



प्रीति सूदन
सचिव

PREETI SUDAN
Secretary



भारत सरकार
स्वास्थ्य एवं परिवार कल्याण विभाग
स्वास्थ्य एवं परिवार कल्याण मंत्रालय
Government of India
Department of Health and Family Welfare
Ministry of Health & Family Welfare

D.O. No. S-12012/05/2018-RSBY

8 February 2018

Dear Chief Secretary,

As you are aware, Hon'ble Finance Minister in his budget speech on 1st February, 2018 announced two major initiatives as part of "Ayushman Bharat" programme aimed to address health holistically - **Health and Wellness Centres** in primary care including prevention and health promotion and a flagship scheme **National Health Protection Scheme (NHPS)** for secondary and tertiary care system. NHPS will cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage up to 5 lakh rupees per family per year for secondary and tertiary care hospitalization.

2. The proposed NHPS will replace the existing schemes of Government of India 'Rashtriya Swasthya Bima Yojana (RSBY)'. The earlier proposed NHPS where cover of Rs. 1 lakh per beneficiary family was envisioned will also stand superseded.

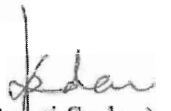
3. The number of poor and vulnerable beneficiary families eligible for the scheme is proposed to be based on deprivation and occupational criteria as per Socio Economic and Cast Census (SECC) data. The scheme will be open to all the States / UTs. The proposed target population is (a) families that belong to any of the 7 deprivation criteria viz. D1 to D7; (b) automatically included families as per SECC database for rural areas; and (c) defined occupational criteria for urban areas. Thus the entitlement of beneficiaries is to be derived from SECC data.

4. For the purpose of validation of beneficiary, it is proposed to use Aadhaar based authentication. Beneficiary will be verified at the time of availing the healthcare services at the hospitals through Aadhaar authentication as far as possible. Therefore, for the purpose of beneficiary authentication, Aadhar number needs to be seeded with the SECC database by the State Government/ UTs. The Aadhar is being used for validation of the beneficiary. However, no person will be denied benefits under the scheme merely on the non-availability of Aadhar. In due course of time, every endeavour needs to be made to link SECC beneficiary with Aadhar to ensure delivery of services to the right person.

5. The draft concept note on the proposed scheme is enclosed. In case, the State Government has any comments / suggestion, it may be forwarded to this Ministry latest by 13.2.2018. This Ministry would be organizing State consultations shortly. You are requested to nominate a nodal officer for regular correspondence on this scheme. For process design including enrolment, IT Architecture, Fraud detection and grievance redressal, Awareness generation and IEC, we will form working groups with State representatives.

6. 'Ayushman Bharat' is an unparalleled initiative and provides a great opportunity to address the health needs of the vulnerable and poor people and help in creating Swasthya Bharat and we cannot afford to fail our people in this regard.

Warm regards
Yours sincerely,


(Preeti Sudan)

Chief Secretaries of all States

Brief on National Health Protection Scheme

Hon'ble Finance Minister in his budget speech on 01 Feb 2018, announced to launch a flagship National Health Protection scheme (NHPS) to cover over 10 crore poor and vulnerable families (approx. 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalisation.

2. The proposed NHPS will replace the existing schemes of Govt of India 'Rashtriya Swasthya Bima Yojana (RSBY)' and supersede the earlier proposed NHPS scheme by increasing the insurance cover from earlier proposed Rs. 1 Lakh to Rs. 5 Lakh and targeting more beneficiary families.

3. MoHFW in consultation with the States will develop the broad policy guidelines while responsibility for Implementation will lie with the States/ UTs.

4. The salient features of the proposed scheme are as under:-

- a. **Institutional Structure** – At the national level a National Health Agency (NHA) is expected to be put in place to manage NHPS. States/ UTs would be advised to implement the scheme by a dedicated entity called State Health Agency (SHA). They can either use an existing Trust/ Society/ Not for Profit Company/ State Nodal Agency (SNA) or set up a new entity to implement the scheme.

An inter-ministerial group named as National Governing Council (NGC) is proposed to be set up under the leadership of Secretary (Health and Family Welfare) with representatives from line Ministries, NITI Aayog and State Governments.

- b. **Implementation Model** – States/ UTs can decide to implement the scheme through an insurance company or directly through the Trust/ Society.
- c. **Benefit Package** – The proposed scheme will have a benefit package of Rs. 5 lakh per family per year. Various medical and surgical conditions upto this limit with minimal exclusions will be covered. Certain pre and post hospitalisation are proposed to be covered. All pre-existing conditions shall be covered from day one. A defined transport allowance will also be provided to the beneficiaries at the time of discharge. Indicative rates of different procedures will be shared with the States.

- d. **Target Population and Data** – Socio Economic Caste Census (SECC) data (both rural and urban) will be the base data for NHPS as it is the most recent database which has data on deprivation criteria. It should be seeded with Aadhaar (as far as possible). In the rural area, beneficiaries belonging to any one of the Seven deprivation criteria and automatically included categories is proposed to be used while for urban areas, defined occupational criteria would be used. Details of categories including number of beneficiaries are provided at **Annexure 1**.
- e. **Family size** – There will be no family size and age limit in the proposed scheme and household in SECC data will be treated as family.
- f. **Financing of the Scheme** – The source of financing for NHPS is budgetary support. At present the ratio of contribution towards premium between Centre and State is 60:40 in all States except North Eastern States & 3 Himalayan States where the ratio is 90:10 with an upper limit for Centre. In Union Territory (without legislature) the Central contribution of premium is 100%, while in those with legislature, the contribution of Centre and States will be in ratio of 60:40.

The central share of premium will be paid based on market determined rate in such States/ UTs where NHPS will be implemented through insurance companies. In States/ UTs where they will implement the scheme in Trust/ Society mode, the central share of funds will be provided based on actual expenditure. In both the cases, it will be subject to a ceiling rate decided by the Central Government from time to time.

- g. **Validation of Beneficiaries**– All identified beneficiary families will be entitled to get benefits under NHPS. The Aadhaar number of each beneficiary will need to be linked with the family in SECC data. For persons without Aadhaar, an alternate mechanism would be developed till such time that they are enrolled under Aadhaar.
- h. **Continuum of Care** – Under Comprehensive Primary Health Care which is the second pillar of Ayaushman Bharat, Family health folder will be maintained and beneficiary under NHPS will be linked to this record.
- i. **Health Care Providers** – Both public and private health care facilities will be empanelled and be a part of the network for the scheme based on defined criteria (including specialty specific criteria). The defined criteria will

be shared with the States. Empanelment would be the responsibility of States/ UTs. Certain procedures will be reserved for public hospitals, however, State/ UT would be free to add additional procedures in this list based on field situation in terms of capacity of public system to provide the needed services in certain geographies. All Public hospitals at the level or above CHCs shall be deemed as empanelled.

- j. **Package Rate based Payment to Hospitals** – For providing the treatment, hospitals will be paid based on a fixed package rate. These packages and their rates will be fixed by the Government in advance and will include all costs associated with treatment. Hospitals will not be allowed to charge any additional money from beneficiaries for the treatment. States/ UTs will have the flexibility to modify these rates based on ground level conditions. Hospitals with NABH/ NQAS or hospitals in rural areas can be provided incentives in package rates. States may decide to have differential rates for public and private hospitals to encourage use of public facilities.
- k. **Hospitalisation Services** – On the basis of an Aadhaar based verification (as far as possible), a beneficiary will be able to get benefits at empanelled hospitals. For persons without Aadhaar, a mechanism to verify through other Government issued photo identity cards will be developed.
- l. **Strengthening of Public Health Care System** – Public hospitals will get funds through claims received from insurance companies/ Trusts for treatment given to beneficiaries under NHPS. This fund may remain with them and can be used for infrastructure and human resources development. Part of this fund can be used for providing incentives to staff of public hospitals. Appropriate mechanisms/ guidelines for this purpose will be developed.
- m. **Prevention of Fraud/ Misuse** – While ensuring user convenience and to prevent misuse by providers and users and minimise chances of frauds/ abuse, NHPS would create **robust safeguards**. Checks and balances will be designed in such a way that unnecessary hospitalisation will be minimised. Pre-Authorisation within a defined time frame will be mandatory for all tertiary care and select secondary care packages. States will be free to introduce pre-authorisation to any additional procedure if they feel that it can be misused. Pre-authorisation will be provided through an online system. Medical audit; data analysis, flags and triggers; standard treatment guidelines, claim audit, electronic health records will be used.

- n. **Grievance Redressal** – It is proposed to have a strong Grievance Redressal mechanism for quick and appropriate grievance disposal of complaints, false rejection by hospitals / insurance company / trust. It will be a multi channel system actively utilizing electronic, mobile internet, call centre and social media through which complaint / grievance will be registered, acknowledged, escalated for relevant action, resolved and monitored. It could be a tiered organically linked structure involving District Collectors, CEO/ Addl CEO and Secretary as in Rajasthan. Feedback of patients on their experience in different hospitals will also be captured through multiple channels.
- o. **Proposed Brief Process Flow in NHPS**
- i. Based on the numbers derived from SECC data by Government of India, each State Government will prepare database of targeted families using SECC data.
 - ii. State Government will carry out Aadhaar seeding of eligible beneficiaries.
 - iii. State Government will issue family health cards with NHPS ID based on proposed guidelines of Government of India in consultation with the States.
 - iv. The above activities will be preceded by intensive IEC campaign particularly among the targeted beneficiaries.
 - v. If the scheme is implemented through insurance mode then Insurance Company will be selected by the State Government through an open tender process. Model tender document will be shared with the states soon.
 - vi. State Government will take the decision to empanel the hospitals in each district based on defined criteria. In this endeavor, the State may take support of Insurance Company/ Trust.
 - vii. From the date of start date of Scheme in the State, beneficiary family can visit any empanelled hospital across India and get free cashless treatment through Aadhaar authentication.
 - viii. Hospital submits paperless online claim to the Insurance Company/ Trust.
 - ix. Insurance Company / Trust settles the claim within a specified time.
 - x. Any stakeholder shall be able to lodge a complaint/ Grievance actively utilising electronic, mobile platform, internet as well as social media. These complaint / Grievance will be redressed and monitored by the Government.

xi. It is proposed that all the tasks carried out by the insurance companies can also be done directly by a Trust/ Society in the State.

p. **Use of Information & Communication Technology (ICT)** – A robust, modular, scalable and interoperable IT platform connecting MoHFW/ NHA with SHAs and beneficiaries to the designated private and public health providers is proposed to be set-up. The IT Systems will allow horizontal / vertical expansion as per States requirements. The following basic modules are required for implementation:

- i. SECC data extraction module
- ii. Aadhaar seeding and card issuance module(can be done in the field or at the hospital)
- iii. Hospital empanelment module
- iv. Hospital treatment/ transaction module
- v. Claims management module
- vi. Monitoring and dashboard module
- vii. Complaints and Grievance modules

Annexure 1

Estimation of Beneficiaries for NHPS based on SECC Data

I. As per SECC there are total 24.49 crore households in the country

II. All India (Rural):

Total Households = 17.97 crore

A. Automatically included households (based on fulfilling any of the 5 parameters of inclusion):

- a. Households without shelter.
- b. Destitute, living on alms.
- c. Manual scavenger families.
- d. Primitive tribal groups.
- e. legally released bonded labour

= 15.95 lakh

B. Deprived households:

Standard Deprivation Parameter	Households
Only one room with kucha walls and kucha roof (D1)	2.38 crore
No adult member between age 16 to 59 (D2)	65.33 lakh
Female headed households with no adult male member between age 16 to 59 (D3)	69.43 lakh
Disabled member and no able bodied adult member (D4)	7.20 lakh
SC/ST households (D5)	3.87 crore
No literate adult above 25 years (D6)	4.22 crore
Landless households deriving major part of their income from manual casual labour (D7)	5.40 crore
Total deprived Households (with any one of the 7 deprivation)	8.73 crore

III. All India (Urban):

Total Households = 6.52 crore

Sub-classification of Households by main source of Income (Urban):

S.no	Worker Category	Households
1	Rag picker	23,825
2	Beggar	47,371
3	Domestic worker	6,85,352
4	Street vendor/ Cobbler/hawker / Other service provider working on streets	8,64,659
5	Construction worker/ Plumber/ Mason/ Labor/ Painter/ Welder/ Security guard/ Coolie and other head-load worker	1,02,35,435
6	Sweeper/ Sanitation worker / Mali	6,06,446
7	Home-based worker/ Artisan/ Handicrafts worker / Tailor	27,58,194
8	Transport worker/ Driver/ Conductor/ Helper to drivers and conductors/ Cart puller/ Rickshaw puller	27,73,310
9	Shop worker/ Assistant/ Peon in small establishment/ Helper/ Delivery assistant / Attendant/ Waiter	36,93,042
10	Electrician/ Mechanic/ Assembler/ Repair worker	11,99,262
11	Washer-man/ Chowkidar	4,60,433
12	Other work Non-work	2,68,68,018
13	Non-work(Pension/ Rent/ Interest, Etc.)	52,78,081
14	No income From Any Source	95,65,262
Targeted Households (included categories for NHPS – highlighted in green)		2,33,47,329 (2.33 crore)

IV. Categories as proposed for new scheme

Rural:

Total deprived Households with any one of the 7 deprivation = 8.73 crore

+

Automatically included (Households without shelter, destitute, living on alms, Manual scavenger families, Primitive tribal groups, legally released bonded labour) = 15.95 lakh

= 8.89 crore

(+)

Urban:

Households by main source of Income (Rag picker, Beggar, Domestic worker, Street vendor/ Cobbler/hawker / Other service provider working on streets, Construction worker/ Plumber/ Mason/ Labor/ Painter/ Welder/ Security guard/ Coolie and other head-load worker, Sweeper/ Sanitation worker / Mali, Home-based worker/ Artisan/ Handicrafts worker / Tailor, Transport worker/ Driver/ Conductor/ Helper to drivers and conductors/ Cart puller/ Rickshaw puller, Shop worker/ Assistant/ Peon in small establishment/ Helper/ Delivery assistant / Attendant/ Waiter, Electrician/ Mechanic/ Assembler/ Repair worker, Washer-man/ Chowkidar)

= 2.33 crore

Total = 2.33 + 8.73 + 0.1595 = 11.22 crore