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## **State-Owned Banks, Reinvent Yourself**

### **ET Editorials**

Banking frauds have reportedly cost nationalised banks as much as Rs. 25,775 crore, in the last fiscal alone. It is also a fact that public sector banks (PSB) have a much higher share of non-performing loans than their private sector counterparts. Turnaround would call for not just overhaul of oversight and managerial systems, but also path-breaking innovation to cope with new headwinds facing banks. There are other challenges. Savers are deserting banks to increasingly prefer mutual funds. Larger corporates are now required to gainfully tap the bond market, even as nimble fintech firms leverage technology to provide better access to standard banking products like loans, at fine rates.

Traditional banks, especially PSBs, need to proactively innovate to stay relevant. The way forward is to boost fee-based income and services and phase out excessive reliance on interest income. In tandem, there's the pressing need to better leverage data to upend shrinking customer base. The projection is that 50 million small and medium enterprises (SME), which now mostly rely on informal sources of funding, are slated to seek bank funding, by 2020. But such SMEs may not have the ready collateral requirements that banks have traditionally insisted upon for creditworthiness. Hence the need for PSBs to gainfully leverage unstructured data such as prior transaction details and data from the goods and services tax platform to better gauge credit risks, and skirt around constraints like lack of bankability in SMEs segment.

PSBs need to make bold moves and initiate major transformations in operations and oversight to build world-beating businesses and scale up, going forward. They need operational autonomy, and that is constrained by ownership structure.

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**THE HINDU**

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## **A health scheme that should not fail**

**The implementation of Ayushman Bharat requires a strong reform agenda**

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The launch of Ayushman Bharat, a national health protection scheme (NHPS), in the last stretch of this government's tenure comes as no surprise. Social policies in the areas of education, health and the welfare of the disadvantaged or farmers almost always get announced before elections. No political party is an exception to this rule since such 'feel good' welfare policies are useful in conferring a sense of legitimacy and caring on the government seeking another term.

Despite these political motivations, those working in these neglected sectors welcome such policy announcements as the crisis is acute in these sectors.

Health policies have two objectives: to enhance the health of the population and reduce the financial risk for those accessing treatment. Success in the first is measured by a reduction in the disease burden and subsequent increase in people's longevity. Reduced spending or getting impoverished when seeking health-care measures the second. Since the health scheme seeks to address both these critical health goals, it is an important step forward.

The scheme has two components: upgrading the 150,000 sub-centres (for a 5,000 population level) into wellness clinics that provide 12 sets of services; and providing health security to 40% of India's population requiring hospitalisation for up to a sum assured of ₹5 lakh per year per family. If implemented as integral components of a strategy to improve the abysmal status of India's health-care system, these initiatives can help achieve the goals of equity, efficiency and quality.

### **Key issues**

An evidence-based strategy will need to address and resolve several key issues affecting the sector. The first is the massive shortages in the supply of services (human resources, hospitals and diagnostic centres in the private/public sector), made worse by grossly inequitable availability between and within States. For example, even a well-placed State such as Tamil Nadu has an over 30% shortage of medical and non-medical professionals in government facilities.

A related question that arises is that while the NHPS will empower patients with a ₹5 lakh voucher, where do they encash this? The health budget has neither increased nor is there any policy to strengthen the public/private sector in deficit areas. While the NHPS provides portability, one must not forget that it will take time for hospitals to be established in deficit areas. This in turn could cause patients to gravitate toward the southern States that have a comparatively better health infrastructure than the rest of India.

The issue is about the capacity of this infrastructure to take on the additional load of such insured patients from other States, growing medical tourism (foreign tourists/patients) as a policy being promoted by the government, and also domestic patients, both insured and uninsured. It is still unclear whether the implications of the national policy on the fragile health systems of States have been fully comprehended and how they propose to address them.

### **The price factor**

Second, the strategy for negotiating/containing prices being charged for services needs to be spelt out. An experience in Hyderabad is instructive. A three-day stay in a hospital for a respiratory problem cost me ₹1.8 lakh. In order to understand the extent of overbilling, I checked 'Rajiv Aarogyasri', the health

insurance programme in Andhra Pradesh. The rates here were not only incomparable but also did not reflect market prices of common procedures or treatment protocols to be followed by hospitals. So a CT scan that costs ₹19,080 in the Hyderabad hospital (it is the same rate across the city) was only ₹500 in government hospitals in Tamil Nadu (₹7,000 in private hospitals in Tamil Nadu and Delhi).

The Aarogyasri scheme has only package rates, a procedure that all States have since followed as a model. Package rates are not a substitute for arriving at actuarial rating. In the absence of market intelligence, arbitrary pricing and unethical methods cannot be ruled out.

More importantly, there is no way the government or the payer has an idea of the shifts in the price of components within the package. This knowledge is essential to regulate/negotiate prices to contain costs. This also explains why there is no dent in the exorbitant health expenditures being faced in India despite government-sponsored schemes.

Finally, the absence of primary care. The wellness clinic component is a step towards bridging that lacuna, but with no funding, the commitment is hollow.

A pilot done in Tamil Nadu showed that within six months of upgrading primary health-care facilities (human resources, drugs and diagnostics), there was a rise in footfall, from 1% to 17%. At the same time, it requires a minimum outlay of ₹1,500-₹2,000 crore to bridge the deficiencies. In the northern States there are hardly any sub-centres and primary health centres are practically non-existent. It is estimated that ₹30,000 crore will have to be spent if this three-tier primary health-care system is to be brought to minimal health standards. The sum would rise further if there are to be mid-level providers (as in wellness clinics).

In an environment of scarce resources, prioritisation of critical initiatives is vital to realising health goals. The implementation of Ayushman Bharat will have to be contextualised and synchronised with a reform agenda that must include improved governance and an enforcement of regulations.



गरमी वैसे ही बहुत है। भीषण गरमियां तो पहले भी आती रही हैं, लेकिन फर्क यह आया है कि अब भीषण गरमी हमें परेशान ही नहीं करती, डराती भी है। धरती पर जैसे-जैसे कार्बन डाईऑक्साइड की मात्रा बढ़ रही है, इसका औसत तापमान भी बढ़ रहा है और साथ ही यह आशंका भी बन रही है कि हर अगली गरमी पिछली से ज्यादा सताएगी। हो सकता है कि ऐसा न हो और प्रकृति खुद ही हमें इससे बचाने का कोई रास्ता निकाले। लेकिन फिलहाल तो ग्लोबल वार्मिंग को ही सबने अपना भविष्य मानना शुरू कर दिया है। खासकर वैज्ञानिकों ने। यह माना जा रहा है कि

अगर ग्लोबल वार्मिंग होती है, तो जल संकट बढ़ेगा, बीमारियां बढ़ेंगी, दुनिया के कई देश पानी में डूब जाएंगे और फसलों का उत्पादन कम हो जाएगा, वगैरह। लेकिन अब एक नया शोध हमें बता रहा है कि यदि कार्बन डाईऑक्साइड इसी तरह बढ़ती रही, तो जिन खाद्य पदार्थों से हमारा जीवन चलता है, उनमें पाए जाने वाले पोषक तत्व कम हो जाएंगे। यानी ये खाद्य पदार्थ सदियों से हमें जैसा पोषण देते रहे हैं, वैसा अब शायद हमें नहीं मिलेगा। उनका स्वाद बदलने का खतरा भी मंडरा रहा है।

अमेरिकी कृषि विभाग के एक वैज्ञानिक लुईस एस जिस्का ने चावल पर किए गए अपने शोध में पाया है कि यह बदलाव होने भी लगा है। उन्होंने पता लगाया है कि वातावरण में बढ़ती कार्बन डाईऑक्साइड की वजह से चावल के दानों की रासायनिक संरचना बदलने लग पड़ी है। इसके लिए उन्होंने चीन और जापान के उन हिस्सों में चावल की फसल पर शोध किया, जहां कार्बन डाईऑक्साइड का स्तर बाकी जगहों के मुकाबले काफी ज्यादा है। ऐसी जगहों को यह मानकर चुना गया कि जिस तरह से यह समस्या पूरी दुनिया में बढ़ रही है, एक दिन बाकी जगहों का हाल भी तकरीबन ऐसा ही होगा। वैज्ञानिकों की टीम ने इन इलाकों में होने वाली धान की 18 किस्मों का विस्तार से अध्ययन किया और पाया कि इन किस्मों में प्रोटीन ही नहीं, बल्कि आयरन और जिंक जैसे तत्व भी कम हो गए हैं। इतना ही नहीं, उनमें पाए जाने वाले बी1, बी2, बी5 और बी9 विटामिनों की मात्रा में भी खासी कमी आई है। लेकिन एक दिलचस्प बात यह भी थी कि इन सबमें विटामिन ई की मात्रा बढ़ गई है। धान पर किया गया यह शोध इसलिए महत्वपूर्ण है कि दुनिया की दो अरब आबादी का मुख्य भोजन चावल ही है। यानी बदलाव हुआ, तो इसका असर बहुत बड़े पैमाने पर पड़ेगा। हो सकता है कि कुछ ऐसे जैव-रसायन भी कम हो जाएं, जो हमें अभी तक तरह-तरह की बीमारियों से बचाते रहे हैं। चावल के अलावा हमारी बाकी फसलों पर इसका क्या असर होगा, यह अभी ठीक से नहीं पता, लेकिन खाद्य संबंधी हमारी परेशानियों का दायरा बड़ा होने वाला है।

खाद्य सुरक्षा पर ग्लोबल वार्मिंग के पड़ने वाले असर को मापने के लिए किया गया यह शोध हमें एक और बात बताता है कि फसलें बदलते मौसम के हिसाब से अपने आप को ढालने की कोशिश कर रही हैं। जाहिर है कि अगर पेड़-पौधे खुद को बदल रहे हैं, तो हमें भी अपने आप को बदलना होगा। हमारी पूरी सभ्यता बदलती स्थितियों के हिसाब से अपने आप को ढालने की प्रक्रिया में ही विकसित हुई है। इसलिए बेहतर यही होगा कि इसे बड़े खतरे या गहरी आशंका की बजाय मानव सभ्यता की एक चुनौती के रूप में देखा जाए।