BioSpectrum
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

Indiaâ??s most ambitious health insurance scheme could face delays due to tech glitches

12 June 2018 | News

This could mean that the earlier deadline of August 15 may have to be pushed back and the plan may only be ready by October 2, Gandhi Jayanti.



The central government is working at full throttle to launch Ayushman Bharat, India's most ambitious health insurance scheme yet, but it is possible that the rollout may be delayed owing to tech glitches.

Health minister JP Nadda has said that until the IT backbone of Ayushman Bharat is fully tested and stable, the scheme will not launch. He did not provide a date for the launch but said that glitches will be ironed out before it is green lighted.

This could mean that the earlier deadline of August 15 may have to be pushed back and the plan may only be ready by October 2, Gandhi Jayanti, reported media agencies.

Ayushman Bharat envisages a Rs 5 lakh annual insurance cover at no cost to four in ten Indians, with the Centre and state governments picking up the tab. The scheme requires states to sign individual MoUs with the central government to implement it but even after that has happened, a robust IT system needs to be in place.

A glitch proof IT backbone will help insurance companies administer claims etc on a real-time basis. The IT network will connect insurance companies, specific state health agencies and third-party administrators. Remember, a key feature of Ayushman Bharat is portability and a robust IT network is crucial for this to function.

Nadda said 80% of the beneficiaries under this scheme have already been identified in rural areas and work was on to similarly identify beneficiaries in urban areas. A senior government official had earlier said that the government has allocated Rs 4,000 crore for Ayushman Bharat until now, of the Rs 10,000 crore that the scheme is supposed to get in 2018-19.

Since states are expected to bear 40% of the scheme's burden, the remaining Rs 2,000 crore of the central government's share should come in the supplementary demand for grants, which will be presented later in the fiscal year.

As of now, MoUs with eight states have been signed and another 12 states are expected on come on board by June 14. Some state governments are using the 'Trust' model for implementing Ayushman Bharat while others are doing it directly. In the trust model, the state government fixes prices, there is no price discovery and this model is considered ideal for health insurance as a non-profit motive is assured. Meanwhile, the earlier health insurance scheme 'Rashtriya Swasthya Bima Yojana' only offered Rs 30,000 annual cover and covered only about a third of the universe compared to the coverage universe of the Ayushman Bharat scheme. RSBY will anyway be subsumed in Ayushman Bharat.