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THE PAYER AND PROVIDER ROLE OF EMPLOYEES STATE INSURANCE CORPORATON AND ITS PROBLEM

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ABSTRACT:

When roles expand, complexity raises. It is like a single becoming a family person. Institutions that work on a focussed basis, perform well. Employee State Insurance (ESI) has been doing duel role since the year 1948. It runs insurance and runs hospitals too. The model is known as "payer – provider" role. Studies reveal multi-tasking lowers productivity and Al-Ries and Lara Al-Ries have even written a book on it called "Focus". The companies that stay in their competence area do well than diversified institutions. All Governments core competence, is governance. It is law and order, policy making, oversight of private companies functioning, neither private players have the resources nor the competence. Hospitals in particular calls for intense brand visibility, deep empathy and service excellence.

Key Words: Brand, Empathy & Service

INTRODUCTION

Whoever runs a monopoly, the brand concern is low always. The phenomenon is true worldwide. Indian Space Research Organization (ISRO) is a monopoly in space in and there is no need for any brand concern. Brand thoughts come only when there are more than one player. Brand is a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need. (Ted Levitt, 1960) Branding must be *continuously adapted* so that it is both effective and efficient. (Geoffrey Randall, 2004). Strong brands find the strength of their brand affected at an involuntary level. (Lynn Hasher and Rose Sacks, 1979). Brand affects a person by way of affinity, loyalty and repeat purchase.

Until ESI came to govern the workmen in terms of Health Care Services (HCS) for employees , it was only The Workmen Compensation Act 1923 aka WCA taking care of HCS. The act covers mainly 1. Pay cover during

employment injury recovery. 2. Compensation for occupational hazard and 3. Compensation for permanent disability partial or otherwise. Both ESI and WCA does not cover executives and they are expected to fend for themselves. The WCA came before India's independence and ESI came into force a year after India's independence. The ESI scope is far more comprehensive in comparison with WCA. Under ESI, all covered are treated in hospital and now ESI has also added medical colleges in its portfolio recently.

THE REGULATORY FRAME WORK OF ESIC

It is a central legislation and covers all India. The apex body of ESI "standing committee" is filled with Member of Parliaments and under them a director general runs the day to day operation. Except supervisory level, rest all must pay insurance premium to the corporation and ESI offers in patient& out patient care, sickness leave and cash benefit, accident coverage, maternity, dependent benefit et al. But it is run like a Government entity and so apathy for the users, slow response, and lack of customer orientation. . Too many layers involved and comes under the Ministry of Labour and Employment. There is grievance redresser in the form of tribunal and many doctors are on deputation from other services like General Hospital (GH), Indian Council for Medical Research (ICMR). The Ministry of Labour and Employment has no competence on medical services and at least it can be with Ministry of Health Care, as they have needed expertise.

THE CONFLICT BEHIND PAYER AND PROVIDER ROLE OF ESI.

Good companies cover the executives with health insurance and the rest under ESI act in India. The executive's illness is taken care by insurance company and so company here is the "Payer" and the Insurance Company is the "Provider". Roles are very distinctive and so no overlap. In the case of ESI Corporation, the insurance premium is paid by both the employee and the employer and sickness benefit /maternity benefit comes after 13 weeks of payment and in employment injury it is immediate. If only the role is confined to payer alone , ESI can send the premium to a provider like United India Insurance , a Public Sector Undertaking (PSU) and it can settle the bill whenever the person get treated in private hospitals or even in General Hospitals (GH) . But ESI keeps the sum paid by the employee and the employer as its operational fund and run HCS.
Governments are good when things do unilaterally. The best example is Corona pandemic crises management. No one can do better than the Government since it has the power and the resources. National Disaster Management, again Government can only do well. It is all unilateral action. (Trung, 2016; Cuong, 2016) include the following for Professional Performance Capacity (PPC) as 1. Fast and accuracy, 2. Creativity 3. Independence in work and 4. Co-ordination in work. Doing anything fast is not possible because the layers are far too many in Government. The thing of creativity is out of question as the Government only goes by the rule book. Independence in work is anathema to Government as they see it as erosion of power. Co-ordination in work is easy only when the layers are low but Government pyramidal structure is too steep. So it is slow, routine, dependant and directive from the top and all do not gel in HCS.

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A Government in itself a brand and so they do not pay any attention to it. Why citizens trust PSU banks more because it is state owned. Why citizens don't trust Government schools? Again the same reason- state owned. People psychology is; for safety, they can trust Government but no; for performance dimension. A Government has a brand of symbolic value. Its functional value is low. Brands can be successfully positioned as both symbolic and functional and, if a symbolic brand concept is desired, prestige is just one of the possible positioning options available (Subodh and Srinivas , 1998).

The fund since handled by the ESI Corporation, there can be possibility of fraud and misuse. It is no surmise. On 27th September 2019, The Hindu daily comes with a head line as under:

"The arrests came a day after the investigators probing the 'multi-crore' scam carried out simultaneous raids at 23 different places belonging to officials of IMS and four private persons in Hyderabad and Warangal."

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(Bekh et al, 2019) insists that social responsibility as an ethical component of doing business does not simply contribute to the firm's performance, but is primarily a basis for its development and achievement of high profitability indicators. As appropriate, Long et al. (2016) point out that the unethical behaviour of business harms the company's aim of maximizing the wealth of shareholders. In HCS, the ethical problem deals with values: what is right and wrong, and good and bad (Elina et al 2019). Ethical leadership in health care organizations has positive outcomes for patients, health care staff, and leaders (Barkhordari et al., 2017), whereas ethical conflicts are seen to be associated with adverse outcomes (Thorne, 2010). In area like HCS, if corruption is to play, then what suffers are:

1. Medicine quality
2. Medical equipment quality
3. Food supply for inpatients
4. Preventive and curative care

Poor medicine quality can prolong illness, poor medical equipment can dis orient medical test reports and bad food can be a source of illness. But in private, there is an accountability and they are driven by their brand reputation, so all the above stand well. Hospital is capital intensive and so only private come forward to invest in it more and GH is the other way around. Many GH are known for infections and it is one reason, public prefer private hospitals. Food is lees said, more good. What comes in mind for a common man on GH, is:

1. No empathy
2. No clean environment
3. No dedication from medial fraternity

May be it is this reason many health ministers do go to private hospital than GH for treatment! The Government run ESI is bureaucratic oriented and so "Response time in emergency, they can't act fast. Here often the result is less important and rule compliance is key. Good HCS works the other way around.

Medical service sits on the fulcrum called "Empathy" and it is seldom seen in Government service. Empathy should characterise health care professionals and patients communication in order to achieve the desired healing results (Pembroke , 2007). Empathy has further been described as the process of understanding a person's subjective experience by vicariously sharing that experience while maintaining an observant stance. (Zinn, 1999). It is undisputed that Hearing is the most important communication capacity. But India Government hospitals in rural and in urban area is doctor wise under staffed. Rural area no one wants to go and urban area private hospitals reward them better.

The hospital product is a mix of service and goods. It is diagnosis and medicine administration. Unless the service comes with a passion, patients only feel threatened. This implies that people prefer to get treatment in private hospitals provided they can afford it due to a huge difference in the quality of service that is provided in the public and private sector hospitals (Arora and Gumber 2005, Panchapakesan et al. 2010). In another service area is education and in India, what reputation Government schools and colleges hold? .

Sickness leave benefit covers 70% of workmen pay and so they hand in glove with the ESI personnel take false certificate and go on leave of absence and causing immense damage for manufacturers. As per law in factories, a workman gets one day privilege leave for every 20 days of work, then under settlement 12days casual leave, some even get 12 days of sick leave. This alone can be 36 days in a year and 9 days of national and festival holidays is in a year. Many ESI covered units don't work on Saturday and Sunday and so it can be another 104 days. . So out of 365 days, close to 150 days is gone. Again ESI paid sick leave benefit is 90 days in a year. India's cheap labour advantage is wiped out by low level of its productivity. No wonder FDI goes into China since low paid holiday and no ESI like threat. There was time when factory goes on strike, all go to ESI for sick leave benefit and ESI almost collapsed. As an afterthought ESI made an amendment that during the strike or lockout, sick leave benefits are not applicable. This is a case of employer contribution to ESI comes back and haunt the employer!

ESI comes under Ministry of labour and employment and so man at the helm is a minister and men below in policy and operational control are bureaucrats. So every time a minister changes, new minister often undo the past and bureaucrats minister tussle is endemic in all ministries. So in the process, it can be a battle ground in terms of politics. Even for Profit PSUs like Coal India or Air India, incur loss all the time and so ESI running on loss is not a surprise. Pandemic time like now, ESI may be fully drained without Government financial support. Typically large private companies give health insurance coverage to its

executives and insurance companies handle the payment for domiciliary and others. Here ESIC collect sum and handles HCS and cash compensation.

When HSC is run by Government of day, the quality of service is a big if? It is because now the employees have no option of HCS provider and have to be treated in ESI hospitals. They run on GH lines and so sanitary conditions, doctor's low empathy, low tech used are common as we see it in GH. ESI hospital drug purchases are centralised and auction based. So working is similar to Public Works Department (PWD) and all know the auction credibility of India. Corruption can be rampant and so drug efficacy is bad, medical electronics quality is less said better.

This report came from The Hindu on 27th September 2019 morning. It is about drug purchase and comes from the top personnel. Where are the commitment for operational excellence in HCS? Again the ESIC structure is too many layers and highly bureaucratic and so "Response time" is slow. HSC the key is speed if not it is no use in emergency time.

The crux of the issue is orientation is not customer oriented and it is an obligation fulfilment! So people face total apathy in the hospital and well settle people seldom goes to ESI hospital at all. It is something like Government teachers put their wards in private schools or health minsters take treatment in private hospitals. When a health minster avoids his or her own GH, it only tells the state of GH standards. According to WHO (2010), of the 57 countries facing human resources health crises, India ranking is 52. Besides it, while private hospitals have customer orientation, ESI has no such thing since in the workmen area, it is a monopoly. World over, monopoly and customer care never dovetail well. It calls for huge passion, the survival desire, empathy and caring the customers. None is an issue for Government personnel. It is because "wherever the ownership is collective individual accountability is the causality".

CONCLUSION

A leading corporate hospital also runs a medical insurance firm and its performance is lack lustre since it is trying the same ESI model of payer and provider role. The hospital when charge more from its insurance arm, insurance firm profit suffers, and when charges less, the treatment quality. It is the proverbial "Caught between the devil and the deep sea". World today talks of focus as the way of survival and many have restructured the company to stick to its focus area.

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