

Envisioning Indian Healthcare System

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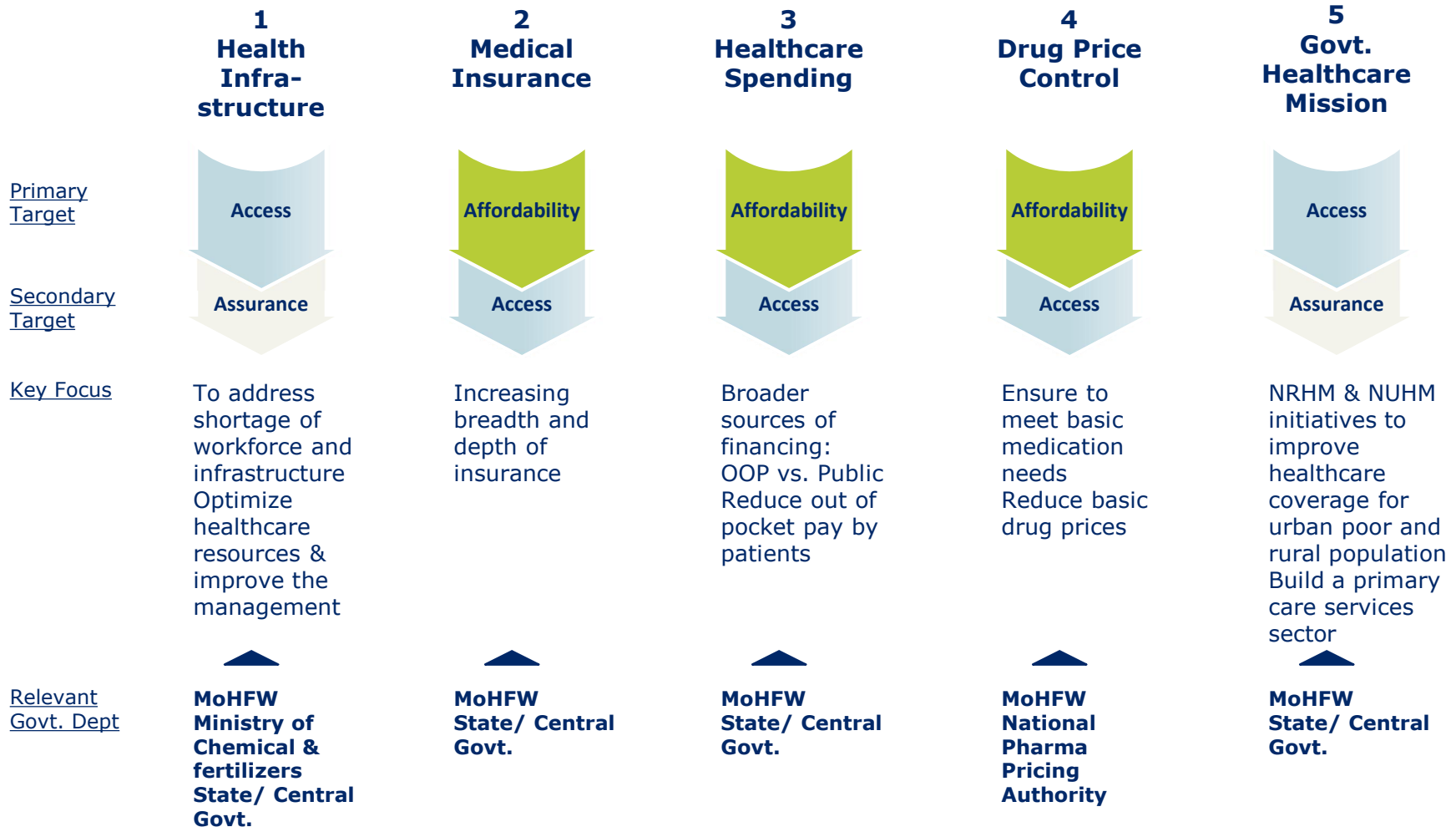
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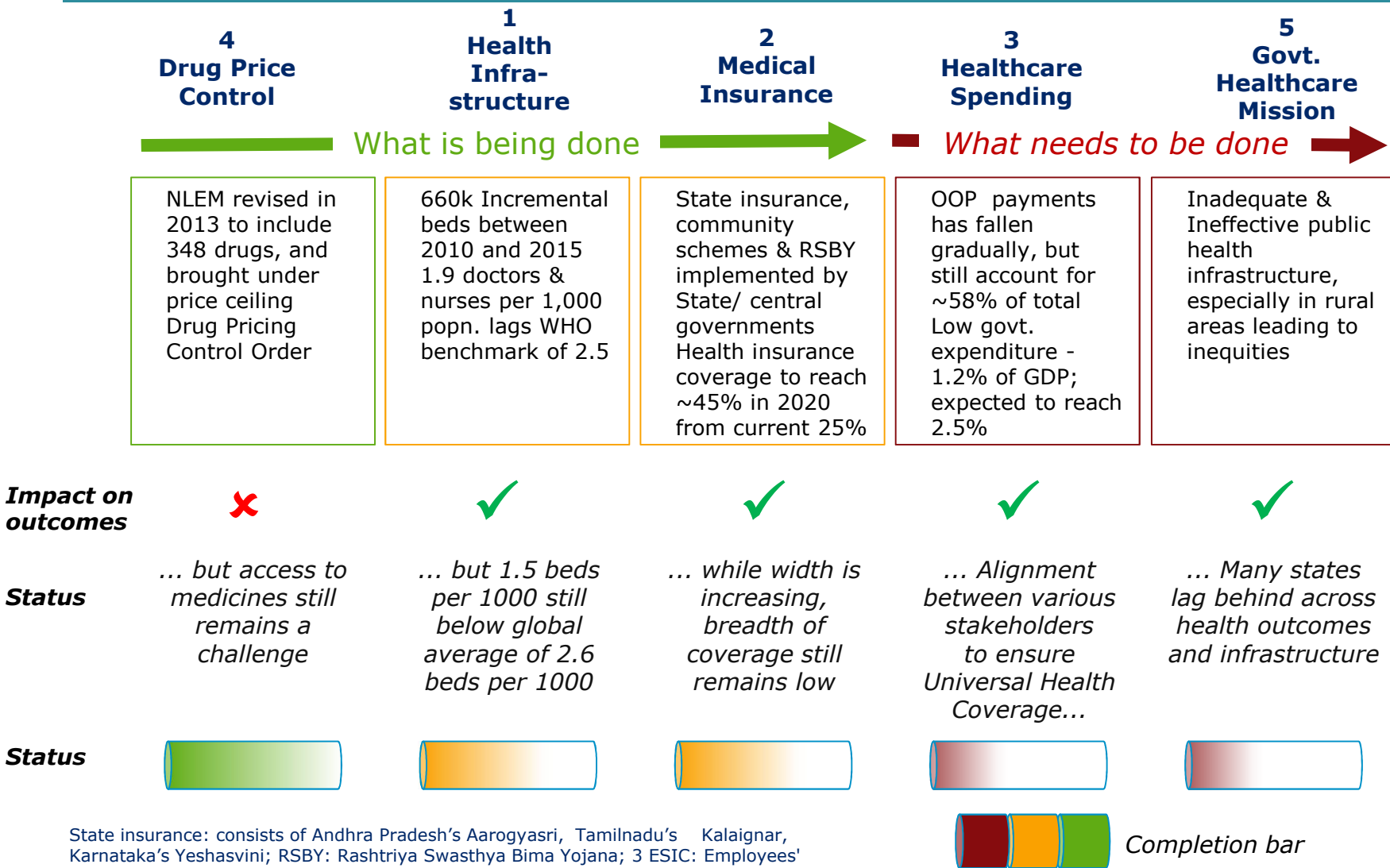
Healthcare reforms in India are being focused to address the 3As of provision of care

3As: Affordability, Access & Assurance



MoHFW: Ministry of Health & Family Welfare. NPPA: National Pharma Pricing Authority. NRHM: National Rural Health Mission; NUHM: National Urban Health Mission)

However progress has not been consistent across all initiatives



State insurance: consists of Andhra Pradesh's Aarogyasri, Tamilnadu's Kalaiginar, Karnataka's Yeshasvini; RSBY: Rashtriya Swasthya Bima Yojana; 3 ESIC: Employees' State Insurance Corporation. NLEM: National List of Essential Medicines

International experience suggests some options for India to consider



In Thailand, which has almost the same total health expenditure as % of GDP as India, has implemented a successful social insurance model, leading to low OOP spend. Public health expenditure is spent through a form of **strategic purchasing** giving it such a high efficiency



Brazil spends 9% of its GDP on health but of this public health expenditure constitutes 46% of total health expenditure. Health outcomes have improved dramatically with government driving **financial coverage**, choosing to play the role of “**payor**” and leveraging the private sector for provision



In South Korea, government decided to focus on the “payor” role and provides insurance for all citizens and pays for identified health care expenses, except for co-pay. Private sector was incentivized to invest in supply side while reducing costs through a **rigorous regulatory framework**

Transforming health systems requires championing by political leadership over sustained period

From user fees & cost recovery based public hospitals to **universal coverage** (Drugs, Diagnostic and Emergency Services to all)

Govt's choice between payor vs provider role

Focus on primary Care: From a Selective Care that is fragmented to continuous comprehensive care

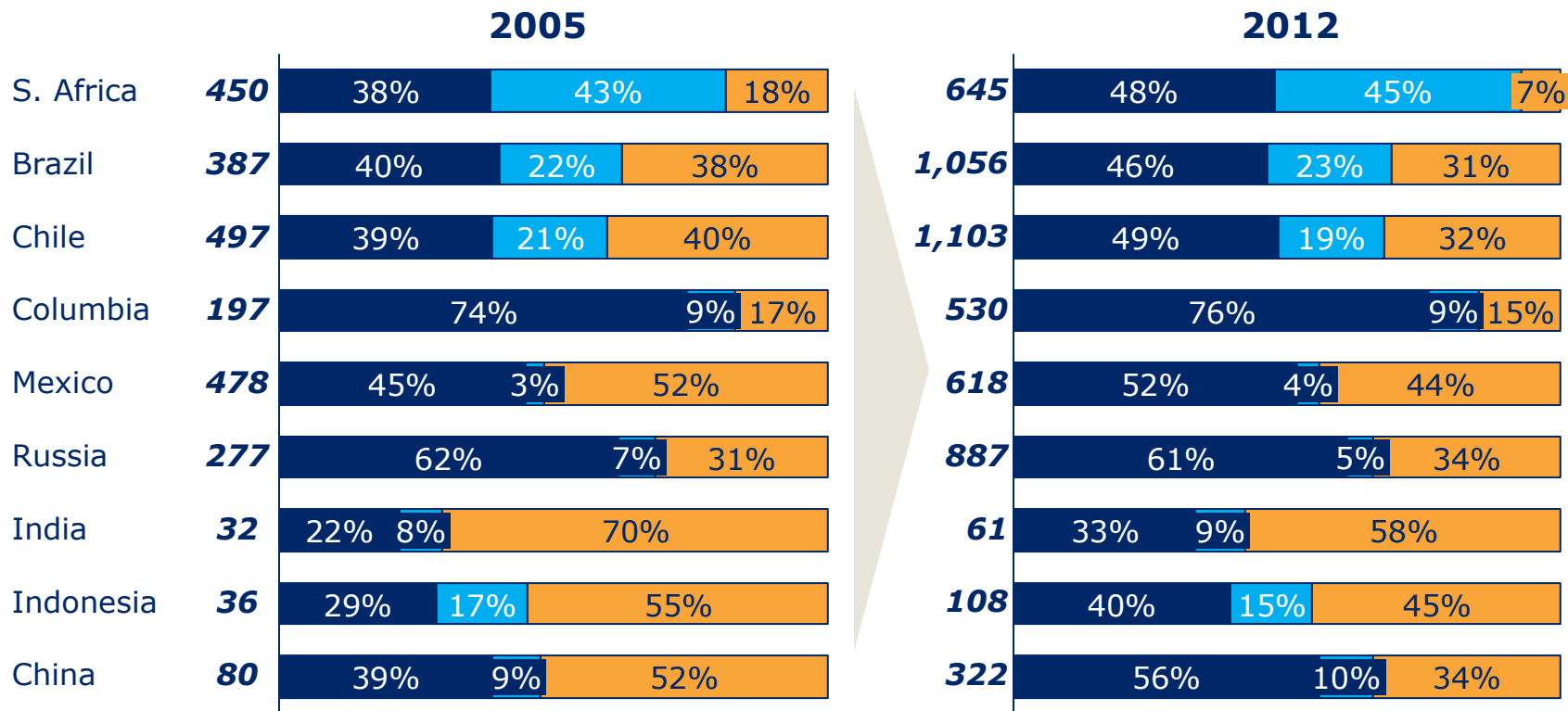
Secondary and Tertiary Care: Move towards an output based strategic purchasing

Decentralized federal system functions effectively when supported by a **common policy framework**

Better integration of health facilities

Key similarity across spending by public healthcare systems in all geographies

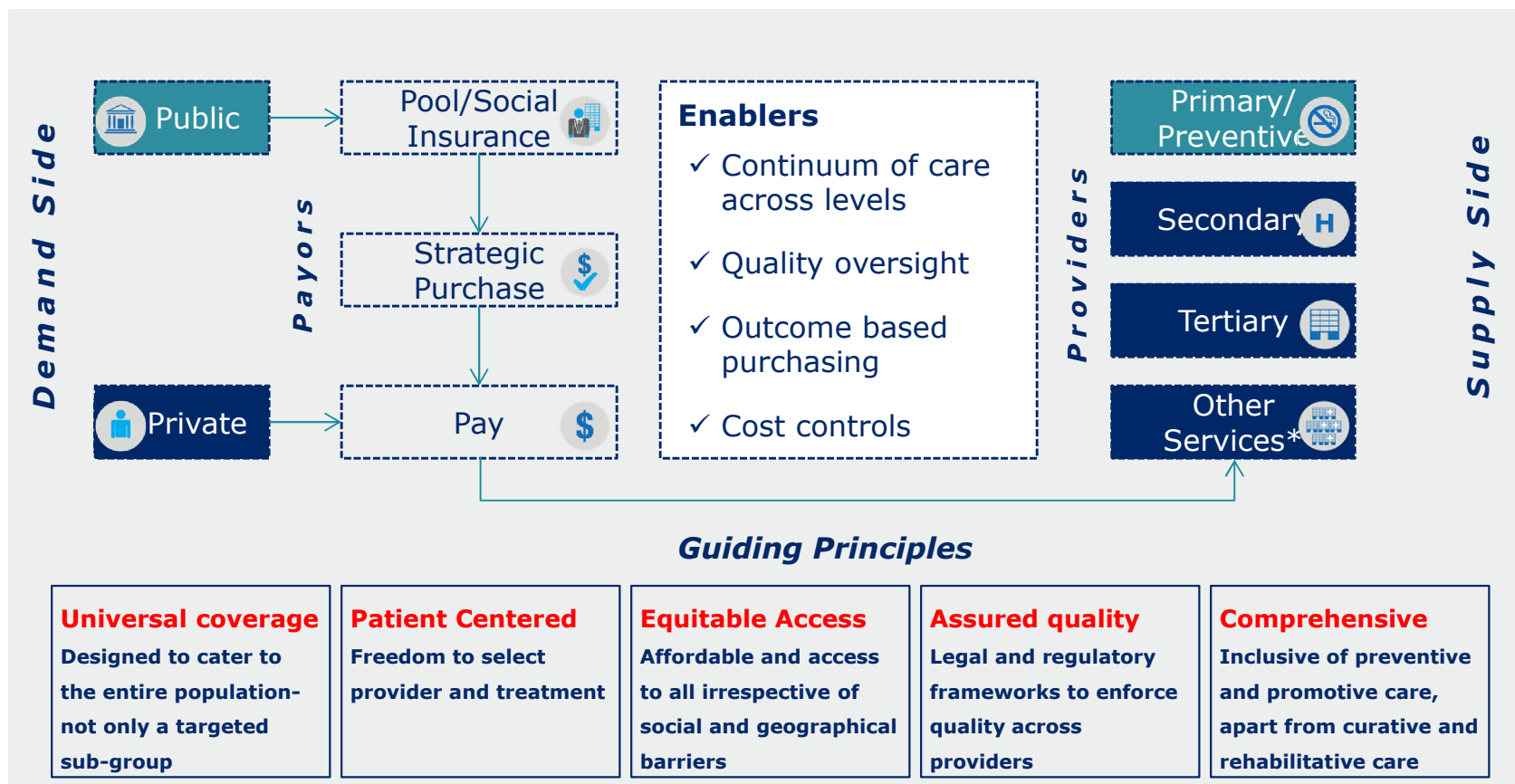
Total healthcare expenditure: \$ per capita and by source



Public Health Expenditure (% of total health expenditure)

- Private Insurance (% of total health expenditure)
- OOP Health Expenditure (% of total health expenditure)

Envisioning India's health systems 2025



- As per the National Health Policy, The Centre to enact the **National Health Rights Act**, which will ensure health as a fundamental right, whose denial will be punishable.
- Public sector to focus on preventive and secondary care services, government to act as “purchaser” in and contracting out services like ambulatory care, imaging and diagnostics, tertiary care

*Other Services include Diagnostics, ambulatory services, non-medical services including laundry, etc.

What does it call for?

- Government to make a clear choice of playing a role of “Payor” vs “Provider”
- Building upon the learning's from successful UHC implementation across similar geographies to address unique challenges across states
- Alignment across all stakeholders across the healthcare system within a defined legal & regulatory framework
- Strong political will over a sustained period of time to ensure funding for healthcare and proper deployment of funds

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