

## ▶ Technical support to ESIS for improving and expanding access to health care services in India (Health Financing) – A transition to formality

November 2022

### ▶ At a glance



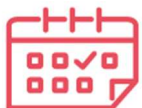
#### Partners

Employees' State Insurance Corporation (ESIC), Ministry of Labour and Employment (MOLE), Organizations of Employers and Workers – ILO constituents, technical experts and organizations working in the field of policy on Universal Health Coverage (UHC) in India, Civil society organizations working in the field of public health and social protection, International organizations and experts invested in development and strengthening of social health insurance programmes



#### Development Partner

Bill and Melinda Gates Foundation



#### Duration

December 2018 to December 2023 [Phase I]



#### Target beneficiaries

Employees' State Insurance (ESI) Scheme beneficiaries – 34.14 million insured workers with a total of 132.48 million beneficiaries all over India; ESI Scheme registered enterprises – 1.24 million enterprises all over India; Potential ESI Scheme beneficiaries; Workers and enterprises currently eligible but not registered with ESIC; Workers and enterprises which can be potentially covered with some relaxation of eligibility thresholds such as enterprises with size of 5 to 9 employees and workers earning more than INR 21,000 per month; Representative organizations of workers and employers at the national level



#### Geographical focus

National – India

### ▶ Project objectives

The project is a continued partnership between the ILO and the Ministry of Labour and Employment through the Employees' State Insurance Corporation (ESIC). The project has been implemented by the ILO Decent Work Technical Support Team for South Asia and Country Office for India.

The project aims at providing technical assistance and strengthening the capacity of the ESIC as well as other stakeholders in India involved in social health insurance, health system and formalization of the informal economy. Main project objectives are to:

- ▶ Develop a technically practical and acceptable pathway for strengthening the ESIC to service the needs of the existing beneficiaries and ensure financial sustainability has been established and is being implemented.
- ▶ Design an initial blueprint for extending coverage of the ESIS to non-poor in the informal economy is established
- ▶ Build a shared understanding among key Indian actors of challenges and opportunities to strengthen the ESI Scheme and extend its coverage, foster coherence and complementarities between their interventions.

### ▶ Project outcomes

- ▶ Improved knowledge on current and potential beneficiaries' experiences and demands pertaining to social health protection (SHP) in India for better beneficiary engagement, experience and coverage
- ▶ Improved knowledge and dialogue on obstacles and motivations among key stakeholders for better provision and utilization of health services
- ▶ Improved knowledge on international best practices on the extension of social health protection to informal workers and digital innovations relevant to India
- ▶ Strengthened capacity of the ESIC and MOLE through a diagnosis of the ESI Scheme and the development of a phased transformation plan for the strengthening of management and provision of health services, as well as potential expansion of coverage to new informal worker categories

## ► Project premise

### ► Low financial protection and lack of coverage of informal workers

Despite being the largest contributory social health insurance scheme in India, more than 90% of the population in India remains uncovered by a comprehensive health insurance scheme resulting in one of the highest levels of out-of-pocket expenditures in the world, 64%. Non-poor formal workers and informal workers remain uncovered.

### ► Under-utilization of ESI services

Despite the good financial standing of the scheme and an increase in membership, ESI Scheme's health expenditure has experienced a decline on a per-beneficiary basis. Utilization of healthcare services under the ESI scheme by beneficiaries remains critically low and expansion of coverage slow.

### ► ESIS's role in India's UHC agenda

Being one of the most comprehensive national social security schemes in India, strengthening the foundations of the ESI Scheme for universal, effective and sustainable social health protection in line with international social security standards is key to promoting decent work, alleviating poverty and for the progression towards UHC in India.

As such, the ILO-ESIC project sought to deepen the understanding of the main challenges facing the ESI Scheme to support the development of a transformative plan with the aim of improving access to health care services in India and extending its coverage to more workers and their families as well as to informal workers.

## ► Main Activities

### Component I: Understanding ESIC Performance Challenges

- Comprehensive performance diagnosis of the ESI Scheme, identifying key challenges and opportunities for transformative change: *'Performance Diagnostic of the Employees' State Insurance Scheme's Health Care Services, India'*
- Transformation plan: *'Recommendations for Transformative Actions for India's Employees' State Insurance (ESI) – a contribution to Universal Health Coverage'*
- Large scale survey: *'Assessment of Current ESI Beneficiary Health Seeking and Health Insurance Utilization Behaviour'* [Publication]
- Assessment of ESIC in the Social Security Code 2020

- Rationale: Transformation plan to strengthen ESIS supply and improve beneficiary satisfaction and strengthening ESIS's bigger role in India's UHC agenda

### Component II: Assessing Social Health Protection demands and means

- Large scale survey: *'Assessment of informal economy workers' and economic units' behaviour regarding social health protection'* [Publication]
- Documentation of International Experiences of Extending SHP to Informal Workers: *'Compilation of Existing Surveys and Studies in India on Informal Economy Workers, Health Conditions and Coverage in India: A report Summarizing Main Results and Data'* [Publication]
- Documentation of International Technological Innovations on Digital Health: *'Collection of Country Examples on how new Technologies, may support Social Health Insurance for Workers and their Families'* [Publication]

- Rationale: Identifying new categories of beneficiaries with demands for social health protection and adoption international best practices and technologies for equitable access

### Component III: Building a Stakeholder Ecosystem

- Regular stakeholder dialogues with employers' and workers' organizations for developing a joint vision of reforms in ESI Scheme and their respective roles in facilitating the same
- *'Mapping of Indian actors engaged in providing access to health care services, including through formalization'*

- Rationale: Building informed consensus and participation in the reforms process

## ► Potential next phase

A second phase could build upon the evidence collected under this first phase and benefit from the policy momentum of the Government of India's reform agenda for the ESI Scheme. The overall proposed focus of the second Phase intervention would be to support ESIC in:

- Improving ESI performance at state level for better services delivery and scaled up access through increased measurement and improvement of quality of services and effective implementation of health insurance at state level
- Strengthening ESI governance at state level for improved demand-generation through the development of outcome-focused monitoring systems and increased beneficiary participation in governance

### ► Contact details

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