

We need a leap in healthcare spending

This article is related to General Studies-Paper III (Governance, Health)

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"India's per capita expenditure on health remains among the lowest in the world."

It's a fact that sticks out starkly: 10.6% of the total amount in the Interim Budget is allocated to defence, while only 2.2% is allocated to healthcare. Funding need not be redirected from current allocations to preventive care, but surely India can make health spending a priority, much like defence? Despite several innovations in the healthcare sector in recent times, in line with India's relentless pursuit of reforms, the government remains woefully short of its ambition to increase public health spending to 2.5% of GDP. At present, health spending is only 1.15-1.5% of GDP.

While the Interim Budget is responsive to the needs of farmers and the middle class, it does not adequately respond to the needs of the health sector. The total allocation to healthcare is ₹61,398 crore. While this is an increase of ₹7,000 crore from the previous Budget, there is no net increase since the total amount is 2.2% of the Budget, the same as the previous Budget. The increase roughly equates the ₹6,400 crore allocated for implementation of the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY).

Per capita spending on health

According to the National Health Profile of 2018, public per capita expenditure on health increased from ₹621 in 2009-10 to ₹1,112 in 2015-16. These are the latest official numbers available, although in 2018 the amount may have risen to about ₹1,500. This amounts to about \$20, or about \$100 when adjusted for purchasing power parity. Despite the doubling of per capita expenditure on health over six years, the figure is still abysmal.

To understand why, let's compare this with other countries. The U.S. spends \$10,224 per capita on healthcare per year (2017 data). A comparison between two large democracies is telling: the U.S.'s health expenditure is 18% of GDP, while India's is still under 1.5%. In Budget terms, of the U.S. Federal Budget of \$4.4 trillion, spending on Medicare and Medicaid amount to \$1.04 trillion, which is 23.5% of the Budget. Federal Budget spending per capita on health in the U.S. is therefore \$3,150 (\$1.04 trillion/ 330 million, the population).

In India, allocation for healthcare is merely 2.2% of the Budget. Per capita spending on health in the Budget in India is ₹458 (₹61,398 crore/ 134 crore, which is the population). (Medicare and Medicaid come under 'mandatory spending' along with social security.) Adjusting for purchasing power parity, this is about \$30 — one-hundredth of the U.S.

Admittedly, this runaway healthcare cost in the U.S. is not to be emulated, since comparable developed countries spend half as much per capita as the U.S. Yet, the \$4,000-\$5,000 per capita spending in other OECD countries is not comparable with India's dismal per capita health expenditure. The rate of

growth in U.S. expenditure has slowed in the last decade, in line with other comparable nations.

The ₹6,400 crore allocation to Ayushman Bharat-PMJAY in the Interim Budget will help reduce out-of-pocket expenditure on health, which is at a massive 67%. This notwithstanding, per capita Budget expenditure on health in India is among the lowest in the world. This requires immediate attention.

Health and wellness centres

Last year, it was announced that nearly 1.5 lakh health and wellness centres would be set up under Ayushman Bharat. The mandate of these centres is preventive health, screening, and community-based management of basic health problems. The mandate should include health education and holistic wellness integrating modern medicine with traditional Indian medicine. Both communicable disease containment as well as non-communicable disease programmes should be included. An estimated ₹250 crore has been allocated for setting up health and wellness centres under the National Urban Health Mission. Under the National Rural Health Mission, ₹1,350 crore has been allocated for the same. The non-communicable diseases programme of the National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke has been allocated ₹175 crore, from ₹275 crore. Allocation to the National Tobacco Control Programme and Drug De-addiction Programme is only ₹65 crore, a decrease of ₹2 crore. The allocation for each of the wellness centres is less than ₹1 lakh per year. This is a meagre amount.

History shows that where there is long-term commitment and resource allocation, rich return on investment is possible. For instance, AIIMS, New Delhi is the premier health institute in India with a brand value because of resource allocation over decades. AIIMS Delhi alone has been allocated nearly ₹3,600 crore in the Interim Budget, which is a 20% increase from last year. Similar allocation over the long term is needed in priority areas.

Prevention and its link to GDP

NITI Aayog has proposed higher taxes on tobacco, alcohol and unhealthy food in order to revamp the public and preventive health system. This has not found its way into the Interim Budget. A focused approach in adding tax on tobacco and alcohol, to fund non-communicable disease prevention strategies at health and wellness centres, should be considered. Cancer screening and prevention are not covered. There is no resource allocation for preventive oncology, diabetes and hypertension. Prevention of chronic kidney disease, which affects 15-17% of the population, is not appropriately addressed. The progressive nature of asymptomatic chronic kidney disease leads to enormous social and economic burden for the community at large, in terms of burgeoning dialysis and transplant costs which will only see an exponential rise in the next decade and will not be sustainable unless we reduce chronic kidney disease incidence and prevalence through screening and prevention.

Due to lack of focus in preventive oncology in India, over 70% of cancers are diagnosed in stages III or IV. The reverse is true in developed countries. Consequently, the cure rate is low, the death rate is high, and treatment of advanced cancer costs three-four times more than treatment of early cancer. The standard health insurance policies cover cancer but only part of the treatment cost. As a consequence, either out-of-pocket expenditure goes up or patients drop out of treatment.

Increase of GDP alone does not guarantee health, since there is no direct correlation between GDP and health outcomes. However, improvement in health does relate positively to GDP, since a healthy workforce contributes to productivity. The 1,354 packages for various procedures in PMJAY must be linked to quality. For various diseases, allocation should be realigned for disease management over a defined time period, not merely for episodes of care. Since a major innovation in universal healthcare, Ayushman Bharat, is being rolled out, it must be matched with a quantum leap in funding. Only if we invest more for the long-term health of the nation will there be a similar rise in GDP.

Ayushman Bharat Scheme

Background

- In the Union Budget 2018-19, Finance Minister Arun Jaitley had made two important announcements about the health sector.
- In this, Rs.1200 crores has been allocated for 1.5 lakh health and welfare centers and National Health Protection Scheme has been started to provide medical services to more than 100 million poor and weaker families.
- The aim of these two far-reaching initiatives of the Government under Ayushman India is to build a new India by 2022.

What is it?

- In this scheme, a benefit of five lakh rupees per family has been covered per annum.
- Target beneficiaries of this scheme will be more than 100 million families. These families will be of poor and weak population based on the SPCC database.
- Ayushman India - In the National Health Security Mission, ongoing Centrally Sponsored Schemes: National Health Insurance Scheme and Senior Citizen Health Insurance Scheme will be included.
- This ambitious plan started completely on September 25 from the birthday of Pandit Deen Dayal Upadhyay.

An Objective

- The aim of this scheme is to provide insurance to every poor family up to five lakh rupees per year.
- The Center has allocated a sum of Rs. 10,000 crores for this scheme.
- It is believed that this is the largest health insurance scheme funded by the government in the world.
- More than 100 million poor families will be benefited by this scheme, nearly 50 crore people will be benefited.
- Punjab, Kerala, Maharashtra, Karnataka and Delhi are yet to join the scheme while Odisha has refused to join.

Who is the benefit?

- The purpose of this scheme is to provide help to

the 10 crore families on the basis of socio-economic caste census.

- This is to ensure that no one in the poor-deprived group is able to stay away from this facility. For this, the size of the family has not been determined.
- They will also be able to win the family and they will get this facility.
- Under this scheme, insurance and insurance will be covered in pre and post hospitalization.

Other Benefits

- These initiatives of health sector under Ayushman India will increase labor-productivity and public welfare and avoid day-to-day loss and poverty.
- Millions of jobs will be created for these schemes, particularly women, and will be able to move forward towards universal health coverage.

Problems and Challenges

- Problems of first aid field being ignored
- Problem of budget allocation
- The major health goals set to 2025
- 70 years of life expectancy at birth by 2025
- Reduce the total fertility rate to 1 by national level and sub-national level by 2025.
- By 2025, reducing mortality rate in children below five years to 23 per thousand.
- Reducing the present level of maternal mortality rate by 2020 to 100 per thousand.
- Reduce the infant mortality rate to 16 per thousand.
- Reduce rates of dead children by 2025 to 'Unit points'.
- Acquiring and maintaining treatment rates of more than 85% in new positive patients of tuberculosis and reducing the prevalence of new cases, so that the elimination status can be achieved by 2025.
- Reduce the visibility of blindness by 25 to 25 per thousand, and reduce the number of patients from one-third to one-third.
- Reduce the mortality due to cardiac arrest, cancer, diabetes or chronic respiratory diseases by 2025 to 25%.

Expected Questions (Prelims Exams)

1. Consider the following statements regarding the steps taken by the government in health sector-

1. In the Budget 2019-20 of India, only 2.2 percent has been allocated for health , which is lowest in the world at per capita expense.
2. The aim of the ' Ayushman Bharat Yojana' of the Indian government is to join the poor and weak families with health coverage.
3. Under Ayushman Bharat Yojana more than 10 crore poor families will be provided Rs. 5 Lakhs insurance each year
4. Punjab, Kerala, Maharastra, Karnataka and Delhi have refused to join the Ayushman Bharat Yojana.

Which of the above statements are correct?

- (a) 2, 3 and 4
- (b) 1, 2 and 3
- (c) 1, 3 and 4
- (d) All of the above

Expected Questions (Mains Exams)

Q. Pointing out the problems related to health in India, evaluate the steps of taken by the government for their solutions.

(250 Words)

Note: Answer of Prelims Expected Question given on 6 Feb. is 1(d)

