Standing Committee Report Summary

Affordability and Accessibility of Healthcare in India

- The Standing Committee on Health and Family Welfare (Chair: Prof. Ram Gopal Yadav) presented its report on 'Affordability and Accessibility of Healthcare Facilities in Public and Private Sector' on August 7, 2026. The Committee examined the adequacy, efficiency, and inclusiveness of India's healthcare system. Key observations and recommendations include:
- **Insufficient budgetary allocation:** The Committee noted that government health expenditure of 1.4% of GDP is inadequate to provide universal financial protection. This is significantly lower than the 2.5% target set by the National Health Policy, 2017. It recommended a time-bound roadmap to raise health funding to achieve 2.5% of GDP, followed by a target of 5% over the next five years.
- **Expansion of health insurance scheme coverage:** The Committee noted that 30% of the demographic remains devoid of structured financial health protection. It recommended introducing voluntary contributory insurance model for them. It further noted that existing health insurance schemes do not adequately cover outpatient consultations, diagnostic tests, and medicines. It noted that outpatient costs are estimated to be five times higher in private facilities than in public facilities. The Committee recommended expanding the coverage of Ayushman Bharat- Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) to include outpatient consultations, diagnostic tests, and medicines. This scheme provides cashless health insurance coverage of up to five lakh rupees per family per year. It further recommended increasing the annual family coverage limit under the scheme to Rs 10 lakh.
- The Committee further noted that pharmaceutical expenditure accounts for nearly 30% of India's current health expenditure. The Committee recommended establishing Jan Aushadhi Kendras within all district hospitals, community health centres (CHCs), and private hospitals under government health schemes. The Kendras are government run pharmacies selling generic medicines at lower prices than the branded equivalent. It also recommended enforcing price controls on life-saving and over-the-counter drugs in the open market.
- **Public health infrastructure:** The Committee noted that while primary care receives 51% of health allocations, secondary and tertiary care receive only 28% and 11%, respectively. It observed that this can push patients towards expensive private healthcare facilities. It further noted that there are only 0.79 public sector beds per 1,000 population. It recommended: (i) expanding public sector capital investment in CHCs, District Hospitals, and state medical colleges, (ii) establishing a dedicated Healthcare Capital Expenditure Fund to strengthen public health infrastructure, particularly in rural areas.
- **Regulation of private sector:** The Committee noted that private hospitalisation costs are significantly higher than public costs. It noted instances of over commercialisation, excessive billing, and unwarranted medical interventions in private healthcare. The Committee recommended formulating a legally binding framework to standardise rates across all private hospitals for: (i) common medical procedures, (ii) essential treatments, and (iii) diagnostic tests. It also recommended mandating uniform adoption of the Clinical Establishments Act, 2010 nationwide. The Act provides for registration and regulation of clinical establishments and prescribes minimum standards for their functioning.
- **Lack of medical professionals in rural areas:** The Committee noted a 80% shortfall of specialist physicians in rural CHCs, despite a 151% increase in MBBS seats over the last decade. It observed that many MBBS graduates remain concentrated in urban areas or are unemployed. The Committee recommended implementing a geographically responsive deployment policy to ensure equitable distribution of healthcare providers. It also recommended establishing dedicated Health Recruitment Boards at a state level for this purpose.
- **Neonatal and senior citizen care:** The Committee noted gaps in neonatal and senior citizen care. It recommended: (i) the central government to frame national policies for senior citizen care, (ii) extending AB-PMJAY to all children below five years, (iii) requiring local governments to allocate a fixed percentage of budgetary allocation to senior citizen care. It also recommended specialised paediatric and senior citizen care units in all district hospitals and Ayushman Arogya Mandirs.

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