India should focus on universal insurance coverage

The government has come out with National Health Policy 2017, which focuses on universal health care and affordable health care services for all. The policy aims at improving quality of care, with a focus on primary health care.

According to Anupam Kashyap, expert, noncommunisiable diseases (NCDs) are the leading cause of death in India. The policy needs to tackle NCDs as a big issue. Early detection and management is essential to tackle NCDs (National Initiative for Prevention and Control of Cancers, Diabetes, Cardiovascular Diseases and other Non-Communicable Diseases). It is clear that the policy does not focus on improving primary health care services.

In view of the existing double burden, we need to enable people to shift to healthy living, with focus on preventive and primary care through greater public spending and substantial engagement of multiple stakeholders such as technology, media, schools, and communities.

All in all, it is in need to increase public spending on healthcare. The policy mentions a link between health and education which is a positive move. It is important to focus on higher spending in the sector.

The government needs to pay attention on its role as a payer and regulator and drive provision of healthcare in underserved areas.

The country is ready to take on the challenge and work towards achieving these goals. The government should be focused on implementing policies and strategies to achieve these aims.

A specific health finance model should be developed to ensure that health care services are accessible and affordable for all. The government should work closely with the private sector to ensure that health care services are available to all.

The government should also focus on the role of non-governmental organizations (NGOs) in providing health care services, especially in underserved areas. NGOs can play a crucial role in providing health care services to people who may not have access to traditional health care services.

The government should also focus on the role of technology in providing health care services, especially in underserved areas. Technology can be used to improve the reach and effectiveness of health care services.

The government should also focus on the role of media in providing health care information, especially in underserved areas. Media can be used to raise awareness about health care issues and to promote healthy living.

The government should also focus on the role of schools in providing health care education, especially in underserved areas. Schools can be used to raise awareness about health care issues and to promote healthy living.

The government should also focus on the role of communities in providing health care services, especially in underserved areas. Communities can be used to raise awareness about health care issues and to promote healthy living.

The government should also focus on the role of the private sector in providing health care services, especially in underserved areas. The private sector can be used to provide additional health care services to people who may not have access to traditional health care services.

The government should also focus on the role of the public sector in providing health care services, especially in underserved areas. The public sector can be used to provide additional health care services to people who may not have access to traditional health care services.

The government should also focus on the role of international organizations in providing health care services, especially in underserved areas. International organizations can be used to provide additional health care services to people who may not have access to traditional health care services.
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<th>NATIONAL</th>
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<tr>
<td>MAY 2017</td>
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<td>CIRCULATION – 27,000</td>
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Funding is a key challenge for healthcare sector

A report by NATHEALTH in collaboration with PricewaterhouseCoopers Pvt Ltd (PwC) on ‘Indian healthcare funding’ talks about direct connection of growing ageing population and rise in costly chronic care needs that are exerting considerable demands on our health systems. It also talks about access to capital as one of the biggest roadblocks to the growth of Indian healthcare sector.

It says that the government will need to play a critical role as a catalyst by creating an enabling ecosystem which draws investments from both domestic and international players. Empowered and informed customers; flexible and adaptive operating models; non-traditional resources and partnerships; a growth and innovation mindset; and focus on accountability, integrity and sustainability are some of the key themes that will shape healthcare delivery in the future.

Commenting on the report, Anjan Bose, Secretary General, NATHEALTH said, “Funding is a key challenge for the healthcare sector. The sector needs innovative modes of funding to meet its requirements which have also been highlighted in the recently unveiled National Health Policy (NHP) 2017 by the Government.”

Reality check for Indian healthcare

Developmental goals, communicable diseases and the growing NCD epidemic

Stating the WHO data, the report highlights the growing burden of non-communicable diseases (NCDs) in India: “Every fourth individual in India aged above 18 years has hypertension, age standardised obesity prevalence increased by 22% in the past 4 years, cardiovascular diseases (coronary heart disease, stroke and hypertension) account for 43% of all NCD deaths and death and the probability of dying from NCDs between ages 30 and 70 years is 26%”. Similarly, India’s NCD burden continues to expand and is responsible for around 60% of deaths in India.

Growing need for healthcare spending

In a country like India where a large segment of the population is poor, out of pocket expenditure (OOPEx) constitutes more than 60% of all health expenses. Also, approximately 63 million people fall into poverty each year due to lack of financial protection for their healthcare needs.

Poor infrastructure, shortage of skilled workforce and lack of standards impact the quality of care

With a 22% shortage of primary health centres (PHCs) and 52% shortage of community health centres (CHCs), it is estimated that 50% of beneficiaries travel more than 100 km to access quality care. India has only 5.1 beds per 1,000 population in India compared to the world average of 2.7. Also, 70% of India’s healthcare infrastructure is in the top 20 cities.

Increasing preference for availing of medical treatment from the private sector

The report states that, over the last 20 years, there has been an increase in hospitalisation in private facilities (in both rural and urban areas) that marks a rise in preference for private set-ups.

Evolution of healthcare funding in India

The report sees significant increase in transactions and
foreign direct investment (FDI) inflow over the last few years. Some of the key private equity deals (over 50 million USD) are:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount (million USD)</th>
<th>Key investors</th>
</tr>
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<tbody>
<tr>
<td>Vijaya Diagnostic Centre</td>
<td>63.5</td>
<td>Kedaara Capital</td>
</tr>
<tr>
<td>Apollo Health &amp; Lifestyle</td>
<td>68</td>
<td>1PC</td>
</tr>
<tr>
<td>Care Hospitals</td>
<td>221</td>
<td>Abraj Group</td>
</tr>
<tr>
<td>Cloud Nine</td>
<td>60.5</td>
<td>India Value</td>
</tr>
<tr>
<td>MetroHealth</td>
<td>157.5</td>
<td>Carlyle Capital</td>
</tr>
<tr>
<td>Sutures India</td>
<td>60</td>
<td>TPG Growth</td>
</tr>
<tr>
<td>Manipal Health Enterprises</td>
<td>50</td>
<td>TPG Capital</td>
</tr>
<tr>
<td>Medanta Medcity</td>
<td>135.5</td>
<td>Temasek</td>
</tr>
<tr>
<td>Aster DM Healthcare</td>
<td>60</td>
<td>India Value</td>
</tr>
</tbody>
</table>

Effective implementation of real estate investment trusts (REITs) and National Health Protection Scheme (NHPS) can be the main driving force of healthcare funding, according to the report. The Securities Exchange Board of India (SEBI) introduced regulations in relation to business trusts, i.e. infrastructure investment trusts (InvITs) and REITs in 2014. These regulations can pave way for additional investments in creating healthcare infrastructure in the country. The government will provide for over 100 million families below the poverty line through NHPS. It envisages an annual coverage of 1,00,000 INR for a family. Implementation plans for NHPS are underway.

Dr Sushil Shah, Founder & Chairman at Metropolis Healthcare Ltd. Said, “It should be mandatory for every government to improve overall healthcare levels of the country and so far, we’ve seen the Indian government make excellent efforts in this direction. Yet, the substantial amount of unfinished public health agendas and schemes threaten the rapid economic and healthcare development. Healthcare in general is still very expensive in the country and if people spend a lot of money on healthcare, they are left with small budgets to invest in other things. The high costs also make quality treatment unaffordable for the lower income classes. A chunk of identified illnesses in rural India and in urban areas go untreated because of fiscal constraints. That results into pushing Indians into poverty due to healthcare costs. The need of the hour is for the government to take aggressive action to make healthcare affordable and accessible for all.”

_Innovative modes should be introduced for funding Indian healthcare_

The report sees five modes of funding Indian healthcare:

- **Fund of funds**
  This includes healthcare investment and improvement fund with a multi-billion dollar corpus to accelerate the overall pace of development. Also, there should be a management body appointed by the government to handle the portfolio, allocation and management of fund. Sources of funding can be pension funds and others and investment route can be PPP, long-term debt, social impact bonds.

- **Financing through pension funds**
  Access to a large pool of money with intervention by the government is required to use this pool based on redefined risk assessment criteria that can be channelled through fund of funds.

- **REITs/business trust entity**
  Dividing the asset operations and medical operations will trigger faster actions and can help in overcoming real estate costs

- **Bilateral investment treaties**
  As an attractive investment destination, India already has 74 bilateral investment treaties and has a low cost of financing, e.g. India offers much higher returns compared to countries like Japan which gives it a potential for huge capital inflow.
NATIONAL

MAY 2017

CIRCULATION – 27,000

NATHEALTH, new leadership team formed

Brig Dr Arvind Lal, Padma Shri, Chairman & MD, Dr Lal Path Labs Ltd has been elected as the President of NATHEALTH, India’s healthcare apex body formed by Healthcare Federation of India. The other office-bearers are Milan Rao, President & CEO, India & South Asia, GE Healthcare (Senior Vice President); Daljit Singh, President, Fortis Healthcare Limited (Vice President); Gautam Khanna, Chief Executive Officer, P. D. Hinduja Hospital (Secretary); and Varun Khanna, Managing Director, BD (Treasurer). The team, along with Anjan Bose (Secretary General) will lead the federation towards its goal of helping to create a robust platform for long-term growth and sustainability of India’s healthcare sector.

Speaking on emerging priorities, Brig Dr Lal said, “In spite of significant progress, there is still a lot of unfinished work in healthcare sector. Areas like preventive and wellness, infrastructure development, healthcare financing and funding, public-private partnership, digital health and Make in India need more focus and attention. At NATHEALTH, we will sincerely and resolutely work for the improvement of nation’s health and for the progress of healthcare sector.”