

Impact of Ayushman Bharat

Actuarial Seminar 14th Nov, 18

Implementation snapshot

- Tender closed (5)
 - Sum Insured - 5 Lacs (Insurance Model)
 - J&K (775), Nagaland (444) < INR 1082 govt. budget
 - Daman & Diu (1712) > INR 1082
 - Sum Insured - 50 K (Hybrid)
 - Gujarat (360) < INR 1082 govt. budget
 - Chhattisgarh (1100) > INR 1082
 - SI is only 10% of actual SI considering premium on tenders closed
- 8 States Insurance Tenders awaited+ 1 State Re-tendering
- Trust model: 16 States
- Model to be decided: 6 States

Impact on healthcare quality and economics

- Payer–provider relationship
 - Fortify payment mechanisms
 - Introduce disease coding and EMR
 - Reduce fraud
 - Introduce standard treatment protocols
- Health priorities and outcomes
 - Widening of population coverage – 500 million
 - OPD, drugs and diagnostics & 1300 illnesses
 - Progress towards preventive and rehabilitative care
 - Monitor the health outcomes
- Standardized treatment guidelines (STGs)
 - Quality of care - Improved quality of services received by patient
 - Health outcomes - Increase in evidence-based medicine treatments, leading to improved health outcomes
 - Consistency of care - Improved consistency of care
- Standardized package rates
 - Claims management - Uniformity of surgical expenses, thereby enabling efficient management of claims
 - Uniformity - Helps in curbing tendency to overcharge
 - Price optimization - Helps in standardizing prices of treatment across the country for similar type of institutions

Impact on stakeholders

- Hospitals:
 - Push for package rates
 - Focus on quality
 - Focus on accreditation
 - Focus on operational improvements to reduce costs
- Pharmaceuticals and diagnostics
 - Focus on low-cost, good-quality drugs and on centralized procurement
 - Focus on supply side shortages
- Insurance
 - To build capacities for effective claims management, actuarial capacities, clinical audit capacity and hospital scrutiny
 - Negotiate package rates, improve system automation
- Government
 - Identify additional sources of financing
 - Build in system automation for monitoring and grievance redressal
 - Regulators to ensure fair competition

Single scheme impact

- Incentive – Decrease in
 - Duplication of beneficiaries across multiple schemes
 - Inefficiencies in scheme management and roll-out
 - Poor beneficiary Targeting
 - Dual premium for same services
 - Insurance frauds
- Concerns
 - Assuming 33% new entrants and IR of 6% with the 3-day ALOS , there will be a need of 15.1 lakh beds compared to the current capacity of 13.5 lac beds

Thank You