

## NAC proposes new model for universal health coverage

Report suggests govt should strengthen health systems and integrate insurance schemes within the public health sector

Vidya Krishnan



The report is likely to raise some eyebrows as the recommendations are similar to the earlier draft which suggested a 'managed healthcare approach' to deliver UHC.  
Photo: Mint

**New Delhi:** A National Advisory Council (NAC) working group has recommended a social healthcare enterprise model for the delivery of universal health coverage (UHC) in India. NAC sets the government's social agenda.

One of the significant recommendations by the working group is the formal integration of insurance schemes within the public health sector, a move experts maintain will further skew the healthcare landscape in favour of private providers.

The NAC group, which submitted its recommendations on 1 May, prefers a hybrid approach, which allows for a combination of "social good and sound economics". The working group consisted of **Mirai Chatterjee**, director, social security, Self Employed Women's Association, and development economist **A.K. Shiva Kumar**.

The working group built upon the recommendations accepted by the Planning Commission for the 12th Five-Year Plan and suggested ways of financing UHC, its regulation, the community action that will be needed, the urban health component and how it should be piloted.

The report recommended that the government should, "strengthen health systems; universalize health insurance coverage with a focus on secondary and tertiary care; and integrate the insurance system with the health system, giving priority to the poorest districts."

However, the report is likely to raise some eyebrows as the recommendations are similar to the earlier draft which suggested a "managed healthcare approach" to deliver UHC.

Further, public health experts say the move to integrate insurance schemes with the health system could lead to cost escalation of services and see the centralization of best resources in private facilities, leaving government-run hospitals depleted.

"At the moment, majority of institutions empanelled in the insurance schemes—state level and national schemes—are in the private sector. This will formally find a place for the private sector within the public health system," said **Amit Sengupta**, health activist with Jan Swasthya Abhiyan. "Cost escalation has been a general experience in this kind of a model because private providers will either ask for more remuneration from the government or will diminish quality of services to maintain profit margins."

"The private-run hospitals have no penetration in rural and semi-urban areas, so primary healthcare will remain with government hospitals and private players will again be skimming the profitable part of the healthcare delivery system," he said. "Also, this will not correct the existing imbalance in the health system where we see a concentration of resources—talented doctors and better facilities—only in private facilities."

The UHC project, which was declared a priority for the 12th Plan period (2012-17) has been shelved due to fiscal constraints. Despite assurances from the Prime Minister's Office that 2.5% of the gross domestic product (GDP) would be allocated to health programmes, this is only set to rise to 1.87% from 1.04% now.

Allocations for health over the first two years of the 12th Plan—around `50,165 crore—have not been encouraging. The working group has noted that, "if the planned allocation of `268,551 crore over the five-year period has to be fulfilled, this will require GoI (government of India) to allocate at least `70,000 crore a year over the next three years of the Plan. While this may look an unreasonable jump for the ministry to absorb, this should not become the reason for the health sector to be starved. GoI should look at mechanisms and appropriate ways of ensuring that the funds are released on time and are properly spent."

The authors of the report were unavailable for comment.

The committee has recommended six core conditions for implementation by state governments to smoothen transition to UHC. These are:

- Free essential medicines at all government healthcare facilities
- Conversion of district hospitals into teaching hospitals
- Introduction of a public health cadre in the states
- Establishment of a central procurement system
- Full implementation of the Clinical Establishments Act
- Introduction of electronic health records