

The Global Network for Health Financing
and Social Health Protection



Four-part webinar series on Health Financing in India : First Webinar

18 August 2021 2.30 PM to 4.00 PM (IST)



Executive Summary

The webinar series titled Health Financing in India was launched to bring together national and international health systems and financing experts, economists, and researchers to discuss the burning health financing and social health protection issues in the country and debate potential ways forward. The P4H Network, the Global Network for Health Financing and Social Health Protection, is organising this webinar series in collaboration with [ACCESS Health International \(AHI\)](#) and the [India Health Systems Collaborative \(IHSC\)](#). The first of the four-part webinar series, titled Health Financing Arrangements for Universal Health Coverage (UHC) in India, was attended by 93 national and international health financing experts and researchers.

In the introductory session, *AHI India Country Director and cardiologist Krishna Reddy* welcomed the participants and highlighted the need to strengthen the health financing systems in India because high out-of-pocket expenditures often result in catastrophic expenditures that impoverish vulnerable populations. He urged the research community to explore innovative health financing mechanisms that promote equity and are sustainable long term.

P4H Coordinator Claude Meyer, introducing the P4H Network, highlighted the goals of the network to develop sustainable and equitable health financing systems for UHC through collaborations, capacity building and fostering a safe space for dialogue. He invited the participants to refer to and use P4H's multisectoral approach to improve collaboration on health financing and sign up for its flagship course on [Leadership for UHC \(L4UHC\)](#) to accelerate India's UHC plans.

The P4H Network, in collaboration with other partners, provides technical assistance (such as capacity building initiatives, organizing L4UHC courses, revising benefits packages, supporting dialogue, formulating evidence-based policy options) to countries.

In the next session, health financing experts from Ethiopia, Viet Nam and Kazakhstan presented these countries' experiences using the P4H Network on their journey toward UHC. P4H Country Focal Person for Ethiopia, Jessika Yin, presented the case of Ethiopia's Community Based Health Insurance (CBHI) scheme as an effort to making progress towards Universal Health Coverage (UHC) in the country. The scheme targets the informal sector and provides financial protection to households in 80% of Ethiopia's districts covering more than 60% of the eligible population. The scheme is financed through contributions from members, general subsidies from the central governments, and targeted subsidies for the poor from the sub-national governments. Ethiopia's experience of scaling up CBHI in a highly decentralized country provides interesting lessons learned for India's journey toward achieving UHC.

P4H Steering Group Alternate Member from Kazakhstan and physician Almat Juvashv discussed the new social health insurance scheme launched in 2020. The new scheme guarantees free primary health care services for all but specialized outpatient services and elective in-patient care for contributing employees, employers and vulnerable population groups subsidized by the state. The scheme, though in its nascent phases, has gathered enough momentum for India to benefit from lessons learned.

P4H Country Focal Person for Viet Nam Marielle Goursat gave a brief introduction to Viet Nam's Social Health Insurance scheme, which collects compulsory contributions, provides a uniform but generous benefit package and covers 90% of the population. She highlighted the recent reforms—cost control, effective fund management, coverage expansion, expansion of benefit packages, and

strengthening of the grassroots health care system—that could provide useful lessons for India on its journey toward UHC.

Following the introductory session, a **panel** discussed the various challenges around health financing for UHC in India. The panel consisted of five health financing experts from India—Indrani Gupta, Institute of Economic Growth Delhi; Nishant Jain, GIZ India; Gautam Chakraborty, USAID India; Vaibhav Raj, ILO India and Lalit Baveja, Milliman—and one from Thailand, Aungsumalee Pholpark, P4H Asia Network Community Manager.

The panellists, discussing the major health financing reforms in India, highlighted the initiatives taken by the flagship scheme, Ayushman Bharat. Ayushman Bharat, launched in 2018, has two arms: (1) Health and Wellness Centres (HWCs), which are being set up to provide comprehensive primary health care, and (2) an integrated national scheme, Pradhan Mantri Jan Arogya Yojana (PMJAY), to provide insurance coverage of up to Rs. 5,00,000 (roughly US\$ 7,000) to the bottom 40% of the population for secondary and tertiary care services. PMJAY benefits from integration of state schemes and a strong information technology platform, but recent evaluations highlight issues of poor participation by private providers due namely to low-priced benefit packages, high turnaround time for payment of claims, and inadequate use due to lack of awareness by target populations. The panellists suggested that the scheme requires immediate injection of financial resources to expand coverage, develop linkages with the primary care network, and bundle a generous but actuarially costed benefits package (that includes outpatient and inpatient services). The panellists emphasised the need to develop innovative health financing models like social bonds, and health care mutual funds to generate resources for these improvements.

The panellists also drew attention to the Employees State Insurance (ESI) scheme, which covers approximately 10% of the population. While the ESI scheme has an extensive network, service delivery has not been able to keep pace with the expansion in numbers of people covered, which has resulted in unspent reserves. According to ILO estimates, if ESI operates at optimal efficiency, with the premium collected every year expected to be just enough to cover claims expenses. To strengthen its resolve to advance UHC, ESI is collaborating with PMJAY and the National Digital Health Mission to address issues of supply constraint and coordinated care. Private health insurance, in a similar fashion, covers approximately 10% of the population but offers suboptimal benefit coverage (does not cover outpatient care). Private insurance continues to suffer from issues including adverse selection, cream-skimming, non-payment, and delayed payment of claims, which makes private insurance an inadequate option.

Drawing on Thailand's experience with cost containment through its gatekeeping system, purchaser-provider split and contracting for health services using close-ended payment methods (capitation for outpatient care and diagnosis related group with a global budget for inpatient care), the panellists called for a coordinated care approach complemented by an optimal provider payment mechanism. The panel alluded to the potential of a multipronged approach for health financing - targeted coverage expansion, extensive but actuarially costed benefits package and provider payment reforms to further the journey toward UHC in India. The P4H Asia Network is an important resource at the region's disposal; it promotes collaboration and engagement of all stakeholders by supporting knowledge sharing, technical exchanges, and joint action initiatives.

The P4H Network thanks the panellists, the participants, and the attendees for a rich conversation. We also thank our partners in India, AHI and IHSC, and the P4H Coordination Desk for bringing this discussion together.



The next webinar will focus on health financing arrangements during COVID-19 and will explore the health financing choices for reducing catastrophes during the pandemic and regaining lost ground in UHC.



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