

PRIVATE HEALTH CARE- An overview :

Why private health care prospering all over India when compared to public health care ?

What are the problems crumbling the private health sector ?

The Indian Health sector consists of

- Medical care providers like physicians, specialist clinics, nursing homes, hospitals.
- Diagnostic service centers and pathology laboratories.
- Medical equipment manufacturers.
- Contract research organizations (CRO's), pharmaceutical manufacturers
- Third party support service providers (catering, laundry).

Information Technology In Health Services

Information technology is increasing being used in health services. Some of the applications are:

- Barcode Medication Administration where technology is used to reduce medication dispensing errors, improve patient safety in hospital settings.
- Chronic Disease Management where in technology is used to manage chronic illness like diabetes and heart failure.
- Telehealth where in technology connect doctors and patients in different geographical locations.

Medical

Tourism

Medical tourism is a relatively new concept, which is becoming popular globally. India has several advantages in favor of medical tourism like infrastructure, technology, cost effective medical care and hospitalization qualified and skilled doctors. Traditional Indian rejuvenation methods like yoga, ayurvedic massage find favor with people in western countries and corporate hospitals and wellness centers are cashing on this.

Because of the quality, efficiency and reliability, the private health care facilities started assuming preferences over the public health care system.

When these private hospitals started mushrooming all over the country the govt. started thinking in terms of taking certain regulatory measures.

The negative impacts of the following factors on private health care, which are discussed below.

A. GOVERNMENT- CENTRAL AND STATE

B. POLITICANS
C. TRADE UNIONS
D. MEDIA
E. GOVERNMENT HEALTH INSTITUTIONS
F. LOCAL MAFIAS
G. CONSUMER COURT
H. MEDICAL INSURANCE.

A. GOVERNMENT- CENTRAL AND STATE

(i) DUTIES AND TAXES ON MEDICAL EQUIPMENTS
(a) IMPORT DUTIES
(b) SALES / CONSUMPTION TAX

While the public sector hospitals do not have to pay the custom and the excise duties, with regard to the medical equipments imported by them, the private sector hospitals have to pay excise and custom duty on various scales as decided by the Central Government.

The State Government also, whenever required, levy sales tax / consumption tax on various equipments whenever they decide on it.

The levy of various taxes on the equipments has a negative influence on the private hospitals entrepreneurs as their quantum of investment increases. This aspect positively discourages the investors on the establishment of any medical facility in the country as it is capital intensive.

India extends 5-yr tax holiday for all hospitals

India on February 29, 2008, extended a five-year tax holiday, currently given only to hospitals in the rural areas, to those across the country. The Indian Finance Minister Palaniappan Chidambaram, in his budget for 2008/09, also proposed an excise duty of 8 percent for all goods produced in the pharmaceutical sector, down from 16 percent.

He also proposed to reduce by half the customs duty on certain specified life saving drugs, and its bulk drug ingredients, to 5 percent. These drugs would also be exempted from excise or countervailing duties.

(ii) CLINICAL ESTABLISHMENTS ACTS / RULES

Various states have got their own Clinical Establishments Acts /Rules. These Acts vary significantly in substance, interpretation and ramifications. While some of these Acts are constructive in nature, the other Acts create a fear in the minds of the private sector hospital entrepreneurs. In some states in India the Clinical Establishments Rules

which are in the process of preparation, have a large number of controversial clauses which will work as deterrent against establishing Private Sector Health Institutions in those states. A few examples are given below.

(aa) Admission and Treatment of Emergency Patients

The proposed clause states “ All emergency patients attending a clinical establishment, where ever registered medical practitioner/s are engaged, must be treated primarily without considering the financial capability of the patient to save the life, and then, may be referred with suitable medical report about the ailments, as early as possible to the nearest Government hospital after receiving an undertaking from the patient or the patient party with the effect that they are unable to bear the cost of future treatment “. However, it is seen that such patients never opt to be treated in Govt. Hospitals irrespective of the fact whether they are in position to pay for the treatment or otherwise.

(bb) License fees :

(ab) It has been made mandatory to register and obtain licenses separately for all type of establishment which are housed under a single hospital, such as Pathological Laboratory, X-ray clinic, ECG Centre, CT Scan Centre, USG Centre, OPD Centre, MRI Centre and such others. It has become necessary to obtain licenses separately almost for all the facilities available in hospital. What is the logic or rationale behind this?

(ac) It has been made obligatory to obtain license fro OPD clinic but the license fee has to be paid depending on the number of the general and special doctors attending the clinic and the rate has been fixed at Rs.500/- for each general practitioner and Rs.2500/- for each specialist. In most of the hospitals fee charged in OPD is nominal and sometime it is free of cost. There should be a composite license fee keeping in mind the reasonableness of such payment.

(cc) Maintenance of Register of Expenditure Incurred by each Patient

It is necessary to maintain register of expenditure incurred by each patient as prescribed and the signature of patient / patient party, RMO or the licensee are to obtain the signature in the said register. The prescribed procedure is cumbersome, time consuming, and it would be extremely difficult to adhere to this procedure.

B) POLITICANS

Next comes the politicians and their whimsical influence on the private health care facilities. It is well known that the politicians are the representatives of the common man.

They wish to help the common man while they are in distress especially so, whenever they need medical treatment. Normally the poor people approach the politicians of their own area to help them by recommending free medical facilities. In turn, the politicians approach the authorities of suitable private medical institutions to give these people the concerned medical care free of cost. Unless the treatment is a simple one, free of cost medical care is not always possible. In case this is not done, the politicians create problems against the authorities or the hospitals. This can be done in many ways namely, by mass agitation from outside, sabotaging the workforce, disturbing the medical and non-medical supply etc. There are instances where they can create a situation where the concerned facilities can be put out of commission by influencing the government if that belongs to his own party. This nature of hostility acts as a major fear in the minds of the entrepreneurs.

C TRADE UNIONS

In some of the states in India there may be one or more trade unions in the private hospitals. As we are aware that the trade unions in India are well known for their unreasonable demands which are totally unrelated to their productivity. In case these demands are not met they do not hesitate to bring the activities of the hospital to a dead halt, if required by force. It is found that some state governments do not take measures against this rouse trade unions and thus the patients of the hospital suffer. In case the government support is not available to establish the law and order in a hospital, the authorities feel frustrated and the growth of health care institutions is hampered. This phenomenon is repeated whenever the 'Charter of Demand' is presented to the Hospital Management.

D MEDIA

It has been my experience that the media is always looking for some spectacular happenings preferably negative incidents which are taking place in the private sector hospitals. It is seen that publicity is given to a situation which is totally unrelated to the events and the negative aspects which is harmful to the hospitals, is glorified. This also has a negative effect on the growth of private hospitals. Any dispute with authorities of the private hospital and the patient party or doctor or a trade union is always blown up out of proportion and the hospital authorities are normally blamed for the incident.

E GOVERNMENT HOSPITALS

It is a common knowledge that treatment of patients in a government hospital is not always done in the best possible way. This is also known to the doctors and other employees working in the government hospital. The public always compare the performance of Private and the Government Hospital and the Private Hospital is always the winner. The government hospital, doctors and other staff therefore try and find fault with the private hospitals procedures and systems and whenever an opportunity arises

this imaginary aspects is blown out of proportion and presented to the public. especially so in the in the sphere of super speciality activities. Since they are always close to the corridor of power they can influence the government against any Private Hospital. Further, the government hospitals do not always get the best of consumables / disposables /drugs, which is not the case with private hospitals. This also results in better patient care in private hospitals. Further whenever there is a comparison of standard of maintenance of expensive medical equipment between the government hospitals and private hospital, the private hospitals are always far superior in their performance. Down time of medical equipment in a government hospital is very high.

G LOCAL MAFIAS

Once it is known to the local mafias that a private hospital is to be built in a particular locality they start converging on the authorities and stake their claim to be suppliers of all the building materials required for the construction. If it is not done there will be a lot of obstructions in the construction process in the way of prohibiting the workers from joining their duties through intimidation and once this process is settled then the local mafias stake their claim to supply the unskilled manpower especially the wardboys, cleaners and security required by the hospital. Once this is settled which ever way that is, the local mafias start touting on the patients. They also make other unreasonable demands and if the authorities are not willing to meet them they create problems through various means and disturb the running of the hospital. In some States unless the authorities have a total understanding with local mafias, the hospital cannot be run smoothly. This is law & order problem and must be tackled by promulgating stringent acts like medical protection act as in A.P.

H CONSUMER COURT

Consumer court is a recent phenomenon which has a deep impact on the doctors serving in a hospital. With the advancement of medical technology there are always more than one way the patient can be treated. It depends on the approach of the doctor, his knowledge, his experience, how he wants to treat a particular patient. However, if there is some delay in recovery of a patient or the patient expires inspite of the fact that the doctors have cared, performed an operation in good faith in most of the cases, the patient's parties come to the consumer court and lodge a complaint. This is a routine phenomenon, which is observed these days. Although, in majority of he cases the hospitals' authorities win the case there is a major administrative disruption in the hospital. This also discourages the private hospital authorities for establishing the new hospital. However, it is not so in case of Government Hospitals as they do not come under the jurisdiction of the Consumer Court. The consumer courts should adopt holistic approach and must take the medical panel opinion in every case. The govt.should amend regulations&rules of CPA act accordingly.

I MEDICAL INSURANCE

While a number of companies dealing with medical insurance have appeared in the health care scenario, the efficiency of the performance of these companies leaves much to be desired. It is always found that a patient holding the mediclaim policy is always

running from door to door for his legitimate reimbursement from the insurance companies. Unless the patient's party bribes the staff of the insurance companies, he does not get the reimbursement. Also whenever he gets the same after a long lapse of time, it is much less than what he spent on his medical treatment. Therefore, the patient in a passive way does not promote the growth of the private medical institutions, and develops a negative image. This is also a cause for frustration. Insurance companies must allow small hospitals with less than 50 beds to get empanelment .

CONCLUSION:

While there are a large number of factors which promote the growth of the healthcare institutions in private sectors in India, there are equally a large number of factors, which frustrate the growth of the private sector healthcare institutions in India. However, efforts are being made by each of the above agencies to see reasons and allow the private sector healthcare institutions to grow in the interest of the community. The rate at which the current population is being afflicted by diverse diseases, it will be essential that the total load of treatment be shared both by public and private sector health institutions in future.