

# NITI Aayog's Health Systems for a New India: Building Blocks–Potential Pathways to Reforms

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**Source:** PIB & NITI Aayog

NITI Aayog releases Report on Building a 21st Century Health System for India. This report is intended to initiate a discussion and a dialogue amongst all the relevant stakeholders and policymakers who are interested in the projectory of our health system in the medium to long term

## About the report

- The report reveals India's health system as a story of multiple fragmentations at the level of payers and risk pools, healthcare services and at digital backbone running it.
- The report integrates viewpoints on the concerted efforts required for strengthening the existing fractured health system, to meet the challenges that lie ahead of the nation.
- **The report is based on the data collected and provided by ACCESS Health International** for the public sector and by PWC India for the private sector.
- Consultations as a part of NITI Aayog's '**Development Dialogues**' series have been initiated to generate debate and discussions on the vision of the nation. NITI launched this series with a workshop titled 'Health System for a New India: Building Blocks' on 30 November 2018.
- The dialogue engaged international and national experts

and key stakeholders to engender an informed discussion and debate on the trajectory of India's health system.

- Through this and further dialogues in this area, **NITI aims to facilitate multi-sectoral and stakeholder conversations on a systemic approach to reforming healthcare in India**, looking at interlinked changes across the multiple building blocks of its health system.

### **Challenges identified by the report**

- **India's health system is lagging behind comparable countries in many key system's performance indicators**



- Health financing is fragmented at all three levels –revenue sources, health insurance (financial risk pooling), and strategic purchasing (how funds are used to set incentives for service providers to maximize efficiency, responsiveness, and quality in the health service provider market).
- Risk pooling – before the advent of PM-JAY – was very low, with less than 35 percent of the population participating in any risk pooling scheme and less than 10 percent being covered by a functioning risk pooling mechanism (one that provides effective protection against catastrophic events).
- The high level of out-of-pocket expenditure is also a clear sign of the lack of risk pooling.

### **Five focus areas**

The report identified 5 focus areas of the future health system, they are;

1. Deliver on unfinished Public health agenda
2. Change health financing away from out of pocket so spend into large insurers

3. Integrate service delivery vertically and horizontally
4. Empower citizens to become better buyers of health
5. Harness the power of digital health.