

PAGING THE PRIVATE SECTOR IN THE COVID FIGHT

Relevant for: Developmental Issues | Topic: Health & Sanitation and related issues

The COVID-19 pandemic is unlikely to disappear in the immediate future. Managing the epidemic and ensuring a full complement of health care will require extraordinary resources and investment. India's public health sector has already spread itself thin in tackling the pandemic. This unprecedented crisis has highlighted the critical need to mobilise available resources in public sector, and the private sector in particular.

However, the current strategies to involve the private sector in combating the infectious disease are shrouded in ambiguity. There are no clear policy guidelines to use private sector resources that could complement public sector efforts, and how the payments for their services made. Having been directed to suspend most of its services and be ready to manage COVID-19 cases (none forthcoming), the private sector is gasping for cash flows. Countries that have had a policy-based strategic relationship with the private sector seem to have performed well in controlling this pandemic. Instead of 'arm twisting' the private sector, there is a need to formulate a stable policy-based strategy to get the private sector on board.

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The pandemic has provided India an opportunity to restructure the strategies of engaging the private sector in realising public health goals. The recent economic package announced for the health sector, of around 2.1 lakh crore, envisions strengthening the health infrastructure in the immediate future. This is an opportunity to bring in structural changes in the health sector to rejuvenate partnerships with the private sector. Here, we propose certain policy options to leverage private sector resources for testing, hospitalisation, procurement of biomedical equipment and supplies, and a central intelligence system.

Despite governments trying to scale-up testing capacity in the country, there is still a long way to go for mass scale testing. We propose the following options to scale up testing capacity:

Option 1: An accredited private laboratory can be contracted to be co-located in a public health facility preferably in tier-II/tier-III public hospitals. States that already have private laboratories under a public-private partnership (PPP) contract can be asked to add COVID-19 tests. The government may procure test kits and the private sector could charge a service fee from the government.

Option 2: Suspect cases can be issued vouchers for testing at any empanelled private laboratories. E-vouchers generated by tele-health call centres can subsequently be reimbursed by the government.

Option 3: A mobile sample collection and testing facility can be operated by a private entity in high density clusters; it can also be used as a fever clinic. This arrangement can be under the hub-spoke principle. The cost of tests, key performance indicators and payment system should be worked out in the purchase contract.

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Hospitalisation of COVID-19 cases cannot be restricted to hospitals in major cities alone. Improving the infrastructure and capacity in tier II and tier III cities in collaboration with the private sector is critical. The latest announcement to increase viability gap funding to 30% is

bound to ease the capex pressure for the private sector. The options can be:

Option 1: A private contractor could be hired to refurbish an existing ward in a public hospital into an intensive care unit (ICU) ward with additional beds and equipment and handover the refurbished ward to the public authority. Under this turnkey project, an ICU ward could be made available within a short time.

Option 2: In a scenario where the district hospital does not have staff to operate an ICU ward (option 1), a private hospital partner could be contracted to provide staff and operate the ICU ward. Alternatively, a private hospital partner can refurbish, operate and later transfer the ICU ward. Though the model takes more time, the operator can convert the facility into any other speciality ward in the future. The Centre can provide viability gap funding to the State to support the development of such a facility.

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Option 3: The government can refer patients to empanelled private COVID-19 hospitals, at a fixed package rate. This kind of strategic purchasing or insurance reimbursement (say under the Pradhan Mantri Jan Arogya Yojana) requires clear policy directions, a robust referral system, agreement on tariffs, and a quick reimbursement mechanism. The current government tariffs do not seem to evoke interest from the private sector.

The upsurge in the demand for test kits, ventilators, and other biomedical supplies cannot be met by current manufacturers or supply chain sources. Repurposing through alternate sources indigenously is the need of the hour. A plethora of innovations and prototypes need government laboratories to test in quick time, approve and grant a licence for production which includes patenting. Besides facilitating quick credit access for manufacturing, the government may also give buy back guarantees and facilitate the supply chain channels.

An IT system with artificial intelligence capability should be the backbone of supporting all public and private sector efforts in combating COVID-19. The intelligence system should seamlessly help in case identification, contact tracing, managing a tele-health centre, generating e-vouchers, authorising tests, managing referrals for isolation and hospitalisation in the private sector, payment, follow-up, etc. IT behemoths in India should be roped in to configure an integrated system to detect any unusual pattern in terms of an increase in numbers.

The resources dedicated to fighting the COVID-19 pandemic have the potential to create a good health infrastructure and strengthen health systems eventually. However, these initiatives require quick policy formulation followed by guidelines for contracting/purchasing, payments, defining standards, supply chain, strengthening procurement, etc. A group of inter-disciplinary experts to guide in institutionalising the private partnership arrangements would go a long way.

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