India’s health reforms: the need for balance

On Sept 23, 2018, the Prime Minister of India, Narendra Modi, launched extensive health reforms. The reforms are to be welcomed because for decades India has underinvested in health, never spending more than 1% of its gross domestic income on its public health system. It has always been surprising that health and access to health care have been given such a low political priority in the world’s biggest democracy.

But things are changing, as I and my fellow Elder Ban Ki-moon witnessed when we visited India early in September, 2018, to discuss India’s strategy to reach universal health coverage (UHC). At both national and state levels, health is rising up the political agenda and universal health coverage (UHC) will provide more than 100 million poor households (approximately 500 million people) with financial protection against inpatient hospital care, in both public and private hospitals. Each family will be entitled to almost US$7000 worth of care each year, with a benefit package skewed towards surgical and diagnostic procedures. This health insurance scheme is already being dubbed Modicare with beneficiary households being told by the Minister of Health that they will be issued with gold cards.

During our visit, we were pleased to learn that a key pillar of India’s Ayushman Bharat UHC reforms will focus on PHC, by creating 150 000 health and wellness centres. These will provide universal free PHC services, including free medicines and diagnostic services. Having visited a Mohalla clinic in Delhi, which is providing these services, including free medicines and diagnostic services.

For Ayushman Bharat see https://www.ahbpm.gov.in/about

References

creating this surge in demand India’s UHC reforms will become unbalanced and favour expensive inpatient hospital care rather than more cost-effective primary care. In fact, we heard directly from key government officials that one of the primary objectives of the Ayushman Bharat reforms was to increase rates of hospital admissions among the poor so that they are similar to rates in India’s more affluent population. Putting such a high emphasis on expanding inpatient care does not seem appropriate when so many of India’s health priorities—e.g., increasing immunisation rates and tackling infectious and non-communicable diseases⁴—would be better dealt with in primary care settings.

With the blaze of publicity for the launch of the health insurance programme, there is a danger that Ayushman Bharat will become synonymous with hospital insurance for many people in India. This perception could result in people bypassing PHC services as they use their gold cards to access specialist care in hospitals. The scale-up of the health and wellness centres is, by contrast, a much slower process.

Moreover, given the eye-catching cap of INR 500 000 worth of hospital care per family per year,³ there is a likelihood that many households will see this as their annual entitlement, which they ought to spend. India’s poorly regulated private hospitals will be only too pleased to meet this demand, but as previous hospital insurance schemes have shown in India, this could result in people being given expensive diagnostic and surgical procedures they don’t need. Furthermore, it is likely to prove difficult to introduce gate-keeping functions into primary care services once people are given instant access to tertiary care.

There is a risk that India’s new health reforms could distort public spending towards tertiary care and this may undermine the Indian Government’s own target of increasing primary care spending to at least two-thirds⁵ of the national public health expenditure. This will be a key figure to track in the coming months and years to see whether India is following a PHC-led route to UHC.

So as we commend Prime Minister Modi for being perhaps the first Indian national leader to give a high priority to increasing access to health care, we are duty-bound to express our concerns about the balance of his ambitious reforms. One only has to look at the USA, which spends 17-2% of its national income on health but is still to reach UHC, to see the perils of a health system built on insuring people against specialist hospital care. Meanwhile, some of India’s neighbours, such as Thailand and Sri Lanka, have become known as global UHC success stories, largely because they have invested in universal free services, with a much greater focus on primary care.⁶,⁷ Greater political commitment and increased public investment in the planned Ayushman Bharat health and wellness centres could therefore make all the difference in enabling India to reach UHC by 2030.

Gro Harlem Brundtland
The Elders, London W1K 1BJ, UK
connect@theelders.org
I am Acting Chair of The Elders and former Director-General of WHO. I declare no other competing interests.