# <https://www.nytimes.com/2018/02/01/business/india-modi-health-care.html?rref=collection%2Fsectioncollection%2Fhealth>

# India Wants to Give Half a Billion People Free Health Care

NEW DELHI — India announced on Thursday a sweeping plan to give half a billion poor Indians free access to health care, as Prime Minister Narendra Modi seeks to address rising demands for greater economic and social protections before national elections next year.

The move is sure to be popular in a country where most people have no health insurance and the per capita income is a few dollars a day. Although India’s overall economy is growing, Mr. Modi and his governing Bharatiya Janata Party have been trying to find ways to court the population left behind.

“In poor people’s lives, one big worry is how to treat illness,” Mr. Modi [tweeted in Hindi](https://twitter.com/PMOIndia/status/958976599038164992) after the plan was announced. The new program, he said, “will free poor people from this big worry.”

The health care plan, part of the government’s 2018-19 budget presented on Thursday, would offer 100 million families up to 500,000 rupees, or about $7,860, of coverage each year. That sum, while small by Western standards, would be enough to cover the equivalent of five heart surgeries in India. Officials did not outline eligibility requirements, and many details of the program have yet to be finalized.

India’s finance minister, Arun Jaitley, said in a speech to Parliament that the plan would cover more people than any other government-funded health care program in the world. In addition to the direct health benefits, he said, the program would create hundreds of thousands of jobs.

India’s government spent just 1.4 percent of the country’s gross domestic product on health care in 2014, little changed as a proportion of the economy in 20 years, [according to the World Bank](https://data.worldbank.org/indicator/SH.XPD.PUBL.ZS). China, by contrast, spent 3.1 percent of its G.D.P. on health care in 2014; the United States spent 8.3 percent in the same year.

If passed by the Indian Parliament and properly funded, the new program would be a vast expansion of health coverage, allowing people to visit the country’s many private hospitals for needs as varied as cancer treatment and knee replacements. Although government-run hospitals are theoretically free for everyone, the [waits are long, quality is poor and corruption is endemic](https://www.nytimes.com/2017/08/17/world/asia/the-night-the-oxygen-ran-out-in-an-indian-hospital.html).

“This is huge. It’s the biggest step the government has taken in 20 years in health care,” said Dr. Ajay Bakshi, the former chief executive of Manipal Hospitals, a chain of 16 private hospitals based in the southern city of Bangalore.

The average Indian’s life expectancy is about 68 years, significantly lower than other large developing countries like China or Brazil. In large part, that’s because of poor health care.

“The biggest disease burden sits on the bottom 500 million people. They don’t have access to diagnosis. If they get diagnosed, they don’t have a way to get treatment,” Dr. Bakshi said.

Some public health experts noted that the government’s proposals do little to prevent poor health in the first place. India is plagued by increasing levels of [water](https://www.wsj.com/articles/the-worlds-next-environmental-disaster-1508511743) and [air pollution](https://www.nytimes.com/2017/11/08/world/asia/india-air-pollution.html), some of it [worsened by the current government’s pro-business policies](https://www.nytimes.com/2017/12/08/world/asia/india-pollution-modi.html). Malnutrition, poor sanitation and lack of proper housing also remain major problems.

“What are the poor people dying from? Diarrhea, pneumonia, under-nutrition, malaria, tuberculosis,” said Rama Baru, a professor at the Center of Social Medicine and Community Health at the Jawaharlal Nehru University in New Delhi. “Prevention and curative services need to go together.”

The government offered no details on how it would pay for the health care program. The Finance Ministry said it had allocated $314 million for the proposal, but the program could easily cost billions of dollars per year.

A prior plan announced by the Modi government in 2016 to provide 100,000 rupees of health coverage per family was never funded. But Dr. Bakshi said funding was more likely this time because the economy is stronger — and, more important, elections are looming.

“They will make sure this will be implemented,” he said. “Indian voters have favored governments that have given them wide-scale health coverage.”

As part of the budget proposal, Mr. Jaitley said the government would levy a surtax that would raise about $1.7 billion a year specifically for health care programs.

The government is also proposing a new tax on capital gains to capture some of the wealth being created as India’s stock market rises to new highs.

Investors in Indian medical stocks clearly expected a windfall from the insurance program: Shares rose in Thursday’s trading.