The expanding cover

A World Bank study for the Health Ministry recommends health insurance for outpatients and innovative health financing schemes for universal coverage

A World Bank study on health insurance in India has recommended increasing health insurance coverage for both
outpatient and inpatient care to include all poor and near-poor patients. It suggests a balanced approach, building
upon infrastructure already available, augmenting it with accessible private capacity and utilising the lessons learned
from the existing government-sponsored health schemes.

The World Bank study named ‘Government-sponsored Health Insurance in India: Are You Covered?’ carried out for
the Ministry of Health and Family Welfare says over 300 million people or more than 25 per cent of India’s population
gained access to some form of health insurance by 2010, up from 55 million in 2003-04. More than 180 million of
these were people below the poverty line.

It also suggests that new and innovative health financing schemes can help India progress towards universal health
coverage. It estimates that more than 630 million people or half the country’s population was likely to be covered with
health insurance by 2015.

“This is just a report on health insurance and should be taken as such,” Keshav Desiraju, Special Secretary, Ministry of
Health and Family Welfare, said when pointed out that the recommendations of the report were totally opposite to the
report of the High Level Expert Group on Universal Health Coverage that has suggested moving away from insurance.
The study provides new knowledge that will help policy makers at a time when India is rapidly expanding the breadth
and depth of health coverage, he added.

According to the study (based on secondary data), over the past five years, government-sponsored schemes have
contributed to a significant increase in the population covered by health insurance in the country, scaling up at a pace
possibly unseen elsewhere in the world. Going by these trends, the study projects that by 2015 more than 630 million
people can be covered with some form of health insurance. In 2015, spending through health insurance is also likely to
reach 8.4 per cent of total health spending, up from 6.4 per cent in 2009-10, it says.

“The new generation of health insurance from the government has pioneered many innovative features. They hold the
potential to spearhead reforms in the public delivery system by strengthening accountability by linking financing to
outputs. However, the current coverage is far from comprehensive and the schemes face many challenges,” said Gerard
La Forgia, World Bank’s Lead Health Specialist.

One of the main challenges of these health insurance schemes is that these are focussed on inpatient, often surgical
care. Besides, working on deepening their benefit packages, the government schemes also need to address several
issues like cost containment, quality enhancement, consumer information and monitoring and evaluation. “We need a
more robust and effective scheme like the Rashtriya Swasthya Bima Yojana covering a larger section of society,
particularly poor, but some issues like unnecessary surgeries need to be addressed,” Mr. Desiraju said while making a
persuasive case for stronger regulatory mechanism for insurance companies.