POLICY BRIEF 2022

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

TAMIL NADU

BACKGROUND

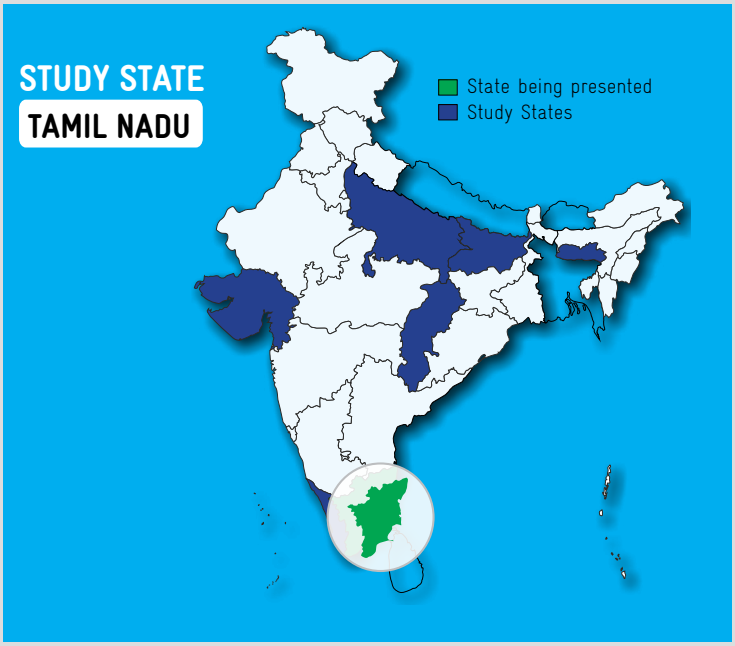
This policy brief presents findings from research commissioned in April 2018 by the Indo-German Social Security Programme (IGSSP), predecessor of the Indo-German Programme on Universal Health Coverage (IGUHC). The research evaluated the PM-JAY implementation from the supply-side, thereby providing performance 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 IQVIA Consulting and Information Services India did the evaluation from January 2019 to July 2020.

The mixed methods research provides insights into hospital empanelment changes related to the state-funded social health insurance scheme, Pradhan Mantri Jan Arogya Yojana (PM-JAY), across eight Indian states, including Tamil Nadu, approximately 14-16 months after its implementation in 2018.

The study areas were:

- Hospital service quality inputs (i.e., infrastructure, staffing, consumables)
- Processes and outputs (i.e., healthcare providers' and PM-JAY beneficiaries' experiences with the implementation of and service utilization under PM-JAY)



APPROACH

Quantitative and qualitative data was collected from 24 hospitals in two districts in Tamil Nadu (Coimbatore and Sivagangai) at two different time points (February to April 2019 and November 2019 to January 2020). Twelve of these hospitals in the first round and 13 in the second round were empaneled either under the Chief Ministers Comprehensive Health Insurance Scheme (CMCHIS) or PM-JAY, the remaining hospitals served as comparisons. Data collection included structured questionnaires (for hospital directors, administrators, PM-JAY patients) and qualitative interviews (for hospital directors, general practitioners).

KEY FINDINGS

★Quantitative

Service Quality Indicators (Hospital Survey)

⊕ Criteria most complied with

Nearly all empanelled and non-empanelled hospitals had high availability of bed capacity, all human resource capacity indicators, pharmacy, NABL accredited laboratories, motor vehicle accessible road and obstetric and newborn care providers.

The average number of beds reserved for PM-JAY patients was stable at around 31-35 beds over the two data collection rounds.

⊖ Criteria least complied with

Overall, both hospital groups showed relatively low levels for essential equipment of labour rooms and minimum maternity service capacity amenities.

The total number of non-surgical specialties available remained more or less stable at round 6 out of 8 for empanelled and 3 out of 8 for non-empanelled hospitals.

Empanelled hospitals did not have 24/7 availability of PM-JAY help desk clerk.

Improvements over time

By the second round, all empanelled hospitals had established kiosks for PM-JAY beneficiary management.

There were marginal improvements in NABH accreditation, fully equipped labour rooms and minimal maternity service capacity amenities.

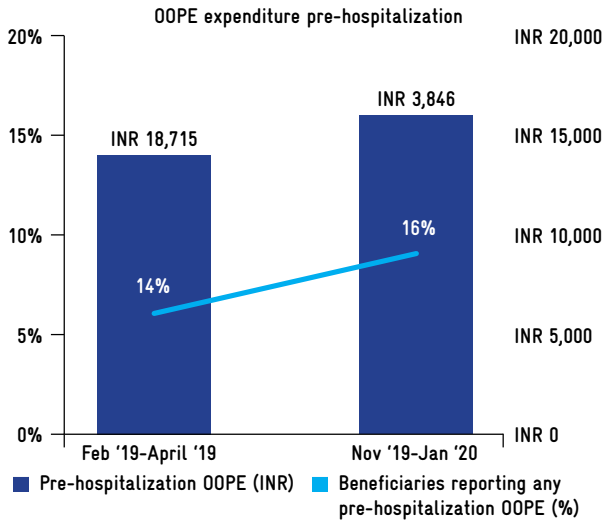
Deteriorations over time

There have been no substantial deteriorations in empanelled hospitals compared to non-empanelled hospitals.

Beneficiaries' Experiences

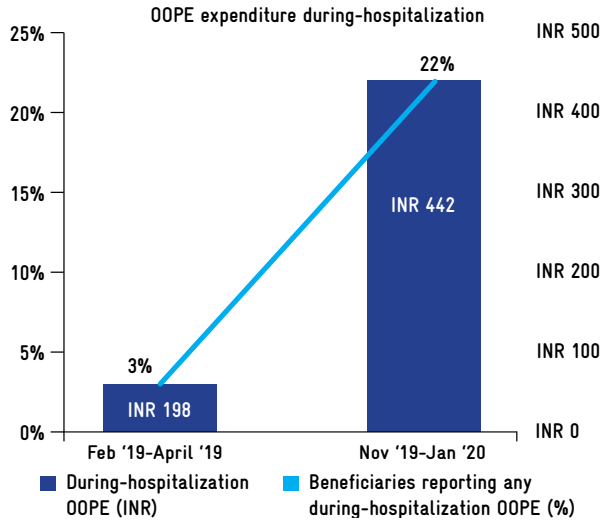
Expenditures prior to hospitalization

Pre-hospitalization OOPE marginally increased by 2 percentage points; expenditure however decreased by approximately 80%.



Expenditures during hospitalization

During hospitalization OOPE increased by 19 percentage points and the expenditure amount more than doubled:



Satisfaction with hospitalization

Services were received as good or very good, with a mean of 2.1 and 2.4 on a scale of 6 (very poor) to 1 (excellent).

Qualitative

Experiences of hospital administrators and general practitioners with PM-JAY implementation:

Overall impression

Many hospital representatives interviewed were unable to fully distinguish between CHMHIS and PM-JAY implementation features:

Respondents were frequently of the opinion that the scheme they were implementing was the CMCHIS, and seemed unaware about PM-JAY.

Others understood the change to PM-JAY as a mere nomenclature adaptation, as they did not perceive any changes in the implementation between schemes.

Beneficiary management

Beneficiary management closely follows the CMCHIS guidelines, with no changes implemented after introducing PM-JAY, save for processes for out-of-state or the so-called "portability" beneficiaries:

A few respondents reported general increases in patient load unrelated to PM-JAY;

A few stated that patient load had marginally increased after implementing PM-JAY, as beneficiaries were still not adequately aware about PM-JAY.

PM-JAY support team

Hospitals interacted with state nodal agency support team for blocking of treatment packages, claim processing and settlement. The majority of hospitals reported a good and supportive engagement with the state support team, with satisfactory response resolutions within good time.

Many respondents reported issues related to delays in response (for both pre-authorization and claim processing), unsatisfactory responses, unnecessary queries or requests for additional documentation and investigations, and inadequate support at night.

Some respondents opined that the support team operated with the motive to reject claims, rather than to facilitate their processing.

For government hospitals, it was not always possible to adhere to the requirements of the support team, because beneficiaries often did not provide necessary documentation, or hospitals lacked facilities to carry out obligatory investigations or operational processes.

Clinical management

Commonly discussed patient management aspects pertained to admission, treatment and discharge.

Public facilities especially stated that the additional funds received from PM-JAY had been utilized for the upgradation of

facility supplies, consumables and infrastructure, and this could anecdotally contribute to better quality of service provision.

Quality improvement

Many hospitals conducted general training, monitoring of indicators, information management processes and adhered to standard protocols and guidelines to promote quality of service provision. Many accredited hospitals followed quality monitoring and improvement as necessitated by the accreditation, but unrelated to the implementation of any insurance scheme, including PM-JAY.

Different types of accreditations were reported by hospitals. A few hospitals were accredited under NABH, and many expressed interest in working towards obtaining accreditation.

Managers in public hospitals reported upgrading their infrastructure, including information systems, supplies, consumables and other equipment, and hiring additional staff using PM-JAY funds, and sometimes, in response to the increased patient load.

Procedural changes required by PM-JAY necessitated more detailed documentation (case sheets, discharge summaries and other beneficiary records), which were perceived as cumbersome, as clinical staff had to take care of these additional, and time-consuming responsibilities alongside their regular duties. The discharge process was also reported to take longer than before.

Several respondents stated that specific specialties, especially surgical specialties and cancer had seen a rise in the patient load, perhaps linked to the increased benefit package.

> *I mean it has not been very effective in the state of Tamil Nadu, it has not peculated throughout Tamil Nadu, most people are not aware that they have a scheme like PM-JAY." However, PM-JAY has enabled patients to undergo higher level procedures as compared to before due to tine enhanced coverage amount.*

Financial management

Most hospitals monitored financial activities (procurement of funds, utilization of funds, accounting, payments and risk assessments) through profit loss monitoring.

The majority of private hospitals found no effect on their overall finances. However, some of them felt that they were running at a loss due to the low package rates of the scheme.

Claims processing and payments were delayed with no reasons for delays in payments or rejection of claims. Reimbursements were bundled without any information on what payment was made for which claim. Reimbursed amounts were perceived to be always less than that was claimed.

Increased length of stay of beneficiaries due to package requirements together with delays in authorization and claim processing affected hospital profits negatively.

Achievements Related to PM-JAY Implementation

Increased awareness and increased health seeking behaviour among beneficiaries were important achievements, coupled with greater access to proper medical treatment for poor patients.

However, since the CMCHIS scheme had been successfully running for many years, some respondents had difficulties to attribute perceived changes fully to PM-JAY.

> *The approval process is not transparent, that is what I feel. If the approval process is transparent, they are giving early approval and help the patient, we are here ultimately to take care of the patient. Our ultimate goal is only to help the patient. If we are not getting approval in time, we are not able to treat the patient in time and after the treatment of the patient we have problem in settling the claims. Claims are not settled, claims that refused on flimsy grounds.*

Challenges related to PM-JAY implementation (Processes and procedures)

Most commonly, these pertained to the low reimbursement rates of treatment packages; many respondents opined that the package rates were too low to provide satisfactory treatment and hospitals had to incur losses to treat PM-JAY beneficiaries.

Further, respondents highlighted that certain packages were not well designed and did not cover the common treatment modalities, co-morbidities, changes in treatment course or better medicines; they also had irrationally short or long lengths of stay in the hospital.

Challenges related to implementation of claim settlement and beneficiary management

Many respondents stated that there were unnecessary queries, requests for unnecessary investigations, non-response or response delays for both regular and emergency cases including pre-authorization, etc., leading to a prolonged and delayed procedure and hospital stay that stymied beneficiaries and hospital staff alike.

Another challenge related to obtaining pre-authorizations within stipulated timelines, due to ambiguous delays on part of the TPA/ insurancecompany resulting in further delays in claim settlement, reimbursement and patient discharge.

Beneficiary management was challenged by beneficiaries often unaware about scheme features and unable to provide required documentation. Some beneficiaries also demanded unnecessary treatments and procedures, and misbehaved when they were not provided.

Respondents highlighted issues with beneficiary identification, with many observing that some well-off patients fraudulently availed treatment under the scheme.

RECOMMENDATIONS

Drive quality service provision

Drive quality service provision, via: identifying important amenities and infrastructural parameters and focusing empanelment and dis-empanelment on their basis.

Encourage accreditation

Encourage hospitals to undergo accreditation as a means of ensuring adherence to higher quality standards, via: privileging empanelment of accredited hospitals and/or designing strategies.

Improve adherence to PM-JAY processes

Facilitate hospitals to improve adherence to PM-JAY processes, via: reviewing reported bottlenecks in PM-JAY processes like beneficiary management, claims submission and processing, and documentation requirements.

Ensure adequacy of packages and rates

Ensure the adequacy of the current treatment packages and related case-based rates, via: investigating cost structures and applying changes if required.

Identify reasons for OOPE

Explore reasons for continued OOPE in patients utilizing services under PM-JAY, via: investing in an in-depth exploration of the reasons, including before and during hospitalization.

Increase awareness

Make beneficiaries aware of their entitlements, understand and comply with PM-JAY specific documentation, verification, and hospitalization requirements, and empower them to utilize services through PM-JAY, via: advocating for increased awareness generation and promotional activities among beneficiaries.

ACKNOWLEDGEMENT

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We would also like to thank IQVIA 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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For more information please contact:

Mr. Amit Paliwal
Project Director
Indo-German Programme on
Universal Health Coverage

Deutsche Gesellschaft für International Zusammenarbeit (GIZ) Gmbh
B-5/1, 2nd Floor, Safdarjung Enclave,
New Delhi 110029, India

E: iguhc@giz.de
T: +91 11 4343 5353
F: +91 11 4949 5391
W: https://iguhc.in/

The study team included:

NHA team: Basant Garg, Vipul Aggarwal, Kameshwar Rao, Ruchira Agrawal

Principal Investigator:
Manuela De Allegri (HIGH)

Co-investigators: Nishant Jain (GIZ), Swati Srivastava (HIGH), Sharmishtha Basu (GIZ)

Scientific Team: Stephan Brenner (HIGH); Diletta Parisi (HIGH); Divya Parmar (City, University of London); Christoph Strupat (DIE); Caitlin Walsh (HIGH) with the collaboration of IQVIA