Policy Brief

National Health Policy, 2017:
A Favourable Development with Room for Change

LexQuest Foundation

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About the Organisation:

LexQuest Foundation (LQF) is an independent, non-profit, research and action organisation, established in 2014, in New Delhi. We are striving to create, advocate and implement effective solutions for a diverse range of development issues.

To endorse participative governance, we engage with a broad spectrum of stakeholders, from various sections of the society, to ensure that policy-making remains a democratic process. We utilize pragmatic and futuristic research to disseminate actionable knowledge to decision-makers, experts and the general public.

Our key activities include capacity and skill-building workshops, policy advisory programs, public outreach, and stakeholder consultations. We collaborate with the government, other organizations and individuals for impactful policy formulation and execution.

By employing sustainable and equitable solutions through our multidisciplinary, intersectional initiatives and programs, we are constantly working towards creating empowered communities.

Background

Image Source: IndiaSpend

Health care is a significant factor in determining the physical and mental well-being of the people, that is why it is rightly recognized as a great contributor to a country's economy. In India, the healthcare system is primarily administered by the States. The Constitution of India makes every State responsible for **"raising the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties"**. But the healthcare system in India exhibits numerous challenges in its access, affordability, quality and coverage in urban and rural areas. The divide between urban and rural areas exists in all countries and poses a huge problem in providing quality healthcare to all, however in India such problems have region specific trends and complexities.

To tackle the challenges of the healthcare system, the government of India has introduced numerous schemes and brought about changes in its existing policies. One of these changes was the introduction of National Health Policy

in 2017. Fourteen years after the NHP of 2002, the new health policy was introduced in the context of rise in non-communicable diseases, enhanced fiscal capacity, emergence of a robust health care industry and increasing healthcare expenditure by people. The **NHP, 2017 is also made to reflect the health related Sustainable Development Goals, set in 2015** by the UN General Assembly. Several provisions in the policy are set to achieve SDG 3 (to ensure healthy lives and promote well-being for all at all ages), 5 (to achieve gender equality and empower all women and girls), and 6 (to ensure availability and sustainable management of water and sanitation for all). Through the National Health Policy of 2017, the **perspective of health has changed from cure to prevention to lay the foundations of a proactive approach in the health sector**.

Accessibility, Affordability and Quality of Healthcare in India

Image Sourced from Business Standard

When we talk about access to healthcare or the lack thereof, we need to look at rural areas that constitute about two-thirds of India's population and yet remain underdeveloped. The government of India introduced the National Rural Health Mission to strengthen health care services in rural India. Even if these services are available, other **barriers like financial, social, organisational and cultural, restrict quality healthcare to people in the rural areas**. This is clearly evident when we look beyond the number of healthcare centres built by the government in rural areas. Although the government is close to achieving its norm for the number of Primary Health

Centres, Sub Centres and Community Health Centres established, they face infrastructural failures. India **continues to face shortage of medical personnels**, especially in rural regions. Deficiency in manpower occurs at various levels: between private and public hospitals and between urban and rural areas. **25% of the posts at these healthcare centres are vacant. At CHCs, the shortfall is as high as 81.9%.** In addition to this, even if positions are occupied, absenteeism on the part of doctors is experienced. They visit the centres infrequently and run parallel clinics in nearby cities. There is **an unwillingness to work in rural areas due to lack of professional growth or insufficient pay**. Even those working in urban areas prefer to do so at private hospitals, putting them out of reach from the poorer sections of the society. **The doctor to patient ratio in India still stands at 1:1456 (with the population estimated to be 1.35 billion) against the WHO recommendation of 1:1000**.

Image Sourced from India Climate Dialogue

The quality of healthcare further deteriorates as these centres face a shortage of basic equipment like beds, clean drinking water, toilets, clean labor rooms for delivery and regular electricity. Poor quality of care can have devastating consequences on a person's health, 'doing too much or too little' is bad in healthcare. A report of *The Lancet Global Health* Commission on High Quality Health Systems, showed the impact of poor quality of healthcare. According to the study, **approximately 122 Indians per 100,000 die due to lack of quality healthcare**. It further states that poor quality of care leads to more deaths than the lack of accessibility to healthcare. In 2016, **16 lakh Indians** died due to poor healthcare quality, which is **nearly twice as many as due to non-utilisation of healthcare services** (838,000 people). Often medical personnels do not follow health guidelines and indulge in practices like usage of unsterilised instruments and poor hand hygiene. It can lead to the spread of infections and put the patients' lives at risk.

Image Sourced from Scroll.in

As for affordability, it is common knowledge that the private sector is the dominant player in the Indian healthcare system. **Estimated out of pocket health expenditure is 64.7% of all household expenditures.** Although the public sector offers healthcare services at a low or no cost, the **lack of accessibility and quality forces people to turn to the private sector**. The scenario further worsens as there is a lack of regulation in the private sector and consequent variation in the quality and cost of its services. **Even expenditure by private healthcare providers is more than that of the Government**. As private health services are available in urban areas, those living in rural areas have to travel huge distances to avail these services. **This can further lead to loss in wages and push them into poverty.** These are the primary factors that make **quality healthcare a privilege and not a fundamental right for the citizens of India**.

Major Recommendations of the NHP, 2017

Image Sourced from Livemint

National Health Policy (NHP) sets a new target for total healthcare expenditure at 2.5% of the GDP, to be achieved in a time-bound manner. Healthcare would be **predominantly financed by general taxation and funds under Corporate Social Responsibility**. It further recommends **financing strategies such as a pollution cess, taxes on specific commodities (tobacco, alcohol) and extractive industries**.

The Policy introduces the establishment of 'Health and Wellness Centres' which will provide a comprehensive set of preventive, promotive, curative and rehabilitative health services. Offering primary health care is important

as it would prevent cases where diseases and complications progress to a point where more advanced and expensive treatment is necessary. In addition to expanded institutional capacity, the policy proposes **new courses and cadres to overcome the chronic shortage of skilled human resources in the healthcare sector**.

NHP, 2017 also aspires to provide basic secondary care services at sub divisional level in a cluster of a few blocks. To attain this, the aim is to provide a minimum of two beds per thousand population, purchase care from non-Government health sectors and prioritise ten specialist skills at district hospitals. As for tertiary care services, the Policy recommends that the Government set up new Medical Colleges and Nursing Institutions. It articulates the **societal obligation of the private sector to ensure that deserving patients receive care at a subsidized fee**. In this case too, it is proposed that the Government purchase tertiary care services from non-Government hospitals to assist the poor.

For the improvement in environment for healthcare, NHP envisages coordinated action in the following areas:
1. Balanced, health diets and regular exercises
2. The Swaccha Bharat Abhiyaan
3. Addressing tobacco, alcohol and substance abuse
4. Yatri Suraksha: Preventing deaths due to rail and road traffic accidents
5. Nirbhaya Nari: Action against gender violence
6. Reduced stress and improved safety in the workplace
7. Reducing indoor and outdoor air pollution

Considerable attention is paid to 'Strategic Purchasing', where order of purchasing would be public hospital followed by not-for-profit private and then commercial private sector in underserved areas. Eventually, the Policy hopes for fully functional public hospitals in these areas for the poor and marginalised sections of society. **Strategic purchasing would play a crucial role in directing private investment towards those areas and those services for which currently there are few providers or no providers.** It further proposes free drugs, diagnostics and emergency services to all in public hospitals. This is a remarkable change as **expenses on medicines form a bulk of out of pocket health expenditures**. A report states that out of all health expenditure, **approximately 72% in rural and 68% in urban areas are for buying medicines for non-hospitalised treatment**.

Image Sourced from Hindustan Times

Medical pluralism is prioritised in the Policy by mainstreaming the potential of AYUSH. It recognises the need to validate Ayurvedic drugs, increase infrastructural capacity, teaching institutions and the research base for AYUSH. The Policy also **recognizes the need to increase research on tribal medicine**. This is a positive step towards diverse and indigeneous medical solutions. As an effort towards population stabilisation, the **need to increase the proportion of male sterilisation, from less than 5% to more than 30%** has been recognised. This can take care of the burden faced by women due to unwanted pregnancies and repeated child births.

Moreover, the new Policy proposes an **active association with the private sector for critical gap filling requirements like strategic purchasing, capacity building, skill development, mental health care services and disaster management**. In order to keep a check on both the public and private sector and develop evidence based standard guidelines, NHP, 2017, recommends the establishment of a National Health Standards Organisation (NHSO). It further recognizes the importance of technology and proposes the **establishment of a National Health Digital Authority that will regulate and deploy digital health across the continuum of care, thereby improving the efficiency of the healthcare system**. It also aspires to boost the Make In India initiative as it seeks assured purchase of domestically manufactured medical devices by Government health facilities (as of now, 70% of which are imported). With the intention of incentivizing and ensuring presence of doctors in rural areas, the Policy proposes establishing **medical colleges in rural areas, mandatory rural postings, a change in the curriculum to accommodate rural healthcare and preference to students from under-serviced areas**.

Policy Suggestions

1. The healthcare expenditure target (2.5%) set by the Government is much less than the ideal 5%-6%. In the previous NHP, the government had set the target at 2% to be achieved by 2010 but failed to do so. Even **since 2017, healthcare expenditure has only increased by 0.2% from 1.4% in 2016-17 to 1.6% in 2018-19** as a part of the GDP. Various other countries in the South East Asian region are spending a higher share of their GDP on healthcare. Pakistan and Bangladesh spent 2.9% and 2.3% of their GDP in 2017 respectively. The Government should increase its healthcare expenditure to meet the unmet health care needs of India's large population. It is crucial as it **would increase the quality and access to public healthcare and reduce the burden of bearing the cost of private services**.

2. The Constitution of India considers right to life a fundamental right and obliges the government to ensure 'right to health' for all. But this is not enough, there should be a **legal effort towards making quality healthcare services a fundamental right**. Since the government has not been able to meet its target in the previous health policy, a legal framework will give the healthcare sector the boost and the incentive towards effectively implementing the health policies and schemes. It would strengthen and prioritise the government's role in the healthcare system.

3. Although certain public-private partnerships exist for healthcare schemes, efforts can also be made to look into PPPs for setting up medical institutions. A public-private partnership will ensure efficiency, equity and financial sustainability. The private sector can provide the public sector with capacity to fill the gaps in public

healthcare. Another **key avenue that our healthcare policy should explore is the regulation on the cost of medical treatments in the private sector that stands unrestricted**, thereby putting a huge burden on the patients.

4. Another area that the policy **fails to take care of is the prevalence of unauthorised, informal healthcare providers**. Those living in rural areas who are not able to access or afford quality healthcare often turn to "quacks" which can have fatal consequences. **According to Indian Medical Association, around 10 lakh "quacks" practice allopathic medicine in India**. In February of 2018, a man was arrested for allegedly infecting 41 people with the HIV virus by using a common syringe for everyone. This only shows how **serious the issue of informal healthcare is and needs to be taken care of immediately**.

5. A feedback mechanism should be developed for the patients, so that they can express their experiences/grievances related to the quality and problems of the public healthcare mechanism.

6. India has been known as a sought after destination for Medical Tourism which is expected to generate as much as $9 billion in 2020. But NHP, 2017 does not mention any plan to expand on the same. India can take complete advantage of the economic potential of medical tourism by taking some effective steps. The government **should look into a form of taxation/cess on healthcare facilities provided to foreigners, in order to mobilise and direct revenue for India's public healthcare** system.

7. A **study** examining the issues of the public healthcare data system showed how the existence of multiple data systems did not lead to reliable data but only put more burden on the field health staff. It is critical that the government establishes a robust and sensitive data

collection system. Unless accurate data is collected, formulation and implementation of healthcare policies will be ineffective.

The real challenge lies in effective and speedy implementation of an effective health policy, in which there is hardly any proven record for India. NHP, 2017 is noteworthy for addressing the gaps in the public healthcare sector of India through a new and improved approach but it has its limitations too. Affordable and accessible healthcare services can help in reaping demographic dividends and fulfill our obligations towards SDGs. There is still a lot of scope and need for change to address the limitations, which could make the policy more inclusive, broad based and comprehensive. Recent turn of events in the wake of the COVID-19 pandemic have shown that India needs a strong public healthcare system that not only protects its patients but also the medical personnels, with better focus on all sectors of healthcare services, as all of them are far from perfect in their present form.

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