**Andhra Pradesh: Healing Fields Foundation Health Insurance Scheme**

### Scheme Design

Established in 2005, Healing Fields Foundation is a not-for-profit organization with a mission to make healthcare available and affordable to all people in India. The main objective of the foundation is to create a viable model allowing for a significant reduction of household expenditures on health, particularly hospitalization expenses. One distinctive feature of the organization was to bring together all stakeholders i.e. insurers, health providers, intermediary and community based organizations to cooperate in the design of a health insurance product catering to the needs of the poor. The whole process started with comprehensive needs assessment and healthcare services surveys whose findings provided the outline of an entirely new product. Additional preparatory activities included the organization of health camps and the development of insurance awareness and training programmes.

Healing Fields relies on an extensive knowledge of health care administration and has developed its own management information system to improve the effectiveness of the system. The organization also selects health providers through a rating system, negotiates standardized tariffs with all hospitals willing to enter into the network and relies on facilitators to do all the documentation, claims processing, health education and hand holding of the insured.

In the last year they have also introduced 2 new products. Single member product for construction/migrant workers premium Rs 264;
Cover health – Rs 15000; Personal accident – Rs 25000
Family floater for Metro cities Rs 469 premium for 5 member fly; Rs 508 for 7 member fly;
Cover health - Rs 28000; Personal accident Rs 25000

### Eligibility Conditions

The scheme is open to all adults from 16 to 65 years with children belonging to the 90 days – 21 years (unmarried) age group

### Exclusions

Coverage for listed illnesses only.

### Plan Benefits

- Rs 20,000 hospitalization coverage for a family of five
- Wage compensation for a maximum of 15 days at Rs 100 per day starting from 3rd day
- Post hospitalization medicines (Rs 300) at discharge
- Investigations costs covered if admitted within 10 days
- Transportation reimbursement for tribal groups
- Rs 25,000 personal accident cover for insured & spouse
- Additionally, Rs 5,000 for education of surviving child
- Additionally, Rs 5,000 for marriage surviving girl child

### General Overview

<table>
<thead>
<tr>
<th>Starting date:</th>
<th>March 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership profile:</td>
<td>Trust</td>
</tr>
<tr>
<td>Target group:</td>
<td>BPL/tribal families</td>
</tr>
<tr>
<td>Outreach:</td>
<td>5 states</td>
</tr>
<tr>
<td>Intervention area:</td>
<td>Rural and urban</td>
</tr>
<tr>
<td>Risks covered:</td>
<td>Health and personal accident</td>
</tr>
<tr>
<td>Premium Insured/Y:</td>
<td>Rs 67.2</td>
</tr>
<tr>
<td>Co-contribution:</td>
<td>-</td>
</tr>
<tr>
<td>Total premium:</td>
<td>Rs 336 per family</td>
</tr>
<tr>
<td>No of insured:</td>
<td>25,252</td>
</tr>
</tbody>
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### Operational Mechanisms

<table>
<thead>
<tr>
<th>Type of scheme:</th>
<th>Partner-agent</th>
</tr>
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<tbody>
<tr>
<td>Insurance company:</td>
<td>Private (HDFC)</td>
</tr>
<tr>
<td>Insurance plan year:</td>
<td>Not fixed (open year round)</td>
</tr>
<tr>
<td>Insured unit:</td>
<td>Family of 5</td>
</tr>
<tr>
<td>Type of enrolment:</td>
<td>Voluntary</td>
</tr>
<tr>
<td>One-time enrolm.fee:</td>
<td>Rs 10 per person</td>
</tr>
<tr>
<td>Premium payment:</td>
<td>Upfront</td>
</tr>
<tr>
<td>Easy payment mech:</td>
<td>Yes, with some partners</td>
</tr>
<tr>
<td>Waiting period:</td>
<td>No</td>
</tr>
<tr>
<td>Indirect subsidy:</td>
<td>Yes</td>
</tr>
</tbody>
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### Scope of Health benefits

- Tertiary health care:
- Hospitalization:
- Deliveries:
- Access to medicines:
- Primary health care: NO

### Level of Health benefits

- Hospitalization: Up to Rs 20,000
- Medicines: Up to Rs 300

### Service Delivery

- Prior H. check-up: No
- Tie-ups with HP: Private HP + nurse manned dispensary
- Type of agreement: Formal agreement
- No of Assoc. HP: 44
- Access to HC serv: Pre-authorization
- Co-payment: 25% of the bill
- HC service payment: Cashless
- TPA intervention: No
- Addit. financial ben.: Wage compensation
- Addit. non-fin. ben.: Health educ. progr.
Premium

The annual premium to cover a family of five is Rs 336 with a variable onetime registration fee of Rs 10 to Rs 50 depending on family size.

Insurance Plan Key Features

The insurance plan has the following main features:

- Holistic approach which packages the health insurance with prevention, promotion and health education programmes;
- Additional benefits targeting children that makes the scheme more attractive to families;
- Well-defined process to prepare and engage interventions in a new area;
- Broad network of hospitals applying pre-negotiated rates;
- Hospitalization process co-ordinated by a Healing Fields facilitator and monitored by Medical Management team;
- Robust MIS which helps in analyzing the claim data for product and programme innovations;
- Speedy in-house claims settlement (15 days);
- Second opinion provided by in-house medical advisor;
- Regular linkages with health programmes developed by public providers;
- 3rd day and 10th day feedback collected from the patient to ensure drug compliance and assess the quality of services delivered and usefulness of facilitator.

Main Achievements

- Wide range of partnership arrangements with various intermediary and community based organizations;
- Over a two-year period, 490 patients have benefited from the health insurance;
- 45 community animators covering 88 villages trained in health education;
- Nurse Manned Dispensaries reduces cost of health care
- Based on the experience of the first year, addition of new benefits in Year II;
- Effective participation in Governments’ efforts to contain epidemics like typhoid and malaria in operational areas;
- High level of satisfaction expressed by clients (95% in Year I and 96% in Year II).

Remaining Challenges

- To enhance insurance awareness at the community level and develop capacity of partner organizations;

Development Plans

- Achieve a stable coverage of 500,000 lives and extend programme to Uttar Pradesh, Orissa and Rajasthan;
- Shift from voluntary to compulsory enrolment mechanisms;
- Encourage more insurance companies to intervene;
- Negotiate and organize a co-contribution mechanism.