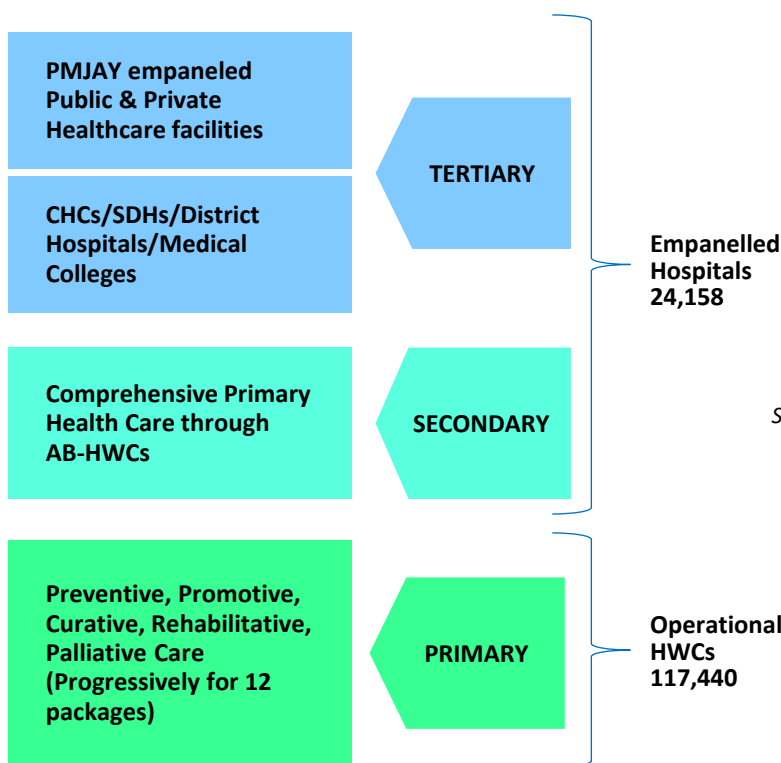# India Healthcare & life-sciences
India's Ayushman Bharat Pillars

India's healthcare system is today at a critical juncture with a dual disease burden challenge, predominant 'out of pocket' payor model and a large rural-urban divide. Healthcare access remains highly inadequate with nearly 50 mn people being pushed to below the poverty line every year due to healthcare expenditure. While the pandemic has further exacerbated the inadequacy of the country's health systems, the Covid period also witnessed the Government's urgency to ramp up health facilities such as ICU beds, ventilators, testing capacities and a rapid shift to the digital medium adoption through telemedicine guidelines and greater adoption of EHR/EMR (Electronic health records). We have also witnessed increased urgency by the Government ecosystem to craft a holistic health system that can fill major healthcare gaps, provide greater coverage and improve health access for the under-privileged patients. The result of this is that the ambitious Ayushman Bharat initiative launched by the Government in 2018 has now emerged as a comprehensive 'Four Pillar' coverage in health delivery across all the verticals of primary, secondary and tertiary care aided by strong digital intervention.
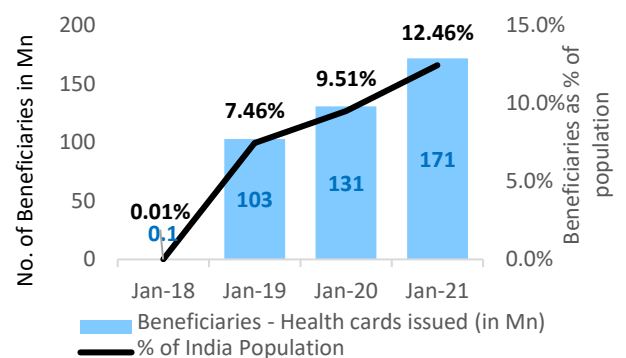
An analysis of the Ayushman Bharat implementation and performance in the last few years reveals the promising uptick in adoption by 33 states/Union Territories, over 171mn health card beneficiaries (12% of the population), 117,000+ operational health and wellness centers which is ahead of target, 24,000+ hospital empanelment with nearly 25mn hospitalizations and USD3.5bn cost incurred so far under this initiative. In the long run, the potential of the Ayushman Bharat initiative to achieve its fundamental objective of Universal Health Coverage will require a seamless collaboration with private players and address gaps that hinder accelerated adoption by private players (eg pricing of procedures, risk/reward sharing between the partners). In this paper we bring out the nuances and present status of India's Ayushman Bharat initiative across each of the 4 pillars.

## Continuum of Care Under Ayushman Bharat & Its Impact

PMJAY empaneled Public & Private Healthcare facilities

CHCs/SDHs/District Hospitals/Medical Colleges

TERTIARY

Empanelled Hospitals 24,158

Comprehensive Primary Health Care through AB-HWCs

SECONDARY

Preventive, Promotive, Curative, Rehabilitative, Palliative Care (Progressively for 12 packages)

PRIMARY

Operational HWCs 117,440

Source: ab-hwc.nhp.gov.in

Health card Beneficiaries as % of population

Beneficiaries - Health cards issued (in Mn)
% of India Population

Source: MoHFW Annual Report 2021-22, PRS Legislative Research

Number of Operational HWCs
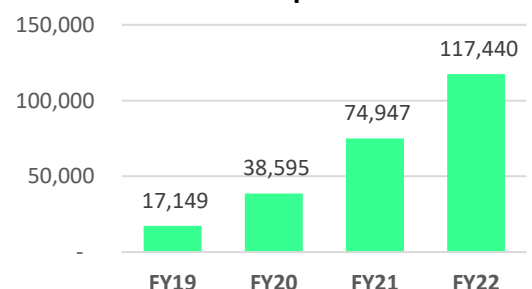
Source: ab-hwc.nhp.gov.in

Introduction To Ayushman Bharat Pillars & its Impact

With the release of National Health Policy 2017, the government laid the foundation of Universal Health Coverage (UHC) in the country and the launch of Ayushman Bharat (AB) with the aim of providing healthcare coverage for the underprivileged section of the society. Over the years the design of Ayushman Bharat has now moved towards a comprehensive 'Four Pillar' coverage in all the verticals of healthcare delivery - primary, secondary and tertiary care and aided by strong digital intervention.

PILLAR 1

Health & Wellness Centers - free primary care

The Ayushman Bharat (AB) First Pillar provides the local villager with free screening, diagnostics and medicines and consultation from a community health worker as the first port of call. These are carried out in the HWCs (health & wellness centers)

PILLAR 2

PMJAY – insurance for secondary and tertiary care with INR 5 Lac cover per family

The Second Pillar called ABPMJ (Ayushman Bharat Pradhan Mantri Jan Arogya Yojna) involves the patient getting admitted to a secondary or tertiary hospital and benefit from the cashless in-patient treatment for upto INR5 lacs per year. This scheme involves an insurance or Trust model of working

PILLAR 3

Ayushman Bharat Digital Mission (ABDM) - voluntary health ID for patient health records

The third Pillar of health support called the Ayushman Bharat Digital Mission (ABDM) provides a unique voluntary health ID which is linked to the patient health records and store in a digital locker free of charge. Linked health records can be shared after consent through Health Information Exchange. Tele health consult is also part of this third pillar.

PILLAR 4

Ayushman Bharat Health Infrastructure Mission (ABHIM) – establish health infrastructure

The Fourth Pillar of involves the AB health infrastructure mission with a INR 64,000 cr outlay over 5 years. This plan involves creating a health infrastructure block with a diagnostic facility in all districts with over 5lac population. For districts with less than 5lac population a referral health facility would be created.

Source: TCHF Primary Research

Ayushman Bharat Impact Metrics (as of March'22)

States & UTs implementing AB	Operational HWC's	Footfalls in HWC's	NCD Screenings	No. of Wellness Sessions
33	1,17,440	859 Mn	506 Mn	10 Mn

Teleconsults	Health cards issued	No. of Hospital Admissions (as of Nov-21)	Value of treatments (as of Nov-21)	E-sanjeevani Centers
5 Mn	171 Mn	24 Mn	$3.7 Bn	155

Source: MoHFW Annual Report 2021-22, ab-hwc.nhp.gov.in

Pillar 1: AB-HWC (Health & Wellness Centers)

A) Comprehensive primary care is the focus of Health & Wellness Centers

The Health and Wellness Centres were launched under the Ayushman Bharat Programme to move away from limited and selective primary care services to a comprehensive range of services for all individuals. Under this programme, the existing primary care infrastructure Sub Health Centres (SHC), Primary Health Centres (PHC) are converted into HWC's. The AB-HWC's also focus on improving health literacy by engaging closely with communities, using social media and in-person sessions for promotion of healthy lifestyles – diet, yoga, exercise, tobacco cessation and self care. All states and UT's apart from Delhi have fully operational HWC's with the highest number of centres in Uttar Pradesh at 13.7k followed by Maharashtra (10k) and Madhya Pradesh (8.9k).

A HWC in Munak, Haryana

### Primary Care – Before and After Ayushman Bharat

	Before Ayushman Bharat-Primary Care Centers	Post Ayushman Bharat Health & Wellness Centers (HWCs)
Services	Reproductive, child health, commn. diseases	Comprehensive – incln. chronic conditions, NCDs
Target Audience	Men and Women in Reproductive age	Everyone
Operations - Reporting	Manual	Digitally Enabled
Continuum of Care	No connect with secondary/tertiary centers	Feeder/Gatekeeper for the secondary/tertiary centers

Source: ab-hwc.nhp.gov.in

B) Over 1.17 lakh HWC's operational today; utilization metrics on an uptick

As per the launch plan in budget 2017-18, **1.5 lakh Sub-Health Centers (SHCs) and Primary Health Centers (PHCs) are to be transformed into Health and Wellness Centers (HWCs) by December'22**. While the government is on track in establishing the HWCs, it is also heartening to see the utilization metrics at the HWCs. NCD screenings and focus on wellness which are important aspects of HWC have also seen strong growth despite COVID related challenges.

HWC Targets and Achievements
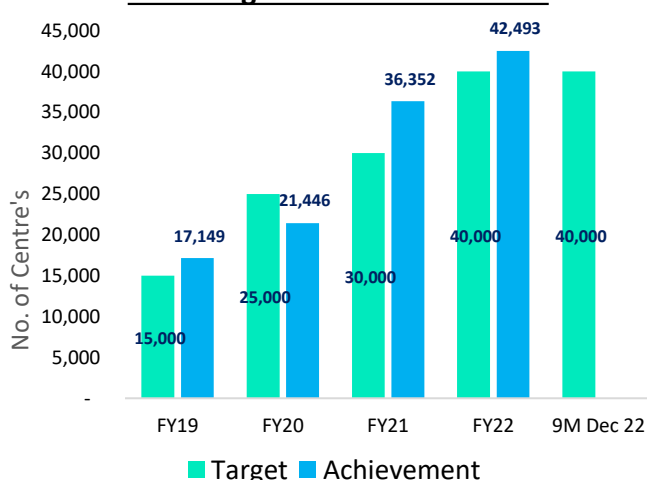
Source: ab-hwc.nhp.gov.in

HWC utilization metrics

HWC Utilization Metrics	12M Sep-19	12M Sep-20	12M Sep-21	Cuml. Mar-22
Centers (No.)	24,400	47,121	78,953	117,440
Footfalls (Cr.)	3.1	20.5	40.9	85.9
Wellness Sessions (Cr.)	0.02	0.18	0.62	1.0
Total Screenings (Cr.)	3.6	11.59	21.45	50.6
Per Centre Footfall (No.)	1.270	4,351	5,179	
Per Centre Wellness Sessions (No.)	8	38	79	
Per Centre Screenings (No.)	1,467	2,460	2,717	
Per Centre Footfall Growth (%)	NA	242%	19%	
Per Centre Wellness (%)	NA	366%	106%	
Per Centre Screening (%)	NA	68%	10%	

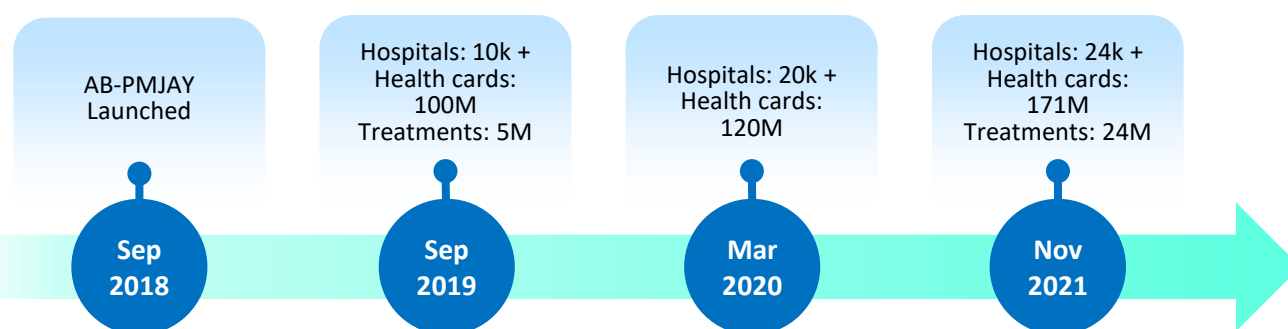*Source: ab-hwc.nhp.gov.in, TCHF Analysis*

Pillar 2: PMJAY (Pradhan Mantri Jan Arogya Yojna)

A) AB-PMJAY provides up to INR 5 lakhs/family for secondary and tertiary care

AB-PMJAY, the second pillar of Ayushman Bharat, launched in Sep'18 aims to provide healthcare coverage to over 100 mn poor and vulnerable families (approximately 500 mn beneficiaries). This initiatives provided up to INR5 lakh per family per year for secondary and tertiary care hospitalization. It also covers pre and post hospitalization expenses as well as all preexisting diseases with no cap on family size, age, or gender. Beneficiaries may avail benefits at any empaneled hospital across India.

The funding of the PMJAY scheme is shared between the Central and State Governments. The ratio of central share to state share for all States, except North-Eastern States and Himalayan States and Union Territories with legislature, is 60:40. For North-Eastern States and Himalayan States, the ratio is 90:10. In the case of Union Territories without legislatures, the Central contribution of premium is 100%. Under the PM-JAY, a total of 24,158 hospitals have been empaneled so far which include public, Government of India and private hospitals.

Timeline and milestones of AB-PMJAY

| | AB-PMJAY Launched | Hospitals: 10k + Health cards: 100M Treatments: 5M | Hospitals: 20k + Health cards: 120M | Hospitals: 24k + Health cards: 171M Treatments: 24M |
| Sep 2018 | Sep 2019 | Mar 2020 | Nov 2021 |

Source: PMJAY Annual Report 2020-21, PRS Legislative Research,

B) 171 Mn PMJAY beneficiaries; Most surveyed reported positive experience

As per a PMJAY Annual Report 2020-21, the PMJAY initiative since its launch has saved out of pocket expenditure for the most needy and each year has seen an improvement in enrollment, empanelment of hospitals and utilization of the scheme. The government has focused heavily on ensuring the scheme reaches its audience and any queries of the beneficiaries are answered in a timely manner. A national helpline was set up in Aug'18 with 600+ trained agents that is operating 24x7 and until Aug'21 they have answered over 7.5 million calls. There was a beneficiary feedback campaign launched to understand the experience of the beneficiaries. A total of 1.66Mn calls for feedback have been taken and 97% reported a positive response of using PMJAY at healthcare facilities and had reported no out of pocket expenses.

PMJAY Metrics

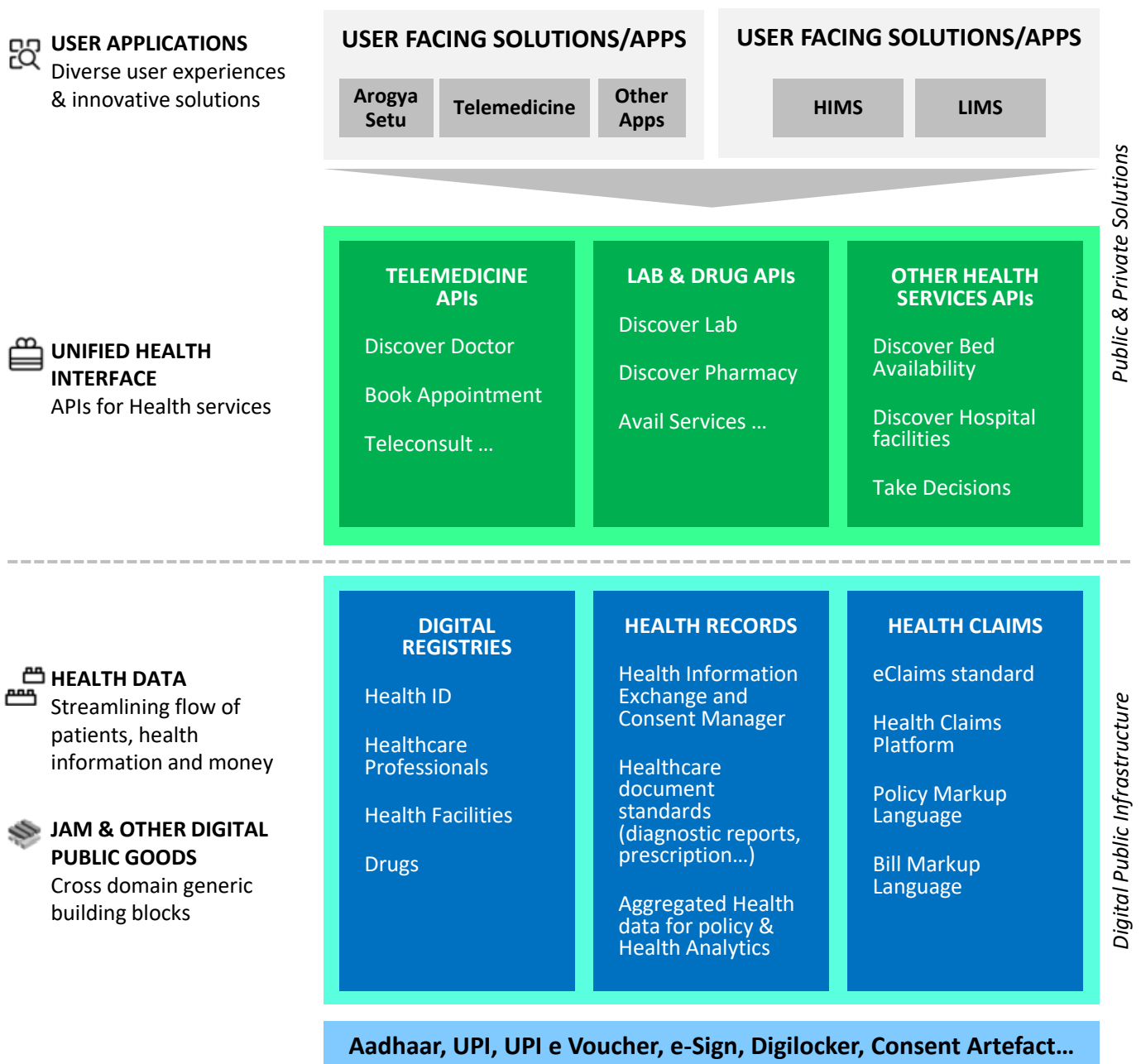| PMJAY Metrics	As of Sep-19	As of Sep-20	As of Nov-21
No. of health cards issued (Mn)	103	126	171
No. of Hospital Treatments (Mn)	5	12	24
Value of Treatments (USD Bn)	1.0	2.0	3.7
Average value per treatment (INR)	14,980	12,982	11,791
No. of empaneled Hospitals (no.)	18,236	23,311	24,158

Source: MoHW Annual Report 2021-22, Dvara research, TCHF Analysis

Pillar 3: ABDM (Ayushman Bharat Digital Mission)

A) ABDM intends to digitize the entire healthcare ecosystem of India

ABDM aims to transform the way digital health services are rendered in India. This would be done by creating digital health records and creating & maintaining registries for healthcare professionals and health facilities. Currently, the healthcare programs and facilities register patients by numbers on their own leading to multiplicity of numbers. Therefore, numerous numbers are assigned to one individual across different healthcare facilities and programs. Under the ABDM, an integrated, uniform and interoperable ecosystem for a patient is envisaged wherein all the government healthcare facilities and programs assign the same number to an individual. This number, created with KYC using Aadhaar or any other digital system, will be known as Ayushman Bharat Health Account (ABHA number). In addition, participation of an individual in the NDHE (National Digital Health Ecosystem) will be on a voluntary basis.

Envisaged ABDM Architecture

USER APPLICATIONS
Diverse user experiences & innovative solutions

USER FACING SOLUTIONS/APPS
- Arogya Setu
- Telemedicine
- Other Apps

USER FACING SOLUTIONS/APPS
- HIMS
- LIMS

Public & Private Solutions

UNIFIED HEALTH INTERFACE
APIs for Health services

TELEMEDICINE APIs
Discover Doctor
Book Appointment
Teleconsult …

LAB & DRUG APIs
Discover Lab
Discover Pharmacy
Avail Services …

OTHER HEALTH SERVICES APIs
Discover Bed Availability
Discover Hospital facilities
Take Decisions

HEALTH DATA
Streamlining flow of patients, health information and money

JAM & OTHER DIGITAL PUBLIC GOODS
Cross domain generic building blocks

DIGITAL REGISTRIES
Health ID
Healthcare Professionals
Health Facilities
Drugs

HEALTH RECORDS
Health Information Exchange and Consent Manager
Healthcare document standards (diagnostic reports, prescription…)
Aggregated Health data for policy & Health Analytics

HEALTH CLAIMS
eClaims standard
Health Claims Platform
Policy Markup Language
Bill Markup Language

Digital Public Infrastructure

Aadhaar, UPI, UPI e Voucher, e-Sign, Digilocker, Consent Artefact…

Source: NHA & MoHFW – consultation paper on proposed health data retention policy 04/21

B) The five building blocks of ABDM

The design of the ABDM platform primarily contains five building blocks to enable identification of participating entities (health care providers, patients, and health professionals) and enable exchange of interoperable health data with patient consent. Any entity that wishes to share health information with a patient digitally in compliance with ABDM health standards is called a Health Information Provider (HIP) and any entity that seeks to access health data with consent is called a Health Information User (HIU). The five building blocks include the following:

A. A Health ID for every resident who wishes to obtain a digital health record;

B. The registered health facilities can link health records with the patient Health IDs;

C. A consent mechanism for patients to access and share their personal health record data;

D. Standardization of the formatting of health records like diagnostic reports, discharge summaries, prescriptions, consultation notes and immunization records to make them interoperable;

E. Digital identity for every verified healthcare professional and health facility who participates in ABDM

ABDM Building Blocks
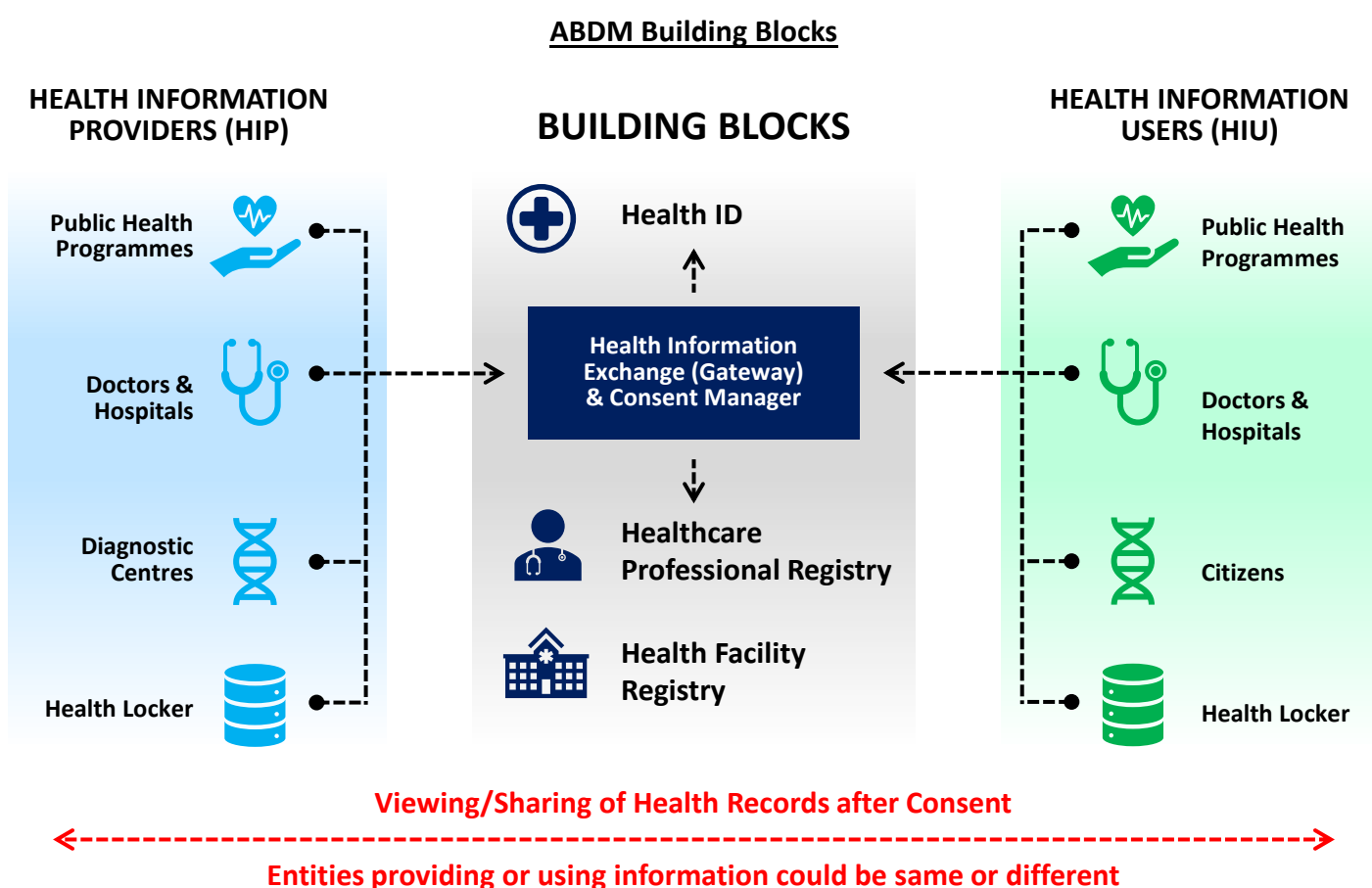
Source: NHA & MoHFW – consultation paper on proposed health data retention policy 04/21

Pillar 4: ABHIM (AB Health Infrastructure Mission)

A) ABHIM is one of the largest pan-India health infrastructure initiative

India lags other developed countries in terms of healthcare infrastructure and manpower. To address this, the National Health Policy launched in 2017 highlighted the need to boost India's public healthcare spending to meet the rising demand for healthcare infrastructure & services. ABHIM was announced in the Budget 2021-22 with an outlay of INR64,180 cr primarily to fill the critical gaps in the public health infrastructure particularly in critical facilities and primary care in both the urban and rural areas over the next 5 years. Through the mission, the government aims to address three areas in the public health sector as highlighted below

Areas of focus for ABHIM

Augment health facilities for treatment	• Integrated health labs across 730 districts • Block public health units across 3000 blocks • 5 regional centers for disease control,20 metropolitan units and 15 biosafety level labs
Establish integrated public health labs for diagnosis of diseases	• 11,024 urban and 17,788 rural health & wellness centers will have facilities for early detection of diseases and offer free medical consultations, tests and medicines • 35,000 new critical care beds across 600 districts in the country
Expand existing research institutions that study pandemics	• Strengthen the existing 80 viral diagnostic and research labs in the country • At a state level, the government plans to set up 15 new biosafety laboratories • One National Institute for One Health and four National Institutes of Virology.

Source: IBEF blog on "Ayushman-bharat-health-infrastructure-mission"

This thematic has been conceptualized and written by the investment team at Tata Capital Healthcare Fund (TCHF), a growth oriented private equity fund primarily focused on the healthcare and life Sciences sector in India. The investment team of TCHF can be contacted at info.tchf@tatacapital.com.