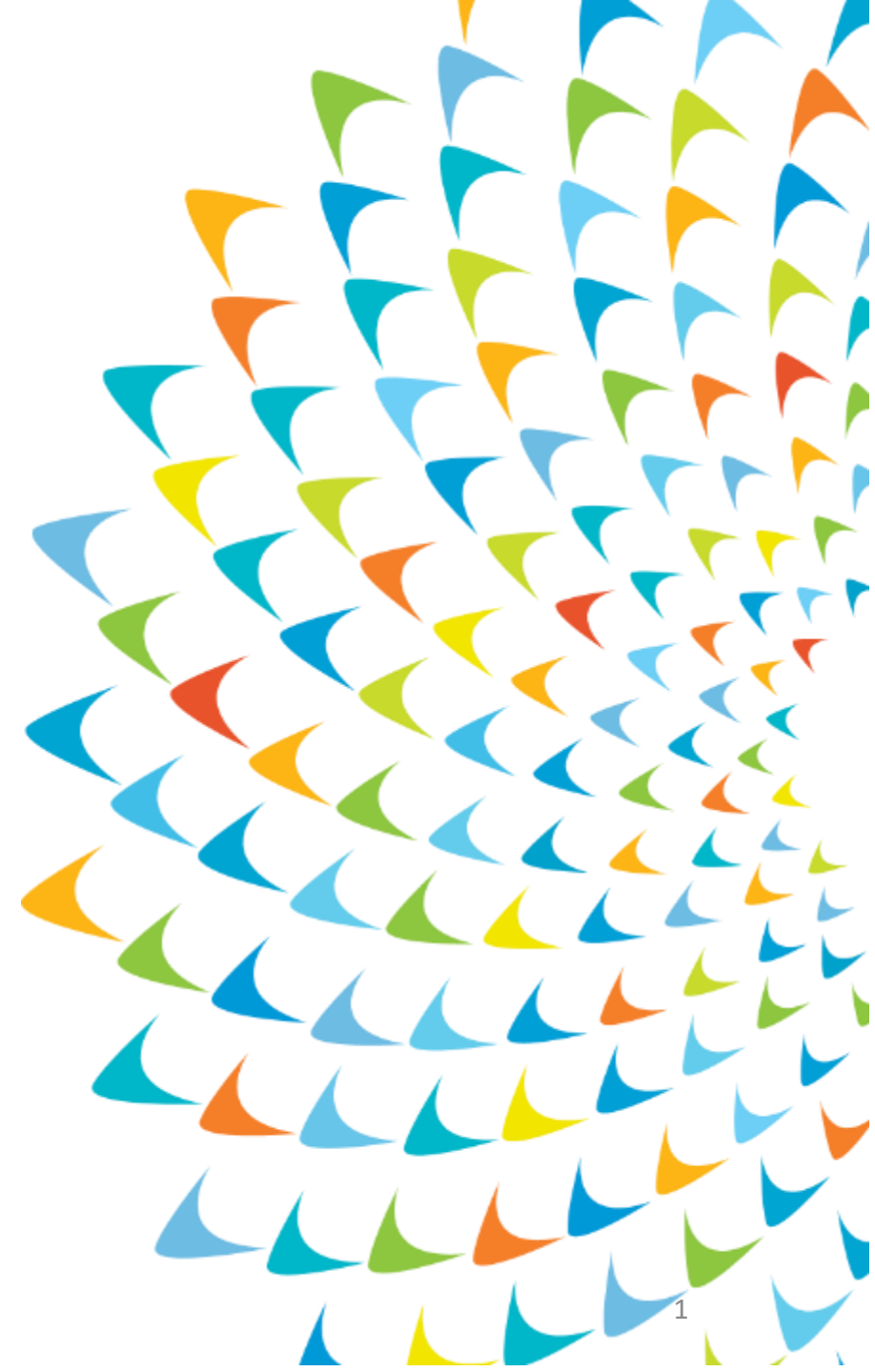




Universal Health Coverage and the Way Forward

***Patrick L. Osewe,
Chief of Health Sector Group, ADB***

25 September 2021



Congratulations PM-JAY!

- PM-JAY is the world's largest publically funded health insurance scheme
- Large bundle of services covering nearly 1,600 in-patient procedures
- End to end use of IT systems for service provision and leveraging AI/ML for fraud control and abuse prevention
- Over 21 million hospital admissions and over 100 million PM-JAY cards generated within 3 years of scheme implementation
- Single most important scheme to expedite India's progress towards UHC
- Convergence of other insurance schemes and expansion of the beneficiary base will occur naturally.

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**GLOBAL STATUS OF
HEALTH FINANCING**



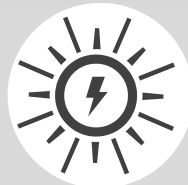
**CHALLENGE OF
OOPEs IN ASIA**



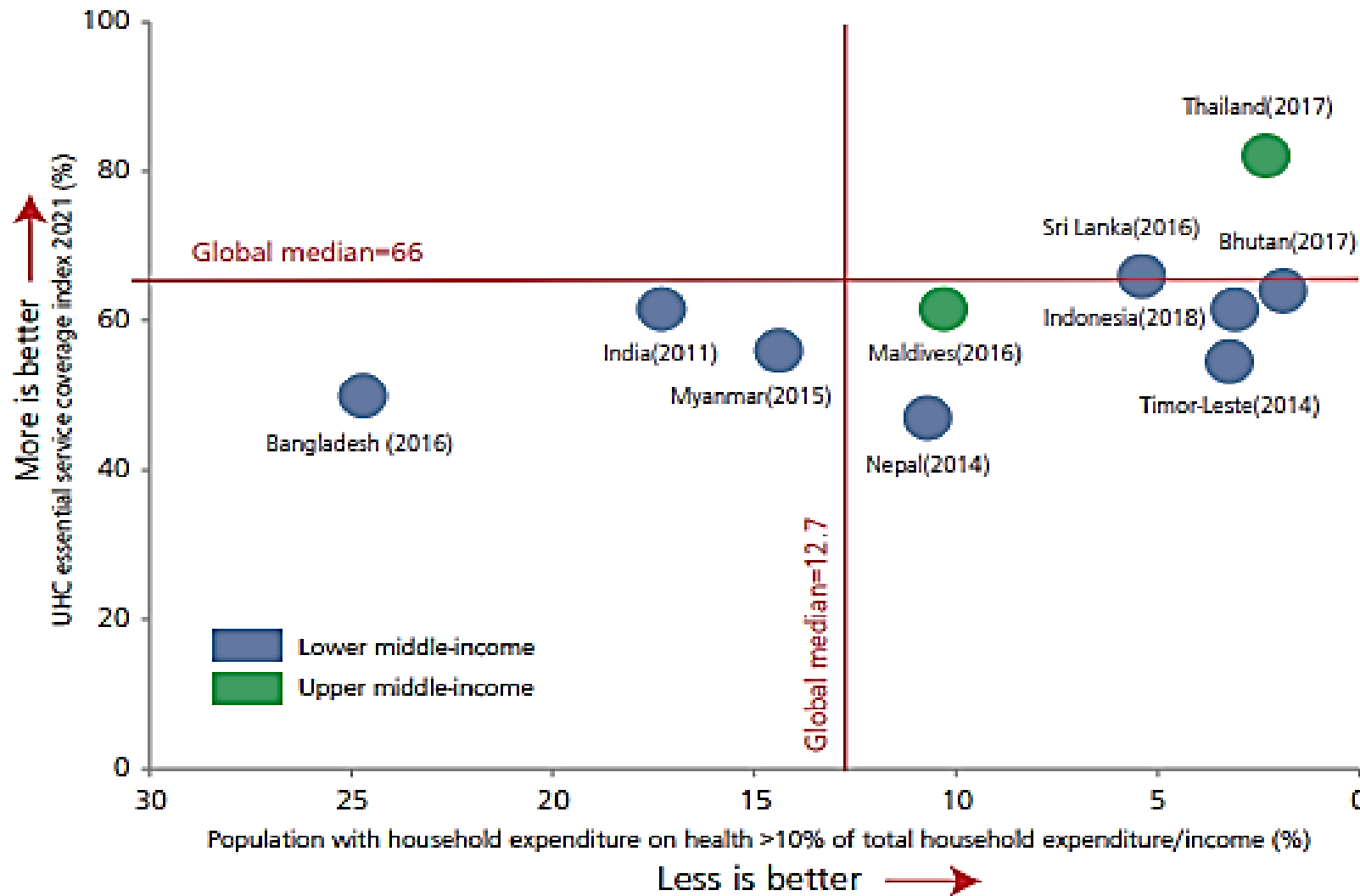
**WAY FORWARD
FOR UHC**



**WAY FORWARD
FOR PM-JAY**



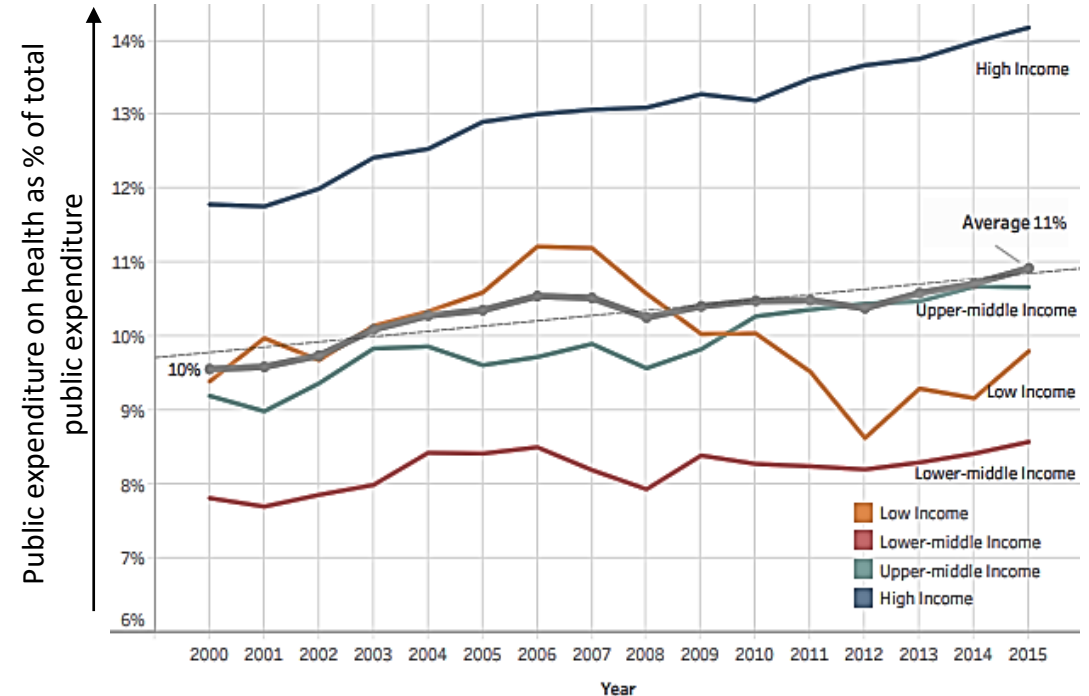
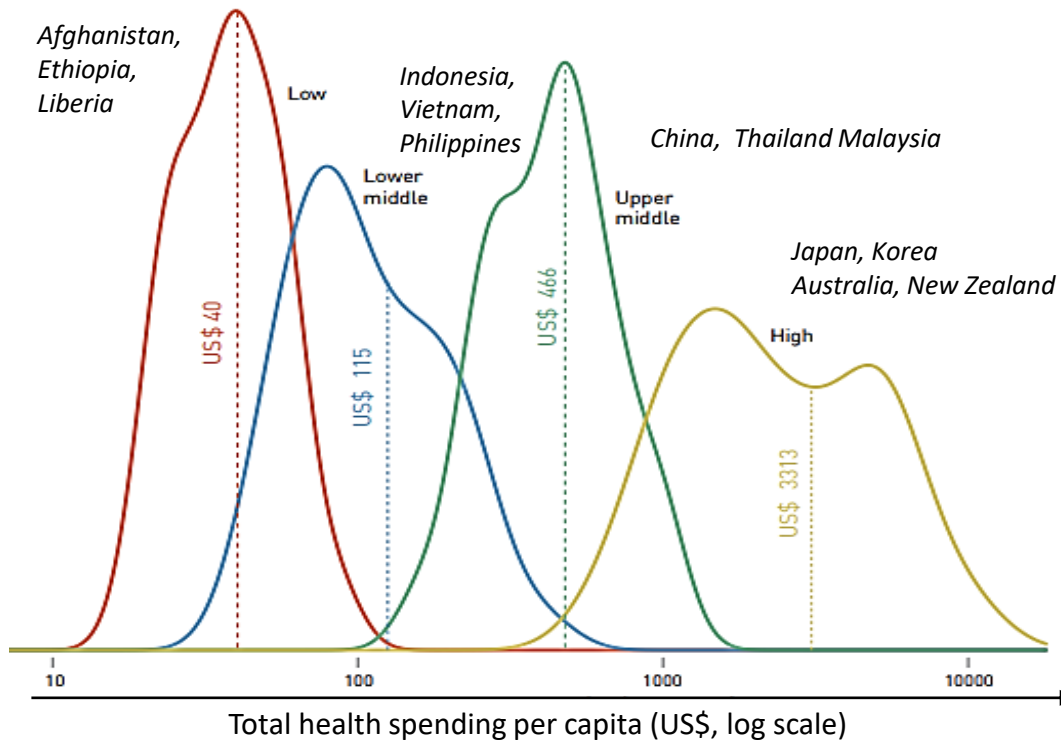
UHC and Household Health Expenditure



- Improved UHC coverage leads to reduced catastrophic expenditures by households
- LMICs need to urgently increase health spending and prioritize UHC as the COVID-19 pandemic is expected to increase poverty and shrink incomes leading to households forgoing healthcare services

Source: WHO: Monitoring progress on universal health coverage and the health-related Sustainable Development Goals in the South East Asia Region

Global Prioritization of Health in Public Spending

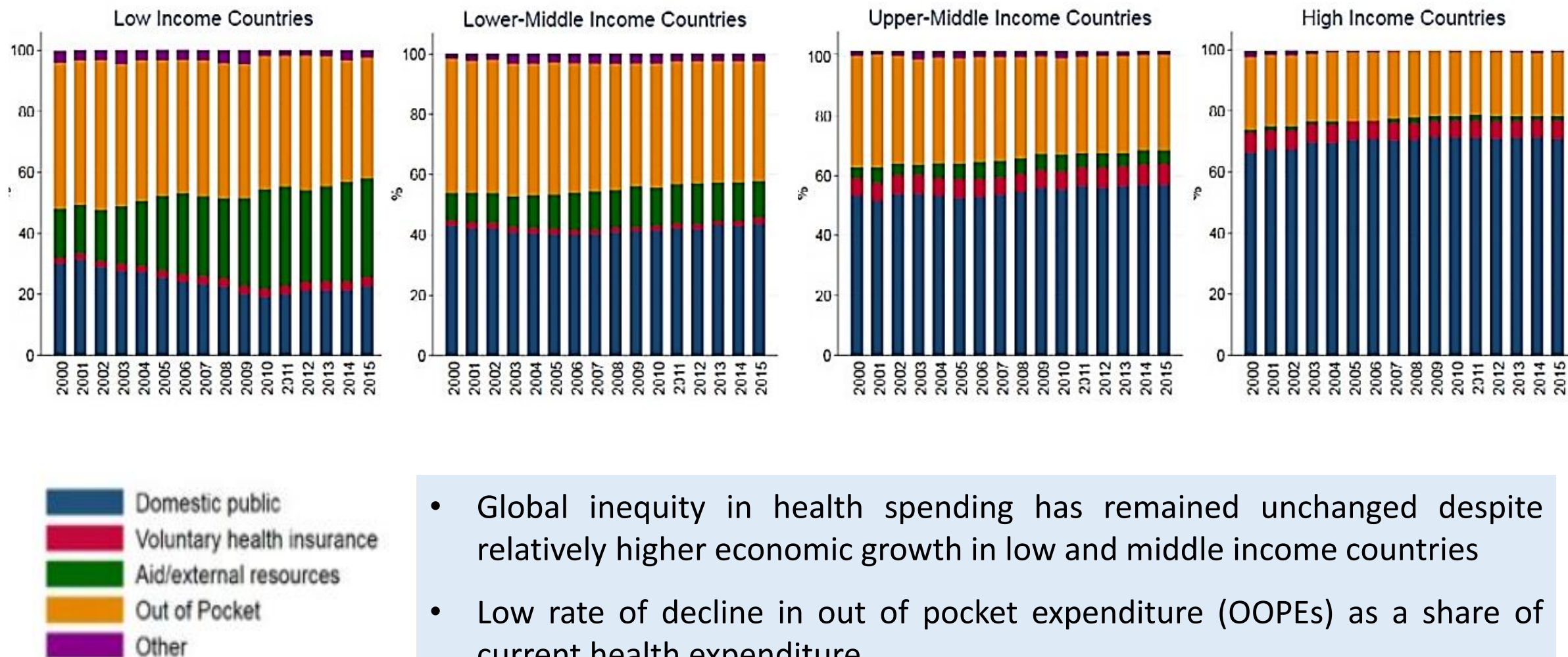


- Average health spending per capita in high income countries (\$3,313) is almost 80 times larger than that in low income countries (\$40)
- India needs to leverage higher fiscal capacity and prioritize healthcare expenditure

Source: WHO Global Spending on Health, Weathering the Storm (2020)

Source: WHO New Perspectives on Global Health Spending for Universal Health Coverage (2018)

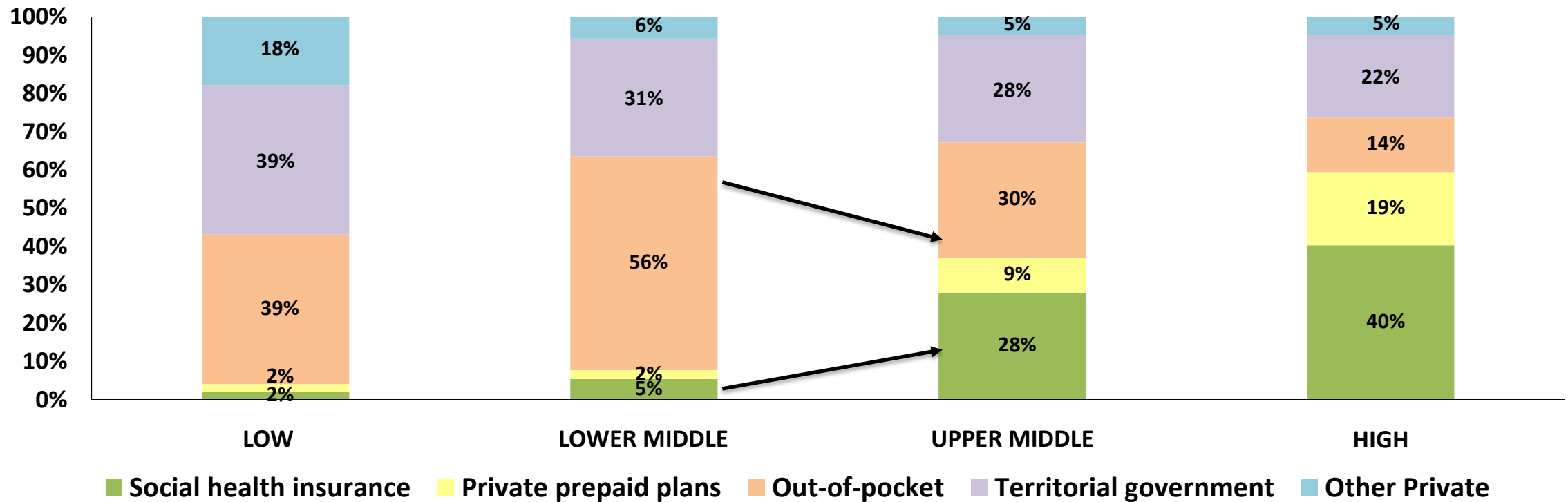
Transition in Global Sources of Health Financing



- Global inequity in health spending has remained unchanged despite relatively higher economic growth in low and middle income countries
- Low rate of decline in out of pocket expenditure (OOPEs) as a share of current health expenditure

Source: WHO New Perspectives on Global Health Spending for Universal Health Coverage (2018)

Transition in Global Sources of Health Financing



- Social health insurance expenditure and out of pocket expenditure have an inverse relationship with rising country income levels
- But increasing social health insurance coverage will only reduce OOP if the scheme **covers critical services** linked to catastrophic payments, is **not limited by hard annual ceilings**, and includes **choice in providers**

Source: WHO Global Health Expenditure Database and Health Expenditures by World Bank Income Groups, 2014

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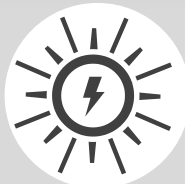
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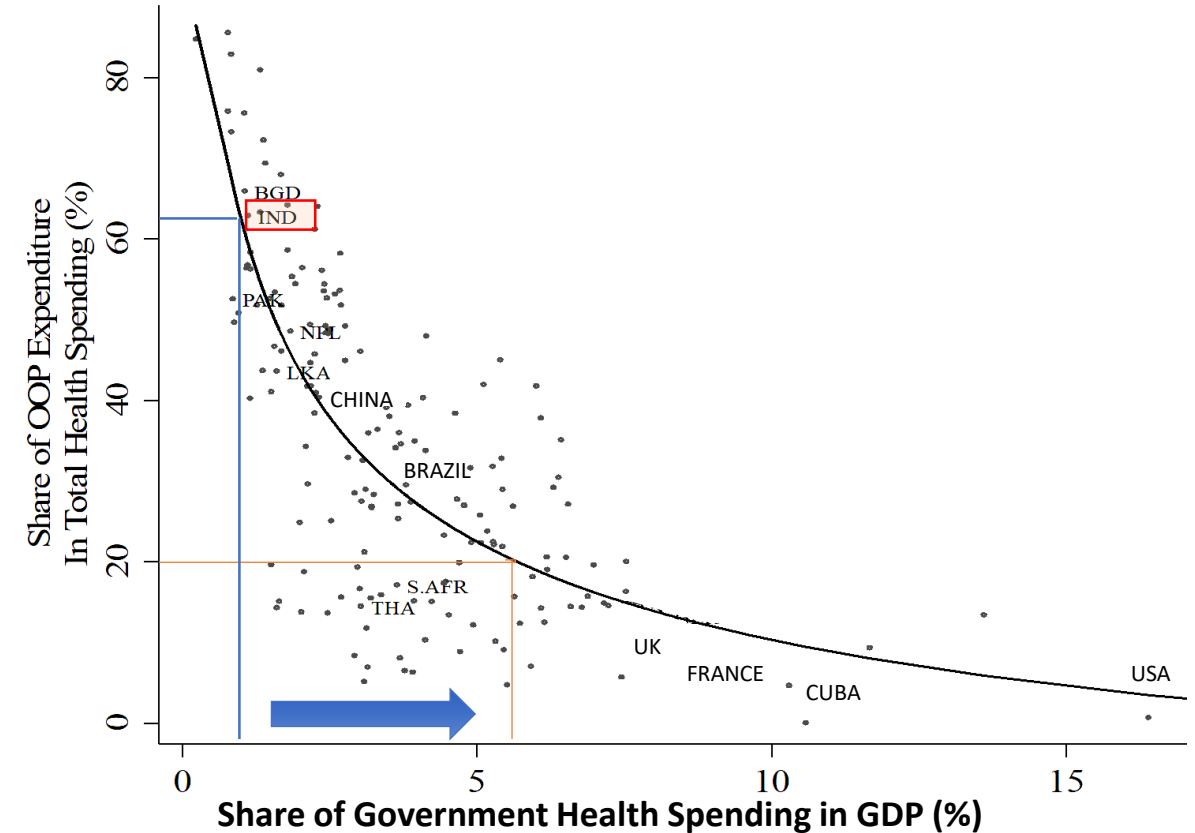
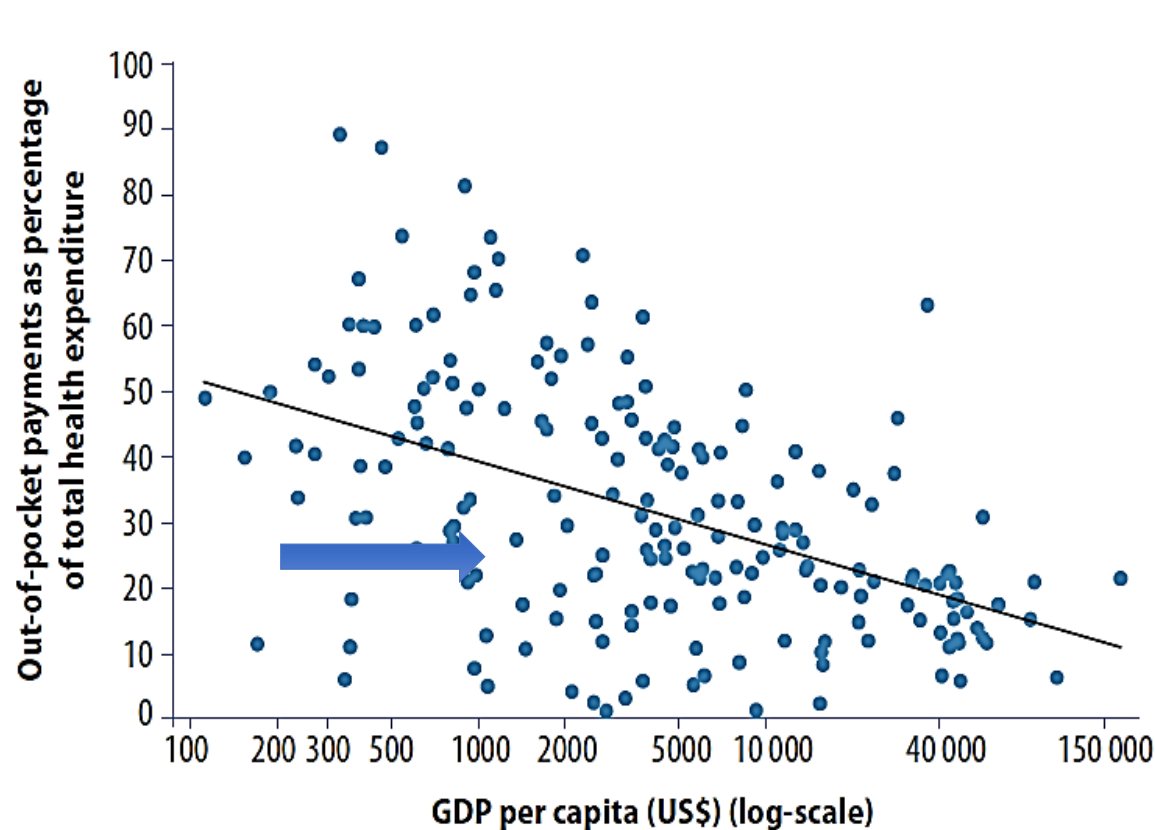
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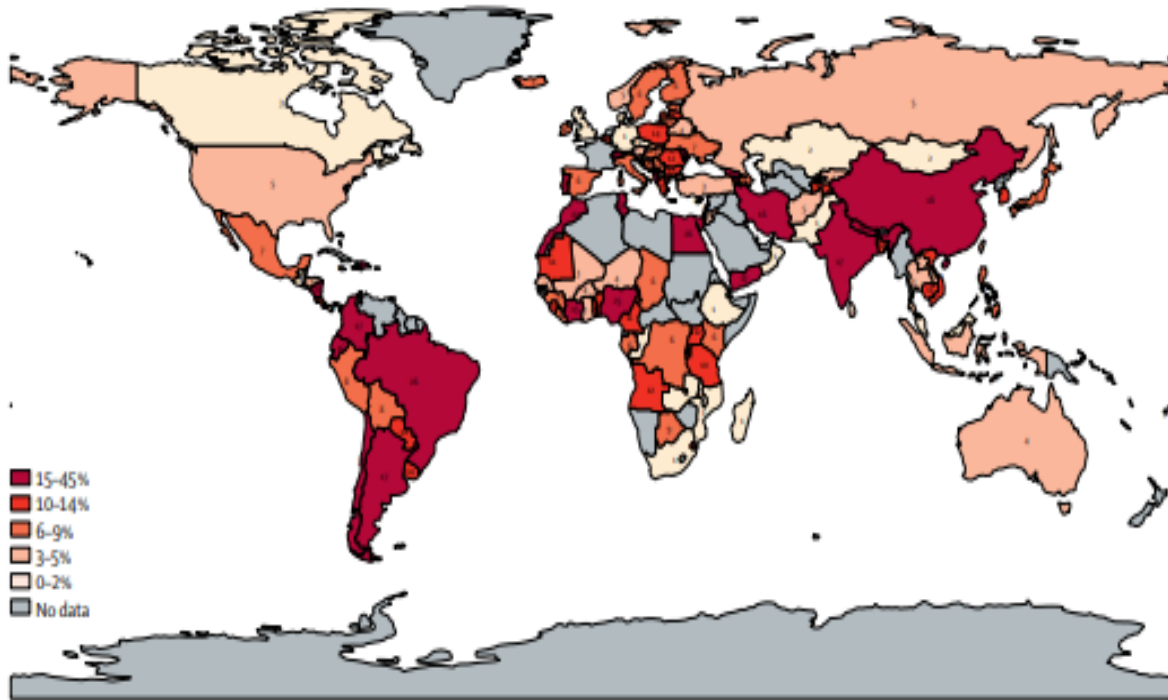


Poor Countries Depend on OOPs to Finance Healthcare

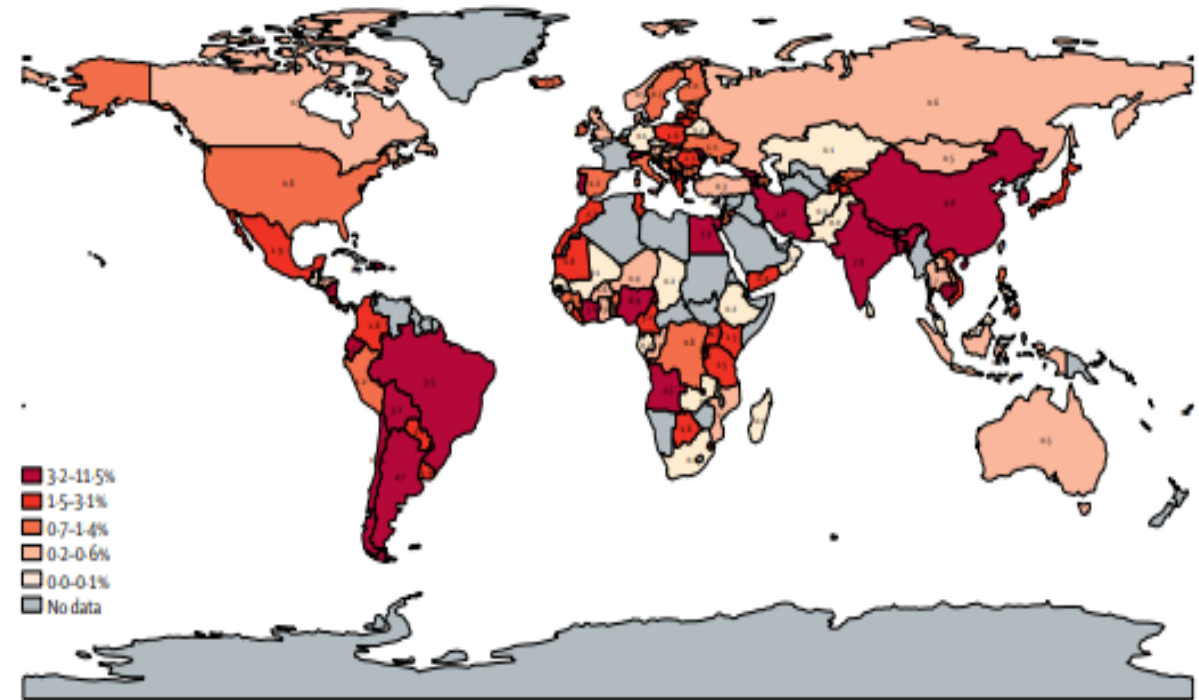


Countries with higher GDP per capita have lower OOPs as percentage of total health expenditure

Asia has Highest Poverty due to Catastrophic Health Spending



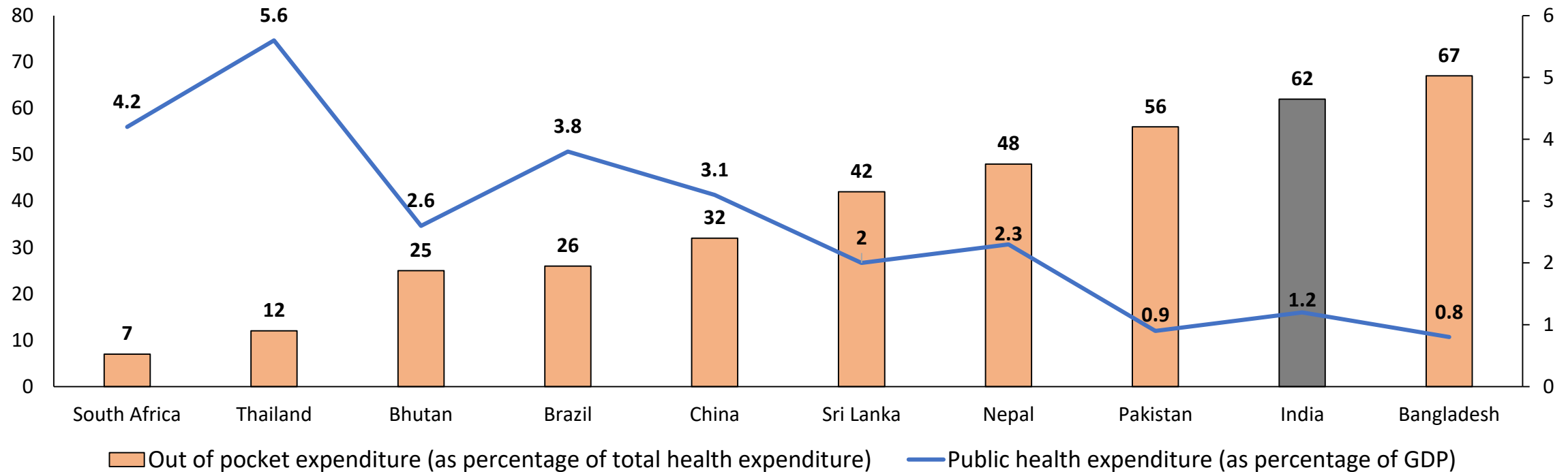
Incidence of catastrophic health spending at 10% threshold



Incidence of catastrophic health spending at 25% threshold

- Asia accounts for **65.6%** of global catastrophic health expenditure (531.1 million people out of 808.4 million people globally) at 10% threshold.

Negative Correlation between Health Spending and OOPes



- India has one of the highest OOPes amongst LMICs indicating a fragmented health sector
- Government expenditure, which is the second largest source of health financing in India, contributes only 1/3rd of out of pocket spending

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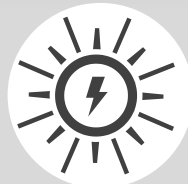
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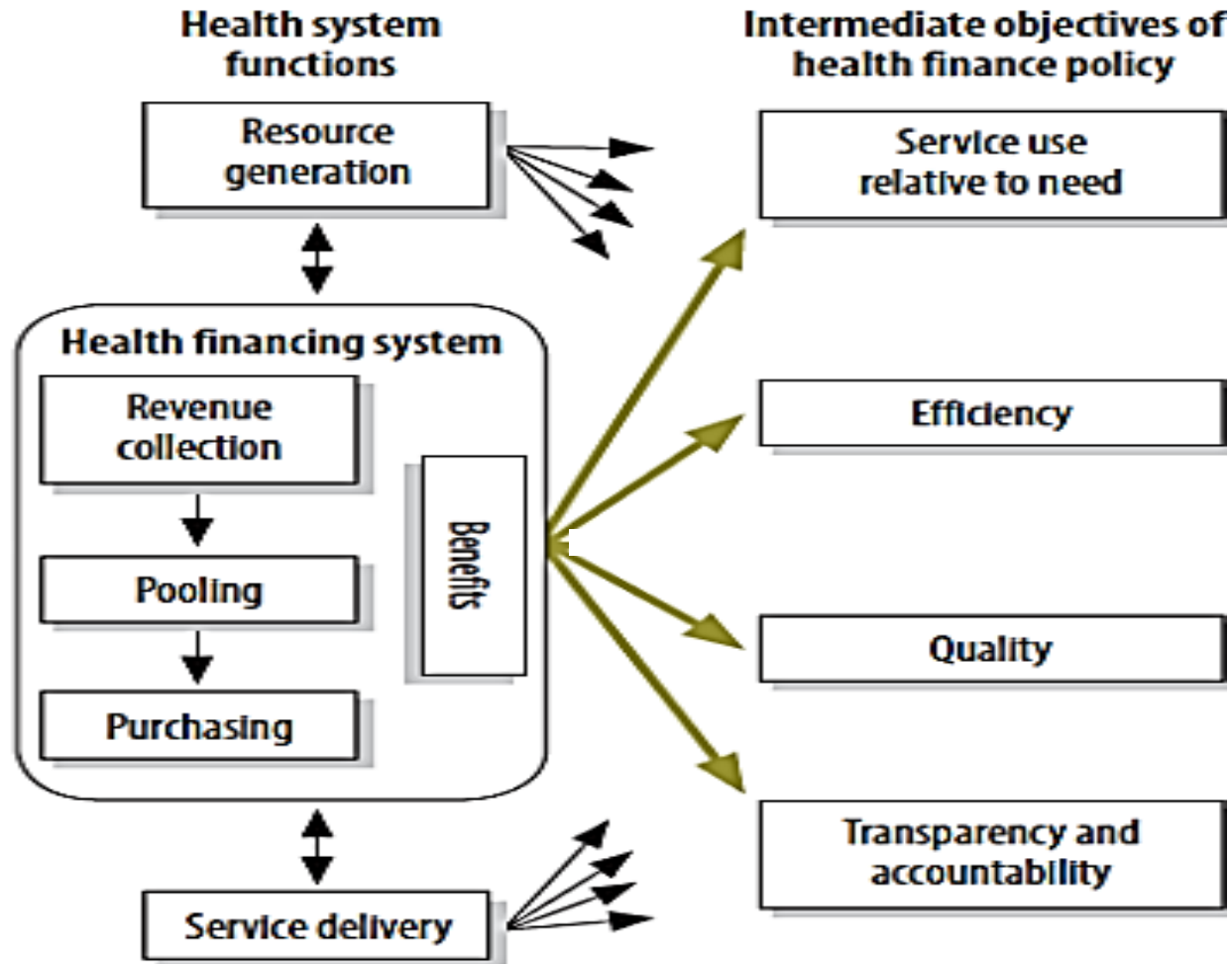
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Health Financing Policy Objectives



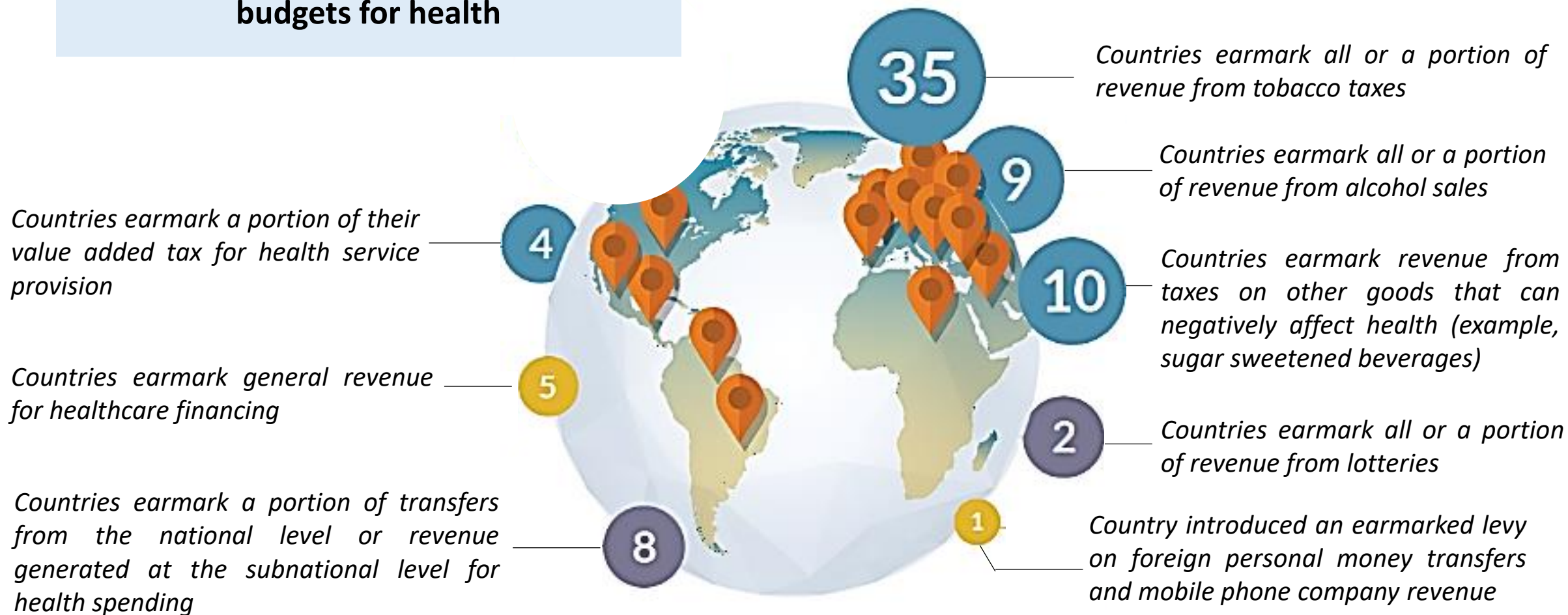
Health System Goals:

- Ensure higher health budget allocation and stable flow of funds to avoid service disruption
- Increase financial protection in a graded mechanism for poorest and missing middle populations
- Reduce information asymmetry in cost of services
- Provide basket of services including primary, secondary and tertiary care

Source: Adapted from Kutzin J, 2008

Global Best Practices for Health Financing

At least 80 countries have earmarked budgets for health



Source: Joint Learning Network

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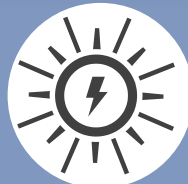
**CHALLENGE OF
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**WAY FORWARD
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**WAY FORWARD
FOR PM-JAY**



Building Blocks of PM-JAY

**~550 m
citizens**

Poor and Vulnerable
people across 100+
million families

**USD
6,785**

Cover per family per
year for serious illnesses
(hospitalization)

**Cashless
Paperless**

End to end IT enabled
scheme for all services
and stakeholders

Portable

Benefits can be availed
in all empaneled
hospitals across the
country

No Cap

On Family Size, Age or
Gender and covers pre-
existing diseases

**>20,000
Hospitals**

Same reimbursement
rates for public and
private

Flexibility to States / UTs to introduce additional health benefit packages and mode of implementation

Public Health Insurance: Further Expansion

At the 3rd anniversary of PM-JAY lets take stock and introspect:

What are the success parameters for public health insurance (PHI) schemes?

Population Level Public Health Insurance (PHI) Indicators

Population Level Success Factors:

1. Has PHI contributed towards decrease in catastrophic health expenses in India?
2. Has PHI contributed towards to decrease in out-of-pocket expenditure in India?
3. Has PHI led to improvement in quality of public and private health services?
4. Has PHI improved access to health services in India?
5. Has PHI catalyzed opening of new healthcare providers in Tier II and Tier III areas in India?
6. Has PHI contributed towards standardization of healthcare services?
7. Has PHI contributed towards reduction in cost of healthcare services through strategic purchasing?

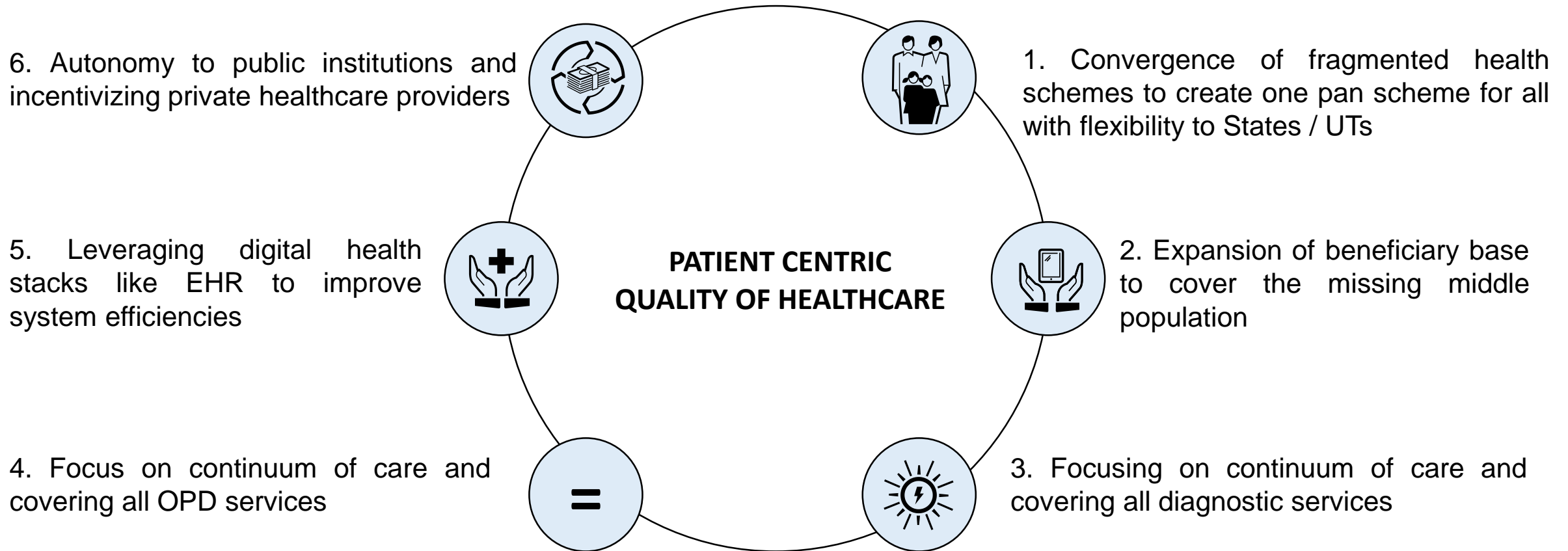
Program Level Public Health Insurance (PHI) Indicators

Program Level Success Factors:

1. Does PHI cover all hospitalization and diagnostic services?
2. Are the eligible beneficiaries under PHI aware of the scheme and its benefits?
3. Is there any change in the hospitalization rate between eligible and ineligible beneficiaries?
4. Is PHI implemented on the ground in a cashless and paperless manner?
5. Are the hospital claims settled within the earmarked turnaround time?
6. Has PHI successfully controlled fraudulent activities?
7. Is the PHI eligible beneficiary more satisfied in availing healthcare services compared to routine patients?
8. Are the top private hospitals in the country empaneled/willing to be part of PHI ?

Way Forward for India and UHC

Strengthening of PM-JAY will expedite India's journey towards UHC





THANK YOU

