

GENERAL ESSAY 2020

One Illness Away

There have been many investigations into why poverty perpetuates itself. Even as large numbers of people are escaping poverty, large numbers are concurrently falling into chronic poverty. One reason is health expenditure. Large numbers have difficulty paying their medical bills, even those who do have health insurance. They have to borrow the money from a family member, friend, lender, or other lending option. Medical debt is one of the primary reasons why people fall into poverty. More than 60 percent wipe out their savings in order to pay for medical care. All it takes is one serious medical condition or injury to totally decimate a person's financial stability and leave them falling into poverty. Even simple diagnostic testing and procedures – such as blood work, X-rays, and medications – can have astronomical price tags attached. Add the costs of surgeries, specialist fees, and more. It is rare these days that anyone has medical insurance that covers 100 percent of medical care expenses. Most policies leave the insured still paying a high percentage of out-of-pocket expenses. Many times, this is compounded because the person is unable to work while they recover and may not have sick time or other benefits, leaving them with no income coming in. According to one recent study, Out-of-pocket (OOP) health expenses drove 55 million Indians—more than the population of South Korea, Spain or Kenya—into poverty in 2017, and of these, 38 million (69%) were impoverished by expenditure on medicines alone. These calculations are based on the official Indian standard for poverty line—a monthly expenditure of Rs 816 in rural areas and Rs 1,000 in urban areas—according to a 2013 report of the erstwhile Planning Commission. Over 80% of Indians incur OOP—direct payments individuals make to healthcare providers—on healthcare. It was 60% in 1993-1994. Medicines contributed to more than 67% of OOP healthcare expenditure in 2011-12. The heavy load of spending on medicines can be explained by a study carried out in Chhattisgarh. An analysis of 1,290 prescriptions from 100 public health facilities across 15 districts showed that only 58% prescribed medicines were available at government pharmacies. This left patients with no option but to buy at higher rates from private pharmacies. India spends the least on public health among BRICS nations. Insurance-based government initiatives have been largely unsuccessful in easing the burden on citizens, the report added. The consequence of the inadequate public health system is that India has become the sixth biggest private spender on health among low-

middle income nations. About 68% of the Indian population has limited or no access to essential medicines, according to a World Health Organization report. In addition, over the last two decades, the availability of free medicines in public health facilities declined from 31.2% to 8.9% for in-patient care and from 17.8% to 5.9% for outpatient care. Treatment of cancers, cardiovascular diseases and injuries—in terms of both outpatient and inpatient care—dominated health expenditures in India. The share of non-communicable diseases—such as cardiovascular problems, diabetes, cancer, mental illness and injuries—in OOP health expenses increased from 31.6% in 1995-1996 to 47.3% in 2004. Most common health condition for seeking outpatient care was fever (22.7%) and for inpatient care was childbirth (27.3%). According to these calculations, monthly OOP payments and expenditure on medicines deepened poverty among the poor by Rs. 29 and Rs. 23, respectively, in 2011-2012. Remedies: National Health Policy 2018 promises to grant the right to health and expand the health coverage of people by spending 2.5% on health while the public spend today is about 1.5%. The Pradhan Mantri Jan Arogya Yojana provides cashless health insurance cover up to Rs 5 lakh per family per year, covering 500 million poor citizens. This number is almost equal to the population of Canada, Mexico and the US taken together.

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