COLUMN - Privatising public healthcare in India, one report at a time
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By Gokul Chandrasekar

Public health experts and activists are attacking a proposal by India's leading government think tank that recommends handing many of the country's healthcare responsibilities to the private sector.

The document, written by India's Planning Commission, proposes eliminating the government as the primary healthcare provider. Instead, it would focus on specific areas such as immunisation and HIV testing. Getting rid of many of its other responsibilities would amount to a shortcut to its goal of universal healthcare. Patients would get private healthcare at a cost that the government would negotiate with the private sector, and service providers could be reimbursed for each medical prescription. The proposal, which is similar to the managed care system in the United States, caused such a ruckus that some of the major parties who contributed to the plan have distanced themselves from it. Members of the High Level Expert Group set up by Prime Minister Manmohan Singh, say that the commission has distorted their recommendations.

"Planning Commissions' document calls for a 'managed healthcare' approach where the role of the government is reduced from a provider to that of a manager," said Rakhal Gaitonde, a public health researcher and state coordinator for the government's National Rural Health Mission in Tamil Nadu.

"Expert group's report only calls for strengthening and expansion of public health system, and contracting private players to fill the gap in areas where expansion is not possible," said Rakhal. "The commission in its proposal has distorted the recommendations of the expert group by portraying managed care approach as the best possible solution."

The document also proposes competition between public and private healthcare providers. But with the Indian government spending not more than 0.9 percent of its gross domestic product on healthcare -- the least among the emerging market BRIC countries (Brazil, Russia, India and China) - there is not much hope that government facilities will survive the competition.

Public health activists fear that with the collapse of government hospitals, private players might form cartels. But some medical experts say that more private players could improve the quality of healthcare for poor people.

Many of India's 1.2 billion people depend on government-provided services for all their healthcare needs, particularly hundreds of millions of low-income and poverty-stricken people who primarily live in rural areas. Many of these healthcare centres, however, lack even basic supplies such as syringes and bandages.

"The current public healthcare system which has existed for the last three decades has not been able to achieve much," said Dr. Ajay Bakshi, CEO of Max Healthcare hospitals. "Many national governments across the world have successfully moved to the managed care approach where the government reduces its role from provider to regulator. I do not see a reason why it won't work in India."

Public-private partnerships in healthcare, according to Bakshi, will also enable the poor in getting access to quality healthcare.

Upset over its suggestions not being incorporated, the Health Ministry may submit an alternative contribution to the Planning Commission, and the panel will meet at the end of this month to adopt the final proposal.

According to the Central Bureau of Health Intelligence report of 2010, India's government hospitals have one bed for every 2,000 people. The Planning Commission's report also says that Primary Health Centres across the country have a shortage of 6,148 doctors.

Considering these dire needs, the expert committee's recommendations to strengthen the government's facilities and contract private players in areas where expansion is not possible seems to be the most pragmatic and balanced approach.

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