

Largest universal health cover sans allocation announced

SANGEETHA G
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"World's largest government funded health cover" under the new National Health Protection Scheme was announced in the Budget to provide ₹5 lakh cover to 10 crore underprivileged families or 50 crore beneficiaries. While the government has not yet made any specific allocation for the scheme, at the current commercial rate of premium, this could cost the government up to ₹1.5 lakh crore. Experts are still unclear about how government will implement such a scheme without specifying allocation.

"We will launch a flagship

National Health Protection Scheme to cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalisation. This will be the world's largest government funded health care programme. Adequate funds will be provided for smooth implementation of this programme," said the Budget.

At present, the government has a Rashtriya Swasthya Bima Yojana (RSBY) which provides a cover of ₹30,000 per family. While the RSBY has received an increased allocation of ₹2000 crore in the budget, NHPS has not any.

HEALTH

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"If we go by the current commercial rate of 3 per cent premium, for a family of five, the government will have to pay a premium of ₹15,000. For 10 crore families, this would cost ₹1.5

PROTECTION

▶ The total Gross Written Premium of the general insurance industry was ₹1.7 lakh crore last year.

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lakh crore,' an expert said in condition of anonymity. 'Announcing the scheme at this time looks like it is "politically inspired", he added. The total Gross Written Premium of gener-

al insurance industry was ₹1.7 lakh crore last year. The entire budgetary allocation for family and healthcare is just ₹ 52,800 crore, up just 11.5 per cent from last year's ₹47,353 crore. "I think the government will find some way to fund it. We need to know whether central and state governments will be funding it and whether the private insurers also will be included in the scheme. But, it is definitely a good intention to cater to the masses and overdue for a long time," said Antony Jacob, CEO, Apollo Munich Health Insurance.

According to Sanjay Pande, executive director, Finsall Networks, government will probably subsume all existing health cov-

erage schemes into NHPS. Initially, it might use the allocation from these schemes. But the government will have to bring additional funds for the scheme.

"For the ongoing RSBY scheme, the centre contributes 60 per cent of the premium amount, while 40 per cent is borne by the state government. In the context of some states, the central government pays the 90 per cent of the premium, while 10 per cent is paid by the state government," said Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance Company.

Industry finds that the government will have to face a few challenges in implementing the scheme.