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[Union Budget 2018: Government Launches National Health Protection Scheme](#)

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Finance Minister Arun Jaitley today announced a flagship National Healthcare Protection Scheme in the Union Budget for 2018-19 for underprivileged families.

It aims to provide a cover of up to Rs 5 lakh a family every year for secondary and tertiary care hospitalisation, Jaitley said in his speech. It will cover 10 crore families, benefiting more than 50 crore people, he said. "This will be the world's largest government-funded healthcare initiative."

The finance minister said enough resources will be allocated to the plan, without giving details. Budget documents show that the expenditure on health in 2018-19 is pegged at Rs 54,667 crore compared to a revised estimate of Rs 53,198 crore in 2017-18.

"This is a big announcement. How much of will be covered in the next year is not clear," C Rangarajan, former governor of the Reserve Bank of India, said. "While the government has targeted a 3.3 percent fiscal deficit for the next financial year (higher than 3 percent recommended by the FRBM Committee and the 3.2 percent expected by the market), it was not clear on the breakup of the expenditure."

The government is steadily progressing towards providing universal health coverage for citizens as the country can't realise its demographic dividend until it is healthy, Jaitley said.

Under the plan, the government will set up 1.5 lakh health centres to "bring healthcare closer to home". These centres will provide healthcare support for non-communicable diseases, maternal and childcare services, along with free drugs and diagnosis. The finance minister set aside Rs 1,200 crore for it. Additionally, Rs 600 crore will be allocated to provide nutritional support to tuberculosis patients.

"The plan clearly indicates that the government is rightly focused on increasing health insurance penetration and ensuring that India's aspiring populace enjoys the benefits of this very essential health cover," Bhargav Dasgupta, managing director and chief executive officer at ICICI Lombard General Insurance, said.

Agreed Pushan Mahapatra, MD & CEO at SBI General Insurance. The government had made some serious efforts to improve the state of healthcare and made it a prime focus "as this is one of the largest such benefit programmes in the world". "Raising the limit for health insurance premium from Rs 30,000 to 50,000 under (Section) 80 D and allowing a deduction of Rs 1 lakh for critical illness for senior citizens will prompt a shift in the mindset of consumers who still think they do not require insurance and encourage them to review their decision."

Health insurance claims in India are nearly 5 percent of the total healthcare spends which reflects that most people are "either under-insured or un-insured", said Mayank Bathwal, chief executive of Aditya Birla Health Insurance in a statement. "The announcement of National Healthcare protection scheme reinforces government's commitment towards providing healthcare protection solutions and mitigating the financial uncertainties of vulnerable families in the country," he added.

National health insurance policies are known to increase the average life expectancy of citizens and that has been a case across the world wherever such policies have been implemented, said Tapan Singhel, MD and CEO at Bajaj Allianz General Insurance Co Ltd.