NEW DELHI: In a move that has angered the health ministry, the Planning Commission has asked for reversal of the long-standing public health policy from the 12th plan onwards ending governments' dominant role in providing health services and transiting to greater privatization of the health sector, something along the lines of the 'managed care' system which is followed in the US and Mexico.

The health ministry has taken a tough stance against what is referred to as "corporatization of health care" and will send a strong reply on Wednesday to plan panel deputy chairman Montek Singh Ahluwalia arguing that "the first priority should be to strengthen the public health system and involve the private sector only for critical gap filling".

The letter from health minister Ghulam Nabi Azad says that "the private sector should not substitute but actually supplement the public sector".

TOI accessed a draft, finalized at the end of July, of the 12th five year plan's health chapter which sketches the dramatic policy reversal that would bring in universal health insurance coverage by allowing a selected 'network' of private and other operators to sell their services on competitive basis to the government for which they would be paid on what the health industry calls 'capitation' basis or simply on fixed rates for different treatments for every person handled.

The plan panel's prescription visualizes government's role in delivering primary healthcare as restricted to mere essentials like antenatal care, leaving more lucrative medical treatment to the 'managed-care' system where private players will compete with cash-strapped government-run hospitals to run the 'networks'.

The commission's proposal runs contrary to what even its High Level Expert Group (HLEG) on health reforms had said as recently as November 2011.

The HLEG, headed by Dr K Srinath Reddy, had recommended, "Purchases of all healthcare services under the universal healthcare system
should be undertaken either directly by the central and state governments through their departments of health or by quasi-governmental autonomous agencies established for the purpose."

In other words, the HLEG recommended that health delivery services should be run by the government and where a need arises, the government can hire private hospitals for which they would be paid on fixed basis. Under this system, the private players would not be competing but filling the gap.

The HLEG went against the 'managed care' system that the Planning Commission has now recommended.

"It becomes necessary, therefore, to either explore a completely different approach towards the use of insurance companies and independent agents - more in the 'managed care' framework, where they take on explicit population level health outcome responsibilities or invest further in the capacity of the ministries and departments of health to directly provide and purchase services from contracted-in private providers wherever necessary. We favour the latter option," the expert group had held.

HLEG will meet on Thursday to discuss the commission's latest proposal.
At present, almost all health funds provided to states are part of the flexible arrangement to help states set public health priorities.

The Planning Commission has recommended that this be kept to a minimum of 10% of the total funds and the rest be part of an 'incentive fund' which will be linked to the state governments undertaking such 'reforms' and other targets. This would also effectively reduce the funds that the health ministry controls substantially.

Oddly, the Planning Commission's report even misinterprets what the HLEG recommended and claims, "The expert group has recommended that we should move towards a system of a network of health service providers at the primary, secondary and tertiary level which is funded on the basis of per capita payment to the network. The system managed as a network of service providers and individuals is registered on payment of a charge per person covered. Once enrolled, the individual's health problems are handled by the network as a whole, with proper regard to the need for preventive care and a sequence of care from primary to the higher level as needed."

Times View

India's healthcare system is already among the most privatised in the world and the last thing we need is a further retreat of the state in this sector. Far from reducing its role, the government should be focussing on increasing it.

Not only does it need to spend much more on building infrastructure like hospitals and primary health centres, it must ensure that these are adequately staffed and equipped. Of course, ensuring that the money spent is well-utilised is important, which also means constant monitoring of whether doctors and paramedical staff are actually present where they are supposed to be.

The immunisation programme too needs to boosted and urgently. These are not options but necessary steps because, like education, healthcare too must be seen as something all citizens are entitled to.
Plan panel wants govt to retreat from healthcare - The Times of India

http://timesofindia.indiatimes.com/india/Plan-panel-wants-govt-to-retreat-from-healthcare/artic...