

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 702

ANSWERED ON – 7.2.2022

HEALTH INSURANCE

702. SHRI JAYADEV GALLA:

SHRI RAM MOHAN NAIDU KINJARAPU:

SHRI VINCENT H. PALA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government acknowledges the fact that nearly 30 per cent or 42 crore of the Indian population is devoid of any health insurance as per NITI Aayog “Health Insurance for India’s Missing Middle” report;
- (b) if so, the details thereof and the reasons for nearly one-third of the population not having health insurance despite the presence of multiple insurance schemes under the Government;
- (c) if not, the reasons for non-acceptance of the report along with the details of the number of persons having health insurance in the country especially from the middle-income group;
- (d) whether the Government has any plans of making health insurance compulsory for the citizens across the country;
- (e) if so, the details of such a plan along with the implementation timeline; and
- (f) if not, the steps likely to be taken by the Government to increase insurance penetration in the middle-income groups apart from the existing insurance schemes?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (f): NITI Aayog, in its report titled “Health Insurance for India’s Missing Middle”, published and placed in the public domain this year, states that 40 crore individuals are devoid of health protection through insurance. As per the report, low awareness of health insurance products, difficulty in reaching out to potential customers and their high sensitivity to price are some of the challenges that determine their insurance coverage.

The recommendations in the report relate to possible pathways to increase health insurance coverage on commercial basis to reduce operational and distribution costs and increase enrolment, and to strengthen regulatory mechanisms for policyholder confidence.

Expansion of health insurance on commercial basis lies in the domain of insurers, which draw up their business and growth strategies with the approval of their respective Boards, and economies of scale from such expansion help bring in cost efficiencies. As the report is in the public domain, the insurance industry may take into account the recommendations made therein.

Strengthening of regulatory mechanisms for policyholder protection is a function vested by the Insurance Regulatory and Development Authority Act, 1999 in the insurance regulator, which reviews regulations on an ongoing basis in light of the experience of their working and the needs of insurance industry.

While there is no proposal under consideration of the Government to make health insurance compulsory and public health is a State subject and State Governments accordingly initiate public health interventions from time to time, the Central Government has launched Ayushman Bharat — Pradhan Mantri Jan Arogya Yojana as a centrally sponsored scheme for an annual family health cover of Rs. 5 lakh for 10.74 crore families (approximately 50 crore beneficiaries), thereby massively expanding health insurance coverage. Further, under Ayushman Bharat –Health and Wellness Centres scheme, comprehensive need-based healthcare services covering maternal and child health services and non-communicable diseases, including free essential drugs and diagnostic services are provided free of cost to all citizens of the country. Central Government supports provision of healthcare services to citizens under a number of other schemes as well. Moreover, primary, secondary and tertiary healthcare services are free for all citizens in Central Government and State Government healthcare institutions.
