

Ayushman Bharat*

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The fraudulence of the claim made by the Modi government with regard to the “Ayushman Bharat” scheme launched recently surpasses all its previous efforts. This is hardly surprising for a government for which what matters is not what it actually does but how it creates perceptions about what it is doing.

The Ayushman Bharat scheme consists of two separate parts. One is the creation of 150000 “Health and Wellness Centres” which are simply the old primary health centres given a new fancy name, and for each of which the 2018-19 Union budget allocates a mere Rs.80000. This obviously cannot even be sold as a major new initiative. The other part, which is being sold as such is the Pradhan Mantri Jan Arogya Yojana (PMJAY), which is the old Rashtriya Swasthya Bima Yojana (RSBY) in a new avatar. This new scheme is supposed to cover 10 crore families (or 50 crore persons) and provide insurance cover up to Rs.5 lakh per family per annum. It is being touted as the largest health insurance scheme in the world. And yet the amount earmarked for the scheme in the 2018-19 budget is a paltry Rs.2000 crores, which comes to Rs. 40 per person per year. Even if the states’ share is additionally taken into account (states are supposed to provide 40 percent of the expenditure under the scheme compared to the Centre’s 60 percent), the per capita provision comes to a ridiculous Rs.67.

In fact ironically in the very budget in which the government claimed that it was rolling out the world’s largest health insurance scheme, the total allocation for the health sector showed scarcely any increase at all. Against a revised estimate of Rs.50079.6 crores for 2017-18 the budget allocation for 2018-19 was a mere 52800 crores, which represents a 5 percent increase in nominal terms, and hence a virtually zero percent increase in real terms!

The Niti Aayog has suggested that the allocation for the Health Insurance Scheme would be eventually increased to around Rs.10000 crores. But it also claimed in the same breath that this was all that was needed, i.e. that it would be quite adequate for covering 50 crore persons, each up to a limit of Rs.1 lakh of expenditure per year, which is an utterly ridiculous claim. Assuming that the total insurance premium paid is roughly equal to the total expenditure incurred by the beneficiaries in the aggregate, Rs.10000 crores for a beneficiary population of 50 crores amount to an average expenditure of Rs. 200 per person per annum. Now, leaving aside government hospitals, where patients are subsidized anyway but which are of course grossly inadequate for meeting the health needs of the targeted population (for otherwise there would be no need for such an insurance scheme at all), a single visit to a private hospital requires a minimum expenditure of Rs.500 just to see a doctor, even if we do not take into account the cost of medicine. The figure of Rs.10000 crores therefore would not cover even a single visit to the hospital by a member of the targeted population during an entire year. And yet the Niti Aayog thinks that this would be sufficient to provide insurance cover of up to Rs.5 lakhs per family to 10 crore families!

Independent researchers have suggested that if in fact 10 crore families are to be provided insurance cover for upto Rs. 5 lakhs per family per year, then the total amount required for such a scheme would be around Rs.1.2 lakh crores, which is 12 times what the Niti Aayog believes should be the eventual allocation for it, and 60 times what the current allocation for the scheme for 2018-19 is. To pass off this scheme for which hardly any resources are being earmarked at all as an earth-shaking event therefore is a mere pre-election gimmick; it does not represent any genuinely meaningful effort by the government to ensure universal healthcare.

In any case if universal healthcare is to be ensured then a National Health Service on the British or Scandinavian pattern is far better than the insurance route. The United States for instance has one of the highest ratios of healthcare expenditure to GDP among all the countries of the world, far higher than any Scandinavian or European country: in 2016 the ratio of healthcare expenditure to GDP in the U.S. was 17.2 percent compared to 11.3 percent for Germany, 11 for Sweden, 11 for France and 9.7 for the U.K. And yet in terms of the provision of quality universal healthcare the U.S. is generally recognized as lagging behind the European countries. And the reason lies in the fact that it pursues the insurance route. The quality of healthcare suffers because the insurance companies, instead of settling claims, spend huge amounts in employing lawyers to ensure that they do not have to pay hospitals for patients' treatment, which in turn means that the hospitals are always keen to get rid of patients as quickly as possible. The reach of healthcare in the U.S. was always limited; and Obama's attempt to universalize it, in the face of massive opposition at the time, is now being scuttled by the Trump administration.

The insurance route benefits insurance companies more than it benefits the patients. It also benefits private hospitals by enlarging their turnover through multiple tests and consultations which are strictly not necessary. Modi government's claim of enlarging healthcare availability for the impoverished population therefore is wrong both because of the route chosen, namely the insurance route, and also because of the ridiculously paltry financial provision, which it is planning to make while following this route.

And all this is in addition to the fact that in large parts of the country hospitals simply do not exist, so that being insured for hospitalization is of no use whatsoever. This ironically could be the reason why the government believes that it need not spend much on the scheme even while showing on paper a very wide coverage for it; but then its claim of ushering in the largest healthcare scheme in the world is completely vacuous.

The National Health Policy unveiled in 2017 had suggested that total government expenditure on health (of the Central and state governments taken together) should be raised from the current 1.15 percent of the GDP to 2.5 percent by 2025. If the central government was serious about meeting this objective then it should have increased the proportion of the Union budget devoted to healthcare. Instead we find that as a proportion of the central government's total budgetary expenditure the amount earmarked for the Ministry of Health and Family Welfare has declined from 2.4 percent in 2017-18 (RE) to 2.1 percent in 2018-19 (BE).

The 2.5 percent target for 2025 is itself too low. The High-Level Expert Group on Universal Health Care which had submitted its report to the Planning Commission in

October 2010 had recommended that government expenditure on healthcare should be raised to 2.5 percent of GDP by the end of the 12th Plan and to 3 percent of GDP by 2022. The fact that in 2017 itself the proportion of government health expenditure in GDP is no higher than in 2010, and the target for achieving even the 2.5 figure has been shifted from the end of the Twelfth Plan (2017) to 2025, speaks volumes about the seriousness of successive governments in providing healthcare; and the fact that despite the revised target dates set in 2017, the share of central budget devoted to healthcare still shows no sign of increasing, and on the contrary actually shows a decline in 2018-19 compared to the previous year, only underscores the callousness with which the government treats the health of the deprived segment of the population. When such is the state of affairs, to claim as the Modi government is doing, that the largest health coverage scheme in the world has been inaugurated by it, is just a cruel joke.

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