

## Background

Access to healthcare, which has been universally recognised as a basic human need as well as an inalienable right, has sought to be ensured in India through constitutional commitments. However, these commitments have not been translated into appropriate policies and effective practice, and more than 50 percent of the population does not have access to essential medicines either because of lack of availability or unaffordable prices.

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 maximise their own revenues.

The problem with the existing healthcare delivery in India is multidimensional. Inefficient use of already low levels of public financing coupled with prohibitively expensive, substandard and often unregulated private healthcare gives rise to inappropriate practices and sub-optimal outcomes.

Collusion among agents in the supply chain is a serious concern. Collusive activities can range

from tacit agreements between service providers at different levels, to practices fleecing ill-informed consumers. There has been little systematic documentation and compilation of evidence of such activities in India. However, information garnered from various sources points to significant involvement in collusive behaviour of all major players in the healthcare delivery system.

## About the Project

Consumer Unity & Trust Society (CUTS) with support of Oxfam India has initiated a project to identify collusive and deceptive behaviour and advocate for appropriate (policy and regulatory) interventions for enhancing access to affordable and quality healthcare. CUTS intends to document the nature and type of these practices on the ground and their implications for the consumers in the states of Assam and Chhattisgarh, in partnership with local civil society organisations.

Overall goal of the project is to “generate interest/awareness among the government, media and other stakeholders about the crucial relationship between incidence of anti-competitive practices in the healthcare sector and poor quality and affordability of healthcare services in India”.

## Objectives

- To perform advocacy among relevant organisations to garner support for research aimed at identification of medical malpractices in the health sector
- To assess the scope and effectiveness of the present regulatory system, especially the Competition Act, 2002 to deal with anti-competitive practices in healthcare delivery
- To make recommendations for better regulatory outcomes and spread awareness about these recommendations to lay the ground for their implementation

## Project Activities

### Research

The research component includes collection of primary and secondary information/data/studies and its analysis. The research will identify certain competition concerns plaguing the Indian healthcare delivery system which adversely affect the welfare of the consumer.

*First stage survey:* survey of consumers and providers of healthcare services in the states of Chhattisgarh and Assam will be conducted to elicit

Geeta Gouri, Member, CCI speaking at the Launch Meeting, July 2010



Interactions with participants at the State Inception Meeting, September 2010



Participants of Assam State Inception Meeting, September 2010



data on prices paid for various medical services as well as household incomes, etc.

**Second stage survey:** a survey would be carried out to determine whether vertical agreements exist between agents in the supply chain, and their implications.

### Advocacy

- Dissemination of key findings through national and state-level seminar
- Outreach through media
- Discussions with state government departments, Indian Medical Association to explore remedies
- Inputs for policy refinement, etc.

### Expected Outcome

- Formulation of robust criteria for identification of anti-competitive practices in the healthcare delivery
- Stimulate regulatory interventions to curb anti-competitive practices in the healthcare delivery

### Milestones

- Literature review and analysis
- Project Launch Meeting
- State inception meetings in Assam and Chhattisgarh
- First and second stage survey in both the states
- Project report preparation
- National seminar
- Advocacy workshop with state-level stakeholders



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# Collusive Behaviour in Health Delivery in India: Need for Effective Regulation

(COHED Project)

