

National Health Assurance Mission (NHAM)

National Health Assurance Mission (NHAM) was a Government of India plan In 2014, to reduce out-of-pocket expenditure on healthcare by the common man. In India, 6 crore individuals move Below Poverty Line (BPL) every year because of expenses related to unforeseen illnesses placing substantial constraints on the individual welfare and nations economic growth. Health is a state subject and the states ownership and thrust on governance determines its success. Health assurance needs to be understood from a much wider perspective; nutrition, clean water, clean air, sanitation, primary, secondary and tertiary healthcare.

What was the need for National Health Assurance Mission?

1. India was spending around 1% of its GDP on public health.
2. The public health system was badly managed, hence the funds allotted by the Government of India was not utilised optimally.
3. Unethical practices in the private medical sector.
4. Poor regulatory structure
5. A vision document of health ministry wanted to raise the spending on the health sector to 2.5% of GDP.
6. India's expenditure on public healthcare was lowest among low and middle-income countries.
7. India's expenditure on public health was much lower than the recommendations given by the World Health Organisation (WHO) which stood at 5% of the GDP.
8. Government of India wanted to bring in transparency, efficiency, compassion and accountability into the public health system.

The lessons Government of India could learn from the National Rural Health Mission (NRHM) before framing National Health Assurance Mission (NHAM)

1. Insurance is no assurance
2. There was a need to understand the problems in healthcare due to information asymmetry
3. Weak regulations
4. Possible market failures

National Health Assurance Mission (NHAM) - Proposals given by Ministry of Health

1. Institutionalise a regulatory authority with vast powers to oversee enforcement of all-round quality standards
2. Consumer protection
3. Universal Health insurance was supposed to be a major component of this scheme.
4. Providing free drugs to patients.
5. Providing free diagnostic services.
6. Insurance cover for expensive and serious ailments which required heart surgery or organ failure was mooted.

Why National Health Assurance Mission did not materialise?

1. The cost of the health care plan was estimated at \$ 18.5 billion in 5 years.
2. The Government budget had concentrated on ramping up infrastructure to boost the economy. This resulted in lesser funds with the Central Government to spend on Social Sector.
3. Union budget had raised the budget allocation to the health department by a meagre 2% which was less than the inflation at that point.