

Public Health Care Management in India: Innovative Solutions for Future Health Challenges

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ABSTRACT

There are substantial natural connections between development, poverty, and public health. In terms of public health, the healthcare sector in India is expanding at one of the quickest rates. India's health management is estimated to be worth over US\$ 200 billion and is expanding at a compound annual growth rate of 22.9%. More than 65% of the market is accounted for by healthcare delivery, which includes hospitals, diagnostic centres, and pharmaceutical businesses. This business has grown more quickly as a result of rising income levels, more job opportunities, access to foreign markets, and quick technology improvements. Numerous investigations and international research findings have acknowledged the significance of this relationship. There has been much debate over the lengthy history of healthcare services over the appropriate role and stability of both the public and private sectors in providing healthcare services. These intermediate goals act as stepping stones towards the more general health system goals, which include financial risk protection, equity and efficiency in the delivery of health services, overall health gains, and awareness of the health system's ability to meet the needs of its population. Public-private collaborations have become a new tool for health challenging as a result of these goals' realization.

1. Introduction

India is responsible for 21% of the global disease load, which is made worse by the country's appalling standards of hygiene and sanitation. India's health system is rated 112th out of 190 nations. The prevalence of non-communicable diseases (NCDs), which include chronic conditions like diabetes, cancer, and heart disease, has skyrocketed due to increased development, urbanisation, and lifestyle modifications. In addition to water-borne illnesses like cholera, communicable diseases (CDs) including tuberculosis, malaria, dengue, chikungunya, and other vector-borne illnesses remain a serious public health concern, with outbreaks of these illnesses reaching epidemic proportions in recent years. As a result, both NCDs and CDs are major causes of morbidity in India [1]. India's healthcare system is currently at a critical point in its history. Since gaining its independence, India has significantly increased life expectancy, efficiently eradicated illnesses like smallpox and polio, and controlled and reduced death rates and infant mortality. Both new cases of HIV infection and fatalities from AIDS have drastically decreased. India has grown into a reliable hub for the production of generic medications, which has helped to lower and regulate drug costs internationally. Nowadays, some of the top facilities on the planet are offered by the private sector [11]. Due to the industry's steady growth, medical tourism has emerged as a lucrative new industry, and hospital administration is now a prominent academic subject. On the other hand, India continues to be one of the countries with the least advancements in health in the world [2]. The study found that there are significant issues and gaps in provisioning and delivery that result in unequal and insufficient access to healthcare [3]. Because fewer than 25% of Indians have health insurance, households are at a significantly increased risk of financial hardship in the event of illness and incur very high out-of-pocket costs [7]. There is a severe lack of medical staff and facilities, which is made worse by regional differences and an imbalance between rural and urban areas [14]. Due to inadequate accreditation and regulatory frameworks, the quality of care given is in doubt [15]. In this instance, section 1 of the article examines the introduction, and section 2 examines the relevant literature. Section 3 outlines the work plan; Section 4 presents the work's outcomes; and Section 5 concludes the project.

History of Health Care Services in India

One of the most significant efforts made by humans to raise standard of living is still providing health care. The provision of a variety of health care services by qualified, skilled, and encouraging healthcare providers with in-patient, out-patient, and home health facilities is considered to constitute health

and/or medical care. Four services are offered by hospitals: community services, education, research, and patient care. These days, one of the biggest sectors of every economy is health care. Due to its non-profit component and relative lack of advancement in marketing concepts, this industry has gained prominence and attention. The stakeholders in the health care sector are suppliers, providers, facilitators, and consumers [4]. Any public or private organisation that offers health services, such as hospital and physician services, on a prepaid, per-capita basis directly or through partnerships with others and that assures and bears responsibility for the availability and quality of all of these services falls under the definition of a health maintenance organisation. The stark differences in sexuality in the use of health services is one of the main characteristics of Indians. Men report illnesses at a rate that is nearly double that of females. This isn't because women in India have better health than men; rather, it's because women perceive a significantly lower need for medical assistance than men do. The health care system in India is complicated, with many providers practicing in many medical specialties and utilising a range of organisational structures to provide services. The ownership variables encompass the public, private, nonprofit, and unorganised sectors. The medical system includes homoeopathy, allopathy, traditional medicine, and others. These include clinics, dispensaries, hospitals, and other types of organisations. Variations in the system can be seen in the amount of money allocated to health infrastructure, payment methods, technological sophistication, health demands and requirements, perceptions of utilisation and quality, potential for research, innovations used, geographic distribution, and the role of the government.

Healthcare Financing in India

India has a rapidly expanding population and high economic growth goals, but its health budget has traditionally been disproportionately tiny. Figure 1 illustrates how India's health spending as a proportion of GDP in 2024 was just 1.4%, far less than the global average and that of lower middle income nations.

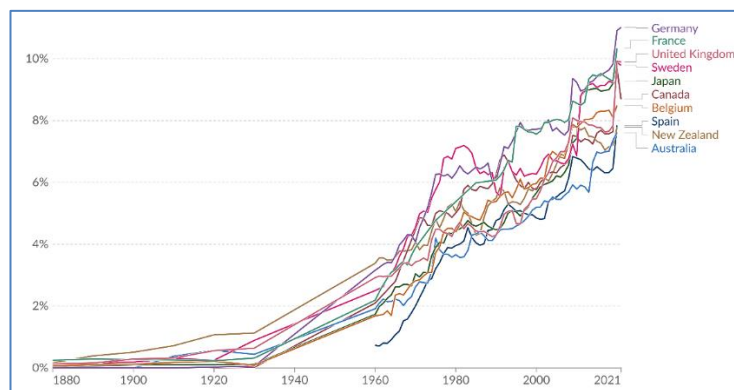


Figure 1. Public Health Expenditure as Percent of GDP – Global Comparison

India's health spending is still significantly lower than that of the majority of nations and shows no signs of increasing. Following a decrease in the wake of the financial crisis, Russia and Brazil have increased their expenditures. China has been gradually reducing its spending. India, however, still lags well behind the western world as well as all of the BRICS nations. The fact that government spending on healthcare has been flat over the past three decades is cause for concern. Public subsidies directed towards healthcare may not always reach and assist the impoverished who are most in need. [12]. But because of the inadequate and ineffective regulatory framework, it has serious quality problems. Therefore, due to a continual lack of political will and a constant disregard for public health principles, which serve as the cornerstone of any nation's health system, India continues to be rated among the countries with the worst access to healthcare [5]. Support from political and administrative structures that not only address all social determinants of health but also provide funding for them is necessary to ensure that everyone has access to universal, equitable, and high-quality healthcare. The primary cause of persistent poverty in India is, in reality, the erratic and unforeseen costs associated with healthcare [6]. Most of the time, the private sector provides healthcare because the government apparatus is insufficient. Private healthcare providers receive between 65 and 75 percent of all health

and medication expenditures. Furthermore, receiving medical treatment accounts for almost 10% of the total annual household consumption expenditures for every household in India [13]. The Seventh Schedule of the Indian Constitution contains the legislative portion, which is broken down into three lists: the Union, State, and Concurrent lists. Health is a state topic, and the importance of the health sector varies throughout states.

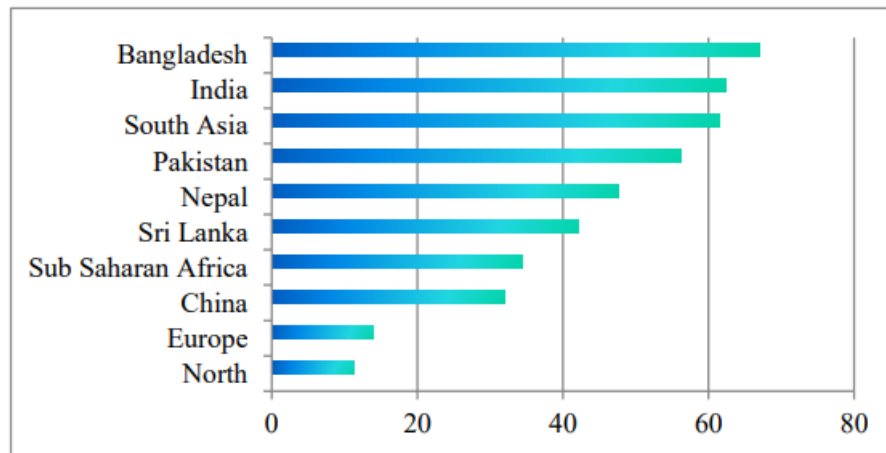


Figure 2. OOP Expenditure, 2024 (As a Percent of Total Health Expenditures)

India is among the countries with the highest out-of-pocket healthcare expenses in the world due to the low public health expenditure, which is indicative of a lack of focus on health. In India today, 62.4 percent of medical expenses are paid for out of pocket. States may be able to set their own budget priorities based on the development agendas that they individually pursue thanks to the improved fiscal room. Additionally, it might make it possible for states to spend cash from the centrally supported plan more responsibly and efficiently. This is particularly significant because social and infrastructure development—which is essential to achieving equitable economic development—has traditionally fallen under the purview of the states specified in the Constitution's seventh schedule. Nonetheless, it makes sense that there would be significant differences in state spending patterns as well, considering the stark differences in socioeconomic variables that exist across the nation [8]. There are two general categories into which the health care services offered in India can be divided: Government and Non-Government (private) Hospitals. There is a network of primary, secondary, and tertiary educational institutions connected to government hospitals at the federal level (Army, Navy, Air Force, Veterans Administration) and the state level (public health services hospitals, chronic). These include divisional and sub-divisional hospitals, medical college hospitals, specialised hospitals, sub-centers, primary health centres, community health centres, rural hospitals, and rural dispensaries. Nonetheless, the government is having a lot of difficulty getting physicians to practise in remote areas.

Third Party Payer System in India

When it comes to health care, the term "third-party payer system" refers to payments made by parties other than Medicare beneficiaries towards their needs, such as for hospital or at-home treatment, doctor consultations, and prescription drugs with or without limitations. Partial payment, quotas on the number and eligibility of dependents, item-by-item and/or overall limits, specific hospitals, listed surgeries and procedures, etc. are a few examples of the restrictions. The state, federal, and municipal governments; insurance providers; businesses; employers; and nonprofit organisations are examples of the third parties. Regarding the payers' efforts to control costs, the services they require, and the credit policy, hospitals serving that market segment will be greatly impacted by the type and volume of third-party payments. This element can be clarified by looking at US trends [9]. Third-party payers exerted pressure on hospitals across the United States, causing substantial modifications to reimbursement mechanisms, such as the adoption of prospective (fixed) payments, which sparked almost all cost management initiatives. Of course, third-party payers accounted for the majority of the hospitals'

earnings. They therefore had to give these payers' pressures adequate weight. Corporate hospitals in India are taking the lead in promoting health insurance plans that include both individual and group coverage. Corporate America has released various plans to pay for the health care needs of its employees and their families, showing concern for their well-being. In general, the business sectors employ the four main strategies listed below.

1. Group Health Insurance Plan: Using this strategy, a business bargains with the GICI or one of its affiliates to create a group insurance plan. The employer may cover the whole cost of the premium, or it may ask for a portion contribution from the staff. Benefits and premium sharing will be determined by management and employee unions.
2. Actual Expense reimbursement: Some businesses reimburse real medical costs, with or without restrictions. The limitations could be set as an absolute sum, as a percentage of compensation, or both.
3. Fixed Medical Allowance: Some companies pay a fixed amount (usually every month) towards medical expenses Irrespective of actual expense, and without having to produce any bill.
4. Own Hospital Facility: A few companies have been running well-equipped, modern hospital for their employees.

According to the WHO five identifiable challenges restrict or curb the achievement of the health goals:

- Prioritisation of health issues within the overall development policy framework
- Development of health strategies that respond to the evolving needs of countries
- Mobilization of resources for health in poverty-stricken countries
- Improvement of the quality of health data from countries.
- Inadequate and Weak health systems

Of all these difficulties, putting health issues first in the context of overall development and economic policy framework and mobilising health resources necessitates a thorough analysis that takes into account not only the general factors that contribute to poor health but also the costs associated with health care at the state and individual levels. As to reference [10], improving the efficiency of healthcare systems would be imperative in order to ensure that all individuals have fair access to cost-effective, high-quality, preventive, and curative healthcare services. Furthermore, it would be crucial to build broad-based risk-pooling arrangements, mobilise sufficient resources, and maintain efficient control over both public and private spending in order to provide sustainable financing for healthcare.

2. Conclusion and future scope

This book examines the obstacles that health systems must overcome in order to meet health objectives and the significance of reforming and restructuring the health sector to address these obstacles. In order to maintain human welfare, it suggests a conceptual framework to establish a causal relationship between economic freedom and its ensuing effects on market mechanisms. This would create an atmosphere that would be favourable to collaborations between the public and private sectors in the areas of health financing, provisioning, and delivery. The empirical data regarding the impact of economic freedom on development and health is next examined. Additionally, it offers empirical research on how public-private partnerships, with a focus on the vulnerable and impoverished population, can supply and promote access to healthcare in India by reducing financial risk. The debate in this article suggests that government-market partnerships may be able to increase the scope and enhance the standard of publicly sponsored social safety schemes.

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