Challenges before Ayushman Bharat

What is the issue?

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- Ayushman Bharat programme has been rolled out recently, it is compared with USA’s Obama Care.
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- To make the program successful various issues in the Indian Insurance systems needs to addressed.
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What is Ayushman Bharat?

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- The programme is aimed at making interventions to address health holistically, in primary, secondary and tertiary care systems.
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- The initiatives under the programme are:
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1. Health and Wellness Centre - The centres will provide comprehensive health care, including for non-communicable diseases and maternal and child health services.
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2. National Health Protection Scheme - The scheme provides coverage of upto Rs. 5 lakh per family per year for secondary and tertiary care hospitalization.
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- Besides, 24 new Government Medical Colleges and Hospitals will be set up, by up-grading existing district hospitals in the country.

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- This would ensure that there is at least 1 Medical College for every 3 Parliamentary Constituencies and at least 1 Government Medical College in each State of the country. Click here to know more.
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How Ayushman Bharat differs from Obama care in USA?

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- **Size of the project -** The Obama Care in USA as a coverage of roughly two crore adults aged 18–64.
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- India’s Ayushman Bharat proposes to cover 10 crore families, the grandness in India’s scheme is due to its scale as it aims to cover nearly 25 times as many beneficiaries.
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- **Budget of the mission -** For Obama care the U.S. budgetary provision through an excise tax was $16.3 billion in the fiscal year 2015, which is Rs. 97,800 crore.
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- Accounting for the difference in medical costs between the two countries for India it costs 200 times more than Obama Care.
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What are the issues in Ayushman Bharat?

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- Rashtriya Swastha Bima Yojana (RSBY), an existing domestic medical insurance scheme, the actual expenditure for Financial Year 2017-18 was only Rs. 470.52 crores, as opposed to the budgeted Rs. 1,000 crore.
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- It covered around 3.63 crore families up to a maximum expenditure of Rs. 30,000 in health-care costs.
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- The corresponding targets for Ayushman Bharat are 10 crore families and a maximum coverage of Rs. 5 lakh.
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- Since the coverage rises by about three times (10 crore/3.63 crore),

Ayushman Bharat would require an allocation of more than Rs. 26,000 crore, 13 times as high as the current allocation.
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- Apart from this the Ayushman Bharat scheme fails to deliver on the promise it makes to the more than 50 crore Indians not having any health coverage.
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- With mounting medical costs and an insurance coverage that is ephemeral, these citizens will be left high and dry.
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What are the issues with Indian insurance systems?

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- A central argument in favour of insurance-based system is that it is more efficient in terms of delivery and coverage with less financial burden on the government.
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- But the experience of RSBY shows evidence that there has been an increase in hospitalisation in private hospitals and, as a result, the expenditure not covered under the scheme has risen.
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- Moreover, most insurance schemes do not cover out-patient visit costs, which are significantly higher for chronic illnesses.
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- If there is public provisioning of such services, the burden of spending would not have fallen on the patients.
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- Further, insurance-based government schemes have an inbuilt inflationary bias.
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Source: The Hindu

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