Catastrophic Health Expenditure of Middle class in India Due to Covid-19

Dr. Ruchika Gupta*, Dr. Meenakshi Khapre

1 AIIMS, Rishikesh PG Student
2 Assistant professor at AIIMS, Rishikesh

ABSTRACT

The COVID-19 pandemic is far more than a health crisis: it is affecting societies and economies at their core. While the impact of the pandemic will vary from country to country, it will most likely increase poverty and inequalities at a global scale. Assessing the impacts of the COVID-19 crisis on societies, economies and vulnerable groups is fundamental to inform and tailor the responses of the government to recover from the crisis. With the rising cost of medical care, in such a pandemic like covid-19, health insurance has become a necessity, but many of the middle class and the lower middle class people are still not able to afford it. A wider penetration of health insurance can help in improving the scenario, but affordable health insurance plans will have to be promoted.

Key words: COVID-19–global–SARS-COV-2

1 INTRODUCTION:

The COVID-19 pandemic has resulted in 1, 37,448 active cases, 1, 41,028 cured cases and over 8,102 deaths in India as on 11th June 2020. [1] It has also sparked fears of an impending economic crisis and recession. Social distancing, self-isolation and travel restrictions have led to a reduced workforce across all economic sectors and caused many jobs to be lost. Schools have closed down, and the need for commodities and manufactured products has decreased. In contrast, the need for medical supplies has significantly increased. The food sector is also facing increased demand due to panic-buying and stockpiling of food products. [2]

The outbreak of COVID-19 (the disease caused by Severe Acute Respiratory Syndrome coronavirus 2 (SARS-COV-2) had a detrimental effect on global healthcare systems with a ripple effect on every aspect of human life. Sohrabi et al. highlighted the extent of the outbreak with the World Health Organization (WHO) declaring the COVID-19 outbreak as a global emergency on 30th January 2020. [3]

Health policymakers have long been concerned with protecting people from the possibility that ill health will lead to catastrophic financial payments and subsequent impoverishment. Yet catastrophic expenditure is not rare. Health systems can deliver health services, preventive and curative, that can make a difference to peoples’ health. However, accessing these services can lead individuals having to pay catastrophic proportions of their available income and push many households into poverty. Catastrophic health expenditure is not always synonymous with high healthcare costs. A large bill for surgery, for example, might not be catastrophic if a household does not bear the full cost because the service is provided free or subsidised price or is covered by third-party insurance. On the other hand, even small costs for common illnesses can be financially disastrous for poor households with no insurance cover. For example- a private hospital cost for testing of COVID-19 is Rs. 4500 which may not be easily affordable by every middle class and a lower-middle-class person.

In our opinion, middle-class families are most affected due to COVID-19. They are having financial crises as only 27 per cent Indians or approximately 35 crore people have health cover, according to data from the National Health Profile (NHP) released in April 2017. (4) Thus, of India’s 135 crore people, 100 crores have no cover against catastrophic health expenses. The 2017 NHP report on the CBHI website says: “Around 35 crore individuals were covered under any insurance in 2015-16. This amounts to 27% of the total population of India. 77% of them were covered by public insurance companies. Overall 80% of all persons covered with insurance fall under government-sponsored schemes... Compared to other countries that have either Universal Health Coverage or moving towards it, India’s per capita public spending on health is low (how much).” [4]
2  TREND OF COVID-19 IN INDIA:
As on 11th June’ 2020-Figure 1

Figure 1. Source [5] : WHO Coronavirus Disease (COVID-19) Dashboard

3  COST OF COVID-19 DISEASE TREATMENT PER DAY:
-At a uniform average of Rs 4500, the RT-PCR test for COVID is a small component in terms of the total bill. The bills range from Rs 2.6 lakh for a six-day stay to Rs 16.14 lakh for almost a month.

-Cost per day treatment for a positive patient, in a non-ICU set up, is in the range of Rs 14,000 to 32,000. For a 10-day stay that translates up to Rs 3.2 lakh. In a non-ICU set-up, the largest components of the expenditure are room rent and ward consumables.

-A patient who got discharged from Max Hospital, Saket, on 20 May after spending nine days in the Covid ward. His bill, , came to Rs 4,80,000, of which over Rs 70,000 was the fee for PPE kits.

-A Delhi resident was charged Rs 10,000 per day for PPE kits at Sir Ganga Ram Hospital. “He was there for a month and the total bill was Rs 15 lakh. Of this, Rs 10,000 per day was just the PPE kit fee,” she said.

-The cost of a room for non-critical patients starts from a range Rs 3200 per day and goes up to Rs 16,000 per day for a deluxe room. The per-day cost of consumables ranges from Rs 4000 to Rs 8000. An average of three to five PPE kits are used per day, the cost per kit ranges from Rs 700 to Rs 1100.

-One key item is COVID investigations. The procalcitonin test to check for severe infection and Interleukin-6 test for examining immunodeficiency disorder can cost Rs 9,000 per test.

-In a non-ICU set-up, daily doctor’s consultation ranges from Rs 2100 to Rs 3800; and the per day pharmacy cost from Rs 300 to Rs 1000. Admission in the ICU doubles most of these expenditures.

-The daily ICU room rent ranges from Rs 7000 to Rs 16000. Patients end up paying more for the ventilator — daily cost between Rs 1000 to Rs 2,500. Another major cost of the ICU is the arterial blood gas (ABG), a procedure to measure the levels of oxygen in the blood. This ranges from Rs 1000 to Rs 5500 per day.

-Per-day cost of ICU consultation ranges from Rs 2500 to Rs 6000; and this amount is separately charged as visiting charges for doctors from three specialisations: internal medicine, critical care, and chest medicine.

-Critical care patients pay an additional charge for COVID procedures: Rs 2000 to Rs 5000 per procedure. These include central venous line insertion and blood gas sampling procedure – both done by emergency medicine doctors. There is also a separate doctor fee in the range of Rs 1,500 per day, for ventilator monitoring.

-Cost of consumables and investigations in the ICU is also almost double that of a non-ICU setup. The per-day investigation cost can range start Rs 7000 and can go up to high Rs 20000 for very critical patients; ECG, renal tests and chest X-ray, done daily in an ICU, are the three most common investigations. Some bills show the ICU patient had to pay up to Rs 18,000 for a “bio fire respiratory panel test” that is intended to diagnose respiratory infections. [6]

-There are still no treatment protocols in place for Covid-19. For mild patients, the treatment includes administration of commonly used antivirals that are under price control. For moderate to severe cases, ICU admission may be required and patients could be put on ventilator or oxygen. One of the big costs is the test for Covid-19 which is capped at 4,500, and a patient needs two of these tests before confirmation, and two more when they are getting discharged. [7]

4  THE CHALLENGES OF MIDDLE CLASS:
As we all know that for the poor and the below poverty line (BPL) people, the Indian government is running various health insurance schemes like Rashtriya Swasthya Bima Yojana (RSBY) which was initiated in April 2008 by Ministry of Labour and Employment for BPL people for which the beneficiaries don’t have to pay any premium and all premium is paid by the central and state government, another is Universal Health Insurance Scheme which is also for BPL people in which the beneficiaries have to pay only Rs.165 per person per year, the Pradhanmantri Jan Arogya Yojana (PMJAY) commonly known as Ayushman Bharat Yojana is essentially a health insurance scheme to cater to the poor, lower section of the society and the vulnerable population. It is designed especially for the economically weaker sections of the country. The PMJAY was launched in September 2018 providing health insurance coverage of a maximum sum insured amount of Rs.5 lakh. The PMJAY or the Ayushman Bharat Yojana Scheme covers COVID-19 treatment and hospitalisation for poor families.

Other than these, in this COVID period, the state governments made quarantine centres so that they can keep the labourers and the poor migrants in quarantine before settling them back to their homes.

On the other hand, the high socioeconomic groups of people are earning so well and can afford all kinds of health in-
survances or medical treatments according to their requirements. Healthcare facilities are never a challenge for this group.

Even the central government employees are benefited from schemes like Central Government Health Scheme (CGHS) which was started in New Delhi in 1954, and the Employees State Insurance Corporation Scheme (ESICS) for low paid industrial workers. The ESIC includes both cash and medical benefits.

The main challenge is faced by the middle class and the lower-middle-class group who are neither covered by any Government health or insurance scheme nor many of them can even afford their own insurance due to high premiums. This leads to catastrophic health expenditure of the middle class in situations like COVID-19 pandemic.

Even those who are having health insurance, they are having the insurance may be up to 2 lakhs and the maximum they can afford insurance up to 5 lakhs which is sometimes insufficient for the treatment of diseases like COVID-19 that too when many members of the same family are affected. Due to lack of insurance coverage and insufficient funds they are forced to not to report.

This calls for the need for change in the health care system in India by strengthening the primary health care and extending coverage to the middle class at low premium rates. The primary health care system by the government which is available at present is in very poor condition as there is not adequate accessibility and availability of adequate primary health services to all people. There is lack of organisation and management. Public health infrastructure is grossly inadequate to cater healthcare demands of the in-creasing population of India. There are shortages of skilled healthcare workers at primary care level. Whatever the re-sources are available; they are either overburdened or un-utilized. PHC aims to provide quality and comprehensive health care in a cost-effective and equitable manner and is the foundation for health systems strengthening. Innovations in the field of healthcare to reduce healthcare expenditure with quality care are the urgent necessity. Proper governance, planning and management is necessary to re-duce wastage of public funds and resources. Quality health care needs skilled healthcare workers. The Accredited Social Health Activist (ASHA), Auxiliary Nurse Midwife (ANM) and the Anganwadi workers (AWW) who are working con-tinuously in this life-threatening pandemic era should be given regular appraisal and incentives. There is a need to upgrade the role of PHC workers by training to meet the growing healthcare demands.

To make the health care system financially feasible, there is a need to be accountable to both government which is provider and to the common public who are recipients. The annual audit should be implemented so that we can have an idea about wastage of resources, ground realities, Consumption of resources, efficient de-livery etc. and for better outcome regular appraisal should be done. There is shortage of healthcare professionals and adequate infrastructure. It hampers efficient healthcare delivery at primary care level. These gaps can be bridged by effective utilization of funds, public–private partnership, affordable technologies, and training.

There is also a need to increase the primary health centre at mohalla/ward level along with deputing some mobile vans in urban areas so that door services can be availed. Also, there must be setup and upgradation of existing government hospitals at district level so that the middle class people who cannot afford private treatment can go to government hospitals for the treatment. As needed in some cases in covid-19 disease, many facilities like ventilator support are inadequate in government district hospitals. Government should also aim at reducing the cost of tertiary health care so that there is equitable distribution of health care services.

In the current era of information technology, Aadhar card can play a major role in shaping the future of PHC. All the patients coming to the primary health centre can be enrolled by their Aadhar number. Significant medical and surgical history can be updated in the database. Investigation done through government laboratories also can be tracked through Aadhar number. This not only will reduce the expenditure but also will make the health care delivery faster.

The government should provide insurance benefits also to the middle class. It can be done by increasing coverage of AYUSH scheme to cover more people including the middle class and the lower middle class. The health system in our country is at cross-roads today, therefore, it becomes very much important for the government to launch more health insurance schemes to cover the middle class and the lower middle class population of the country, so that they can also avail benefits and can be saved from unnecessary out of pocket expenditure.

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