Healthcare Sector In India: Challenges And Opportunities

Healthcare Sector: Overview
Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by the public as well private players. Thus healthcare has become one of the key sectors in terms of revenue and employment in India.

Indian healthcare delivery system is broadly categorised into two components: public and private. Public delivery system consists of basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas, secondary and tertiary healthcare institutions in key towns and cities. Private sector primarily caters to secondary, tertiary and quaternary care.

Statistics related to Healthcare

- The Indian healthcare market, which is worth around US$ 100 billion, will likely grow at a CAGR of 23 percent to US$ 280 billion by 2020.
- It offers employment to around 4% of the population.
- The doctor-patient ratio in India is 1:1,700.
- India’s total healthcare expenditure is 4.1% of its GDP (1.2% public expenditure) which is one of the lowest in the world.
Challenges in Healthcare Sector

1. **Population:** India has the world’s second-largest population, rising from 760 million in 1985 to an estimated 1.3 billion in 2015. India added 450 million people over the past 25 years.

2. **Infrastructure:** The existing infrastructure is not enough to serve the needs of the growing population. The public healthcare institutions are under-financed and short staffed. The doctor to patient ratio is dismal at 1:1700. India compares unfavourably with China and US in the number of hospital beds and nurses. The country is 81 percent short of specialists at rural community health centres (CHCs), and the private sector accounts for 63 percent of hospital beds.

3. **Rural-Urban disparity:** Rural India accounts for 70% of the population but accounts for only 30% of the healthcare services. This shows a huge demand-supply gap in the rural areas. Private sector is highly concentrated in urban India while PHCs are short of more than 3,000 doctors. Majority of healthcare professionals are concentrated in urban areas.

4. **Low government spending:** Public expenditure on health accounts for only 1.2% of the total health expenditure which is abysmally low when compared to WHO recommendation of 5%.

5. **High out of pocket expenditure:** Out of pocket expenses account for 62% of the expenditure which is very high when compared to 13.4% in US, 10 percent in UK and 54% in China.

6. **Insurance:** 76% of Indians do not have health insurance. Government contribution to insurance is just 32%. Low insurance penetration forces people to spend out of pocket.

7. **Dual disease burden:** While the problems of Maternal, infant mortality, communicable diseases still exist lifestyle diseases like hypertension, diabetes are on rise. This situation has been termed as Dual disease burden. Lifestyle diseases accounted to half of all deaths in 2015.

8. **Malpractices in the sector:** Selling substandard and counterfeit medicines, unnecessary hospital admissions and exploitation.
9. Adequate attention has not been given to alternative healthcare practices like Homeopathy, Ayurveda, Unani.

**Opportunities**

- National Health Policy 2017 recommends increasing the public expenditure on health to 2.5%, which should be adhered to. This could help reduce out of pocket expenses.

- **Focusing of primary care:** India needs to shift focus from secondary and tertiary sectors to primary care. PHCs should be made attractive to doctors by providing incentives and making rural service mandatory for medical students.

- Focus should be shifted to preventive healthcare from curative healthcare. Universal immunization helps reduce the incidence of communicable diseases and thus reduce the costs of curative care.

- Private investment in educational institutions should be encouraged. This would help increase the number of graduating doctors in a year and address the problem of doctor-patient ratio. NITI Aayog also recommended the same.

- Proper implementation of initiatives like Rashtriya Swasthya Suraksha Yojana is needed to increase insurance penetration.

- A National Health Regulatory and Development Framework needs to be made for improving the quality (for example registration of health practitioners), performance, equity, efficacy and accountability of healthcare delivery across the country.

- It should put out standard treatment guidelines for public and private providers, frame a patients’ charter of rights, engage with professional associations and civil society, and establish a regular audit system.

- The government’s National Innovation Council, which is mandated to provide a platform for collaboration amongst healthcare domain experts, stakeholders and key participants, should encourage a culture of innovation in India and help develop policy on innovations.
• Establishment of Ministry of AYUSH provides an opportunity to explore alternative medical practices. AYUSH systems should be made mainstream in healthcare along with allopathy. Research and development should be encouraged in these domains and awareness need to be created.

• **Leveraging the benefits of Information Technology:** computer and mobile-phone based e-health and m-health initiatives were launched on World Health Day in 2016. These include the Swastha Bharat mobile application for information on diseases, symptoms, treatment, health alerts and tips; ANMOL-ANM online tablet application for health workers, e-RaktKosh (a blood-bank management information system) and India Fights Dengue. Leveraging the benefits of information technology helps in enhancing the quality of service delivery.

• **Investment from Startups:** Start-ups are investing in healthcare sector from process automation to diagnostics to low-cost innovations. Policy and regulatory support should be provided to make healthcare accessible and affordable.

• **Data Analytics:** Big data analytics could be used in tracking patient data, treatment prescriptions, etc.

• Spreading awareness about non-communicable diseases like hypertension, diabetes. Healthy lifestyle should be promoted with yoga, meditation.

• Active participation and campaigns helped the eradication of polio. Success was achieved in reducing the incidence of HIV AIDS by providing information and spreading awareness. Similar strategies can be used for containing the spread of diseases like Tuberculosis, dengue.

• **Working towards Universal Health Coverage (UHC):** India should take cue from other developing countries like Thailand to work towards providing UHC. UHC includes three components: Population coverage, disease coverage and cost coverage.
Way Forward

India needs a holistic approach to tackle problems in healthcare industry. This includes the active collaboration of all stakeholders – public, private sectors, and individuals. Changing disease patterns from communicable to non-communicable diseases is being witnessed and it expected to only rise in future. Hence a more dynamic and pro-active approach is needed to handle the dual disease burden. Cooperation among Central and State governments is to be promoted in policy making and exploring options like UHC to cater to the health of the population and eliminating the malpractices that exist in the system with effective policy implementation.
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