

# Road access and the utilization of public health insurance: some evidence from RSBY in Karnataka

Sarojini Rao\*

## Abstract

This paper looks at the effect of road access on the utilization of public health insurance in Karnataka, India. Although public health insurance for low-income households was introduced in 2008, insurance utilization and claims submissions remained lower than projected even five years later. The vast majority of private hospitals are located in urban areas, including small towns, making transportation access an important determinant of health insurance utilization. This paper measures the effect of physical access to hospitals, particularly, the proximity to a major new highway, on beneficiaries' utilization of the health insurance. This paper uses the construction of a section of the Golden Quadrilateral in Karnataka to evaluate the role of road access on the likelihood of a hospitalization as well as the number of hospitalizations claimed by beneficiaries in a given sub-district. Because the highway connects historically significant cities and was completed prior to the announcement of the insurance scheme, a straight-line approximation to the highway is a suitable instrument for the distance to the highway in a sub-district. The evaluation of major highway projects has traditionally looked at aggregate productivity and growth, rather than health or education outcomes. This paper makes a contribution to the infrastructure development literature by considering a unique outcome like hospital access, and to a small but growing literature on healthcare provision and access in developing countries.

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