Panel for ‘flexible’ health funds to states

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Unlike the present system of allocation of funds to states on health care by the Centre, the high-level experts group (HLEG) on Universal Health Coverage (UHC) in its report to the Planning Commission have recommended “flexible” and “differential norms” for allocating finances to the states.

The report which is to be reviewed by the steering committee of the Planning Commission on health next week will take into account the recommendations of the HLEG before framing the 12th Five-Year Plan.

According to the report submitted to the Planning Commission recently, the flexibility in allocation of funds will help states respond better to the physical, socio-cultural and diversities across districts. “A major factor accounting for the low efficiency of public spending has been the practice of the Central government to develop and enforce uniform national guidelines for similar transfers for health across the states”

The report therefore recommends “the Central government should adopt a fiscal transfer mechanism that allows for flexible and differential financing from the Central government to the states. This will also allow for Central transfers to better meet the diverse requirements of different states, and enable states to develop health plans that are consistent with the health care needs and requirements of their populations,” said the report.

“It is important to see how to provide assessible care to the Indian population without putting the burden of out of expenses on them. The UHC addresses all those aspects. This is a blue print that would be helpful in developing the next plan,” said Dr K. Srinath Reddy, who heads the panel.

Having recommended that general taxation and other deductions from the non-poor should be pooled to provide UHC, the expert group has said insurance companies should not be used to purchase health care services on behalf of the government.

According to the experts group all government funded insurance schemes should, over time, be integrated with the UHC system. All health insurance cards should, in due course, be replaced by an IT-enabled National Health Entitlement Card (NHEC) that will ensure cashless transactions, allow for mobility across the country.