



# IMPACT OF RSBY IN RURAL AREA: A SOCIOLOGICAL STUDY OF KARSOG BLOCK OF MANDI DISTRICT IN HIMACHAL PRADESH

**Dr. Anjna Thakur**

Assistant Professor

Department of Sociology, ICDEOL

Himachal Pradesh University

Shimla – 05

## Abstract

This study, conducted across three panchayats in Karsog sub-division of Mandi District, assessed the impact of the Rashtriya Swasthya Bima Yojana (RSBY) scheme on Below Poverty Line (BPL) households. From 1,884 households, 355 were identified as BPL, with 303 family members holding RSBY cards. To maintain focus, 101 BPL households were randomly sampled using a random cum purposive approach.

Findings show that most respondents were satisfied with the RSBY scheme, particularly regarding the quality of medical treatment, hospital infrastructure, and staff behaviour. The scheme has notably improved healthcare access, reduced reliance on traditional healing practices, and curbed rural-to-urban migration. Respondents underscored the positive impact on women's and children's health, emphasizing RSBY's role in bolstering overall health outcomes and economic stability within impoverished rural areas.

**Keywords:** RSBY, Panchayats Karsog, Mandi, Block, BPL, Satisfied

## Introduction

India is a vast country where a significant portion of the population lives in poverty, particularly in rural areas with difficult terrain, making access to healthcare both challenging and often compromised in quality. Nearly 44% of children are malnourished, and despite government efforts, infant and maternal mortality rates remain high. Even with a 50% increase in GDP since 1991, India is home to over one-third of the world's malnourished children. Half of these children under three are underweight, and even among the wealthiest, a third suffer from nutrient deficiencies. Economic disparity and low social status lead to poor diets, and malnourished women are less likely to have healthy babies ([www.globalhungerindex.org](http://www.globalhungerindex.org)).

Good health is crucial for productivity and economic growth, especially in a country like India, where many rely on their physical labour for survival. Health and defence against illness are fundamental to human well-being, and the state has a responsibility to protect its citizens from sickness and premature death. Health is essential for progress, as it enables people to free themselves from poverty, hunger, and malnutrition, allowing them to lead healthy, productive lives. Access to healthcare reduces absenteeism and gradually alleviates poverty. Government involvement in healthcare is crucial, particularly in developing economies, due to misinformation in the health sector and the high poverty rates ([www.ehealth.eletsonline.com](http://www.ehealth.eletsonline.com)).

It is paradoxical that India has one of the largest private health sectors globally, with 80% of ambulatory care financed through "out-of-pocket" expenses. Public healthcare is mainly available in urban areas, where only 25% of the population resides, while rural services focus on preventive measures like family planning and immunization. The Alma Ata Declaration of 1978 emphasized that healthcare should be accessible, affordable, and appropriate, particularly for the poor. India's Sixth Plan aimed to implement Minimum Needs Programs (MNP) in rural healthcare, with a long-term goal of achieving "Health for All" ([www.businesstoday.in](http://www.businesstoday.in)).

In the past 15 years, India has seen significant changes in healthcare and health financing, with increased private investment and the expansion of health insurance schemes, including government-sponsored programs. Approximately 350 million people now have some form of health insurance, with the Rashtriya Swasthya Bima Yojana (RSBY) being the largest social security scheme worldwide, offering healthcare financing solutions for the underprivileged and improving healthcare infrastructure in remote areas ([www.fitchsolution.com](http://www.fitchsolution.com)).

### **Implementation of Rashtriya Swasthya Bima Yojana (RSBY) in Himachal Pradesh**

Himachal Pradesh launched the RSBY scheme in the year 2008-2009 initially implementing it in two districts, Kangra and Shimla, during the first phase. The scheme was subsequently extended statewide from March 1, 2010. The Health Department serves as the Nodal Department for RSBY implementation. The New India Assurance Company Limited has been tasked with implementing the scheme at the insurance level.

Himachal Pradesh was the first state to enrol over 80% of the targeted beneficiaries within the first three years of the scheme's rollout. For this achievement, the state received the "Best Enrolment Rate" award at the national level from the Government of India for three consecutive years: 2009, 2010, and 2011. The responsibility of enrolling beneficiaries under RSBY was assigned to the Rural Development Department, with Project Officers of District Rural Development Agencies (DRDA) acting as District Key Managers and Panchayats Secretaries functioning as Field Key Officers. These officials played critical roles in the enrolment process. As of 2014, the total number of beneficiaries in Himachal Pradesh was 480,588. The district-wise enrolment details under RSBY in the state are presented in Table 1.

**Table No. 1: Enrolment Ratio of Rashtriya Swasthya Bima Yojana (RSBY) in Himachal Pradesh**

S. No.	District	Tenure of policy (in years)	Total target families		Hospitals empanelled	
			Targeted families	Enrolled families	Private hospitals	Government hospitals
1	Bilaspur	3	49635	26539	-	9
2	Chamba	3	99768	50242	1	15
3	Hamirpur	3	48856	31677	9	10
4	Kangra	4	179454	108900	2	24
5	Kinnaur	3	11897	5352	-	6
6	Kullu	3	54493	26804	-	8
7	Lahul & Spiti	3	4633	2559	-	6
8	Mandi	3	187152	99351	-	19
9	Shimla	4	85900	47576	4	23
10	Sirmaur	3	56970	31320	1	9
11	Solan	3	53598	244620	6	11
12	Una	3	45407	24462	1	11
	<b>Total</b>		<b>877763</b>	<b>480588</b>	<b>24</b>	<b>151</b>

Source: [www.rsby.gov.in](http://www.rsby.gov.in)

Table 1 indicates that a total of 480,588 families were enrolled under the RSBY scheme in Himachal Pradesh. Solan district recorded the highest enrolment, with 244,620 families, while Lahul & Spiti had the lowest, with 4,633 families in 2014. The data also reveals that Kangra district had the second-highest enrolment, with 108,900 families, followed by Mandi district, which enrolled 99,351 families.

### Impact of Rashtriya Swasthya Bima Yojana (RSBY) in Rural Poor People

The Government of India is striving to achieve universal health coverage through its national health policy. As part of this initiative, the government introduced the Rashtriya Swasthya Bima Yojana (RSBY), a publicly financed health insurance scheme aimed at providing affordable and quality healthcare services. This subsidized insurance program targets Below Poverty Line (BPL) households, covering secondary hospital care. RSBY is designed to enhance access to healthcare and alleviate the financial burden of medical expenses. Currently, the scheme provides coverage to 32 million households.

### Results and Discussion

The present study was carried out in three panchayats i.e. Pokhi, Thakurthana, and Tebban Karsog within the Karsog sub-division of Mandi District, focusing on the impact of the Rashtriya Swishy Bima Yojana (RSBY) scheme. Of the 1,884 households in these panchayats, 355 were classified as Below Poverty Line (BPL), with only 303 family members holding RSBY cards. To keep the study manageable, a sample of 101 BPL households was selected through a combination of random and purposive sampling method.

The authors utilize the phased implementation of RSBY to assess the scheme's early impact on hospitalization rates and out-of-pocket healthcare expenses. They apply a difference-in-differences approach combined with matching. This part of the study focuses on evaluating the effects of the RSBY scheme on beneficiaries in the Karsog block of Mandi district. To understand its impact on rural recipients, questions were posed, such as: Do

you believe RSBY has improved your health, helped increase your income, boosted your savings, enhanced your education, raised your social status, improved the quality of healthcare services, or enriched the overall quality of rural life?

### Improved the Health of Poor People

The Government of India launched the RSBY in 2008 to improve the health of the rural poor and BPL families are enrolled under this scheme. The scheme provides free treatment worth up to Rs. 30,000 in enrolled hospitals for patients admitted to the hospital. Respondents were asked whether RSBY improved their health condition. The responses of the respondents were depicted in Table 1.2.

**Table No. 2: Views of Regarding that RSBY Improved the Health**

Sr. No.	Response	Frequency	Percentage
1	Strongly agree	04	03.96
2	Agree	95	94.06
3	Disagree	02	01.98
	<b>Total</b>	<b>101</b>	<b>100.00</b>

Table 2 illustrates that the majority, 94.06 percent of the beneficiaries agreed that RSBY helped in improving the health of rural people. Additionally, 3.96 percent of the beneficiaries strongly agreed that RSBY helped in improving the health of the rural poor. Only 1.98 percent of the beneficiaries disagreed that RSBY helped in improving the health of rural people.

### RSBY and Increase in the Income

The impact of the RSBY scheme on various important attributes contributes to the increase in the quality of life. The reported income of respondents after joining the scheme depicts the positive change brought about by RSBY in the economic condition of beneficiaries. RSBY provides enrolled family members with Rs. 30,000 for treatment in enrolled hospitals. Table 1.3 shows the respondents' views on RSBY's role in increasing their income.

**Table No. 3: Views of Respondents on RSBY Helps to Increase Income**

Sr. No.	Response	Frequency	Percentage
1	Yes	96	95.05
2	No	05	04.95
	<b>Total</b>	<b>101</b>	<b>100.00</b>

It was observed that the majority i.e. 95.05 percent of the beneficiaries felt that RSBY helped them to increase their income, whereas only 4.95 percent of the beneficiaries thought that RSBY did not help them to increase their income. Hence the findings of the above table reveal that the RSBY healthcare scheme helps the majority of respondents to increase their income.

## RSBY and Increase in the Savings

Saving refers to the act of reserving a portion of one's current income for future use or gradually accumulating resources over time. In rural areas, the RSBY scheme has played a significant role in increasing people's ability to save. By covering healthcare costs for enrolled families, RSBY reduces the financial burden associated with medical treatments. As a result, beneficiaries are able to allocate more of their income toward savings, rather than spending it on out-of-pocket healthcare expenses. This increased ability to save can lead to greater financial security and stability for rural households, helping them to better manage future uncertainties or invest in areas like education and livelihood improvement. Thus, RSBY indirectly supports long-term economic well-being by encouraging savings among rural beneficiaries.

## Enhancing the Education level under RSBY

Education is an important means of socialization. Adequate education and knowledge not only help individuals hold strong positions, both at home and in society as a whole, but also provide the strength to withstand the challenges of life. RSBY has given patients the benefit of receiving treatment in hospitals, allowing them to save their own money. Poor people use the saved money to cover the expenses of their children's education. Table 4 shows the respondents' views on how RSBY has enhanced their education level.

**Table No. 4: Views Regarding the Role of RSBY in Education**

Sr. No.	Response	Frequency	Percentage
1	Strongly agree	05	04.95
2	Agree	88	87.13
3	Disagree	08	07.92
	<b>Total</b>	<b>101</b>	<b>100.00</b>

It was observed that the majority of the respondents i.e., 87.13 percent of the beneficiaries agree that the RSBY scheme helped them to enhance their education level, while 7.92 percent of the beneficiaries disagree. Only 4.95 percent of the beneficiaries strongly agree that the RSBY healthcare scheme helped them to enhance their education level. Therefore the study found that RSBY helps to enhance the education level of children from poor families.

## Improved the Quality of Health Services under RSBY

RSBY has provided quality treatment to poor people in government hospitals. The enrolled hospitals offer Rs. 30,000 worth of free medical tests and free medicines to beneficiaries. Table 1.5 shows the respondents' views on how RSBY has helped in improving the quality of health services.

**Table No. 5: RSBY Helps in Improving the Quality of Health Services**

Sr. No.	Response	Frequency	Percentage
1	Strongly agree	12	11.88

2	Agree	88	87.13
3	Disagree	01	00.99
	<b>Total</b>	<b>101</b>	<b>100.00</b>

From Table 5 shows that a significant majority of respondents, 87.13 percent, agree that RSBY has contributed to improving the quality of healthcare services for poor people. Additionally, 11.88 percent of beneficiaries strongly agree with this assessment, reflecting their even more positive perception of the scheme's impact on healthcare quality. On the other hand, very small proportions only 0.99 percent disagree, indicating that they do not feel RSBY has improved healthcare services. These findings suggest that the RSBY scheme has played a vital role in enhancing access to quality healthcare for underprivileged communities.

### Decreasing the Rural Urban Migration

The Rashtriya Swasthya Bima Yojana (RSBY) scheme was launched in India in 2008 to provide healthcare coverage to the poor by enrolling them in the program. It offers significant benefits, including coverage for hospital treatments and admissions in enrolled hospitals, which eases the financial burden of healthcare for vulnerable populations. Prior to the introduction of RSBY, healthcare infrastructure in rural areas was severely limited. Hospitals and advanced medical facilities were primarily located in urban centers, forcing rural residents to migrate to cities to access healthcare. This rural-urban migration not only added the cost of travel and accommodation to their medical expenses, but also disrupted livelihoods and created additional hardships for families.

Table 6 illustrates that the implementation of RSBY has been effective in reducing this rural-urban migration for healthcare. By enabling rural beneficiaries to receive medical treatment in local or nearby hospitals enrolled in the scheme, RSBY has lessened the need for people to travel to distant urban areas. This has made healthcare more accessible and convenient for rural populations, allowing them to save both time and money.

In addition to reducing migration, the availability of hospital services closer to home also contributes to better health outcomes by enabling timely medical interventions.

**Table No. 6: Views Regarding that RSBY Help Decreasing the Rural-Urban Migration**

Sr. No.	Response	Frequency	Percentage
1	Strongly agree	12	11.88
2	Agree	79	78.22
3	Disagree	10	09.90
	<b>Total</b>	<b>101</b>	<b>100.00</b>

The analysis of the Table 6 shows that the most of the respondents i.e., 78.22 percent of the beneficiaries, agree that RSBY helps in decreasing rural-urban migration. Additionally, 11.88 percent of the beneficiaries strongly agree that RSBY helps in decreasing rural-urban migration, while only 9.90 percent disagree that RSBY helps

in decreasing rural-urban migration. Hence the study reveals that RSBY helps in decreasing rural-urban migration.

### Improving the Mother and Child Health

A newborn child shall also be covered from day one up to the expiry of the policy, including expenses incurred for treatment taken in the hospital as an in-patient. The benefit shall be a part of the basic sum insured, and the newborn will be considered an insured family member until the policy expires. This coverage shall begin from day one of the inception of the scheme, and the normal hospitalization period for both mother and child should not be less than 48 hours post-delivery. Table 7 shows how RSBY helps in improving the health of mothers and children.

**Table No. 7: RSBY Helps in Improving the Mother and Child Health**

Sr. No.	Response	Frequency	Percentage
1	Very highly satisfied	19	18.81
2	Highly satisfied	79	78.22
3	Moderately satisfied	03	02.97
	<b>Total</b>	<b>101</b>	<b>100.00</b>

Table 7 depicts that the majority of the respondents i.e., 78.22 percent of the beneficiaries, were highly satisfied with how RSBY helps to improve the mother and children's health. Additionally, 18.81 percent of the beneficiaries were highly satisfied, while only 2.97 percent were moderately satisfied with the scheme's impact on mother and children's health. Therefore the study indicates that RSBY helps in improving the maternal and child health in rural areas.

### Decreasing the Values of Traditional Methods under RSBY

The RSBY healthcare scheme provides free treatment in enrolled hospitals. Enrolled family members receive up to Rs. 30,000 worth of free medical treatment in these hospitals. For this reason, people from villages prefer to go to RSBY-enrolled hospitals to benefit from the scheme. Table 1.8 shows that RSBY helps to decrease the reliance on traditional methods.

**Table No. 8: Views Regarding to RSBY help decreasing the Traditional Methods**

Sr. No.	Response	Frequency	Percentage
1	Strongly agree	15	14.85
2	Agree	84	83.17
3	Disagree	02	01.98
	<b>Total</b>	<b>101</b>	<b>100.00</b>

Table 8 indicates that the majority, 83.17 percent of the beneficiaries, agree that RSBY helps to decrease the use of traditional methods. Additionally, 14.85 percent strongly agree that RSBY helps to reduce reliance on traditional methods in treatment. Only 1.98 percent of the beneficiaries disagree that RSBY helps to decrease traditional methods of treatment. Hence the study reveals that RSBY helps in reducing the use of traditional treatment methods in rural areas.

The analysis of the impact of the Rashtriya Swasthya Bima Yojana (RSBY) scheme on rural poor beneficiaries indicates that RSBY has a positive effect on their lives. Present study revealed that 94.06 percent of beneficiaries agree that RSBY has helped improve the health of poor people. Additionally, 95.05 percent reported that RSBY has contributed to an increase in their income. Furthermore, 87.13 percent of beneficiaries acknowledged that RSBY has enhanced their educational opportunities. Most beneficiaries agreed that RSBY has improved the quality of health services available to them. Moreover, the study found that RSBY has played a role in reducing rural-to-urban migration. A significant proportion, 78.22 percent, expressed high satisfaction with how RSBY has contributed to the health of women and children. Additionally, 83.17 percent of beneficiaries agreed that RSBY has decreased reliance on traditional treatments and promoted the adoption of modern healthcare methods.

However, government-sponsored health programs such as the RSBY and other central government health schemes, which aim to strengthen healthcare and achieve universal health coverage, have encountered significant challenges in implementation and have often fallen short in providing adequate access to healthcare services.

Key issues identified during present study include:

- **Delayed Reimbursements:** Empanelled hospitals are reimbursed by the Union Health Ministry, but there is often a significant delay in the payment process.
- **Provision of Medicines:** Although the RSBY covers medicines during hospitalization, many hospitals refuse to provide them, sometimes encouraging unnecessary services that inflate hospitalization costs.
- **Smart Card Usage:** Beneficiaries are given smart cards, verifiable through fingerprints, to facilitate cashless benefit transfers. However, these cards are rarely used due to two primary reasons: lack of awareness and reluctance from healthcare providers.
- **Outpatient Care Exclusion:** The RSBY does not cover outpatient care, which includes expenses such as doctor consultation fees, medicines, and medical appliances.
- **Hospitalization Costs:** The scheme covers pre-existing diseases and offers a transport allowance of ₹100 along with hospitalization costs. However, the study shows that most hospitals do not provide the full hospitalization benefits.
- **Fraud and Inefficiency:** Major problems in the RSBY include fraudulent claims by hospitals for unperformed procedures and tests, delays in claim settlements, skewed enrolment of beneficiaries, and low profitability for insurance companies.
- **Low Enrolment:** One of the critical issues of the RSBY is its low enrolment rate. Only five members per family can enrol, which limits access for larger families.

- **Limited Participation by Hospitals:** In the study area of Mandi district, with a population of 104,864 according to the 2011 Census, only one hospital was enrolled under the RSBY scheme, indicating limited participation by both public and private hospitals.

In conclusion, while the RSBY has positively impacted many beneficiaries, systemic issues such as delayed payments, low enrolment, exclusion of outpatient care and inefficiencies in claim settlement undermine its overall effectiveness in providing healthcare access to the rural poor.

## Suggestions

In this section, several suggestions are proposed based on the findings of the study. These suggestions are important for further policy implementation. In light of the study's findings, the following macro and micro-level policy suggestions are put forward:

- The health policy should prioritize rural areas by making the necessary investments.
- Positions for doctors and paramedical staff should be created according to the standard requirements of health institutions established in rural areas.
- Efforts should be made to increase the enrolment ratio in both public and private hospitals under the RSBY healthcare scheme.
- The state government should facilitate the growth of private, social, and community insurance to improve the affordability of health services in both rural and urban areas.
- There should be no limitation on the number of enrolled family members, allowing families to benefit more from the scheme.
- Outpatient costs, especially those driven by chronic conditions that are expensive to treat in the long run, should be covered.
- Outdoor facilities should be provided under this scheme.
- The treatment amount should be increased.

## References

- Administrative Report: Department of Health, Himachal Pradesh from 2005 to 2015.
- Ahuja, Rajeev (2004). Health Insurance for Poor, *Economic and Political Weekly*, **39**(28)
- Banerji, Debabar (2005). Politics of Rural Health in India, *International Journal of youth Health Services*, **35** (4): 783-96.
- Bardhan (1996), Improving Women's Health in India, *Indian Social Institute, New Delhi*
- Chatterjee, Meera (1988), Implementing Health Policy, New Delhi: Manohar Publication.
- Government of India (2000), National Population Policy, *Ministry of Health and Family Welfare, New Delhi*
- Goyal, R.S. (1990), Community participation: Primary health care, *Deep & Deep Publication, New Delhi*
- Grossman, M. (1972), On the Concept of Health Capital and the Demand for Health, *Journal of Political Economy*, **80**: 223-55.

- Verma, S.B., Jiloka S.K., Pathak A.C. (2006), Rural Health Care and Housing: Health Care Service in Rural India, New Delhi: *Deep & Deep Publication PVT.LTD*
- World Health Organisation (1978), Primary Health Care, *Report of the International Conference on Primary Health Care, Alma Ata, U.S.S.R., WHO, Geneva.*
- [www.businessstoday.in](http://www.businessstoday.in)
- [www.ehealth.eletsonline.com](http://www.ehealth.eletsonline.com)
- [www.fitchsolutions.com](http://www.fitchsolutions.com)
- [www.globalhungerindex.org](http://www.globalhungerindex.org)
- [www.rsby.gov.in](http://www.rsby.gov.in)
- [www.rsby.gov.in.faq-enrollment](http://www.rsby.gov.in.faq-enrollment)
- [www.nrhmp.gov.in-content.rsby](http://www.nrhmp.gov.in-content.rsby)
- [www.rsby.gov.in.statewise](http://www.rsby.gov.in.statewise)
- [www.rsby.gov.in/satewise.aspx?state=12](http://www.rsby.gov.in/satewise.aspx?state=12)

