Alleviating the Menace of Private Healthcare

Why in news?

The private health sector plays a dominant role in Indian healthcare system, yet, the discourse on addressing high healthcare costs remains limited to the government.

What is the status of healthcare in India?

- India's public health expenditure as a percentage of its GDP is **1.28%.**
- The share of general government expenditure dedicated to health is **4.8%.**
- Per capita health spending growth has not kept pace with rising incomes.
- Private spending still constitutes nearly **60%** of overall expenditure on health.

How about the private sector in India?

- The private sector in India is dispersed, with marked inequities between rural and urban areas and widespread market failure.
- The income disparities, backwardness, and under-regulation aided the private sector to differentiate into a host of organisations that provide care at inexpensive rates but of poor quality.
- Such contexts offer few incentives for consolidation and achieving this solely through public health insurance is difficult.

Sustainable Development Goal 3 – "Ensure healthy lives and promote well-being for all at all ages"

What is the need of the hour?

- **Overarching policies** - There is a need for overarching policies that drive down private healthcare costs even for the self-paying consumer with little or no government subsidy.
- A wide range of policy instruments that alter the operating conditions of the private sector have to be enshrined in the national health policy.
- **Business process innovations** - The business process innovations (BPI) such as the innovations by Aravind Eye Clinic and Narayana Hrudayalaya that find little mainstream policy or research attention can be propagated.
- **Task shifting** - The National Commission for Allied and Healthcare Professions Act, 2021 can be a boost to task shifting in healthcare to hold down costs, especially in under-resourced settings.
- **Regional health boards -** Regional health boards (in Canada) that have organised care equitably within regions to bring down healthcare cost, can be replicated in India

as well.

- **Medical education** - The high costs of medical education warrants policy attention.
- **Affordable health insurance** - Creating affordable and effective private health insurance products is another important option.
- Affordable private healthcare must only supplement strong public healthcare, while in turn having a complementary effect in enhancing the efficiency of government health spending.

Reference

1. The Hindu | Alleviating the scourge of private healthcare

