Ayushman Bharat – The Challenges

What is the issue?

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- The centre has introduced “Ayushman Bharat” as an ambitious mass health insurance scheme, that intends to cover about 50 crore people.
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- But its implementation will be more challenging than other initiatives as it would involve huge funds and infrastructure creation.
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What is the medi-care landscape in India?

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- A nation’s development and growth is gauged by the health of its population.
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- But even after 70 years of independence, 80% of the Indian population is not covered under any health insurance scheme.
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- Additionally, the cost of medi-care is very high in comparison with the average income of the population, which makes it unaffordable for many.
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- Hence, the announcement of the ‘National Health Protection Scheme’ (NHPS) under ‘Ayushman Bharat Programme’, in the Union Budget 2018-19, is timely.
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- While the government has intended to provide free care to about 40% of the population at one go, it is impossible to do this with the existing facilities.
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- Notably, this has been touted as the world’s largest government-funded healthcare program and the sheer scale of the proposal is intimidating.
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What is the scale of infrastructure enhancement required?

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- Worldwide, most governments have achieved near universal coverage by spending somewhere between 5-12% of their GDP.
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- For countries with large population, it takes a minimum of 5-10 years to achieve 100% coverage as health cover can’t be extended at a stretch.
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- It has been estimated that to achieve universal health coverage by 2022, Indian government would need to allocate 3.7-4.5% of GDP for health.
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- This is almost 4 times the present 1.4% and the also the bed-to-population ratio needs to be almost doubled from the current 0.9 (per 1000 people) to 1.7.
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- It is to be noted that considerable improvements in primary care would also result in reduction of the hospitalisation rate.
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- Also, we would need an additional 9 lakh graduate doctors for primary care and around 1.2 lakh specialist doctors for secondary and tertiary care services.
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What are the challenges?

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- **Profitability -** The hospital business, particularly the multi-speciality tertiary care business, is capital-intensive with a long gestation period.
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- While infrastructure is already severely short (particularly in Tier II and Tier III cities), even existing operating assets aren’t delivering the expected returns.
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- Hence, the government should provide adequate finances for the sector’s development and also provide incentives and tax benefits.
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- **Financing -** Another challenge is that health is a state subject and hence requires states to contribute 40% of the expenditure for Ayushman Bharat.
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- Notably, most states have a poor fiscal situation, and several operational state health schemes which will also have to be aligned with the central

initiative.
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- The model for empanelling providers would be critical to the success of NHPS and a shared space for both public and private care providers is ideal.
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- **Implementation -** Even in the previous public health insurance schemes of some states, the private healthcare providers have been facing huge challenges.
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- Particularly, improper procedure for empanelment, cost fixating mechanisms and inordinate delay in reimbursement to hospitals are some issues.
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- Also, a proper mechanism for standardisation of services across the spectrum is absent and the current 'National Accreditation Board for Hospitals' (NABH) certification covers only some hospitals.
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What needs to be done?

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- **Standardisation -** NABH needs to categorise hospitals into Entry level, Progressive level and Accreditation level to cover all hospitals.
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- To improve clinical and operational efficiencies, standardisation in clinical practice and other processes needs to be implemented.
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- **Claims Disbursal -** National Costing Guidelines and a standard costing template should be used for calculating reimbursement packages.
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- Framing of referral protocols, adoption of electronic health record standards and clinical audits in all hospitals are other aspects that need to be done.
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- Successful medical claims management is also very important under any insurance programme and fraud control mechanisms should also be done.
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- **Others -** Integration of technology at each level of the healthcare continuum such as tele-medicine, health call-centres, tele-radiology etc, is needed.
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- For strengthening the healthcare professionals, skilling, re-skilling and up-skilling programmes for existing as well as additional workforce can be done.
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- A Grievance Redressal Forum should be created to ensure timely resolution

of complaints without intervention of civil or consumer courts.
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- The government should also encourage and recognise transparency, self-regulation and third party ratings and reward clinical outcomes.
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Source: Business Line

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