

1.1 Introduction

Ayushman Bharat is a health scheme of the Government of India launched on 23 September 2018 to achieve Universal Health Coverage as recommended in the National Health Policy, 2017 which envisages the attainment of the highest possible level of health and well-being for all at all ages.

The Scheme has been rolled out in rural and urban areas, based on the deprivation and occupational criteria of the Socio-Economic Caste Census, 2011 (SECC-2011) respectively, for over 10.74¹ crore families. Aim of the Scheme is reduction in out-of-pocket expenditure of poor and vulnerable population.

Ayushman Bharat comprises of two inter-related components, which are:

i. Health and Wellness Centres (HWCs)

First component of Ayushman Bharat is the creation of Health and Wellness Centres (HWCs) by transforming Primary Health Centres (PHCs)/Sub-Centres (SCs) to provide Comprehensive Primary Health Care (CPHC). HWCs will enable a focus on wellness and health promotion, provide an expanded range of primary healthcare services, including access to medicines and diagnostics, to be delivered close to the community.

The objective is to set up 1,50,000 HWCs by December 2022 in order to facilitate universal health coverage and reduce out of pocket expenditure. As on 30 November 2022, 1,31,150 HWCs were functional.

ii. Pradhan Mantri Jan Arogya Yojana (PMJAY)

The Second component of Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY) provides a health cover up to ₹ five lakh per family per year, for secondary and tertiary care hospitalization services. PMJAY provides cashless and paperless access to services for the beneficiaries at the point of service.

¹ In January 2022, GoI approved the expansion of beneficiary base to 12 crore families based on National Food Security Act (NFSA) data.

The inclusion of households is based on the deprivation and occupational criteria of the Socio-Economic Caste Census 2011 (SECC-2011) for rural and urban areas, respectively. This number also includes families that were covered in the Rashtriya Swasthya Bima Yojana (RSBY) but did not form part of the SECC-2011 database.

Even though PMJAY uses the SECC as the basis of eligibility of households, many States are already implementing their own health insurance schemes. The States have been provided the flexibility to use their own database for PMJAY. However, they have to ensure that all eligible families based on the SECC database are necessarily covered. Beneficiary eligibility for PMJAY is detailed in **Annexure-1.1**.

This Report examines various issues relating to the implementation of the Pradhan Mantri Jan Arogya Yojana component of Ayushman Bharat.

1.2 Subsuming RSBY in PMJAY

A Committee of Secretaries constituted for transition of Rashtriya Swasthya Bima Yojana² (RSBY) from the Ministry of Labour and Employment to the Ministry of Health and Family Welfare had submitted (December 2014) its report to the Cabinet Secretary and cited multiple weaknesses in implementation of RSBY such as inadequate involvement of State Governments, lack of uniformity in database, no indicators for monitoring of scheme, lack of awareness about the Scheme among intended beneficiaries, non-enrolment of significant targeted population under the Scheme and increase in out of pocket health expenditure of beneficiaries etc. To integrate RSBY into the health system and make it a part of the comprehensive health care vision of Government of India, RSBY was transferred to Ministry of Health and Family Welfare (Ministry) on "as is where is" basis with effect from 01 April 2015.

Keeping in view the shortcomings of RSBY, Cabinet approved (March 2018) the launch of Ayushman Bharat National Health Protection Mission now known as Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY). PMJAY was launched on 23 September 2018 across the country.

² A centrally sponsored scheme for unorganised workers and BPL Population providing cashless health insurance coverage of ₹30,000 per annum on a family floater basis for five members.

1.3 Salient features of PMJAY

The salient features of PMJAY are detailed in **Table-1.1**.

Table-1.1: Salient features of PMJAY

Health cover of up to ₹ five lakh per family per year on family floater basis, for secondary and tertiary care hospitalization through a network of Public and Empanelled Private Healthcare Providers
Cashless and paperless treatment for the beneficiary at the time of hospital admission, no money is required
No cap on family size, age or gender. Dependents of the registered beneficiary can avail benefits on his/her card
Coverage of three days of pre-hospitalization and 15 days of post-hospitalization expenses including medicines, follow-up consultation and diagnostic
Benefits are portable across the country. A beneficiary can avail AB-PMJAY benefits in empanelled hospitals from any State beyond his/her home State
Inclusion of 1,393 procedures in Health Benefit Package-1.0. HBP-2.0 released in December 2019. Presently covers 1949 procedures with 27 specialties (April 2022)
Treatment of COVID-2019 patients had also been covered under Ayushman Bharat w.e.f. 04 April 2020

1.4 Institutional Structure

The Union Cabinet on 21 March 2018 approved the Ayushman Bharat National Health Protection Mission and the National Health Agency was set up as a society, under Societies Registration Act, 1860, on 23 May 2018.

In September 2018, the Mission was renamed as Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY). On 2 January 2019, the Union Cabinet approved the restructuring of the National Health Agency as the National Health Authority (NHA) as an Autonomous Body under Ministry of Health and Family Welfare. With this restructuring, the National Health Agency which functioned as a registered society was dissolved and its status was enhanced to that of an Authority. NHA has been provided with full autonomy, accountability, and mandate to implement PMJAY through an efficient, effective, and transparent decision-making process.

NHA is governed by a governing board. It is chaired by the Union Minister of Health and Family Welfare and has a panel of 11 members³. Organisational Structure of NHA is given in **Annexure-1.2**.

³ Chief Executive Officer, NITI Aayog, ex officio. • Secretary, Department of Expenditure, Ministry of Finance, Government of India, ex officio. • Secretary, Department of Health and Family Welfare, Ministry of Health and Family Welfare (MoHFW), GoI, ex officio. • CEO, National Health Authority, Member Secretary. Two domain experts appointed by the Government of India in the areas of administration, insurance, public and private healthcare providers, economics, public health management. • Five Principal Secretaries of Health of State Governments, one representing each of the zones viz. North, South, East, West and North-Eastern States on a rotational basis.

Institutional Structure is outlined in **Table-1.2**.

Table-1.2: Institutional Structure

National Health Authority (NHA)	NHA, headed by CEO is divided into seven verticals, namely Finance, Administration, Policy & Knowledge Management, Information Technology, Beneficiary Empowerment, Hospital Networking & Quality Assurance (HNQA) and State Partnerships. These cover the operations and support functions in the implementation of PMJAY.
State Health Authority (SHA)	State Health Authority (SHA) is the nodal agency responsible for implementation of PMJAY in the States, headed by a Chief Executive Officer (CEO). The CEO, SHA is appointed by the State Government and is <i>ex-officio</i> Member-Secretary of the Governing Council of the SHA. The CEO is supported by a team of specialists dealing with specific functions. The team is counselled and overseen by a Governing Council set up at State level. Along with the day-to-day operations of PMJAY in the State, SHA is responsible for data sharing, verification and validation of family members, Information, Education, Communication and monitoring of the Scheme.
District Implementation Unit (DIU)	District Implementation Unit (DIU), chaired by DC/DM/Collector of the District has been established to support implementation in every District included under the Scheme. The DIU coordinates with the implementing support agency (ISA/Insurer) and network hospitals to ensure effective implementation and send periodic review reports.

1.5 Implementation modes

PMJAY is being implemented in three modes *i.e.* Insurance, Trust and Mixed as detailed in **Table-1.3**. The States may choose any of the implementation modes. The Central Government share is released to the State nodal agencies in three instalments of 45:45:10 in case of Insurance mode and 50:25:25 in case of Trust and Mixed modes.

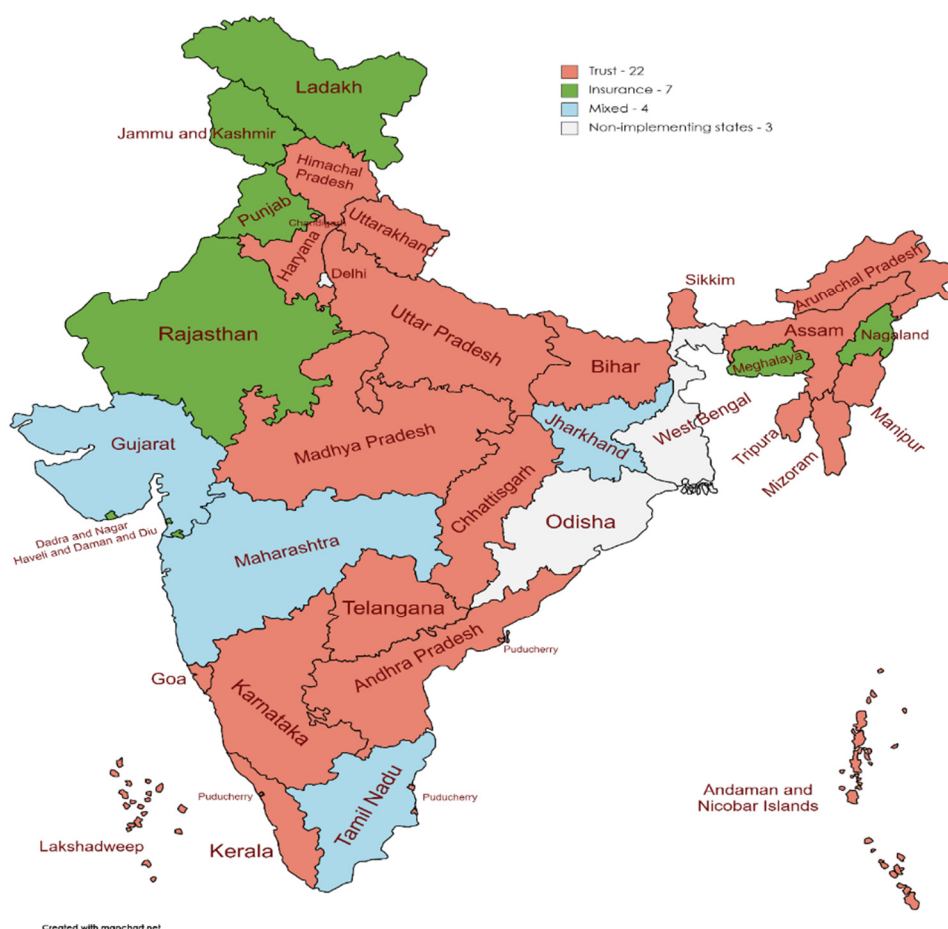
Table-1.3: PMJAY Implementation Modes

Insurance Mode	SHA selects an insurance company through a tendering process. Based on market determined premium, SHA pays premium to the insurance company per eligible family for the policy period, which in turn, settles the claims and makes payments to the service provider. The financial risk for implementing the scheme is, thus, borne by the insurance company.
Assurance/ Trust Mode	In this mode, the financial risk is borne by the Government, as the SHA directly reimburses the healthcare providers. SHA employs the services of an Implementation Support Agency (ISA) for claim management and related activities. SHA also has to carry out specialized tasks such as hospital empanelment, beneficiary identification, claims management and audits and other related tasks.
Mixed Mode	SHA engages both the assurance/trust and insurance models mentioned above, thus, providing flexibility and allowing convergence with the State scheme(s). This model is usually employed by those States which had existing schemes covering a larger group of beneficiaries.

As of March 2021, out of 36 States/UTs, 32 States/UTs had adopted the PMJAY. Out of these, 21 States/UTs adopted the Trust Mode, seven States/UTs adopted the Insurance Mode and four States adopted the Mixed Mode. Beneficiaries under the Trust mode constituted 62.11 *per cent* of the total beneficiaries, while the Mixed Mode and Insurance Mode covered 27.66 and 10.23 *per cent* respectively of total beneficiaries.

Delhi and **Odisha** are yet to adopt the Scheme. **Telangana** adopted the Scheme in May 2021, while **West Bengal** withdrew (January 2019) from PMJAY.

The following diagram depicts States/UTs with their corresponding mode of PMJAY implementation:



State-wise details of modes of Implementation are given in **Annexure-1.3**.

1.6 Financing of Scheme

Funding of PMJAY is shared between the Central and State Governments with the ratio of contribution between Centre and State at 60:40 in all States, except the North-Eastern States, two Himalayan States (**Himachal Pradesh** and **Uttarakhand**) and **Jammu and Kashmir** (a Union Territory with legislature), where the sharing ratio is 90:10. For Union Territories

without legislatures, the Central Government may provide up to 100 *per cent* on a case-to-case basis.

1.7 Significant Modules of PMJAY

PMJAY is paperless and functions through an IT System. The IT system includes end-to-end information security and privacy of beneficiaries' data for beneficiaries' portability, grievance management and anti-fraud measures, etc. The Mission of PMJAY for the next five years is: "Creating the world's best health assurance programme on an efficient and technologically robust ecosystem". Significant Modules of PMJAY are detailed in **Table-1.4**.

Table-1.4: Significant Modules of PMJAY IT System

<p>Beneficiary Identification System (BIS) Module under PMJAY helps verify beneficiaries from the database and create beneficiary registries</p>	<p>Transaction Management System (TMS) Allows for capturing of in-patient data on admission, treatment, and discharge, and onwards to hospital claims and financial settlement; and consists of two significant sub-modules.</p> <ul style="list-style-type: none"> • Pre-Authorization module • Claims processing module
<p>Hospital Empanelment Module (HEM) Module for empanelling hospitals</p>	<p>RADAR and FACTS⁴ National Anti-Fraud Unit (NAFU), a fraud control vertical of NHA, has identified a certain number of instances which when detected, the transaction/set of transactions are flagged as suspicious transaction(s) and forwarded to State teams for further investigation at their end.</p>
<p>Central Grievance Redressal Management System (CGRMS) CGRMS is a system set by the National Health Authority for registering, processing, managing, monitoring and redressing all grievances from any of the aggrieved stakeholder under the PMJAY.</p>	

Audit analysis of the data provided by NHA in respect of all the five significant Modules of PMJAY and findings thereon are discussed in the subsequent Chapters.

⁴ RADAR-Risk Assessment, Detections and Analytical Reporting
FACTS-Fraud Analytics Control and Tracking System