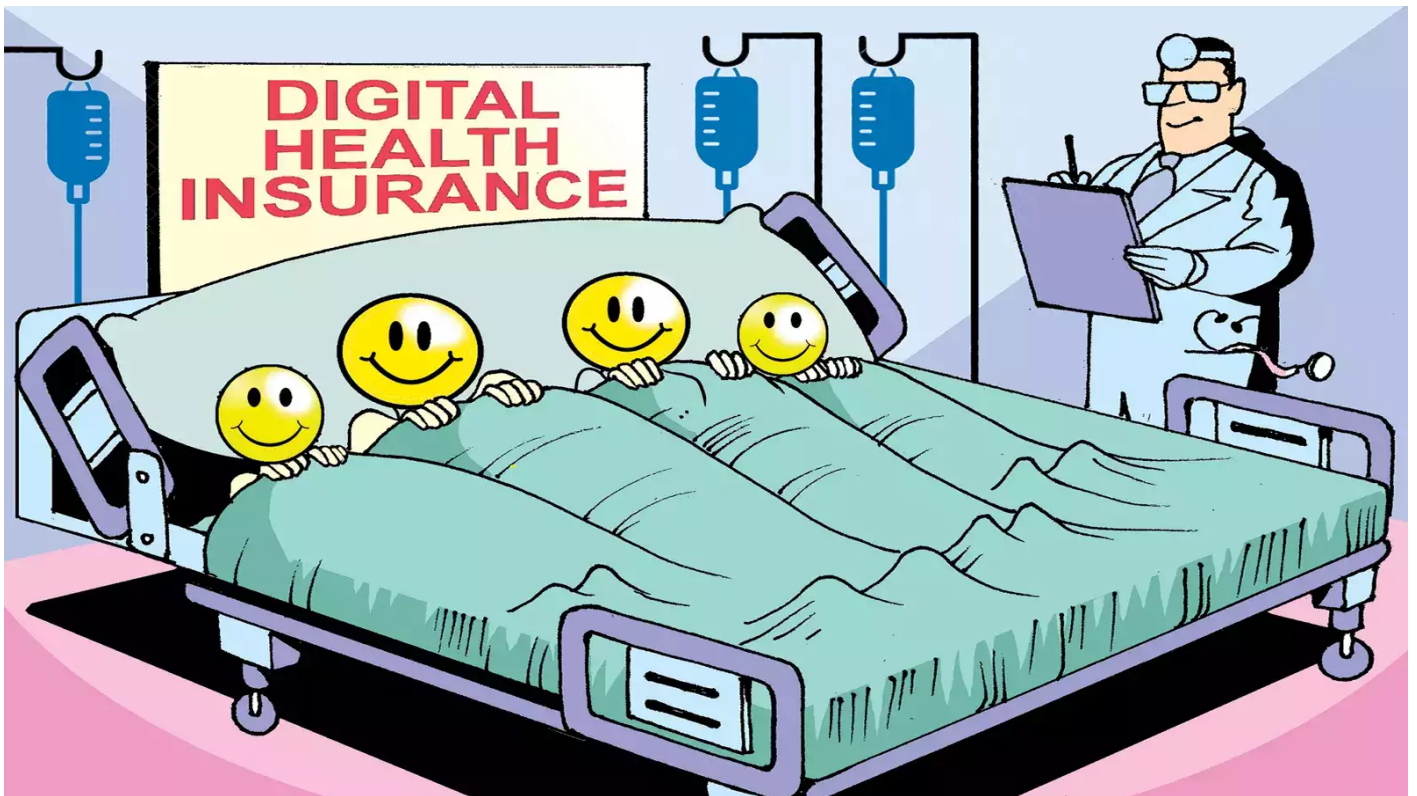


India needs universal health insurance, not universal healthcare



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Here's how govt can ensure very affordable health insurance, including for outpatient care, for hundreds of millions of Indians who are neither poor nor rich

Countries that have managed 'universal healthcare for free' through taxation have three things in common. They are invariably small countries with a high tax-to-GDP ratio of more than 30% and spend more than 10% of GDP on healthcare.

India is the world's most populous country with a tax-to-GDP ratio of 11.70% and spends 3.16% of the GDP on healthcare. The government's contribution is 1.28% and out-of-pocket health expenditure is 1.52% of GDP. We can't expect the government to enhance budgetary allocation to healthcare significantly.

Fortunately, the Ayushman Bharat scheme covers the population living below the poverty line. But what about the millions of Indians who are one medical bill away from slipping into poverty?

Although 300 million middle-class Indians cannot afford to pay for the hospitalisation, they can pay for affordable health insurance. So, our national narrative should change from 'universal healthcare' to 'universal health insurance' – which should cover primary, secondary and tertiary care through integrated health insurance.

Why change from current health insurance which pays for hospitalisation to integrated health insurance? About 14% of the heart surgeries performed in India are done by our group of hospitals – the more people develop heart attacks the better it is for our business. There is absolutely no incentive for us to keep people healthy. In reality, in any business, if the interest of the customer and the service provider is not aligned, there is no trust.

In the integrated health insurance model, hospitals will become the health insurance providers and work hard to ensure that members don't fall sick to save money, thereby aligning the interest of the patient and the hospitals. This will also address the patient's fear of unnecessary procedures.

Why is primary care very important? About 30% of Indians visit primary care physicians at least twice a year. Over 60% of healthcare expenses are due to outpatient care which most health insurances do not cover. Uncontrolled diabetes and blood pressure

which lead to heart attacks, brain strokes and kidney failures can be easily controlled by hospitals online. With early detection, most diseases can be cured.

What is the ideal integrated health insurance model? By trial and error, the aim should be to achieve an integrated health insurance model with an annual premium at about Rs 8,000-10,000 for a family of parents and all the children less than 21 years. Parents should undergo health check-ups costing about Rs 15,000 by paying a token amount of Rs 1,000. Health screening is very important for early detection.

Apart from unlimited outpatient coverage families should be covered for multiple admissions up to Rs 10 lakh and single admission up to Rs 50 lakh, to cover complex procedures like transplants and artificial hearts.

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Health insurance experts will certainly disagree with the amount of premium. That was our experience 17 years ago when we conceptualised 'Yeshashwini' micro health insurance in the state of

Karnataka. We believed that if every farmer in Karnataka paid Rs 5 per month, they could be covered for any surgery from cataracts to heart surgeries at over 700 hospitals. The state government launched the scheme through cooperative societies and became a reinsurer and then the magic happened. At the end of 12 years 1.21 million farmers had surgeries and 1.3 lakh farmers had cardiac procedures just by paying Rs 5/month.

How do we make health insurance premiums affordable to the middle class? A 'Health Savings Account' is a platform for people to save money to pay for healthcare which is implemented successfully in many countries.

- In India with over 90% of the workers employed by the unorganised sector, HSA can be implemented by converting ABHA (Ayushman Bharath Health Account) into a wallet funded via UPI, so HSA and electronic medical records can be captured digitally in one place.
- The unorganised employer should contribute Rs 100/month or more to the employee's HSA account.
- Employer, employee or donors' contribution should be exempted from taxes and the money should be used only for buying health insurance.
- A few thousand rupees of contributions to HSA will offer few lakhs of benefits to the deserving family.
- This will be the first step in shifting unorganised workers to the organised sector.

- If 18% GST on low-cost health insurance premiums is exempted, then the health insurance providers can arrange interest-free loans for the premiums through NBFCs.

Yes, the magic will happen: For social upliftment we believe the government should utilise the power of creating a regulatory framework for the private sector to innovate, take risks and deliver rather than spending the money directly. If 100 million middle-class families contribute Rs 10,000 per year as the health insurance premium, Rs 1 lakh crore can be raised which is more than the health budget of the government.

In a short period of time, we have grown from no radios to colour TVs with a few hundred channels, from no phones to smartphones, and emerged as the world's largest online payment provider. With an affordable digital health insurance platform, we can become the first country in the world to dissociate health from wealth in just five years and prove to the world that the wealth of the citizens has nothing to do with the quality of healthcare they can enjoy. This is the power of India with 1.4 billion people managed by the government with a vision and belief in technology

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