



INDIA-Health Care Systems

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Abstract: *India has a vast health care system, but there remain many differences in quality between rural and urban areas as well as between public and private health care. The health care system in India is universal. Lack of adequate coverage by the health care system in India meant that many Indians turn to private healthcare providers, although this is an option generally inaccessible to the poor. To help pay for healthcare costs, insurance is available, often provided by employers, but most Indians lack health insurance, and out-of-pocket costs make up a large portion of the spending on medical treatment in India. On the other hand private hospitals in India offer world class quality health care at a fraction of the price of hospitals in developed countries. India's Ministry of Health was established with independence from Britain in 1947. The government has made health a priority in its series of five-year plans, each of which determines state spending priorities for the coming five years. The National Health Policy was endorsed by Parliament in 1983. The policy aimed at universal health care coverage by 2000, and the program was updated in 2002. The health care system in India is primarily administered by the states. India's Constitution tasks each state with providing health care for its people. In order to address lack of medical coverage in rural areas, the national government launched the National Rural Health Mission in 2005. This mission focuses resources on rural areas and poor states which have weak health services in the hope of improving health care in India's poorest regions. Ensuring that one-sixth of humanity is healthy appears to be an insurmountable challenge, but one that the Indian government cannot ignore. The 2015 national healthcare policy states: "The reality is straightforward. The power of existing interventions is not matched by the power of health systems to deliver them to those in greatest need, in a comprehensive way, and on an adequate scale." Empowering and enabling women, engaging with the private sector and civil society coupled with political willingness can see India set forth a new course towards a healthier, more robust population and workforce.*

Keywords: Health; health care systems; Medical aid; health quality; Government health sector.

India has a vast health care system, but there remain many differences in quality between rural and urban areas as well as between public and private health care. The health care system in India is universal. That being said, there is great discrepancy in the quality and coverage of medical treatment in India. Healthcare between states and rural and urban

areas can be vastly different. Rural areas often suffer from physician shortages, and disparities between states mean that residents of the poorest states, like Bihar, often have less access to adequate healthcare than residents of relatively more affluent states. State governments provide healthcare services and health education, while the



central government offers administrative and technical services.

Lack of adequate coverage by the health care system in India meant that many Indians turn to private healthcare providers, although this is an option generally inaccessible to the poor. To help pay for healthcare costs, insurance is available, often provided by employers, but most Indians lack health insurance, and out-of-pocket costs make up a large portion of the spending on medical treatment in India. On the other hand private hospitals in India offer world class quality health care at a fraction of the price of hospitals in developed countries. This aspect of health care in India makes it a popular destination for medical tourists. India also is a top destination for medical tourists seeking alternative treatments, such as ayurvedic medicine. India is also a popular destination for students of alternative medicine (1).

Health and health care need to be distinguished from each other for no better reason than that the former is often incorrectly seen as a direct function of the latter. Health is clearly not the mere absence of disease. Good Health confers on a person or group freedom from illness - and the ability to realize one's potential. Health is therefore best understood as the indispensable basis for defining a person's sense of well being. The health of population is a distinct key issue in public policy discourse in every mature society often determining the deployment of huge society. They include its cultural understanding of ill health and well-being, extent of socio-economic disparities, reach of health services and quality and costs

of care and current bio-medical understanding about health and illness.

Health care covers not merely medical care but also all aspects pro preventive care too. Nor can it be limited to care rendered by or financed out of public expenditure- within the government sector alone but must include incentives and disincentives for self care and care paid for by private citizens to get over ill health. Where, as in India, private out-of-pocket expenditure dominates the cost financing health care, the effects are bound to be regressive. Health care at its essential core is widely recognized to be a public good. Its demand and supply cannot therefore, be left to be regulated solely by the invisible hand of the market. Nor can it be established on considerations of utility maximizing conduct alone (2).

India's Ministry of Health was established with independence from Britain in 1947. The government has made health a priority in its series of five-year plans, each of which determines state spending priorities for the coming five years. The National Health Policy was endorsed by Parliament in 1983. The policy aimed at universal health care coverage by 2000, and the program was updated in 2002. The health care system in India is primarily administered by the states. India's Constitution tasks each state with providing health care for its people. In order to address lack of medical coverage in rural areas, the national government launched the National Rural Health Mission in 2005. This mission focuses resources on rural areas and poor states which have weak health services in the hope of improving health care in India's poorest regions.(1)



The private healthcare sector is responsible for the majority of healthcare in India. Most healthcare expenses are paid out of pocket by patients and their families, rather than through insurance. This has led many households to incur Catastrophic Health Expenditure (CHE) which can be defined as health expenditure that threatens a household's capacity to maintain a basic standard of living. As per a study, over 35% of poor Indian households incur CHE which reflects the detrimental state in which Indian health care system is at the moment. With government expenditure on health as a percentage of GDP falling over the years and the rise of private health care sector, the poor are left with fewer options than before to access health care services (3). Private insurance is available in India, as are various through government-sponsored health insurance schemes. According to the World Bank, about 25% of India's population had some form of health insurance in 2010 (4). A 2014 Indian government study found this to be an over-estimate, and claimed that only about 17% of India's population was insured. Public healthcare is free for those below the poverty line (5).

Plans are currently being formulated for the development of a universal health care system in India, which would provide universal health coverage throughout India. With the help of numerous government subsidies in the 1980s the private health providers entered the market to cater to the middle class. It was disillusioned with the public health sector and sort to exit it wherever possible. Also opening up of the market in the 90s further gave impetus to the development of the private health sector in India. 80% of new beds built

between 2005 and 2015 are in for-profit hospitals. It is also to be noted that private or public health insurance can save taxes under section 80c (6).

According to National Family Health Survey-3, the private medical sector remains the primary source of health care for 70% of households in urban areas and 63% of households in rural areas. Reliance on public and private health care sector varies significantly between states. Several reasons are cited for relying on private rather than public sector; the main reason at the national level is poor quality of care in the public sector, with more than 57% of households pointing to this as the reason for a preference for private health care. Most of the public healthcare caters to the rural areas; and the poor quality arises from the reluctance of experienced health care providers to visit the rural areas. Consequently the majority of the public healthcare system catering to the rural and remote areas relies on inexperienced and unmotivated interns who are mandated to spend time in public healthcare clinics as part of their curricular requirement. Other major reasons are distance of the public sector facility, long wait times, and inconvenient hours of operation (7). The study conducted by IMS Institute for Healthcare Informatics in 2013, across 12 states in over 14,000 households indicated a steady increase in the usage of private healthcare facilities over the last 25 years for both Out Patient and In Patient services, across rural and urban areas (8)

After 2014 elections the new government unveiled plans for a nationwide universal health care system known as the National



Health Assurance Mission, which would provide all citizens with free drugs, diagnostic treatments, and insurance for serious ailments (9). In 2015, implementation of a universal health care system was delayed due to budgetary concerns (10).

National Rural Health Mission (NRHM) launched in April 2005 by the Government of India. The goal of the NRHM was to provide effective healthcare to rural people with a focus on 18 states which have poor public health indicators and/or weak infrastructure (11). It has 18,000 ambulances and a workforce of 900,000 community health volunteers and 178,000 paid staff (12). Only 2% of doctors are in rural areas - where 68% of the population lives. The National Urban Health Mission as a sub-mission of National Health Mission was approved by the Cabinet on 1 May 2013. It aims to meet health care needs of the urban population with the focus on urban poor, by making available to them essential primary health care services and reducing their out of pocket expenses for treatment (13).

In major urban areas, the quality of medical care is close to and sometimes exceeds first-world standards. Indian healthcare professionals have the advantage of working in a very biologically active region exposing them to treatment regimens of various kinds of conditions. The quality and amount of experience is arguably unmatched in most other countries. Despite limited access to high end diagnostic tools in rural areas, healthcare professions rely on extensive experience in rural areas. However non-availability of diagnostic tools and increasing reluctance of qualified and experienced healthcare

professionals to practice in rural, under-equipped and financially less lucrative rural areas is becoming a big challenge (14). Although rural medical practitioners are highly sought after by residents of rural areas as they are more financially affordable and geographically accessible than practitioners working in the formal public health care sector (15). In 2015 the British Medical Journal published a report by Dr Gadre, from Kolkata, exposed the extent of malpractice in the Indian healthcare system. He interviewed 78 doctors and found that kickbacks for referrals, irrational drug prescribing and unnecessary interventions were commonplace (16)

Despite recording several gains in health in recent years, India continues to lag several health indicators such as mortality rates and malnutrition. The country carries a disproportionate burden of the world's sick. Home to 17.5% of earth's population, India accounts for 20% of the global burden of disease, 27% of all neonatal deaths and 21% of all child deaths (younger than five years). In a paper released in health journal *Lancet*, a team of researchers identified seven structural problems in India's healthcare system, as under.

1) A weak primary healthcare sector-India has made strides in the expansion of public services. For instance, in 2015, there was one government hospital bed for every 1,833 people compared with 2,336 persons a decade earlier. However, as *Lancet* points out, this has been inequitably distributed. For instance, there is one government hospital bed for every 614 people in Goa compared with one every 8,789 people in Bihar. The care



provided in these facilities is also not up to the mark. For example, in 2011, six out of every 10 hospitals in the less developed states did not provide intensive care and a quarter of them struggle with issues like sanitation and drainage.

2) Unequally distributed skilled human resources-There isn't enough skilled healthcare professionals in India despite recent increases in MBBS programs and nursing courses. This shortage is compounded by inequitable distribution of these resources. In community health centers in rural areas of many states, ranging from Gujarat to West Bengal, the shortfall of specialists exceeds 80%. "India does not have an overarching national policy for human resources for health. The dominance of medical lobbies such as the Medical Council of India has hindered adequate task sharing and, consequently, development of nurses and other health cadres, even in a state like Kerala that has historically encouraged nurse education and has been providing trained nurses to other parts of India and other countries.

3) Large unregulated private sector-Given the quality of care available, few frequent public sector hospitals. The National Sample Survey Office (NSSO) numbers show a decrease in the use of public hospitals over the past two decades—only 32% of urban Indians use them now, compared with 43% in 1995-96. However, a significant portion of these private practitioners may not be qualified or are under-qualified. For instance, a study in rural Madhya Pradesh found that only 11% of the sampled healthcare providers

had a medical degree, and only 53% had completed high school.

4) Low public spending on health-Public health expenditure remains very low in India. Even though real state expenditure on health has increased by 7% annually in recent years, central government expenditure has decreased. Economically weaker states are particularly susceptible to low public health investments. Many state governments also fail to use allocated funds, but this "might simply reflect structural weaknesses in the system and that need to be addressed with more resources and a different approach to provision and delivery of care.

5) Fragmented health information systems-Like in most facets of life in modern India, getting quality, clean, up-to-date data is difficult in the health sector as well. This is despite the presence of many agencies ranging from NSSO to the Registrar General of India to disease-specific program-based systems to survey malaria to HIV. Data is incomplete (in many cases it excludes the private sector) and many a time, it's duplicated. Worse, the agencies don't talk to each other. Further, its usage is limited because of an inadequate focus on outputs and outcomes.

6) Irrational use and spiraling cost of drugs-Costs of medical treatment have increased so much that they are one of the primary reasons driving people into poverty. Yes, there have been schemes such as the Jan Aushadhi campaign to provide 361 generic drugs at affordable prices and different price regulation policies, but their implementation has been patchy and varied in different states.



Corruption also increases irrational use of drugs and technology. For instance, kickbacks from referrals to other doctors or from pharmaceutical and device companies lead to unnecessary procedures such as CT scans, stent insertions and caesarean sections.

7) Weak governance and accountability-“In the past 5 years, the government has introduced several new laws to strengthen governance of the health system, but many of these laws have not been widely implemented. In some instances, the “scope of (some) regulations is still unclear, and there are fears that these laws have hindered public health trials led by non-commercial entities”.

The *Lancet* study identified inadequate public investment in health, the missing trust and engagement between various healthcare sectors and poor coordination between state and central governments as the main constraints why universal healthcare is not assured in India. At the heart of these constraints is the apparent unwillingness on the part of the state to prioritize health as a fundamental public good, central to India’s developmental aspirations, on par with education. Put simply, there is no clear ownership of the idea of universal health coverage within the government (17).

The problems of equitable and affordable healthcare delivery in India are as complex as they are abundant. While India accounts for 21% of the global disease burden, its healthcare spending is stagnant at 4.2% of GDP. Out-of-pocket spending on healthcare is over 70%. By contrast, out-of-pocket spending was only 20% in the United States

before passage of the Affordable Care Act. It is helpful to think of India as a federation of different nations at different levels of development. There is inequity in access by population groups, gender, rural-urban communities, and geographic locations. Thus, no one formula to improve healthcare delivery will suffice, as India’s disease burden varies widely. Much of the population suffers from basic primary healthcare challenges and is vulnerable to communicable diseases that are characteristic of countries at the lower end of development. However, large sections of the growing upper and middle classes also suffer from lifestyle diseases such as diabetes and cardiovascular diseases. Over the past decade, the Indian healthcare system has achieved several notable victories. In 2014, India was declared polio free. This is a monumental achievement, considering that India accounted for more than 50% of the world’s polio cases in 2009. In 1990, maternal mortality and under-five mortality rates were 47% and 40% above the international average respectively. Finally, life expectancy has improved from 32 years a few decades ago, to over 65 years today. On the face of it, it seems like the healthcare system is working. But a closer examination reveals dangerous fault lines that if not addressed; threaten the health of over one-sixth of humanity.

For a middle class family in India today, there is so much opportunity. Living in the third-largest economy in terms of its gross national income (in PPP terms) means that an entire generation has access to technology and knowledge that can help them to change their story. Sadly, the effects of a growing economy are lost on the healthcare system in



India. The World Bank reports that 50% of economic growth differentials between developing and developed nations are attributed to poor health and low life expectancy. While successive government have committed to various development goals, no government program has yet focused on resolving the issues related to a mismanaged regulatory climate, knowledge and infrastructure deficit, and inefficient public healthcare expenditure. With the World Health Organization's World Health Report India's healthcare system ranks 112 out of 190. The government should focus on three critical issues-

Lack of resources-Despite a rapidly growing economy, expenditure on public healthcare has continually contracted. India spends about 1% of its GDP on public health, compared to 3% in China and 8.3% in the United States. The 2013 study from the Lancet Commission on Investing in Health found that India would have to spend \$23.6 billion annually over the next 20 years to achieve a convergence with global levels of infectious disease, child and maternal mortality rates. The government can raise these resources in any number of ways, from reallocation of subsidies to optimization of welfare budgets or by working with state governments.

Out of pocket expenditure-According to the Ministry of Health in India, each year a whopping 63 million people face poverty due to "catastrophic" healthcare expenditure, which neutralizes any gains made due to rising income and various government schemes aimed at reducing poverty. And according to the World Bank and National Commission's report on macroeconomics,

only 5% of Indians are covered by health insurance. Unless mechanisms and systems are swiftly put in place to ensure that out-of-pocket expenditure is brought down, healthcare expenditure will undo all the economic progress made by millions of Indians.

Bridging the skills gap-There is a severe need for skilled medical graduates, especially in rural India, which fails to attract new graduates for a variety of reasons. Investments in training and educating a skilled workforce, competitive pay and attractive living conditions (especially in rural India) will ensure that public health facilities are staffed by qualified people.

Ensuring that one-sixth of humanity is healthy appears to be an insurmountable challenge, but one that the Indian government cannot ignore. The 2015 national healthcare policy states: "The reality is straightforward. The power of existing interventions is not matched by the power of health systems to deliver them to those in greatest need, in a comprehensive way, and on an adequate scale." Empowering and enabling women, engaging with the private sector and civil society coupled with political willingness can see India set forth a new course towards a healthier, more robust population and workforce (18).

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