

# Modicare ambitious, SANS ALLOCATION

SANGEETHA G  
Chennai

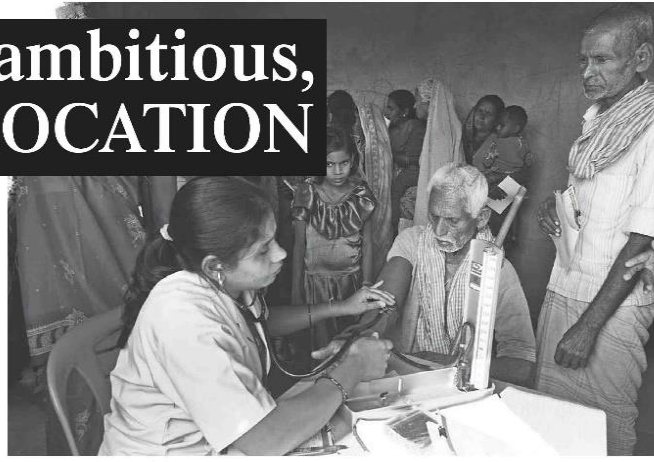
**W**ORLD'S largest government-funded health cover under the new National Health Protection Scheme was announced in the Budget to provide Rs 5 lakh cover to 10 crore underprivileged families or 50 crore beneficiaries. While the government has not yet made any specific allocation for the scheme, at the current commercial rate of premium, this could cost the government up to Rs 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 hospitalization. This will be the world's largest government funded health care programme. Adequate funds will be provided for smooth implementation of this pro-

gramme," said the Budget. At present, the government has a Rashtriya Swasthya Bima Yojana (RSBY) which provides a cover of Rs 30,000 per family. While the RSBY has received an increased allocation of Rs 2000 crore in the budget, NHPS has not any. "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 Rs 15,000. For 10 crore families, this is would cost Rs 1.5 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 the general insurance industry was Rs 1.7 lakh crore last year. The entire budgetary allocation for family and healthcare is just Rs 52,800 crore, up just 11.5 per cent from last year's Rs 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 the existing health coverage schemes into NHPS.

**I**nitially, 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. "National Health Protection Scheme brings more resources and more families to healthcare system, however given the problems observed in similar government sponsored health insurance programs and apprehensions expressed by various reports, design and implementation will be crucial," said Prof.

Dayashankar Maurya, Professor - Healthcare Management at TAPMI.

"The previous RSBY scheme had almost become defunct. This scheme would probably subsume all the other health cover schemes like RSBY. The target population will be the same BPL and Antodaya beneficiaries. But we will have to see how government will enroll the beneficiaries as the earlier scheme had met with frauds in enrollment. We will have to see whether the government will do a door-to-door enrollment or based on the BPL data," said Pande.

Another challenge will be using the technology if

the government provides cashless cover. The government will have to align with the hospitals for this.

**G**overnment also needs to have a monitoring mechanism to see how the people are benefiting from the scheme or else it will meet with the fate of RSBY.

"Availability of primary, secondary and tertiary care hospitals for this population also will be a matter of concern. Even smaller towns need to have tertiary care centres for healthcare to become accessible for poor. The health infrastructure development is



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This budget contained a special measure to incentivize people to not dip into their savings pool. What was it? Ans: It introduced an incentive bonus scheme encourage government employees to not frequently withdraw money from their provident fund accounts.

needed, but it will not happen overnight," said Jacob.

In order to further enhance accessibility of quality medical education and health care, the budget also announced setting up of 24 new Government Medical Colleges and Hospitals by upgrading existing district hospitals in the country. This would ensure that there is at least one Medical College for every three Parliamentary Constituencies and at least one Gov-

ernment Medical College in each State of the country, the Budget said.

Further, the Budget also increased the tax exemption limit under section 80D for senior citizens buying health from Rs 30,000 to Rs. 50,000, to allocate additional Rs 600 crore to provide nutritional support to all TB patients at the rate of Rs 500 per month for the duration of their treatment.