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DAILY CURRENT AFFAIRS DATED 02.05.2026

GS Paper II: Current Affairs

1. Public Healthcare Capacity and Universal Health Coverage in India

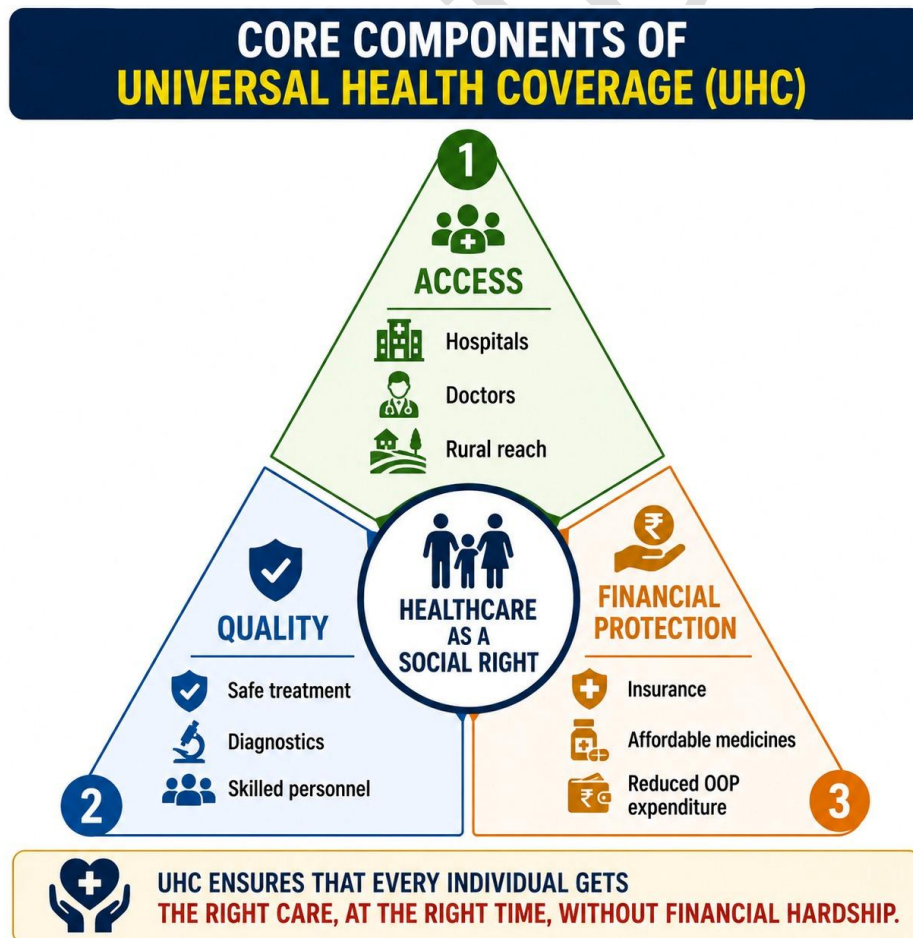
a. Introduction

A healthcare system can be considered effective only when every individual is able to access timely, affordable, and quality medical treatment without suffering financial hardship. Healthcare is therefore not limited merely to hospital treatment or insurance coverage. It also includes availability of doctors, medicines, diagnostics, emergency care, preventive healthcare, and accessible public institutions.

India has significantly expanded health insurance through schemes such as Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PM-JAY) and various state-level programmes. These schemes have improved financial support for hospitalisation among vulnerable populations. However, an important lesson has increasingly become evident: insurance alone cannot create universal healthcare.

For genuine healthcare access, a country requires strong public hospitals, adequate healthcare personnel, affordable medicines, functioning diagnostics, and sufficient treatment infrastructure. Without public healthcare capacity, insurance often remains only a formal entitlement rather than an effective guarantee of treatment.

The debate on healthcare reform in India therefore extends beyond insurance expansion and focuses increasingly on strengthening the public healthcare system itself.



b. Meaning of Universal Health Coverage

Universal Health Coverage (UHC) means that all people should be able to receive quality healthcare services without facing financial hardship.

The concept rests on three essential pillars: access, quality, and financial protection. Healthcare services must be physically and socially accessible, treatment must be safe and effective, and medical expenses should not push households into debt or poverty.

Thus, Universal Health Coverage is not simply about distributing insurance cards. It involves ensuring that people can actually obtain timely treatment whenever required.

The broader goal is to establish healthcare as a social right rather than a privilege determined by income.

Core Components of Universal Health Coverage

- **Access to Healthcare Services:** Healthcare facilities, doctors, medicines, and diagnostics must be available across both urban and rural areas.
- **Quality of Treatment:** Healthcare should be safe, effective, scientifically reliable, and delivered through trained personnel.
- **Financial Protection:** Medical expenditure should not force households into debt, asset loss, or poverty.
- **Equity and Inclusion:** Healthcare access should remain independent of income, caste, gender, geography, or social background.

The pursuit of Universal Health Coverage in India gained major momentum through the expansion of government-funded health insurance schemes.

c. PM-JAY and Expansion of Health Insurance

Pradhan Mantri Jan Arogya Yojana, launched under Ayushman Bharat, is India's largest government-funded health insurance programme. It provides annual insurance coverage of five lakh rupees per family for secondary and tertiary hospitalisation.

The scheme mainly covers serious illnesses, surgeries, specialised procedures, and hospital admissions. Over time, PM-JAY, along with state insurance schemes and expanded government financing, has increased insurance coverage among both rural and urban households.

This expansion represents an important step toward financial protection. However, the crucial question remains whether insurance expansion has translated into real healthcare access.

The answer is only partially affirmative.

Significance of PM-JAY

- **Expansion of Financial Protection:** The scheme reduces catastrophic expenditure during major illnesses and hospitalisation.
- **Inclusion of Vulnerable Populations:** Economically weaker households receive government-supported healthcare financing.
- **Increased Access to Hospital Treatment:** Insurance support has improved access to surgeries and specialised procedures.
- **Promotion of Healthcare Coverage:** The scheme represents a major attempt to move toward broader healthcare inclusion.

However, insurance coverage alone cannot guarantee treatment when healthcare infrastructure itself remains inadequate.

d. Why Insurance Alone Cannot Ensure Healthcare Access

An insurance scheme may provide financial entitlement, but it cannot independently create healthcare infrastructure. An insurance card cannot guarantee hospital beds, specialist doctors, medicines, intensive care units, operation theatres, diagnostics, or emergency treatment facilities.

For example, if a public hospital near a poor household lacks beds or specialists, the family may still be forced to seek expensive treatment in private hospitals despite possessing insurance coverage.

Therefore, healthcare access depends not only on financing mechanisms but also on actual hospital capacity.

Limitations of Insurance-Centred Healthcare

- **Lack of Healthcare Infrastructure:** Insurance cannot substitute for hospitals, doctors, and treatment facilities.
- **Unequal Availability of Services:** Many rural and underdeveloped regions lack specialist healthcare institutions.
- **Continued Dependence on Private Hospitals:** Weak public healthcare forces patients toward expensive private treatment.
- **Incomplete Coverage of Expenses:** Several medical costs remain outside insurance packages.

Thus, healthcare financing and healthcare infrastructure must develop simultaneously for Universal Health Coverage to become meaningful.

e. Understanding Hospital Capacity

Hospital capacity refers to the healthcare system's ability to provide effective treatment services. It includes the number of hospital beds, doctors, nurses, intensive care units, operation theatres, medicines, diagnostics, emergency services, and specialist treatment facilities.

Without adequate capacity, healthcare systems become overcrowded, delayed, and unequal. Insurance coverage in the absence of hospital infrastructure often leads to frustration rather than effective treatment.

Thus, healthcare financing and healthcare capacity must develop together.

Components of Hospital Capacity

- **Physical Infrastructure:** Hospitals require adequate beds, operation theatres, ICUs, laboratories, and emergency facilities.
- **Human Resources:** Doctors, nurses, technicians, and specialists are essential for quality treatment delivery.
- **Diagnostic and Medicine Availability:** Healthcare systems require affordable diagnostics and uninterrupted medicine supply.
- **Emergency and Specialist Care:** Effective healthcare depends on timely access to advanced treatment services.

The importance of hospital capacity becomes especially visible in the role played by public healthcare institutions.

f. Importance of Public Hospitals

Public hospitals are central to any system aiming for Universal Health Coverage. They provide affordable treatment, serve poor and rural populations, reduce dependence on private healthcare, and ensure equitable access during emergencies and public health crises.

Strong public hospitals also help control healthcare costs because they reduce excessive dependence on expensive private treatment.

In most countries that have achieved relatively broad healthcare access, public healthcare institutions play a foundational role.

Functions of Public Hospitals

- **Affordable Healthcare Delivery:** Government hospitals provide low-cost or free treatment for vulnerable populations.
- **Rural and Regional Access:** Public institutions often remain the primary healthcare providers in remote regions.
- **Public Health Emergency Response:** Public hospitals play a critical role during pandemics, disasters, and epidemics.
- **Reduction of Healthcare Inequality:** Strong public systems improve healthcare access irrespective of income levels.

The healthcare system in India, however, operates through a combination of both public and private institutions.

g. Public and Private Healthcare Systems

India's healthcare system consists of both public and private sectors.

The public healthcare system includes Primary Health Centres (PHCs), Community Health Centres (CHCs), district hospitals, and government medical colleges. These institutions are generally more affordable and accessible for economically weaker sections.

The private healthcare sector includes clinics, nursing homes, and corporate hospitals. Private institutions often provide faster and more specialised treatment, but they are also considerably more expensive.

While private healthcare is important for expanding medical services, excessive dependence on it creates structural inequalities in healthcare access.

i. Characteristics of Public and Private Healthcare

Public Healthcare System

- Lower treatment cost
- Wider rural outreach
- Greater focus on welfare and equity
- Essential role during public health crises

Private Healthcare System

- Faster access to specialised treatment
- Better infrastructure in many urban areas
- Higher treatment cost
- Profit-oriented operational structure

Excessive dependence on private healthcare institutions creates several economic and social concerns.

h. Problems Associated with Excessive Dependence on Private Hospitals

Private hospitals operate primarily within market-oriented and profit-based frameworks. This creates several concerns, including high treatment costs, hidden charges, overbilling, unnecessary diagnostics, and unequal access based on income.

When government insurance schemes reimburse private hospitals without strong regulation, public money may indirectly subsidise private profit-making rather than strengthening public healthcare infrastructure.

This can increase long-term fiscal burden without necessarily improving equitable healthcare access.

Major Concerns

- **High Cost of Treatment:** Private healthcare frequently imposes heavy financial burden on households.
- **Overbilling and Hidden Charges:** Patients may face additional payments beyond insurance coverage.
- **Unequal Access:** Advanced treatment often becomes accessible mainly to higher-income groups.
- **Weak Regulation:** Lack of effective oversight may encourage exploitative practices.

The burden of private healthcare becomes especially severe when households must spend directly from their own resources.

i. Meaning of Out-of-Pocket Expenditure

Out-of-Pocket expenditure refers to direct healthcare spending made by households from their own resources. This includes expenditure on medicines, diagnostics, consultation fees, surgeries, transport, food, and follow-up treatment.

High Out-of-Pocket expenditure is dangerous because it can push households into debt, reduce savings, and deepen poverty.

Healthcare thus becomes not merely a medical issue but also an issue of socio-economic vulnerability.

Consequences of High Out-of-Pocket Expenditure

- **Household Debt and Poverty:** Medical expenses may force families to borrow money or sell assets.
- **Reduced Savings and Consumption:** Long-term healthcare expenditure weakens economic security.
- **Delayed Treatment:** Families may postpone treatment due to financial constraints.
- **Increased Social Inequality:** Poor households suffer disproportionately from healthcare costs.

Even insured households frequently continue facing substantial healthcare expenditure.

j. Why Families Continue Spending Despite Insurance

Even insured households often continue paying substantial amounts for treatment.

One reason is that insurance schemes do not fully cover all healthcare-related costs. Expenses relating to medicines outside insurance packages, diagnostics, transport, accommodation, and follow-up care frequently remain outside coverage.

Secondly, some private hospitals impose additional charges beyond insurance reimbursements.

Thirdly, weak public hospital infrastructure compels patients to seek private treatment despite possessing government insurance.

Finally, chronic diseases require repeated long-term expenditure rather than one-time hospitalisation.

Thus, financial distress continues even in insured populations.

k. Rise of Non-Communicable Diseases

India is increasingly experiencing a transition from infectious diseases toward Non-Communicable Diseases (NCDs) such as diabetes, hypertension, heart disease, cancer, kidney disease, and stroke.

These diseases require continuous monitoring, regular diagnostics, long-term medicines, repeated consultations, and specialised care. Consequently, healthcare expenditure becomes sustained and recurring rather than episodic.

This places growing pressure on both households and healthcare institutions.

The rise of Non-Communicable Diseases also demonstrates why strong primary healthcare systems are essential.

Challenges Created by Non-Communicable Diseases

- **Long-Term Treatment Requirements:** NCDs require continuous management rather than one-time intervention.
- **Rising Healthcare Expenditure:** Repeated diagnostics and medicines increase financial burden.
- **Pressure on Healthcare Infrastructure:** Hospitals and specialists face increasing patient load.
- **Need for Preventive Healthcare:** Lifestyle management and early detection become critically important.

Strengthening primary healthcare systems therefore becomes essential for managing the growing NCD burden.

1. Role of Ayushman Arogya Mandirs

Ayushman Arogya Mandirs, previously known as Health and Wellness Centres, represent an important attempt to strengthen primary healthcare under Ayushman Bharat.

These centres focus on preventive and community-based healthcare, including screening for Non-Communicable Diseases, maternal and child healthcare, mental health services, free medicines, diagnostics, and preventive care.

Their importance lies in reducing the need for expensive hospitalisation through early detection and continuous monitoring of diseases.

Thus, they represent a shift from purely hospital-centred healthcare toward preventive and community-oriented healthcare systems.

Importance of Ayushman Arogya Mandirs

- **Preventive Healthcare:** Early diagnosis reduces disease severity and future healthcare costs.
- **Community-Level Access:** Healthcare services become available closer to local populations.
- **Management of Chronic Diseases:** Regular screening and follow-up improve long-term disease control.
- **Reduction in Hospital Burden:** Primary care reduces unnecessary pressure on tertiary hospitals.

Despite improvements in primary healthcare, India continues to face major gaps in advanced specialist treatment capacity.

m. Need to Strengthen Public Sector Tertiary Care

Tertiary healthcare refers to advanced specialist treatment such as cancer care, neurosurgery, cardiac surgery, trauma management, kidney treatment, and intensive care.

In India, tertiary healthcare is largely dominated by private hospitals. This creates inequalities because advanced treatment often becomes inaccessible to poor households even when insurance support exists.

Therefore, strengthening public tertiary hospitals, government medical colleges, and specialist institutions is essential for equitable healthcare access.

Without strong public tertiary care, Universal Health Coverage remains incomplete.

Importance of Public Tertiary Healthcare

- **Equitable Access to Advanced Treatment:** Poor households require affordable specialist care.
- **Reduction in Private Healthcare Dependence:** Public institutions help control treatment costs.
- **Expansion of Medical Education:** Government medical colleges improve availability of trained professionals.
- **Strengthening Emergency Care:** Public tertiary institutions are crucial for trauma and critical care services.

However, several structural weaknesses continue to affect India's public healthcare system.

n. Structural Problems in India's Public Healthcare System

India's public healthcare system continues to face several structural weaknesses. Shortage of beds prevents timely admission of patients. Lack of specialists delays treatment. Inadequate diagnostics force patients to seek private testing facilities. Medicine shortages increase private expenditure. Overcrowding reduces quality of care, while weak district hospitals create excessive pressure on major urban hospitals.

Underlying many of these problems is relatively low public health expenditure compared to healthcare needs.

These weaknesses collectively limit the effectiveness of insurance-led healthcare expansion.

Major Structural Weaknesses

- **Shortage of Hospital Beds:** Overcrowding delays treatment and admission.
- **Lack of Specialists:** Specialist shortages weaken quality tertiary care delivery.
- **Inadequate Diagnostics and Medicines:** Patients frequently depend on private facilities for testing and medicines.
- **Weak District Hospitals:** Urban hospitals face excessive patient burden due to weak district-level care.
- **Low Public Health Expenditure:** Insufficient investment limits healthcare expansion and quality improvement.

These structural challenges demonstrate why public healthcare capacity is more important than insurance expansion alone.

o. Why Public Healthcare Capacity is More Important Than Insurance Alone

Insurance primarily finances treatment after illness occurs. Public healthcare systems, in contrast, provide prevention, early detection, affordable treatment, emergency care, and long-term continuity of services.

A strong public healthcare system reduces private exploitation, lowers household expenditure, improves rural access, and strengthens healthcare equity.

Therefore, public hospitals are not supplementary institutions within Universal Health Coverage. They are its core foundation.

Countries with strong healthcare outcomes generally rely upon extensive public healthcare infrastructure combined with financial protection systems.

Advantages of Strong Public Healthcare Capacity

- **Affordable and Accessible Treatment:** Public systems improve healthcare access for vulnerable populations.
- **Reduction in Out-of-Pocket Expenditure:** Affordable treatment reduces household financial burden.

- **Greater Healthcare Equity:** Strong public hospitals reduce regional and class-based disparities.
- **Better Preventive and Community Care:** Public systems strengthen vaccination, screening, and disease prevention.

The need of the hour is therefore to combine financial protection with strong public healthcare infrastructure.

p. What India Should Do

India must substantially increase public health expenditure to improve infrastructure, diagnostics, medicines, healthcare personnel, and hospital capacity.

Strengthening Public Healthcare Infrastructure

- **Expansion of District Hospitals:** District hospitals should become major centres for specialist treatment.
- **Improvement in Diagnostics and Medicine Supply:** Affordable diagnostics and uninterrupted medicine availability are essential.
- **Expansion of Government Medical Colleges:** More public medical institutions can strengthen tertiary healthcare capacity.

Regulation of Private Healthcare

- **Pricing and Billing Transparency:** Private hospitals require stronger regulation against overbilling.
- **Quality and Treatment Standards:** Uniform treatment protocols and accountability mechanisms are necessary.

Strengthening Primary Healthcare

- **Support for Ayushman Arogya Mandirs:** Preventive healthcare and NCD management require greater investment.
- **Expansion of Community Healthcare Services:** Rural and underserved populations need accessible local healthcare systems.

Reducing Hidden Healthcare Costs

- **Coverage of Medicines and Diagnostics:** Insurance systems should reduce uncovered expenditure.
- **Support for Transport and Follow-Up Care:** Indirect healthcare costs must also receive policy attention.

The future success of Universal Health Coverage depends on integrating these reforms into a comprehensive healthcare framework.

q. Way Forward

India's future healthcare reforms must move beyond insurance-card-based coverage toward genuine service-based healthcare access.

This requires stronger public hospitals, improved district-level treatment systems, better primary healthcare, affordable medicines, regulated private participation, and reduced Out-of-Pocket expenditure.

The larger objective should be that every citizen receives timely, quality, and affordable healthcare irrespective of income, geography, or social background.

Universal Health Coverage can succeed only when healthcare becomes both financially accessible and institutionally available.

A strong public healthcare system is therefore not merely a welfare measure but a foundational requirement for inclusive human development and social justice.

Conclusion

India has made important progress in expanding health insurance through PM-JAY and state-level schemes. However, insurance alone cannot guarantee treatment when public hospitals lack beds, doctors, medicines, diagnostics, and specialist services.

Rising chronic diseases, continued Out-of-Pocket expenditure, and increasing dependence on private hospitals demonstrate the urgent need to strengthen public healthcare capacity. The future of Universal Health Coverage in India therefore lies not merely in expanding insurance coverage, but in building a strong, affordable, equitable, and accessible public healthcare system capable of serving all citizens with dignity and efficiency.

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