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COSTS AND CHALLENGES: AYUSHMAN BHARAT (AB-PMJAY) SCHEME IN ASSAM'S URBAN AND RURAL SETTINGS

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ABSTRACT

The Modicare or National Health Protection Scheme (NHPS), a healthcare initiative launched by Prime Minister Narendra Modi has sparked global interest and excitement in the sector. Although 500 million Indians are expected to receive health insurance under this specific healthcare policy, the negative aspects of Modicare far exceed any potential advantages in terms of achieving universal access to high-quality healthcare. This paper ascertains the healthcare expenditure of the households and evaluate the challenges faced by them in financing healthcare expenditure through PM-JAY or Ayushman Bharat schemes in Kamrup Metro and Kamrup districts of Assam representing both urban and rural settings. The study found that the healthcare costs is more in the Urban areas as compared to the rural one. Furthermore, it concludes that the scheme (PM-JAY) provides essential healthcare coverage, but there are significant disparities in healthcare costs and challenges faced by beneficiaries in both urban and rural settings.

Keywords: Healthcare Financing, Healthcare Costs or Expenditure, Universal Health Coverage (UHC)

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1. INTRODUCTION

Healthcare has always been a top political priority for governments worldwide because it is a vital resource for both individuals and entire countries. Healthcare systems have historically been designed in many nations using varying ideologies and pragmatic techniques (Hooda, 2020). The 2017 National Health Policy of India marks a pivotal shift in the nation's healthcare landscape, signaling a potential reduction in direct government involvement, paving the way for greater private sector engagement in providing curative care. This policy revision is intricately linked to the broader objective of Universal Health Coverage, a main unit of the Sustainable Development Goal, which is directed to ensure that all people have fit to the necessary health services without tolerating economic hardship (Hooda, 2020); (Chalkidou, Jain, Cluzeau, & Glassman, 2019). By aligning with these global health objectives, the policy seeks not only to reform the operational aspects of healthcare delivery but also to reaffirm the commitment to health as a fundamental human right,

central to achieving equity and comprehensive health access for all. This approach underscores India's dedication to integrating global health goals with national policies to create a resilient, inclusive, and sustainable healthcare system (Shanthosh, Durbach, & Joshi, 2021).

Launched in September 2018, the Ayushman Bharat scheme represents a significant leap in India's approach to healthcare provision and stands as one of the largest government-sponsored healthcare initiatives in the world. This comprehensive scheme comprised the Pradhan Mantri Jan Arogya Yojana (PM-JAY) and the establishment of Health and Wellness Centres (HWCs). As the largest publicly funded health insurance program globally, PM-JAY is designed to provide financial risk protection to India's poorest and most vulnerable populations, aiming to cover about 40% of the country's populace, encompassing both rural and urban areas.

This initiative builds upon the foundations laid by the Rashtriya Swasthya Bima Yojana (RSBY,2008), which was introduced to shield the underprivileged from the crippling financial impact of high out-of-pocket (OOP) healthcare expenses. While RSBY provided registered households with an insurance cover of thirty thousand rupees annually, its scope was markedly narrower compared to the Ayushman Bharat-National Health Protection Scheme (AB-NHPS). By March 31, 2017, there were approximately 3.6 crore smart cards active under RSBY, supporting over 1.4 crore hospitalization cases, highlighting the extensive reach and crucial need for such healthcare initiatives (Mishra & Mandal, 2018).

At the heart of the Ayushman Bharat initiative, PM-JAY, is specifically drawn to extend health insurance coverage to over 500 million vulnerable individuals and families across India. PM-JAY provides eligible beneficiaries with a substantial coverage limit of up to INR 5 lakh (approximately $7,000) per family per year, addressing both secondary and tertiary care hospitalization needs. This coverage is inclusive, extending to various medical and surgical treatments, and importantly, it encompasses pre-existing conditions, ensuring comprehensive protection for those enrolled (Bhuyan, 2019). Targeted primarily at low-income families living below the poverty line (BPL), as well as impoverished rural families and specific categories of urban families identified through the 2011 Socio-Economic Caste Census (SECC), PM-JAY represents a critical step towards alleviating the financial burden of healthcare for India's most vulnerable populations. The scheme aims to facilitate better healthcare access for approximately 10 crore families, which translates to about 50 crore individuals nationwide, marking it as one of the most expansive health insurance programs ever implemented (Dhaka, Verma, Agrawal, & Kumar, 2018). At least 10% of the meagre's household budgets of an estimated 800 million financially challenged people are spent on medical bills for themselves, their ailing children, or other family members (Sharma, 2018). To expand the scheme's reach, the union cabinet has announced that cover all senior citizens aged 70 years and above, irrespective of their level of income, under the scheme coverage. A study in Uttar Pradesh, India has highlighted that in most of the health facilities utilized for maternity in private healthcare centers by households or families, the payments are Out-of-Pocket with very little insurance coverage especially for low-income households it is becoming difficult to manage life due to high Out -of -Pocket payments and leading to financial hardship (Gautham, et al., 2019). Ayushman Bharat is poised to significantly mitigate the Out-of-Pocket (OOP) healthcare expenditures for Indian families on several fronts: firstly, by expanding the benefit coverage to nearly 40% of the population, specifically targeting the poorest and most vulnerable groups; secondly, by covering a wide range of medical interventions, from almost all secondary to many tertiary hospitalizations; and thirdly, by offering a generous coverage limit of INR 5 lakh per family each year, with no restrictions on family size or age of members. These features collectively aim to reduce the financial barriers to accessing healthcare services.

By addressing both access and affordability, Ayushman Bharat seeks to provide substantial financial protection to vulnerable families and bolster primary healthcare services. This dual approach is intended to prevent the escalation of health issues, especially among socio-economically deprived groups, including rural and urban poor, women, and children (Panda, 2019). Despite the ambitious goals and significant expansion of healthcare coverage, the scheme confronts challenges such as bridging infrastructure gaps, building capacity, and ensuring consistent quality of care across India's diverse healthcare settings. Continuous evaluation and refinement are essential for the scheme's ongoing development and for arriving at the broader goal of UHC (Sharma, et al., 2024).

2. AIM OF THE STUDY

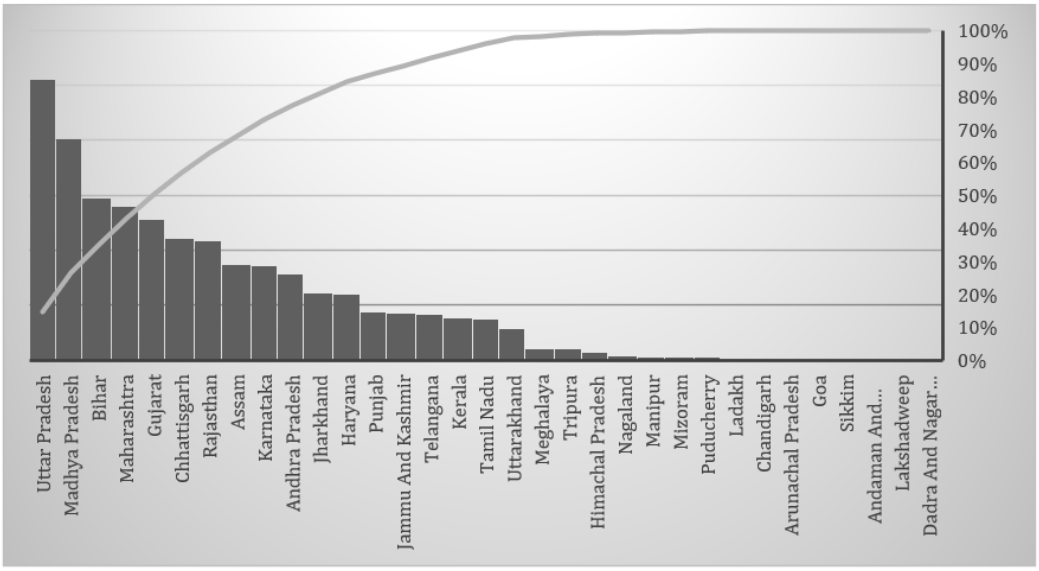
The study has the following aims-

- to evaluate the implementation of the Ayushman Bharat Scheme, specifically the Pradhan Mantri Jan Arogya Yojana (PM-JAY), in the distinct geographic areas of Kamrup and Kamrup Metro districts in Assam.
- to assess the financial impact on households, evaluate the accessibility of healthcare services, and identify operational challenges if any. Insights gained will inform targeted recommendations for enhancing the scheme's effectiveness across similar regions in India.

3. SOME RELEVANT STATISTICS ON PM-JAY (AYUSHMAN BHARAT SCHEME)

- As of 23 July 2021, the total authorized hospital admissions under PM-JAY in Assam numbered 252,251, with associated costs amounting to approximately INR 374.95 crore (Pib.gov.in, n.d.).
- Nationally, according to the Economic Survey of 2022-23, there have been over 4.3 crore hospital admissions under the scheme, costing the government around INR 50,409 crore.
- Regarding the scheme's reach, as of 20 April 2024, there are nearly 596 million enrolls, with Assam contributing about 3% of this total (approximately 17.9 million enrolls). The state of Uttar Pradesh has issued the highest number of Ayushman cards in the country (Hindustan Times), as can be seen from the chart below. Of which 49% of the enrolls belong to women.
- The total number of empanelled hospitals under PM-JAY includes 74,636 private facilities and 180,957 government facilities, as per the National Health Authority of India. Ayushman Cards: As of March 2025, more than 36.9 crore Ayushman cards have been created under the scheme. Hospital Admissions: Approximately 8.39 crore hospital admissions worth over ₹1.16 lakh crore have been authorized under AB PM-JAY.
- Out-of-Pocket Expenditure (OOPE): Between FY 2015 and FY 2022, Government Health Expenditure (GHE) increased from 29.0% to 48.0%, while OOPE declined from 62.6% to 39.4%, with recorded savings over ₹1.25 lakh crore.
- Expanded Eligibility: In March 2024, the eligibility criteria were expanded to include 37 lakh ASHAs, Anganwadi Workers, Anganwadi Helpers and their families.
- Senior Citizens: On October 29, 2024, AB PM-JAY was expanded to provide free treatment benefits of up to ₹5 lakh per year to almost 6 crore senior citizens aged 70 years and above, irrespective of their socio-economic status.
- Despite the ambitious goals and wide reach of the Ayushman Bharat scheme, it faces several significant challenges that hinder its effective implementation across India. One of the foremost issues is the **uneven distribution of healthcare infrastructure**, particularly in rural and remote areas where the availability of empanelled hospitals and specialists remains limited. This geographical disparity restricts access to quality care for the most vulnerable populations, defeating the scheme's inclusive intent. **Awareness among beneficiaries** is another major hurdle; many eligible households are either unaware of their entitlement under the scheme or lack understanding of the procedures involved in availing the benefits, leading to underutilization. **Shortage of healthcare personnel** and overburdened public health institutions further strain the delivery of services, often resulting in poor patient experiences. Additionally, **private hospitals in several states are reluctant to join the scheme** due to perceived low reimbursement rates and delays in payment processing, limiting options for patients. The scheme has also been criticized for its **focus on tertiary care rather than preventive or primary care**, which could have more sustainable long-term health outcomes. **Fraudulent claims and misuse** by some empanelled hospitals, involving unnecessary procedures or inflated billing, pose another serious concern that undermines trust and drains public resources. **Data privacy and digital infrastructure** challenges also emerge as the scheme increasingly relies on digital systems for patient identification, records, and claims. Moreover, the **lack of uniform implementation across states** due to differences in administrative capacities and political will adds complexity to achieving national health equity. Collectively, these challenges underscore the need for stronger governance, regulatory oversight, infrastructure investment, and community engagement to realize the full potential of Ayushman Bharat in delivering universal health coverage.

CHART 1: State/UT-wise details of Ayushman cards created under AB-PMJAY (As of 02 August 2024):

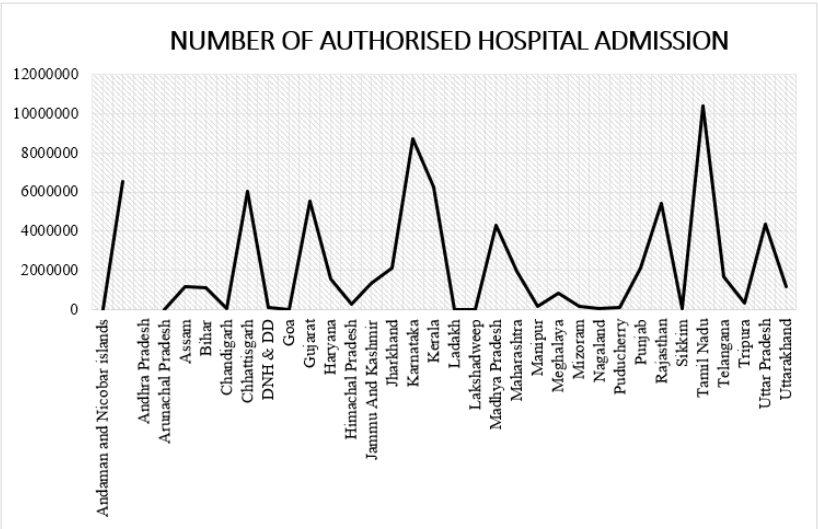


Source: Ministry of Health and Family Welfare

Based on the provided Pareto chart, Uttar Pradesh has the highest number of Ayushman cards created, followed by Madhya Pradesh, Bihar, Maharashtra, and Gujarat. These states dominate the contribution, as seen from their large blue bars. The red line shows the cumulative percentage. Just a few states have created a significant portion of Ayushman cards. For instance, the first 5 states (from Uttar Pradesh to Gujarat) likely account for more than 70% of the total Ayushman cards. Smaller states and union territories like Lakshadweep, Andaman and Nicobar Islands, and Dadra and Nagar Haveli have a minimal contribution to the total cards created, as shown by their small blue bars. The chart emphasizes the need to focus efforts in states with lower contributions to ensure equitable distribution of Ayushman cards nationwide. Conversely, high-performing states can serve as models for replicating success in other regions. The chart can guide policymakers to prioritize outreach programs and improve penetration in underperforming states or union territories.

CHART NUMBER 2:

State/UT-wise details of the number of authorized hospital admissions under AB-PMJAY (As of 02 August 2024):

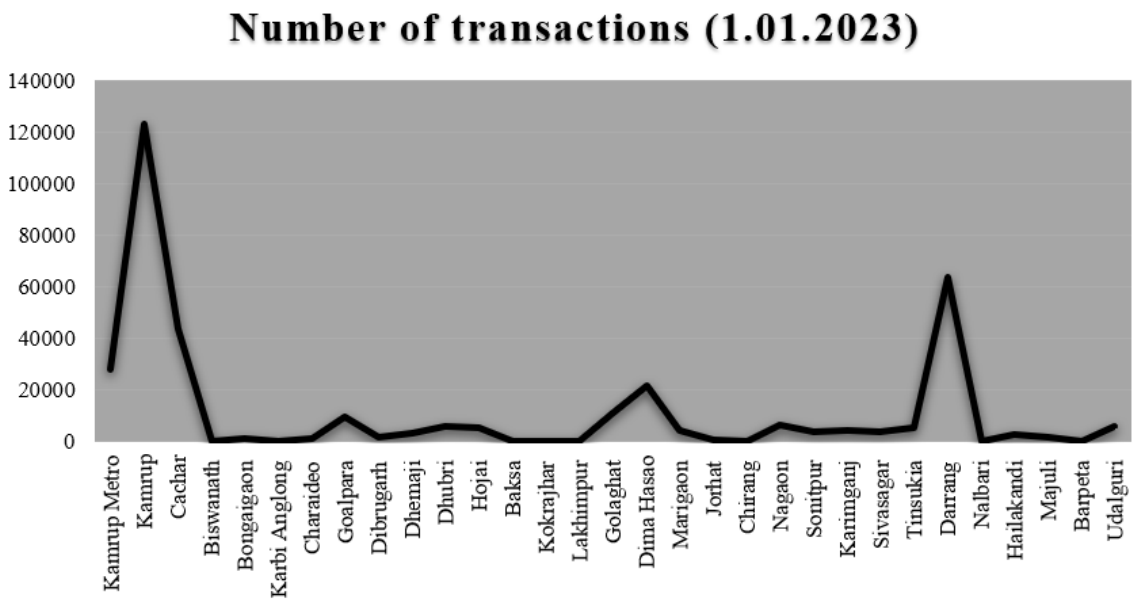


Source: Ministry of Health and Family Welfare

The graph displays the number of authorized hospital admissions for various states and union territories under the Ayushman Bharat, Pradhan Mantri Jan Arogya Yojana (PMJAY). States like Uttar Pradesh and Tamil Nadu show significantly higher numbers of hospital admissions compared to others, as indicated by the peaks in the graph. These states are likely contributing a large portion of the total authorized admissions under the scheme. States such as Madhya Pradesh, Gujarat, and Rajasthan exhibit moderate levels of hospital admissions. They play an essential role in the overall scheme, but their performance does not match the leading states. The Smaller states or union territories such as Andaman and Nicobar Islands, Lakshadweep, Chandigarh, and Nagaland have very low numbers of hospital admissions. This could indicate limited scheme utilization, possibly due to smaller populations, fewer empaneled hospitals, or awareness challenges. The disparity in admissions suggests that larger and more populous states are effectively utilizing the scheme, while smaller or less populous regions may require targeted interventions to improve access and utilization. The Peaks in certain states could reflect better awareness, hospital empanelment, or healthcare infrastructure under PMJAY. The policymakers should focus on underperforming regions to address challenges such as lack of awareness, insufficient empanelment of hospitals, or logistical barriers. Investigate why states like Uttar Pradesh and Tamil Nadu perform so well and replicate their best practices in other states.

CHART NUMBER 3:

DHIS hospital transactions under the Ayushman Bharat scheme in Assam-



Source: National Health Authority of India

The graph presents the number of hospital transactions recorded under the Ayushman Bharat scheme through the DHIS (Digital Health Information System) platform across different districts of Assam on **January 1, 2023**. A critical observation of the data reveals a highly uneven distribution of transactions among districts, indicating potential disparities in healthcare service utilization and scheme implementation across the state. **Kamrup district** registers the highest number of transactions, significantly surpassing all other districts, followed by **Kamrup Metro**, which also shows a high volume but noticeably lower than Kamrup. This could be attributed to higher population density, better healthcare infrastructure, greater awareness of the scheme, or more empanelled hospitals in these regions. Another significant peak is observed in **Darrang district**, which also records a relatively large number of transactions compared to the rest of the state, potentially highlighting effective scheme outreach or recent enhancements in public health delivery in that area.

Conversely, the majority of the remaining districts show **very low to negligible transaction volumes**, with some barely registering activity. Districts like **Biswanath, Bongaigaon, Karbi Anglong, and others** show almost flat lines near the zero level, indicating underutilization or possible barriers to access such as lack of hospital empanelment, poor digital infrastructure, low beneficiary awareness, or logistical challenges in these regions. Notably, many districts such as **Karbi Anglong, Dima Hasao, and Hailakandi**, which often face infrastructural or geographic challenges, appear to

have minimal engagement with the scheme on this particular date. The sharp contrasts in transaction numbers suggest a **centralized usage pattern**, where only a few districts contribute to the bulk of Ayushman Bharat hospital transactions, reflecting a **need for more equitable implementation** of the scheme across Assam. To enhance the scheme's effectiveness and achieve its goal of universal health coverage, policymakers must address the regional disparities, focusing on improving accessibility, awareness, and infrastructure in underperforming districts.

4. SRESULTS AND DISCUSSION

The results of the study are highlighted in some broad headings below-

1) **Monthly HealthCare Expenditure**: The study revealed insights into the average monthly healthcare expenditures among households in two distinct regions of Assam. Households in Kamrup Metro, which encompasses the predominantly urban area including Guwahati, the capital city of Assam, reported an average healthcare cost of approximately Rs. 6,000 per month. In contrast, households in the Kamrup district, which is primarily rural, incurred an average monthly healthcare expenditure of about Rs. 5,200. These findings illustrate the typical financial burdens faced by urban and rural households under the Ayushman Bharat Scheme, highlighting the economic impact of healthcare costs in different regional settings.

Table Number 1: Average Monthly Healthcare Expenditure of the Households:

Serial No.	District	Average Healthcare expenditure (in Rs.)
1.	Kamrup Metro	6,000
2.	Kamrup	5,200

Source: Field survey

2) **Average Hospitalization Costs:** Among the households of the study area, 76% of the households have incurred Hospitalization expenses in the district of Kamrup Metro. While in Kamrup District it was 68% of the households have crossed it. Further analysis of the collected data highlighted the average hospitalization costs encountered by households within the study's scope. In the Kamrup district, the average cost of hospitalization per incident was found to be Rs. 1,10,000. Meanwhile, in the urban setting of Kamrup Metro, the average hospitalization cost was observed at Rs. 1,42,500 per incident. These figures underscore the significant financial implications of hospital stays for families within these districts, as part of their healthcare-related expenditures under the Ayushman Bharat Scheme.

Table Number 2: Average Monthly Healthcare Expenditure of the Households:

Serial No.	District	The proportion of Households facing Hospitalisation Expenditure (%)	Average Hospitalisation expenditure (in Rs.)
1.	Kamrup Metro	76	1,42,500
2.	Kamrup	68	1,10,000

Source: Field survey

3) **Challenges faced in financing Healthcare costs through PM-JAY**: The study also identified several challenges faced by households in accessing healthcare services under the Ayushman Bharat Scheme. In **Kamrup Metro district,** a significant number of households (59%) reported difficulties interacting with the Ayushman Bharat staff at hospitals. Additionally, 38% of respondents indicated that the process was hampered by extensive paperwork and delays in processing, while 3% mentioned receiving suboptimal care from private hospitals, which they perceived as beneficiaries of the scheme, the hospitals would not receive direct payments from them, potentially influencing the quality of care provided.

In **Kamrup district**, the primary issues reported were different but equally impactful. A notable 48% of households faced barriers due to long waiting queues, which they felt denied them timely access to scheme benefits. The

long queues that often extended from early morning to afternoon were especially challenging. This prolonged waiting, coupled with the seriousness of some patients' conditions, forced many to leave and seek immediate care elsewhere, thus bypassing the benefits of the scheme. Paperwork was also a significant hurdle for 34% of the respondents, adding to the complexity of availing services. Moreover, 18% of the households felt denied benefits by the scheme officials.

These findings highlight the operational challenges in implementing the Ayushman Bharat Scheme across different regional settings. They emphasize the need for streamlined processes and enhanced staff training and oversight to improve user experience and scheme accessibility.

5. CONCLUSION

This study has illuminated several critical aspects of the Ayushman Bharat Scheme's impact on households in the Kamrup and Kamrup Metro districts. Our findings reveal that, while the scheme provides essential healthcare coverage, there are significant disparities in healthcare costs and challenges faced by beneficiaries in both urban and rural settings. In Kamrup Metro, difficulties in interacting with scheme staff and bureaucratic hurdles such as paperwork and processing delays predominate. Conversely, in Kamrup, logistical barriers such as long queues and administrative denials pose the most significant challenges to accessing benefits.

These challenges underscore the necessity for ongoing improvements in the scheme's implementation. Enhanced training for hospital staff involved in the scheme, streamlined paperwork processes, and improved communication channels between beneficiaries and providers could mitigate many of the issues currently faced by households. Additionally, a closer collaboration between the government and private sector hospitals is essential. Such partnerships could lead to more standardized and efficient service delivery, ensuring that the care provided under the scheme is both high quality and financially sustainable.

Addressing these barriers can lead to more equitable access to healthcare, ensuring that the scheme fulfils its promise of reducing the financial burden of healthcare for India's underprivileged populations. As PM-JAY continues to evolve, policymakers must consider these findings to refine and adapt the program, ensuring that it more effectively meets the needs of its beneficiaries.

6. RECOMMENDATIONS FROM THE STUDY

The study has the following recommendations:

- Strengthening the infrastructure of targeted health sub-centres and primary health centres and also increasing more empanelled hospitals for better reach which can be done by involving more private healthcare providers.
- There should be some provisions after discharge which can ensure post-discharge medical expenses.
- Though the number of beneficiaries enrolment is increasing in India and Assam, but still lagging in the implementation part the process involved in getting the benefits of the scheme at the empanelled hospitals should be made simple so that the patients can easily grasp the benefits of it.

CONFLICT OF INTERESTS

None.

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