

General Studies-2; Topic: Issues relating to development and management of Social Sector/Services relating to Health,

Regulating Private Healthcare in India

1) Introduction

- Private hospitals have been in the news lately for all the wrong reasons.
- The Delhi Government cancelled the license of a private Hospital for medical negligence.

2) State of Private Healthcare

- Instances of suspected medical negligence and exorbitant bills
- Many view that doctors get a referral fee for MRI tests, CT scans and other diagnostic tests.
- The Clinical Establishments Act, 2010 for regulating all public and private clinical establishments has taken effect only in 4 states.
- In healthcare there is an asymmetry of information. The patient does not know which provider or procedure is good for him.

3) International Examples

- **Swedish Model**
 - a. Private and public health facilities compete for government funding and the right to provide healthcare to citizens.
 - b. There are incentives for providing the quickest and cheapest treatment.
 - c. It is a level playing field, and if the government health facility does not provide quality service, it stands to lose out.
- **Thailand Model**
 - a. Thailand's Universal Health Coverage has earned global appreciation.
 - b. Public and private hospitals are treated on a par, and the beneficiary chooses where she goes.
- **Canada Model**
 - a. Medicare, which covers all Canadians, is publicly financed and privately run.
 - b. Medical practitioners must only charge fees fixed by governments.

4) Concerns / Challenges

- Bureaucratic and rent-seeking regulation.
- Getting global funding is becoming difficult as the economy booms and India is no longer seen as very poor.
- Retaining motivated doctors and nurses is getting difficult with corporate hospitals making better offers.
- Dip in Private equity funds in Indian healthcare sector.
- Public spending on health is less than 1% of GDP
- Per capita public health spending is about \$15, less than in Bhutan, Indonesia, Thailand and the Philippines.
- It is estimated to account for over 5 lakh patients dying due to medical malpractice.

5) Way Forward

- The regulatory body has to be high-powered, politically independent and represent all sections of stakeholders, particularly patients and NGOs active in the field.

- The regulator should insist on transparency — hospitals clearly publicising their rates for standard treatments and procedures.
- The regulator should get regular data on the percentage of deviation from standard treatments.
- For example, hospital A can report that in December 15 per cent of the patients paid 10 per cent more than the cost of packages. The regulator can then investigate the outliers.
- Regulators must ensure that doctors are not paid commissions for referring patients to diagnostic centres.
- Hospitals can avoid paying commission to consultants by not having outside consultants
- Takshashila Institution suggests an independent Patient Protection Service with one of its officers posted in each hospital with 150-300 beds.
- The healthcare system needs social entrepreneurs who do not look for just profit.
- Implementation of National Health Policy, 2017 in letter and spirit will help in curbing malpractices such as minimising instances of negligence.
- Citizens also need to be empowered so that they understand their rights and the recourse available to them when something goes wrong.
- Citizens must be educated about diseases, possible complications and approximate treatment costs.
- In some parts Jan Sunwais are organised where citizens report their experiences with health providers in the presence of government officials, NGOs and community leaders.
- Such interventions should be replicated as they increase citizen participation and also make health governance more accountable
- There is a need for the medical profession to self-regulate and adhere to the highest ethical standards.

6) Conclusion

- We need to focus on building a strong public health system.
- With 50% of deaths due to non-communicable diseases, we need to do more to keep people healthy and reduce the need for costly hospital treatment.
- Never before has the proverb prevention is better than cure been more relevant for the country.