T.V and Radio. Even though the Government has provided for mandatory medical camps, the researcher is of the opinion that more frequent medical camps will bring proper awareness of the scheme and will enable faster dissemination of information to the population in rural areas. It is also observed by the study that some network hospitals do not conduct medical camps which need immediate notice and action of the Government to make the scheme a successful one.
- In order to prevent post-operative complications it is suggested that the network hospitals should provide well experienced doctors for cases that require such expertise. It is also suggested that allotment of doctors for this scheme must be done on a basis of grouping the diseases under the categories of critical/severe/ and general to provide good treatment to the beneficiaries.
- Since the reach of 108/104 ambulances has been proved successful in several areas it is suggested that more such services can be introduced to cover several rural areas.

<sup>7</sup> An explanatory note on organization of medical and Health Department in Andhra Pradesh issued by the Directorate of Medical and Health Services, Government of Andhra Pradesh, Hyderabad.

<sup>8</sup> The Directory of Hospitals in India and Andhra Pradesh.

- The advantage of the researchers' suggestion of grouping cases under critical/severe/general will enable immediate and proper treatment to the beneficiaries which will increase the satisfaction levels of the respondents towards this scheme.
- The Government should take measures to release funds to the network hospitals providing this scheme at the earliest as this will bring about better response to the beneficiaries in this scheme from the private hospitals, who otherwise are hesitant to extend this scheme, due to delay in settlement of their claims.
- Government should take measures to investigate the operational efficiencies of the network hospitals under this scheme to serve the interest of the down-trodden segment of the society.
- A strict vigil is necessary on private hospitals providing this scheme as they are not providing the required medication to the beneficiaries at the time of discharge.
- Aarogya Mithra's cabin must be placed at a prime point which is easily, clearly visible and can be identified with ease by the beneficiaries.
- Finally, the health staff including doctors should develop motivation towards serving the under privileged community and provide the services with full commitment in fulfilling the task assigned to them.

## Conclusion

Rural population of state, majority of whom are farmers, are not having access to advanced medical treatment and are silent sufferers of ill health. This is truer in case of diseases related to heart, kidney, brain, cancer and injuries due to domestic accidents and burns. While the Government is in the process of adequately strengthening the health institutions for basic health care, lack of specialist doctors and

equipment for treatment of serious diseases has created a wide gap between the disease load and the capacity of the Government hospitals to serve the poor. These facilities though available in private sector are catering mainly to the affordable sections of society and are beyond the reach of poor families living in villages. Because of this gap poor patients are constrained to go to private hospitals for treatment and in the process land is a huge debt leading to sale of properties and assets or are, sometimes, left eventually to die.

While critics of Aarogyasri say it is limited to tertiary healthcare while the pressing concerns are still in primary healthcare delivery. However, the fact is that an insurance company, Government and private hospitals have created a framework for a genuine, health insurance scheme. The scheme undoubtedly regarded as a boon to BPL families who are otherwise vulnerable to diseases and lack of treatment by professionally qualified doctors. There is an imminent need to enlarge the scope of the scheme and improve delivery of health care in the interest of society and social wellbeing of people, especially the families from BPL. Without proper health care and concern of all in any society, there is no meaning of economic and social developments in the context of human development criteria for measuring progress of a nation.

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