

Memorandum of Understanding (MoU)

between

National Health Agency,

Government of India

And

Health and Family Welfare Department

State Government of Kerala

for Implementation of

AYUSHMAN BHARAT-PRADHAN MANTRI JAN AROGYA YOJANA (AB-PMJAY)

[in alliance with Karunya Arogya Suraksha Padhathi]

National Health Agency

Government of India

Health and Family Welfare Department

Government of Kerala

WHEREAS the Government of India (Gol) has announced the launch of a flagship scheme, called AYUSHMAN BHARAT-PRADHAN MANTRI JAN AROGYA YOJANA (AB-PMJAY) to provide health cover initially to over 10 crore poor and vulnerable families or about 50 crore beneficiaries across the country, with coverage of up to Rs. Five lakhs (INR 5 lakhs only) per family per year, for secondary and tertiary care hospitalization;

WHEREAS Ministry of Health and Family Welfare (MoHFW) has set up National Health Agency (NHA) to manage the AB-PMJAY at the national level;

WHEREAS the State of Kerala is implementing the Comprehensive Health Insurance Scheme (CHIS) in the state providing financial coverage of Rs 30000/- for poor and vulnerable families who are not covered under Rashtriya Swasthya Bima Yojana (RSBY); and intend to implement AB-PMJAY in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP).

WHEREAS the role of the NHA is to provide guidance, oversight, operational guidelines, technical support and Central share of grant-in-aid under AB-PMJAY to the States;

WHEREAS the State Government is responsible for implementation of the mission and providing State share of grant-in-aid;

WHEREAS NHA and State Government of Kerala are now entering into this MoU to capture the terms and conditions for implementation of AB-PMJAY which will be implemented in the State in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP)] in the State of Kerala.

AND WHEREAS this MoU captures the terms and conditions for this purpose;

NOW THEREFORE this MoU is being entered into by and between:

The National Health Agency (NHA), represented by Chief Executive Officer, National Health Agency, registered address 343A, Nirman Bhawan, New Delhi-110001 (hereinafter referred to as "NHA" )

AND

The GOVERNMENT OF Kerala represented by Additional Chief Secretary, Department of Health and Family Welfare, located at 6<sup>th</sup> floor, Annex -2, Government Secretariat, Thiruvananthapuram-695001 (hereinafter referred to as "State of Kerala" )

NHA and State Of Kerala shall be individually referred to as "Party" , and collectively referred to as the "Parties"

NOW, THEREFORE, in consideration of the promises, mutual covenants, MoUs and provisions set forth hereinafter, the Parties hereto agree as follows:

## 1) DEFINITIONS

- a) AB-PMJAY shall refer to AYUSHMAN BHARAT-PRADHAN MANTRI JAN AROGYA YOJANA
- b) Basic Sum Insured shall mean the sum of Rs. 500000 (INR FIVE LAKH only) per AB-PMJAY Beneficiary Family Unit per annum structured in any manner to switch the needs of Kerala or any other coverage as agreed to between the Government of India and Government of Kerala from time to time.
- c) Beneficiary Family Unit refers to those families including all its members figuring in the Socio-Economic Caste Census (SECC) database under the deprivation criteria specified or any additional categories as may be decided by Government of India from time to time under AB-PMJAY and will also include all members deemed eligible by the Government of Kerala based on the parameters identified by them.
- d) Benefit Cover refers to the package of benefits that the insured families would receive under the AB-PMJAY as agreed to between the Government of India and Government of Kerala from time to time.
- e) MoHFW shall mean the Ministry of Health and Family Welfare, Government of India.
- f) NHA shall mean the National Health Agency.
- g) SHA shall mean State Health Agency and refers to the agency/ body set up by the Department of Health and Family Welfare, Government of Kerala for

the purpose of coordinating, managing and implementing the AB-PMJAY in the State of Kerala.

- h) EHCP shall refer to Empaneled Health Care Provider, that is, public or private hospitals that have been empaneled across the country under AB-PMJAY
- i) RSBY shall refer to the Rashtriya Swasthya Bima Yojana.
- j) CHIS shall refer to the Comprehensive Health Insurance Scheme.
- k) KASP shall refer to the Karunya Arogya Suraksha Padhathi.

## 2) PREAMBLE

- a) Over the past few decades, there have been significant improvements in various health indicators in the country. Despite this, the achievements of National and State/UT health programs are yet to reach a scale and scope that can translate into comprehensive assured health service for every Indian, particularly the poor and economically weak. In order to support the States to provide financial protection to poor and vulnerable families against catastrophic health expenditures and to reduce out of pocket expenditure for accessing health services due to hospitalization, Government of India has decided to roll out the Ayushman Bharat [Scheme] to provide holistic health care to all citizens including preventive health promotion as well as financial support for primary, secondary and tertiary care.

- b) Within this vision, the AB-PMJAY aims to help achieve the Sustainable Development Goals (SDG3) of providing Universal Health Care (UHC). It will provide for cashless hospitalization services of up to Rs Five lakhs per family per year to over ten crore poor and vulnerable families (approximately 50 crore) beneficiaries. To operationalize the scheme at the National level, and to rollout the scheme in coordination with the various State Governments, the NHA has been established.
- c) The State of Kerala is currently implementing RSBY which provides health coverage upto Rs. 30,000, CHIS, which provides coverage of Rs 30,000/- for poor and unorganized families who are not included in the RSBY, covering all the secondary care procedures as per the RSBY scheme. The State intends to implement AB-PMJAY [in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP)].
- c) In furtherance of the above objectives, NHA and the State of Kerala intend to sign this Memorandum of Understanding to implement AB-PMJAY[in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP)]

### 3) DURATION OF THE MOU

- a) This MoU shall come into force immediately upon signing and shall be applicable till such date when either of the Parties decide to withdraw from it or both Parties agree to terminate it as per Clause 8 of this MoU

#### 4) OBJECTIVES OF THE MOU

The aims and objectives of the MoU are as follows:

- a) To enable the NHA and the State Of Kerala to work together to implement AB-PMJAY in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP).
- b) To clearly define roles and responsibilities of both the Parties with respect to implementation of AB-PMJAY in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP) ;

#### 5) ROLE AND RESPONSIBILITIES OF NHA

Having agreed to provide assistance for the implementation of AB-PMJAY in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP) in the State of Kerala, the NHA shall do the following:

- a) Premium/ Cost contribution:

- i) [Insurance mode] The NHA shall release Central share of grant-in-aid under AB-PMJAY as premium contribution determined through an open tendering process subject to national ceiling determined by Government of India;
  - ii) [Trust mode] The NHA agrees to release Central share of grant-in-aid as actual cost of claims subject to entire release under the insurance and assurance component together being less than or equal to the ceiling determined by the Government of India
- b) **Transfer of Premium/ cost as grant-in-aid in escrow account:** There shall be an escrow account established between the NHA and SHA and the NHA shall transfer the Central Government' s share to the specific escrow account, within 15 days on receipt of intimation from the State pertaining to the fulfillment of the conditions set out in (a) above as may be prescribed by the NHA.
- c) **Transfer of administrative expense:** The NHA shall provide Central Government' s share of contribution with respect to administrative expenses to the SHA based on fulfillment of such conditions as may be prescribed by NHA.
- d) **Database of beneficiaries:** The NHA shall provide the database of eligible beneficiary families to the States and shall allot a unique national ID for each AB-PMJAY beneficiary. The NHA will also provide flexibility to States to use their own database of beneficiaries as mentioned in clause 6(f) of



this MoU on the condition that all AB-PMJAY eligible Beneficiary Family Units are included in this database.

- e) **Operational Guidelines:** The NHA shall provide guidance to the States through operational guidelines for implementation of AB-PMJAY. This will be appropriately adapted by the State to suit their requirement.
- f) **Providing model tender document:** The NHA shall provide model tender documents to the State pertaining to the implementation of the AB-PMJAY including but not restricted to the provision of documentation for the model Request for Proposal for Selection of Insurance Companies which States shall adapt to suit their requirement.
- g) **Bid Management Process and Price Discovery:** The NHA shall exercise general scrutiny on the bid management process of the State and shall provide concurrence to proposals by the State for such modification in the bid management process that have significant financial implications. The NHA shall also provide approval to the market discovered rates for premium prior to final award of work in the State [Insurance Mode].
- h) **National Portability:** The NHA shall lay down the process and terms for extending portability of benefits to all AB-PMJAY beneficiaries across the EHCP network in India.
- i) **IT System and Technical Support:** The NHA shall provide an IT platform with functional modules for identification of eligible beneficiaries, transaction and claim management and provision of all services under AB-PMJAY. The

NHA will also allow the State of Kerala to use their own IT system as per the conditions mentioned in clause 6(l) of this MoU.

- j) **Information, Education and Communication (IEC) materials:** The NHA shall provide standard IEC material and branding for dissemination to ensure uniformity in messaging to the beneficiaries. State may use them after local adaptation.
- k) **Training and Capacity Building:** The NHA shall provide standard training manuals for stakeholders and support the State in organizing training of trainers and other capacity building activities including for EHCP accreditation in the State. State may adapt them to suit their needs.
- l) **Review and monitor the progress made under AB-PMJAY:** The NHA shall review the performance of the scheme and monitor it on a regular basis and issue necessary directions from time to time.

#### 6) ROLE AND RESPONSIBILITIES OF STATE OF KERALA

The State shall: be responsible for the following with respect to implementation of AB-PMJAY in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP) under this MoU :-

- a) **Setting up of State Health Agency:** The State shall set-up a dedicated State Health Agency (SHA) or designate this function to any existing agency/ trust/ society designated for this purpose which will be

responsible for the implementation of AB-PMJAY in alliance with Karunya Arogya Suraksha Padhathi.

b) **Coverage:** The State shall provide a health protection coverage of Rs. 5 lakh per family per year benefit cover for secondary and tertiary care hospitalizations to all eligible AB-PMJAY families. State may structure the coverage to suit the epidemiological situation and availability of financial resources.

c) **Premium/ Cost contribution**

i) [Insurance mode] The State shall release State share of grant-in-aid as premium contribution determined through the open tendering process including any contributions to be made over and above the national ceiling determined by Government of India for the sum assured covered in the insurance route.

ii) [Trust mode] The State shall release State share of grant-in-aid as actual cost of any additional claims beyond the ceiling determined by the Government of India, equal to the difference between the premium amount and the ceiling fixed by the Government of India for financial support. State shall bear the cost of claims above the ceiling set by the Government of India

d) **Setting up of escrow account and transfer of State share:** The State shall set up an escrow account with the NHA for premium/cost as grant-in-aid wherein both State and Central share shall be transferred in separate

tranches and as per conditions specified by the NHA and communicated to the State from time to time.

e) **Administrative cost contribution:** The State shall contribute towards the State share of administrative cost for the implementation of AB-PMJAY and shall also receive the Central share for this purpose subject to its fulfilling its role and responsibilities as set out in this MoU.

f) **Database of beneficiaries:** The State shall ensure that the eligible beneficiary families in the AB-PMJAY beneficiary database provided by NHA including those already covered with RSBY are covered under AB-PMJAY and are provided the benefits accruing under the same. Given that Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP) covers a much larger population compared to AB-PMJAY Beneficiary List, the State may take a reasonable period of time within which it shall identify all AB-PMJAY beneficiary families within Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP) beneficiary family units.

The State shall further ensure that all families eligible for AB-PMJAY as per Socio Economic Caste Census (SECC) data or existing enrolled RSBY beneficiaries or otherwise are provided benefits under the AB-PMJAY and to identify such families mandatorily by the unique AB-PMJAY ID assigned to the family by NHA. State shall have the right to cover any family from the

State so long as the families identified by Government of India as eligible as per SECC are covered.

- g) **Bid Management Process and Price Discovery:** The State shall conduct the Bid Management and Price Discovery process through an open tendering process for selection of Insurance Companies based on the Model Tender Documents provided by NHA and shall intimate NHA prior to making any changes in the Model Tender Documents that have significant financial implications for price discovery, before issuing the tender document for bidding. The State of Kerala shall also request approval of the NHA on the market discovered rates for premium prior to final award of work in the State [Insurance Mode].
- h) **Packages and Benefits:** The State agrees to provide all medical and surgical packages as decided by NHA to all eligible families and to use standardized codes for procedure packages covered under AB-PMJAY as mandated by NHA. The State will have the right to fix appropriate rates for these procedures and to add or delete any package considered necessary by them for epidemiological and equity reasons.
- i) **Make available public health facilities for mission:** The State shall make available the public health care facilities with in-patient care facilities, for deemed empanelment as EHCP under AB-PMJAY. The State may frame policies and guidelines to allow public hospitals to retain and utilize funds at the hospital.

- j) **Portability:** The State agrees to extend national portability of benefits to all AB-PMJAY beneficiaries as per the guidelines laid down by NHA.
- k) **Empanelment of Hospitals:** The State shall be responsible for empanelment of the hospitals in the State under the empanelment guidelines [provided by NHA]. The State shall ensure that all EHCPs under the AB-PMJAY are empanelled through the online empanelment portal provided by NHA and use standardized unique IDs for EHCPs as mandated by NHA;
- l) Agrees to adopt completely the IT platform developed by NHA in the form as created, for the implementation of AB-PMJAY in alliance with Comprehensive Health Insurance Scheme (CHIS) newly renamed as Karunya Arogya Suraksha Padhathi (KASP) and to host it centrally with the NHA. The State agrees to share all data related to AB-PMJAY beneficiaries to the NHA. Nothing in this clause shall prevent the State from sharing any additional information with NHA in a manner NHA may deem fit in order to augment fraud detection and standardization of procedures and other such purposes. Nothing in this clause shall limit the right of the State to route the data through and utilize the data in any digital health programme developed and implemented by the State.
- m) **Grievance Redressal System:** The State shall establish a robust Grievance Redressal System including a toll free help line linked to the national helpline as decided by NHA and communicated by it to the State.

- n) **IEC:** The State shall be responsible for conducting IEC activities, including mandatory messages included in NHA guidelines, to inform the eligible beneficiaries about the benefits and process of availing services under AB-PMJAY.
- o) **Training and Capacity Building:** The State shall be responsible for carrying out training of stakeholders and building their capacities to carry out designated tasks under AB-PMJAY guidelines
- p) **Facilitate, monitor and evaluate the scheme:** The State shall facilitate, monitor and evaluate the implementation of the scheme as per the guidelines issued from time to time by the Central Government or NHA as the case may be and such additional guidelines as the State itself shall adopt from time to time in relation to the scheme.
- q) **Provide information and reports:** The State shall provide such information, in prescribed format and in such manner, as is desired by the Central Government and/or NHA from time to time.

## 7) MAINTENANCE OF ACCOUNTS AND AUDIT

- a) Funds allocated in terms of this MoU will be kept separately along with the share of funds provided by the State. The State will organize the audit of the funds immediately on the close of every financial year and will prepare and provide to the NHA a consolidated statement of expenditure, including the interest that may have accrued.

- b) The funds routed through the escrow account will be liable to statutory audit by the NHA at the NHA' s sole discretion.
- c) State may operate additional accounts to manage additional funding made available by the State over and above the ceiling fixed by the Central Government including State share.

## 8) EXIT AND TERMINATION

- a) Either party of the MoU can invoke the exit clause to withdraw from the MoU, provided that the exiting party gives a notice of its intent to terminate in writing at least 90 days in advance, and citing the reasons for the termination. The Parties shall conduct as many coordination and conciliation meetings as possible during this period to explore ways to continue the MoU, if needed.
- b) This MoU can also be terminated for cause by providing 60 days prior notice in writing, and such cause for termination shall be if either party commits a material breach of its obligations under this MoU.

## 9) ASSIGNMENT

It is accepted and understood by the parties to this MoU that the rights, responsibilities and obligations of the State of Kerala may be assigned in their entirety to the State Health Agency (SHA);



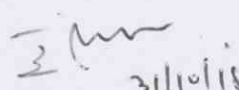
10) MISCELLANEOUS

- a) This MoU should be read together with the Guidelines for AB-PMJAY issued by the NHA, Government of India and shall not be amended unless agreed to in writing by both the parties.
- b) This MoU shall become effective after it has been duly approved and signed by the parties and shall not be amended except in writing by both the parties.
- c) The scheme, AB-PMJAY shall be implemented from 1<sup>st</sup> of April 2019 onwards.

Now therefore both Parties agree to enter a MoU for the purposes set out above.

IN WITNESS WHEREOF the Authorities hereto have signed this MoU as of the day and year first above written.

FOR NHA, Government of India

  
3/11/18  
Authorised Signatory

Name:

Designation:

FOR the State Government of Kerala

  
Authorised Signatory

Name:

RAJEEV SADANANDAN  
Additional Chief Secretary to Govt.  
Health & Family Welfare Dept.  
Govt. of Kerala, Thiruvananthapuram

Designation:

