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Anyuta/ TPA/ IRDA/ 5 Jan /2016 -17

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Dear Sir

Subject: Empowering people to pay for their Healthcare Services
"Sab ka Sath, Sab ka Vikas"

At the outset we at Anyuta wish you a Happy & Prosperous New Year.

We at Anyuta feel that, now is the time to provide India with Insurance driven “National Health Care”. This quality care should be by the people and for the people. Here the Insurance coverage for a family of 6 members should be at least 5 lakhs and the Premium should be as low as the minimal wage of a farm worker.

We at Anyuta, based on our Medical Knowledge, working experience in treating patients in India and aboard, Claim Processing and Settlement experience as IRDA Licensed TPA in health care, have devised a simple, cost effective Health insurance Product “Anyuta Universal Health Insurance Service” that can be sold by the Insurer and made available for the people by Anyuta Trust to purchase.

By integrating the Public and Private Sector Healthcare delivery systems and fixing the costs per procedure / Investigations / Drugs / Implants / Medical and Surgical Sundries, it is possible to make quality care affordable and available without discrimination. The slogan "Sab ka Sath, Sab ka Vikas” is possible to realize, by teaching the principle and benefits of “Risk Pooling and Risk Sharing” concepts of Insurance to every Indian.

We at Anyuta believe that it is time to give back to the society and the time has come to empower the poorest of poor Indian to pay for his healthcare needs and wean him off depending on the government for his healthcare needs. M/S Anyuta Trust, cannot do it alone, we need your help. This is a collective responsibility and all of us should participate in this great venture without reservation.

Anyuta is an IRDA Licensed TPA in Health Care. It is only working within IRDI guidelines and frame work. We are not the Corporate agents of any Insurer and are into best practices.
We strongly believe that the Moral Hazard can be contained by preventing Conflicts of interest.

The role of each player in Healthcare Financing and Delivery System is precise, hence they should work within their space.

1. Insurer : Financier, TPA : Claim Processor, Hospitals : Care Provider

There are adequate checks and balances in the system by way of regulators

2. Doctors : MCI, Hospitals : State Governments, Insurers and TPAs : IRDAI, Banks : RBI

The justice is provided by the Judiciary

TPA in Healthcare is a body of Medical people who will only process Claims and prevent Moral Hazard

1. IRDA should allow the people to select their Insurance product, Insurer, and the TPA
2. Policyholder should select his Doctor and Hospital for his treatment
3. Hospitals should provide Cashless Services at CGHS rates for the Procedures / Investigations / Drugs / Implants / Medical & Surgical Sundries, within the framework
4. Insurer should not interfere in patient treatment
5. No one can predict the outcome of a Procedure conducted on a patient. It could be straightforward or end up in complications
6. The costs will depend on the severity and complications encountered during treatment by the Doctors and hospitals and they are responsible for the patient care and court cases on negligence. Hence they cannot cut corners in patient care to satisfy the insurer's needs.
7. Insurer should pay the CGHS Rates and allow the Policyholder to Co-pay over and above it for the luxuries availed
8. If the Insurer insists on fixed rates, then he becomes vicariously responsible for Medical Negligence also.
9. Hospitals should maintain all Medical and Accounting documents in the Digital format for easy retrieval
10. Insurer should settle the Claims through RTGS for transparency and to avoid duplication of work
11. Insurer should not duplicate work by making the TPA to settle claims first and reimburse

The idea and a Policy, whose time has come

1. It is possible to cover a family of 6 members with rupees two lakhs (Rs. 2 lakhs) per year for a Premium of rupees one thousand and five hundred (Rs.1500) plus tax @ 12.36%, on a floater basis.
2. This is inclusive and participatory in nature, transparent and accountable in action.
3. The healthcare delivery is through the Public and Private sector Healthcare delivery System
4. Doctors and Hospitals are paid for their Services separately
5. Here all financial transactions are through Banks and all the claim documents are digitized for easy retrieval.

Here is our Feasible Health Care Policy – “Anyuta Universal Health Care Service”

1. Concept: Providing 2 lakhs Health Insurance Cover
2. Premium: Rs.1500/- and Tax @ 12.36%, per healthy family of 6 members, per year on floater basis
3. Family Definition: Member + Spouse + 2 Dependent Children up to 21 years + 2 Dependent Parents
4. Policy period: The policy and the optional covers are issued for a period of one year.
5. Policy to cover 3 years: To maintain Continuity policy for 3 years can be issued at the entry point
6. Target: Example: Karnataka State (6 Crore population making 1 crore families)

Salient Points

1. Feasible: This is feasible, because there is no Moral Hazard and everything is transparent.
2. Empowers the poor: Farm worker is empowered to pay a day’s wage per year and avail Rs.2 lakhs health cover
3. Affordable: This is affordable because the minimum wages is above Rs.300/- per day. MGNREGA guarantees 100 days employment. The Premium of Rs. 1500/- and tax @ 12.36%, per family of six means Rs. 250/- per person/year. (More than 3 people work in each family)
4. Burdens none: Hence there is no burden on the Poor or the State’s Exchequer
5. CSR / ISR: Premium component should be shared between the Family: Center: State as 30 : 40 : 30, percent proportionately. (Rs.600 : Rs.450 : Rs.450)
Affordable Health care
Here the Premium is affordable to all, since it works out to Rs.250/- per person per year which is less than a rupee per day, in a country where the minimal wage is more than Rs.300/- per day. It is noticed that more than 3 people work in each of the farmer`s family.

Available Health Care
Here the Care Provider Network like, the Private and Public Sector Doctors, Hospitals, Nursing homes, Day Care Centers, Clinics etc. get integrated to cover the entire country. The insured will get quality of care in each of these care provider units. The insurer will pay for services rendered at CGHS Rates.

| To make Health care transparent, accountable, affordable and available, |
| 1. Health care should be financed by the Insurer |
| 2. Delivered by the Public and Private Sector Hospitals |
| 3. Claim should be processed by Doctor based TPA |
| 4. Claims should be Settled by the Insurer directly to the Policyholder`s account by RTGs or any Banking Instruments |
| 5. Managerial costs should be less than 18% and at no stage the work should be duplicated |

| To make Public Sector Health Care, generate revenue, self-sustain and scale up |
| 1. The insurer should settle the claims item wise; pay the doctors for the services rendered and the hospitals for its services. |

Here is how the Care costs and Insurance Premium come down and the care quality improves,
1. The doctors should be allowed to take his patient to a Private or Public Sector Hospital and treat
2. Doctors should be paid for their services, and then there will be skill transfer, maximization of time, space, equipment`s and manpower, resulting in standardization of treatment regime and care costs.
3. When the Medical, Billing and Accounting documents are digitized, transparency is inevitable, resulting in no Moral Hazard, then the care costs will fall, so will the Insurance Premium.
4. When the managerial costs is less than 18% with a Doctor based IRDA licensed TPA like Anyuta is at work there will not be any Moral Hazard

Here is how we can make “Right to Health” guaranteed by the Constitution of India a reality
1. Make the services and systems work for the people
2. Request the people in high places and with influence to make things happen
3. Create awareness on healthy living and preventive care
4. Reach insurance and banking to every corner of India

One Health Care fund one Insurance
1. We have Insurance Companies to provide Health insurance and act as health care financiers and the TPAs to process Claims, which are governed and regulated by IRDA. |
2. We have the Doctors & Hospitals governed and regulated by MCI
3. We have Health laws and courts to deliver justice

There is no place for Self-funded health care Schemes run by State Governments
Since IRDA does not allow the Insurer and the TPAs to interfere in the treatment, we feel it should instruct the Insurer not to dilute their core values by participating in government run
Self-funded health care Schemes, since it interferes with patient care and costs. The concept of insurance and peril is at stake here.

The Doctor – Patient relationship is based on trust and respect. In the interest of the Policyholder the Doctor should be free to treat his patients without interference from the government and insurance bureaucrats. There should not be any financial constrains by the insurer in patient care. The doctor cannot predict the complications and the costs of treatment in case of complications or emergency.

Interestingly the IRDA prevents the Insurer and the TPAs from interfering in the treatment part and the Supreme Court opines that the quality care cannot be denied for lack of finance.

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<th>The Supreme Court - Article 47</th>
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<td>a. In a welfare state, the primary duty of the government is to secure the welfare of the people</td>
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<td>b. Lack of financial resources cannot be a reason for the State to shy away from its constitutional obligation.</td>
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<td>c. Failure on the part of a government hospital to provide timely medical treatment to a person in need of such treatment results in violation of his right to life guaranteed under Article 21.</td>
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<td>d. Therefore, the failure of a government run health Centre to provide timely treatment is violative of a person’s right to life. Further, the Court ordered that Primary health care centers be equipped to deal with medical emergencies</td>
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<th>Contrary to the above facts Self-funded health care Schemes run by State Governments</th>
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<td>a. These Schemes force doctors underperform and Hospitals to take risks on human life due to low costs.</td>
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<td>b. The rural Hospital set ups cannot match the urban but the health laws are the same</td>
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<td>c. In fact, the governments and the Insurer become vicariously responsible for medico legal cases along with doctors and hospitals in such schemes.</td>
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<td>d. Kolkata hospital was ordered by the Supreme Court to pay Rs 5.96 crore for medical negligence</td>
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What we need is a change, change is not merely necessary for life ... it is life. We request you sir, to help us to implement the above insurance policy with the choice for the Policyholder to select his TPA and not the Insurer playing the dual role of Insurer and TPA, which is unfair to the Policyholder. We feel that to prevent Moral Hazard, the Insurer should act as the health care financier, Hospitals as Care provider, TPAs as Claim Processor and the Policyholders as the Beneficiary, each doing its specific duty. Moral Hazard can occur at any one of them or by collusion between the units.

Regards

Dr. N. Ravindra Shetty, Orthopaedic Surgeon
For Anyuta Trust