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PROCEEDINGS OF GOVERNMENT OF KARNATAKA

Sub: Implementation of "Suvarna Aarogya Suraksha" -
a new Health Insurance Scheme for the BPL
Families of five Districts in Gulbarga Division.

Read:

- (1) Proceedings of the meeting held under the Chairmanship of Chief Secretary dated 29-9-2007.
- (2) Proposal received from Project Director, KHSDRP, through single file system No.HFW/KHSDRP/HINS/01-08-09 dated 11-8-2008.#.
- (3) Decision of the Cabinet dated 18-2-2009 in Subject No.C/119/2009.

Preamble:

The proposal to implement Health Insurance Scheme for Below Poverty Line (BPL) people in the State is under examination of Government for some time. The BPL population in the State of Karnataka faces vulnerability from catastrophic health shocks. The existing Health Insurance Programmes in the State reach a very small proportion of the State's BPL population. In Karnataka, Yeshaswini Yojane through Co-operation Department, Rashtreeya Swastha Bhima Yojana through Labour Department and Aam Aadmi Bhima Yojana through Revenue Department are being implemented. An analysis of Yeshaswini Yojane reveals that it is meant for Co-operative Members and limited to 1600 surgical and other selected medical treatments. One of the draw backs of Yeshaswini Scheme is that it excludes people who are not members of Co-operative even if they are BPL. It also excludes urban areas and thus members of BPL in urban

areas as well as Co-operative members in urban areas are excluded. Yeshaswini Scheme has not been able to cover more than 30% membership of Co-operative. Similarly, Rashtreeya Swastha Bhima Yojane and Aam Aadmi Bhima Yojane are having its own features and it has not been possible to cover all BPL people under these Schemes.

In the meanwhile, Andhra Pradesh Government has launched a massive Health Insurance Scheme called the "Aarogyasri" which has covered all the BPL families in that State. This scheme covers tertiary care for catastrophic illnesses and has the largest coverage anywhere in India covering about four crore population in Andhra Pradesh.

Implementation of Suvarna Suraksha Scheme was also discussed in the meeting held under the Chairmanship of Chief Secretary on 29/9/2007 read at (1) above. In that meeting, *inter-alia*, it was decided that Health & Family Welfare Department should study the Arogyasri model of Andhra Pradesh and formulate a detailed proposal to implement Suvarna Suraksha Scheme in the State. Accordingly, a team of officers from Health & Family Welfare Department visited Andhra Pradesh and studied the Arogyasri Scheme. Arogyasri model of Health Insurance Scheme implemented in Andhra Pradesh has many advantages and its long term impact will definitely improve the health status of people living in Below Poverty Line.

In Karnataka also, BPL families spend major portion of their income on health problems. In Government sector, health protection is available at primary and secondary level. Super specialty care is not available in Government hospitals except for a handful of institutions. Catastrophic illness can wipe out decades of savings of BPL families. Moral obligation to help BPL families in case of catastrophic illness vests with the Government. Considering all these, a new Health Insurance Scheme called "Suvarna Arogya Suraksha Scheme" has been formulated on the model of Arogyasri Scheme in Andhra Pradesh by the Health & Family Welfare Department. During the current year's Budget a sum of Rs. 25.25 crores has been provided to implement Suvarna

Arogya Suraksha Scheme. Therefore, the Project Administrator, Karnataka Health System Reforms Project, vide letter read at (2) above, has submitted proposal to the Government for implementation of Suvarna Arogya Suraksha Scheme and has requested for issue of necessary Government Orders in this regard.

The Hon'ble Chief Minister while inaugurating Arogya Kavacha Scheme on 1/11/2008 has announced that Arogya Suvarna Suraksha Scheme will be implemented in Gulbarga Division on pilot basis. Accordingly the proposal to implement Suvarna Arogya Suraksha Scheme on pilot basis in five districts of Gulbarga Division viz., Bidar, Gulbarga, Raichur, Koppal and Bellary has been examined in consultation with Planning & Finance Departments. The matter was also placed before the Cabinet and the Cabinet in its meeting held on 18/2/2009 vide read (3) above has approved the proposal.

Hence this order.

GOVERNMENT ORDER NO: HFW 216 CGE 2008,
BANGALORE DATED 20th FEBRUARY 2009

In the circumstances explained in the preamble, sanction is accorded for implementation of a new Health Insurance Scheme called "Suvarna Arogya Suraksha Scheme" for BPL families in the five districts of Gulbarga Division viz., Bidar, Gulbarga, Raichur, Koppal and Bellary with immediate effect.

2. Sanction is also accorded for establishment of a Trust called "Suvarna Arogya Suraksha Trust" as follows under the Indian Trusts Act, 1882 in order to implement Suvarna Arogya Suraksha Scheme:-

i)	Chief Minister of Karnataka	Chief Patron
ii)	Minister for Health and Family Welfare	Patron-I

iii)	Minister for Medical Education	Patron-II
iv)	Secretary to Government, Health & Family Welfare Department	Chairman
v)	Principal Secretary to Government, Finance Department or his nominee not below the rank of Deputy Secretary to Government	Trustee
vi)	Secretary to Government, Medical Education Department	Trustee
vii)	Secretary to Government, Co-operation Department	Trustee
viii)	Secretary to Government, Labour Department,	Trustee
ix)	Commissioner, Health & Family Welfare Department	Chief Executive Trustee
x)	Director, Health & Family Welfare Department	Trustee
xi)	Mission Director, National Rural Health Mission / Project Administrator, KHSDRP	Trustee
xii)	Director, Medical Education Department	Trustee
xiii)	Dr. Devishetty, Cardio-Thoracic Surgeon, Narayana Hrudayalaya, Bangalore.	Trustee
xiv)	Executive Director of the Trust	Secretary of the Trust

xv)	Dr. Manjunath, Director, Jayadeva Institute of Cardiology, Bangalore.	Trustee
xvi)	Dr. D. Nagaraj, NIMHANS, Bangalore	Trustee
xvii)	Sri. Mohan Das Pai, Infosys, Bangalore	Trustee
xviii)	Dr. H. Sudarshan, Karuna Trust	Trustee
xix)	Dr. K.V Raju, Economist	Trustee
xx)	Dr. Ashok Shenoy, Director, KIDWAI Institute of Oncology, Bangalore.	Trustee

The Trust may also invite other prominent persons in the field of Health, Insurance, Risk Management, Finance etc from time to time as invitees. The number of invitees shall not exceed five at any given point of time.

3. The Trust has powers to take all policy decisions relating to effective implementation of Suvarna Arogya Suraksha Scheme. The Trust will have overall supervision and control of Suvarna Arogya Suraksha Scheme. The duties and responsibilities of the Trust shall be as provided for in the Trust Deed being registered separately.

4. For day to day administration of this Scheme the following Executive Committee is constituted:-

Secretary to Government, Health & Family Welfare Department	Chairman
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ii)	Principal Secretary to Government Finance Department or his nominee not below the rank of Deputy Secretary to Government	Member
iii)	Secretary to Government, Medical Education Department	Member
iv)	Commissioner Health and Family Welfare Services	Member
v)	Mission Director National Rural Health Mission / Project Administrator, KHSDRP	Member
vi)	Director, Health & Family Welfare Department	Vice Chairperson
vii)	Executive Director of the Trust	Member Secretary
viii)	Dr.H. Sudarshan, Karuna Trust	Member
ix)	Dr.K.V. Raju, Economist	Member
x)	Sri Mohan Das Pai, Infosys, Bangalore	Member

5. The Duties and Responsibilities of the Executive Committees are as follows:-

- (1) To select an Implementing Agency by following the procedure prescribed under the Karnataka Transparency in Public Procurement Act and the Rules framed there under, for effective implementation of Suvarna Arogya Suraksha Scheme.
- (2) To prescribe the duties and responsibilities of the Implementing Agency and also to enter into agreement with it as well as Network Hospitals. On

the whole, the Executive Committee will have full powers to take decisions for day to day administration of this Scheme.

- (3) The duties and responsibilities of the Executive Committees shall be as provided for in the Trust Deed being registered separately.

6. The salient features of the Suvarna Arogya Suraksha Scheme are as follows:-

- (1) Under Suvarna Arogya Suraksha Scheme the following catastrophic illness involving hospitalization, surgery and therapies will be provided through Network Hospitals.

- Cardiovascular diseases
- Cancer Treatment
 - a) Surgery
 - b) Chemotherapy
- Neurological diseases
- Renal diseases
- Burns
- Poly trauma cases (Not covered by Motor vehicle insurance)
- Neo-Natal
- The other list of treatments which will be covered under this scheme will be issued separately.

(2) **Network Hospitals:-** Treatment will be provided through the Network Hospitals identified by the Executive Committee. The Implementing Agency having IRDA registration will implement this Scheme as per the responsibility fixed by the Executive Committee. An Agreement will be entered into with the Hospitals in this regard. The Executive Committee of the Suvarna Arogya

Suraksh Scheme will give approval for the said Agreement and penalty clause for violation of Agreement will be made therein.

- (3) **Coverage:-** This Scheme will cover the head of the BPL family, spouse two or ~~three dependents~~ (subject to a maximum of 5 members in a family). To begin with, this Scheme will be implemented in the Districts of Bidar, Gulbarga, Raichur, Koppal & Bellary of Gublbarga Division. The same will be extended in phased manner subsequently.
- (4) **Identification of Beneficiaries:-** The BPL families which possess BPL cards issued by the Food and Civil Supplies Department of Government of Karnataka are eligible under this Scheme. Maximum five members of a family whose name / photograph as indicated in the said BPL cards can avail the benefit on family floater basis. Bio-metric health cards will be issued to the beneficiaries under this Scheme in the near future.
- (5) **Premium and Period of Insurance:-** Government will pay to the Suvarna Arogya Suraksha Trust directly a premium of approximately Rs. 300/- per year per family of five members in two installments. The beneficiaries are not required to pay any contribution. The coverage under this Scheme shall be in force for a period of one year from the date of commencement of the policy.
- (6) **Benefit Package:-** Primarily, the benefit package will cover tertiary care for catastrophic disease. Sum assured will be Rs. 1,50,000/- per family on family floater basis per year. Additional buffer of Rs. 50,000/- per year for the entire family on a case to case basis if the total expenditure exceeds more than Rs. 1,50,000/-, will be provided.
- (7) **Sum insured on family floater basis:-** The beneficiary can avail treatments involving hospitalization,

medical surgeries and procedures and Chemotherapy procedures through Network Hospitals. Sum insured will be Rs. 1,50,000/- per family on family floater basis per year. Additional buffer of Rs. 50,000/- per year for the entire family on a case to case basis if the total expenditure exceeds more than Rs. 1,50,000/-, will be provided.

(8) **Cashless Transaction:-** Under this scheme, the transaction for treatment of inpatients shall be cashless. That means, an enrolled BPL beneficiary will go to a Network Hospital and come out without making any payment to the Hospital from day one of admission.

(9) **Pre existing diseases:-** All diseases proposed under the Scheme shall be covered from day one. A person suffering from any of the identified disease prior to the inception of the policy shall also be covered.

(10) **Pre and Post Hospitalization:-** The beneficiary is entitled for coverage of cashless treatment from the date of admission to his discharge from the hospital and 10 days after discharge for any post hospital treatment complication as per the package.

(11) **Procedure for enrolment of Hospitals:-** All the Public Hospitals (District Hospitals, Government / Private Medical Colleges) and identified Private Hospitals / Nursing Homes shall separately be empanelled by the Executive Committee of Suvarna Arogya Suraksha Scheme. Private Hospitals / Nursing Homes means that any Institution in Karnataka established for inpatient surgical care and the Network Hospital should comply with minimum criteria. For the empanelment of the Super Specialty treatments of Neurology, Heart, Cancer treatment (Surgery, Chemotherapy, Radiotherapy) Renal, Burns and Poly Trauma cases (which are not covered by Motor Vehicle Act), the Hospitals should have prescribed infrastructure and also the required services of specialists.

The Hospitals should be in a position to provide treatment as contemplated under this Scheme.

(12) **Memorandum of Understanding with Hospitals (MoU)**:- The Executive Committee of the Arogya Suvarna ~~Suraksha Scheme~~ shall enter into an MoU with the Implementing Agency for implementation of this Scheme. The Executive Committee shall select the Implementing Agency having IRDA registration by following the procedure prescribed under the Karnataka Transparency in Public Procurement Act and the Rules framed thereunder. The specific activities to be brought under MoU with the Agencies include Information, Education and Communication, identification of Network Hospitals and Service Providers, prescribing procedure for claim settlement, counseling of patients in coordination with Arogya Mitras, training of coordinators and deployment, conducting of Health Camps, establishment of Call Centers and management of claims settlement and also supervision of service providers etc. The responsibilities of Implementing Agency shall be as per the details contained in the MoU. However, the Implementing Agency should not under any circumstances carryout activities relating to insurance underwriting. The said work will be done by the Executive Committee of the Trust. The MoU with the Implementing Agency will be finalized in consultation with the Finance Department.

(13) **Settlement of Claims**:- The Executive Committee of the Trust will settle the claims of the Hospitals within 7 days of submission of bills from the Implementing Agency.

(14) **Health Camps**:- Prescribed number of Health Camps shall be conducted periodically by the Network Hospitals in all Districts and Taluk places as indicated by the Executive Committee. The Network Hospitals should conduct the camps with necessary equipments, specialists and para-medical staff. They should coordinate with

District Coordination Officer, District Health & Family Welfare Officer, Deputy Commissioners and Chief Executive Officers in this regard.

(15) **Medical Auditors:-** The Implementing Agency should recruit and position the required number of Medical Officers for Pre-authorisation. They should also recruit Specialised Doctors for regular inspection of Hospitals, attend to any complaints received from the beneficiaries directly or through Arogya Mitras, any deficiency in services by the hospitals and also to ensure proper care and counseling for the patient at network hospitals by coordination with Arogya Mitras and Hospital authorities.

(16) **Grievances Cell:-** The Executive Committee of the Trust will establish Grievances Cell at State and District Levels for redressal of complaints / grievances that may be received in connection with Suvarna Arogya Suraksha Scheme.

7. The Implementing Agencies of Yashaswini and Rastriya Swastha Bhima Yojane should not target the same set of beneficiaries covered under Suvarna Arogya Suraksha Scheme in their respective Schemes.

8. For necessary supervision and effective implementation of Suvarna Arogya Suraksha Scheme, a District Level Committee under the Chairmanship of the concerned Deputy Commissioners is constituted as follows:-

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| 1. Deputy Commissioner | - | Chairman |
| 2. Chief Executive Officer | - | Member |
| 3. District Health & Family Welfare
Officer
Secretary | - | Member |
| 4. District Surgeon | - | Member |

5. One local senior Specialist Doctor - Member
(to be nominated by the Deputy
Commissioner)

The said District Level Committee will coordinate with the Implementing Agency and the Network Hospitals and ensure effective implementation of Suvarna Arogya Suraksh Scheme and also send periodical review reports.

9. Sanction is accorded for release of Rs. 20 crores (Rupees twenty crores only) to the Suvarna Arogya Suraksha Trust as working capital and during the current year a sum of Rs.10 crores (Rupees ten crores only) is released to the said Trust. The expenditure on this account shall be met out of Rs. 25.25 crores provided under Head of Account Suvarna Suraksha (Aapatbhandhava) 2210-06-800-0-15 Plan.

10. This order issues with the concurrence of Planning and Finance Departments vide their U.O. Note No: PD 90 ME 2008, dated: 7-9-2008 and FD 2219 Exp-5/2008, dated 26-12-2008 respectively and also with the approval of the Cabinet vide Subject No:C/119/2009 dated: 18-2-2009.

By order and in the name of the
Governor of Karnataka



(M. MADAN GOPAL)

Secretary to Government
Health & Family Welfare Department.

To:

The Compiler, Karnataka Gazette - with a request to publish the same in the next issue of Gazette and send 200 copies to the Health & Family Welfare Department.

To:

- 1.-Accountant General, Karnataka, Accounts / Audit , Bangalore.
2. Chief Secretary to Government, Vidhana Soudha, Bangalore.
3. Additional Chief Secretary to Government, Vidhana Soudha,
Bangalore.

4. Additional Chief Secretary to Government and Development
Commissioner.
5. All Principal Secretaries and Secretaries to Government.
6. Principal Secretary to Hon'ble Chief Minister
7. Private Secretary to Hon'ble Minister for Health & Family Welfare.
8. Private Secretary to Hon'ble Minister for Medical Education.
9. Commissioner for Health & Family Welfare Services, Bangalore.
10. Project Director, Karnataka Health System Development
Resources Project, Bangalore
11. Mission Director, National Rural Health Mission, Bangalore
12. Director, Health & Family Welfare Services, Bangalore
13. All Deputy Commissioners of the Districts
14. All Chief Executive Officer of the Zilla Panchayat
15. All District Health & Family Welfare Officers
16. All District Surgeons
17. All Trustees of Suvarna Arogya Suraksha Trust
18. Finance Department (Expenditure-V)
19. Planning Department (Manpower and Employment Division)
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