

ABSTRACT

In the recent years, a new wave of Government Sponsored Health Insurance Schemes (GSHIS) has hit India which represents an alternative form of mobilizing and allocating government resources for health care. India is a country which is challenged by the low public financing in health and these schemes have enabled to govern, allocate and manage the public resources towards health. The aim of GSHIS is to provide financial protection against catastrophic health expenditure. These arrangements have laid down the promising foundations of reforming India's health finance and delivery system by introducing a bottom-up approach to reach universal coverage in healthcare starting from the inclusion of the poor. In this direction, in 2007 Rajiv Aarogyasri Scheme was rolled out in Andhra Pradesh to provide financial assistance to the below poverty line population against catastrophic illness to prevent worsening of their economic condition. It is deemed to be a success especially in its coverage and several attempts have been made to introduce similar schemes in other states.

Aim of this study is to assess the impact of this scheme, if any and especially, its evaluation in terms of the financial support and reduction in out of pocket catastrophic health expenditure (OOPCHE) of the beneficiaries. Also this study identifies certain vulnerable groups or households which can be focused upon for future policy considerations.

We found that RAS health insurance scheme does not have a significant effect in reducing the burden of health expenditure incurred by the households. The rural households are more severely affected by catastrophic spending. Also, the factors like education and economic status reduce the incidence of catastrophic health expenditure. In addition, the elderly members and people who are disabled are likely to incur more catastrophic expenditure on healthcare. We were able to identify the socially vulnerable classes – SC, ST which are more susceptible to spend catastrophically, even more so if they reside in rural areas.

Keywords: *state health insurance scheme, catastrophic health expenditure, vulnerability*