BIHAR

ONE YEAR INTO PM-JAY IMPLEMENTATION (DEMAND-SIDE)

POLICY BRIEF 2022

BACKGROUND

This policy brief presents findings from research commissioned in April 2018 to the Indo-German Social Security Programme (IGSSP), predecessor of the Indo-German Programme on Universal Health Coverage (IGUHC). The research evaluated the PM-JAY implementation from the demand-side, thereby providing performance evidence to India's National Health Authority (NHA).

A consortium of institutions, led by the Heidelberg Institute of Global Health, Medical Faculty, Heidelberg University Hospital, including the cooperating institutions of City University of London, the Deutsches Institut für Entwicklungspolitik/German Development Institute and Nielsen India Private Limited, did the evaluation from January 2019 to July 2020. It provides insights on how households across seven Indian states, including Bihar, experienced the state-funded social health insurance scheme, Pradhan Mantri Jan Arogya Yojana (PM-JAY), approximately 14-16 months after its implementation in September 2018.

The study areas were:

- The extent to which households defined as eligible for PM-JAY still met the 2011 Socio-Economic Caste Census (SECC) eligibility criteria
- Knowledge and awareness of the scheme
- Experiences with the registration process
- Hospital utilization and out-of-pocket expenditure
- Experiences with healthcare utilization and PM-JAY grievance redressal process

APPROACH

Cross-sectional data was collected in a single round across seven states, namely Bihar, Chhattisgarh, Gujarat, Kerala, Meghalaya, Tamil Nadu and Uttar Pradesh in 2019. A mixed-methods approach was applied, combining a quantitative household survey with a series of qualitative, In-Depth Interviews (IDIs), Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs). For Bihar, three districts were sampled: Gaya, Muzaffarpur and Patna. The household survey included a total of 16,826 individuals from 3,069 households, all selected among households defined as eligible for PM-JAY according to the 2011 SECC database. The sampling strategy relied on a combination of households randomly selected among all PM-JAY eligible households and those having presented a claim under PM-JAY. This strategy was intended to secure a sufficient number of hospitalizations to be included in the final sample. The qualitative study included a total of 6 KIIs with Accredited Social Health Activists (ASHAs), 6 FGDs (4 with only female participants and 2 with only male participants) and 12 IDIs (6 female, 6 male).

KEY FINDINGS

Eligibility:

SECC Criteria:

Amongst the households under study, **three out of four households met at least one inclusion criterion** to be eligible for PM-JAY:

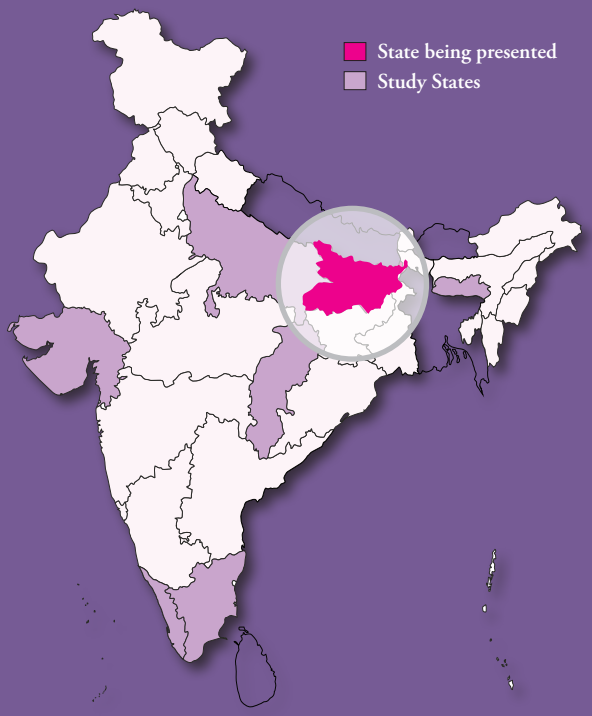
Table 1. Eligibility Criteria, rural and urban areas

Eligibility Criteria	Rural (%)	Urban (%)
Only one room with kucha walls and kucha roof (D1)	5.6	0.0
No adult member between age 16 to 59 (D2)	5.4	0.0
Female headed households with no adult male member between age 16 to 59 (D3)	4.8	0.0
Disabled member and no able-bodied adult member (D4)	9.6	0.0
Schedules Caste/Scheduled Tribe households (D5)	57.1	0.0
Landless households deriving major part of their income from manual casual labor (D7)	34.5	0.0
Automatically included*	1.8	100.0
Mean number of dimensions per household	1.2	1.0
Households that met at least one dimension	73.8	100.0
N (households)	3,068	1

**In rural areas these households included destitute/living on aims (not part of our sample), manual scavenger families, primitive tribal groups and legally released bonded labor; in urban areas these households included identified occupational categories of workers.*

STATE BACKGROUND

BIHAR



Till date, not everyone in Bihar has access to healthcare services. Prior to 2018, most of the population lacked access to any form of formal social health protection scheme. **The Rashtriya Swasthya Bima Yojana (RSBY)** was implemented in 2008, but effectively stopped operations in Bihar in 2014. To further upscale access to healthcare services, the Government of India launched the **Pradhan Mantri Jan Arogya Yojana (PM- JAY)** health insurance scheme in September 2018, with the objective of providing social health protection to the most vulnerable households and thereby, increase their access to quality secondary and tertiary services while also avoiding high and catastrophic spending due to illness and care-seeking.

In Bihar, PM-JAY operates according to a Trust model, meaning that the insurance functions, and the risk that entails, are being carried out by a government-controlled entity, which acts as an independent purchaser. It has been estimated that more than 10 million households qualify for PM-JAY coverage in Bihar, based on the Socio-Economic Caste Census (SECC) of 2011 and that by April 2020, 4.3 million individual e-cards had been generated. A total of 775 hospitals had been empanelled under PM-JAY in 2019.

Nearly all met at least one exclusion criterion, most frequently having one household member earning more than INR 10,000 per month or owning more than 5 acres of irrigated land.

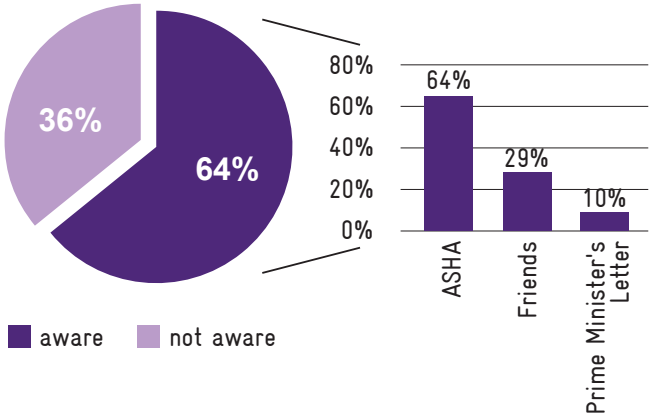
Table 2. Exclusion Criteria, entire sample from Bihar (rural and urban)

Exclusion criteria	%
Owns Motorcycle/Scooter/3 wheeler	12.5
Owns Car/Truck/4-wheeler/Jeep/Van	0.2
Household member is a government employee	1.6
Household with non-agricultural registered enterprise	0.4
Any member of household earning>=INR 10,000 per month	99.9
Household paying income or professional taxes	0.4
House with >=3 rooms pucca walls & roof	32.0
Owns a refrigerator	2.0
Owns a landline phone	0.3
Owns >=2.5 acres of irrigated land & 1 irrigated equipment	3.2
Own >=5 acres of irrigated land	76.3
Owning >= 7.5 acres of land & one irrigated equipment	0.3
Mean number of exclusion dimension per household	2.3
N (households)	3,069

Knowledge and awareness:

Only one year into scheme implementation, the majority of the study households were already aware of the scheme, mainly having learnt about the scheme through word of mouth via ASHA workers:

Figure 1. PM-JAY awareness and source of awareness



**For source of awareness, respondents could select multiple options; the top three selected options are presented.*

Awareness on key scheme features needed to be strengthened among beneficiaries, with variation by district and village; for example:

- **38%** of respondents recalled hospitalization to be included in the service package
- **21%** of respondents recalled the ceiling for the scheme coverage (5 lakhs per family per year).

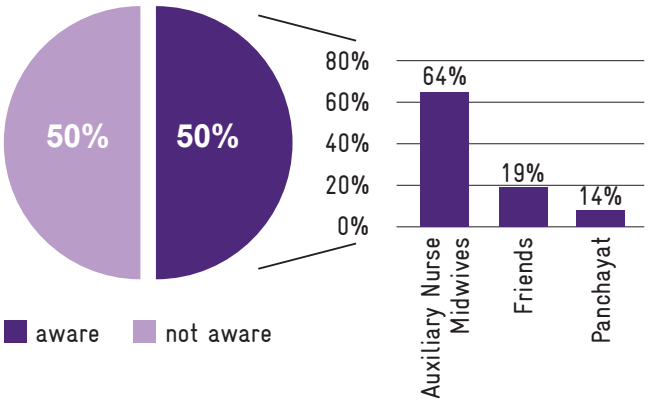
Confusion existed regarding where to get more information about the scheme, eligibility requirements, how the PM-JAY cards work, which services are covered by PM-JAY and which hospitals accept the insurance.

The awareness level of ASHAs, who are important information communicators on the scheme and its features, also needed strengthening, with variation by district and village. For example: low level of knowledge on which medical services are covered under PM-JAY.

Experiences with registration process:

1/2 of the respondents knew about their eligibility for PM-JAY coverage:

Figure 2. PM-JAY eligibility awareness and source of awareness



**For source of awareness, respondents could select multiple options; the top three selected options are presented.*

Nearly a third of households was familiar with the registration process.

Satisfaction among respondents undergoing the registration process was high (on a scale of 7, 5.9 was the average score).

Most eligible persons and beneficiaries reported the registration process to be time-consuming but relatively easy.

Hospital utilization and out-of-pocket expenditure:

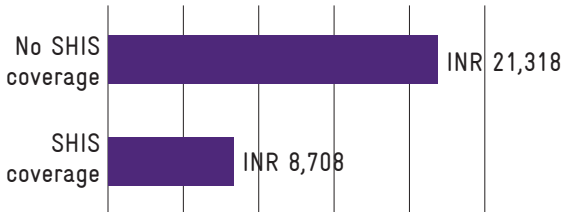
Overall, 6% of the entire sample reported having incurred a hospitalization. Only 1/3 of eligible individuals experiencing hospitalization made use of any government insurance scheme to cover their cost of treatment.

Satisfaction with PM-JAY hospitalization services was high (on a scale of 7, 6 was the average score).

98% of all hospitalized individuals incurred out-of-pocket expenditures (OOPE) (including pre- and post- hospitalization treatment).

Those who utilized hospitalization services under SHIS paid less than half the amount paid by those whose hospitalization was not covered by a scheme:

Figure 3. Out-of-pocket expenditure during hospitalization process



Mean OOPE for non-SHIS covered hospitalization episodes was among the highest in all study states (amounting to 34% of the total annual per capita expenditure of households).

Main costs were:

- **Pre-hospitalization phase:** medicines
- **During-hospitalization phase:** surgery costs, followed by bed charges and medicines
- **Post-hospitalization phase:** other medical expenses, followed by medicines

Experiences with healthcare utilization and PM-JAY grievance redressal process:

Many people have been utilizing their PM-JAY cards.

Experiences with healthcare utilization under PM-JAY were mixed:

- Many respondents were happy with the services provided and the ability to access in-patient care services for free.
- Some preferred private facilities, believing they were of better quality with better personnel.

Knowledge on the grievance redressal process was still expandable: Only one individual in Bihar (from respondents across all seven states in the study) reported to be aware of it. Thereby, it was not possible to report experiences on the functioning of the process.

RECOMMENDATIONS

> Dedicated policy action will enable and empower people in Bihar to use PM-JAY services to their full potential.

RAISE AWARENESS

To reduce the first barrier to accessing healthcare services under the scheme, further steps are needed to raise awareness and knowledge of specific features even more:

- Given the target population, PM-JAY could benefit from mass media campaigns, engaging community health workers and other trusted community leaders to conduct small-scale information, education, and communication (IEC) campaigns.

Responses by ASHAs and Beneficiaries on PM-JAY:

- Many people who have used the card see it as beneficial.
- People expressed concerns for enhancement in ensuring that all eligible persons who have received the Prime Minister's letter are receiving cards.
- Beneficiaries expressed reluctance regarding PM-JAY usage, as they expressed concerns regarding hospital quality and staff behaviour.

ASHAs and beneficiaries' suggestions for improving PM-JAY:

- ASHAs could receive more specific information about the characteristics of PM-JAY to better inform eligible persons and beneficiaries.
- Possible discrepancies in the eligibility list could be identified and addressed.
- Eligible persons could be assisted to register and to receive their cards to ensure that no one is left out of the scheme.
- The coverage amount could be increased.
- Beneficiaries could be apprised about which hospitals accept their cards and for which medical services.
- More hospitals could be empanelled under PM-JAY so that beneficiaries in remote areas can access the scheme.
- Every empanelled hospital could have a PM-JAY counter so that beneficiaries can get assistance when needed.
- Hospital staff could encounter consequences if mistreating or neglecting PM-JAY patients.
- In case hospitals refuse to treat PM-JAY patients or defraud them, the government could penalize such hospitals.

- Replicating experiences applied in our settings, the role of insurance navigators, like Ayushman Mitras at the facility level, could be strengthened and additional insurance navigators at the community level could be employed (i.e., people deployed exclusively to guide PM-JAY eligible households throughout the process from registration to care seeking).

STREAMLINE THE PROCESS

Although satisfaction among respondents undergoing the registration procedures was high, processes can be further enhanced:

- Strategies to simplify actions and provide knowledge on how eligible households effectively undergo them are crucial, especially the grievance redressal process benefits from facilitation.

INVEST IN FURTHER RESEARCH

Although only indirectly linked to the PM-JAY insurance scheme, the observed high OOPE for hospitalization services for non-insured but also insured individuals, could benefit from:

- Investigating why OOPE for hospitalization services in Bihar was high (highest in all study states).
- Investing in further research specifically focused on understanding what motivates providers to charge patients when costs are covered by the insurance.

ACKNOWLEDGEMENT

We are grateful to NHA for commissioning GIZ/IGSSP, later IGUHC, to undertake this PM-JAY demand evaluation study, which serves as a process evaluation for the PM-JAY. We highly appreciate the research done by the consortium of institutions, led by the Heidelberg Institute of Global Health, Medical Faculty, Heidelberg University Hospital and its cooperating institutions of City, University of London and the Deutsches Institut für Entwicklungspolitik/German Development Institute. The SHAs of the study states (Bihar, Chhattisgarh, Gujarat, Kerala, Meghalaya, Tamil Nadu and Uttar Pradesh) have supported us immensely in implementing this study. Guidance was provided by both NHA and SHAs of the study states during the inception phase as well as throughout the study period.

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We would also like to thank Nielsen India Pvt Ltd for successful completion of the data collection. We hope that our recommendations based on interviewees' experiences will lead to better implementation of future health insurance projects and improve the lives of the poor.

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