

Evolving Consumer-Friendly Healthcare Systems in India: improving policies and practices

NATIONAL POLICY FORUM
24th May, 2011, New Delhi

I. OBJECTIVE

The main objective of this National Policy Forum (of COHED project) is to share findings of the research undertaken on the nature and impact of collusive behaviour in the healthcare sector of two states, with a group of multiple stakeholders and draw lessons relevant for policy.

II. BACKGROUND

Access to healthcare, which has been universally recognised as a basic human need and an inalienable right, has been ensured in India through constitutional commitments. However, a large section of the Indian population still faces challenges pertaining to access to essential medicine because of either lack of or unaffordable prices, or a combination of both. Even when there is access, quality is often suspect as poor recipients of health services often get entangled in a vicious cycle involving commercially motivated doctors, pharmacists and diagnostic clinics, who compromise on medical treatment to maximize their own revenues.

It has been recently revealed that out-of-pocket expenses constitute over 70% of the expenditure on healthcare for the average Indian, and a large chunk of this expenditure is spent on medicines. In spite of the fact that medicines are made available to consumers free of cost and/or at a nominal price by many state governments – in reality many consumers have to procure them. One of the findings of the CUTS project (*Collusive Behaviour in Healthcare Delivery in India: Need for Effective Regulation*, COHED project), was that in both the states (Assam and Chhattisgarh), a sizable population of consumers getting treated in government hospitals were buying medicines from private sources. A possible explanation could be lack of availability, which raises a number of issues to be urgently addressed by the state administration. The other is (alleged) collusive arrangements among/between various players in the healthcare value chain. Both of these make cost of healthcare high and unaffordable for many.

Though, it remains to be seen how the recently introduced ‘prescription audit’ would work out, but one feels that it’s a step in the right direction. Prescription audit has now been made mandatory for antibiotics only, but should be expanded to include all medicines within its purview. This would go a long way in ensuring better public monitoring of the behaviour of healthcare providers in public and private sectors – and curb occurrence of collusive practices.

The recent (and disturbing) spate of restructuring in the Indian pharmaceutical industry raises a number of questions vis-à-vis both availability and cost of medicines for the average Indian. It’s good to see that this issue has attracted wide public and policy attention and some measures have been proposed by the government that are in the interest of the consumer. In such an environment, the central government needs to also urgently re-visit its pricing policy for

‘essential medicines’. A large number of essential medicines (included in the *National List of Essential Medicines*) still remain outside the purview of price control – which should be gradually introduced. The public benefits of such a measure far outweigh the pressure it would exert on the producers, which should guide the decision-makers to take this step.

Quality of healthcare remains questionable, in the absence of ‘minimum standard of service’ for hospitals and healthcare institutions, which remain unregulated, given the huge cost of regulating such a heterogeneous and complex market. After a lot of efforts the *Clinical Establishment Act 2010* was adopted by the Central Government. However, it has not been adopted by most of the states – which needs to be done without any further delays. Widespread awareness generation on the need for adopting this legislation would build pressure on the state government to act.

Some of these above challenges in the healthcare sector have long been issues of concern for the civil society. Considerable inertia is noted in the process of evolving enabling policy processes in the health sector in the country. It’s time to expedite such processes through evidence collected from the ground, highlighting challenges in the health sector and explore reforms measures. It is particularly important given that the 12th Five Year Plan of the country is being developed and its period would coincide with the MDG target year of 2015. Statistics gathered from across the state still reveal appalling health indicators across many of them – and it is high time for the government to make some decisive moves.

III. CONTEXT

CUTS would facilitate a discourse on the need for consumer-friendly policies and institutions for implementing them through this *National Policy Forum*, by drawing participants including healthcare specialists, academia, government agencies, practitioners, policymakers, civil society and representatives from the media to this meeting.