Ayushman Bharat programme - II

Click here for Part I

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What is the issue?

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- The recent budget announced the Ayushman Bharat programme.
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- 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).
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- It provided limited coverage of Rs.30,000, usually for secondary care.
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- 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.

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- However, the shortfall of **not covering outpatient care** in RSBY continues in NHPS as well.
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- Notably, outpatient care accounts for the largest fraction of OOPE.
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- They include medical procedures, surgeries, therapies, classes, diagnostic tests, etc without the need for patient's overnight stay.
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- 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.
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- However, the reduced allocation for the existing National Health Mission and sidelining of its urban component raises concerns.
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- 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.**
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- Less attention for primary care could lead to an **overloaded NHPS**.
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- This in turn could disproportionately **drain resources** from the health budget.
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- This could lead to further neglect of primary care and public hospitals.
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- 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.
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- A large number of people subscribe to an insurance scheme.
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- However, only a small fraction of them will be hospitalised in any given year.
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- Given these, the NHPS is expected to be a financially viable option.
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- However, it will need more than the presently allocated Rs.2,000 crore.
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- 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.
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- It will draw additional resources from the Health and Education Cess.
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- 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.**
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- The NHPS needs a buy-in from the States, which have to contribute **40% of the funding**.
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- The **National Health Policy** (NHP) asks the States to raise their allocation for health to over 8% of the total State budget by 2020.
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- The NHP proposes the centre to raise public health expenditure to 2.5% of GDP by 2025.
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- The Central Budget has not signalled a movement towards this goal.
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- Given this, the states taking actions on the NHP goal is highly uncertain.

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- Notably, the goal requires many of the States to nearly double their health spending.
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- Even with the low cost coverage of the RSBY, several States opted out.
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- Some decided to fund their own State-specific health insurance programmes, with distinctive political branding.
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- Given this, the states merging their programmes with the NHPS seems doubtful.
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- The choice of whether to administer NHPS through a trust or an insurance company will be left to individual States.
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What lies ahead?

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