India

Who is Cheering for ‘Modicare’?

Is this health care where it is needed?

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Hyperboles are the hallmark of the Modi Government, especially empty hyperboles that are passed off as public policy. Finance Minister Arun Jaitley’s announcement during his budget speech, of the world’s “largest government funded health care programme”, outdid all previous records of the Modi Government in making inflated claims. Quickly named ‘Modicare’ by the spin doctors of the BJP, the announcement was lapped up unquestioningly by sections of the corporate controlled media. The programme announced proposes to cover 10 crore (100 million) families through an insurance programme that promises to reimburse expenses incurred on hospital care up to 5 lakhs (500.000) per year for a family. It is further proposed that 40% of the expenses will be borne by states.

Given the hype surrounding the announcement it is necessary that we try to make sense of what is being proposed. Public memory is short, and that is probably why few remember that a similar announcement was made in 2016! The difference only lies in that in 2016 the limit of reimbursement for a family of five was placed at 1.5 lakhs and the 2018 announcement has raised this to 5 lakhs. The raising of the ceiling is likely to benefit very few if the scheme is ever rolled out, as most reimbursements in current insurance schemes are below one lakh. The mere raising of the ceiling will not mean everyone will suddenly start receiving 5 lakhs, but it’s a nice vision to dangle before the public.

So what happened between 2016 and 2018? Actually nothing happened, no new scheme was rolled out. So much so that of the meagre 1,000 crores allocated for the existing Rashtriya Swasthya Bima Yojana (RSBY), only about half was actually spent in 2017-18. But such is the power of rhetoric that the new announcement is being hailed as a bold move and even as a ‘game changer’. If and when the new insurance programme

is rolled out, it will merely be a refurbished version of the RSBY and many other state level insurance programmes that have done little to address the growing crisis in healthcare in India.

Less finances for Health in 2018-19 Budget

Forgotten is the fact that in real terms (that is after adjusting for inflation) the health budget for 2018-19 is lower than the revised estimates of the 2017-18 budget. Compared to Rs.53,198 crores in the revised estimates allocated to health in 2017-18, this year's allocation is Rs.54,667 crores – an increase that is lower than the inflation rate. Importantly the government's principal health programme – the National Health Mission – receives, even in real terms, less money. The allocation of Rs.30,634 crores in 2018-19 is lower than Rs.31,292 crores spent in 2017-18.

The ability of the Modi Government to replace policy with empty promises is phenomenal. The 2017 National Health Policy, announced with much fanfare a few months back, claimed that spending on health would increase to 2.5% of GDP by 2025 as compared to around 1.2% currently. This requires an increase in allocation by about 20% every year. Yet, as we discuss earlier, there has been a compression in funds allocated to health in 2018-19. In fact, since the Modi Government assumed office, there has been no significant increase in the allocation on health.

Financing the Insurance Scheme

So we are now being led to believe that the world's largest health programme will be magically financed in a situation where overall allocation to health has been reduced in the current budget, and which includes a mere Rs.2,000 crore allocation for the proposed insurance scheme that would cover 50 crore people. Realisation regarding the incongruity of this situation appeared to have dawned. Thus Finance Secretary, Hasmukh Adhia, in an interview with Bloomberg Quint hastened to clarify: *"…the scheme has to be operationalised. The contours of this scheme have to be worked out by the health ministry along with the state governments*". He goes on to claim that real allocation for the scheme will commence in 2019-20 (it is of course anybody's guess who will be in government then!). Clearly it is easy to label something as the world's largest programme as long as it remains a figment of imagination. It is anybody's guess why this government believes that people will accept that the programme will actually be rolled out and not provided a silent burial soon. While different government sources claim that a per annum allocation of around 10,000 crores can fund the programme, more realistic

estimates would place this figure at between 50,000 to 1.2 lakh crores per annum. This however shouldn't trouble the government as the primary intent behind the announcement of the insurance scheme (that is unlikely to ever see the light of day) was to take the spotlight away from what should have been read as the main feature of the 2018-19 Budget – a decline in the health budget while the country is faced with a severe crisis in access to healthcare services.

Do Insurance Programmes Benefit Public Health?

There are several other imponderables. How will states, especially poorer states find the money to co-fund the programme. But suppose a miracle does happen and the money is found to finance the scheme. What will it mean for the country's health system. What does our past experience with public funded health insurance schemes indicate?

In 2009 the Indian Government launched the nationwide health insurance scheme called the Rashtriya Swasthya Bima Yojana (RSBY) designed to protect patients from the 'catastrophic' impact of out-of-pocket expenses incurred on hospital care, as modelled on Andhra Pradesh's Rajiv Arogyasri scheme. In addition to the national insurance scheme there are several state-level health insurance schemes that are in operation. Currently they cover a third of the country's population. This coverage is, however, notional. Data from the NSSO (2014) shows that only 12-13% of the potential beneficiaries are actually covered.

These insurance schemes, just like the present proposal, are meant for hospital care only and cover a specific list of procedures. Two fundamental pillars support these kinds of health insurance schemes. First, they operate on the logic of the 'split between financing and provisioning'. While financing comes from public resources (central or state government funds), treatment can be provided by any accredited facility, public or private. In practice, when it comes to provisioning a large majority of accredited institutions are in the private sector. For example, in the case of the Arogyasri scheme in Andhra Pradesh, the total payments to facilities accredited under the scheme from 2007 to 2013 amounted to Rs 47.23 billion, of which Rs 10.71 billion was paid to public facilities and Rs 36.52 billion went to private facilities.

The second pillar of these schemes is that beneficiaries are insured against a set of ailments that require hospitalization at secondary and tertiary levels of care. Excluded are almost all infectious diseases that are treated in out-patient settings, such as tuberculosis that requires prolonged treatment, most chronic diseases (diabetes,

hypertension, and heart diseases) or cancer treatments that do not call for hospitalization. To take the Arogyasri example again, studies indicate that the scheme draws 25 per cent of the state's health budget while covering only 2 per cent of the burden of disease. Such skewed priorities end up distorting the entire structure of the health system and public money is squandered to strengthen the already dominant corporate health sector.

In theory, good health systems are like pyramids: the largest numbers can be treated at the primary level where people live and work, some would need to be referred to a secondary level such as a community health centre, and few would require specialized care in tertiary hospitals. Better primary and secondary level care ensures that fewer patients end up in more expensive specialty hospitals to undergo major procedures. Health insurance schemes invert this pyramid and starve primary care facilities.

What is even more worrying is that these social health insurance schemes, largely implemented through partnerships with private providers, have been indicted in several states for defrauding the system. There have been several reports of unscrupulous private facilities milking these insurance schemes by conducting unnecessary procedures. Horrific incidents have been reported, for example, of unnecessary hysterectomies conducted on women as young as twenty-two.

Neoliberal logic supports insurance schemes

So the moot question is why do governments in India (both the current and previous governments) like to promote insurance schemes that essentially involve partnerships with private providers? This preference for health insurance schemes is embedded in the neoliberal approach to public services. Insurance schemes channel public money into private facilities. Public facilities are further weakened in a situation where private providers are already dominant. On the other hand private providers are assured of a steady clientele. The dominance of the private sector is particularly worrying in a situation where neither quality of care nor its costs are regulated.

If the government is truly interested in advancing public health it could have enhanced allocations to strengthen public services that are currently in shambles. Repeated episodes, such as the child deaths in Gorakhpur, cry for attention and point to the dire situation that public hospitals face because of gross under funding and decades of neglect. But the neoliberal logic argues that public services are, by definition, inefficient. Yet all the success stories of healthcare lie in countries that primarily depend on public

services – UK and its NHS, Sri Lanka, Thailand, France, Cuba. After waxing eloquent on its ‘flagship’ program of building ‘Health and Wellness Centres’ (a new name for what were called sub-centres earlier) Mr.Jaitley chose to allocate a mere 1,200 crores for the programme, which is about 5% of the requirement for building primary level centres across the country.

Vast tracts of the country have no recognizable primary care services. That is what requires immediate attention. Without access to primary care, patients in most parts of the country will never have the possibility of getting to hospitals and avail of Modicare in plush private hospitals.

Look who is celebrating!

Before we end let us look at who is celebrating the announcement of Modicare. Naresh Trehan, perhaps the best known face of India’s burgeoning private healthcare industry had this to say: “Full marks should be given on coming up with budget so focused on health and also covering the rest of the sector. The government was being questioned if it is addressing the needs of the poor but with budget focusing not only making the country healthy but also giving weaker sections the means to be part of the cycle, it already has addressed the issue. No prizes for guessing why private industry is ecstatic. Till now the corporate chains – Max, Fortis, Apollo, Medanta, etc. – had kept away from the public funded insurance schemes as they felt the picking were not enough. Remember the Fortis case where the hospital shamelessly extorted Rs.18 lakhs for the treatment of a young girl who died of dengue fever. Or Max, who declared a live baby as dead because they couldn’t extort more money from the patients. One can almost see them rubbing their hands in glee at the prospect of a bonanza when the enhanced 5 lakh limit allows them to access a new avenue for profiteering.