

KEY FINDING OF ECONOMIC SURVEY 2020-21 REVEALS STRONG POSITIVE IMPACT OF PMJAY ON HEALTH OUTCOMES

Relevant for: Developmental Issues | Topic: Health & Sanitation and related issues

Pradhan Mantri Jan Arogya Yojana (PMJAY), an ambitious program and a crucial component of the Ayushman Bharat Yojana, launched by Government of India in 2018, to provide healthcare access to the most vulnerable sections, has had a strong positive impact on the healthcare outcomes of those States that have adopted the healthcare scheme. This was stated in the Economic Survey 2020-21 which was laid by Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman in Parliament today.

The Survey has significantly revealed that PMJAY is being used for high frequency and low cost care consisting with the general utilisation of healthcare services. It has also shown that services such as dialysis continued to be utilised without disruption even during the Covid pandemic and the lockdown. General medicine, the overwhelmingly major clinical specialty accounting for over half the claims, exhibited a V-shaped recovery after falling during the lockdown and reached pre-Covid levels in December 2020. In view of the fact that the number of dialysis claims has only been growing, the Economic Survey highlights that the National Dialysis Mission could be merged with PMJAY.

PMJAY and Health Outcomes: Difference-In-Difference

The Economic Survey in its most crucial analysis attempts to estimate the causal impact of PMJAY on health outcomes by undertaking a difference-in-difference analysis. As PMJAY was implemented in March 2018, health indicators measured by National Family Health Surveys 4 (in 2015-16) and 5 (in 2019-20) provide before-after data to assess this impact. The Pre-Budget survey compares the States that implemented PMJAY with those that did not adopt.

Comparing West Bengal with its Neighbouring States

Drawing comparison between data from the State of West Bengal with that of the neighbouring States of Bihar, Assam and Sikkim, the Economic Survey has demonstrated that the proportion of households that had **health insurance** increased in Bihar, Assam and Sikkim from 2015-16 to 2019-20 by 89% while it decreased by 12% over the same period in West Bengal. In addition, from 2015-16 to 2019-20, **infant mortality rates** declined by 20% for West Bengal. The decline was 28% for the three neighbouring states. Similarly, while Bengal saw a fall of 20% in its **under-5 mortality rate**, the neighbours witnessed a 27% reduction. **Modern methods of contraception, female sterilization and pill usage** went up by 36%, 22% and 28% respectively in the three neighbouring states while the respective changes for West Bengal were reportedly negligible. While West Bengal did not witness any significant **decline in unmet need for spacing** between consecutive kids, the neighbouring three states recorded a 37% fall. Findings have also revealed that **various metrics for mother and child care** improved more in the three neighbouring states than in West Bengal.

Comparing all States that Adopted PMJAY with those that Did Not

The Economic Survey has also compared those states that implemented PMJAY versus the states that did not. This has reflected significant improvements in several health outcomes in states that implemented PMJAY versus those that did not. The annual Survey observes that,

relative to states that did not implement PMJAY, states that adopted it experienced greater penetration of health insurance, experienced a reduction in infant and child mortality rates, realized improved access and utilization of family planning services, and greater awareness about HIV/AIDS. While some of these effects stemmed directly from enhanced care enabled by insurance coverage, others represent spillover effects due to the same. Even though only a short time has elapsed since its introduction, the effects that are identified by the Survey underscores the potential of the program to significantly alter the health landscape in the country, especially for the vulnerable sections.

The Survey observes that:

In March 2018, Government of India rolled out the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) as a historic step to provide secondary and tertiary healthcare services to the most vulnerable sections in the country. Beneficiaries included approximately 50 crore individuals across 10.74 crores poor and vulnerable families. The scheme provides for healthcare of up to INR 5 lakh per family per year and secondary and tertiary hospitalization through a network of public and empanelled private healthcare providers. It covers 1573 procedures including 23 specialties. As per the latest annual report of PMJAY released by the National Health Authority (NHA, 2019), 32 states and UTs have implemented the scheme.

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