

3rd February, 2016

Shri Jagat Prakash Nadda

Minister of Health & Family Welfare,
Nirman Bhawan, C- Wing,
New Delhi – 110001

Dear Shri JP Nadda ji,

I understand that the union government and NITI Aayog are exploring various policy alternatives to improve healthcare delivery in India. I am writing to you in that connection.

There cannot be a more vital goal than universal healthcare in today's India. As we all know, public expenditure on healthcare is only about 1.3% of our GDP which is one of the lowest in the world. Private sector accounts for over 70% of our healthcare, and 90% of the private expenditure is out of pocket.

While some form of risk pooling is desirable, traditional health insurance models are neither feasible, nor cost-effective. In a country with vast illiteracy, poverty and asymmetry of power, insurance-based systems will not provide appropriate care to the poor and vulnerable unless primary and family healthcare is integrated with tertiary care, and unless the system is based on per capita premium rather than reimbursement of billing. Even then, the poor and rural people will be underserved and the better off people will appropriate the bulk of the services.

Global experience shows that in modern world healthcare costs are skyrocketing with constant technological improvement. The US which fails to provide universal care and relies largely on insurance-based system spends nearly 17% of GDP on healthcare (the highest in the world), half of it funded by government; and yet the healthcare outcomes and coverage are far inferior to the more economical and effective universal care systems of Britain, France, Germany, Canada etc. We must learn lessons from this global experience.

I pleaded for a National Health Service – like Britain's NHS model for universal healthcare in 2005, and the government's modest response was the National Health Mission, which was further truncated to NRHM. Subsequently, an expert committee headed by Dr K Srinath Reddy made excellent recommendations for universal healthcare. The draft National Health

Policy 2015 of the government broadly recommends a universal healthcare model. A group of serious thinkers, academics and activists including Dr Srinath Reddy produced an insightful paper 'Assuring health coverage for all in India', published in Lancet (Dec 12, 2015; pgs 2422 – 35).

I fully endorse these views. now is the time and opportunity to put in a place a robust, viable, economical, effective universal healthcare programme across the nation with public-private-partnership. Back-of-the-envelope calculations indicate that it will cost under 2% GDP to the public exchequer per year (including the current expenditure on healthcare); i.e. an additional cost of only about 0.5% GDP and budgetary allocations can be gradually increased by about 15% per year over five years in nominal terms. Such allocations with proper design, institutional linkages and accountability mechanisms will substantially enhance the coverage and quality of healthcare for every Indian.

We are fortunate that our nation has many strengths that we can tap into:

- the large healthcare human resource pool;
- huge public demand for quality and accessible care;
- the proven capacity of our healthcare professionals to meet global standards when right conditions are created;
- the robust pharmaceutical industry which can produce quality drugs at a fraction of global costs;
- and the innovations and best practices successfully engineered by many pioneers in and out of government.

I am enclosing a detailed paper and a power-point presentation outlining one such workable model prepared by a group of thinkers and practitioners who have deep insights into healthcare models across the world and understand Indian conditions intimately.

The essential features of the model are:

- a robust family health care model with every family choosing a physician of its choice among a pool of available family health care providers;
- family health care providers getting a per capita payment for holistic care; a system of base line survey and health records;
- local support for surveillance, diagnostics and generic drug supply;
- a viable model of competition and choice for hospital-based secondary care with reimbursement from public purse;
- a system of tertiary care managed by public sector with infrastructure built and maintained by private sector assured of guaranteed returns in the form of rentals;
- decentralization of the whole health delivery system centered around district health boards and regional health trusts;

- and a network of regulatory and support institutions including drug supply agencies, health monitoring agencies and other institutions for quality and accountability.

This is one viable, carefully thought out model. There could be other, more elegant models we could consider. But all these workable models are based on economic efficiency, focus on integrated care, access, quality and accountability. India cannot afford public expenditure of 4-5% of GDP on healthcare however much we wish it. But we can, and must be willing to, invest about 1.8 - 2% of GDP in about five years' time in order to transform our healthcare delivery. What is more, it has huge job-creating potential. The UK, with about 64 million population has about 1.6 million healthcare workers. India can easily employ about 10 million people productively and fully in healthcare sector, while dramatically improving the health status and economic conditions of our people.

I urge you, to give this paper the most serious consideration and to engage in a purposive dialogue with serious thinkers, professionals and activists in the field of healthcare delivery. This could sow the seeds for a long-overdue robust, viable, economic, universal healthcare system in India.

With warm personal regards,

Sincerely,

Jayaprakash Narayan
General Secretary

Enclosures:

Annexure – 1 - Detailed paper (A Viable Universal Health Care Model)

Annexure – 2 - PowerPoint presentation (A Viable Universal Health Care Model)