

## **AYUSHMAN BHARAT: A STEP CLOSER TO UNIVERSAL HEALTH COVERAGE**

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### **ABSTRACT**

The government has recently launched the Ayushman Bharat – National Health Protection Mission. This scheme aims to provide healthcare to 50 crore citizens, which is the largest ever healthcare scheme with respect to its beneficiaries. The following paper shall discuss this scheme and bring out its major points and flaws. Also, this scheme has a resemblance to the healthcare scheme in the U.S. The paper would also try and bring out the connection between the two. Ayushman Bharat would also have a significant impact on the private and public health care system and the paper would try and bring out the impact it is likely to create. The health of the population is a very key aspect in understanding the well being of the nation, and the new scheme aims at making healthcare accessible to all.

**Keywords:** Ayushman Bharat, Health Care Sector, U.S. healthcare system.

## **INTRODUCTION**

India is a country with a massive population in which 21.9% of people live below the poverty line, these are people who live with income less than \$1.25 per day, this has been calculated by keeping in mind the purchasing power parity, so the data won't prove to be inefficient, even when the Indian Rupee is depreciating. Having a population of such a size struck with poverty puts the government in a great sense of responsibility not only for their health in terms of nutrition but also in terms of medical care and expenditure. The priority of the poor is food, clothing and shelter and till the time these are met, their income is exhausted, this is the story of the well-off section of the poor. The state of the poorest amongst the poor is far beyond imaginable, the thought of having medical care doesn't even cross their mind because they are deprived of the basic necessities of life. In cases like these, the government is duty bound to protect these sections and it is the imperative of the government to secure these people and provide medical aid to them.

Health of its citizens is a key component for a country in establishing Economic Development and it has been 71 years since the independence of our nation, and despite spending so much on medical care we have not been able to achieve the standard and reach of medical care that we intended to achieve, the standard which would prove instrumental in propelling the nation towards economic development. Now, the introduction of the Ayushman Bharat might be able to help us achieve that standard and health as intended, how this might happen shall be discussed later, but it is not a surety that this will happen, a mere assumption which only is proven with time.

The Ayushman Bharat – National Health Protection Mission was first introduced in the Budget declaration of 2018 by Mr Arun Jaitley, the finance minister of India. After due deliberation it was passed in the budget session and on September 25, 2018, it was formally launched in the nation. The mission aims at providing health coverage to nearly 10 crore families and estimates the beneficiaries to be close to 50 crore persons which makes it the largest healthcare scheme in the whole world in terms of people benefitted.

India is in a state of demographic transition which has led to an epidemiological transition, which means that India as of now is facing the problem of both communicable diseases and non-communicable diseases. (Dhaka, Verma, Agrawal, & Kumar, 2018, p. 3152). The former is primarily due to the huge population and poor sanitary conditions in many parts of the

country, and the latter is happening due to the hectic and westernised lifestyle that the youth of today are following. The increase in the eating of junk food leads to the increasing risk of diabetes and long and demanding work has led to an increase in stress, which is a common cause for many heart problems. This epidemiological transition is also occurring due to change in climatic conditions and also the change in social demographics like the migration of people from rural to urban settings.

The Ayushman Bharat – National Health Protection Mission that was launched is a loose adaptation of the healthcare system that is present in the United States, which would help them in the reduction of the out of pocket expenditure of the people which is otherwise high and is a major cause of the low accessibility of health care systems.

### **AYUSHMAN BHARAT – NATIONAL HEALTH PROTECTION MISSION: AN OVERVIEW**

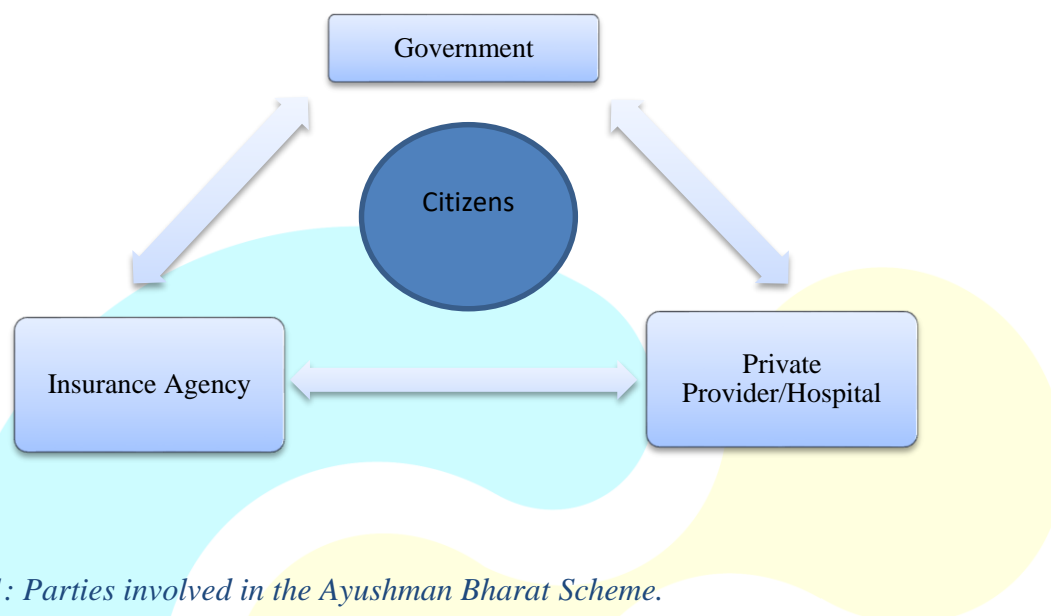
Finance minister Mr Arun Jaitley, on February 1, 2018, announced the Union Budget for the year 2018-2019, the budget allocation for Ministry of Health and Family Affairs was Rs. 54,800 crores, which accounts for 1.8% of the Gross Domestic Product. (“Union Budget 2018,” n.d.) It is 11.5% more than the last year but still is far lower than the world average which is 8.9% of its GDP. (“The U. S. Health care system,” n.d.). The goal regarding the GDP expenditure on health has been laid down in the National Health Policy, 2017 which is, to achieve 2.5% of the GDP by 2025, is one which could be achieved in time. But the major question here is not if we can achieve this goal, it is that even if this is achieved can this provide aid to the ones in need.

The Ayushman Bharat programme is in the line of the Universal Health Coverage discourse that is going on in the world. This aims at getting the poor under the umbrella of health insurance. The Ayushman Bharat scheme aims at providing health insurance up to Rs.5 lakh to 10,00,00,000 (ten crores) poor below poverty line families, deprived rural families and families that have been identified an occupational category for urban families as per 2011 Socio-Economic Caste Census data also, the beneficiaries of the Rashtriya Swasthya Bima Yojna were included. There is no enrolment process for the scheme a family if falls under any of the categories identified then that family or the person of that family can get his family

identified either through the official website of the scheme or by going to the nearest Community Service Centre or the nearest hospital that has been empanelled with the scheme. This will enable almost 50,00,00,000 (fifty crores) people to citizens to avail its benefits. The health cover of Rs. 5 lakhs could be used for secondary and tertiary level medical care. **Secondary Health Care** means, “a second tier of health system, in which patients from primary health care are referred to specialists in higher hospitals for treatment. In India, the health centres for secondary health care include District hospitals and Community Health Centre at block level” (“Primary, secondary and tertiary healthcare - arthapedia,” n.d.) and **Tertiary Health Care** means, “a third level of health system, in which specialized consultative care is provided usually on referral from primary and secondary medical care” (“Primary, secondary and tertiary healthcare - arthapedia,” n.d.). These benefits are available only to in-patients and not out-patients. (Lahariya, 2018, p. 499) There are approximately 1,350 medical and surgical procedures for which the package rates have been fixed. Along with this it is mandated that Standardised treatment and billing shall be done for the cases that come seeking the benefit of the scheme. The scheme will work on a family floater basis, which means that any number of persons in the family are entitled to gain benefit of the Rs. 5 lakhs that are for their insurance. To make sure that everyone is included there is no limit to the size of the family. The only limit is that of the amount insured by the scheme, so, till the time it is exhausted through the packages that have been specified any member of the family and any number of family members can avail the benefit. The whole scheme is also in consonance with the Digital India campaign which was launched by our Hon’ble Prime Minister as the scheme is both cashless and paperless.

The Ayushman Bharat Scheme also aims and increasing and diversifying the database of ROHINI (Registration of Hospitals In Network of Insurance). “ROHINI is a registry of unique hospitals in the Health Insurers and Third-Party Administrators (TPA) network, in India. The registry has been developed by the Insurance Information Bureau of India (IIB) (promoted by Insurance Regulatory Development Authority of India)”. (“Registry of Hospitals in Network of Insurance,” n.d.). Hospitals would need to be empanelled with Ayushman Bharat, which in turn would help in increasing of the database for ROHINI. This would also prove to be instrumental for the insurance agencies to know which claims are valid and which are fraudulent.

The Ayushman Bharat scheme has three major parties and between them lie the citizens who can avail its benefits. These parties are the government, the insurance agency and the private provider or hospital.



*Figure 1: Parties involved in the Ayushman Bharat Scheme.*

The government is the one that is to provide the citizens with health care and in the present scheme, it makes an agreement with the insurance agency, stating that the government will pay the insurance agency the amount that is to be insured for the 10 crore families. So, when a citizen goes to a hospital which has been empanelled with Ayushman Bharat, the hospital shall admit that person after identification as a beneficiary of the scheme and then the hospital shall do a treatment based on the pre-decided packages. The person after the treatment shall leave and the hospital would claim the charge of the treatment from the insurance agency which is taking premiums from the government. The government here does not imply that it is either only state or central government instead the cost is divided between the two in the ratio of 40:60 respectively. The out of pocket expenditure on health which is 67% of the total expenditure, which could be significantly loosed by the Ayushman Bharat scheme.

## **AYUSHMAN BHARAT VS. RASHTRIYA SWASTHYA BIMA YOJNA**

The Rashtriya Swasthya Bima Yojna (RSBY) was introduced in 2008 by the government to provide health care services to the people working in the unorganised sector. When this scheme was introduced the out of pocket expenditure was two-thirds of the total. (“Rashtriya Swasthya

Bima Yojna,” n.d.) If this was the case then the scheme was not able to create a big impact. This puts forth the question that how different is the new scheme. that has been introduced from Rashtriya Swasthya Bima Yojna.

*Table 1: Comparison between RSBY and AB-NHPM.*

CATEGORIES	RSBY	AB-NHPM
COVERAGE	Rs. 30,000	Rs. 5,00,000
SERVICES COVERED	Limited	Cover high-end procedures
POPULATION COVERED	18 crores	50 crores
PERSONS IN FAMILY COVERED	5 persons per family	No limit

*Source:* (“Ayushman Bharat: National Health Protection Mission,” n.d., p. 24)

The above table gives us a comparison of the critical statistics that differentiate the Rashtriya Swasthya Bima Yojna and Ayushman Bharat. Since the last scheme, the government has significantly hiked the overall coverage by almost 16-17 times. This provides the beneficiaries with a bigger protection than the last one. The last scheme had a limited array of services which would restrict it to that only, the new scheme also has a limited number of services but the sheer number of packages that are available which is close to 1,350 is such a big number that it covers a huge number of medical and surgical procedures. In the earlier scheme, the population benefitted was 18 crores and in the new scheme it is 50 crores which are almost 3 times of the last scheme. In the earlier scheme, there was an upper limit to the floater family that could be benefitted was 5 persons per family but in the new scheme this limit has been abolished so that the women and the children of the family are not excluded. On statistics, the Ayushman Bharat is way beyond the Rashtriya Swasthya Bima Yojna.

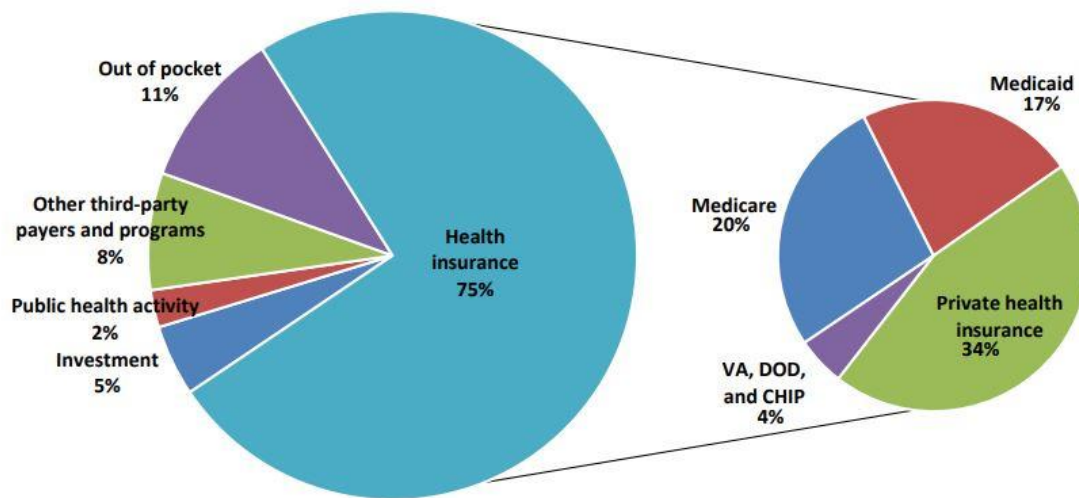
The Rashtriya Swasthya Bima Yojna is considered a failure in some aspects. The cost of packages that was put was too low for the hospitals and clinics that they could not even get their operating cost out of it.(Dasgupta et al., 2013). This led to the development of a series of malpractices the most common being booking a person having a simple medical issue with one of a higher degree, for example, if a person was diagnosed with a simple hernia then it would be portrayed as strangulated hernia on paper which would help them earn more money than they would have if gone for the simple one.(Dasgupta et al., 2013, p. 239) Another common example of the same is when a woman would come for delivery, she would have a caesarean section instead of a normal delivery even though normal delivery could be done.(Dasgupta et

al., 2013, p. 239) The settlement of the claim by the hospitals was generally delayed by the insurance companies, these delays could be from anywhere between 6 months to 2 years.(Dasgupta et al., 2013, p. 235) The settlement claims that were sent from that about 10-15% were rejected which would later be accepted causing much delay in the transfer of money. Also, there was not a proper redressal mechanism in place which would effectively deal with these problems that were faced. These were the reasons why the Rashtriya Swasthya Bima Yojna could not be a success as it could have been. The Ayushman Bharat Scheme also has a similar structure but the fact that it will be linked to ROHINI and the insurance agencies will have that data makes a safer version than the one which prevailed earlier.

### **AYUSHMAN BHARAT AND U.S. HEALTHCARE SYSTEM**

The United States boasts a very unique health care system. Unlike many countries the Health Coverage in United States is not universal in nature, even then it has the highest per person expenditure on health which is, \$10,348 which amounts to 17.9% of its GDP.(“National Health Expenditures 2016 Highlights,” n.d.) In contrast to U.S. Healthcare Scheme, the Ayushman Bharat Scheme aims at Universal Health coverage by taking into consideration the weaker sections of the society. Also, the GDP percentage expenditure on health in our country is very little in comparison to the U.S. The point of similarity between the two systems occurs when we talk about the parties paying for the insurance. Instead of a single party funding for healthcare scheme, U.S. follows a system in which there are multiple parties that contribute to the healthcare scheme.

Figure 2: Payment percentage by parties in U.S. Healthcare System



Source: (“National Health Expenditures 2016 Highlights,” n.d.)

The above diagram gives a detailed account of the percentage that various parties contribute to the healthcare scheme in the U.S. So, the biggest portion that is 75% accounts for health insurance, this is bifurcated into 34% as private health insurance, 20% as Medicare, 17% as Medicaid and the remaining 4% as VA (Veteran Affairs), DOD (Department of Defence), CHIP (Children’s Health Insurance Programme). The next big portion is of 11% which accounts for out of pocket expenditure, which includes all payments that are not included in the health insurance. Other third-party payers and programmes account for 8%, and these include other health services that are present like Worksite Healthcare. Then the remaining is taken up by investments 5% and Public Health activity 2%.

The system that Ayushman Bharat has also adopted is similar. We don’t have as many numbers of parties that would pay the insurance as present in the U.S. but here we do have both the state and central governments paying for the insurance and the ratio for the same is 40:60. The Ayushman Bharat also aims at merging with various other government policies so that its effectiveness is increased.



## **PROBLEMS OF AYUSHMAN BHARAT: PRIVATE AND PUBLIC HEALTHCARE SECTOR**

The Ayushman Bharat Scheme holds the capability to seriously effect both the private and public sector hospitals. Private Hospitals which will be empanelled with the scheme would see a rise in the in-patient flow in the hospital. This would provide the hospital with a continuous inflow of the patients, but the rates of the treatments would be fixed and the proposed rates have prices which are significantly lower than the one which prevailed earlier. Due to this, the hospitals have urged the revision of the rates in the package. (“Ayushman Bharat Scheme | Ayushman Bharat Health Insurance Scheme: Who all it covers and how | Ayushman Bharat Scheme Complete Guide,” n.d.). If the rates aren’t revised then for the hospitals it will be difficult to derive their operating cost, because in private hospitals the investment that is made is huge and the amount that they would get for rendering their services is very less. If this is the case, then hospitals might get into malpractices like booking a person with a bigger problem than actually happening and the problem faced by Rashtriya Swasthya Bima Yojna would be revisited. It is very difficult to maintain a standardised level of medical treatment with the cost of packages that were suggested. The private sector over time will enter into a very low profit zone but since the in the flow of patients will be continuous then in that case they might not be severely affected, but there will be a change from the condition present before the scheme was introduced which was of high profits.

Though the biggest blow by this scheme would be taken by Government hospitals. This scheme gives people a choice of the place of treatment, as to where they want their treatment to be done while the government bares their expense. Earlier for a situation like this, the person would have to necessarily go to a government hospital, but this changes the scenario. There is a popular notion among people that government hospitals are inferior to private hospitals. This has led to the decrease in the patients coming to government hospitals over the years, and now after the introduction of Ayushman Bharat, this trend would pick up the pace. The Government hospitals would have fewer patients and would become a liability for the government over the years.

## **CONCLUSION**

In the light of the various aspects discussed regarding the Ayushman Bharat Scheme, we can safely say the scheme on paper is one which will turn out to be beneficial for the nation. Though we have always seen that there is a big gap in the scheme and its implementation, this is probably a big reason for failure for many policies that were introduced in our country. Like every scheme, this too has its merit and its demerits which have been discussed in the paper. The merits of Ayushman Bharat at the policy stage do out-weigh its demerits. Though there is a serious concern regarding its susceptibility to fail like its predecessor. The package rates are a serious concern for the scheme and if they are not increased then it would in time compel hospitals to indulge in malpractices.

Ayushman Bharat can be seen as an upgraded brother to the existing Rashtriya Swasthya Bima Yojna. Ayushman Bharat has a larger cover and the number of beneficiaries is significantly higher than the Rashtriya Swasthya Bima Yojna. Also, when the other schemes will be merged with Ayushman Bharat scheme then it will provide a greater benefit to people that it already is. Ayushman Bharat might prove to be the key to achieving the Universal Health Coverage which is considered to be ideal in many nations.

We also concluded that Ayushman Bharat has a model which is similar to the model adopted by the U.S. Healthcare system. Though the system in the U.S. has far more dimensions as compared to ours and the fact that it is not universal and does not even aim to create so is a point that distinguishes the Ayushman Bharat with the system in the U.S.

The scheme of Ayushman Bharat might result in the decline of the government hospital and an increase in the number of patients in the private sector. The aim to create a standardised healthcare sector on paper is very platonic but this too is very hard to achieve and creating packages with very little cost will not help in that. Ayushman Bharat is a scheme that holds a lot of potentials but only time will tell its fate.

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