Challenges And Problems Of Service Delivery Mechanism Under Employee State Insurance Hospitals And Its Schemes

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Abstract:

Employee State Insurance Corporation is a comprehensive Social Security Scheme designed to protect the employees in the organized sector against the events of sickness, maternity, disablement and death due to employment injury and to provide medical care to the insured employees and their families. The scheme provides full medical care to the employee registered under the scheme during the period of his incapacity for restoration of his health and working capacity. It is different from other types of insurance like health insurance that it provides full amount of medical bill irrespective of the premium contribution. ESI Scheme of India is a major multi-dimensional social insurance programme that has over the last six decades emerged with its phenomenal growth in terms of geographical reach, demographic coverage, multi-faceted services and an infrastructure that has no parallel. Despite all the endeavours made by the Corporation for the effective functioning of the ESI Scheme in the country, public discernment of the Corporation has not been very positive. The insured persons often allege that the Corporation has not given any regard for the quality of services and benefits provided to the beneficiaries and their dependents. The present paper is an attempt to study the effectiveness of service delivery of ESI Scheme as well as an analysis of working of ESIC in different areas of Rajasthan.

Keywords: Factory & Establishments, Insured Persons, Service Delivery, Social Security, IP (Insured Persons)

1. Introduction:

The Employees State Insurance Scheme (ESIS) is an integrated multi dimensional health insurance and social security scheme. The major legislation on social security for workers in independent India was the promulgation of Employees State Insurance Act, 1948 by the Parliament. The scheme provides social protection to employees in the organised sector and their dependents in contingencies, such as, sickness, maternity or death and disablement due to an employment injury or occupational disease. The Scheme provides full medical care to insured persons and their dependents and also provides cash benefits to compensate for loss of wages or loss of earning capacity in different contingencies. The ESI Scheme is administered by the Employees State Insurance Corporation (ESIC) of India, a statutory body set up by the Government of India as per the provisions of the ESI Act.

Social Security has now become a fact of life for millions of people throughout the world. It is a major aspect of public policy and extent of its prevalence is a measure of the progress made by a country. The International Labour Organisation (1942) defines social security as —”the security that society furnishes, through appropriate organisations, against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual of small means and meagre resources cannot effectively provide by his own ability or foresight alone, or even in private combination with his fellows these risks being sickness, maternity, invalidity, old age and death. It is the characteristic of these contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency”. According to this definition, all the nations should undertake adequate measures for providing the citizen with benefits, designed to prevent or cure diseases, to support when unable to earn. Thus the relevance of this paper increases because Social Security Laws, their systematic working and the benefits provided by them is bare essential for everybody. This paper analyzes the working and service delivery of ESIC as it was the first social
insurance measures introduced in India, so there are a number of insured persons who are associated with ESIC and are dependent on the Social Security Benefits provided by ESIC.

2. **Employees State Insurance Corporation (ESIC):**

The ESI Act of 1948 was the first social insurance measures introduced in India encompasses certain health related eventualities that the workers are generally exposed to, such as sickness, maternity, temporary or permanent disablement, occupational disease or death due to employment injury, resulting in loss of wages or earning capacity-total or partial. The ESI Scheme is administered by a corporate body called the 'Employees' State Insurance Corporation' (ESIC), which has members representing Employers, Employees, the Central Government, State Government, Medical Profession and the Parliament. The Director General is the Chief Executive Officer of the Corporation and is also an ex-officio member of the Corporation. At the National level, the Standing Committee (a representative body of the Corporation) for administering the affairs of the Corporation, and the Medical Benefit Council, a specialized body that advises the Corporation on administration of Medical Benefit, are functioning. At the Regional Level, the Regional Boards and Local Committees have been constituted to review the functioning of the scheme and make suggestions for its improvement. The ESI scheme is a self financing scheme. The ESI funds are primarily built out of contribution from employers and employees payable monthly at a fixed percentage of wages paid. The State Government also contribute 1/8th share of the cost of Medical Benefit.

**Coverage:**

According to the notification issued by the appropriate Government (Central/State) concerned under Section 1(5) of the Act, the following establishments employing 10 or more persons attracts ESI coverage.

1. Shops
2. Hotels or restaurants not having any manufacturing activity, but only engaged in 'sales'.
3. Cinemas including preview theatres;
4. Road Motor Transport Establishments;
5. Newspaper establishments. (that is not covered as factory under Sec.2(12));
6. Private Educational Institutions (those run by individuals, trustees, societies or other organizations and Medical Institutions (including Corporate, Joint Sector, trust, charitable, and private ownership hospitals, nursing homes, diagnostic centres, pathological labs).

In some states coverage is for 20 or more employees for wages. A few State Governments have not extended scheme to Medical & Educational Institutions.

**Social Security Benefits:**

**Medical benefit:**

Medical benefit includes the medical care package (free of cost) consisting of out-patient treatment, in-patient treatment, specialist consultation, X-ray and laboratory investigations, supply of drugs, dressings, artificial limbs, aids and appliances, health improvement services such as vaccination, preventive inoculations and periodical health check up. An insured individual and his /her dependents become eligible to receive medical attention from the date he /she joins the insurable employment and entitlement continues till the time the insured person continues to be in insurable employment or is qualified to stake a claim for instances like illness, maternity or any form of disablement. The medical care is provided by the corporation mainly through a well established
network of ESI dispensaries, hospitals and panel of clinics set up all over the country. Super specialist treatments are provided through the country’s most advanced medical institutions for which payments are made directly by the ESI Corporation to the institutions concerned.

Sickness Benefit:

Sickness Benefit includes periodical payment to an insured person in case of Illness/Sickness in the form of cash compensation at the rate of 70 per cent of wages is payable to insured workers during the periods of certified sickness for a maximum of 91 days in a year. In order to qualify for sickness benefit the insured worker is required to contribute for 78 days in a contribution period of 6 months.

Maternity Benefit:

Maternity benefit includes periodical payment to an insured female in case of confinement or mis-carriage or illness or premature birth of child or mis-carriage due to complications of pregnancy, duly certified by an appointed medical officer. Maternity benefit continues to be payable in the event of passing away of an insured woman during her confinement or during the period of six week immediately following her confinement leaving behind a child for the whole of that period, and in case the child also passes away during the said period then until the passing away of the child.

Disablement Or Employment Injury Benefit:

Disablement or employment injury benefit implies payment to an insured individual who has suffered disablement due to an employment injury sustained as an employee if he is certified to be eligible to receive such payment by an authorized entity specified in such cases. Disablement may be temporary or permanent. In case of disability which is temporary in nature and sustained out of an employment injury, disablement benefit is admissible to an insured individual for the complete period so certified by a specified Insurance Medical Officer/ Practitioner under which the insured individual is not employed.

Dependant’s Benefit:

If the insured person dies as a result of an employment injury or occupational disease, his dependents are eligible to receive compensation under the ESI Act, who shall be entitled to periodical payments under dependents’ benefit. There are no contributory conditions for qualifying to this benefit. Thus, if a person dies of employment injury even on the first day of his employment, his dependants are entitled to the benefit.

Other Benefits:

Besides the above main benefits, the Corporation also provides some additional benefits to the insured individuals or their dependents. Other benefits include the funeral expenses on death of insured person subject to a maximum of Rs.10,000, free supply of aids and appliances such as crutches, wheelchairs, debentures, spectacles and other 21 such physical and aids preventive health care services such as immunization, HIV/ AIDS detection etc.

<p>| Table 1: ESI Scheme- A Total Social Security for Workmen |
|-----------------------------------------------|-------------------------------------------------|
| 1  | Medical Care                  | Primary, Secondary and Tertiary medical care with no cap on individual expenditure. |
| 2  | Sickness Benefit             | 91 days                                       |
| 3  | Extended Sickness Benefit    | 730 days (up to 2 years) for specified 34 diseases |
| 4  | Maternity Benefit            | 84 days+1 month (due to complications arising out to pregnancy, confinement, premature birth of child |</p>
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<th>Benefit/</th>
<th>etc.</th>
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<td>5</td>
<td>Permanent Disablement Benefit/</td>
<td>Based on loss of earning capacity as long as the disability lasts.</td>
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<td>Temporary Disablement Benefit</td>
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<td>6</td>
<td>Dependents Benefit</td>
<td>On the death of IP to the wife till she is alive/remarried and to</td>
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<td>family members as per conditions w.r.t. age/marriage.</td>
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<td>7</td>
<td>Rajiv Gandhi Shramik Kalyan</td>
<td>50% of daily average wages up to 12 months unemployment on account</td>
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<td>(unemployment Allowance)</td>
<td>of closure of factories, retrenchment or permanent invalidity of</td>
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<td>of not less than 40% arising out of non-employment injury.</td>
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<td>8</td>
<td>Incentive Scheme to employers</td>
<td>The employers’ share of contribution is paid by government for 3</td>
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<td>years for providing employment to persons with disabilities drawing</td>
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<td>Disabilities</td>
<td>monthly wages up to Rs. 25000/-</td>
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<td>9</td>
<td>Medical Care to Retired IPs</td>
<td>Medical facility available within ESIC on payment of Rs. 120/- per</td>
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Source: www.esic.nic.in

3. **Review Of Literature:**

Today, Social insurance programme are a global phenomenon. In the post war era, country after country has realized that the industrial health cannot be and should not be delinked from a socially conductive and protective work environment for its workforce. In India, social security is fast emerging as an indispensable chapter of national development programme. There are many contributions made by previous authors, though it is impossible to discuss all of them. Thus we are focussing on the significant contributions made in this area.

1. **The Prime Minister Vajpayee A.B.** (2002), on the precious occasion of Golden Jubilee Celebration of ESIC he said that the industrial scene has changed dramatically, however what has remained unchanged is the government’s commitment to ensure social security for workers. He was inaugurating a seminar on evolving a national policy on social security. ESIS should endeavour for providing social security umbrella to the poorest of the poor workers and people in the unorganized sectors for achievement of national goal set by the Mahatma Gandhi.

2. **Mukundan C. B.** (2005), in his Article, stated that ESI Scheme primarily designed to promote social security and medical treatment of employees and their dependents, unfortunately, now runs counter to the envisaged goals. Millions of employees and thousands of employers have been the victims of this malevolent machinery, which shows menacing signs of extending its evil grip. Employees are driven to ESI hospitals by utter helplessness, sometimes, to secure medical certificates, but never to seek treatment, which is, in fact, highly risky. These hospitals offer no effective medical service or medicines; on the other hand, constitutes a threat to lives of the patients. The whole system is corrupt to the core. He concluded the Article by stating that it is high time that the Government and the trade unions should seriously think whether the ESI scheme is to be implemented compulsorily ignoring the dissatisfaction of the employees and the employers in the working of the ESI Scheme.

3. **Kharge Mallikarjun** (2010), Former Labour Minister GOI, ESIC was started as a Social Security Organisation for the workforce in the low income group of the country by the great visionary and our first Prime Minister, Pandit Jawaharlal Nehru on 24th February, 1952. To suit with the changing times and rapid growth of industrialization in the country, based on the
recommendations of ESIC and suggestions of the Standing Committee of Parliament, comprehensive amendments have been carried out in the ESI Act vide ESI (Amendment) Act, 2010 which came into force from 1st June, 2010 such as Facilitating coverage of smaller factories employing 10 or more persons, Enhancing age limit of dependent children for eligibility to dependants benefit from 18 years to 25 years etc.

4. Satpathy I, Patnaik B.C.M & Dev Padma (2011) - The Employees’ State Insurance Scheme is an integrated multi dimensional Health Insurance and Social Security Scheme. It is one of the most effective and sustainable social measures available to the workmen employed in industrial and commercial establishments of varying sizes and nature. It provides comprehensive full medical care and reasonable economic assistance to the beneficiaries in contingencies like hazards of sickness, maternity, disablement and death due to employment injury. In the present paper, an attempt to understand the ground reality of the role of ESI in the study area has been made. Government spends lot of money in this direction and how far the benefits are being reached to the beneficiaries of the scheme is the objective of the paper. For this purpose 14 variables were identified after the pilot study and perception score method was used for the better understanding of the issues related to the ESI.

5. Modi Narendra, Hon’ble Prime Minister (2015) launched a series of Health Reforms initiatives of ESIC at Vigyan Bhawan, New Delhi on the inauguration of 46th Indian Labour Conference. Health Reforms Agenda of ESIC includes, Online availability of Electronic Health Record of ESI Beneficiaries (Insured Persons and their family members); Abhiyan Indradhanush: Ensuring the change of bed sheet according to VIBGYOR pattern during the week i.e. to be changed every day; Medical Helpline No. 1800 11 3839 for emergency and seeking guidance from casualty/emergency of ESIC Hospitals and Special OPD for Sr. Citizens and differently-able persons in ESIC hospitals. These Reforms are part of a series of “2nd Generation Reforms Agenda” named as ‘ESIC-2.0’.

6. Dr. Maiya (2016) in his study —“Nurses' perception towards ESI scheme” : A study with reference to selected hospitals in Udupi district showed that there was no significant association between level of satisfaction and monthly family income, there is also no association between level of satisfaction and other demographic variables as age, gender, religion, dependent members, and awareness about ESI. Hence, this study reveals that level of satisfaction is independent of selected demographic variables and monthly family income.

7. Deblina Mitra (2017) in her study- “Effectiveness of Medical Benefits under ESI Scheme: A Study on the Employees of Organised Sector in Kolkata” analysed that Medical benefit scheme of ESIC of India provides a full comprehensive medical care to the insured persons and their families. On the basis of study some suggestions like enhancement of the awareness about the ESI Scheme among the insured persons and employers, improvement in the quality of services in ESI hospitals and dispensaries, simplifying the formalities to be followed for claiming benefits, etc, can be extended to create a cordial atmosphere and smooth relationship between enterprises, ESI Corporation and insured persons.

8. Divya M., Dr. B Vijayachandran Pillai conducted a study on “An Assessment of Awareness and Satisfaction on Employee State Insurance Scheme in the Service Sector in Kerala”. For this purpose, 90 beneficiary employees are selected by employing simple Random Method as sample for the study, 30 respondents each from each of the three selected establishments namely shops, educational institutions and financing companies. A structured interview schedule was used for the data collection. The findings of the study show that the beneficiaries of educational institutions are more aware about ESI scheme than other two classes.
4. **Challenges & Problems In The Working And Service Delivery Of ESI Act**

The structure and functioning of the existing Indian social security laws show myriad of major problems. Besides a large number of establishments that escape coverage due to several reasons, there are problems of effective availability of the benefits envisaged under different social protection laws. In part, these problems can be attributed to the inappropriate policy choices or lack of political will. An important area of concern is the indifference and inefficiency of the bureaucratic mechanisms which administer these systems under different social security laws. This kind of inefficiency is noticeable in case of many other public services in the country. India figures quite high in the corruption index. Therefore, the problem of the working of the social security system can be said to be partly systemic. Despite this, however, some states in India (e.g. Kerala) have shown a higher level of performance in promoting equity and efficiency in public services. One reason for this is the level of working class awareness in the state, besides history of proactive state support for labour welfare and social protection. There is good scope for innovating policies so as to reach social benefits to a larger section of the population in a more effective manner. The problems are-

A. The first and foremost criticism of the ESI Scheme is about the administration of medical facilities. This issue requires the greatest attention in carrying out any reform agenda in Indian social security. In ESI Dispensaries there are provisions of drugs and dressing, some of them are free of cost and some them are a reasonable rate. Still most of the insured persons were dissatisfied. The insured persons opined that the qualities of drugs that are provided in the ESI dispensaries are not satisfactory. There are a number of studies available that shows the insured persons’ view of discontentment regarding the services of ESI Dispensaries. Sometimes they were receiving the drugs that are beyond expiry date. The availability of laboratory tests facility is an integral part of health care management and ESI dispensaries also provide such facility. While examining satisfaction level of beneficiaries, it is found that majority are not satisfied with the facilities in terms of quality of test and service delivery within stipulated time. A research shows the reasons that the insured persons are not taking treatment from ESI hospitals and reveals that Lack of doctors, inadequacies of medicines & medical facilities, rude attitude of the staff, fix timings of doctors, lack of confidence and Inconvenience to go to ESI hospitals are some of the reasons.

B. Second problem that has been observed is the dissatisfactory claim of other benefits. While the cash benefit in respect of Maternity benefits, it is found that majority of respondent insured persons [women] are found to be satisfied. The dissatisfaction was observed in respect of Disablement Benefit and other benefits. The reason attributable for such state of affairs, as opined by the beneficiaries, are delay in settlement of benefits, cumbersome procedures, requirement of frequent visits claim office at the cost of wage cut etc. So they avoid taking claims of their benefits because of the long process and frequent wage cut.

C. Some of the serious shortcomings of the ESI Scheme include: restrictive coverage and eligibility, poor quality of medical care, lack of professionalism in administration of ESI dispensaries and hospitals, high cost of administering the scheme, and delays and malpractices in the disbursement of cash benefits.

D. The inefficiency and corruption in the inspectorate administering the ESI Act is one of the key reasons for keeping a large part of the workforce outside the coverage of the Act, especially in case of smaller establishments which should otherwise be covered.

E. The last but not the least problem is the lack of education among the insured persons regarding their rights. The insured persons are not educated enough to understand the system properly. In that case they are being harassed by the bureaucrats.
F. Most of the ESIS dispensaries are housed in rented building. Some of these buildings are in a bad shape and are not suitable for providing quality care services as well as installation of Computer hardware. State govt. is not able to give the desired priority to ESI, therefore services are generally poor.

5. Ways To Overcome The Challenges:

Some broad lines of solutions can be proposed as follows.

The requirement of minimum number of persons employed for the purpose of coverage may be brought down to five or more from the present 10. Because it would increase the area of coverage, those firms would also be covered under ESI who are getting undue advantage of reduced labour cost, as they have not to pay for social security of their workforce.

The most severe criticism of the ESI Scheme is about the administration of medical facilities. This issue requires the greatest focus in carving out any reform agenda in social security. There is a case for separating the administration of medical benefit and cash benefits under the ESI Scheme. A major part of the resources of the ESI Corporation are spent on providing the medical benefit.

The working of the economy in the past ten years or so shows that people have better faith in privatisation of some of the services. With this in view, exploring the possibility of comprehensive medical insurance by private insurance companies should be fully explored in all its dimensions. A beginning in this regard is long overdue. A separate agency administering health benefits including provisions of medical care can be created. To begin with, this may be applied to select urban areas which have better hospitalisation facilities. Private sector collaboration may also be sought in this regard so that the quality of service should be maintained.

There are some other suggestions like ESIC should have an ombudsman same as banking sector. There should be a team of capable employees who will be taking care of the quality standards of working of ESIC as well as they will be working as the problem solver and grievance handling committee for the beneficiaries. In that way the quality of the services could be improved.

The next solution for the quality services could be a mobile application (bilingual) and IP care services of ESIC. Either it is a factory or any other establishment like Educational Institutes, Hospitals, Hotels etc., ESI will be applicable on all the organisations. In today’s world everyone has a mobile phone so the IP’s can handle the mobile app too even if they are graduates or not. Through this app the beneficiaries can contact with the ESI officials directly, lodge a complaint if any, have their account details in that app and the most important can save their time getting wasted on visiting the ESI office or dispensary frequently. There will be one more benefit of this app i.e. the paper work will be reduced and in case of any accident or any contingency the beneficiary could fill the form for claim as soon as possible without wasting time because it has to be done in the allowed time period for availing some particular benefits. In a publication by ESIC, The Sparkling Diamond, the organisation has considered IP’s as VIP’s. In this sense the IP’s could be made VIP’s actually, they will never hesitate in getting the services of ESIC.

The awareness camps and seminars should be held. Although the workshops are being held by ESI Inspectors and other officials according to their areas allotted, but these workshops are only focussed upon Employers they should be covering the beneficiaries too. So that they would be able to know about their rights and the IP’s will be more aware towards ESIS.
A. ESI Corporation had constituted a committee under the Chairmanship of D.G. ESIC. The final recommendations of subcommittee duly taking into account deliberations and recommendations made in various meetings are as under:

Primary medical care is largely provided by State ESI Scheme through a vast network of Dispensaries (1350) and almost equal number of IMPs (Insurance Medical Practitioners). Heavy dispensary with average daily attendance of 200 patients per day, should maintain uniform timings of 7.30 AM to 7.30 PM except for closing of registration counter half an hour before the closing timings. The same should be displayed in the registration area. Dispensary working in single shift: Timings should be such that IPs working in both morning and evening shifts can avail of services. Secondary care is largely provided through a vast network of ESI Hospitals all over the country. There are 151 hospitals of various bed capacity having about 19000 beds. Out of these 36 hospitals are directly run by ESIC while rest are managed by the respective state Govt. Corporation run hospitals are largely over crowded while state run hospitals are under-utilized mainly due to deficient services. A channel like system on the web for each specialty with fix time of telecast may be developed and should be telecast to all ESI Hospitals for upgrading their knowledge and skills. A dash board should be created for interactive sessions. CCTV system to be installed in entrances, exits, parking area, emergency department and other vantage points. This will contribute in increasing efficiency of staff and for monitoring safety of crucial hospital areas etc. There may be fixing of Service Benchmarks and Timelines for better service to IPs with necessary arrangements for its monitoring (Action - Medical Division – 3months). ESIC Corporation in the year 2009 decided to extend super-specialty services to its beneficiaries in a cashless and hassle-free manner through tie-up private hospitals. The Corporation also considered relaxation of criteria entitling IP for Super-specialty treatment. The entire expenditure was also to be borne by the ESI Corporation. It has been noted that the expenditure on super-specialty is rising very fast partly due to relaxation in the eligibility criteria and misuse by non-entitled persons. This need to be revisited so that the money of the IP is not siphoned out by others by taking the advantage of relaxed criteria as well as provision of deposition of contribution from the back date to enable any person to become entitled for super-specialty treatment.

B. Launch of ESIC 2.0: Health Reforms Agenda of ESIC- Shri Narendra Modi, Hon’ble Prime Minister launched a series of Health Reforms initiatives of ESIC at Vigyan Bhawan, New Delhi on 20.07.2015. Health Reforms Agenda of ESIC includes, Online availability of Electronic Health Record of ESI Beneficiaries (Insured Persons and their family members); Abhiyan Indradhanush: Ensuring the change of bed sheet according to VIBGYOR pattern during the week i.e. to be changed every day; Medical Helpline No. 1800 11 3839 for emergency and seeking guidance from casualty/emergency of ESI Hospitals and Special OPD for Sr. Citizens and differently-abled persons in ESIC hospitals. These Reforms are part of a series of “2nd Generation Reforms Agenda” named as ‘ESIC-2.0’.

6. Conclusion:

Despite all the endeavours made by the Corporation for the effective functioning of the ESI Scheme in the country, public discernment of the Corporation has not been very positive. Such as, they felt that the Corporation has not given any regard for the quality of services and benefits provided to the beneficiaries and their dependents. Further, no adequate steps are being taken to improve and popularise the Scheme among the beneficiaries and employers.

Therefore, a study on the perception of insured persons as to delivery of services by ESIC is vital for success of ESI schemes and to cure the various maladies that afflicted.
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