Strengthening primary health care through private players: A dream “so near, yet so far”

Dear Editor

In the article titled “Strengthening primary health care through e-referral system” Md Abu Bashar et al.,[1] the authors have pointed out beautifully the importance of referral system, particularly in India. The authors have urged that, in most countries, patients bypass primary care institutions and go straight to higher-level facilities, increasing the strain on higher-level facilities; the situation is similar in India. Overpopulation, a dearth of experienced clinicians, a disproportionate distribution of physicians, and a lack of enthusiasm among current health care personnel are all problems with India’s health care system. The authors are of the view to implement the e-referral system in the internet era due to the failure of traditional paper-based reference systems. Further to this, we believe along with the e-referral system the primary health care system can be more strengthened by bringing in privatization in the healthcare system.

The healthcare system in India is one of the largest health systems all over the globe, catering to over 1.3 billion population. Here in India, health care is provided either by government-established institutions or by privately run hospitals. There are many success stories to support the health care programmes run by the Government of India through its three-tier health system which involves primary level care (sub-centre/primary health care centre), secondary level care through community health centres, sub-district and district hospitals and finally tertiary level care is provided through tertiary care hospitals and associated medical colleges. There are over 5 lakh trained doctors working under this system and a vast force of grassroots level workers which includes over 7 lakh ANMs, FMPHWs, ASHAs and Anganwadi workers. The health infrastructure includes 1.6 lakh subcenters, and 22975 PHCs and 2935 CHCs (with over 24000 doctors and over 3500 specialists to serve in them). In addition to 6 lakh angawadis serve nutrition needs of nearly 20 million children and 4 million mothers.[2] Even though the Indian healthcare delivery system is categorized into two major components: public and private. The Government, i.e. public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas. The private sector provides a majority of secondary, tertiary, and quaternary care institutions with major concentration in metros and tier I and tier II cities.[3]

In the last two decades, we have seen enormous growth in the private sector as well. Especially for ambulatory healthcare services, the private health sector has a long date back to history in India. During the era of seventies, healthcare was predominately a public domain. Then came the era of the eighties, which is witness to the monopoly of imparting medical education only through Government-run medical colleges. From the early nineties until now, we saw a rapid growth in the privatization of healthcare and even medical education. Still, over 70% of the outturn of medical graduates are from the Government established medical colleges. In the academic year 2019-20, 279 government medical colleges offered MBBS courses, against 260 private ones. There has been a 47% rise in government medical colleges during 2014-19, compared to a 33% increase in the total number of medical colleges in the past five years, from 404 in 2014-15 to 539 in 2019.[4]

Initially, the number of privately run medical colleges were more before 2015 and private health facilities went on to flourish in the urban areas. The growth in the private sector over these years can be attributed to the Central Government for providing various concessional incentives, leased land and other tax rebates for the business fraternity to set up private hospitals and medical schools all over the country. Private pharmaceutical companies were also lucky to get this patronage for their growth through multiple subsidized schemes and protection from multinational companies. As a big breakthrough for the health care system in India, 1 primary health centre entitled to 30,000 population, one first-level referral unit for 5 PHCs, and one secondary level hospital for one district was designated through policy route. But because of the least commitments of healthcare resources, the public healthcare system remained underdeveloped and new public investments were directed to other Government sectors. It was the time in the early nineties when we saw a rapid growth in the privatization of healthcare and even medical education. Still, over 70% of the outturn of medical graduates are from the Government established medical colleges. In the academic year 2019-20, 279 government medical colleges offered MBBS courses, against 260 private ones. There has been a 47% rise in government medical colleges during 2014-19, compared to a 33% increase in the total number of medical colleges in the past five years, from 404 in 2014-15 to 539 in 2019.[4]

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Problem statement

In our country, there is an infinite number of state-owned enterprises, and whenever the concept of privatization comes underway, people barge out of emotions and feel like states are selling their assets to the private owners. In simpler words, privatization of services is a broader concept which involves inviting private enterprises by the Government to work together for reforms of the public. Privatization of healthcare services
in India should mean healthcare reforms in form of better healthcare services, which may involve comprehensive healthcare. The involvement of the private sector can be directly through the involvement of physicians, hospitals and associated pharmacies, or it could be another way through manufacturer involvement. A simpler explanation for the uprising of the private sector could be explained through the inability of the public sector to provide desirable comprehensive healthcare to their people, unmet needs of the community population even after receiving the services provided through the public sector, increased demand and over expectation of the people from the public sector, and low Government expenditure on health as revealed by per cent GDP. Many countries such as Germany, United Kingdom, and Netherlands have paved way for the private sector because of the liberal policies which have encouraged the private sector to strengthen the health system. In these countries, the policies of the world bank and IMF are the reasons to foster the growth of the private sector. In a nutshell, we can say that when the private sector will work in close coordination with the public sector, it can put the end to the unending demand and expectations of the public. The best solution to this was offered by the Private-public partnership (PPP model). PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project. Although, many sub-models based on the PPP model are in use. To name some of them include Build Operate and Transfer (BOT), Build-Own-Operate (BOO), and Build-Own-Operate-Transfer (BOOT). India offers today the world's largest market for PPPs. It has accumulated a wealth of experience in getting to this premiere position. Moreover, the concept of patient centred care seems more appropriate when there would be a collaboration of public and the private sector. The patient centred care would enhance the reputation of the healthcare providers, improve satisfaction score among the patients, there will be better resource allocations and reduced expenses and decreased financial burden throughout the continuum of care. The aim of the healthcare services of any country is usually focused on the demand from the consumers and the supply they should provide back in order to target the last person and reaching the last mile among the community population.

As the PPP market in infrastructure matures in India, new challenges and opportunities have emerged and will continue to emerge. Over the past few years, a number of public–private partnership (PPP) projects across various sectors have been in a stalled state (Economic Survey 2015). Further, private investment under the PPP investment model has failed to come by due to various reasons. An examination of various reasons for issues plaguing PPPs is as follows: According to Economic Survey-2015, many companies have been “over-leveraging” i.e. bidding beyond capacity and expecting government to redrew contracts. The long-term finance for PPP projects has dried up due to excessive dependence on banks and lack of proper corporate bond market in the country. Clearance issues for projects – land acquisition and environmental clearances for projects have been difficult to come by. According to Economic Survey 2015, PPPs have certain inherent flaws in design due to which they have been stalled eventually- no re-negotiation structures; wrongful risk allocation; lack of focus of efficient service provision. Focus on fiscal benefits rather than efficient service provision; no measures to penalize the providers for poor service. Bidders giving highest revenue share to government win the contract. But the main concerns which needs to be addressed is of the leadership and accountability of the private sector when they work with the public sector in PPP model.

Benefits of the private sector

Often people are of the view that they get quality and early treatment for their ailments at the private hospitals or institutions in comparison to public healthcare facilities which are always overburdened with patients. Despite private sector hospitals being profit-oriented, they are also people-oriented because of which they give more priority to the services. Private sector hospitals are known for being well organized and systematic, and they provide early and quality services to the patients. They are also considered being more responsive and accountable to the people’s demand. People have an option to choose the healthcare facility as per their convenience, a health care professional or a treating doctor as per their choice and the option to choose from multiple ranges of services. However, an important aspect of the private healthcare institutions is that they are untouched by the political scenario and keeps on providing services at any cost, new technologies and health services pave their way in private Institutions and they provide different sophisticated services. One of the main important differences between public and private institutions is that private institutions have no dearth of resources while public healthcare institutions have issues in health resources supply, human resource, and other deficiencies.

The private sector can function at an individual level but in order to enhance the public sector work, convergence with the private sector can be much helpful. This convergence can boost the public sector and can share the burden of the public sector at large. The financial burden already present on the government/public sector can be decreased due to the involvement of the private health sector. The key to this collaboration is already in place which is the competition within the private sector which encourages the public sector to boost up the private sector.

Limitations of privatization of healthcare services in India

While we discussed the benefits of privatization of healthcare services in India, it too has some serious limitations. For a low middle-income country like India, where almost 7% of the population lives under the poverty line and other socio-economic groups include mostly middle class or low middle-class people. The increased expenses for healthcare services provided by the private sector are too expensive for the general population to afford. This has further deepened the financial burden and out of
pocket expense on the general public. Consider this, the average medical expenditure in private hospitals in rural areas is almost four times that in government hospitals. As per the survey, patients spend Rs 5,606 per hospitalization in government hospitals as against Rs 23,821 in private units. The difference in cost rises to over seven times in urban centres where the average spend in government hospitals is Rs 7,189 as against Rs 42,540 in private hospitals. Rising healthcare costs pushes nearly 5.5 crore Indians below the poverty line every year. The poor and vulnerable are often denied treatment by private players. This points towards the urgent need to regulate the private health sector to protect the health and rights of patients in the country. The money-minting policies of the private sector have also raised the concern of unnecessary tests and diagnosis which has created a sense of vacuum and mistrust among the public. As the focus of the private sector remains around the profit generation, they have their focus more on the urban areas with larger population while rural areas have been neglected which has increased the already present gap and created inequalities between the healthcare services for rural areas. We know that India is a land with diverse linguistic, cultural and geographic diversities. Such diversities are also found with the health issues also. The current concern of the Indian healthcare is to decrease the burden of malnutrition, infectious diseases and non-communicable diseases. The private sector has no role to play in achieving such goals.

Road ahead

Government must consider and acknowledge the fact that the involvement of the private sector can act as a double-edged sword. The private sector has been able to make the best services at the disposal of the general population at the cost of out-of-pocket expenses which have deepened holes in the pockets of the general public. For this, the Indian Government has started the Pradhan Mantri Jan Arogya Yojana (PM-JAY) which has provided somewhat a relief to the public. But mere 5 lakh support to a family for treating their ailments at a private healthcare Institution is too little. This bar of entitlements in the form of health insurance needs to be reconsidered on case-to-case basis. As we may notice further growth in the private sector in the coming years, but their regulation needs to be monitored to ensure continuous delivery of quality services and to avoid monopoly. Furthermore, there must be a bi-lateral referral system between the public and the private healthcare service providers so as to introduce the concept of social prescription into the society without any hitches. Moreover, specific guidelines addressing the provision of services provided at the private healthcare institutions, their areas of involvement, public-private convergence and quality of services must be framed.

Although the authors “Abu Bashar et al.” have stressed upon the implementation of e-referral services during digital times in India but side by side we need to focus on increasing the scope for privatization of healthcare system. This will not only enable us to improve our health system at large, provide jobs to millions, reduce the cost of healthcare eventually and public and private sectors will function effectively, cooperatively and coherently.

Ethical issues

The study had no ethical issues pertaining to animal or human experimentation. All the data was collected from the public domain and had been used to infer results of this study, so no permission was required.

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Conflicts of interest

There are no conflicts of interest.

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