Five Ways to Improve Indian Health Care

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The short answer to how India can improve its shaky public health system is one that everyone knows – spend a lot more. But you can spend a lot more and not get a lot more, warns K. Srinath Reddy, president of the Public Health Foundation of India.

To make a national health system that works, more medical and nursing schools will need to be set up.

Mr. Reddy headed a committee set up last year to study what it would take for India to be able to provide universal health care over the next 10 to 15 years. The committee’s final report, submitted to the Planning Commission in October and made public earlier this month, says the government should start by more than doubling what it presently spends in the next five years.

Here are five key recommendations from the report:

1. Increase health-care spending to 2.5% of GDP
At the moment, the Indian government spends about 1% of its gross domestic product on health care, according the Organization for Economic Cooperation and Development. Mr. Reddy would like to see it spend 2.5% of GDP by 2017.

“We hope they’ll increase it despite the slight slowdown in economic growth,” said Mr. Reddy. “While public spending is high as a portion of GDP, low priority is accorded to health.”

The report puts Indian public spending at 33% of the GDP, of which only 4% is spent on health care. Compare this to Thailand, a country with a robust health-care system, where health spending makes up 14% of total public spending.

2. Pay for it with taxes, not user fees

The government should use existing tax revenues to pay for this system. As the tax base widens, the government could also consider levying a specific income tax to support the national health-care program, in which case user fees on people above a certain income would be equivalent to charging them twice.

User fees don’t actually help the system pay for itself, said Mr. Reddy. That’s because they generate their own expenses like paperwork and salaries for staff to handle billing and collections.

And even minimal user fees can deter the poor from seeking care, he said.

3. Spend more on primary care

Additional funds shouldn’t go only to maintaining the present health system, with its skewed spending choices. Much as in education, Indian health spending has often favored treatment at hospitals in large cities over more widely available basic and preventive care.

The increase in spending should be accompanied by changes in how that money is spent. Over time, 70% of public spending should be on primary care, the report says. “By directing your health financing mainly into tertiary care you’re not providing the population or providers with any incentive for preventive care,” said Mr. Reddy.

Primary care is distinguished from other levels of care by the medical qualifications of the attending doctors and the sophistication of the facilities needed to provide it. Pre-natal check-ups and regular deliveries would be primary care, for example, while a cesarean-section
delivery would be secondary care. Mr. Reddy said offering better primary care earlier could help reduce the number of cases where diseases or complications progress to a point where they require travel for more expensive and more aggressive treatment.

Indian health spending also favors cities over the countryside – according to the report, urban areas have four times as many health workers per 10,000 people as rural areas.

4. Develop an all-India public health service

The committee suggested the country needs an all-India service of public health workers along the lines of the system that Tamil Nadu has, which some observers say is the best in India.

In general, to make a national health system that works, the report says that more medical and nursing schools will need to be set up and millions more basic health workers will be required, particularly in villages.

“We need doctors, we need nurses, we need community health workers,” said Mr. Reddy. “We need a multilayered health work force.”

5. Buy more drugs in bulk

Out-of-pocket spending on medicine has gone up in India, and now accounts for almost three-fourths of all private health-care spending. Again, Mr. Reddy suggested the Indian government could take a cue from Tamil Nadu, which purchases drugs in bulk and provides many medicines for free to patients. That would involve significantly increasing public spending on drugs from around $1 billion now.

“If one wanted to provide substantial protection early on, even as health services are being reconfigured…it would be best done in the form of reducing the cost of drugs, making essential drugs available free of cost,” he said