Less than a third of Indians go to public hospitals for treatment

Most Indians pay more to get treated in private clinics and hospitals rather than visit a public hospital, data from the last NSS health survey showed

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An employee conducts thermal scanning of visitors arriving at a civil hospital after OPD started functioning during the nationwide lockdown,**(PTI)**

As coronavirus cases spread across the country over the past few weeks, private hospitals began closing their doors to patients. This led to complaints from different quarters, including from several public officials. Bihar's health secretary, for instance, took to twitter a few weeks ago to complain about the 'complete withdrawal of the private health sector in the state' health services have become unavailable in a state that depends largely on private medical providers, he lamented.

Private hospitals, on their part, have pointed to the lack of protective equipment for staff that have hindered them from attending to patients. This has led many smaller establishments to shut shop lest they become breeding grounds for the virus. In states such as Bihar, where the reach of public hospitals is limited, this has created a massive shortfall in health services.

The pandemic has exposed the sorry state of India's healthcare system and limited capacity of public health providers. But even in a normal non-pandemic year, the reach of the public sector is limited and most patients in the country rely on private healthcare

providers. Data from the last National Sample Survey (NSS) on health conducted in 2017-18 show that the public health system caters to the needs of less than a third of the population. The rest depend on private medical care (including small informal medical care-givers).

Taking hospitalisation and non-hospitalisation cases together, about 66 percent of India's population got treatment from a private hospital or clinic. Only 33 percent of the rural population and 26 percent of the urban population depend on the public sector for treatment.

The poor depend on the public health system more than the rich. But even among the poorest income class, a majority depend on private healthcare providers. Only 36 percent of the bottom quintile (based on per capita monthly consumption expenditure) went to public hospitals for treatment, the data show.

There are significant regional variations in the pattern of medical care provision. The public sector provides healthcare to less than one-fifth of the population in Uttar Pradesh, Punjab, Bihar and Haryana. In Bihar, only 18 percent went to public hospitals whereas 65 percent reported getting treated by a private doctor. A significant section (nearly 11 percent) reported being treated by 'informal medical practitioners', who typically lack formal medical training, and operate outside the regulatory ambit of the state.

The share of public hospitals in treated cases was less than half in 23 of the 36 states and union territories. Among large states, Himachal Pradesh had the highest share (68 percent) of public hospitals in total cases treated. Incidentally, it is also among the states with better health indicators in India. The share of the public sector in treated cases was also relatively high in Odisha, Tamil Nadu, and Kerala.

The trend is not very different if we look at hospitalisation cases alone. About 55 percent of the hospitalisation cases were in private hospitals. This is despite the fact that average medical expenditure per hospitalisation case in private hospitals in 2017-18 was ₹31,845 - as much as seven times higher than in public hospitals.

After including other non-medical expenses such as transport, the total cost per hospitalisation case in private hospitals was ₹34,551, as against ₹6,050 in public hospitals.

Why are people spending so much more on private medical care? The NSS data suggests that the poor quality of service in public hospitals, the long queues, and in some

cases, the absence of the required specialists force people to visit private hospitals and medical centres for treatments.

About 80 percent of the households finance their hospitalisation expenses from their incomes and savings, 11 percent resort to borrowings, and 0.4 percent have to sell their physical assets. Among the people who were hospitalised in 2017-18, around 62 percent reported a loss in income due to hospitalisation. The average loss in income was reported to be around ₹2,000.

Indians in most states choose to get treated at private clinics and hospitals, knowing fully well that they will be paying more, and may even be subjected to unnecessary tests or invasive procedures, with all attendant risks. It is also worth noting that states where the public health sector functions well, and caters to a larger share of the population, have responded better to the pandemic so far, and in general, tend to have longer life expectancies.

At roughly 1 percent of GDP (gross domestic product), India's public spend on health is woefully inadequate. Indian policymakers should strive to convert the covid-19 crisis into an opportunity to reimagine and revamp the public healthcare system. This will also have a salutary effect on the entire chain of healthcare providers, and force private operators to offer better service, since they would have to then compete with a much more efficient and fairly-priced competitor.

Can India's politicians and bureaucrats seize this opportunity to transform our long-neglected health system?

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