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Financial Protection against Health Shocks: A Study of Ayushman Bharat Beneficiaries in Rural Moradabad Division

Nitin Kumar[1] and Dr. Anil Raipuria[2]
Research Scholar, Department of Commerce[1]
Professor, Department of Commerce[2]
M. J. P. Rohilkhand University, Bareilly, Uttar Pardesh, India
myfmly77@gmail.com and anilraipuriajsh@gmail.com

Abstract: *Health shocks are still a major cause of financial problems for rural families in India, often leading to huge medical bills and debt. The Government of India launched Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana (PM-JAY) to offer financial safeguarding via cashless health insurance to economically disadvantaged groups. This study investigates the degree to which Ayushman Bharat has enhanced financial protection against health shocks among beneficiaries in the rural regions of Moradabad Division.The research relies on primary data obtained from chosen rural beneficiaries via a standardized questionnaire. It looks at how easy it is to get medical treatment, how many people use PM-JAY benefits, how much less money people have to spend out of pocket, and how safe beneficiaries feel financially during medical emergencies. We employ descriptive statistics and percentage-based analysis to make sense of the data. The results show that Ayushman Bharat has greatly enhanced access to institutional healthcare and made it easier for most beneficiaries to pay for hospitalization right away. However, the scheme's effectiveness is still hampered by problems like lack of knowledge, a small number of empanelled hospitals, and only partial reimbursement of medical costs. The study shows that rural families need better awareness campaigns, stronger rural healthcare facilities, and better ways to put these ideas into action to better protect themselves from financial risk*

Keywords: Ayushman Bharat, Health Shocks, Financial Protection, Rural Healthcare, Out-of-Pocket Expenditure, Moradabad Division.

I. INTRODUCTION

Health-related shocks, such abrupt illness, accidents, or hospitalization, provide important sources of financial strain for households in developing nations such as India. In rural communities with low incomes and limited access to good treatment, health shocks can lead to huge medical bills, debt, and even destitution. Many rural families have to pay for medical care out of their own pockets (OOPE), which makes their financial situation quite unstable.

Historically, India's healthcare system has had problems with cost, access, and fairness. Even though there are public healthcare facilities, people in rural areas often choose private healthcare providers because they think the quality is better, which makes treatment more expensive. This condition makes families in rural areas especially at risk of losing money in health emergencies.

The Indian government started Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PM-JAY) in 2018 to help people who are financially vulnerable deal with health shocks. The plan provides health insurance for secondary and tertiary care hospitalization without cash, which helps impoverished families pay for medical care.

The Moradabad Division, characterized by its primarily rural demographic and socio-economic vulnerabilities, serves as a significant background for assessing the efficacy of PM-JAY. This study examines the effectiveness of Ayushman Bharat in safeguarding rural recipients from financial distress resulting from health shocks. It also looks at gaps in

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knowledge, access, and implementation that could make the plan less effective. To make policies work better and make rural health security stronger, it's important to understand these things.

II. AN OVERVIEW OF AYUSHMAN BHARAT – PRADHAN MANTRI JAN AROGYA YOJANA (PM-JAY)

2.1 Goals and main parts of PM-JAY

The main goal of Ayushman Bharat – PM-JAY was to provide universal health coverage by making healthcare less expensive for poor and disadvantaged families. The plan's goal is to make sure that everyone has equal access to high-quality health care and to protect families from having to pay for health care that costs a lot.

One of PM-JAY's main goals is to make sure that beneficiaries can get treatment at empanelled public and private institutions without having to pay in cash or use paper. The plan pays for secondary and tertiary care hospitalization for families up to ₹5 lakh per year. Another key advantage is that it is portable, which means that people who benefit from it can get treatment wherever in India.

The central and state governments pay for PM-JAY in full. It is aimed for households that are economically disadvantaged, as determined by the Socio-Economic Caste Census (SECC). The plan covers a lot of medical treatments, such as surgery, tests, and prescriptions. PM-JAY wants to enhance health outcomes and lower poverty caused by medical bills by focusing on protecting people from financial risk.

2.2 Coverage, Eligibility, and Benefit Structure

PM-JAY covers over 10.74 crore poor and at-risk families in India. The SECC 2011 defines deprivation and occupational criteria that determine who is eligible for the plan. Households in rural areas that don't have permanent sources of income, landless workers, and groups that are socially disadvantaged are given priority.

PM-JAY covers hospitalization costs for up to ₹5 lakh per family each year, with no limits on family size or age. The plan pays for things like medicines, tests, and procedures, as well as costs before and after going to the hospital.

Importantly, beneficiaries don't have to pay premiums, which makes the plan available to people with less money. The fact that the plan doesn't require monetary payments makes it easier for rural families with little money to get started. This comprehensive benefit structure aims to shield families from financial shocks that can happen when someone gets sick and keep their out-of-pocket costs as low as possible.

2.3 Implementation Framework in Rural India

In rural India, the implementation of PM-JAY requires cooperation between the central and state governments, insurance companies, and healthcare providers. State Health Agencies are in charge of signing up beneficiaries, hiring hospitals, and keeping an eye on how services are delivered

Common Service Centers (CSCs), local health professionals, and village-level campaigns are very important for getting the word out about the system in rural areas. Empanelled public and private hospitals offer cashless care through a framework that uses IT to make sure everything is clear and works well.

However, there are still problems with implementation, such as beneficiaries not knowing enough about it, a lack of healthcare infrastructure, and a lack of empanelled hospitals in remote areas. Even with these problems, PM-JAY has made a lot of headway in making healthcare more accessible and lowering the costs for people living in rural areas.

III. CONCEPTUAL FRAMEWORK

3.1 Health Shocks and Financial Vulnerability

Health shocks are sudden medical crises that need quick medical attention and put a lot of stress on families' finances. In rural areas, these kinds of shocks can mess up income sources and make families have to borrow money or sell their things.

When families don't have savings, insurance, or access to cheap healthcare, they are financially vulnerable. Because of informal work and poor pay, rural households are especially at risk for these kinds of problems. Health shocks can put many families in long-term poverty, so they need ways to secure their money.

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3.2 Financial Protection in Healthcare

Financial protection in healthcare means making sure that people can get the health treatment they need without having to worry about money. It means lowering out-of-pocket costs and stopping huge health costs from happening.

PM-JAY and other government-funded health insurance programs are very important for providing this kind of protection, especially for people who live in rural areas or are poor. Good financial safety makes people use healthcare more and improves their overall health.

3.3 Role of Health Insurance in Reducing Out-of-Pocket Expenditure

Health insurance lowers out-of-pocket expenditures by paying for hospital stays and other medical bills. Insurance plans are a safety net for rural families in case of medical emergency.

PM-JAY makes treatment far less expensive by providing services that don't require payment. Indirect expenses and a lack of understanding of coverage still have an effect on its overall impact, though. This shows that implementation needs to be better.

IV. OBJECTIVES OF THE STUDY

- To investigate the prevalence of health shocks within rural households.
- To examine the usage of PM-JAY benefits by recipient
- To find out how much financial security the program offers
- To examine recipients' awareness and levels of satisfaction
- To provide strategies for enhancing the effectiveness of the scheme

V. REVIEW OF LITERATURE

Amneet P. Kumar, Aditi Yerram, Yashika Chugh, Saroj Rana, Deepanjali Mudgal, Shankar Prinja, and Muraleedharan V.R. (2025) The effect of India's publicly sponsored health insurance system on financial risk protection: a case–control study conducted in Haryana. This study demonstrates that PM-JAY beneficiaries incurred significantly reduced out-of-pocket expenses and diminished catastrophic health expenditures compared to non-beneficiaries.

S**. Garg, et al. (2024)**The Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) has been in place for four years. Is it improving the quality of inpatient care and financial protection in India? Found that a substantial number of people were covered, yet there was no big drop in OOPE or catastrophic health spending, which shows that there are gaps in implementation.

D. Parmar (2023) Effects of the Indian National Health Insurance Scheme (PM-JAY) on Hospitalizations, Out-of-Pocket Expenses, and Catastrophic Health Expenses.Exhibits mixed outcomes: whereas hospitalization patterns shifted, financial protection differed among hospital types and states.

Shekhar Kumar Jha (2025)A study examining the awareness level of Ayushman Bharat among beneficiaries in Bhagalpur, Bihar. Shows that rural users have different levels of awareness, which directly affects how they use services and how well they are protected financially.

S. Kanwal (2024) Assessing the impact of Ayushman Bharat–PMJAY on diminishing catastrophic health expenditures associated with hospitals. Reports indicate that AB-PMJAY decreased OOPE and CHE among participants, demonstrating favorable financial protection outcomes.

Patel, Sweety (2024) The Effect of Ayushman Bharat PM-JAY on Out-of-Pocket Spending.Records how the plan helped minimize out-of-pocket costs and improve participants' quality of life, especially for inpatient care.

Deborah Warren (2025) Assessing the Financial Safeguard Impacts of AB-PMJAY: Decrease in Out-of-Pocket Costs and Catastrophic Health Expenditures in Assam. Shows a big drop in financial load and CHE for beneficiaries in Assam, however there are differences between regions.

D. Sharma (2024) Making decisions and using economic data to plan PM-JAY's benefit packages. Investigates the impact of benefit package decisions on scheme implementation and the prospects for financial protection.

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VI. RESEARCH METHODOLOGY

6.1 Research Design

The research employs a descriptive and empirical methodology.

Objective: To evaluate the financial protection offered by Ayushman Bharat (PM-JAY) against health shocks in rural families.

Concentrates on primary data obtained from beneficiaries and secondary data derived from governmental records and reports.

6.2 Area of Study

The research is carried out in the rural regions of Moradabad Division, Uttar Pradesh.

Chosen because it shows a typical rural population with limited access to healthcare and a weak economy.

6.3 Size of the Sample

There are 120 families that are part of Ayushman Bharat (PM-JAY).

Sampling Method: Random sampling from chosen villages to make sure everyone is represented.

Respondents consist of the head of the family or people accountable for healthcare decisions.

6.4 Data Collection

Primary Data: A structured questionnaire encompassing:

Demographic profile

Knowing about and using the benefits of PM-JAY

Expenditure out of pocket (OOPE)

Experiences of hospitalization and perceptions of financial safety

Secondary Data: Reports from the government, PM-JAY statistics, and National Health Surveys.

VII. DATA ANALYSIS

Table 1: Awareness and Utilization of PM-JAY among Beneficiaries

Parameters	Number of Respondents	Percentage (%)
Aware of PM-JAY	102	85%
Not aware	18	15%
Beneficiaries who utilized benefits	76	63%
Beneficiaries who did not utilize	44	37%

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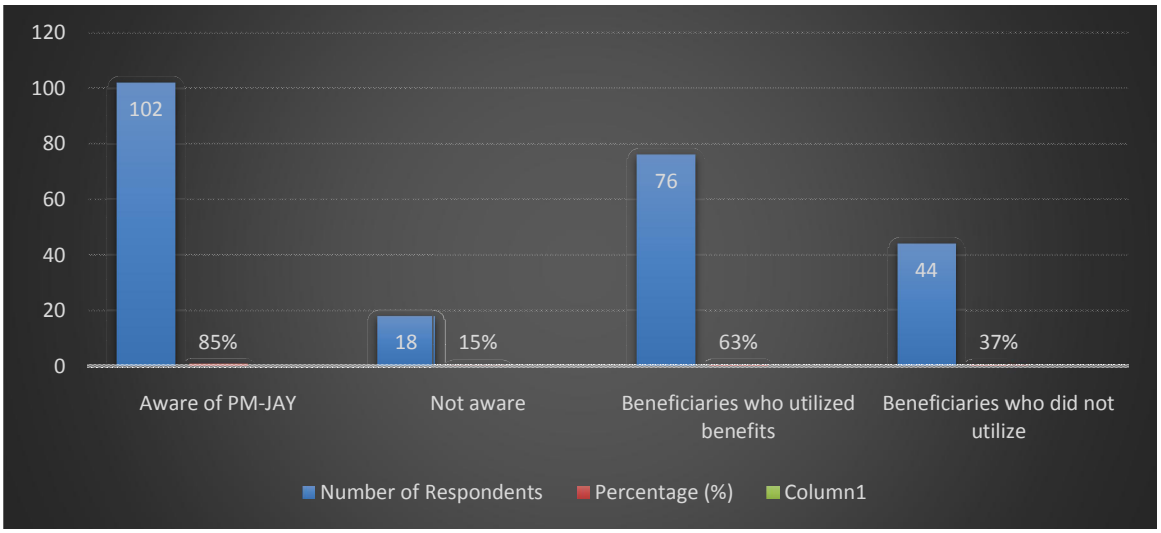
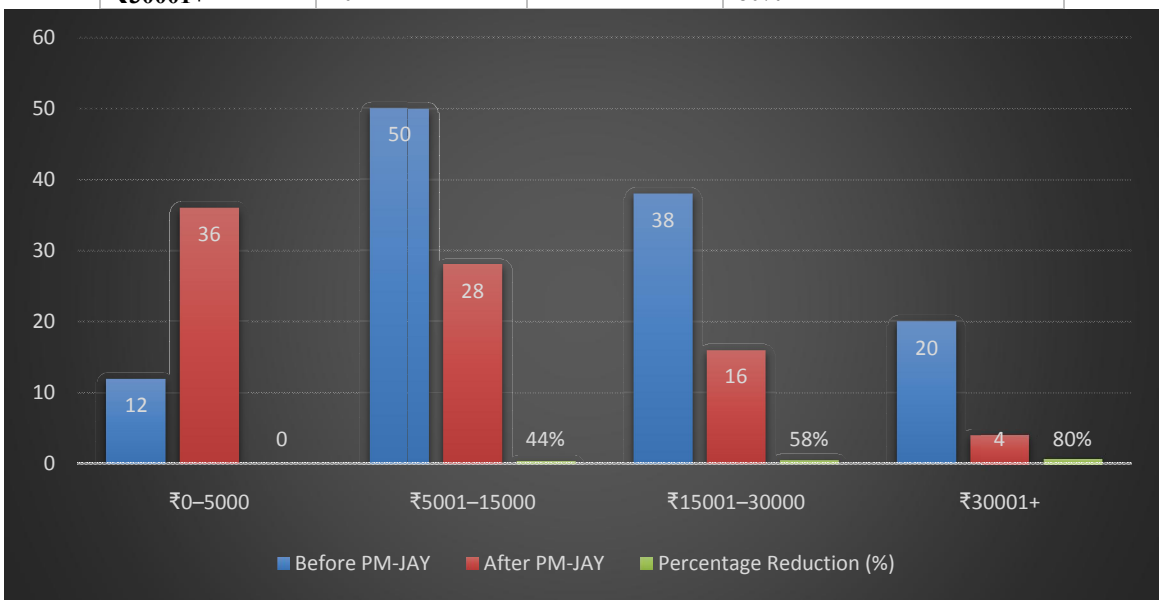


Interpitation:

Most of the people who answered (85%) know about the plan, but just 63% have actually used the advantages. This shows that people are aware of something but not using it. This could be because they can't get to empanelled hospitals, the process is too hard, or they don't trust healthcare institutions.

Table 2: Reduction in Out-of-Pocket Expenditure (OOPE) After PM-JAY

OOPE Category	Before PM-JAY	After PM-JAY	Percentage Reduction (%)
₹0–5000	12	36	+200% (increase in coverage)
₹5001–15000	50	28	44%
₹15001–30000	38	16	58%
₹30001+	20	4	80%



Interpitation

PM-JAY made it much easier for beneficiaries to pay their bills, especially for expensive hospital stays (80% less for the ₹30,001+ group).

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Some families still have to pay OOPE in the lower and middle ranges because of incomplete coverage or indirect costs.

VIII. DISCUSSION

- **Awareness vs**. Use: Even while awareness is high, use is only moderate, which shows that there are gaps in implementation in rural regions.
- **Financial Protection**: PM-JAY has given a lot of financial protection, especially for big medical procedures. However, indirect costs like transportation and drugs are not always covered.
- **Socioeconomic Effects**: Lowering OOPE helps keep finances stable, minimizes the risk of debt, and stops health shocks from causing poverty.
- **Policy Observations**: People in rural areas who get benefits require better information, quicker ways to file claims, and greater access to hospitals that are on the list.

IX. CONCLUSION

- PM-JAY has made it far less expensive for rural families in Moradabad Division to deal with health shocks.
- People know a lot about it, but using it and getting full coverage are still problems.
- Government programs that protect people's money are important for stopping huge health costs and improving health security in rural areas.

X. SUGGESTION

- Use local health workers and CSCs to run more awareness campaigns in villages.
- Make it easier for people in remote areas to go to empanelled hospitals.
- Make the process for filing claims and getting paid easier to increase use.
- For more complete coverage, include indirect medical costs like travel and prescriptions.
- Check on PM-JAY's progress in rural areas on a regular basis to make sure it is meeting its goals.

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