

Political & Economic Notes:

National Health Policy Promoting Profit Driven Private Sector

The BJP government in its first budget woe to focus on health and gave a call for “*Ayushman Bharat*”. In the last budget of the present government at the centre, the Finance Minister allocated Rs.54,600 crore for health and family planning against previous year’s Rs.53.294 crore, which is a decline in real terms. These allocations are far below the 1 per cent of GDP by the centre and 1.5 per cent of GDP by the states as recommended by various commissions and even the National Health Policy of 2017.

As a result of these poor allocations for decades, the public health care system in India is in a state of penury. It was forced to suffer from understaffing of all grades, poor infrastructure and lack of equipment and medicines. The poor has been left with no option but to turn to private healthcare. The financial burden of getting served by private sector is ruining the already distressed families.

In a country where more than one-third of the children upto five years of age suffer from malnutrition and simply curable communicable diseases like diarrhoea are taking lives, the neglect of primary health care will further deteriorate the situation. In the present year’s budget Rs.1200 crore has been earmarked for 1.5 lakh health and wellness centres that are expected to provide “comprehensive healthcare” including maternal and child health services, diagnostic services and free drugs. At Rs. 80,000 per centre, one can imagine the quantity and quality of services it is expected to provide.

The decline in the public investment in healthcare services was mandated by the structural adjustment programmes designed by the World Bank and IMF, which was endorsed by the government in tenth five year plan with public private participation model to improve health services accessibility among people. The last couple of decades have seen the expansion of largely unregulated private sector in medical services to one of the largest in the world. The PPP model got impetus by placating health insurance as a delivery system for healthcare. In 2008 the government launched Rashtriya Swasthya Bima Yojana. This government funded insurance scheme for below the poverty line families included private providers in the list of empanelled hospitals where enrolled families could avail themselves of treatment.

This is followed by other insurance schemes. Who spends, who benefits and at what cost are some of the big questions left unanswered. A study published in EPW (August 30, 2014) found that “the centrally run schemes cater for relatively better-off people and cover all kinds of care, primary, secondary and tertiary, including high-end specialised care and surgery. The other schemes have a narrow coverage. This makes equity question ever more important. Most of these schemes involve private sector in the delivery of healthcare services to the target population”.

Moreover several studies showed that Out of the pocket health expenditure is growing leading families to financial ruin. Health insurance has not mitigated this situation. 67 per cent of all health expenditure remains out of the pocket expenditure and out of this 63 per cent accounts for out-patient treatment. Adding to this the central government has been spending 61 per cent of its health expenditure on health coverage schemes.

The danger of moving towards insurance based health services neglecting the public primary services is already evident. The government spending on health is being cornered by the private sector which puts profit above health and well being of the people. The largely unregulated private sector in the absence of comprehensive public healthcare system is highly skewed in favour of better-off sections and failed in providing equitable access. And it is mostly catering non-communicable diseases, while most of the population that are in need of primary healthcare for communicable diseases and nutrition based ailments.

In this background the BJP government is continuing the policy of depending upon the private sector to meet the peoples’ health needs. The private sector has grown to enormous proportions, but very little initiatives are taken to regulate it in terms of its size, service quality and costs of care. The international experience shows that it is very difficult to regulate the private healthcare sector. The government is not in a position to even ask the corporate hospitals to implement their commitment to serve 20 per cent of their patients freely in return to the concessions in the form of land and taxes the government had given. Given this unwillingness on the part of government, it is foolish to expect that it would regulate the corporate sector. The field is left open for the corporate to fleece at their will the government finances as well as the patients.

Instead of promoting health insurance based private health-care, the government should strengthen its public health systems at all levels. Many studies had shown that poor people are going to government hospitals for their ailments both in urban and rural areas. Their main complaints are poor infrastructure, absence of doctors and nursing staff and lack of medicines. And all of them are easily corrected with suitable and appropriate policy decisions. This could largely improve the quality of services delivered by the public health system.
