Healing Fields Foundation

Case Study

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Disclaimer

The author's views expressed in this document do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Acronyms

AP	Andhra Pradesh
AP	Annual Pay
BPL	Below Poverty Line
CA	Chartered accountant
CBO	Community Based Organization
CCA	Canadian Cooperative Association
CEO	Chief Executive Officer
CHAI	Catholic Health Association of India
CIA	Central Intelligence Agency
CMAI	Christian Medical Association of India
CMO	Claims Management Officer
COO	Chief Operation Officer
COO	Chief Operation Officer
DRG	Diagnostic Related Group
Est.	Estimated
FD	Fixed Deposit
FIR	First Information Report
GDP	Gross Domestic Product
GNP	Gross National Product
Gov't	Government
GTZ	Deutsche Gesellschaft fur Technische Zusammenarbeit GmbH
HI	Health Insurance
HMO	Health Management Organization
HSO	Health Services Organization
HVC	Hybrid Value Chain
IBNR	Incurred But Not Reported Reserve
ILO	International Labour Organization
IPA	Insured Paid Amount
IRDA	Insurance Regulatory and Development Authority
JBY	Janashree Bima Yojana
LIC	Life Insurance Corporation of India
MC	MediClaim
MI	Microinsurance
MIRC	Microinsurance Resource Centre
MIS	Management Information System
MM	Medical Management
MoF	Ministry of Finance
MoU	Memorandum of Understanding
NGO	Non Government Organization
NIC	National Insurance Company
OPD	Out Patient Diagnostics
PAB	Personal Accident Benefit

PPA	Patient Payable Amount
PPP	Purchasing Power Parity
PSB	Parivar Suraksha Bima
RAS	Rapid Assessment Survey
Rs	Rupees
SEWA	Self-Employed Women's Association
SHG	Self Help Group
sq	Square
STEP	Strategies and Tools against Social Exclusion and Poverty
TPA	Third Party Administrator
TPA	Transaction Processing Accounts
UHC	United Healthcare
UIIC	United India Insurance Company
US$	United States Dollar
USAID	United States Agency for International Development
WHO	World Health Organization

1 Executive Summary

Healing Fields Foundation is a registered non-profit society, headquartered in Hyderabad, Andhra Pradesh, India. It aims at making quality healthcare accessible and affordable to all people in India, particularly the poor, underprivileged, marginalized population. The Foundation chooses to focus its activities on the improvement of health care in India with no bias against any caste, creed, religion or gender. Healing Fields Foundation distinguished itself from the start in microinsurance, with the formation of a strong board having a variety of professional skills.

The HEALING FIELDS FOUNDATION model seeks to achieve its objective by playing the role of a NGO health management organization (HMO), or Service Integrator, and taking a holistic approach to micro insurance. Keeping in view the problems faced by other Micro insurance schemes, the project seeks to create a healthcare financing and administration "ecosystem" for the poor.

The ecosystem consists of a community of people unable to afford treatment for "critical/dreaded" diseases, private insurance companies, a group of secondary and tertiary care hospitals (providers), and Community Based Organizations (SHGs, Federations, Labour-nets, Cooperatives) managed by NGOs. The model brings in efficiencies in design and pricing of group health insurance products, identification of hospitals with appropriate infrastructure, claim administration services, improvements in medical practices and building awareness about healthcare financing through risk-pooling by bringing together NGOs, insurance companies, and health service providers under one umbrella.

HEALING FIELDS FOUNDATION has the skills to make micro health insurance a turnkey operation for interested NGO's, CBO's and MFI's. The cost for this turnkey service is paid for by the NGO directly, clients or a fee from the insurance company.

An NGO (with support from HEALING FIELDS FOUNDATION) purchases health insurance coverage for their members and families to cover hospitalization for around 43 illnesses as per the disease profile obtained from a survey. Rates for the treatment of selected illnesses are pre-negotiated and based on the capitation model (fee per person) using Diagnostic Related Groups (DRG). There are separate DRG lists for rural and urban members. The insured pays the provider 25% of the treatment cost as co-payment at the time of discharge. Non- covered diseases, both minor and major, are left to the normal public health system

Services provided by Healing Fields are:

- Central Administration:
  - Very well defined processes for operations
  - A robust MIS that helps in analyzing the claim data for product and program innovations and linkages with existing public systems.

- Health profiles of every member. These are maintained by HEALING FIELDS FOUNDATION so there is no documentation for members/partners to maintain.
- Activities include documentation, Accounting, Support Staff and Product Development
- Innovative solutions are created to reduce the cost of care and increase benefits to the patients e.g. Nurse Manned Dispensaries, Saheli Concept.
- Product innovation
- DRG's, protocols, International Claims Diagnostics coding

- Client education and awareness: Facilitator, Field Officer or CSO staff conduct meetings, display pamphlets or show docudrama to increase awareness of current health needs, expenditure on health, loans/debts for health, need/relevance of health insurance, product DRG features and use.

- CSO/Partner Network: Support to any association/cooperative or other affinity group in providing these services whereby the members of the group can avail of medical services through the HSO. HEALING FIELDS FOUNDATION provides a network and linkages with Health Providers, Insurance companies, Govt. agencies and Health Management Services. Training is provided for Community Based Organizations (CBO) staff and NGO staff members during the pilot project.

- Enrolment/Renewal Administration: Enrol new and renew old clients, complete documentation and issue ID cards.

- Hospital Networking: Selected hospital is rated and networked with pre-negotiated rates. Prices are negotiated at "bulk" rates (approximately 75% of walk in or normal rates) and direct settlement/ payment occurs through a cashless payment system. This means no upfront out-of-pocket expenses for the members other than a 25% co-payment upon discharge. A Healing Fields' Facilitator is placed to do all the documentation, health education, post hospital follow up, drug compliance and hand holding of the insured.

- Client Service Delivery: Facilitator coordinates the hospitalization process. Healing Fields' Medical Management Team offers pre authorization, treatment second opinions, claims scrutinization and coordination and monitoring of the hospitalization process. This helps ensure appropriate treatment and should improve health outcomes.

- Transaction Processing: Fast and accurate claims administration services to support both the insurance company and health service providers. The turnaround time is 15 days to send the cheques to the hospitals.

In our opinion Healing Fields Foundation has had some success, yet there are still many challenges to develop a viable model.

- A key success is that the Foundation started with a strong board of directors bringing professional skills in medical management, IT, administration and accounting

- They are strong on process methodology and improving the process over time

- Prior to starting they have done comprehensive research on the target markets which leads to good product design

- Healing Fields Foundation was very successful in reducing the cost of health care expenditures and improving health outcomes, an achievement rarely achieved in the health insurance models developed globally. Negotiating fixed rates reduces cost immediately for clients. The peer review of the proposed medical procedure and the post-operative follow up improves medical outcomes by reducing readmissions. And finally the wellness education may have a positive impact

- Compared to surveys of health financing prior to the programme, there was a large reduction, 60%, in borrowing for health care, it is hoped that reduced lending requirements would stabilize a families earnings.

- The programmes impact is broader then the insured population, health education and monitoring of claims had the impact of reducing claims in the broader community.

The challenges in the approach taken are the following:

- Cost of administration of the model is very high, this will have to come down over time to make this a viable model. The period reviewed was in a start up mode and had not reached scale. Further research is likely required to find ways of reducing the cost of delivering the programme.

- Outreach remains a challenge; there was no measure of the potential market that should buy the insurance coverage, and renewal rates were low (in part by MFI's partners deciding to discontinue the programme). The partners in distribution may need assistance to help "sell" the insurance coverage. In addition some NGO/MFI may not be suitable partners with little commitment to it.

- Achieving viability may take up to 10 years due the complexity of health care financing, delivery and population expectations.

2 History

In November 2001, Healing Fields conducted a Health Needs Assessment Survey in order to understand the health needs and current health service utilization patterns among SHG members and their families. Using a Needs Assessment questionnaire, the study was conducted by individually interviewing a sample of 250 members from 2 NGO's in rural and urban/semi-urban areas of Andhra Pradesh.

Two years of extensive research led to the evolution of a Health Insurance product named 'Parivar Suraksha Bima' (PSB) with HDFC CHUBB (at that time and now HDFC ERGO GI) specially designed for the rural sector.

In February 2004, Healing Fields Foundation approached USAID for financial support to implement the model that it had designed. USAID decided to support HEALING FIELDS FOUNDATION in the implementation of the model through the *Healthcare Financing Delivery Project*. The main objective of the USAID support for the pilot project was to demonstrate that it was possible to provide efficient healthcare (hospitalization) to the poor at an affordable price using a risk-pooling mechanism for financing.

Overall Objective
To identify and implement processes that can work to improve accessibility of healthcare to the poor, and the underprivileged people

Specific Objectives

- Design an insurance product that meets the needs of the poor and make it accessible to the target group
- To assist in development and strengthening of linkages for social development
- To dovetail our Insurance programs with existing or future

Effective implementation of the product required NGO partnerships so HEALING FIELDS FOUNDATION approached 13 NGO's to partner in the implementation of the PSB Health insurance policy. In order to understand the hospital utilization pattern and the demographic, savings and health profiles of the target population, HEALING FIELDS FOUNDATION conducted a Rapid Assessment Survey in the form of a close-ended questionnaire on a sample of 1,094 members from the 13 NGO's.

Before the implementation began in March 2005, the project had expected to achieve the following key results:

- HEALING FIELDS FOUNDATION will negotiate with Insurance companies for best available rates
- Treatment of the community member without having to make any payments (other than 25% co-payment) at the time hospitalization, as they would have already paid the premium.

- Co-payment of 25% will be collected at the time of discharge but will be notified at the time of admission itself
- The insurer/funding agency clears claims and settles the claim to the Health provider
- HEALING FIELDS FOUNDATION ensures that claim is settled with Medical Provider/s as per eligibility
- Networks created for preventive and promotive care through partner hospitals
- With health care accessible and affordable, the overall health status improves and increases with working capacities of the members. Decrease in the number of working days lost due to illness
- Loans for meeting hospitalization needs will decrease and therefore more finances will be available for income generating activities thereby improving opportunities and livelihoods
- Increase in income levels and therefore increase in savings and cash flow

In our opinion, we also believe the project should meet the following objectives:

- Increase in well being of the targeted households from the resultant savings and cash flow.
- Decrease in borrowing by the targeted households for meeting hospitalization expenses.
- Networks created for preventive care through partner hospitals.
- Overall improvement in health status of the targeted households resulting in the reduction in number of working days lost due to illness.
- In addition, it was expected that the project would make significant progress on outreach, financial sustainability and scalability and replicability

In March 2005, the product was launched with 6 participating NGO's. Before the year was over, 8 more NGO's partnered in the pilot project for a total of 2,942 policies and 13,042 total insured members and their families.

By September 2007, 443 claims had been paid. 22 NGO's had participated in the pilot project issuing a total of 10,213 policies covering 42,728 people. A total of 5,455 policies were active at this time covering 22,415 people through 15 NGO partners.

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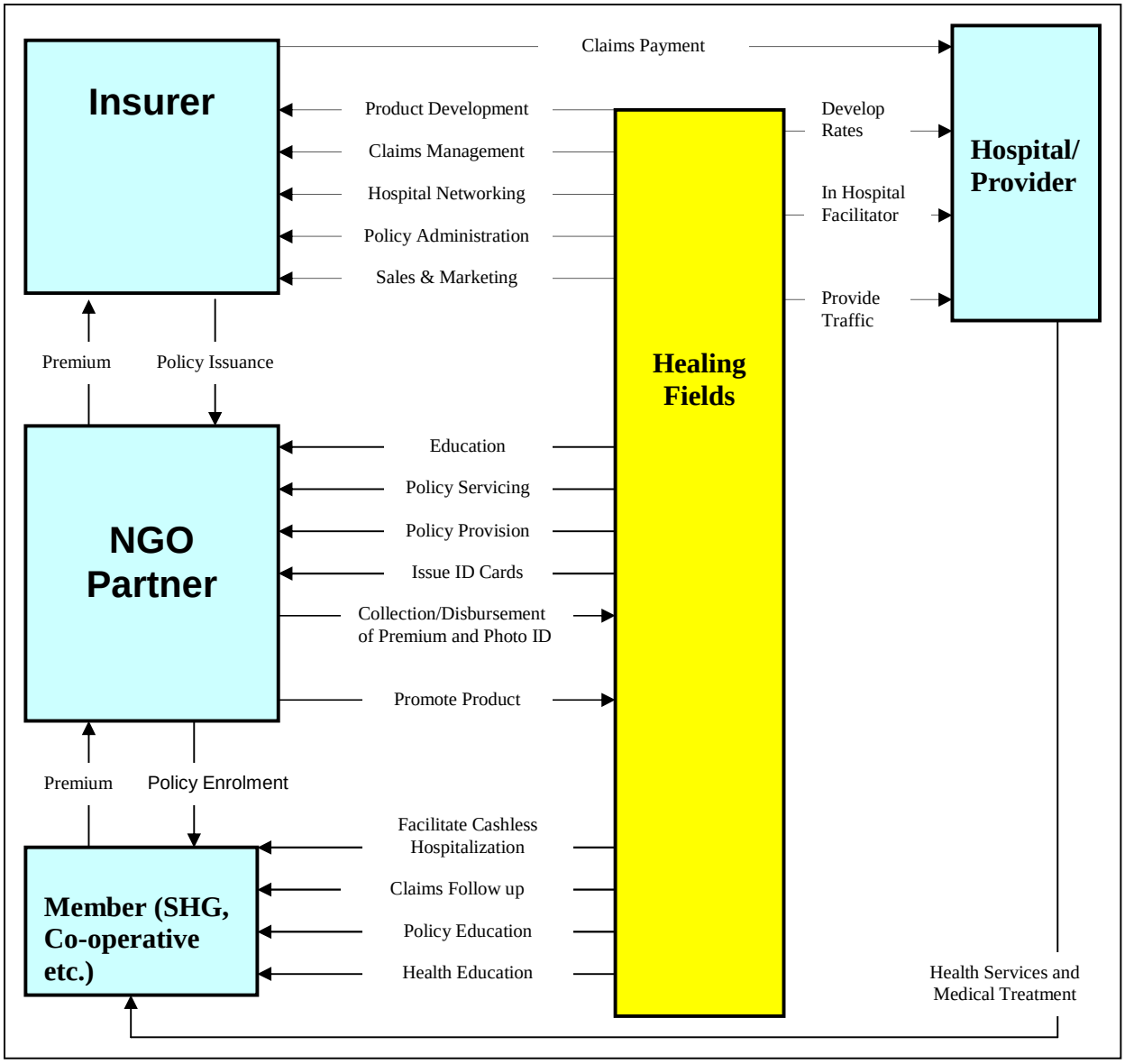
Main Achievements:

- 45 community animators covering 88 villages were trained in health education program
- Based on the experience of the first year the insurer added benefits to the product in the second year of the program
- With the support of the database and monitoring, epidemics like typhoid were contained in the operational areas by informing the concerned government authorities and action taken.
- Healing Fields emerged as a finalist for the "Best Service Provider Award" at the 9th Asia Insurance Awards 2005 among 600 companies across the Asia Pacific region.

Today, a community that was unable to afford any major medical treatment in the past, can access quality treatment at significantly lower costs than it would otherwise.

USAID, ILO and others acknowledge that the Healing Fields Foundation Healthcare Financing Delivery Project as the first of its kind in the world. Its success has resulted in it being among 12 projects from Asia included for a study conducted and published by ILO

Figure 1 Healing Fields Foundation Model



Initially, even though Healing Fields did all claims processing. IRDA regulations required that all claims were to be routed through a Third Party Administrator (TPA). IRDA regulations have changed and now a TPA is not mandatory, so Healing Fields

processes the claims and sends them directly to the insurer. This reduces the turn around time. The insurer sends the settlement, in the provider's name, to Healing Fields, who then forwards it to the Network Provider.

3 Business Opportunities

3.1 Target Segments

3.1.1 Social, Economic and Geographic Conditions

Healing Fields Foundation operates out of the city of Hyderabad in the southern state of Andhra Pradesh (A.P.). The target markets are members from the informal economy, such as home-based workers, vendors, producers and manual labourers. Most of the insured in the rural areas are daily wage earners and landless farm labourers dependent on seasonal agriculture. Out of the total policies ever issued, 69% of the insured representing 64% of the NGO's were rural. The active policies reflect that 58% of the NGO's with 76% of the policies are living in rural areas. The focus of the distribution has been in Andhra Pradesh. Table 1 illustrates the geographic distribution of policies issued. In Force is defined as "active" policies.

Table 1 Geographic Distribution

	Total NGOs	Total Policies	Total Insured	In Force NGOs	In Force Policies	In Force Insured
Rural	64%	69%	69%	58%	76%	76%
Urban	36%	31%	31%	42%	24%	24%
Total	100%	100%	100%	100%	100%	100%

From all issued policies, the gender distribution is even at 50% for males and females. 42% of all persons historically covered were age 20 or younger and 35% were between ages 21 to 40.

Table 2 Age Distribution

Age Band	Female	Male	Grand Total
< 1 Year	1%	1%	1%
1-10	20%	22%	20%
11-20	19%	23%	21%
21-30	21%	14%	17%
31-40	17%	18%	18%
41-50	13%	13%	13%
51-60	8%	8%	8%
61-65	2%	2%	2%
Total	100%	100%	100%

The policy includes coverage for members and their families. For all policies issued, there is an average number of insured per policy of 4.18. In looking at just the in force or active policies as at September 2007, the average decreases to 4.11 insured per policy

3.1.2 Major Risks and Vulnerabilities

Informal economy workers face many risks with little protection. Quality of care, cost, lack of health education, access to healthcare and financing are major issues.

The poorest populations are the most at risk to receive poor service, inappropriate treatment, lack of facility treatment protocols and inflated charges. Bribes are commonplace in government hospitals in order to receive basic care. According to Healing Fields surveys, members prefer treatment in private hospitals rather than government hospitals at least 70% of the time. Private hospitals are very expensive and beyond the means of most.

The poorest populations are also the least educated and more susceptible to certain diseases. Lack of knowledge around preventative healthcare, nutrition and proper post-treatment self-care, coupled with the limited public health services such as clean water and sanitation leave those in poor, especially rural areas, even more vulnerable. For the rural poor, additional transportation costs incurred to reach a healthcare facility, along with food and accommodations for accompanying family members only add to the financial stress.

HEALING FIELDS FOUNDATION research indicates that, 77% (urban) to 83% (rural) of members could not pay for their health expenditures out of savings. Without an insurance package, traditional financing approaches would be used; such as borrowing from savings group/bank savings, moneylenders, aid of relatives, pawning and selling of assets and at times selling themselves and/or their children into bonded labour to meet expenses.

With continuing feedback of member's needs, coverage expanded in the second year of operation to include hysterectomies, transportation benefit for the tribal population, pre and post hospitalization cover not drugs, post hospital drugs and an increase in the daily wage compensation benefit. In addition these change in practices such as post hospitalization drugs reduced readmissions. Feedback indicates members would like an expansion of the list of DRG illnesses covered.

3.1.3 Relationship between Client Risk and the Institution's Services

The Healthcare Provider Network was developed to ensure uniformity in quality care through an empanelment process which included a rating scale, second medical opinions, cost transparency and patient support through the hospitalization process. Every effort is made to empanel local area facilities so travel costs are minimized. Feedback is taken from all patients 3 and 10 days after they are discharged to assess the quality of care received. The feedback process is also another opportunity for health education and monitoring of post hospitalization drug use and care.

Post-hospitalization surveys indicate that 23% of the patients had taken loans to pay the 25% co-payment. Even if Healing Fields had only negotiated rates with no other services, members would still experience approximately a 25% savings as a result of the Hospital

Network Rates, demonstrating that having an aggregate can deliver immediate results to the client.

Healing Fields invests a tremendous amount of time providing the NGO's and members with healthcare and prevention education. The Foundation has also reduced some public health risks through claims analysis.

Typhoid spreads….

When 4 typhoid claims were presented from the same geographical area, the medical management team leaped into action. Testing the water source for the community they found it to be infected. They immediately notified the local public health officials who immediately closed down the water source. This monitoring action, reduced further typhoid claims for the insurance plan but more importantly it prevented further infections and lesser work days lost, and therefore better health to the insured, and greater community.

3.1.4 Familiarity with Insurance

From the HEALING FIELDS FOUNDATION 2001 Needs Analysis survey, overall about 55% of the respondents had heard of insurance. From among those respondents that have heard about insurance, about 23% overall had heard about health insurance.

Table 3 Awareness of Type of Insurance

Type of insurance	Urban	Rural
Life insurance	58%	43%
Health insurance	22%	23%
Vehicle insurance	10%	17%
Asset insurance	10%	17%

Even with a low awareness of health insurance, 98% of rural and 83% of urban respondents were interested in taking health insurance.

Education of members on the concept of insurance requires considerable effort, as target Clientele care only for its day-to-day earnings without a thought to adversities/risks to their families or themselves. To addresses this dynamic, Healing Fields Foundation focuses on Awareness Creation and promotion of the insurance concept with the NGO's and their members.

3.2 Product

Table 4 illustrates the current coverage in force.

Table 4 Coverage Details

Part 1: Health Insurance (HI)	
Model	Diagnostic Related Group
Type	Family floater
Coverage	Hospitalization
Term	1 year
Sum Insured	Rs 20,000
Wage compensation	Rs 100/- per day, for a max of 15 days in the policy year from 3rd day of hospitalization.
Hospitalization Coverage	43 illnesses defined by Rural and Urban DRG
Co-Payment	25% of total treatment amount upon discharge
Post Hospitalization Drug Administration	For a maximum of Rs 300/- per hospitalization at the time of discharge (in the form of drugs only)
Pre Hospitalization coverage	Within 10 days before hospitalization, with pre negotiated price on investigations
Transportation Reimbursement	Rs. 300 per hospitalization towards transportation only in Tribal Areas
Waiting Periods	As per Appendix B (: HEALING FIELDS FOUNDATION-HDFCC-DRG-U1/R1)
Pre-existing disease exclusions	As per Appendix B (HEALING FIELDS FOUNDATION-HDFCC-DRG-U1/R1)
Part 2: Personal Accident Coverage (PAB)	
Members	Member & Spouse
Capital Sum on death	Rs 25,000
Capital Sum on total disability	Rs 25,000
Capital Sum on partial disability	Rs 12,500
Benefit (a)	On death of primary insured member Rs 5,000 each to be paid to each surviving & studying child up to a max of THREE children
Benefit (b)	On death of primary insured member Rs 5,000 each to be paid to each surviving & unmarried girl child up to a max of THREE

A health insurance product viz., Pariwar Suraksha Bima catering to the needs of the poor, has been developed based on the findings of the Health Needs assessment survey. The policy covers 75% of primary and tertiary healthcare for listed illnesses only. The DRG (Diagnosis Related Group) list includes deliveries, pregnancy and coverage for

hysterectomies (which was added in the second year). There is a separate rural, urban and nurse manned DRG list.

In the second year, a few enhancements were made to the policy in order to reduce claims cost and improve health outcomes:

- Wage compensation was increased from Rs 50 per day to Rs 100 per day
- Transportation benefit of Rs 300 for tribal population was added in the second year
- Hysterectomy was included in the second year
- Post hospitalization Drug cover was included in the second year. This helped reduce hospital readmissions as members were now taking their medications that reduce infections and supported their recovery.
- Pre Hospitalization investigations leading to admission was also covered from the second year.

Members can enrol at anytime in the year with no prior health check up. An annual premium of Rs 336 can cover up to 5 family members on a single policy. A one- time administration/enrolment fee of Rs 10 is paid when the policy is first purchased to help Healing Fields recover some of their expenses.

A recent fee change has been introduced to encourage high community participation. A higher fee is now charged if a lower percentage of the community enrols.

No of Enrolments placed	**Registration Fee per enrolment**
500 – 1000	Rs 50
1000 – 2000	Rs.25
Above 2000	Rs 10

Cashless admission treatment can only be provided at a Healing Fields network hospital. In case of emergency the insured can go to non-networked hospitals and a reimbursement will be given according to the DRG. Pre-authorization by the Healing Fields Foundation in-house doctors is required before any treatment can take place.

The patient is only responsible for a 25% co-payment of the treatment cost upon discharge which is informed to the patient at the time of admission. The healthcare provider receives timely reimbursement for the service for the insured part through a cashless payment system facilitated by Healing Fields.

In additional to the financial benefits, Healing Fields Foundation also provides extensive non-financial benefits in the form of health education, prevention, insurance awareness and promotion programs.

Table 5 Product Details

Heading	Product Features and Policies
Micro insurance Type	Health insurance for Family size of 5 (Family means Member, Spouse, Children, Parents, Parents of spouse)
Group or Individual Product	Group
Term	1 Year
Eligibility requirements: Major Minor	18-65 years 90 days –21 years (unmarried)
Renewal requirements	None
Rejection rate	N/A
Voluntary or Compulsory	Voluntary
Product coverage (Benefits)	Health (hospitalization), Personal Accident Benefits (Death/Disability), See Table 8
Key exclusions	All the disease which are covered in the DRG list are treated. Waiting periods as applicable
Pricing – Premiums	Rs. 336 Annual, upfront paid upon enrolment or renewal
Other fees	One time enrolment fee: Rs. 50 to 10 Rs depending on numbers enrolled.
Pricing – co-payments and deductibles	Co-payment 25% of the bill at time of discharge.

3.2.1 Partners and External Relationships

Healing Fields Foundation supports organizations and people involved in the development of the healthcare fabric of India with Health Management expertise. The Foundation works with other NGOs, the private sector and the government and semi-government sectors. Their extensive knowledge of Health Care Management and Administration is leveraged to reduce wastage in the 'system', optimize utilization of resources and re-canalize the wasted resources to improve efficiency and quality of healthcare. Healing Fields has relationships with:

1) Insurance Companies

Healing Fields Foundation has a MoU with the private insurance company HDFC-General Insurance Company Limited outlining the duties of each party and the terms of the agreement. This agreement delegates Healing Fields Foundation as processing agency for enrolments and fulfillment agency for claims processing, with the insurer bearing the risk.

Enrolment processing activities (subject to a process audit by HDFC-GICL) that Healing Fields is responsible for include:

- Customer administration in relation to NGOs
- Endorsements for addition of further members under the policy
- Sensitizing and creating awareness
- Creation and administration of family identity card

- Policy Administration

Healing Fields Foundation claims fulfillment agency responsibilities are to:

- Develop a network of hospitals in the operational areas (rural, urban & tribal) for the hospitalization
- Negotiate rates with each of these hospitals on each of the listed diseases of the DRG model to offer a cashless service to the Insured family
- Designate a facilitator at the networked hospitals to ensure proper treatment to the patients
- Assist Insured family in process of hospitalization
- Initially HFF Assisted in filling of Claims Form, aggregate all relevant documents and submitted them to HDFC-GICL's TPA for Claims Processing. This is not part of the agreement anymore.

HDFC-GICL is responsible for settling and servicing the claims. This includes claim registration, adjudication and generating payment advice.

HDFC-GICL assumes all liability in regards to claim settlement. Healing Fields Foundation is responsible for any claims arising from any deficiency or failure in providing the identified claims service. The responsibility is limited to the payment received in regard to that particular service.

2) NGOs

NGO's are the key to the distribution system. The NGO signs a MOU agreeing to manage its member's insurance premium pool and, with support from Healing Fields Foundation, purchase health insurance for them. Healing Fields Foundation has 19 NGO partners in Andhra Pradesh and 1 in Karnataka, with partners in Kerala, Jharkhand, Uttaranchal, Uttar Pradesh, Orissa.

3) Healthcare Providers

Healing Fields empanels Hospitals/Nursing Homes to provide Healthcare Services to the members of partner NGOs. The Providers are rated before empanelling them into the network. The Healthcare providers sign a MoU agreeing to follow the Healing Fields Foundation Medical management processes, have a facilitator placed at the facility and to honour the pre-negotiated rates of the DRG. There are 39 partner hospitals in Andhra Pradesh, 4 in Karnataka, 9 in Kerala, 4 in UP and 1 each in Jharkhand and Orissa. All are private hospitals.

4) Community and Charitable Hospitals

Discussions with different hospitals in Hyderabad and different districts of Andhra Pradesh are in progress. A preferred provider network has been developed with some of the hospitals in different parts of India.

5) Professional Associations

Mukti Bosco Secretary General, Healing Fields Foundation has been selected as a **Fellow of Ashoka Foundation - Innovators for the Public**. ASHOKA is a global network of social entrepreneurs. These ASHOKA fellows are selected for their innovative and

practical ideas to address social needs in fields such as economic development, health, environment, learning, human rights and civic participation. ASHOKA was launched in India in 1980 and currently there are over 300 ASHOKA Fellows across India, serving all areas of human need.

One of Ashoka's core programs is the Full Economic Citizenship initiative that aims at the creation of innovative solutions for low-income populations at an unprecedented scale by harnessing the joint power of businesses and social organizations.

A core approach of FEC is the "Hybrid Value Chain" (HVC) - business-social commercial joint ventures that enable each partner to accomplish what could not be achieved alone. This innovative market-based approach combines the capabilities of the business and social sectors to create cost-effective ways of better serving these populations. Healing Fields is a partner in this program

Healing Fields is also a permanent member of the Asian Micro Insurance Network, and is a member of Community Lead Association for Social Security. Healing Fields is a part of and plays an active role in the CGAP working group on Micro-insurance. Healing Fields is also partnering with Social Impact.

6) Government
Healing Fields has been invited by different Govt agencies to be part of the planning and brainstorming process. Mukti Bosco as part of Healing Fields was invited to be part of the accreditation committee of the Govt of Andhra Pradesh to define rating and accrediting hospitals.

Mukti has also been member of the subcommittee of the IRDA subcommittee on Development of Micro Health Insurance in India.

7) Medical Community
Healing Fields Foundation has interacted and have tied up with different Medical networks like CHAI and CMAI to develop sustainable and mutually beneficial partnerships towards community building.

3.2.2 Distribution

NGO's (with support from Healing Fields Foundation) purchase health insurance coverage for their members.

Healing Fields Foundation spends a great deal of time educating and training the NGO, yet it is ultimately up to the NGOs to enrol and retain members. The effectiveness of the NGO's in reaching members requires commitment, time and organization. This is vital to the success of the model.

Some partners take a solidarity approach to the message of insurance. Others, especially the micro-credit organizations give the message as an additional benefit to their members.

The Healing Fields Foundation NGO Network Team supports the NGO through:

- Product and Service Design Consultation
- Developing a Hospital Network
- Pre and Post-Policy Training:
- Enrolment Process and Documentation
- Feedback and Innovation
- Awareness Creation

The training and awareness programs are key to the success of the model as they connect the community to healthier lifestyles and serve as a constant reminder of the importance of having health insurance. The poorest population's resources are severely stretched so day-to-day survival is more of a priority than long term risk management. The premise behind the model is that through building constant awareness about the insurance concept, the members will see the benefit in spending their limited funds on having health insurance for when the need arises

All training sessions for the NGO staff in post-policy training are planned and conducted by the Healing Fields staff and external resources that are invited to do the relevant sessions. The training schedule and the content is structured and developed in advance

Every Healing Fields enrolled member gets at least one session of Health education training per month. The selection of topics is dependent on the season. For example in summer there are more sessions on prevention of sunstrokes while in the monsoon season, the focus is on gastroenteritis. Geography also determines the priority of the sessions. For example in tribal areas the focus is on malaria while in the urban areas the focus is on lifestyle related diseases.

The Field Officers and Facilitators attend the regularly scheduled community meetings and conduct training during this time. A report summarizing the training conducted and the members' response is sent weekly to the Healing Fields Foundation Head Office. The facilitators also educate the members at the time of their hospital visit and during the home visit to collect the 3rd day feedback.

Nursed Manned Dispensaries – An Innovative Solution

In one of the tribal areas where the nearest networked hospital is about 60 km away from the hamlets where the community lives, an innovative concept of Nurse Manned Dispensaries has been developed to make healthcare more accessible. The partner NGO with their nurses run the dispensary. From the existing DRG, a list of 9 diseases, like malaria, Gastro enteritis etc., which can be treated by these nurses were identified and a separate DRG was created at a reduced pricing. The nurses were then trained, given treatment and operational protocols bringing the dispensary into the health care provider network. The dispensary becomes the primary referral centre. The doctors in the medical management team monitor the care provided at the dispensary. The creation of the dispensary has increased the accessibility of care to the community and has also helped in reducing the cost of care.

3.2.3 Benefits

Health Insurance
A member is covered up to Rs 20,000 for hospitalization expenses. For 2005-2007, the average claim paid was Rs 1,796 with a maximum Insurance Paid Amount (IPA) of Rs 12,470. This indicates that the maximum coverage amount is often adequate.

Personal Accident Benefit
There have been 4 PAB claims for Death since March 2005, with the total pay out being Rs 100,000 for death benefit, Rs 35,000 for education benefit and Rs 20,000 for marriage benefit . With payments of Rs 25,000 available for qualified Accidental death and total disability claims, Rs 12,500 for partial accidental disability and child survivor benefits of up to Rs15,000, this feature is quite attractive and useful in marketing.

3.2.4 Premium Calculation

The annual premium to cover a family of up to 5 people is Rs.336 as determined by the insurance company. A one-time enrolment fee of Rs.10-Rs.50 depending on the size of the group, is charged to help cover Healing Fields Foundation administrative expenses. All members pay the same premium regardless of age, size of family, gender or location. A typical premium is composed of the expected claims paid plus expected expenses of all parties

Keeping in mind that fluctuations do occur year-to-year, analysis of experience shows that the actual overall expected claim paid per policy for Healing Fields Foundation is Rs 121.

Table 6 Health Claims Experience

Annualized claim cost	Jan-Sept 2007	2006	Mar-Dec 2005
Health Claims cost per policy (Rs.)	162	113	79
Health Claims cost per insured Rs	40	27	17

A study by the government of Karnataka identified household health expenditures for health in the year 2004. The total expenditures included loss wages and transportation benefits. This study expected the average household to spend Rs 932 per year for hospitalization, wage loss and transportation. The expected expenditure for hospitalization only was Rs 652 per household per year. Under the HFF model we see that the hospitalization claims expenses is Rs 121 per year per household paid by the insurance company and Rs 40 paid by the individual, due to the 25% co-payment. Therefore under this model the expenditure for hospitalization is Rs 161 per year per household, **a significant reduction compared** to the state of Karnataka survey.

Our hypothesis is that there are several sources to this cost reduction.

- The risk covered, exclude certain diseases, reducing the expenditure by an estimated Rs 150 per household per year
- The direct discount negotiated with the hospital provides an automatic discount

- The peer review of the treatment and the post-hospitalization coverage have an impact of reducing expenditures and improve health outcomes.
- The health education component reduces claims

In our experience this is one of the few models that we have seen that reduces the claims cost, this component is very important to develop viable micro health insurance programmes.

3.2.5 Premium Collection

During the enrolment process, the NGO provider collects the first premium at the same time the proposal forms and ID cards are received by the NGO Network. The premiums are put into a common insurance premium pool managed by the NGO. Starting 4 months prior to renewal, NGO's are notified on their monthly report as to which policies are coming up for renewal. The annual renewal premiums are collected by the NGO's

The NGO Network also collects the administration fee during the enrolment process. After all information is verified by the TP- Enrolment department, the fee is sent to the Transaction Processing Accounts Department for processing.

3.2.6 Claims Management

Healing Fields Foundation administers a cashless reimbursement for hospitalization claims between the insurance company and the network healthcare provider. This means no out of pocket expenses (aside from the 25% co-payment) for the member. The healthcare provider is expected to be paid in 30 days after discharge, however the average claim settlement time is 10-15 days. The Healing Fields Foundation facilitator collects all documentation leaving the insured as well as the health provider free of this task.

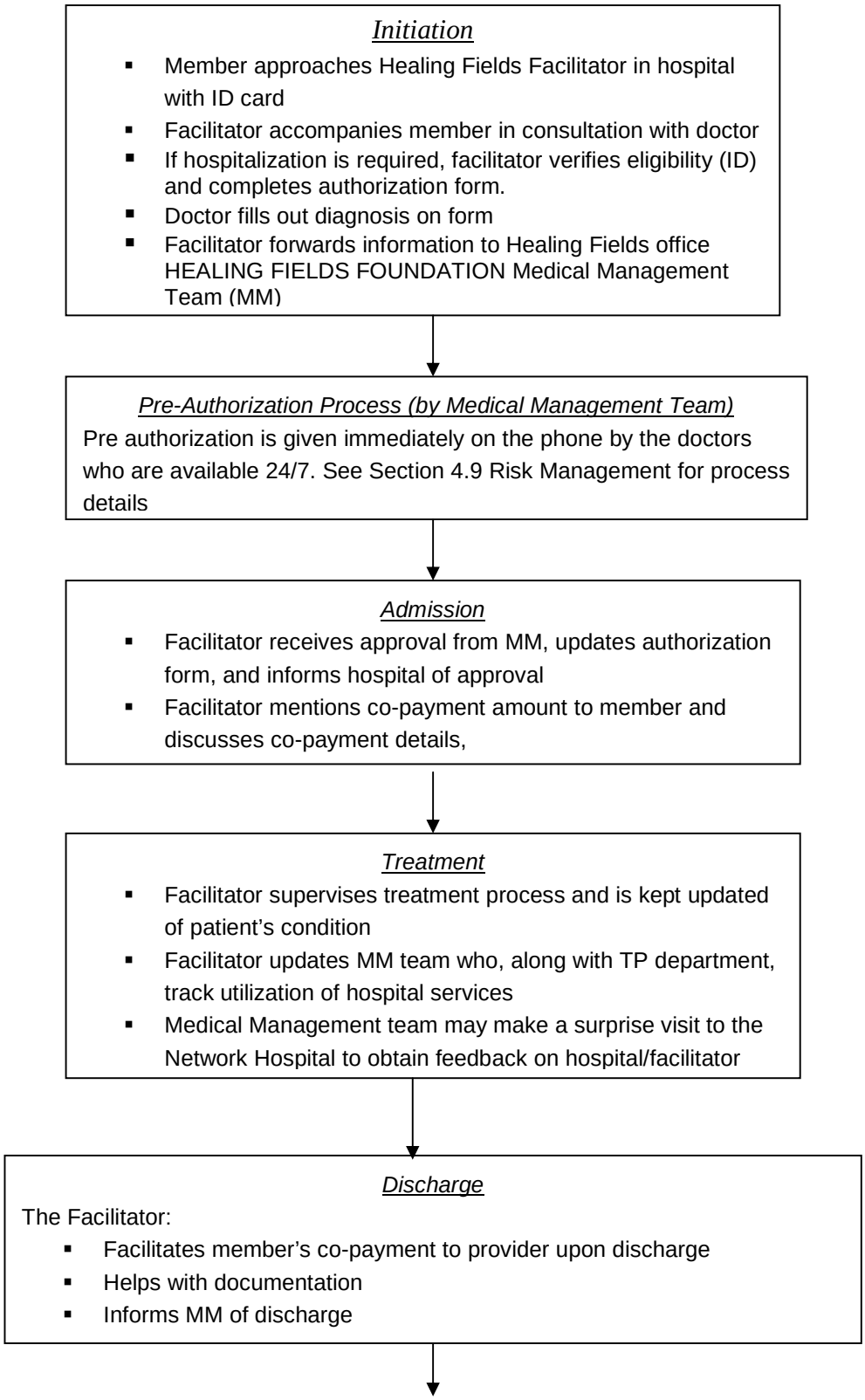
Claims Process*:*

1) Hospitalization

a) Cashless Claim Documentation required for processing. The claim is prepared by the Facilitator who is given in-depth training into this process.

- Claim Form
- Pre-authorization request
- Discharge summary
- Case Sheet
- Post Hospital Medicine Bills
- Consolidated Bills
- PPA bill
- Investigation reports
- Medical bills
- Cash memos

b) Hospitalization Claim Process



Claims Payment Process

- Facilitator Checks documents, fills in claims form and forwards documentation to MM team
- MM team scrutinizes and records info. See Section 4.9 Risk Management
- MM sends claim documents to TP claim dept where it's scrutinized again
- Claims documents are forwarded to TP Accounts
- Documents are sent to Insurer where they are verified once again
- A cheque is issued and sent to TP dept.
- TP Department sends cheque to the hospital

2) Personal Accident Benefit (PAB)

a) *Permanent/Partial Disability*
The disability claim process is very similar to the hospitalization process aside from additional information that needs to be provided and that the cheque is sent to the beneficiary.

Additional Documentation required for disability claims processing is:

- First Information Report (FIR)
- Certificate of Disability from Claims Management Officer (CMO)

b) *Death*
An autopsy is required to process a PAB death claim. The autopsy report is given to the Facilitator then forwarded to the MM team and then TP. The Facilitator also explains to the NGO coordinator or family what additional documentation is needed. Once the facilitator receives all additional documentation, the claims payment process continues. The settlement cheque is sent from the insurer to the TP-Manager and then forwarded on to the beneficiary.

Additional documentation required for PAB - Death claim processing is:

- Autopsy report
- Death certificate
- FIR
- Education certificate
- Certificate of girl children
- Claims document

To cover all possible circumstances, Healing Fields Foundation also has detailed documentation on procedures to follow under different scenarios such as:

- Patient can't pay co-payment
- Facilitator absent or on leave
- Patient has no ID card

- Situation escalates to a different hospital
- Treatment needed is not on DRG list

Table 7 Claims Settlement Details

Data	Observations
Parties involved in claims settlement	Beneficiary, Healing Fields Facilitator, Healthcare provider (doctor), Healing Fields Medical Management Team, Healing Fields TP Dept, Insurer
Documents required for claims submission	Hospital bills, documentation, pre-authorization request, Certificate of Disability, Death certificate, autopsy report
Claims payment method	Cashless with 25% co-payment
Time from treatment to claim payment	15 days
Claims rejection rate	N/A

Case Study 1

Mrs. Sarla*., resident of Peddakarrivari Palem is a member of Velugu Sagara Fishermen Society (in Srikakulam district). Their monthly family income is around Rs.2200/- and they lack even basic healthcare facilities in their village. When she came to know about Healing Fields' Pariwar Suraksha Bima, she thought it would help them and enrolled the scheme in March 2006. She renewed the policy in 2007 though they have not used it in the first year. On 21 April 2007, her 18 months old daughter Ms. Prema* was brought to the networked hospital at Sompeta in pulse-less condition. The patient was diagnosed as having 'Gastro Enteritis with severe dehydration' and was admitted immediately and treated. She was discharged on 27 April 2007. The family had to bear only Rs. 849/- as co-payment and benefited up to Rs.3464/- (including post hospitalization medicines worth Rs. 172/-). Ms. Sarla expressed full satisfaction about her daughter's treatment and felt that this health insurance scheme is of great help to the poor people.

Case Study 2

Rani*, a member of a self help group in the working area of the NGO called MARI, (in Warangal district of Andhra Pradesh) had taken health and personal accident insurance offered by Healing Fields Foundation. She had paid a premium on 19 May 2005.

She unfortunately died in an auto accident on 26th Mar 06. The nominee was awarded the death benefit Rs.25,000/-. Besides this, the two girl children secured the marriage benefit of Rs.5,000/- each as well as Rs. 5,000/- each towards education benefit. The male child received Rs.5000/- towards education benefit. The total benefit received by the insured family was Rs.50,000/-.

* Names changed to preserve the confidentiality of the patient

3.2.7 Risk Management and Monitoring

Moral Hazard
Healing Fields Foundation has put in measures to limit moral hazard on the part of the members. Upon enrolment, members receive a family ID card with an effective date, ID number, name, age, gender and relationship of all insured family members. A family photo is also used to verify the identity of the insured family members. The TP department scrutinizes all enrolment information before issuing the ID cards.

To limit unnecessary health claims, the member is required to pay a 25% co-payment directly to the provider.

Fraud and Abuse
Including the network hospitals as part of the eco-system limits fraudulent claims by physicians, inappropriate treatment, lack of facility treatment protocols and inappropriate charges. The network standards and efficiencies force transparency and a high level of medical competency. This leads to a higher quality of care and aids in building trust in the community that good treatment will be given at the facility.

All treatment and costs performed by the hospital must have *pre-authorized approval* of the Medical management team and all claims are *scrutinized* by the MM team and the TP department. Utilization of hospital services are monitored by the Facilitator, MM and TP teams

Pre-Authorization Process (by Medical Management Team)

- Verifies eligibility of patient for Healing Fields Foundation insurance coverage
- Ensures diagnosis falls under DRG
- Verifies suitability of Diagnosis based on investigation, patient's clinical history and present condition
- Authorization number is given along with approval amount and co-payment amount
- All Information is sent to MIS
- Chief Operating Officer/NGO team/TP are notified of approved amounts

Medical Management Scrutinization process

Ensures that:

- Required documents are filled out
- Preauthorization history matches recorded data
- Final diagnosis is the one authorized by MM team
- Diagnosis matches patients condition and treatment
- The doctor follows treatment protocol for the particular diagnosis

Adverse Selection
Smaller groups or a participation percentage less than 10% naturally lends itself to adverse selection. The smallest NGO groups do have the highest incidence rates indicating that some adverse selection is occurring.

The overall annual incidence rate is 1.35% per insured. The rate has been increasing as 2005 has an incidence rate of 0.65 % and 2006 has a rate of 1.46%. 2007 has an annualized incidence rate of 1.75%. This increase may be attributed to a greater awareness of the health coverage in the NGO's that partnered in the second year as compared to NGO's that partnered and then lapsed in the first.

Cost Escalation
The Network hospitals pre-negotiated rates and the system of Pre-authorized treatment and costs has been set up to keep treatment costs down. The average discount given by network hospitals towards Out patient consultation and investigations is 26%. In 2005, the discount was 22% and this increased to 29% in 2007.

Table 8 Hospital Network Discount

Year	Discount
2005	22%
2006	16%
2007	29%
Total	26%

Other Controls
Everything is documented (including Out patient visits) and forwarded onto the MIS department. Claims are documented by the Facilitator and scrutinized by MM, TP-Manager and the insurance company. Any document, cheque etc that enters and leaves the TP department are recorded in the inward and outward forms for tracking purposes.

3.2.8 Marketing

The NGO is the key to reaching members who would benefit from the insurance plan. . Building an understanding of the eco system of services is essential for an NGO's participation. An emphasis on quality services, education and support is important to the sales process.

The NGO Network team does the marketing for Healing Fields. They identify potential NGO's and during 3 calls, they give information about Healing Fields, explain the policy completely, assess the NGO's interest in Healing Fields Foundation and hopefully sign a MOU with the NGO. If necessary, a Rapid Assessment Survey (RAS) will be completed. The survey is a baseline evaluation of disease and healthcare utilization compiled by random interviews with about 100 members of the NGO.

Marketing activities include:

- Group/Village Meetings: These are routine NGO meeting used to introduce the DRG and Micro Health insurance product. The meetings raise awareness about claims incurred and encourage renewals.
- Pamphlets
- Haat Promotion: A haat is a weekly rural market covering 7-10 villages with approximately 500 visitors.
- Playing the video documentaries and docu drama.

To assist with renewals, alerts are sent to the NGO Network team and the TP Team starting 6 months before the renewal, at every month. One month before the renewal, the alert is sent every week. The members coming up for renewal appears on the NGO report sent out by the NGO Network.

The Saheli Concept

In a remote tribal area, an innovative marketing idea was developed called the Saheli Concept. Saheli's are basically members from the community who are given intensive training on the product, policy and health education. They in turn spread this across their hamlets and receive a fee of Rs.10/ for every enrolment. The Saheli Concept helps with accessibility and overcoming communication barriers in these remote tribal areas.

3.2.9 Customer Satisfaction

3.2.9.1 Renewal Rates

Renewal rates are a good indicator of client satisfaction with the product and service. In addition for this model they measure the strength of the commitment of the distributor. The overall Policy Year 1 renewal rate is 15%. The program started in March 2005 and renewal rates were at 10% for the policy year that included the initial members. Three out of the six initial NGOs that enrolled at March 2005 did not renew any policies. The renewal rate increases once the policies with March 2005 effective dates are excluded.

Table 9 Policy Year 1 Renewal Rates

Policy Year 1 for effective dates:	Renewal rate
March 05 – Feb 06	10%
April 05 – March 06	18%
May 05 – April 06	21%
June 05 – May 06	21%
July 05 – June 06	21%
August 05 – July 06	18%
Sept 05 – August 06	17%
Oct 05 – Sept 06	21%
Total policy year 1 rate	**15%**

By NGO, renewal rates vary from 0% to 71%.

Table 10 Renewal Rate Distribution by NGO

# of NGO's	Renewal rate
9	0%
1	8%
1	9%
1	12%
1	20%
1	26%
1	28%
1	41%
1	71%
5	N/A (Still in 1st yr)
Total: 22	**15%**

Some observations and reasons for the low renewal rates are as follows:

- *Quality NGO Relationships*: There are vastly different renewal rates between the NGO's. Developing relationships with committed NGO's that actively promote the product and its renewal to its membership is imperative. This may also be an indicator of NGO practices, type of members, location or income level. Further investigation may indicate which demographics and NGOs are best suited to the current product and changes that may be needed to meet the needs of the intended market.

- *Conflicting Mission of NGO:* Some Micro credit organisations did not renew as they saw the insurance benefit was reducing their loan portfolio.

- *Affordability/Ability to Pay*: The decreasing number of persons covered per policy may indicate that the very poor with larger families cannot afford the insurance.

- *Product Design/Willingness to Pay:* Some members may believe that the product does not meet their needs. Healthcare issues not covered in the policy may be occurring and therefore discouraging members. From the Needs assessment survey, there is a high willingness to pay for health insurance. Finding benefits that are valuable to the members is the challenge.

- *Payment Frequency*: Lump sum premiums may be a problem for members. Savings and credit groups could be targeted, encouraging members to save periodically to amass the required annual premium or pay by instalment. Premium Financing could be a solution to this as the partner NGO can work out the modalities for the same. With some committed NGO's, Healing Fields has encouraged them to develop a loan product for the specific purpose of Health Insurance and with that a lot of members have been able to renew and also possibly buy the insurance.

- *Economic Conditions*: Poor agricultural conditions can lower the participation in the insurance program.

- *Renewal Information to Members:* The sales message to the community did not stress that the policy must be renewed every year even if there is no claim.

- *Initial start up:* This review was conducted only 2 years and 5 months after launch, learnings can be used to improve future renewal rates.

- *Some of the NGOs who dropped out of the program in the second year were coming back in the third year due to the pressure from their communities who wanted this program.*

3.2.9.2 Member Feedback

3rd Day Feedback

On the 3rd day after the patient is discharged from the hospital, the Healing Fields Foundation Facilitator goes to the patient's residence and collects feedback. The 3rd day feedback asks for the patient's opinion on the treatment received, drug compliance, problems due to medication, and the health insurance coverage along with suggestions. The results were obtained from interviews with 262 patients.

10th Day Feedback

On the 10th day, the NGO Network field officer visits the patient and takes the feedback.. The 10th day feedback is more detailed. The results were obtained from interviews with 247 patients.

Patient Satisfaction Survey Report

As part of the Health Insurance project, to know the satisfaction levels of members who utilized the hospitalization services at the networked hospitals, a Patient Satisfaction Survey is carried out on different aspects of policy like Awareness about the product, Service Utilization, Accessibility, Affordability and Quality in delivering health care, Hospital expenditure details, Delivery mechanism and opinion of the patient (member) about the policy. A total of 369 patients were interviewed.

Post Insurance Survey

As part of the Health Insurance project, to know the satisfaction levels of members who utilized the hospitalization services & OPD services at the networked hospitals and to know the policy members interest in renewing the policy, a Post Insurance Survey is carried out on 9th month of Insuring the policy covering different aspects of HI policy like utilization status, member satisfaction of network hospital services, loan status to pay the Co pay amount, OPD service utilization, interest in renewing the policy, network hospital satisfaction in collaborating with Healing Fields. A total of 79 policyholders from 3 NGO's were randomly interviewed.

Survey Results

The combined results of all 4 surveys are:

1) All the members (patients) were aware that they were using the policy for Health Insurance.
2) The majority (98%) of the patients preferred to use the network hospital at first incidence of illness as they were covered under Parivar Suraksha Bhima (PSB) policy.
3) During the hospitalization process 99% members (patients) have not faced any problems. Doctors visited them regularly, Nurses were available at regular intervals, proper cleanliness was maintained at the hospital and the patients were satisfied with the doctor's treatment.
4) Surveys prior to the installation of the plan indicate 83% of the population borrowed money on hospitalization, now 27% take loans for hospitalization purposes, a significant reduction! This indicates that the burden of disease is less for members when compared to their earlier hospitalizations. Table 11 indicates the distribution and type of loans taken by members requiring loans to meet the hospitalization expenditures.

Table 11 Sources of Loans

Source of Loan	Frequency	Percentage
Financier	59	35
SHG	62	36
Hand Loans from friends and relatives	39	23
Savings	10	06
Sold Assets	1	01
Total	**171**	**100**

5) On an average each patient was benefited by Rs.2000 by availing the hospitalization services using this policy. These saving amounts would have been used by members for other productive purposes
6) Among the hospitalized members 97% were more confident in utilizing the network hospital services using the PSB policy.

7) General Feedback: Members were very satisfied in availing the network hospital services using the policy. They were happy to pay only 25% of the hospital bill at time of discharge. Since the member's hospital expenditure is reduced compared to their earlier hospitalizations, the hospital bill (25%) could be paid from their savings without taking loans. Members felt that Personal Accident Benefit provided in the policy and the wage compensation given to the primary member during hospitalization was very helpful and that post hospitalization medicines provided at the time of discharge were useful in curing the disease completely. It was acknowledged that the poor and middleclass could benefit from the policy. Members are interested in renewing the policy and the presence of the facilitator is helpful in accessing the network hospital services. Some members felt that the policy was good but

wanted more diseases covered in the DRG and wanted to see Out patient diagnostics (OPD) to be covered in the policy.

8) Other Conclusions**:**

a) Out of the interviewed policy members, 29% have utilized the policy offered by Healing Fields. 71% have not utilized.
b) Out of the members who utilized the policy offered by Healing Fields, 100% `have utilized for Health Insurance.
c) 87% have said that the hospitalization expenditure has reduced after taking the Healing Field's policy when compared to their earlier hospitalization. 9% have said that the expenditure has not reduced. 4% have not answered.
d) 88% have said that they have reduced taking loans from NGO's for health emergencies after taking the policy.
e) 52% have utilized the OPD services at the network hospital and 48% have not utilized.
f) Out of the interviewed families 67% have said that the premium is not burden and 33% have said that the premium is burden for them.
g) Out of the 33% who said the present annual premium is burden, 65% are willing to pay premium of Rs. 250, 23% are willing to pay the premium of Rs.150, and 11% are willing to pay the premium of Rs.100.
h) 79% are interested in renewing the policy and 21% are not interested.
i) The network hospitals running in the Healing Fields policy implemented areas were 100% satisfied in collaborating with the organization.

3.2.10 Reinsurance

With the use of the partner-agent model, almost all the risk is borne by insurance companies; hence, Healing Fields Foundation has no risk and reinsurance is not required. The ability to change partners due to the dynamic nature of the Indian insurance market can be useful in negotiating flexible arrangements in terms of price, coverage provisions, claims settlement practices and reimbursements for marketing expenses.

3.3 Product Development

3.3.1 Concept Development

The setting of Healing Fields Foundation eco system of health services was preceded by intensive research that evaluating the needs of the targeted members.

Surveys and Information Collection

In November 2001, a Health Needs Assessment Survey was conducted. The purpose of the survey was to understand the health needs, health service utilization and expenditure patterns of the SHG members and their families before developing a suitable alternate health-financing scheme for them.

Two major surveys were conducted, one rural and one urban/semi-urban. The target groups for both surveys were homogeneous Self Help Group (SHG) women who were familiar with savings and credit activities. The women were selected randomly from within 2 designated NGO's in Andhra Pradesh and were interviewed using a needs

assessment questionnaire to collect the required data. 150 rural and 100 urban women participated.

Key Results

a) Demographic Profile

Approximately 77% of the primary members are expected to be between the ages of 21 and 40, married and in a nuclear family of 6-8 people.. The average annual family income is approximately Rs. 28,000. As seen in Table 12, the rural areas are concentrated in the mid range while urban areas have a higher distribution in the lowest and highest ranges with less people in the mid range as compared to the rural area. Urban areas also have a more diverse range of education with more illiterate and more educated members as compared to the rural areas.

Table 12 Household Annual Earnings

Earnings (1000 Rs)	Urban	Rural
5-15	22%	14%
15-25	26%	22%
25-35	23%	41%
35-50	16%	16%
50+	13%	7%

Table 13 Type of Education

Education	Urban	Rural
Illiterate	48%	44%
Primary	32%	54%
Secondary	13%	2%
Higher	7%	

b) Health Profile

Common illnesses experienced by urban members are fever, common cold and hypertension. In the rural areas, accidents (29%), operations (27%), gynaecological problems (26%), hysterectomy and caesareans (15%) and kidney problems, diarrhoea (13%) were the most often reported problems.

37% of the members or their family members had been hospitalized in the previous 2 years. Urban hospitalizations were mostly for deliveries, accidents and hypertension. Rural hospital stays were mostly for deliveries, accidents, hysterectomies and diarrhoea.

c) Hospital Expenditures

Hospitalization expenditures ranged between Rs.4,500 to Rs.10,000 for rural and between Rs1,500 to Rs.50,000 for urban respondents. On average, health expenditures per urban family were around Rs.200 per month for OPD care.

Table 14 Average Hospital Expenditures

Hospital Expenditure (Rs)	Urban	Rural	RAS
< 5000	47%	46%	61%
5001 – 10000	18%	18%	20%
10001 – 15000	18%	18%	8%
15001 – 20000	5 %	7%	5%
> 20001	11 %	9%	6%

These hospital expenditures were mostly spent on doctor's consultations.

Table 15 Distribution of Hospital Expenditures

Type of expenditure	Urban	Rural
Doctors consultation	68%	65%
Investigation/medicines	25%	25%
Food, transport etc.	7%.	10%

d) Interest in Health Insurance
Around 83% of the urban SHG members interviewed were willing to participate in health insurance while 98% rural respondents expressed interest.

e) Financing of Healthcare Expenditures
From among the respondents who were hospitalized, 77% of the urban members had raised money for hospitalization expenses from loans, 83% for rural.

f) *Product Design*
35% of the urban respondents were willing to pay an annual premium ranging from Rs. 361-600 while 60% of the rural respondents would pay Rs. 120-240

Table 16 Willingness to Pay (Premiums)

Urban Annual Premium Bands	Urban	Rural Annual Premium Bands	Rural
Rs.120 to Rs.360	17%	Rs.120 to 240	60%
Rs.361 to Rs.600	35%	Rs.360 to 480	34%
Rs.601 to 1,200	30%		
Rs.1,200+	17%		
Cannot pay	1%		
No Response			6%

Most of the urban respondents said that it would be better if premiums could be paid in instalments.

For members in rural areas, 97% wanted insurance cover for the entire family while urban respondents wanted cover for the entire family was 64%. The urban percentage increases to 82% if those that did not respond to the question are excluded.

3.3.2 Product Design

The development of the health insurance scheme included:

- Establishing a rural and urban DRG list
- Creating an agreement with an insurance company for coverage and corresponding premium
- Design of efficient management and control systems
- Awareness Training

For each NGO that comes on board:

- A RAS may be conducted to establish need, patterns etc.
- Potential network providers are identified.
- Agreements are developed with healthcare providers including pre-negotiated rates and an assigned hospital facilitator
- The DRG list was developed based on the Disease Profile obtained during the Health Needs Assessment Survey. Modifications are made to the basic DRG from the Disease Profile obtained in the Rapid Assessment Surveys.
- Detailed rollout plan
- Product design was improved with experience (i.e.) post hospital benefit, etc.

3.3.3 Prototype Development and Testing

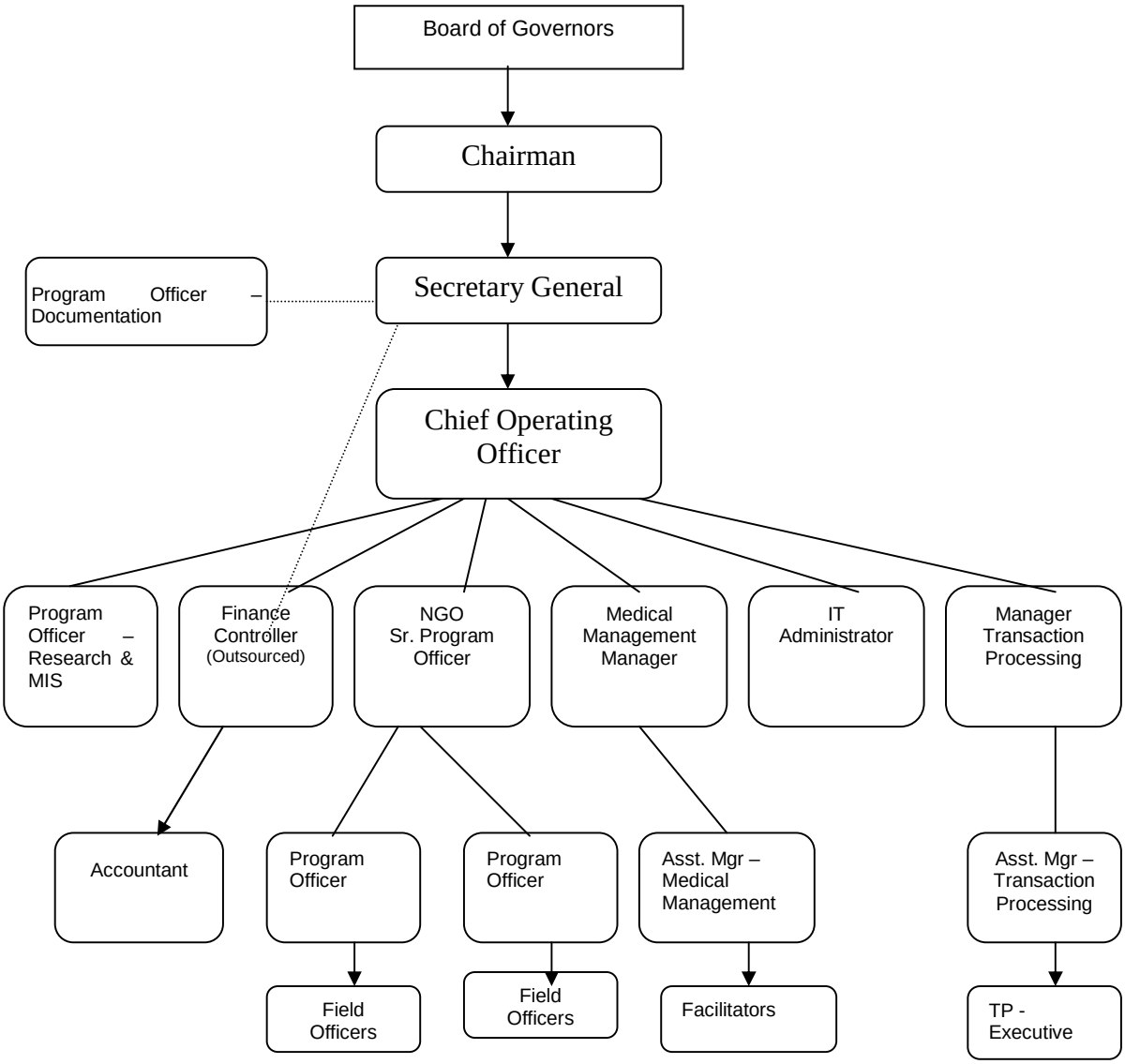
13 NGO's were selected for the initial launch of PSB in March 2005. A Rapid Assessment Survey was conducted consolidating all 13, with a total sample size of 1094 members. As at September 2007, 9 of the initial 13 NGO's had participated in the Healing Fields Foundation Model and 4 still having active policies. In year 2, as a result of feedback, the product was enhanced to include pre and post hospitalization for drug coverage, hysterectomies, transportation benefit for tribal members and an increase in the wage compensation.

3.4 Operations

3.4.1 Organizational Structure

The organization has clearly defined processes that also define the roles and responsibilities of the various departments. Healing Fields has thought through and developed process charts that cover different scenarios that are likely to occur. Planning for all these possibilities demonstrates the foresight and preparation that has gone into developing this model. This level of documentation reduces inefficiencies in the system when events out of the ordinary occur. All of this goes a long way in instilling confidence in the members and healthcare providers regarding Healing Field's competence, capabilities and level of service.

Figure 2 Healing Fields Foundation Organizational Structure



Board of Governors

The driving force behind the organization is the Board of Governors. Each member has a specialized background that contributes to the development and success of the unique eco-system. The Healing Fields Foundation Board of Governors has an extensive knowledge of healthcare, healthcare management, administration, and insurance and information technology. Members of the Board and their relevant backgrounds are:

Nimish Parekh
The Founder Chairman of the Board was also the Chairman of United Health Care, India, as well as Chairman of Sedgwick Parekh Healthcare, one of the first few registered TPA's in India . Along with this, the Chairman is a member of the Chamber of Commerce, India, is on the Indian Government's Health Insurance Working Group and the World Bank's Advisory Board on Voluntary Health Insurance.

Mukti Bosco
The Founder Secretary-General is a Fellow of the Ashoka Foundation, a member of the IRDA Sub Committee on Micro Health Insurance and a Consultant for the Government of Andhra Pradesh in regards to rating & accreditation of hospitals, member of the working sub group of CGAP on Micro Health insurance.

The remaining Board members' backgrounds range from family physicians, advocates, an ex-COO of a technology corporation, an ex-Vice-President of another technology organization and a Medical College Associate Professor in the Department of Community Medicine, who is also a member of the Indian Association of Preventive and Social Medicine.

Board members chair various committees such as the Procurement committee, the Compensation committee, Research and Publications Committee and the Audit Committee. The members of these committees are the Healing Fields staff.

2) Chief Operating Officer
The Chief Operating Officer reports to the Secretary General and in turn the Secretary general reports to the Chairman, Board and Donor Agencies

Receives updates from:	Regarding
NGO Network	Assessment of NGO interest Rapid Assessment Survey results Pre-Policy training feedback 10^{th} day feedback after member hospitalization
Transaction/Processing Dept	Policy received from insurer Claim payment complete with cheque sent to hospital
Medical Management Team	Authorization of a member's hospitalization 3^{rd} day feedback after member hospitalization Results of periodic hospital visits (circulated to all departments) Disease surveillance and monitoring reports

3) Medical Management Team (MM)
The Medical Management team is composed of the Medical Management Manager and Healing Fields Foundation in-house doctors, who help develop the hospital network, provide second opinions on treatment, scrutinize all claims, provide feedback and periodically assess network hospital service quality and facilitator effectiveness, thereby

ensuring a high quality of care. They are also responsible for driving the health education.

4) Facilitators

A facilitator is appointed for each network hospital. The main role of the facilitator is coordination of the member's hospitalization process, assistance with claim documentation, handholding them through the hospitalization process and gathering feedback and health education of the members.

5) NGO Network

The NGO Network is composed of a Program Manager/Officer and Field Officers who identify, train and administratively support NGO's with the product and also gather feedback from members.

6) Transaction/Processing Dept (TP)

The Transaction Processing Department is composed of TP manager, Asst TP manager, data entry operators who process all information in relation to Enrolment, ID cards and Claims

7) MIS/Documentation Dept

All business processes are shared with and maintained by the MIS department. The Documentation department documents the events and prepares case studies, annual reports and all publication and educational materials

The development of MIS for the Transaction Processing module is ongoing. It is expected to be ready for testing by end of February 2008. Currently, the claims and enrolment data are stored in Excel spreadsheets. The information set up makes information retrieval difficult and quite cumbersome. Lapsed policies are colour coded in red so sorting the data to determine the active policies requires manual coding. Date fields are not standardized so data manipulation is not possible, so again, manual coding is again required. Data controls are needed to ensure accurate analysis.

Once the MIS is operational, it will contain the *Enrolment Details* for the Primary member, Dependents and the Nominee, *ID Card* details, *Renewal screens* that renew the policy and allow *Amendments* for the Primary member, dependents and nominee.

The system also details:
Pre-Authorization Request: The Facilitator provides Primary Insurer details, Hospital details, Diagnosis Details and Attending Doctor Details. For approval, the Medical Management team submits comments, DRG information and ultimately if the pre authorization is approved or not approved.

Enhancements: The facilitator provides details for the request for changing/modifying the diagnosis while the Medical Management Team provides approval information.

Cashless Health Claims

Information provided by the Facilitator, Medical Management team and the Transaction Processing Dept are captured on 4 screens:

1) Claim Request by the Facilitator and Claim Validation by the Medical Management Team.
2) Document Checklist: To be filled out by the MM team before applying for a claim
3) Cashless Health Claims (for the TP team) – Documents the total claim amount by benefit type.
4) Claim Payment Details (TP Team) – Links to screens detailing Hospitalization, Wage Compensation and transportation benefit details.

Process Documentation

Healing Fields Foundation has detailed flow charts for the Medical Management Team, the NGO Network and the Transaction/Processing Department. Each flow chart shows the decision points, information flow, time lines and different scenarios that may occur between the departments, partners and the insured. For a new NGO partners, a detailed launch and action plan is developed with timelines for each step of the process.

Analysis

Regular analysis is show in Table 17.

Table 17 Regular Analysis

S.No	Analysis	Frequency	Reported
1	Claims Ratio • Overall • NGO wise	• Annual • Monthly	• Internally – to monitor over and under utilization • Insurer • NGO
2	Claims Frequency – Disease wise and geography wise	• Monthly & Annually	• Internally for planning health education & Preventive programs
3	Incidence Rate	• Annual	• Internal for finding out any major variations and also for Product Planning
4	Promptness in Settlement of Claims	• Annual	• To benchmark with the standard fixed of 7-10 days
5	Rejection rate – especially in reimbursement claims	• Monthly	• To monitor the reimbursement claims since they are critical in terms of the client
6	Renewal rates – Overall & NGO wise	• Annual • Monthly	• Sent to the NGOs
7	Analysis of benefit to the beneficiaries in terms of wage compensation and pre and post hospitalization cover	• Monthly • Annually	• Sent to the NGOs

Reporting:

- Monthly reports are sent to:
    - NGOs – Members covered, Hospitalizations, Claims settled, Claims in process, Claim pay out, claims ratio, health education programs covered for the members, summary of the 10^{th} day & 3^{rd} day feedback from their members, case studies from their area
    - Hospitals – No of Healing Fields members referred – Out patient & Inpatient, Amount paid to the hospital, Feedback about the service at the hospital from our members

- Quarterly Report sent to Insurer which covers:
    - NGO wise: Premium paid and the claim payout , claims ratio
    - Service fee paid and receivable
    - Prospective new clients and expected enrolments

- Every six months a program update report is sent to USAID

4 Results

4.1 Operational

At the time of this case study, Healing Fields Foundation has been operating for 31 months (March 2005-September 2007). Results indicate an increasing number of new policies and a slowly increasing in force.

Table 18 Total Policies Issued

Effective date	New policies	Total Beneficiaries
2005	2,942	13,042
2006	3,312	13,526
2007 (to Sept)	3,959	16,160

Table 19 Total In force and Renewals

Calendar Year	Renewed Policies	Renewed Beneficiaries	In force policies	In force Beneficiaries
2005			2,942	13,042
2006	300	1,274	3,608	14,783
2007 (to Sept)	547	2,300	5,455	22,415

As detailed in section 2.2.9, Healing Fields Foundation has an overall renewal rate of 15%. Policies issued in the early operational stages have a lower renewal rate than policies with later effective dates. Therefore the overall renewal rate is expected to rise.

The policy includes coverage for members and their families. For all policies issued, there is an average number of insured per policy of 4.18. In looking at just the in force (or active) policies as at September 2007, the average decreases to 4.11 insured per policy

Table 20 Average Number of Insured per Policy

Effective dates	All issued policies (active/non-active)	Renewals only	Lapses only	Total in force (Active policies for all effective dates at end of each calendar year)
2005	4.43	4.23	4.46	4.43
2006	4.08	4.20	4.04	4.10
2007*	4.08			4.11
Total	4.18	4.21	4.27	

*** To September 2007**

A total of 492 health claims have been paid since March 2005. 32% of the claims were paid to members in urban areas while the remaining 68% were paid to those in rural and tribal areas.

Table 21 Health Claims by Location

Location	Total Claims	Distribution
Rural	295	60%
Tribal	38	8%
Urban	159	32%
Grand Total	492	100%

Ratio (Annualized Data)	2007 (To Sept)	2006	2005
Health Claims Cost /Total Earned Premiums	48%	34%	23%

From Table 23

4.2 Financial Results

The key aspect to financial viability is ensuring the size of the premiums cover the claims incurred and administrative costs.

The premiums are meant to cover the actual claims paid, along with administrative costs that include claims and enrolment (processing and management), marketing and distribution. In this case, the majority of marketing and distribution costs are incurred in health, education and awareness training.

Insurer's Health Claim Payment Costs
The current monthly claim incidence rate is 5 per 1000 and the average claim is Rs 1,837. The insurer has Rs 200 (Rs.336 premium -Rs.101 Healing Fields Foundation administrative fee- Rs 35 for the personal accident portion) per policy to cover expenses including incurred claims. Keeping in mind that fluctuations do occur year-to-year, the overall average expected claim paid per policy for Healing Fields Foundation is Rs 121. Therefore, it is expected that the claims portion of the premium is sufficient to cover the claims payment.

Insurer's Personal Accident Claim Payment Costs
The premium per policy for the Personal Accident portion is Rs 35. Based on the current earned premium the personal accident portion is Rs 235,000 and claims incurred Rs 155,000 or a 65% claims ratio.

Fees Collected
Financial resources are derived from premiums, enrolment fees, administrative and claims fees paid by the insurer, donor support, and external funding. Healing Fields collects a Rs10 enrolment fee for each new policy to help cover expenses. Along with this, the insurer pays Rs101 of each premium to Healing Fields Foundation as an outsourcing fee .

Healing Fields Administrative and Processing Costs
As fees collected are on a per policy basis, at the current scale of business the cost of delivering insurance is high. With a higher volume, overhead costs and NGO training could create a lower cost per policy. With more policyholders also comes more

administration so process efficiencies and controls would be of utmost importance in order to actualize the cost benefits.

Table 22 Financial flows from client view

(Rs '000s)	Jan to Sept 2007 (Estimate)	2006	2005
Earned Premiums	757	1,065	532
Earned Enrollment Fee	17	32	21
Total Earned Revenue	**773**	**1,097**	**553**
Health Claims	365	359	125
Accident Claims	60	95	
Total Claims	**425**	**454**	**125**
Admin Expenses	4,178	6,412	6,704
Total Expenses	4,603	6,866	6,829
Net Income	(3,830)	(5,769)	(6,276)

Table 23 Key Financial Results

Headings (Rupees or Percent)	Jan to Sept 2007 est.	2006	March -Dec 2005
Net income (before donor contributions)	(3,860,000)	(5,769,000)	(6,276,000)
Total premiums and fees earned (Rs.)	773,700	1,097,316	553,720
Growth in earned premium value	(29%)	200%	
Claims (Rs).	424,841	454,273	124,780
Claims/Total Premiums %	55%	41%	23%
Administrative Costs	4,178,000	5,769,000	6,276,000
Administrative costs / premiums (%)	540%	525%	1133%
Commissions / Premiums (%)	N/A	N/A	N/A
Reinsurance / Premiums (%)	N/A	N/A	N/A
Net income added for the period / Premiums (%)	N/A	N/A	N/A
Health Claims cost per policy (Rs.)	162	113	79
Health Claims cost per total insured Rs	40	27	17
Growth in In Force number of Policies (%)	151%	122%	
Growth in In Force number of insured (%)	152%	113%	

Income earned from investments	N/A	N/A	N/A
Renewal rate (%)	16%	10%	

*The earned premium and fees for 2007 is projected to be Rs. 1,120,000

1. According to the table, even though the number of policies and number of insured are increasing, the amount of earned premium has decreased in 2007. A new NGO with 2,000 policies partnered in September 2007. None of that premium was earned as at September 2007 so the premium was excluded from the above chart. However, this group was included in the in force. This explains the appearance of a contradiction between insured growth and premium growth.

2. The projected earned premium and fees for 2007 is expected to be Rs 1,120,000. With this projected earned premium for 2007, the change in earned premium from the previous year is a 2.8% increase with a claim to premium ratio of 40%.

We have prepared the financial information using certain assumptions:

- The point of view of results is from the population paying premium and fees
- Equipment purchases where capitalized and amortized in the periods reviewed

This model does demonstrate a favourable claims ratio, however from the point of view of Healing Fields Foundation the operating expenses are too high to reach viability. It is normal for any new start up operations to have operating loses in the initial years. In the first year Healing Field Foundation expenses where Rs 2300 per policy, as they develop experience and increase scale cost have reduced to Rs 1000 per policy. If this model is to succeed the expenses have to be lower then Rs 100 per policy.

4.3 Reserves

As Healing Fields Foundation is a HSO/Service Integrator and therefore assumes no risk, the insurance company sets up the reserves. We assume that the insurer set up the correct UPR and IBNR

4.4 Impact on Social Protection Policy

Healing Fields Foundation is still in the pilot stage of demonstrating the concept of an eco-system of services. The system is designed to overcome common problems in micro insurance schemes. **What sets HEALING FIELDS FOUNDATION apart from other micro insurance schemes is the focus on awareness creation, access to quality care and monitoring of health care providers and client satisfaction which results in reduction in claims cost and an improved health outcome compared to post insurance scenario**. Given this uniqueness, along with its detailed needs analysis, network of hospitals, cashless reimbursements, tight controls, numerous scrutinization checkpoints, member support during hospitalization, feedback and detailed tracking and documentation of all processes, replicating the system and offering the product to a larger number of people could greatly impact social protection policy in India**. Based on other cases we have reviewed we do notice that the claims cost is much lower for Healing Fields Foundation compared to others**. We hypothesize that this may be due to controls.

The key to replicating the model on a grander scale is financial sustainability. The Healing Fields Model offers more services than most traditional Micro Health Insurance Schemes. The focus on health education and awareness creation is quite labour- intensive and costly. Innovative solutions are needed to reduce distribution and training costs in order to make it a viable large-scale healthcare solution. However this education should have the beneficial impact of improved population health and subsequently reducing their health cost. Further cost benefit analysis and development of the model is required.

5 Conclusions

5.1 Plans

1) Development Plans:

- Increase penetration in the existing geographical presence
- Spread the program to Uttar Pradesh, Maharastra, Bihar
- Increase the lives covered to 500,000
- Develop a range of products suitable for different target groups

2) Cost Reduction in all processes

3) Leverage current partner NGOs

4) Increase Accessibility

- Create primary dispensaries in remote rural areas

5) MIS: System should be complete by Feb 2008

5.2 Key Issues Summary

Remaining Challenges:
1) Capacity Building and creating awareness both to the NGOs and community, which needs to be continuous, intensive and thus absorbs a lot of resources.

2) Premium Financing in terms of co-contribution, loans, subsidy etc

3) Covering administrative and claims cost within the premium, perhaps scale is required.

4) To increase the numbers, micro health insurance needs to shift from voluntary to compulsory mechanism

5) Data integrity: The current enrolment database is on Excel and is cumbersome to retrieve information because of the way the fields are set up. In-active policies are displayed in a red font

6) Documentation of the TP department still needs work to show the handling of different transactions and controls.

7) Criteria needs to be established to help identify committed NGOs that will actively participate. The criteria for NGO qualification has been fixed based on the following parameters; Client base, Health Priority, Geographic location and Premium Financing availability. Also geographic mapping of the clients is done with every NGO before starting the enrolments so as to ensure good penetration rather that a wider spread.

8) The education, awareness creation and distribution components of the model are very costly, yet essential. Sharing and outsourcing some of these costs to the NGOs and other appropriate parties is key to making the model viable.

9) Renewals and Enrolments: Build in a commission structure to encourage NGOs to increase participation amongst their members.

10) USAID funding is ending in March 2008.

11) Members Ability to Pay:

- Does the Product Design fit members?
- Members are still borrowing to pay co payment
- Does the Pricing affordable for those most in need?
- Is the target group being reached?
- Lower co-pay on renewal would help encourage renewal and reduce the amount that clients have to borrow for co-pay.

5.3 Lessons Learned

- Healing Fields Foundation has demonstrated, with this model, that monitoring of health provider and pre negotiation of price has a positive impact in terms of improved quality of care and reducing the cost of claims. Globally few have achieved the ability to control health cost and improve health outcomes. This model is significant and should be noted by all in the health care field, improvement monitoring and review of process could reduce the cost of health care delivery.
- Active management discipline in process, monitoring and improvement results in a better result for the community and the model over time.
- Active Health promotion may also improve quality of health and reduce claims cost.
- The commitment and fit of the NGO to the Healing Fields objective was essential for retaining and enrolling members. Some MFI are really not interested in health insurance, so providers should understand the MFI before proceeding to provide health insurance.
- More research and experimentation is required to improve the outreach

- Even though the 6 service delivery activities are essential to building an effective healthcare system, it is extremely expensive and time consuming at this small scale
- In this initial phase start up costs are expensive. Making the operation more cost effective and efficient is vital to the long-term success of the Model.
- From feedback, patients are also demanding OPD to be included along with quality primary care. This could have the impact of further reducing hospitalization cost. Further development of an integrated health care package may have promising impact.
- An expansive plan is needed to reach and retain those most in need. These are the poor in the rural and tribal areas. This is similar to results we see in other countries where urban results are more expensive than rural areas. 24% of the active policies are in urban areas, yet urban areas had 32% of the total claims. It would be prudent to price health insurance policies based on expected claims, i.e. urban areas with a higher premium compared to rural areas. This would require monitoring of results
- It became evident that the lack of primary healthcare structures in more remote rural areas was a major obstacle for members in these locations. It is difficult to provide healthcare with no facilities, a lack of doctors and other health professionals and outdated equipment.
- Innovative solutions are needed to encourage those most in need to enrol and retain their policies.
    - Lower enrolment fee for larger families.
    - Different premiums by location (rural/urban/tribal). Have urban areas subsidize premiums of rural/tribal areas.
    - Creating a tiered premium based on size of family. Instead of capping participation at 6 people in a family rating should consider covering the parents and all their children.
    - Providing a renewal incentive which lowers the renewal premium over time with a “loyalty discount” or reduce the co-payment on successive renewals (and therefore reducing further the need for patients to borrow money).
    - Participation based enrolment rates. NGO’s with higher participation rates have lower enrolment fees.

Overall this model made a significant contribution to understanding how to reduce claims cost and improve health. Solutions are still required on outreach and reduction of the cost to administer this model. Due to the complexity of health care delivery, financing and the interaction with populations there remains a lot of work to find a better model. Any new start up model could take 7 to 10 years to find a break-even point.

6 Appendix A

HFF-HDFC-chubb-DRG-R1					
Sno	**DISEASE**	**CATEGORY**			
1	Fracture- Neck of femur	Surgical			
2	Fracture-shaft femur	Surgical			
3	Fracture - tibia and fibula	Surgical			
4	Fracture-radius ulna	Surgical			
5	Fracture-Ribs with lung injury	Surgical			
5.1	Only fracture ribs	medical			
6	Abdominal Hernia – Inguinal	Surgical			
7	Acute Appendicitis	Surgical			
8	Ectopic Pregnancy	Surgical			
9	Cataract	Surgical			
10	Complications of Pregnancy/Childbirth	Surgical			
11	Intestinal Perforation/Peritonitis	Surgical			
12	Renal Calculi	medical			
12.1	Renal Calculi requiring stenting	Surgical			
13	Foreign Body Pharynx/Larynx	Surgical			
14	Hemorrhoids	Surgical			
15	Anal fissure & Fistula	Surgical			
16	Fracture of humerus	Surgical			
17	Acute Renal Failure	Medical			
18	Jaundice	Medical			
18.1	jaundice with complications	medical			
19	Intervertebral Disc Disorders	Medical			
20	Diabetes Mellitus	Medical			
21	Vaginal Inflammatory Disease	Medical			
22	Ischaemic Heart Disease	Medical			
23	Tuberculosis-Intestine/Peritonium/Mesentry	Medical			
24	Normal Delivery	Medical			
25	Hypertensive Heart Disease	Medical			
26	Malaria	Medical			
26.1	cerebral malaria	medical			
27	Gastroenteritis with mild dehydration	Medical			
27.1	Gastroenteritis with severe dehydration	medical			
28	CVA	Medical			
29	Poisoning-Snake/Scorpion bite/inhalation	Medical			
30	Acute Bronchitis	Medical			
31	Acute Upper Respiratory Tract Infection	Medical			
32	Asthma	Medical			
33	Pneumonia	Medical			
34	Dislocation of elbow , shoulder	Medical			
35	Fracture of carpal bones	Medical			
36	Any fracture requiring POP Cast	Medical			

37	Pyrexia Unknown Origin	Medical			
37.1	Dengue	Medical			
37.2	Brucellosis	Medical			
37.3	Typhoid	Medical			
37.4	Viral fever	Medical			
38	Crush injury of hand	Surgical			
39	Prostaeectomy	Surgical			
40	Hysterectomy	surgical			

HFF-HDFC chubb - DRG - U1

Sno	DISEASE	CATEGORY			
1	Acute appendicites	Surgical			
2	Acute Renal failure	Medical			
2.1	Acute Renal failure with complications	Medical			
3	Acute respiratory infections	Medical			
3.1	Anal fissure and Fistula	Surgical			
4	Any fracture requiring POP cast (Lower limb)	Surgical			
5	Any fracture requiring POP cast (Upper limb)	Surgical			
6	Asthma	Medical			
6.1	Cataract	Surgical			
6.2	Cerebral Malaria	Medical			
7	Cholesystectomy	Surgical			
8	Complications of Diabetes mellitus	Medical			
9	Complications of pregnancy and child birth	Surgical			
10	CVA	Medical			
10.1	CVA with hemiperesis	Medical			
11	Diabetes mellitus non healing ulcer	Surgical			
12	Dislocation of elbow and shoulder	medical			
13	Ectopic pregnancy	surgical			
13.1	Foreign body Pharynx and Larynx	surgical			
14	Fracture carpel bones	surgical			
14.1	Fracture carpel bones (POP Cast)	medical			
15	Fracture humerus	surgical			
15.1	Fracture neck of femur	surgical			
16	Fracture radius ulna	surgical			
16.1	Fracture radius ulna(closed)	surgical			
17	Fracture ribs	medical			
17.1	Fracture ribs with lung injury	med/sur			
18	Fracture shaft femur	surgical			
19	Fracture tibia fibula	surgical			
19.1	Gastroenteritis with mild dehydration	medical			
20	Gastroenteritis with severe dehydration	medical			

21	Haemorrhoids	surgical			
22	Hysterectomy	surgical			
23	Inguinal Hernia	surgical			
23.1	Inguinal Hernia with mesh	surgical			
24	Inter vertebral disc disorder	medical			
25	intestinal perforation and peritonites	surgical			
26	Ischemic heart disease	medical			
26.1	Ischemic heart disease with ECG changes	medical			
27	jaundice	medical			
27.1	Jaundice with complications	medical			
28	Malaria	medical			
29	Normal delivary	medical			
30	Pelvic inflamatory disease requiring D&C	medical			
31	Pneumonia	medical			
32	Prostatectomy	surgical			
33	pyrexia of unknown origin	medical			
34	renal / urethra calculi requiring ESWL	medical			
34.1	renal calculi requiring medical management	medical			
35	Renal calculi requiring stentig	surgical			
36	Typhoid	medical			
37	Vaginal inflamatory disease	medical			