

Design of Obstetric Care Insurance for Poor Households in Rajasthan

Project Background and Significance:

Poor households are most vulnerable to "big shocks": events with high expenditure and low probability of occurrence, and most importantly highly unpredictable. Big shocks are often related to health events. Some of the biggest health shocks affecting women in rural areas are related to complications during pregnancy and childbirth. While the possibility of becoming pregnant and having a complication exists for most women in the reproductive age, very few of them are actually prepared for the complications and the large amount of expenditure it entails. In addition, factors such as, access to health care providers with good obstetric care and distance to the provider are further constraints that affect the women. This results in very high expenditures, and often improper health care provided and at times even death of the woman or the child.

An insurance product for obstetric care to cover risks of emergencies and complications can help reduce some of these vulnerabilities. Seva Mandir, a NGO in Rajasthan has identified 100 villages where they run health intensive programmes. They are keen to provide an obstetric care insurance for their members.

Programme Description:

An insurance product for obstetric care (for normal deliveries and emergencies during childbirth) for poor women in rural Rajasthan will be developed and piloted. It will be expanded to 100 villages in 2 years. The product will cover normal institutional deliveries and a specific list of complications that may or may not include caesarian sections. Seva Mandir will operate this scheme on a cashless system where it will network three hospitals in the pilot area to the scheme. Members will be issued a photo ID card that they can show at the hospitals. In addition, this insurance scheme also covers transport expenditure to and from the hospital capped at Rs. 1000. The insurance cover will be valid for 2 years.

The product features have been finalized and the premiums set in an actuarially fair manner. Material for marketing and awareness campaigns has been developed and enrolment period is currently on during Jan-Feb. 2007. The product will be piloted in a cluster of 9 villages first and expanded to 100 villages in Rajasthan in the next 2 years. The product will be sold by Traditional Birth Attendants (TBAs) trained by Seva Mandir and the Parivar Saathis (Co-motivators / village health workers).

Research Design:

CMF will assist the NGO in developing, pricing, marketing and implementing the product in the pilot and expansion phases. The entire process of planning and implementation will be documented and evaluated. A case study will be prepared on the pilot and disseminated. During the period of the insurance, a short survey will be undertaken in villages with and without insurance, to record incidence of pregnancies and emergency complications during delivery in these villages, preexisting health conditions of the women, existing health care facilities and their

usage by the women in these areas, household responses to shocks during pregnancy and childbirth etc. The information collected from these surveys can be used to modify the product and marketing during expansion.

Contribution:

Access to safe and cost-effective obstetric care is an important aspect that affects households, particularly in rural areas. This assumes a lot of significance in Rajasthan, where villages are spread far apart with little infrastructure, insufficient health care infrastructure and the poor economic conditions of the households. One of the focus areas of Seva Mandir's health interventions is to reduce the vulnerabilities faced by women during pregnancy and child birth and eradicate maternity and infant death due to insufficient or delayed access to good obstetric care. The obstetric care insurance is a means by which women from these villages can pool their risks and share the benefits of insurance and it would also help spread awareness about the need for safe obstetric care among the women.

The case study will help in analysing and understanding some important issues relating to the implementation of emergency care insurance services, such as verification of claims, building relationships with hospitals, costs of running the insurance program, etc. Issues relating to the product such as correct and fair pricing, and adverse selection will also be studied. This exercise will also help understand, on the demand side, the willingness to pay on part of the community and the utility of the product.

Timeline:

Aug-Dec 2006: Background work and planning: Preliminary household and TBA surveys to understand need for insurance and constraints; determining insurance cover and premiums; designing marketing plans; operational issues for rollout; selecting area for pilot etc.

Jan-Feb 2007: Marketing, Enrolment and Rollout of Insurance

March-June 2007: Document implementation of insurance. Start continuous pregnancy surveys in villages with insurance to collect health and obstetric information and health care availability and use.

June-Aug 2007: Review experiences from pilot and surveys; design product and marketing for rollout during expansion to 100 villages (to be carried out in two phases). Continue pregnancy surveys.

Aug 2007-Dec 2007: Rollout to 100 villages. Compile case study and survey findings. Conduct continuous pregnancy and health survey and also track claims of insurance benefits.

August 2008: Final Case study and findings from continuous health surveys.