Abstrct of :

"Understanding Ayushman Bharat and India's recent push towards Health Insurance –

A Political Economy Analysis"[[1]](#footnote-2)

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Ever since the middle of the last decade, there have been pressures at the global and national level to shfiting the role of the government from provider to purchaser of services and putting in place a provider-purchaser split. This has meant the launch of  large number of government funded health insurance and PPPs. We now have fifteen years of experience with publicly funded health insurance programmes and close to 20 years of experience with contracting arrangements in the form of public private partnership

Within the frame of neo-classical economics, this shift is justified as a way for government to offset market failure and set the prices right. In this framework, public health services are inefficient and of poor quality because of absence of market triggers. But using insurance, and contracting-in of and contracting-out to private providers, one can create a larger competition and choice for the consumer that will address these problems- while also increasing access and financial protection.  A large number of recent studies however show that none of these expectations have been met. In our paper we briefly overview the main findings from these studies and thier implications for health policy. We note that there are developed nations which have done very well with insurance but these experiences and even that of earlier social insurance programmes in India like the ESI differs considerably from what is happenning now. We shall present findings from nearly 20 years of experience of implementing “private public partnerships (PPPs) in health sector in India to argue why several of the “expectations” (reasons) for “contracting” with a private agency have not materialised. An understanding of the political economy of healthcare in India helps us understand what are the drivers for government to push ahead with the Ayushman Bharat scheme despite these findings.

1. To be presented at the Conference on “Political Economy of Contemporary India”, organized by IGIDR, Mumbai, Jan 8-9, 2019. [↑](#footnote-ref-2)