Government Aims High on Health Spending (Yet Again)

Prime Minister Manmohan Singh on Wednesday threw his support behind a massive increase in public health spending over the next five years.

India currently spends 1.4% of its gross domestic product on healthcare, he said in a press release put out by his office. The country should raise that to 2.5% of the GDP by 2017.

That is certainly laudable, but the trouble is that there’s nothing new about this goal—it’s one that has been set again and again over the past decade. And what’s worse—the country is sorely behind schedule.

“This is almost a restatement of the 2002 national health policy,” said Bobby John, a physician who leads Global Health Advocates, a New Delhi NGO working in public health policy, in an interview with India Real Time.

Writers of that policy recommended India increase spending on healthcare to 2% by 2010. Instead, in 2012, India is currently spending between 1% and 1.4% of its GDP on healthcare, depending on who you talk to. The Organization for Economic Cooperation and Development says the Indian government invests only 1% of GDP on healthcare; the Public Health Foundation of India, a public-private partnership in New Delhi, puts healthcare expenditure here at 1.2% of GDP; Mr. Singh’s government puts it at 1.4%.

Regardless, says Dr. John, “We are behind.”

More recently, a high level committee set up by the Planning Commission to make healthcare recommendations urged an increase in healthcare spending to at least 2.5% of the GDP by 2017. The Planning Commission is currently finalizing its five-year plan for the period ending in 2017.

That India’s public health infrastructure is in shambles is well documented.

In most states, hospitals don’t have enough medicines, beds are broken and patients sleep on the ground in dog-infested corridors. There’s such a dire shortage of doctors that patients stand in line for half a day to see a doctor for a couple minutes.

India’s infant-mortality rate—50 deaths per 1,000 births—is worse than Brazil’s and China’s. India’s poorer neighbor, Bangladesh, also does better.

But as much as more money is needed to improve the public health system, major management changes are also needed, says K. Srinath Reddy, head of the Public Health Foundation of India.
Dr. Reddy, who led the high level healthcare committee for the Planning Commission, says India must move to a system of universal healthcare coverage, in which not only hospitalization but medicines and outpatient care are also covered. There are some state health insurance plans in states and one that covers a small portion of the people on a national level. These plans need to serve as the basis for building a vibrant new national health insurance plan, Dr. Reddy says.

The prime minister, in his speech, nodded at the effort to build a universal health insurance system. He listed various initiatives planned to achieve that goal, including:

– Adopting legislation in Parliament aimed at increasing the numbers of doctors and nurses.

– Creating a special public health cadre to improve the quality of health workers.

– Strengthening ambulance services in rural areas. (Critically ill patients routinely arrive at medical centers in taxis and rickshaws in many parts of the country.)

– Improving primary health centers and district hospitals so patients get good, free inpatient and outpatient care as well as medicines.

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