**Focus: senior citizens’ healthcare**

A couple of instalments ago in CoverNote, we briefly noted a poll promise of State-sponsored health insurance of up to ₹5 lakh for those above 70 years of age.

The BJP election manifesto said that it would extend the Ayushman Bharat coverage to this demographic.

‘Largest’ healthcare progamme

Also called Pradhan Mantri Jan Arogya Yojana, the scheme is reported to be the world’s largest government-funded healthcare programme. Its main benefit is hospitalisation costs of up to ₹5 lakh per family per year.

It has about 12 crore beneficiaries who are from the economically weakest 40% of the nation’s population. The coverage is limited on pre- and post-hospitalisation costs compared with a regular hospitalisation policy, but has the big bonus of coverage for all pre-existing conditions from inception.

Changing finance dynamics

Extending coverage to older people can change family and hospital finance dynamics in a couple of interesting ways.

Let’s stop a quick moment to look at the age distribution in India’s demographics, the median age in India is relatively low compared with the rest of the world with about 25% in the age group 0 to 14 and almost 68% between ages 15 and 65. Barely 7% are older than 65 years and yes, their healthcare requirements as a group would be significant, nevertheless.

Some things are not clear about the shape of the scheme in future. For example, the existing coverage is per family. Will the 70+ family members be added to the same family unit, in which case they will now share the umbrella ₹5 lakh cover (what we would call a floater sum insured in a commercial hospitalisation policy) or will they be eligible for a separate ₹5 lakh sum insured?

Lowering burden

Nevertheless, their addition to the scheme can mean hospitalisation bills will be less of a burden for the rest of the family or can even mean access to meaningful healthcare where they may otherwise be helplessly ignored by a family with fragile finances.

Underwriting the contingency of old-age healthcare becomes more important as life expectancy of Indians has gone up significantly, not to speak of healthcare costs.

An interesting side benefit became apparent as I chatted with a doctor friend.

He said that government hospitals, too, were preferring insured patients, including those under mass-insurance schemes, because it meant revenue versus giving free treatment out of their budgets.

One could argue that it is money from one pocket of the government to another, but to somebody insured under one such scheme it means better access to a scarce resource.