

Health insurance scheme for poor to be launched on Aug 15 or Oct 2

By Mail Today Bureau in New Delhi

THE Modi government's ambitious health insurance plan, to provide 10 crore poor families with a cover of Rs 5 lakh each to meet expenses in case of hospitalization, is expected to cost up to Rs 12,000 crore annually and is likely to be rolled out on August 15 or October 2, Niti Aayog officials disclosed on Friday.

The National Health Protection Scheme, termed 'Modicare,' will be funded with 60 per cent contribution coming from the Central government and 40 per cent from the states, said NITI Aayog advisor Alok Kumar.

The premium for availing health insurance cover of up to Rs 5 lakh is expected to be around Rs 1,000-1,200 annually for every household, which will be borne by the Centre and the states, he explained.

Paul said while the Centre will bear an annual burden of around Rs 5,000-6,000 crore towards premium on health cover, the remaining amount will come from the state governments. In the first year, the burden on the Centre is likely to be around Rs 3,000 crore.

The states will be given the choice to either opt for insurance based model or trust based model for implementing the scheme, he added.

Finance Minister Arun Jaitley has in his budget for 2018-19 provided an initial corpus of Rs 2,000 crore for the scheme which will health insurance cover to 40 per cent of the country's population. On Friday Jaitley clarified that more funds would be provided depending on the rollout requirement.

According to Vinod Kumar Paul, Niti Aayog member, and architect of the scheme, the 1 per cent additional education and health cess would be sufficient to meet the cost of the scheme.

All the poor people identified in the the Socio Economic and Caste Census 2011 will be eligible for the scheme, Kumar said. It will be linked to Aadhar but this will not be a mandatory condition for availing the benefit.

The finance minister said the scheme will be cashless and not a reimbursement one and promised more funds if required depending on the rollout.

It takes care of hospitalisation, the secondary and tertiary care. Obviously, it will involve various state hospitals and select private hospitals. It can be on trust model, it can be on insurance model. It's not on reimbursement model because too many complaints come on the reimbursement model, Jaitley said.

The model is now being

worked out by the NITI Aayog and the Health Ministry, he added. He said the date of implementation would be in 2018-19 fiscal year beginning April 1 and sometime in the course of the year, it will be worked out.

Assuming the model to be insurance led, the premium shrinks with the increase in number of policy holders, he said at a media event.

Economic Affairs Secretary S C Garg said the government will make the scheme very simple. One of the criticisms of

RSBY (Rashtriya Swasthya Bima Yojna) was that everybody was required to register and registration process was very complex. The new scheme would adopt a very simple approach, he added.

It would be like the flagship insurance scheme like PMJJY (Pradhan Mantri Jeevan Jyoti Bima Yojana) or PMSBY (Pradhan Mantri Suraksha Bima Yojana) which is linked to the account.

Niti Aayog CEO Amitabh Kant said the challenge is not resources for

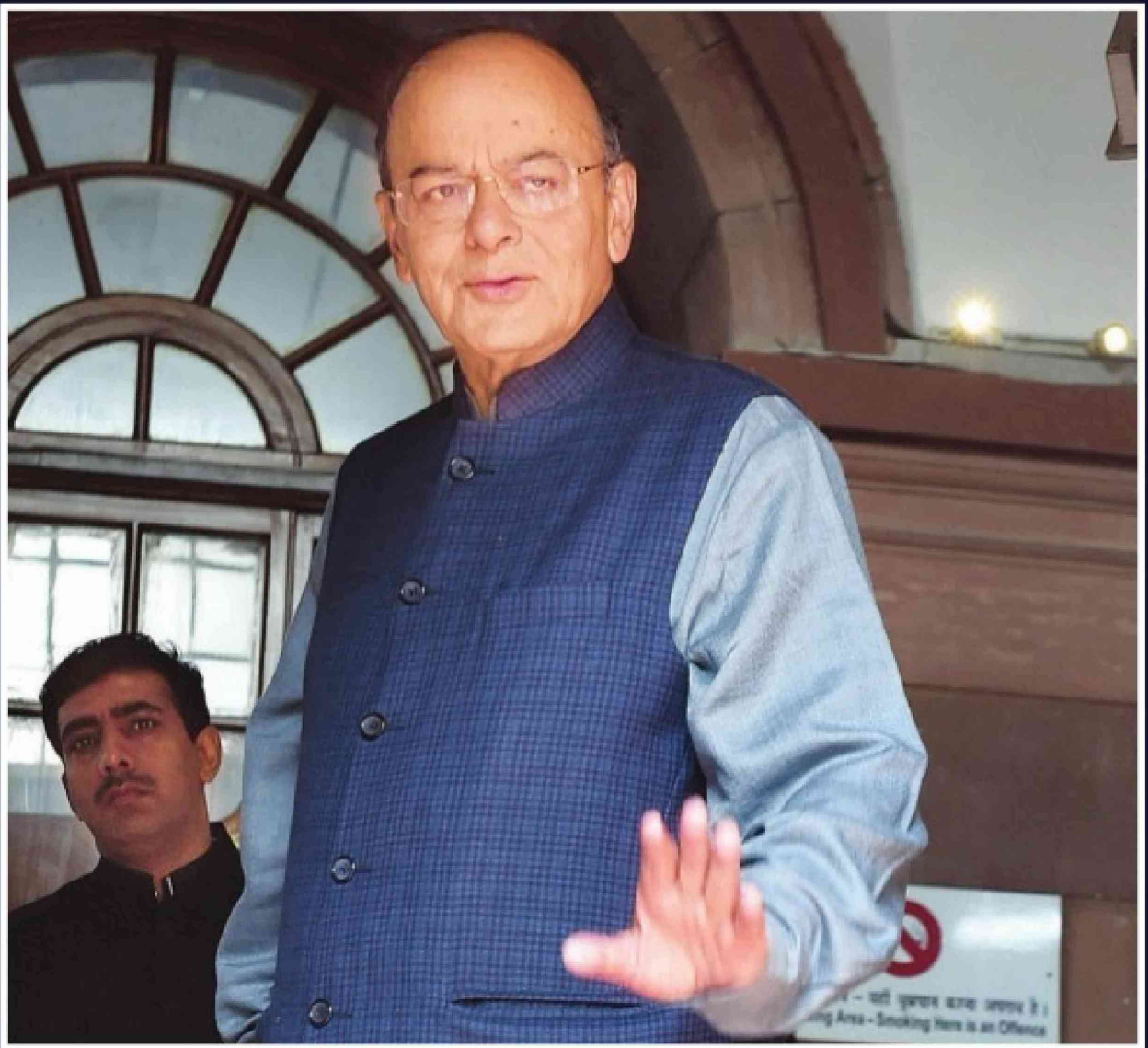
the scheme but challenge is its implementation.

Paul said the government will also open 1.5 lakh health and wellness centres which will provide free drugs and free diagnosis facilities. The building of health and wellness centres will be the best building in the village and it will also provide yoga and physiotherapy facilities, he said.

Presently RSBY provides an annual coverage of only Rs 30,000 to poor families. Several state governments have also implemented protection schemes providing varying coverage.

Modicare to roll with ₹12,000 cr

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RARING TO GO: Finance minister Arun Jaitley at Parliament House during the budget session in New Delhi on Friday.

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