

## Essentiality of Public Health Care

### Why in the news?

In the Budget 2025, While the allocation for Ayushman Bharat Pradhan Mantri Jan Arogya Yojana has increased, the National Health Mission received a declining share.

### What are the significances of insurance driven health care?

- **Affordable Access to Healthcare** - By pooling resources through contributions or taxes, public health insurance reduces the financial burden of medical expenses, making healthcare services more affordable for individuals and families.
- **Health Equity** - It ensures that everyone, regardless of income or socio-economic status, has access to necessary medical services, helping to bridge healthcare disparities.
- **Economic Stability** - It protects individuals and families from catastrophic healthcare costs that could lead to debt or poverty, thereby enhancing financial security.
- **Improved Public Health Outcomes** - With more people having access to healthcare, public health insurance contributes to better health outcomes, reducing the spread of diseases and improving overall life expectancy.

### What are the challenges with insurance-driven healthcare?

*Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) is an insurance-based programme to reduce OOPE by covering hospitalisation, surgeries, and procedures at the secondary and tertiary level.*

- **Inflated medical costs** - Private insurers often *prioritize profits* over patient care, leading to unnecessary medical procedures and cost inflation.

In the U.S., insurance-driven pricing has led to skyrocketing health-care costs, widening inequalities, and limiting access for uninsured individuals.

- **High Out-Of-Pocket Expenditure (OOPE)** - In an insurance-driven healthcare model, patients often bear significant *out-of-pocket expenses* due to *exclusions, deductibles, and co-payments*.
- Many essential services, such as *outpatient consultations, diagnostics*, and long-term treatments, are not covered comprehensively.

According to the *National Health Accounts (NHA 2021-22)*, *OOPE* constitutes around 39.4% of total health expenditures in India.

- **Limited coverage and exclusion**- Despite government schemes like *Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana* (AB-PMJAY), a large segment of the population, particularly informal sector workers and rural people, remains uninsured.
- **Claim rejections** - Even those covered under insurance face issues due to *limited network hospitals* and claim rejections.
- **Complex insurance system** - Different insurance providers follow varying policies, creating a *fragmented system* with inconsistent benefits.
- Government insurance schemes, though widespread, face *operational inefficiencies* and *delays* in reimbursements.
- **Rising premium costs** - As healthcare costs increase, *insurance premiums* also rise, making private insurance unaffordable for many families.
- **Neglect of preventive care** -Insurance models predominantly focus on *hospital-based treatments* rather than *preventive* healthcare and primary care.
- This leads to *excessive medicalization* of health issues instead of addressing root causes through public health measures.
- **Privatization of health** - Health is a state subject, and dominance of insurance driven private health system, limits state control on public health care.
- **Weakens public health infrastructure** - Despite improving financial protection, it discourages primary health-care use, weakens public health infrastructure, and strengthens market-driven private health care.
- **No pandemic support** - Insurance based model will not help during public health crisis times like COVID-19 period, where strong public health care infrastructure can only save.

### What are the significances of public health care system?

- **Universal Health Coverage( UHC)** - Primary Health Care (PHC) is the very foundation of achieving universal health coverage and health for all.
- **Efficient health system** - A robust PHC system reduces the burden on secondary and tertiary care, and ensures cost-effective health care.

*The Bhore Committee 1943, officially known as the Health Survey and Development Committee, recommended strong primary health care, with a pyramid-shaped health system tapering to secondary and tertiary care.*

- **Accessibility** - PHC ensures that healthcare services are accessible to all, especially underserved and rural populations.
- **Equitable health care** - It reduces disparities in health outcomes by providing equal access to essential care.
- **Preventive care** -Emphasis on preventive measures like vaccinations, health screenings, and lifestyle counseling helps avert diseases before they become severe.
- **Cost efficiency** - By addressing health issues early, PHC minimizes the need for

expensive treatments and hospitalizations.

- It is more cost-effective for governments and individuals compared to specialized care.
- **Holistic care** -PHC integrates various aspects of healthcare—maternal and child health, mental health, and chronic disease management—offering holistic care.
- **Managing health pandemic** - A robust PHC system enhances a country's ability to respond to public health emergencies, like pandemics or disease outbreaks.

### What are the challenges with public health delivery system?

- **Insufficient funding** - Limited financial resources often lead to inadequate infrastructure, medical supplies, and staffing, making it hard to meet the population's needs.
- **Overburdened facilities** - Public health services frequently serve large populations, leading to overcrowded hospitals and long wait times for patients.
- **Shortage of healthcare Professionals** - Many public health systems face a lack of doctors, nurses, and other medical staff, which impacts the quality and availability of care.
- **Quality of care** - Due to resource constraints, the quality of care in public health systems may not always match that of private healthcare providers.
- **Bureaucratic inefficiencies** - Administrative delays, mismanagement, and red tape can slow down service delivery and discourage innovation within the system.

### What lies ahead?

- Comprehensive public health benefit packages, cost-control mechanisms, and programmes to reduce OoPE are essential for achieving UHC.
- Strong public health investments, and regulated private insurance to ensure prioritising primary care and community-based services along with secondary and tertiary care will help achieve UHC.
- Safeguards can be created to prevent private insurance from driving up health-care costs, ensuring India's commitment to 'Health for All' remains more than just a slogan.
- Policies shall address the health-care needs of informal workers, the unemployed, migrants, and vulnerable populations, especially with rising climate-related health risks.

### Reference

[The Hindu | Equity Healthcare](#)