Challenges in PPP Health Care Model

What is the issue?

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- NITI Aayog proposed a model contract to increase the role of private hospitals in treating non-communicable diseases.
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- This proposal has implementation challenges.
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What are the proposals of NITI Aayog?

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- The proposed model consists of leasing out a portion of the hospital for 30 years to a private company to provide treatment.
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- The treatment coverage is for the three diseases cardiology, cancer and pulmonology.
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- Complicated cases will be referred to bigger hospitals of their own or of government.
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- Government reimbursements for patients referred to them will be on par with rates paid under the government sponsored insurance scheme.
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- The private entity will have its own staff and personnel, laboratories, pharmacy, ambulances and common services.
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What is the need for such model?

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- The three diseases mentioned earlier account for 35% of total mortality in

the country.
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- $3/4^{th}$ of the specialists, equipment and beds are in the private sector.
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- So the partnership with private sector is inevitable.
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What are the challenges in implementation?

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- Salary scale, working methods, prescription practices, monitoring and accountability systems are all different in public and private models.
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- No clarity has been given on the coexistence of public and private managements on the same physical space.
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- In the government bears all risks and the private partner goes away with all the profits.
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- The accountability of private partner is limited to just of submitting some annual reports to the government.
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- The model does not provide any information on the pricing strategy and its impact on public budgets.
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Source: Indian Express

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