Source : www.thehindu.com Date : 2019-02-07

WE NEED A LEAP IN HEALTHCARE SPENDING

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It's a fact that sticks out starkly: 10.6% of the total amount in the Interim Budget is allocated to defence, while only 2.2.% is allocated to healthcare. Funding need not be redirected from current allocations to preventive care, but surely India can make health spending a priority, much like defence? Despite several innovations in the healthcare sector in recent times, in line with India's relentless pursuit of reforms, the government remains woefully short of its ambition to increase public health spending to 2.5% of GDP. At present, health spending is only 1.15-1.5% of GDP.

While the Interim Budget is responsive to the needs of farmers and the middle class, it does not adequately respond to the needs of the health sector. The total allocation to healthcare is 61,398 crore. While this is an increase of 7,000 crore from the previous Budget, there is no net increase since the total amount is 2.2% of the Budget, the same as the previous Budget. The increase roughly equates the 6,400 crore allocated for implementation of the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY).

According to the National Health Profile of 2018, public per capita expenditure on health increased from 621 in 2009-10 to 1,112 in 2015-16. These are the latest official numbers available, although in 2018 the amount may have risen to about 1,500. This amounts to about $20, or about $100 when adjusted for purchasing power parity. Despite the doubling of per capita expenditure on health over six years, the figure is still abysmal.

To understand why, let's compare this with other countries. The U.S. spends $10,224 per capita on healthcare per year (2017 data). A comparison between two large democracies is telling: the U.S.'s health expenditure is 18% of GDP, while India's is still under 1.5%. In Budget terms, of the U.S. Federal Budget of $4.4 trillion, spending on Medicare and Medicaid amount to $1.04 trillion, which is 23.5% of the Budget. Federal Budget spending per capita on health in the U.S. is therefore $3,150 ($1.04 trillion/ 330 million, the population).

In India, allocation for healthcare is merely 2.2% of the Budget. Per capita spending on health in the Budget in India is 458 (61,398 crore/ 134 crore, which is the population). (Medicare and Medicaid come under 'mandatory spending' along with social security.) Adjusting for purchasing power parity, this is about $30 — one-hundredth of the U.S.

Admittedly, this runaway healthcare cost in the U.S. is not to be emulated, since comparable developed countries spend half as much per capita as the U.S. Yet, the $4,000-$5,000 per capita spending in other OECD countries is not comparable with India's dismal per capita health expenditure. The rate of growth in U.S. expenditure has slowed in the last decade, in line with other comparable nations.

The 6,400 crore allocation to Ayushman Bharat-PMJAY in the Interim Budget will help reduce out-of-pocket expenditure on health, which is at a massive 67%. This notwithstanding, per capita Budget expenditure on health in India is among the lowest in the world. This requires immediate attention.

Last year, it was announced that nearly 1.5 lakh health and wellness centres would be set up under Ayushman Bharat. The mandate of these centres is preventive health, screening, and community-based management of basic health problems. The mandate should include health education and holistic wellness integrating modern medicine with traditional Indian medicine.

Both communicable disease containment as well as non-communicable disease programmes should be included. An estimated 250 crore has been allocated for setting up health and wellness centres under the National Urban Health Mission. Under the National Rural Health Mission, 1,350 crore has been allocated for the same. The non-communicable diseases programme of the National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke has been allocated 175 crore, from 275 crore. Allocation to the National Tobacco Control Programme and Drug De-addiction Programme is only 65 crore, a decrease of 2 crore. The allocation for each of the wellness centres is less than 1 lakh per year. This is a meagre amount.

History shows that where there is long-term commitment and resource allocation, rich return on investment is possible. For instance, AIIMS, New Delhi is the premier health institute in India with a brand value because of resource allocation over decades. AIIMS Delhi alone has been allocated nearly 3,600 crore in the Interim Budget, which is a 20% increase from last year. Similar allocation over the long term is needed in priority areas.

NITI Aayog has proposed higher taxes on tobacco, alcohol and unhealthy food in order to revamp the public and preventive health system. This has not found its way into the Interim Budget. A focused approach in adding tax on tobacco and alcohol, to fund non-communicable disease prevention strategies at health and wellness centres, should be considered. Cancer screening and prevention are not covered. There is no resource allocation for preventive oncology, diabetes and hypertension. Prevention of chronic kidney disease, which affects 15-17% of the population, is not appropriately addressed. The progressive nature of asymptomatic chronic kidney disease leads to enormous social and economic burden for the community at large, in terms of burgeoning dialysis and transplant costs which will only see an exponential rise in the next decade and will not be sustainable unless we reduce chronic kidney disease incidence and prevalence through screening and prevention.

Due to lack of focus in preventive oncology in India, over 70% of cancers are diagnosed in stages III or IV. The reverse is true in developed countries. Consequently, the cure rate is low, the death rate is high, and treatment of advanced cancer costs three-four times more than treatment of early cancer. The standard health insurance policies cover cancer but only part of the treatment cost. As a consequence, either out-of-pocket expenditure goes up or patients drop out of treatment.

Increase of GDP alone does not guarantee health, since there is no direct correlation between GDP and health outcomes. However, improvement in health does relate positively to GDP, since a healthy workforce contributes to productivity. The 1,354 packages for various procedures in PMJAY must be linked to quality. For various diseases, allocation should be realigned for disease management over a defined time period, not merely for episodes of care. Since a major innovation in universal healthcare, Ayushman Bharat, is being rolled out, it must be matched with a quantum leap in funding. Only if we invest more for the long-term health of the nation will there be a similar rise in GDP.

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Pakistan’s identity crisis, going back to the debates since its creation, remains unresolved

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