Practical Constrains with Government Healthcare Policy

What is the issue?

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- Union budget announced an Ayushman Bharat Scheme for enhancing healthcare accessibility.Click here to know more about Ayushman Bharat
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- The scheme has to address few practical constrains to achieve its goal.
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Whatis the significance of the scheme?

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- The government has committed itself to providing coverage up to Rs. 5 lakh per family per year for secondary and tertiary care hospitalisation for 10 crore poor families, with approximately 50 crore people as beneficiaries.
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- The government’s target group seems to be the bottom 40% (50 crore) of the population.
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What are the practical constraints with the scheme?

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- Only Rs. 2,000 crore in 2018-19 has been allotted to finance this scheme, various government functionaries have come up with estimates between Rs. 10,000 to Rs. 12,000 crore as its actual cost.
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- The target groupfor chosen by the government for this scheme already comes under other healthcare insurance schemes by different state governments.
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- The total cost of medical expenditure including reimbursements for

hospitalisations for the target groups will be very high, this will make the premium for the policy higher than the government’s estimate.
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- The rate of hospitalisation for those covered under some kind of health expenditure support is higher than those without any cover, thus the scheme will makes the private hospitals profitable.
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- In some cases of insurance being paid by the government, insurance companies are most often unwilling to pay the reimbursement as compared to when a household pays.
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- The health insurance schemes most often only cover hospitalised treatment and do not cover the cost of a non-hospitalised outpatient visit.
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Source: The Hindu

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