



Strategies for Providing Equitable Healthcare

By ECS, March 2008

Need for Equitable Healthcare

India, the largest democracy in the world, comprises a sixth of world's population. While 70% of India is living in semi-urban and rural areas, 80% of our healthcare facilities are located in urban areas. Hence India continues to suffer from the lack of healthcare reach to the majority of its population. India's position on health parameters compared to some of its neighboring countries, including China and Sri Lanka, continues to be unsatisfactory, according to the Economic Survey 2007-08.¹ There is growing divide between rural and urban India, in terms of salaries, standard of living, power of expression and law. But the biggest of all dividers is healthcare. Establishment of private players in healthcare services, which are seen to be polarized more towards urban areas, has strengthened this bias. Unfortunately, rural population seems to face difficulty in getting affordable and quality healthcare. Most of the people have to bear healthcare expenses as "out of pocket" expense and are forced to sell their assets.

Inadequacies in the existing health infrastructure have led to gaps in coverage and outreach services in rural areas

— Economic Survey, India, 2007-08

The present scenario clearly indicates that, India needs to minimize the healthcare delivery gap by providing equitable, accessible, affordable and accountable quality health care services to the poorest and the remotest households. This article highlights a number of innovative strategies and ideal enterprise models that can bring equitable healthcare system to India.

Making Healthcare Reachable

Innovative Delivery System

India spends only 1 per cent of GDP on healthcare, out of which less than a quarter of the spend goes to actual delivery of healthcare programs.² The numbers of hospitals in India are significantly less as compared to the number of people requiring access to healthcare services. In such a scenario, communication and connectivity can result in more people availing better healthcare services.

Bringing information and communications technology (ICT) to bridge the gap between rural and urban healthcare can create an efficient delivery system. However, government needs to play a crucial role in developing the compatible infrastructure and creating standards. ICT can bridge the gap between the competencies of public and private hospitals and this kind of partnership can significantly benefit the rural community. Emerging healthcare technologies, such as Telemedicine, Health Information Management System (HIMS) can maximize the reach of healthcare to the remotest places.

Healthcare players can leverage alternate distribution mediums to penetrate the healthcare into the rural India. According to Mr. Ranjit Shahani, President and Managing Director, Novartis India, there are 450,000 chemists in the country and 150,000 post offices in the country that are under utilized. Such alternate delivery mediums could be used to deliver over-the-counter drugs hence fulfils the need of primary delivery centers.

Government Initiatives

Government has a significant role in delivering quality healthcare services to the rural population. Majority of Indian population spends on curative healthcare services. The rising healthcare spending by consumers can be shifted to preventive measures with the help of government initiatives. It includes public health programs and educative camps, which will emphasize on the importance of hygiene and health precautions. Government is currently running the National Rural Health Mission to carry out necessary architectural correction in the basic health care delivery system. However, such programs are limited to certain states and need to be practiced throughout the nation. Private sector can also play a phenomenal role in carrying out such programs.

Preventive and Wellness Healthcare Awareness

The health and hygiene education programs need to be implemented at village levels. Educative programs will ensure health awareness at household levels and provide a one-stop, integrated and coordinated service delivery for basic ailments such as Diarrhoea, Cholera and maternity care. Reorientation in primary education system to create health and hygiene awareness among the community level is required. Awareness about food and nutrition security, importance of safe water and sanitation should be prioritized in education system. Biotechnology giant 'Biocon Foundation' has set up healthcare units called Arogya Raksha Clinics, whose volunteers educate children in village schools about health and hygiene. The mission works under four modules: personal hygiene & sanitation, common illness, reproductive child health & nutrition and HIV & AIDS.

Postnatal problems can be dealt by giving special hygiene related training to the midwives. An equipped maternity hut in each village would help to serve as a delivery room, with functioning midwifery kits and basic medication for

“Unless health insurance catches on in a big way, healthcare in India cannot be made affordable to all.”

— Dr. A.P.J. Abdul Kalam

essential obstetric aid. Working on the same lines, Bajaj Auto has adopted 38 villages in Maharashtra to offer them access to medical facilities at their doorstep. Its well-equipped mobile clinic offers medical tests, treatment and also counseling to the pregnant women and other basic ailments as well. In order to make the process more sustainable, it's volunteers train women in the village to become health workers to spread the knowledge in the village of hygiene and family planning. The volunteers also provide first aid for minor illnesses like regular viral. Parma giant Ranbaxy is training the women in villages to become midwives. The representatives teach these women about the do's and don'ts during labour. They are also given medical kits that come in handy during childbirth.³

Making Healthcare Affordable

“We do 10 times more surgery than an average practitioner may do. We are able to continually cater to an increasing number of patients by using various cutting edge management approaches and techniques.”

— Dr. S. Aravind,
Administrator,
Aravind Eye Care System

Affordable Health Insurance

A very less percentage of the population is covered by health insurance, which burdens them to spend through their own pockets. There needs to be reform in health insurance policies, which can be affordable for poorest citizens. In the recent union budget, government has allocated increased incentives for quality healthcare to semi-urban and rural area. It includes tax holidays, tax benefits on health insurance premiums.⁴ This is the big step towards increased availability and financial access to quality healthcare for the common man and would pave way for entry of private sector in rural markets.

Sustainable Public-Private Partnership

Private sector penetration in rural India is very less. To bring efficient and affordable healthcare system to India, public-private collaboration is must. Such collaboration will offer cutting age technology such as wireless technology to achieve remote connectivity. It also brings new age marketing strategies to create public awareness, such as campaign through kiosks, educative healthcare camps. Private and public players can leverage the local panchayats, NGOs and civil society organizations. Public-private partnership will also result into tax benefits for healthcare players and hence can deliver the subsidized healthcare services to rural population.

Alternative Medicine

Alternative treatments, such as Homeopathy, Ayurveda, Yoga, Unani and others are not only gaining acceptance among patients but many healthcare practitioners as well. These therapies have proven their role in treating many diseases and serve as affordable option. Foundation for Revitalisation of Local Health Traditions, located near Bangalore is one such NGO, which is building a critical bridge between traditional Indian therapies and modern science. In a

move to bring ayurveda to the main stream of healthcare in the country, the Tata Group is also setting up the Indian Institute of Ayurveda Integrated Medicine (IIAIM) in Bangalore. The 100-bed Ayurveda and yoga hospital will be operational in 2009.

These therapies are available at low cost and have curative values. In order to make healthcare affordable, such alternative medicines need to be popularized and practiced by experts.

Ideal Business Models for Equitable Healthcare

Some of the private healthcare service providers have initiated the movement of affordable healthcare. Although not plasticized by many, such business models have successfully initiated the concept of quality and affordable healthcare. The introduction of such models by other industry players could prove to be the big step in bringing equitable healthcare services to India. Some of such thriving models are discussed here:

The decentralization of franchise system enables rapid scaling and replication, and may be particularly suited for penetrating rural and underserved areas.

High Quality Healthcare at Low Cost: The Aravind Model

The Aravind Eye Hospital uses a tiered pricing system to perform low-cost or free cataract surgeries for thousands of poor each year, still remaining profitable. With its unique blend of spirituality and good management practices, Aravind has perfected the art of doing world-class quality surgery at low cost for large volume. Although two thirds of the patients are provided free surgery, the Aravind Hospitals are financially independent, do not depend on donations, and make good margins to fund their own growth.

Maximum utilization of resources by carrying out high volume of surgeries is the basic principle of Aravind Eye Hospital. It helps to recover the cost involved in surgery. This is done by reducing the time spent in between two surgeries and minimizing the movement of doctors and his assistant staff. The critical part of the surgery is done by the chief doctor and he can move to the next patient, while the team of junior doctors and paramedics does the finishing touch. The hospital has also brought down the cost by setting up its own manufacturing unit for surgery consumables such as sutures and lens. The hospital labs are technologically well equipped. It has also started telemedicine initiative to treat patients from distant consultants.

Sankara Nethralaya is another good example of quality care at affordable cost. Its 1,500 healthcare personnel cater to nearly 1,500 patients daily, performing more than 100 surgeries. The hospital also trains people, in a way that they should provide quality medical care at affordable price.

Vaatsalya – The New Face of Healthcare

Vaatsalya is the nation's first network of hospitals focused on primary and secondary care in semi-urban and rural India for bridging the healthcare gap. It has a hub and spoke distribution model, with primary care in spokes and secondary care as Hub. In tandem with its community reach strategy, Vaatsalya has outreach clinics within radius of 10 kms, providing physiotherapy and preventive services, where specialists and resident doctor visit on a fixed schedule. Vaatsalya is also testing innovative healthcare financing schemes to enable rapid scale up across India.

Janani – Franchise Clinic Model

Janani is the NGO, which works in the most impoverished states Bihar, Jharkhand and MP. Janani uses combination of social marketing and franchise model to provide quality and low cost healthcare to the poor. Janani has set up various sustainable franchise-clinic models. Some of these clinics are owned by Janani and runs in partnership with doctors, while others are owned and run entirely by doctor-entrepreneurs. Janani currently consist of 260 franchised medical clinics, 39,000 rural health centers and 40,000 shops.

Janani has a premier network of rural medical practitioners (RMPs) that has some aspects of a franchise system. Two RMPs, selected from each panchayat (village council), receives a four-day training at a franchise center. On diagnosis front, Janani links franchised RMPs to a franchise of MD and MBBS doctors in urban areas. Janani also provide medicines at subsidized rates. It purchase government subsidized healthcare commodities in bulk for its franchisees. Janani further reduces costs by increasing the volume of patients utilizing its franchised services.

The network is heavily advertised through local and mass media, as well as through direct outreach activities in slum areas. To offer healthcare to the poorest of the poor, Janani is leveraging its strong linkage with the government to subsidize it further. This unique healthcare delivery framework demonstrates an effective model of public-private partnership.

It is exemplified from above examples that there is a growing market opportunity in providing healthcare to the underserved population in developing country like India. However, there could be question of whether or not healthcare services will be provided to low income community in a profitable way. The issue may finally be settled down based on the success of several new business models that are wiping out the line between NGOs and the private sector.

Conclusion

Larger part of the Indian population today is deprived from affordable and quality healthcare access. Their needs are as vast as the solutions are diverse. The innovative strategies by private sector may improve the healthcare efficiencies and can offer low cost healthcare to the low economy population.

Existing products and services are being scaled down to affordable portions. Innovative products and distribution models utilizing the latest technologies are tailored to local needs and infrastructure. New cross-sector partnerships together with the innovative distribution approach could demonstrate that private sector has the potential to provide healthcare to communities at the base of the pyramid in a sustainable way.

Some of the new techniques that are being practiced in the field of healthcare involve practice of the Lean methodology. This methodology, having origins in the Toyota Production System forces the organization at identifying and eliminating waste, which could exist in the following forms:

1. Waiting
2. Unnecessary Processing
3. Unnecessary Motion
4. Defects and Errors
5. Transportation
6. Inventory
7. Overproduction

Sources

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- ¹ The Hindu, February 28, 2008
 - ² The McKinsey Quarterly, January 2008
 - ³ CNBC-TV18, May 1, 2008
 - ⁴ The Economic Times, March , 2008

About ECS

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