Don’t take the wrong pill

The Planning Commission must not make the mistake of letting short-term fiscal concerns overturn the national aspiration for Universal Health Coverage (UHC). Some elements of the draft Twelfth Plan on health have caused alarm, as they run counter to key recommendations of the Commission’s own High Level Expert Group. The Plan panel wants to reduce out-of-pocket spending on health from 71 per cent to 50 per cent during the Plan period, to mitigate the biggest factor that leads to impoverishment of many families. But that will be impossible without substantial fiscal support. Regrettably, there appears to be a quiet attempt to peg targeted public spending on health at 1.58 per cent of GDP, ignoring the HLEG recommendation for an increase to 2.5 per cent over five years, and to 3 per cent by 2022.

Among comparable nations, India brings up the rear in public spending on health at 1.2 per cent of GDP. It is now crucial for the Centre and the States to come together and launch a UHC model funded by general taxation that meets the essential health requirements of all people. The success of legal reform in the United States to regulate a socially disconnected, for-profit health industry, and the remarkable equity achieved by other welfare-oriented countries should persuade Indian leaders on launching a national plan.

At the polio summit in February, Prime Minister Manmohan Singh emphasised the need to strengthen public health systems, and accelerate efforts to achieve universal access to care. It would defeat this idea if UHC were to rely on for-profit providers of care and insurance under a ‘managed care’ model. The Planning Commission would do well to steer away from the siren songs of corporatisation, and focus on the core challenge: the need to set up an independent regulatory framework at the national and State level for all types of care institutions, regulate drugs to lower costs and promote generics, identify standard treatment and management guidelines, and provide resources to fund the essential health package. It is of course encouraging that the Commission has distanced itself from reports of reliance on corporate providers, but it is essential to state the vision clearly in the Plan. Also worth pointing out is the potential of UHC to create a large number of jobs and spur economic growth. India needs many more professionals to achieve the ideal norm of one doctor for 1,000 people, and three nurses and midwives per doctor. Here, the HLEG provides a useful roadmap for expansion of teaching institutions, which can quickly raise the capacity of many remote hospitals.