BioSpectrum
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

Andhra Pradesh Government Approves Rs 25 Lakh Health Insurance Coverage for Every Family

11 March 2025 | Features

The Andhra Pradesh government has introduced a Rs 25 lakh health insurance coverage scheme for every family in the state



This initiative aims to provide comprehensive medical coverage, ensuring that families do not face financial burdens due to medical expenses. Announced by Minister for Health, Family Welfare, and Medical Education, Satya Kumar Yadav, this scheme fulfils a key election promise made by the NDA government. The cashless insurance model will enable seamless access to healthcare services at network hospitals across the state.

Under this initiative, 3,257 medical procedures that were previously covered under the Dr NTR Vaidya Seva scheme will be included, with the possibility of additional treatments being added. The government has adopted a hybrid model for implementing the insurance plan, involving private insurance companies to manage claims and service delivery. The main objective is not only to ensure financial viability but also to enhance the efficiency and transparency of the healthcare system.

Key features of the health insurance scheme

- Coverage of Rs 25 lakh per family per year for medical expenses
- Cashless treatment at network hospitals across the state
- Inclusion of 3,257 medical procedures covered under Dr NTR Vaidya Seva scheme
- Reduction in pre-authorisation time for medical treatments from 24 hours to 6 hours
- Faster claims processing and fraud detection to ensure transparency
- Introduction of a hybrid insurance model involving private insurers

The state government has carefully designed this policy to ensure that families receive timely and quality medical care without financial stress. By partnering with private insurers, the administration aims to improve claim settlement processes and hospital service efficiency.

Government's vision for the scheme

The Andhra Pradesh government envisions a healthcare system where no family is left without medical coverage. Chief Minister N Chandrababu Naidu has emphasised the importance of making quality healthcare accessible, especially for economically weaker sections. According to Minister Satya Kumar Yadav, this initiative is not merely an election promise but a well-planned effort to streamline health insurance operations and reduce administrative delays.

The hybrid insurance model is expected to distribute financial risk between the government and private insurers, ensuring that the scheme remains sustainable in the long run. Additionally, the initiative is expected to boost public confidence in government healthcare schemes, encouraging more people to opt for state-funded medical services rather than private insurance policies.

How the scheme will improve healthcare accessibility

The launch of this statewide health insurance programme will significantly improve access to quality healthcare in Andhra Pradesh. Some of the key areas where this scheme will make a difference include:

- **Affordable medical care** – Families will no longer have to worry about high medical expenses, as hospitalisation and treatments will be covered under the scheme.
- **Better healthcare facilities** – With assured government-backed payments, hospitals are expected to provide better care and upgrade medical infrastructure.
- **Reduction in administrative delays** – Claim processing times will be minimised, enabling faster access to treatments.
- **Enhanced trust in public healthcare** – Citizens will be encouraged to use government healthcare services instead of relying on expensive private hospitals.

With faster pre-authorisation times, hospitalisation and emergency medical care will become more accessible. This is expected to reduce out-of-pocket healthcare expenses, particularly for low-income families.

Financial structure of the scheme

The financial framework for this health insurance programme has been carefully planned to ensure its long-term sustainability. According to Minister Yadav, the funding structure involves both government contributions and private sector

participation. The scheme has provisions for:

- Refunds to the government if the total claims are lower than the agreed-upon premium
- Insurance companies covering up to 15% of excess claims beyond the premium amount
- The remaining excess costs being shared between the government and insurers

Additionally, the government is working on premium structures for Above Poverty Line (APL) individuals to ensure that all sections of society have access to affordable family health insurance.

Faster claims processing and fraud detection

One of the most significant advantages of this scheme is the emphasis on faster claims processing and fraud prevention. The pre-authorisation time for hospital services will be reduced from 24 hours to 6 hours, ensuring that patients receive medical attention without unnecessary delays.

The introduction of private insurance companies will also help in:

- Strengthening fraud detection systems to prevent misuse of the scheme
- Ensuring timely and hassle-free claim settlements
- Encouraging hospitals to provide better services through assured payments

The streamlined claim process will enhance hospital trust in government-backed insurance, making more healthcare institutions willing to participate in the scheme.

Potential impact on the healthcare system

The Rs 25 lakh health insurance scheme is expected to significantly strengthen the public healthcare system in Andhra Pradesh. With more families gaining access to free and cashless medical treatment, the state aims to achieve:

- Increased hospital admissions in government and network hospitals
- Encouragement of preventive healthcare practices, reducing emergency cases
- Improved infrastructure in hospitals due to timely and guaranteed payments
- Increased public confidence in the state-sponsored healthcare system

The scheme’s hybrid model also means that insurance companies will be actively involved in monitoring the efficiency of service delivery, making the entire system more accountable and transparent.

Conclusion

The Andhra Pradesh government's Rs 25 lakh family health insurance scheme is a groundbreaking initiative aimed at making quality healthcare accessible to every family. With its cashless treatment model, reduced claim processing time, and fraud detection measures, the scheme is expected to transform healthcare delivery across the state.

By integrating private insurance companies, the government has ensured efficient claim processing, hospital payments, and transparency. This scheme not only provides financial security to families but also strengthens public healthcare services in Andhra Pradesh.

As the government finalises the implementation plan, this initiative is set to become a model for state-sponsored health insurance across India, providing affordable, efficient, and quality healthcare to millions of people.