# PMJAY - GS III MAINS

Q. Pradhan Mantri Jan Aarogya Yojana (PMJAY) has been termed as the world's largest health insurance schemes but suffered from challenges and hurdles. Discuss (15 marks, 250 words)

**News:** *Does Pradhan Mantri Jan Arogya Yojana need a design change?*

## What's in the news?

- Recently, concerns arise regarding Pradhan Mantri Jan Arogya Yojana (PMJAY's) sustainability, especially as some hospitals in certain states report significant outstanding dues and reduced acceptance of PMJAY patients.

## Pradhan Mantri Jan Aarogya Yojana (PMJAY):

- PMJAY is the **world's largest health insurance scheme.**
- **Centrally sponsored scheme.**

## Aim:

- Providing a health cover of **Rs. 5 lakhs per family per year** for secondary and tertiary care hospitalization to poor and vulnerable families.
- The benefit cover will also include **pre and post-hospitalisation expenses.**

## Beneficiaries:

- Identified on the basis of select deprivation, and occupational criteria, in rural and urban areas respectively, as per SECC database of 2011.

**Implementing agency** - **National Health Authority** at national level.

**Apex body** - State health agency to implement concern state.

**Nodal Ministry** - Ministry of Health and family welfare.

**Funding pattern :** Sharing Centre and State is **60:40** ratio in all States except North Eastern States and the three Himalayan States, where the ratio is **90:10**.

## Target Achieved:

- As of now, PMJAY has issued 34.27 crore cards, facilitated treatment for about 6.5 crore individuals, and enlisted over 30,000 hospitals.

## Challenges of PMJAY:

**1. Supply Side Perspective:**

**a. Private Sector Role in Healthcare Access:**

- There's acknowledgment of the importance of allowing patients to access the private sector due to perceived deficiencies in the public sector's ability to provide universal healthcare.

**b. Challenges for Comprehensive Coverage:**

- Current expenditure on PMJAY remains minimal, constituting less than 2.5% of total health expenditure, raising doubts about its capacity to achieve comprehensive coverage.

**c. Challenges Public Healthcare System:**

- The reason for high out-of-pocket expenditure in Kerala, for example, is that the public sector, despite being well funded, is unable to deliver universal healthcare.

**d. Healthcare Access Concerns:**

- Concerns are raised about the potential misallocation of government resources and the emergence of barriers, even within the public sector, which may hinder access to healthcare for low-income families.
    - A high-income family can handle a claim rejection or delay, a low-income family cannot.

**2. Demand Side Perspective:**

**a. Lack of Trust in Public Healthcare:**

- The preference for private hospitals over public ones reflects a perception of better quality care, potentially indicating a need to enhance trust in the public health system.
    - Empanelled hospitals are 43% private, and the rest are government.

**b. High Patient-to-Provider Ratios:**

- In many States, the number of people per empanelled healthcare provider (EHCP) is really high.
- In Bihar, it was over 10,000 families per EHCP. There is a shortage of adequate number of beds and facilities to be able to cater to that demand.

**c. Private Sector Challenges:**

- Challenges faced by the private sector, such as capacity limitations, delays in claim payments, claim rejections, and capped treatment charges, hinder effective implementation of PMJAY.

**d. Impact on Private Facilities:**

- Lack of faith in the public health system drives patients towards overburdened private facilities, exacerbating costs and quality concerns.

**3. Performance Disparity Among States:**

**a. Inactive Hospitals:**

- Disparities exist among states in terms of hospital activity levels, with some hospitals remaining inactive since empanelment.

- In Uttar Pradesh, for instance, 39% have been inactive since empanelment, and only 50% have been active in the last six months.

**b. Variations in Coverage and Hospital Distribution:**

- Differences are observed in coverage rates, hospital dispersion, and claim payment delays, necessitating further research to understand underlying factors contributing to performance variations.
- In terms of claim payments, some States saw a delay of more than 45 days, while others paid the claims faster.
- There is a concentration of claims in Andhra Pradesh, Arunachal Pradesh, Rajasthan, Karnataka, Maharashtra, and Tamil Nadu.

**c. Drivers of Disparities:**

- While technological platforms enable claim processing, deficiencies in hospital capacity, particularly in Northern and North-Eastern states, contribute significantly to performance discrepancies.
- Lack of network adequacy requirements for insurers exacerbates challenges, as cards are issued without ensuring accessible healthcare facilities.

**4. Fails to Address Out-of-Pocket Expenditure:**

- While PMJAY aims to mitigate healthcare cost shocks, its current design may not comprehensively cover outpatient care, diagnostics, and drugs.
- India is ranked 67th out of 189 countries in terms of out-of-pocket expenditure.

**5. Failure of the Insurance Model:**

- While the insurance model has been instrumental in delivering universal health coverage in several countries, its effectiveness in the Indian context warrants scrutiny.
- Restrictions on insurance to the public sector could potentially enhance performance, especially in poorer states, but broader reforms focusing on payment structures and non-price mechanisms are crucial.

Rethinking PMJAY's design is crucial to align with broader UHC objectives, emphasizing integrated financing mechanisms and strengthened primary healthcare infrastructure to reduce out-of-pocket expenditure and improve health outcomes for all citizens.

## Go back to basics:

**Ayushman Bharat – Health and Wellness Centres (AB-HWCs):**

- Comprehensive need-based healthcare services covering maternal and child health services and non-communicable diseases, including free essential drugs and diagnostic services are provided free of cost to all citizens of the country.