Regulating Private Hospitals

Why in news?

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India's drug pricing authority, National Pharmaceutical Pricing Authority (NPPA), has stressed the need for better regulation of the country's massive private healthcare industry.

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What is the need?

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- **Pricing** - NPPA has made significant reduction in prices of knee implants and cardiac stents in the recent months.
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- This is to cut the cost of procedures such as angioplasty and knee surgery and make it more affordable.
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- However, several hospitals have hiked prices of related services which are an essential part of such surgeries like doctors' fees and hospital stay costs.
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- This is done primarily to make up for the cost of price caps imposed by NPPA, defeating the very purpose of the price control measures.
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- **Healthcare** - India spends roughly 1% of its GDP on healthcare which is among the lowest in the world.
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- This has resulted in a broken public healthcare system that few trust and nearly 70% of healthcare delivery being in the hands of private players.
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- On the other hand, the efforts to make healthcare accessible and affordable are hampered by the tactics of unregulated private hospitals.
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What should be done?

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- The regulator thus calls for a better oversight of private hospitals as there is no legal framework at present to regulate hospital charges.
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- Private hospitals should be regulated to make the billing process more transparent.
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- The health ministry could also look at standardising the cost of certain treatments, so that the prices don't vary across hospitals.
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- Instead of privatisation of healthcare services, which even NITI Aayog has suggested, improvements in the public health infrastructure could prove to be more inclusive.
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Source: Business Standard

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