



Ayushman Bharat programme - II

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What is the issue?

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- The recent budget announced the Ayushman Bharat programme.
- It is imperative at this juncture to look into the various facets of the programme to assess its potential in health care services.

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What are the shortfalls?

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- Rashtriya Swasthya Bima Yojana (RSBY) was a precursor of the National Health Protection Scheme (NHPS).
- It provided limited coverage of Rs.30,000, usually for secondary care.
- The NHPS addresses the concerns in RSBY relating to:

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i. out-of-pocket expenditure (OOPE)

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ii. catastrophic health expenditure

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iii. health payment-induced poverty

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- NHPS has sharply raised the health care coverage.
- However, the shortfall of **not covering outpatient care** in RSBY continues in NHPS as well.
- Notably, outpatient care accounts for the largest fraction of OOPE.
- They include medical procedures, surgeries, therapies, classes, diagnostic tests, etc without the need for patient's overnight stay.
- The NHPS also remains **disconnected from primary health care** services.

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- The transformation of sub-centres to health and wellness centres under the NHPS is welcome.
- However, the reduced allocation for the existing National Health Mission and sidelining of its urban component raises concerns.
- It signals a neglect of primary health care.

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Why is primary health care so significant?

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- Primary health services need to be strong enough to **reduce the need for advanced care**.
- Less attention for primary care could lead to an **overloaded NHPS**.
- This in turn could disproportionately **drain resources** from the health budget.
- This could lead to further neglect of primary care and public hospitals.
- Notably, even now these are not adequately equipped to compete with corporate hospitals in the *strategic purchasing* arena.

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- This shortfall in health care policy is potential of ruining the **public sector as a health care provider.**

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What are the financial implications?

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- Unlike a private insurance where an individual/employer pays the premium, in NHPS the government pays most of the money.
- A large number of people subscribe to an insurance scheme.
- However, only a small fraction of them will be hospitalised in any given year.
- Given these, the NHPS is expected to be a financially viable option.
- However, it will need more than the presently allocated Rs.2,000 crore.
- Around Rs.5,000-6,000 crore is required to sustain it in the first year and Rs.10,000-12,000 crore annually as it scales up.
- It will draw additional resources from the Health and Education Cess.
- It will also depend on funding from States to boost the Central allocation.

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What will the role of States be?

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- The State governments have the main responsibility of **health service delivery.**
- The NHPS needs a buy-in from the States, which have to contribute **40% of the funding.**
- The **National Health Policy** (NHP) asks the States to raise their allocation for health to over 8% of the total State budget by 2020.
- The NHP proposes the centre to raise public health expenditure to 2.5% of GDP by 2025.

- The Central Budget has not signalled a movement towards this goal.
- Given this, the states taking actions on the NHP goal is highly uncertain.
- Notably, the goal requires many of the States to nearly double their health spending.
- Even with the low cost coverage of the RSBY, several States opted out.
- Some decided to fund their own State-specific health insurance programmes, with distinctive political branding.

- Given this, the states merging their programmes with the NHPS seems doubtful.
- The choice of whether to administer NHPS through a trust or an insurance company will be left to individual States.

What lies ahead?

- Primary health services and public hospitals should be proactively strengthened.
- **Capacity building** - The NHPS will pay for the hospitalisation costs of its beneficiaries.
- This will be done through '**strategic purchasing**'.
- It refers to allocation of pooled financial resources to public and private hospitals who are healthcare providers.
- This calls for a well-defined **list of conditions** including:

- i. adoption of standard clinical guidelines for diagnostic tests

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- ii. treatments suitable for different disorders
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 - iii. setting and monitoring of cost and quality standards
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 - iv. measuring health outcomes and cost-effectiveness
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- Both Central and State health agencies or their intermediaries will have to develop their respective capacities.
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 - This is essential for competent purchasing of services from a diverse group of providers.
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 - Otherwise, there is a possibility for the hospitals to undertake unnecessary tests and treatments to tap the generous coverage.
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- **Federal** - In a federal polity, an all-India alignment around the NHPS requires a high level of cooperative federalism.
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 - This is a prerequisite to make the scheme viable and ensure portability of coverage as people cross State borders.
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Source: The Hindu

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