



## Ayushman Bharat

During his Independence Day speech from Red Fort, Prime Minister announced that Pradhan Mantri Jan Arogya Abhiyaan, also known as Ayushman Bharat or the **National Health Protection Mission (AB-NHPM)** or Modicare, will be launched on 25 September, 2018. However, since the scheme is meant only for poor and economically-deprived people, not everyone is eligible to get free medical insurance under Ayushman Bharat scheme.

### Key Features

- The government-sponsored health insurance scheme will provide free **coverage of up to Rs 5 lakh per family per year** at any government or even empanelled private hospitals all over India for secondary and tertiary medical care facilities.
- Modicare will be available for **74 crore beneficiary families** and about 50 crore Indian citizens. Under the process, 80 percent of beneficiaries, based on the Socio-Economic Caste Census (SECC) data in the rural and the urban areas, have been identified.
- There is no restriction on the basis of family size, age or gender.
- Ayushman Bharat is unlike other medical insurance schemes where there is a waiting period for pre-existing diseases. All kinds of diseases are covered from day one of the Ayushman Bharat policy. The benefit cover includes both pre and post hospitalization expenses.
- The expenditure incurred in premium payment will be shared between Central and State Governments in a specified ratio. The funding for the scheme will be shared – 60:40 for all states and UTs with their own legislature, 90:10 in Northeast states and three Himalayan states of Jammu and Kashmir, Himachal and Uttarakhand and 100% Central funding for UTs without legislature.
- The NHPS will draw additional resources from the Health and Education Cess and also depend on funding from States to boost the Central allocation. The premiums are expected to be in the range of `Rs 1,000 – ` 1,200 per annum.
- The NHPM (National Health Protection Mission) will pay for the hospitalisation costs of its beneficiaries through strategic purchasing from public and private hospitals.

### NOTE:

"Strategic purchasing" means active, evidence-based engagement in defining the service-mix and volume, and selecting the provider mix in order to maximize societal objectives.

- **Wellness Centres:** The 1.5 lakh sub-centres that are converted into wellness centres will cater to majority of services such as detection and treatment of cardiovascular diseases, screening for common cancers, mental health, care of the elderly, eye care, etc.
- The wellness centres will also offer a set of services including maternal and child health services, mental health services and vaccinations against selected communicable diseases.

### Benefits

- The scheme, if implemented properly could enhance access to health care including early detection and treatment services by a large section of society who otherwise could not afford them.
- NHPS could help country move towards universal health coverage and equitable access to

healthcare which is one of the UN Sustainable Development Goals (SDG3: Good health and well-being). „

- The wellness centres that are planned under the Ayushman Bharat programme can play a preventive role by reducing the incidence and impact of non-communicable diseases. „ The proposed NHPS could be the precursor to the Universal Insurance Scheme which will provide cover to all citizens.

## How will NHPS work financially?

- The NHPS operates around the insurance principle of '**risk pooling**'. When a large number of people subscribe to an insurance scheme, only a small fraction of them will be hospitalised in any given year. In a tax-funded system or a large insurance programme, there is a large risk pool wherein the healthy cross-subsidise the sick at any given time. „
- The NHPS will be financially viable, despite a high coverage offered to the few who fall sick in any year, because the rest in the large pool do not need it that year.

## Tasks Ahead

- State governments, which will administer it through their own agency, will have to purchase care from a variety of players, including in the private sector, at pre-determined rates.
- Reaching a consensus on treatment costs through a transparent consultative process is vital for a smooth and steady rollout.
- A large-scale Information Technology network for cashless treatment should be set up and validated.
- Since a majority of the families will be rural, and the secondary and tertiary public hospital infrastructure suffers from severe efficiency and accountability problems, State governments should upgrade the administrative systems.

## Challenges

- The steady growth of a for-profit tertiary care sector poses the additional challenge of arriving at a basic care package for those who are covered by the NHPS, at appropriate costs.
- The NHPS scheme, which primarily offers support for clinical services such as hospitalization, fails to address the broken public health system in the country.
- The most critical issue remains the limited and uneven distribution of human resources at various levels of health services, with up to 40% of health worker posts lying vacant in some states.
- Most primary health care centres suffer from a perennial shortage of doctors and even district hospitals are without specialists. „
- Without addressing the human resource situation, public sector healthcare will remain of poor quality and largely unacceptable, forcing patients to go to the private sector. This will ultimately be unsustainable and even detrimental for the poor for whom the scheme is intended.