

Gist of EPW November Week 4, 2019

Ayushman Bharat

Context

The Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana (AB–PMJAY) or the National Health Protection Mission (AB-NHPM) was launched by the Government of India in 2018.

About Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana (AB–PMJAY)

- The scheme provides health assurance/insurance of Rs. 5 lakh per family to around 10.74 crore poor and vulnerable families as per the Socio-Economic Caste Census (SECC).
- The objective of the scheme is to achieve **universal health coverage (UHC)** and to move towards achieving sustainable development goals (SDGs) to which India is a signatory.
- To ensure that nobody is left out (especially women, children and elderly); there will be no cap on family size and age in the scheme.
- The benefit cover will also include pre and post-hospitalisation expenses. All pre-existing conditions will be covered from day one of the policy. A defined transport allowance per hospitalization will also be paid to the beneficiary.
- Benefits of the scheme are portable across the country and a beneficiary covered under the scheme will be allowed to take cashless benefits from any public/private empanelled hospitals across the country.
- The beneficiaries can avail benefits in both public and empanelled private facilities. All public hospitals in the States implementing AB-PMJAY will be deemed empanelled for the Scheme.
- To control costs, the payments for treatment will be done on package rate (to be defined by the Government in advance) basis. The package rates will include all the costs associated with treatment. For beneficiaries, it will be a cashless, paperless transaction.

AB-PMJAY - Insurance-based Model

- The AB-PMJAY 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 AB-PMJAY 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.

Implementation

- At the national level to manage, a National Health Agency has been set up. States/ UTs are advised to implement the scheme by a dedicated entity called the State Health Agency (SHA).

Critics on AB–PMJAY Implementation

- **Flaws of insurance model**
 - Past experience with insurance-based models of healthcare in this country has not been good. The schemes were found to be inequitable, inefficient, and did not provide financial protection.

- The population covered under the AB–PMJAY overlaps with but is not the exact mirror image of, the population under another insurance-based scheme of the previous government called the Rashtriya Swasthya Bima Yojana (RSBY).
- A study conducted on RSBY revealed that around 80% of the reimbursements under the RSBY went to private health set-ups. Besides, the out-of-pocket expenditure for people seeking healthcare was among the highest in India
- The performance of the RSBY was mixed, particularly in terms of enrolment of BPL families and the same factors would be at work in the enrolment of families even for the AB–PMJAY.
- A combination of private hospital providers working together with a private insurance model created a monopoly that is failing to control costs and monitor for quality or health outcomes.
- The social factors which, thus, govern the functioning of a scheme like the RSBY would definitely have a bearing on the operability of the AB–PMJAY.
- The empanelment of private hospitals by insurance companies in India is relatively low in states with low per capita incomes, where a substantial proportion of eligible beneficiaries under the AB–PMJAY are concentrated.
- Corruption is the other problem with the operation and functioning of the AB–PMJAY. Instances of corruption within the AB–PMJAY have already been noticed in a report released by the government on factors that plague the AB–PMJAY on the completion of its first year
- The document, “Lessons Learned in one year implementation of PM–JAY,” available on the AB–PMJAY website, enlists fraud as a challenge that needs to be tackled for better implementation of the scheme.
 - According to this information, there are confirmed frauds in 1,200 hospitals involving the AB–PMJAY. Of these, investigations have been completed in 376 hospitals and first information reports (FIRs) filed against six hospitals.
- Another problem in the implementation of AB–PMJAY, is its inability to serve the poorest of the poor who would previously benefit under other government schemes, like the Rashtriya Arogya Nidhi (RAN).
 - A recent report stated that seriously ill patients—for example, those suffering from illnesses like end-stage kidney disease, chronic liver disease, and blood cancers—are being denied treatment under the AB–PMJAY, since these illnesses are not covered under the scheme.
- Some Patients are deprived of the benefits under the RAN scheme since they are now AB–PMJAY cardholders.
 - It has been noted that the AB–PMJAY scheme provides coverage of medicines post discharge up to 15 days only. A large number of patients, particularly cancer patients, require long-term medication on an outpatient basis.
 - In the past, such patients could get medicines (on an outpatient basis) through the RAN scheme.
 - This has not only restricted the reach of the benefits to the poorest of the poor, but has also worked against the principles of the RAN umbrella scheme, which is to give financial benefit to the poor in the treatment of cancer.
 - In fact, the AB–PMJAY and RAN should have complemented each other to provide an ideal situation of targeting the poorest and the deprived of the country.
- The cost of consultations in the outpatient department, along with the cost of medicines and diagnostics is the major contributor to out-of-pocket expenditure in India, which is not covered in the AB–PMJAY.
 - The lack of coverage of outpatient costs in the AB–PMJAY is a careless oversight on the part of the policymakers who designed the scheme.

Conclusion

- In India, the neo-liberal policies of the 1990s led to major social inequities. This, in turn, led to inequalities in seeking healthcare. The poor and the underprivileged were left at a disadvantage with regard to both, the accessibility and affordability of healthcare.

- Invariably, health is not a product only of efficient medical services, but is mainly determined by the social and economic conditions of the people, including their ability to earn, eat, afford decent living conditions, and access healthcare when in need.
 - A scheme like the AB-PMJAY is not without its intrinsic flaws and shortcomings. In the last one year, these shortcomings have been visible at multiple levels. Hence, the operational feasibility of this scheme needs monitoring at multiple levels.
 - Marking a finite end point of the scheme is not possible. Clashes and contradictions with other schemes that have historical importance with regard to the social security net in India (like the RAN) are deleterious to the intent of an Ayushman Bharat.
 - A simpler solution to the problem would be to incorporate the scheme into the UHC framework, which of course needs stronger legs to stand in our country.
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