

Date: 25.9.2020

Publication: The Economic Times

Page no.: 8 | 6

Edition: New Delhi | Mumbai | Chennai |  
Ahmedabad | Bengaluru | Hyderabad |  
Chandigarh | Lucknow | Pune | Jaipur

**OVER 20 FIRMS** express interest to run Centre's scheme for middle-income groups

# There's No Missing the 'Middle' as Insurers Ready Health Cover

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**Mumbai:** The health insurance industry is looking at ways to implement the government's ambitious 'Missing Middle' universal health project that aims to cover more than 600 million uninsured Indians in the middle-income category — either self-employed or in the unorganised sectors.

More than 20 non-life insurance companies have expressed interest to the National Health Authority (NHA) and are in advanced stages of submitting their detailed proposals on running the schemes that are being monitored by the NHA and Niti Aayog, according to two officials in the know.

The first stage of implementation would involve a pilot in two states, which are yet to be specified.

The Missing Middle project was launched in August 2020 by NHA to enhance the scope of existing central government insurance schemes and make them more inclusive.

As per some of the specifications provided to insurers, only group, and not individual, medical covers can be sold. Every policy must have its basic terms aligned with the

## A Wider Umbrella

**Over 60 crore Indians are not covered by government-sponsored schemes or cannot afford private health covers**

Among the government's specifications include a sum assured of **₹5 lakh** and standard treatment coverage under **PMJAY**

The Missing Middle project was launched in August to address this through Central schemes

Experts say the scheme has been successful in parts, but the main challenge is in implementation



cepts (POC) which would cover several aspects of the project, including the type of groups and the geographies they intend to cover."

Out-of-pocket expenditure on healthcare in India is rather high. "The healthcare financing and delivery system in the country needs a major overhaul, particularly when it comes to providing access, cost, and quality to the 1.3 billion population of the country," said Prasun Sikdar, CEO of Manipal Cigna Health Insurance. "The Ayushman Bharat scheme will insure around 45% of the poor and the vulnerable. However, this still leaves large middle-income groups bereft of any health insurance coverage."

Ashvin Parekh, a leading insurance industry consultant, said that while schemes such as Ayushman Bharat have been successful in parts, the major challenge has been in the implementation.

"Primary caregivers (hospitals) often don't adhere to the terms of the insurance policies, resulting in very high outgo for patients. This is an area that requires to be addressed by the government as well," Parekh said.

India's health insurance penetration ratio in terms of coverage is less than 1% of the country's GDP.

central government's Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY).

"These include a minimum sum assured of ₹5 lakh and standard treatment coverage as applicable under the PMJAY scheme," said a source cited above. "It is yet unclear whether the government would provide subsidised rates for intended beneficiaries."

Additionally, insurers can also use existing state machinery, including the technology platform on which the 23,000-plus hospitals under the Ayushman Bharat scheme are registered.

"The idea is to extend the benefit of the existing insurance schemes for the segments of the population that

are not covered under any sort of central or state insurance programs or are not benefited by any employer or corporate group covers as well," said PC Kandpal, CEO of SBI General.

According to Sasikumar Adidamu, chief distribution officer – institutional sales Bajaj Allianz GI, the proposed project could be one of the major policy initiatives for enhanced coverage of health insurance in the country.

"The scheme will address the beneficiaries employed in the unorganized sectors and MSMEs where the penetration of health covers is rather low," said Adidamu. "The insurers are currently in the process of submitting proofs of con-