

CABINET MEMORANDUM

(CIRCULATED UNDER RULE 17 OF THE RULES OF ASSAM EXECUTIVE BUSINESS)

FILE NO. HLA.995/2016**Subject: Guidelines for implementing Atal Amrit Abhiyan****1. Introduction**

During the budget speech 2016-17, the State Government has announced implementation of Atal Amrit Abhiyan, a Health Assurance Scheme, for providing cashless treatment and coverage of critical care targeted at the BPL population and Low Income households. The budget announcement is quoted below:

Health Assurance Scheme- Atal Amrit Abhiyan :

- 32.3. *Illnesses, whether long term chronic or sudden and acute, can impose costs on households that can cascade into catastrophic healthcare expenses with wide ranging consequences. Even in the lower middle class and middle class families, when critical illnesses occur, access to quality treatment is restricted, often on account of prohibitive costs. The highest attainable standard of health is a fundamental right of every human being and Article 21 of the Constitution endorses this. It is estimated that about 70% of all healthcare spending in India is drawn from personal, or out of pocket expenses of households.*
- 32.4. *In light of this and to take forward our Government's commitment to the people of Assam, a comprehensive coverage for six commonly prevalent and high cost disease group is proposed. These are : (a) Cardiovascular diseases, (b) Cancer c) Kidney diseases, d) Neo natal diseases, e) Neurological conditions, and f) Burns. We also propose to cover all cases which require surgical intervention and/ or intensive care.*
- 32.5. *The proposed Scheme, to be finalized and put in place by the Health & Family Welfare Department, will be smart card based with unique identification number for the beneficiary. The total sum assured will be Rs. 2,00,000/-per person per year. The Scheme will be free for BPL people and for families having annual family income of Rs. 5 lakh or less, the beneficiaries will be charged Rs. 100/- per member per year. The aim is that as enrolment increases, this scheme will be self-sustainable in terms of budgetary requirement.*
- 32.6. *Both public and private health providers which provide specialized treatment for these diseases would be eligible for empanelment under the scheme. We hope with this, the long suffering lower and low middle income group families of Assam will get relief when one of their family members falls critically ill.*

32.7. It is a matter of great pride that the Education Department has resolved to cover all the students studying in government schools across the state under this proposed Scheme. The Labour Department is seriously contemplating to cover all the workers of the unorganized sector under this proposed Scheme. I appeal to all government departments / semi-government agencies/ private organizations to come forward and take advantage of this initiative so that their workers can benefit from this innovative Scheme.

32.8. For the current year, to build credibility, trust and awareness, we have decided to extend benefits under the Scheme to all eligible citizens, even in the non-BPL category, without any payment.

32.9. We aim to unveil the Scheme on 2nd October, 2016. The Scheme has been named after the great visionary and former Prime Minister, Shri Atal Bihari Vajpayee, and will be called Atal Amrit Abhiyan. For this financial year, I am proposing a sum of Rs. 45 Crores for this Scheme.

This present proposal seeks approval of the Cabinet for the guidelines for implementation of Atal Amrit Abhiyan.

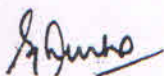
2. Background

2.1. A large number of households are pushed into poverty as a result of high levels of spending on healthcare. The Below Poverty Line (BPL) population and Low Income households with annual income below Rs 5.00 Lakhs are especially vulnerable to this phenomenon due to serious ailments.

2.2. To address this key vulnerability faced by the BPL population and Low Income households in the state, the Government of Assam has taken a decision to launch a medical care scheme – to be called Atal Amrit Abhiyan– providing cashless treatment and coverage of critical care targeted at the BPL population and low income households. The proposed scheme will cover the entire State of Assam.

2.3. The Scheme is intended to benefit Below Poverty Line (BPL) population and low income households (Annual income of individual below Rs 5.00 Lakhs) in all districts of the State of Assam.

2.4. According to past enumeration, there are approximately 25.50 Lakhs BPL families (as per Census 2001) and the estimated BPL individuals in the BPL category will in the order of 102.00 Lakhs in the all districts of the State. District wise profile of the BPL families is as follows:



Sl. No.	Name of the District	BPL Family	No. of Block PHC (BPHC)	Sub Divisional Civil Hospital	District Hospital
1	Dibrugarh	58179	6	-	-
2	Lakhimpur	120956	6	1	1
3,4	Kamrup (M) & Kamrup (R)	139969	13	1	1
5	Jorhat	41932	7	2	-
6	Kokrajhar	97137	4	1	1
7	Darrang	48739	4	-	1
8	Barpeta	192075	7	1	1
9	Karimganj	120483	5	-	1
10	Morigaon	136461	3	-	1
11	Bongaigaon	45363	4	-	1
12	Tinsukia	120495	4	-	1
13	Hailakandi	61402	4	-	1
14	Nalbari	24255	4	-	1
15	Cachar	73551	8	-	1
16	Dhemaji	54156	5	-	1
17	Goalpara	86901	8	-	1
18	Karbi Anglong	124590	8	1	1
19	Golaghat	42948	2	1	1
20	Dhubri	109468	7	2	1
21	Nagaon	272571	11	-	1
22	N C Hills	8781	3	-	1
23	Sonitpur	216402	7	2	1
24	Sibsagar	175136	8	2	1
25	Baksa	78000	6	-	1
26	Chirang	48000	2	-	1
27	Udalguri	55000	3	-	1
	Total	2552950	149	14	24

2.5. Presently, district wise profile of economically weaker sections of the population is not available. However, it is estimated that people above the BPL category and with annual income of less than Rs 5.00 Lakhs will be around 177.00 Lakhs.

3. Salient Features of Atal Amit Abhiyan guidelines

3.1. **Unit of Enrolment:** An individual will be the unit of enrolment; each individual (above 18 years) of a family will be given a laminated card with an identification number unique to a family.

3.2. **Sum Assured:** The scheme provides coverage for meeting expenses of hospitalization and surgical procedures of beneficiary members up to Rs.2.0 Lakhs per member of a family per year in any of the network hospitals.

3.3. **Benefits:** Upto Rs 2 Lakhs annually will be reimbursed towards approved procedures and other services as part of the disease/treatment packages on a complete cashless basis. Enrolled beneficiary will go to the network hospital with the bar coded laminated card and come out without making any payment to the hospital for the procedures covered under the scheme, subject to a cap of Rs 2.00 lakh as per the Scheme guidelines. A list of 436 procedures have been finalized by a Committee under the Chairmanship of Director Medical Education, Assam from amongst the 6 specialties mentioned below which only will be reimbursed -

1. Cardiology and Cardiovascular Surgeries
2. Neurological conditions
3. Burns
4. Cancer
5. Kidney diseases
6. Neo-natal diseases

- a) In addition, there will be no pre-existing condition exclusions. Pre-existing diseases are also covered from day one which means that any illnesses existing prior to the inception of the scheme shall also be covered. These will include follow-ups for the Procedures defined. However there will be an agreed treatment protocol on the procedures as defined by the expert panel and the ISA for authorizing claims.
- b) Provision for transport allowance (Rs.300/- per visit) but subject to an annual ceiling of Rs.3000/- shall be a part of the total coverage of Rs.2,00,000/- per individual for within the state.
- c) For out of State treatment in empaneled hospitals in selected cities, patient and one attendant will be provided economy cheapest air fare in that route.



- d) For out of State treatment a daily allowance of Rs 1000 will be provided upto a limit of Rs 10,000 provided the total no of days claimed matches the hospital length of stay or treatment dates.
- 3.4. Eligible Health Services Providers:** All the public, private, trust and grant-in-aid hospitals which provide hospitalization and/or daycare services would be eligible for empanelment/inclusion under the scheme, subject to such requirements for empanelment as agreed between the State Nodal Cell and the Implementation Support Agency (ISA). Hospitals will be selected both within and outside states; the cities that will be considered for treatment outside the state are: Kolkata, Delhi, Bengaluru, Chennai and Mumbai (only Cancer cases). The patients will be sent outside the state only in cases where the required procedure is not available or there is no capacity; further the selection of the hospital and city will be based on cost benefit.
- 3.5. Empanelment of Hospitals:** Agreement with network Hospital: The ISA shall sign MoU with all the hospitals to be empaneled under the scheme. Institutions meeting the empanelment criteria set forth by the State Nodal Cell and having undergone satisfactory inspection by a committee constituted by the SNC shall extend healthcare to the beneficiary under the scheme. A provision regarding non-compliance clause will be made in the hospital MoU. Outside the state only CGHS approved hospitals in Kolkata, Delhi, Bengaluru, Chennai and Mumbai (only cancer) will be considered. The number of hospitals to be empaneled in each city will be decided and agreed by the ISA and the State Nodal Cell depending on capacity requirement by procedure and specialty.
- 3.6. Implementation procedure:** The entire scheme is intended to be implemented as cashless hospitalization arranged by the Implementation Support Agency.
- 3.6.1. Package Rates:** The package rates would include consultations, medicine, diagnostics, food, hospital charges, etc. as indicated in the treatment package as decided by the State Nodal Cell from time to time.
- 3.6.2. Health Camps:** Health Camps are to be conducted by the network hospitals in various District Head Quarters/Municipalities/Sub Divisions/Blocks. They will be required to hold at least 4 such camps every month in selected districts in rotational basis. The Implementation Support Agency should assist in conducting such medical camps with the support of the network hospitals at the place and time suggested by the District/Municipal Authorities and the State Nodal Cell. Network Hospitals shall provide necessary screening equipment and the required specialists and para-medical staff. They should also work in close liaison with Joint Director, Health Service of the district and in consultation with Deputy Commissioner and/or Additional Deputy Commissioner of the district.
- 3.7. Medical Auditors:** The scheme will have two separate audit mechanisms:

3.7.1. **Internal audit:** to be carried out by the Implementation Support Agency. The Agency will create an internal audit function to ensure claims are paid within the prescribed benefit package and also ensuring the quality of service being delivered. The audit team will consist of qualified specialist doctors, one audit district level coordinator in all the twenty seven districts, and two coordinators at the State level headed by 'Key Personnel'

At least 25 percent of the cases i.e., those admitted in the hospital and receiving treatment and auditing of all network providers at least once a year need to be conducted.

3.7.2. **External audit:** to be conducted by the State Nodal Cell. The audit could include concurrent audits of pre-authorization, claims management and administration, and hospital network management among others. The State Nodal Cell will also carry out surprise audits at a regular frequency and the Agency is required to provide the necessary assistance. The state nodal cell will also carry out audits every quarter on the performance of the 24*7 call center set up by the ISA.

3.8. Package rates:

3.8.1. State Nodal Cell will negotiate the rates of various medical / surgical interventions / procedures under the scheme with the hospitals in consultation with the Implementation Support Agency and those hospitals who agree to accept the package rates shall be empaneled. While finalizing the rates, the CGHS rates applicable in that particular city will be referred to.

3.8.2. These package rates will include bed charges (general ward), Nursing and boarding charges, Surgeons, Anesthetists, Medical Practitioner, Consultants fees, Anesthesia, Blood, Oxygen, O.T. Charges, Cost of Surgical Appliances, Medicines and Drugs, Cost of Prosthetic Devices, implants, X-Ray and Diagnostic Tests, food to patient etc. Expenses incurred for diagnostic test and medicines up to 10 days of the discharge from the hospital for the same ailment / surgery and transport expenses will also be the part of package.

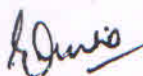
3.8.3. The package will cover the entire cost of patient from date of reporting to his discharge from hospital, making the transaction truly cashless to the patient. The claims will be settled by the State Nodal Cell directly to the network service provider within 30-days of its receipt from the implementation support agency.

3.8.4. The detailed guidelines of Atal Amrit Abhiyan are given as Annexure – I.

3.9. Mechanism for implementation :

3.9.1. **Atal Amit Abhiyan Society :** A Society is being set up to administer the scheme and the matter of approval of Cabinet for constitution of Atal Amit Abhiyan Society is under process separately.

The Governing Body of this Society is proposed to be Chaired by Hon'ble



Minister, Health & FW with Senior Most Secretary, Health & Family Welfare Department as Vice – Chairman, Chief Executive Officer, Atal Amrit Abhiyan Society as Member-Secretary along with other members.

The Executive Committee is proposed to be Chaired by Senior Most Secretary, Health & Family Welfare Department with Chief Executive Officer, Atal Amrit Abhiyan Society as Member-Secretary along with other members.

A suitable officer serving or retired of the State Government or any other suitable individual shall be appointed as the Chief Executive Officer of Atal Amrit Abhiyan Society. Provision has also been made for establishment of a Secretariat of the Society consisting of technical/ medical, financial and management professionals to serve as the implementation arm of the Society along with formation of various Cells/ Sub- Committees for different purposes.

3.9.2. State Nodal Cell (SNC) – The State Nodal Cell of Atal Amit Abhiyan will function as part of Secretariat of the Society as and when the society is set up. Till such time as the Society is set up, Atal Amrit Abhiyan Cell has been temporarily constituted in NHM under Chairmanship of Executive Chairman, NHM to carry out the preparatory activities so that the implementation of the budget announcement is not delayed.

Once the Atal Amit Abhiyan Society is set up, the scheme will function under the aegis of this Society which is envisaged to have its own establishment/ manpower.

The primary activity of the SNC will be to closely supervise the functioning of the Implementing Support Agency and the hospitals on a continuous basis and carry out the medical/ financial audits, third party evaluation etc. independently.

3.9.3. Implementing Support Agency (ISA) - The Scheme will be implemented by the State Nodal Cell (SNC) setup for the purpose with the assistance of Implementation Support Agency (ISA) or Service Provider. The ISA will be selected through open complete bidding from amongst the Companies (registered under the Companies Act) and associated with health care related activities, having experience in medical claim processing and providing IT support, for processing claims under the Atal Amrit Abhiyan. The broad scope of activities of the ISA will be :

- a. Servicing of the Claims
- b. Advocacy, Patient Facilitation and Support Services
- c. Enrolment of Beneficiaries
- d. Maintain a web portal for management of the scheme
- e. Training & Capacity building

f. Information, Education & Communication (IEC) activities

In the meantime, in order minimize delay in implementation of the Scheme as mentioned earlier, RFP for selection of ISA was accordingly floated with the approval of Hon'ble Minister, Health & Family Welfare. On the basis of open competitive bidding, a firm has been tentatively selected after examination of technical and financial bids, but the agreement will be signed only after approval of the scheme guidelines.

3.10. Implementation of Atal Amit Abhiyan during current financial year.

As putting in place the entire institutional set up and machinery including selection of Implementing Support Agency and enrolment of huge number beneficiaries across the State as per the Scheme guidelines would require some months. It is expected that the process of enrolment/registration under Atal Amrit Abhiyan, issue of ID card and settlement of treatment cost claims through cashless transaction can start w.e.f. April 2017.

Therefore, in the current financial year the manual process for submission and receipt of application form for reimbursement of treatment cost to the concerned beneficiary under Atal Amrit Abhiyan is adopted, and till 31st March, 2017, re-imbursement of treatment cost to the beneficiary would be in place to the extent admissible on receipt of application for the purpose. A State Level Screening Committee will verify application forms and recommendation of reimbursement amount for each case.

4. Justification

Illnesses, whether long term chronic or sudden and acute, can impose costs on households that can cascade into catastrophic healthcare expenses with wide ranging consequences. Even in the lower middle class and middle class families, when critical illnesses occur, access to quality treatment is restricted, often on account of prohibitive costs. The highest attainable standard of health is a fundamental right of every human being and Article 21 of the Constitution endorses this. It is estimated that about 70% of all healthcare spending in India is drawn from personal, or out of pocket expenses of households.

5. Inter-Departmental Consultations

5.1. Views of Finance Department

*Commissioner & Secretary H.& F.W. Deptt
(Shri Samir Kumar Sinha, IAS), U/O*

Endorsement of the Health & Family Welfare Department at P.1/RNS.



As regards seeking the views of Finance Department on the draft guidelines for implementing Atal Amrit Abhijan, the draft guidelines have been examined and the observations of the Finance Department are as follows:

- (a) As regards the total sum assured per person per year, it may be stated in the guidelines clearly whether the year is 'a calendar year' or 'financial year'.
- (b) Steps may be taken to ensure that the accounts of the Society, to be registered for implementing the programme, shall be duly audited by Accountant General, Assam.
- (c) The registered Society proposed to be formed shall follow the norms of State Govt. and due approval of Cabinet is required to be taken for the same.
- (d) It appears that the Implementing Support Agency (ISA) has enormous scope, role and reach throughout the scheme covering critical process such as ascertaining the claims and counter claims of the empanelled Hospitals and the beneficiaries thus it calls for robust and independent monitoring on real time basis from the Society/Government during the course of the year with a close supervision over ISA and also timely auditing of these claims without waiting for regular audit by the competent authorities. The Department may take steps to establish such mechanism in this regard so that there would be no scope for any irregularities or doubtful claims.

Further from the proposal of the Department, it appears that the draft guidelines were not seen/approved by Minister, I/C on the file (though it is assumed that the Department has taken his approval on some other file and the same may be linked while going for cabinet approval etc). Secondly, the views of Planning & Development Department should have preceded the examination of the Finance Department and the Department may act accordingly.

By incorporating the above the Health & Family Welfare Department may take further steps in this regard.

Sd/-
17.1.17
Commissioner & Secretary,
Finance Department

5.2 Response of Health & Family Department to the observations of Finance Department above:

- a) The 'year' as in the guidelines means a financial year. This will be incorporated in the guidelines, prior to issue.
- b) Provision will be made for statutory audit of the accounts of the Atal Abhiyan Society by Accountant General, Assam.
- c) It will be stipulated that Atal Amit Abhiyan Society will follow the norms of the State Government and the draft Memorandum of Association and Rules &



Regulations of the Society have already been referred to Finance/ Judicial/ Legislative Department for vetting/ concurrence.

d) The draft Memorandum of Association and Rules & Regulations of the Society provide for the following monitoring mechanism

- i. Governing Body of the Society chaired by Minister, Health & Family Welfare and having, inter-alia Senior Most Secretary of Finance and Planning & Development Departments as Members will meet at least two times in a financial year to review the Scheme.
- ii. Executive Committee of the Society chaired by Senior most Secretary of the Health & Family Welfare Department will review the functioning of the Scheme at once a month.
- iii. The Chief Executive Officer of Atal Amit Abhiyan Society will head the State Nodal Cell under the Society. An individual to be appointed as CEO will have to be a senior serving or retired Government officer or any other suitable individual approved by the Governing Body. The State Nodal Cell is set up for the exclusive purpose of monitoring all aspects of the implementation of the Scheme, particularly the day to day activities of the Implementing Support Agency. This Cell will also carry out its own medical audits.

Further, in line with the advice of Finance Department, Health & Family Welfare Department will carry out regular independent third party evaluations and such reports will be directly submitted to the Department.

The approval of Hon'ble Minister on the draft guidelines has been taken separately. Prior to placing the matter before the Cabinet, the approval of Minister, Health & Family Welfare will be obtained for the same.

5.2. Views of Planning & Development Department

Commissioner & Secretary, Health & FW Deptt

Yours endt. at prepage

"P&D Department has no objection on the draft Cabinet note for implementation of Health Assurance Scheme "Atal Amrit Abhiyan".

Sd/- Director (PC)

17.1.17

P&D Dptt.

6. Financial Implications

Enrolment will be free for everyone the first year; Subsequently the Scheme will be free for BPL families; however for families having annual family income between Rs



1.2 lakhs to Rs 5.0 lakhs , each beneficiary will be charged Rs. 100/- per member per year from the second year onwards which will be deposited in the Atal Amrit Abhiyan Society account.

The idea of this scheme is that it will generate part of its financial requirement per annum from its own fees.

As per 2001 census, the total BPL family in Assam is approximately 26 lakhs. On assuming that there are five members of each family, the BPL population is 1.30 lakh. As the scheme is free for BPL population, it is assumed that all BPL population will be enrolled.

Although there is no specific data available for number of families above BPL but earning less Rs 5 lakh per annum, it is estimated on basis of socio-economic survey that that people above the BPL category and with annual income of less than Rs 5.00 Lakhs per annum is approximately 177.00 Lakhs. Assuming that 50% of these population enroll under the scheme, the number of APL beneficiaries will be 88.5 lakhs which will contribute Rs. 88.50 crore crores to the corpus of the Society (@Rs. 100 per member). Considering this, the estimated financial implication is:

Total BPL & APL population upto Rs 5 lakh	Average critical care hospitalization cases considering 2 per 1,000 of the total beneficiaries**	The total cost for the hospitalization (approximately @50,000 per case**)	Administratio n cost @5%. Rs In Cr.	Total Cost Rs In Cr.	Benefic iaries contrib ution	Net financial implication (estimates)
2,18,50,000 (130,00,000 + 88,50,000)	43700	218 crores	11 crores	229 crores	88.50 crores	140.5 crores

NB 1: The cost of enrolment card is Rs. 45 per card when issued from mobile kiosks. This one time expenditure will also get added to the overall cost depending upon the number of enrolments/ cards issued under the Scheme.

The above are approximate financial calculations, and the more precise financial implications can be known once the enrollment process is over and the scheme benefits are started to be availed by the beneficiaries.

** (A study carried out by Public Health Foundation of India reveals that under Vajapayee Arogyashree Scheme (Karnataka) the Number of hospitalization per 1,000 persons is 4. The average cost per hospitalization is of Rs. 60,000. Since in our Scheme we are taking only six disease groups, the average critical care hospitalization per 1000 population may be less which is taken as 2.)

h. G. S.

A sum of Rupees 45 crores have been earmarked for the implementation of this Scheme in 201-17 budget.

7. Approval sought

7.1. To approve the Atal Amrit Atal Amrit Abhiyan guidelines given at Annexure – I



(Samir K Sinha, IAS)

Commissioner & Secretary to the Govt. of Assam
Health & Family Welfare Department