

## Policy Seminar on Healthcare Financing in India

### 12 October 2018, New Delhi, India

Health Systems Transformation Platform in collaboration with Ministry of Health and Family Welfare, Government of India and Harvard T H Chan School of Public Health hosted a policy seminar on healthcare financing in India. About twenty-five policy makers and researchers from the Ministry of Finance, NITI Aayog, National Health Agency, and National Health Systems Resource Centre discussed and debated the strategic decisions for financing India's health system and drew insights from global experiences about how other nations fund and deliver reasonably good quality and affordable health care to their people.

**Preeti Sudan, Secretary Health and Family Welfare** in her opening comments emphasized the importance of building capacity in health systems and financing in India. She thanked Health Systems Transformation Platform, Dr. Maharaj K Bhan its chief patron and the faculty of Harvard School of Public Health for this learning session. She said such sessions help to address dilemmas such as: what should the focus be of government spending between levels of care; how do we incentivize the public sector to do more; and what financing mechanisms will lead us towards paying for a continuum of care and good outcomes, especially at health and wellness centers.



*“Ms. Sudan also noted the exceptional opportunities currently faced by the union and state governments in launching the Prime Minister’s new inpatient hospitalization insurance for the country’s 40% poorest families—Pradhan Mantri Jan Arogya Yojana (PMJAY) under the Ayushman Bharat umbrella.”*

Indian political leadership is committed to providing effective and equitable health protection for the Indian people. What services should be covered, how providers should be paid and at what rates are some of the core issues that are currently under intense debate in India.

**The seminar was led by Professor Winnie Yip and William Hsiao, Harvard School of Public Health.**

The sessions focused on drawing examples from United States, United Kingdom China, Thailand, Rwanda and other Low- and Middle-Income Countries comparable and relevant for India. Following broad areas were covered to facilitate sharing of participant's experiences in the Indian context with regards to lessons from other countries.

- Challenges confronting India as compared to other countries in health care financing, including resource mobilization, risk pooling, resource allocation, and provider payment mechanisms.
- Using benefit package design as a strategic tool for resource allocation in the context of PMJAY, including inherent tradeoffs between covering hospital versus primary care; and political economy considerations and the implications on access, financial risk protection, cost, and allocative efficiency.
- Using strategic policy levers to produce better performance for PMJAY and primary health care, including provider payment incentives, broader strategic purchasing considerations, and their implications on efficiency and quality.
- Alternative strategies to transform patient out-of-pocket payments into prepayment schemes and the implications on access, equity, efficiency, and costs.

**Manoj Jhalani, Additional Secretary & Mission Director, Health & Family Welfare**, in his closing address shared that the learning sessions highlighted policy interventions that India should avoid on its path to implementing health insurance and emphasis should be on continuum of care focused on primary healthcare. It is clear from country experiences that policy design and program implementation should be based on in-depth analysis of challenges of the current financing systems. He thanked Health Systems Transformation Platform and Harvard for hosting this learning session and hoped to participate in such sessions in future.

**Participants' shared that** one-day capacity building initiatives in healthcare systems issues are necessary to keep them up to date with lessons from other country experiences. They appreciated that the sessions were focused on facts and evidence from India, evaluations of other countries programs and experiments.



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