POLICY BRIEF

Achieving Universal Health Coverage: The Way Forward

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Despite being the core of health policy for a long time, Universal Health Coverage (UHC) is still a distant goal in India. The major hindrance to achieving UHC is rooted in scant funding from both the Central and State governments to health sector. This has ultimately resulted in lack of health infrastructure and skilled health workers, poor quality of healthcare services, unequal access to healthcare and essential medicines across social and economic groups and regions, and has made healthcare unaffordable and inaccessible to a larger section of population. Addressing these problems simultaneously through a concerted effort can make the promise of universal access to healthcare a reality. First and foremost priority must be given by both the Center and States on increasing resources to the health sector, which itself will solve aforementioned problems of the health sector.

INEQUALITY IN INDIA:

A broad consensus has already been built across the nations regarding the importance of UHC since the concept of UHC was adopted in the 58th World Health Assembly Resolution in 2005. UHC entails access to quality healthcare services to all people while protecting them from financial hardship caused by out of pocket (OOP) spending on health. In the post 2005 period, UHC is placed at the core of health policies across the countries, the policy initiatives are taken so far varies widely across countries. The momentum towards UHC gained significance, as the United Nations General Assembly resolution, in 2012, further called for accelerating the transition towards universal access to affordable and quality healthcare services. This confirms, not only the breadth of consensus regarding the urgency of action on UHC, but also the level of concern about the state of the world's health systems. Most recent example being the adoption of the sustainable development goals (SDG) - "achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all".[1] This goal primarily urges for commitment to achieve UHC. As a member of the UN and the signatory to the SDGs, it is imperative that Government of India reshapes its policies and implement these towards achieving UHC.

RECOMMENDATIONS

BOTH THE CENTRAL AND THE STATE GOVERNMENTS MUST INCREASE HEALTH EXPENDITURES FOR STRENGTHENING THE HEALTH SYSTEM WITH A SPECIAL FOCUS ON PRIMARY HEALTHCARE SERVICES FOR WHICH GENERAL TAXATION SHOULD BE USED AS THE PRINCIPAL SOURCE OF HEALTHCARE FINANCING.

MAJOR SHARE OF THE ADDITIONAL RESOURCES MOBILISED TO THE HEALTH SECTOR, OVER AND ABOVE THE EXISTING LEVEL OF PUBLIC SPENDING, SHOULD BE INVESTED ON STRENGTHENING HEALTH SYSTEM.

RASHTRIYA SWASTHAYA BIMA YOJANA (RSBY) NEEDS SEVERAL REFORMS TO MAKE IT MORE EFFECTIVE TO ENSURE THAT THE POOR CAN ACCESS HEALTHCARE SERVICES AND GET FINANCIAL PROTECTION THROUGH THIS SOCIAL INSURANCE ROUTE.

Before going into the details of specific challenges and appropriate policy prescriptions for the health sector, it would be worth mentioning that, for a fairly long period of time, commentators and policymakers had a common understanding of the core challenges in the health sector. Some of the challenges highlighted are that the health sector is plagued by acute inequity in the form of unequal access to basic healthcare services across regions and among various income/social groups. In addition, poor quality of healthcare services, lack of universal access to essential medicines, acute shortage of skilled manpower are other areas of concern. Apart from these challenges the dominance of private sector with very poor regulation has escalated direct healthcare costs and made healthcare services unaffordable and inaccessible to a larger section of the population in India. Further, it is well documented that most of the aforesaid problems are primarily rooted in inadequate public financing both at the central and the state levels.

HIGH LEVEL EXPERT GROUP ON UHC, 12TH FIVE YEAR PLAN & NATIONAL HEALTH POLICY 2017:

In January 2011, eminent health experts, in a series of articles[2] in The Lancet, expressed concern that the health system in India was in a state of "crisis" and called for immediate action to achieve UHC. In the same year in November, the issues were reiterated in the report of High Level Expert Group (HLEG) on UHC, which was constituted by the Planning Commission of India with the mandate of developing a framework of providing 'easily accessible and affordable health care' to all Indians. Although financial protection from healthcare costs was the principal objective of this initiative, it was recognised by the Expert Group that the availability of adequate healthcare infrastructure, skilled health workforce and access to affordable drugs and technologies are prerequisites for delivery of UHC.[3] The HLEG undertook a situational analysis of each of the key elements of the existing health system and provided recommendations which are well accepted among the experts and other stakeholders in the health sector. Briefly, the HLEG recommended for a number of far reaching reforms, such as, emphasizing on the central role of public providers and strengthening the public health system accordingly, call for tax-based government funding, abolishing user fees and a national health package (NHP) covering all basic health requirements.[4] The HLEG proposed that, 'every citizen should be entitled to essential primary, secondary and tertiary healthcare services that will be guaranteed by the Central government. The range of essential healthcare services offered as a National Health Package (NHP) would cover all common conditions and high-impact, cost-effective healthcare interventions for reducing health-related mortality and disability'.

Although the HLEG was formed basically to prepare the blueprint for formulating and implementing health policies during the 12th Five Year Plan (12th FYP), the orientation of the government seems to be in contradiction with the recommendations[5] of HLEG despite its very relevant and progressive prescriptions with wider acceptance.

On March 15, 2017, the Union Cabinet approved the National Health Policy (NHP 2017 henceforth), which was put in the public domain in 2014 by the National Democratic Alliance government. The background documents highlight many glaring facts about the health sector in India and at the same time the, NHP 2017 also envisages to achieve many health goals in a time bound manner.

On financing issues, some key recommendations in NHP 2017 are: (i) increase health expenditure by Government as a percentage of GDP from the existing 1.15 percent to 2.5 percent by 2025; (ii) increase State sector health spending to at least 8 percent of their budget by 2020; (iii) decrease in proportion of households facing catastrophic health expenditure from the current levels by 25 percent by 2025.

A scrutiny would make it evident that above recommendations of increasing public expenditure and reducing household expenditure on health were also articulated in the 12th FYP and HLEG report. These recommendations were also documented across specific 'Lancet' papers mentioned above.

As the country's health policy is constantly in debate, Oxfam India would like to stress on some policy areas to make the health system inclusive and universal. Oxfam believes, that UHC, i.e., access to quality healthcare to all people without the exposure to the financial burden, requires coherent interventions in some core areas, such as, health financing and financial protection, health service norms, human resources for health, access to medicines and vaccines, community participation and citizen engagement, and proper regulation.[6] Only by placing those at the heart of a coherent system the promise of access to healthcare will become a reality for all. However, the core focus of this policy brief is limited

only to the financing aspects, which could address most of the issues cited above.

HEALTH FINANCING AND FINANCIAL PROTECTION:

Since the 1946 Bhore Committee report, a number of government documents and reports reiterated the issue that for providing basic healthcare services to all, at least 2.5 to 3 percent of GDP should be spent on health by the Government. HLEG further considered that this increased public expenditure is consistent with the estimates by government as well as the assessment (done by HLEG) of financial resources required to finance the National Health Package. HLEG envisaged that this will lead to a sharp decline in the proportion of private OOP[7] spending on health - from around 67 percent at present to around 33 percent by 2022, if the increased public spending is implemented in a way that substitutes for much of current private spending.[8] So, on the one hand it will provide basic healthcare services to all and on the other by reducing OOP spending, it would ultimately ensure greater financial protection to the households. But, it is disturbing that government spending on health has always remained far below the desired level and always hovered around only 1 per cent of GDP for decades. The Table 1 shows that in 2016-17, total health expenditure of the Centre was only 0.27 percent of GDP. The corresponding aggregate figure for all states' was 0.9 percent of GDP. This inadequate public spending has ultimately led to poor health outcomes which is reflected in India's slow progress in human development.

It would also be noteworthy to mention here that within the health budget, primary healthcare is mostly neglected[9]: over the past years, the share of National Rural Health Mission (NRHM) in the Central Health Budget has come down to 43 percent in 2017-18 (budget estimates) from 53 percent (actual) in 2015-16.

The Economic Survey 2015-16 rightly pointed out that **'the failure to reach minimum levels of public health expenditure remains the single most important constraint to attaining desired health outcomes. While it is important to recognise the growth potential of a rapidly expanding private sector, international experience shows that health outcomes and financial protection are closely related to absolute and relative levels of public health expenditure.'** A report of the Parliamentary Standing Committee on Health & Family Welfare, which was submitted on April 27, 2016, also observes that India ranks 157 among 190 countries in terms of annual per capita government health expenditure of $44 (in PPP), which is only the half and one sixth of Sri Lankan and Chinese governments' health expenditures respectively. Currently, India spends below 5 percent of the overall government expenditure on health. This is woefully inadequate, even compared to the benchmark like the Abuja target[10] of at least 15 percent of government expenditure on health that was set by the African countries. The parliamentary committee urged to chalk out a solid fiscal roadmap for generating and

TABLE 1: CENTRE AND STATES' EXPENDITURE ON HEALTH AS PERCENTAGE (%) OF TOTAL BUDGET AND PERCENTAGE (%) OF GDP

CENTRE	2014-15	2015-16	2016-17	2017-18 (RE)	2018-19 (BE)
TOTAL HEALTH EXP. ON HEALTH AS % OF TOTAL EXP.	1.93	1.97	2.04	2.54	2.39
TOTAL HEALTH EXP. ON HEALTH AS % OF GDP	0.26	0.26	0.27	0.33	0.30
ALL STATES	**2014-15**	**2015-16 (RE)**	**2016-17 (BE)**		
EXP. ON HEALTH (AS % OF AGG. EXP. OF ALL STATES)	4.8	4.8	4.9	--	--
EXP. ON HEALTH (% TO GDP)	0.8	0.9	0.9	--	--

Source: Budget Documents, Union Government and State Finances: A Study of Budgets 2016-17, RBI

allocating more financial resources for health to realise the vision of UHC. It is the fact that free, public healthcare services of good quality is not only a basic human right, it also mitigates the worst impacts of today's skewed income and wealth distribution.[11] In light of the available evidence, Oxfam India argues that the government should be the primary provider of healthcare and recommends the following:

RECOMMENDATIONS:

- Government (central government and states combined) should increase public expenditures on health from the current level of 1% of GDP to 2.5% by 2020 and at least 3% of GDP by 2022.
- Out of total public spending on health, 70% should be on primary healthcare as suggested by the HLEG. It would be worth mentioning that focusing on primary healthcare would substantially improve outcomes along with addressing the inequity issue in access to healthcare in India.
- General taxation should be used as the principal source of healthcare financing complemented by additional mandatory deductions for healthcare from tax payers as this tax based financing is also effective to reduce inequality in a country like India where income distribution is very skewed.
- The states should commit 8 percent of their total budget for health. The increased amount of resources mobilised by the Centre should be transferred to the states by introducing a specific purpose transfers to equalise the levels of per capita public spending on health across different states as a way to offset the general impediments to resource mobilisation faced by many states.

RASHTRIYA SWASTHAYA BIMA YOJANA (RSBY) & OTHER SOCIAL INSURANCES:

In order to improve health outcomes in a middle income country like India, where public health system is weak and financial resource is the biggest impediment for provision of free basic healthcare services, financial protection to households from catastrophic health expenditure for tertiary care could be ensured through risk pooling mechanism, i.e., insurance. This is the health financing mechanism that WHO Member States have committed to for achieving UHC, in which, insurance based financing should merely have a supporting role. However, since the launch of RSBY in 2008, and subsequently the much-publicised report from the World Bank in 2012 estimating that by 2015, government-sponsored health insurance schemes will cover 52.8 crore people across India, insurance based financing, RSBY has hogged all the attention. Further, in 2014, NSSO reports that across urban and rural areas, for every person from the poorest quintile who is covered under government-sponsored health insurance schemes, two people from the richest quintile are covered.[12] Research by Oxfam India has shown that, in the case of government-sponsored health insurance schemes for the poor, instead of insurance companies' commercial activities cross-subsidising the insurance schemes for the poor, the opposite holds true.[13]

Evidence cautioned against a general model that primarily relies on insurance for meeting health risks. Private providers tend to inflate costs, by favouring expensive treatments or claiming reimbursement for fictive treatments. Global evidence indicates that, generally, insurance based financing would escalate the healthcare costs in an economy and as a result, it would make the access to healthcare unaffordable to more people. Thus, before moving towards an insurance based health financing regime, a robust and effective regulatory system must be put in place for monitoring the implementation of the insurance schemes. Due to the weak regulatory system, abuses have already spread with the RSBY- the subsidised health insurance for the poor.[14] Further, the high percentage of OOP expenditure for out-patient care also means that insurance, which gives coverage of hospital expenditure cannot replace a system that delivers free basic health services across the country. In the short term, an insurance based model may be easier to implement, but the long term advantages of an accountable, functioning system of public delivery system should prevail against this quick-fix. However, despite these limitations, government-managed social insurance for the poor have a role to play in the shift towards UHC. Strengthening the public health system will take time and the struggle to garner political will at central and state level has a long way to go. In the meantime, social insurance would ensure that the poor access healthcare without delay, if implemented properly with commitment. The final aim, however, should remain a tax based publicly provided UHC, and social insurances be integrated with this system. However, to ensure effectiveness in RSBY and other state level government sponsored social insurance schemes (viz. Rajiv Aarogyasri in Andhra Pradesh, Vajpayee Arogyasri and Yeshasvini in Karnataka, Kalignar & Chief Minister's Comprehensive

Health Insurance Scheme in Tamil Nadu, Rajiv Gandhi Jeevandayee Scheme in Maharashtra etc.), Oxfam makes the following recommendations:

RECOMMENDATIONS:

- As the social insurances for the poor have a positive role to play in the shift towards UHC, at least in the transition period, they may be promoted to play a complementary role only till a fully functioning universal public health system is in place.
- All government funded insurance schemes should, overtime, be integrated with the UHC system. All health insurance cards should, in due course, be replaced by National Health Entitlement Cards.[15]
- As the present coverage amount of INR 30,000 is low, along with expanding beneficiary coverage of RSBY, cap on family size should be abolished to obviate the exclusion of the girl child, women and dependent parents.
- It may be noted that limited benefits coupled with restriction on meeting only secondary hospitalisation expenses make RSBY unattractive among similar publicly funded insurance schemes. RSBY excludes post- surgical treatment expenses as well as transportation and boarding expenses. The extant coverage does not include several common procedures that are otherwise essential. In this context, along with enhancing benefit cover, it is recommended that post-surgical and outpatient cares should be included.
- A robust and effective system to regulate and monitor the implementation of these social insuranc schemes must be put in place.

NATIONAL HEALTH PROTECTION SCHEME (NHPS): BUDGET 2018-19

It has been already discussed in this Policy Brief that the NHP 2017 recommends for increasing health expenditure from both the Centre and the States. But, if the whole policy document is scrutinized thoroughly, it would be evident that instead of strengthening the health system, the NHP 2017 envisages to achieve UHC leveraging on the private sector and mostly expanding insurance coverage. This intent is also reflected in the Union Budget 2018-19.

By the hashtag 'Health for New India' the government promises, in the Union Budget 2018-19, a big move towards Universal Health Coverage where 'coverage' implies expanding the insurance coverage. In the budget 2018-19, the Government proposed the National Health Protection Scheme (NHPS) and the Government is hyping NHPS to be the world's largest government funded healthcare programme with 50 crore of expected beneficiaries from poor and vulnerable families. However, data shows that in 2016-17, already 33.5 crore poor families are enrolled in Government Sponsored Schemes including RSBY. Although the Prime Minister in the Independence Day speech in the year 2016 announced about NHPS, nothing concrete has come out till date. Further, the Ministry of Finance (MoF) has proposed 'education and health cess' of 4 percent replacing the existing 3 percent of education cess. The Government has estimated that the cess would generate an additional INR 11,000 crore. There is no clear indication, however, about the distribution of total 'education and health cess' between education and health.

The Union Budget 2018-19, the NHP 2017, the NITI Aayog documents and other recent draft bills for National Medical Council (NMC) and Pharmaceuticals have all been arguing and working towards pushing for an insurance based healthcare model and increasing the role of private sector in healthcare. However, success of insurance based healthcare model for reducing OOP is not evident. The recent National Health Accounts (for 2013-14) have brought to light that the OOP expenditure is as high as 63 percent of the total health expenditure, even after implementing RSBY for almost a decade. The high OOP expenditure is owing to the high costs incurred due to private healthcare and expenditure on medicines and diagnostics.[16]

There are worthy examples in some developing countries like Thailand and South Africa which have successfully implemented the public provisioning of universal healthcare and they have achieved it in the recent decades. Therefore, to achieve SDG targets, realise the vision of New India 2022 and achieve a healthy Bharat,[17] reshaping the policy framework is necessary. To achieve the targets, the government should rather be making provisions for universal 'access to healthcare services' instead of only promoting 'universal health coverage' through insurance.

NOTES

[1] Sustainable Development Goal number 3 and target number 8.

[2] Articles are available on http://www.thelancet.com/series/india-towards-universal-health-coverage

[3] High Level Expert Group Report on Universal Health Coverage for India, November 2011, Planning Commission.

[4] High Level Expert Group Report on Universal Health Coverage for India, November 2011, Planning Commission.

[5] Dubochet, Lucy (2012), Achieving Healthcare for All, Oxfam Policy Brief, November 2012.

[6] It is well recognised that current regulatory and accountability mechanisms are insufficient to ensure quality of health care and adequately protect patients' interests. Further, at the current juncture in India, as the private sector is pre-dominant in providing health care services and if government has to move towards UHC through leveraging the private healthcare sector, the whole effort would be stymied in absence of appropriate regulation of the private sector.

[7] As per the latest National Health Accounts, was has been published in 2017, shows that in 2013-14, the out-of-pocket expenditure was 63 percent.

[8] High Level Expert Group Report on Universal Health Coverage for India, November 2011, Planning Commission.

[9] Ghosh & Qadeer (2017), An Inadequate and Misdirected Health Budget, The Wire, February 8, 2017.

[10] In April 2001, heads of state of African Union countries met and pledged to set a target of allocating at least 15% of their annual budget to the health sector.

[11] As the income and wealth inequality in India is growing rapidly over the decades, Government must take some policy measures for redistribution of income/ wealth. A proper tax based financing of healthcare could play the redistributive role, and at the same time, can improve the health outcome by providing access to healthcare to the needy.

[12] Key Indicators of Social Consumption in India Health, NSSO 71st Round Survey, 2015 Report

[13] Kurian, Oommen C, (2015) Financing Healthcare for All in India: Towards a Common Goal, Working paper, Oxfam India

[14] V. Varshney, A. Gupta, A. Pallavi (2012), "Universal Health Scare", Down to Earth. Available at: http://www.downtoearth.org.in/content/universalhealth- scare, accessed October 2012

[15] High Level Expert Group Report on Universal Health Coverage for India, November 2011, Planning Commission.

[16] Of Hits and Misses: An Analysis of Union Budget 2018-19, CBGA.

[17] In the budget speech 2018-19, the Finance Minister (FM) proclaimed about a vision for 'New India 2022', which would be ensured by addressing health holistically, in primary, secondary and tertiary care system covering both prevention and health promotion. The FM articulated it as 'Swasth Bharat.'

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