



Balancing Healthcare Services in India

This editorial is based on “[The delicate balancing of health-care costs](#)” which was published in The Hindu on 4/06/2024. The article examines the growing health disparities and unequal access to medical services in India and the way forward.

For Prelims: [India's healthcare system](#), [Gross Domestic Product \(GDP\)](#), [Compound Annual Growth Rate \(CAGR\)](#), [Primary Healthcare Centres \(PHCs\)](#), [Community Health Centres \(CHCs\)](#), [and the National Rural Health Mission \(NRHM\)](#), [Universal Health Coverage](#), [Sustainable Development Goals \(SDGs\)](#), [NFHS-5](#), [Pradhan Mantri Jan Arogya Yojana](#), [Right to Health](#), [WHO](#), [United Nations](#), [Supreme Court](#).

For Mains: Significance and Challenges of efficient Healthcare services for India.

[India's healthcare system](#) is a diverse and complex network comprising both public and private sectors, delivering a wide range of medical services to the nation's **1.4 billion people**.

As the [Supreme Court](#) deliberates on standardising medical procedure rates across government and private sectors, **affordability** remains a key consideration. However, imposing **one-size-fits-all price** caps could severely undermine healthcare quality. A study from the Health Care Management Review indicates that hospitals under financial pressure from price caps report a **15%** increase in patient dissatisfaction.

With rising **health disparities** and **uneven access** to medical services, the need for equitable and **sustainable healthcare policies** has never been more urgent. Ongoing discussions about setting rates for medical services are not merely bureaucratic exercises but they fundamentally shape how we perceive, access, and deliver healthcare across India.

What is India's Current Status and Potential in the Healthcare Sector?

▪ Current Status:

- **Public Expenditure:** According to the Economic Survey 2022-23, India's public expenditure on healthcare reached **2.1% of Gross Domestic Product (GDP) in FY23** and 2.2% in FY22, up from 1.6% in FY21.
- **Generating Employment:** As of 2024, the healthcare sector is one of India's largest employers, with a workforce of **7.5 million people**.
- **Broader Market:** The Indian healthcare market, valued at **USD 110 billion in 2016**, is projected to reach **USD 638 billion by 2025**.
- **Medical Tourism:** India's healthcare sector has emerged as a global destination for medical tourism, attracting patients from around the world due to its skilled medical professionals, advanced healthcare facilities, and cost-effective treatments.
 - The number of medical tourists visiting India is projected to be around **7.3**

million in 2024, up from **6.1 million** estimated in 2023.

▪ **Potential:**

- **AI-driven Employment:** A recent research report forecasts that the integration of **Artificial Intelligence (AI)** in the Indian healthcare sector will generate nearly **3 million new jobs by 2028**.
- **Telemedicine Market:** It has the maximum potential eHealth segment in India, which is expected to touch \$5.4 Bn by 2025, growing at a [Compound Annual Growth Rate \(CAGR\)](#) of 31%.
- **Human Resource:** India possesses a significant number of **doctors, nurses, specialists**, and other healthcare professionals who help make India a critical healthcare provider.
- **Credit Incentive:** The Indian government is planning to introduce a credit incentive programme worth **Rs. 50,000 crore (USD 6.8 billion)** to boost the country's healthcare infrastructure.

What are the Recent Developments in India's Healthcare Sector?

- **Accessibility to Remote Areas:** India's healthcare system aims to provide accessible and affordable healthcare services to those residing in remote and rural areas.
 - Examples include the establishment of [Primary Healthcare Centres \(PHCs\)](#), [Community Health Centres \(CHCs\)](#) and the [National Rural Health Mission \(NRHM\)](#) to strengthen rural healthcare infrastructure.
- **Addressing Infectious Diseases:** India has made notable progress in combating **polio, smallpox, and measles** through comprehensive immunisation programs.
 - The **Pulse Polio Immunization Program, launched in 1995**, has been instrumental in eradicating polio from India.
- **Tackling Non-Communicable Diseases:** The **National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases, and Stroke (NPCDCS)** was launched to address the issues of non-communicable diseases (NCDs) such as diabetes, cardiovascular diseases, and cancer.
- **Maternal and Child Health:** Initiatives like the [Janani Suraksha Yojana \(JSY\)](#) and the [Integrated Child Development Services \(ICDS\)](#) have been implemented to improve maternal and child health outcomes, reduce infant and maternal mortality rates, and promote institutional deliveries.
- **Pharmaceutical Industry:** India is a major producer and **exporter of generic medications**, contributing significantly to the global supply of affordable medicines.
- **Traditional Medicine Systems:** India has a rich heritage of traditional medicine systems like Ayurveda, Yoga, Unani, Siddha, and Homeopathy.
 - The Ministry of AYUSH promotes and regulates these systems, ensuring their integration into the mainstream healthcare system.

What are the Challenges Associated with the Healthcare Sector in India?

- **Inadequate Infrastructure and Urban-Rural Disparities:** Although over **75%** of healthcare professionals are concentrated in metropolitan areas, which comprise **just 27%** of the population, the shortage of medical professionals is particularly severe in rural regions.
 - According to the [National Health Profile of 2021](#), India has **0.6 beds per 1000 population**.
 - Urban regions typically have better infrastructure, skilled professionals, and specialised care compared to rural areas.
- **Shortage of Healthcare Professionals:** According to **WHO data**, there are only **0.8 doctors per 1,000 people in India**, falling short of the recommended ratio of **1 doctor per 1000**.
 - The government says there was a **nearly 80%** shortage of surgeons, physicians, gynaecologists and paediatricians at community health centres in rural India as of **March 2022**.
- **Insufficient Public Healthcare Funding:** The lack of financial protection for individuals seeking

healthcare services results in **out-of-pocket expenditure** accounting for over **60% of healthcare costs in India**. With limited health insurance coverage, many delay or avoid treatments, leading to further health complications and issues.

- The latest **NFHS-5** report indicates that the average out-of-pocket expenditure per delivery in a public health facility is Rs. 2,916. In urban areas, this cost is Rs. 3,385, while in rural areas, it stands at Rs. 2,770
- India's public expenditure on healthcare is only **2.1% of GDP in 2021-22** while Japan, Canada and France spend about 10% of their GDP
- **Growing Burden of Diseases:** NCDs have seen a swift global rise, emerging as a primary cause of disability, morbidity, and mortality and they contributed to **approximately 41 million** deaths worldwide, representing nearly three-quarters of all fatalities.
- **Inadequate Mental Healthcare:** India faces a **shortage of mental health professionals per capita, which is among the lowest in the world and the government allocates minimal funding to mental health services.**

What are the Initiatives have been taken to Revamp Healthcare Services in India?

- **Jan Aushadhi Yojana:** This scheme aims to provide quality medicines at affordable prices through special stores known as Pradhan Mantri Bhartiya Janaushadhi Kendras.
- **Telemedicine and E-health Services:** The government has promoted telemedicine services, especially during the Covid-19 pandemic, to enhance access to healthcare in remote areas.
- **Mission Indradhanush:** Aimed at increasing **vaccination coverage** across the country, this initiative targets children and pregnant women to protect them against preventable diseases.
- [National Health Mission](#)
- [Ayushman Bharat](#)
- [Pradhan Mantri Jan Arogya Yojana \(AB-PMJAY\)](#)
- [National Medical Commission](#)
- [PM National Dialysis Programme](#)
- [Janani Shishu Suraksha Karyakram \(JSSK\)](#)
- [Rashtriya Bal Swasthya Karyakram \(RBSK\)](#)

What are the Measures Need to be Taken to Strengthen the Healthcare Sector?

- **Dynamic Pricing Models:** Properly implemented rate standardisation can reduce healthcare disparities. Economists recommend dynamic pricing models that adjust **based on medical complexity and patients' financial status, offering a fair solution.**
 - or example, **Thailand's tiered pricing system**, which considers patient income levels and medical necessity, successfully balances cost and care, serving as a potential model for India's diverse economic landscape.
 - States like **Rajasthan and Tamil Nadu** have identified gaps in **rate fixation provisions and advocate for robust legal frameworks** to address these issues effectively.
 - Dynamic pricing in healthcare will be based on factors such as **demand, availability of services, patient needs, and insurance coverage.**
- **Technological Innovations and Infrastructure Investment:** Technology is revolutionising healthcare, making diagnostics faster and more accurate through artificial intelligence and improving care coordination via electronic health records.
 - For example, telemedicine initiatives in Karnataka have reduced hospital visits by 40%, demonstrating how technology can make medical care more accessible and cost-effective, especially in remote areas.
- Investing in infrastructure for **broader internet access and improving digital literacy**

will empower more people to benefit from these advancements, positioning India as a global leader in healthcare innovation.

- **Engaging Stakeholders and Leveraging Data:** Engaging all stakeholders, including private healthcare providers, is essential to understanding the nuanced dynamics and crafting effective, sustainable policies.
 - **Pilot Projects:** Implement pilot projects in select districts and primary health centres to assess the impact of rate caps on healthcare quality and innovation and catching the disease burden at the local level.
 - **Government Subsidies:** Allocate subsidies to support research and development in private hospitals.
 - **Public-Private Partnerships:** Establish partnerships to integrate cutting-edge technologies in public hospitals, ensuring widespread access to advanced healthcare solutions.
- **Increasing Mental Health Workforce:**
 - Increasing the number of educational institutions offering mental health courses, integrating mental health services into primary healthcare settings and providing incentives and better remuneration to attract and retain mental health professionals.

Conclusion

As India aspires to be a global healthcare leader, fostering an environment conducive to innovation while ensuring equitable access to quality healthcare is crucial. Prioritising the well-being of every individual is essential.

Drishti Mains Question:

What are the challenges and critical areas that need improvement to ensure equitable and quality healthcare for all citizens?

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. Which of the following are the objectives of 'National Nutrition Mission'? (2017)

1. To create awareness relating to malnutrition among pregnant women and lactating mothers.
2. To reduce the incidence of anaemia among young children, adolescent girls and women.
3. To promote the consumption of millets, coarse cereals and unpolished rice.
4. To promote the consumption of poultry eggs.

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 1, 2 and 3 only
- (c) 1, 2 and 4 only
- (d) 3 and 4 only

Ans: (a)

Mains

Q. "Besides being a moral imperative of a Welfare State, primary health structure is a necessary precondition for sustainable development." Analyse. (2021)

