NEXT IAS

DAILY EDITORIAL ANALYSIS

TOPIC

THE MEDICAL POVERTY TRAP IS REAL

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Context

- The National Sample Survey (NSS) 80th Round, covering January–December 2025, raises questions about the accessibility and affordability of medical services in India.

What Is the Medical Poverty Trap?

- The medical poverty trap occurs when **high healthcare expenses push a household into poverty,** while its reduced income and savings make it difficult to access timely and quality medical treatment.
- It creates a **vicious cycle** in which **illness leads to financial hardship**, and financial hardship further limits access to healthcare.
- The medical poverty trap also undermines economic development by **reducing human capital and workforce productivity.**
    - A 2025 study estimated that adolescent deaths and illnesses alone caused US$38 billion in lost economic output, equivalent to **1.3% of India's GDP in 2021.**

Key Findings of the NSS 80th Round

- **Rising reported morbidity:** The proportion of people reporting an ailment in the preceding 15 days increased from 6.8% to 12.2% in rural India and from 9.1% to 14.9% in urban India between the 75th and 80th rounds.
- **High dependence on private healthcare:** Private providers treated 65.4% of non-hospitalised ailments in rural India and 74.8% in urban India.
- **Large difference in treatment costs:** Average out-of-pocket expenditure for non-hospitalised ailments was ₹304 at rural government facilities and ₹1,541 at rural private facilities.
- **High hospitalisation costs:** Average out-of-pocket expenditure per hospitalisation, excluding childbirth, was ₹31,484 in rural India and ₹38,688 in urban India.

Why Does the Medical Poverty Trap Persist?

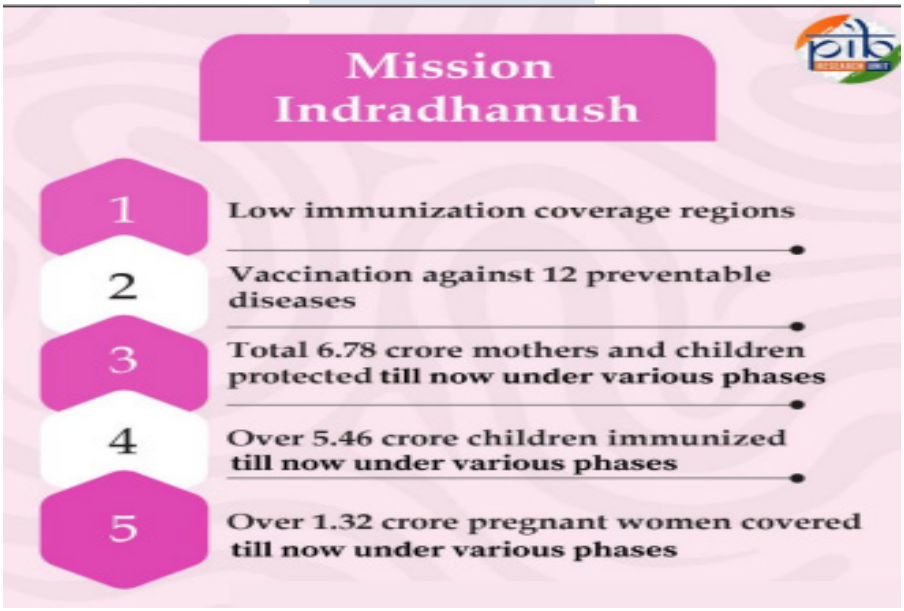
- **Limited capacity of public healthcare facilities:** Shortages of doctors, nurses, medicines, diagnostic services and hospital beds force patients to seek treatment from private providers.
- **Uneven access to quality healthcare:** Rural areas and economically weaker states face greater difficulties in accessing reliable and affordable medical services.
- **High out-of-pocket expenditure (OOPE):** Patients pay directly for consultations, medicines, diagnostic tests and hospitalisation, which exhaust household savings.
- **Limitations of health insurance:** Insurance coverage does not automatically ensure that an empanelled hospital is nearby, treatment is available on time or all required expenses are covered.
- **Delayed treatment and worsening illness:** Poor households postpone medical care because of its cost, allowing relatively manageable conditions to become more serious and expensive.
- **Loss of income and livelihood:** Illness prevents patients or family carers from working, reducing household earnings precisely when medical expenses increase.

Initiatives Taken by Government

- **Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PM-JAY):** It provides a health cover of **₹5 lakh per family per year for secondary and tertiary care** hospitalization.

- **All Indians aged 70 and above** are eligible for health coverage regardless of their income or socio-economic status.
- **Ayushman Arogya Mandirs (AAM)**, the second pillar of Ayushman Bharat, make primary healthcare more accessible to people.

- **Affordable Medicines and Diagnostics:**
  - **The Pradhan Mantri Bhartiya Janaushadhi Pariyojana** ensures availability of low-cost generic medicines.
  - **AMRIT pharmacies** provide essential drugs and medical implants at discounted prices.
- **Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA):** Launched in **2016,** PMSMA provides pregnant women a fixed day, free of cost, assured and quality Antenatal Care on the **9th day** of every month.
- **The Swasth Bharat Portal** is a one-stop integrated platform designed to bring multiple national health programmes onto a single digital interface.
- **eSanjeevani** enables remote consultation and improves access to specialists, especially in rural areas.
- **Prevention and Treatment of Non-Communicable Diseases:** Non-communicable diseases (NCDs) — heart disease, diabetes, cancer, stroke — account for 60% of all deaths in India.
  - To address this, the National Programme for Prevention and Control of NCDs (NP-NCD) has been strengthening infrastructure for early detection, diagnosis, and treatment.
- **Disease Control and Targeted Programmes:**
  - **The National TB Elimination Programme** has improved detection, treatment coverage, and reduced TB incidence.
  - **National Sickle Cell Anaemia Elimination Mission** focuses on screening and eliminating sickle cell disease by 2047.
  - **Pradhan Mantri National Dialysis Programme** provides free dialysis services, reducing out-of-pocket expenditure.



Way Ahead

- **Address regional inequalities:** Direct healthcare resources to rural areas and states that lack access to public services or have a high strain on existing facilities.
- **Measure outcomes, not merely infrastructure:** The measure of healthcare performance needs to consider waiting times, availability of medicines, quality of treatment, patient outcomes and the financial burden on households.

- **Improve operation of existing facilities:** The priority must be to make sure there are enough staff, vital medicines, diagnostic services, equipment and dependable opening hours.

Concluding Remarks

- Universal health coverage must go beyond insurance to ensure that everyone receives timely, affordable and excellent health care.
- There is a need to strengthen public health systems and reduce out-of-pocket expenditure so that illness does not push households into poverty.

Daily Mains Practice Question

[Q] Out-of-pocket expenditure on healthcare remains a major cause of poverty and financial insecurity in India. Discuss the reasons and suggest suitable measures to reduce it.

Source: BS

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