Taking the road less traveled: Economic analyses for advancing universal health coverage

The health services in India are insufficient to meet the needs of the people, even when provision from both public and private sectors is put together.¹ In India, private sector is a major provider with share of 72% and 79% of outpatient and 58% and 68% of inpatient services in rural and urban areas, respectively.² The use of private sector health services also means high out-of-pocket expenditure (OOPE) by people, which amounts to two-thirds of total health expenditures in India. The OOPE in the country is one of the highest globally. In India, annually, an estimated 65 million people fall into poverty due to expenditures while accessing health services.³⁴

The research evidence and economic analysis on the cost of health services can guide policy interventions for advancing universal health coverage (UHC). However, there are limited research and publications on cost of care and other types of economic analyses in health care in India. Much of the existing evidence is either through specially targeted surveys or model-based estimates, done on ad hoc basis, to fulfill immediate information needs. The available expertise in India to conduct such analyses is also considered rather limited.

This issue of the journal has published a research article by JadHAV and Mukherjee⁵ on the health status of patients with hemophilia A, the use of health-care resources by them, and the cost of care. The authors of this paper have observed that the prohibitive cost of care is a factor in the suboptimal management of hemophilia, which leads to serious and debilitating life-threatening outcomes.⁶ These observations could be applicable for many other health conditions which require repeated visits to health services and providers. The cost of care is likely to be higher when care is sought in the private sector.

However, this research article does have a few limitations, namely: small sample size, lack of in-depth analysis, insufficient description of policy implications, and does not provide appropriate and relevant solutions. Limitations notwithstanding, this article is important as it has dealt with a topic not sufficiently researched and documented in India – the cost of accessing health services.

Academic research in India continues to largely focus on traditional topics such as family planning and maternal and child health. The possible reasons for not exploring new topics, such as economic analysis in health research are a combination of factors: lack of technical expertise, limited institutional capacity, insufficient funding, and not enough platforms (journals/conferences) to publish/disseminate findings, among others.

The research on emerging topics/themes would be increasingly demanded and required as India aims to progress toward UHC. In addition to cost of care studies, there are other methods of economic analysis [Box 1], which can help understand, inter alia, the cost-effectiveness of services and to assist prioritization and optimal and efficient utilization of limited resources (i.e., technical and allocative efficiencies). This set of evidence would be needed for tracking progress on health status of the population and for selecting appropriate interventions.

In absence of sufficient research evidence, the policy-decisions in India are either delayed or have to rely upon a combination of expert opinion, experience and model-based approaches.

Box 1: Methods of economic analyses in health care

| Cost-of-illness analysis: Determines the economic impact of an illness or condition |
| Cost-minimization analysis: Studies the least costly among similar alternative interventions |
| CEA: Compares costs with outcomes in different units. Two types of CEA |
| CUA: Compares costs in monetary units with outcomes in terms of utility |
| Cost-consequence analysis: Compares costs and outcomes in discrete categories, without aggregating or weighting them |
| CBA: Compares costs and benefits, in common monetary units |
| BIA: Studies the impact of a particular technology or related policy on a designated budget |
| Cost accounting: Process of collecting, recording, classifying, analyzing, summarizing, allocating, and evaluating various alternative courses of action and control of costs |

CEA: Cost-effectiveness analysis, CUA: Cost-utility analysis, CBA: Cost-benefit analysis, BIA: Budget-impact analysis

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There is an increasing recognition in India to conduct research and analysis at the intersections of evidence generation and policy-making. The National Health Policy (NHP) of India proposes to measure and track disability-adjusted life years.[4] The Indian Council of Medical Research (ICMR) has collaborated with a few agencies for state-specific burden of diseases in India, the findings of which were first published in late 2017. The Union Ministry of Health and Family Welfare, Government of India, has joined a health system knowledge platform.[6] For making the health technology assessment (HTA) process institutional, health technology assessment India (HTAIn) has been set up (initially named as medical technology assessment board (MTAB) at Department of Health Research, Government of India.[7] However, there is a long way before these mechanisms would be able to deliver effectively. Till then and afterward as well, the academic community has an important and complementary role to conduct and publish such researches.

While need for economic analyses in health services is widely acknowledged, catalyzing the research would need a few specific actions.

- Identify key policy questions in need of evidence: The academic researchers have to be incentivized to conduct and prioritize research in these identified areas.
- Prioritize resources for capacity building (of researchers at various levels): The institutional mechanisms have to be used to build capacity of researchers in methods and tools for conducting high-quality research and analyses. The government and other stakeholders (including donor agencies) should consider enhancing financial supports and grants for work in area of economic analyses in health services. This is needed for both primary evidence generation as well as use of available data for conducting analysis.
- Develop strategies and approach to communicate research findings in easy to understand manner: beyond their own community, to be understood and used by policy-makers. The bioscience journals can facilitate the process by including a summary of key findings and policy recommendations for laypersons in the final versions of published papers, specially those with policy implications.
- Establish institutional mechanisms for closer engagement between researchers, policy-makers, or program managers: Annual “research to implementation forum” with participation of academic researchers, policy-makers, program managers, donor agencies, and other interested stakeholders has been proposed in the past.[8,9] The existing institutions such as NITI Aayog can take lead in this aspect by facilitating the functioning of ‘national knowledge platform’ and working as ‘knowledge and learning hub’.

The opportunity provided by recently announced Ayushman Bharat Program has potential to accelerate these efforts.[10] However, this would require right stewardship backed by funding and technical support from institutions such as ICMR and other stakeholders including international agencies.

The attention on health-economics is relatively recent in India. The lack of scientific evidence could be partially attributed for low government expenditure on health at 1.15% of gross domestic product (GDP). The lack of sufficient data on cost of care and/or impact of illness makes it difficult to estimate additional investment needed by government to deliver those services. Documented evidence on health services on impoverishing effect could guide government to select health services for priority interventions to identify the people falling into poverty.

To conclude, the availability of evidence for informed policy making is one of the limiting factors in optimal allocation and utilization of public resources in India. Although academic researchers have started conducting economic analyses, the pace of transition is slow. There is an urgent need for concerted actions from policy-makers, academic community, and other stakeholders.

Disclaimer:
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