


**LOK SATTA**  
*People Power*

**Health, Medical Care and Accountability**

LV Prasad Eye Institute, 17<sup>th</sup> October, 2004, Hyderabad

“ If you dump all the drugs and formulations listed in *Materia Medica* into the ocean, mankind will be that much better off and fish will be that much worse off ”

# Development and Health

- Development efforts have enormous impact on health status
  - Health improvement in the West resulted from “non-health” improvements in
    - nutrition,
    - sanitation & hygiene
    - housing.

80%
  - Next great improvement in Health care in first half of 20<sup>th</sup> century – 20% eg: Great Britain
    - Up to 1950: Immunization and anti-biotics – life-expectancy increase – 20 years
    - After 1950: NHS and high cost cures – life-expectancy increase – 10 years
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## Limits to Modern Medicine

Spectacular Advances – Low Cost	Nutrition, Immunization, Antibiotics, Aseptic surgery, Maternal and child care, Healthy life styles
Grey Areas – High Cost	Degenerative diseases, Autoimmune diseases, Malignancies
Dark Areas	Idiopathic, Iatrogenic, Hospital Infections, Progressive, Irreversible Disorders

## Spiraling Health Care Costs

- In OECD Countries health care costs are growing faster than GDP
  - Total estimated costs of health care in rich countries : \$ 3 trillion
  - Average GDP share of health expenditure in OECD countries rose from 5.2% in 1970 to 8.9% in 2001
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# Spiraling Health Care Cost



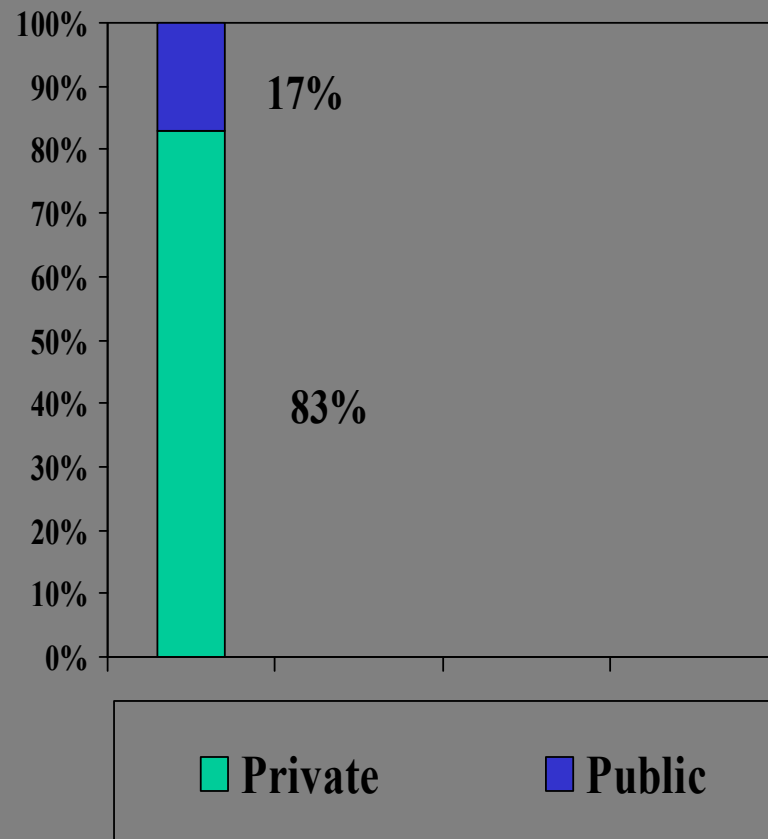
# Public Health vs Total Health Expenditure

- Total Health Expenditure

5.2% GDP

- Comparable countries:

- Cambodia
- Burma
- Afghanistan
- Georgia



# GDP Per Capita, Health Expenditure DALE Rankings

Country	GDP per capita (in PPP terms - \$)	Health Expenditure per capita ranking (in \$ terms)	Health Level Ranking (DALE)
<b>Low Income Countries</b>			
Sri Lanka	3530	138	76
Indonesia	3043	154	103
Pakistan	1928	142	124
Egypt	3635	115	115
India	2358	133	134
<b>Middle Income Countries</b>			
Russian Federation	8377	75	91
South Africa	9401	57	160
Brazil	7625	54	111
<b>OECD Countries</b>			
United States	34142	1	24
France	24223	4	3
Germany	25103	3	22
Japan	26755	13	1
United Kingdom	23509	26	14

*Sources: The World Health Report – 2000 and UNDP Human Development Report – 2002 (UNDP)*



## Preventive and Curative Services

- PHC's – nodal agency for preventive and primary care
- Credibility of health system shaped by quality of curative care.
- Therefore high quality referral hospitals are needed to deliver curative care

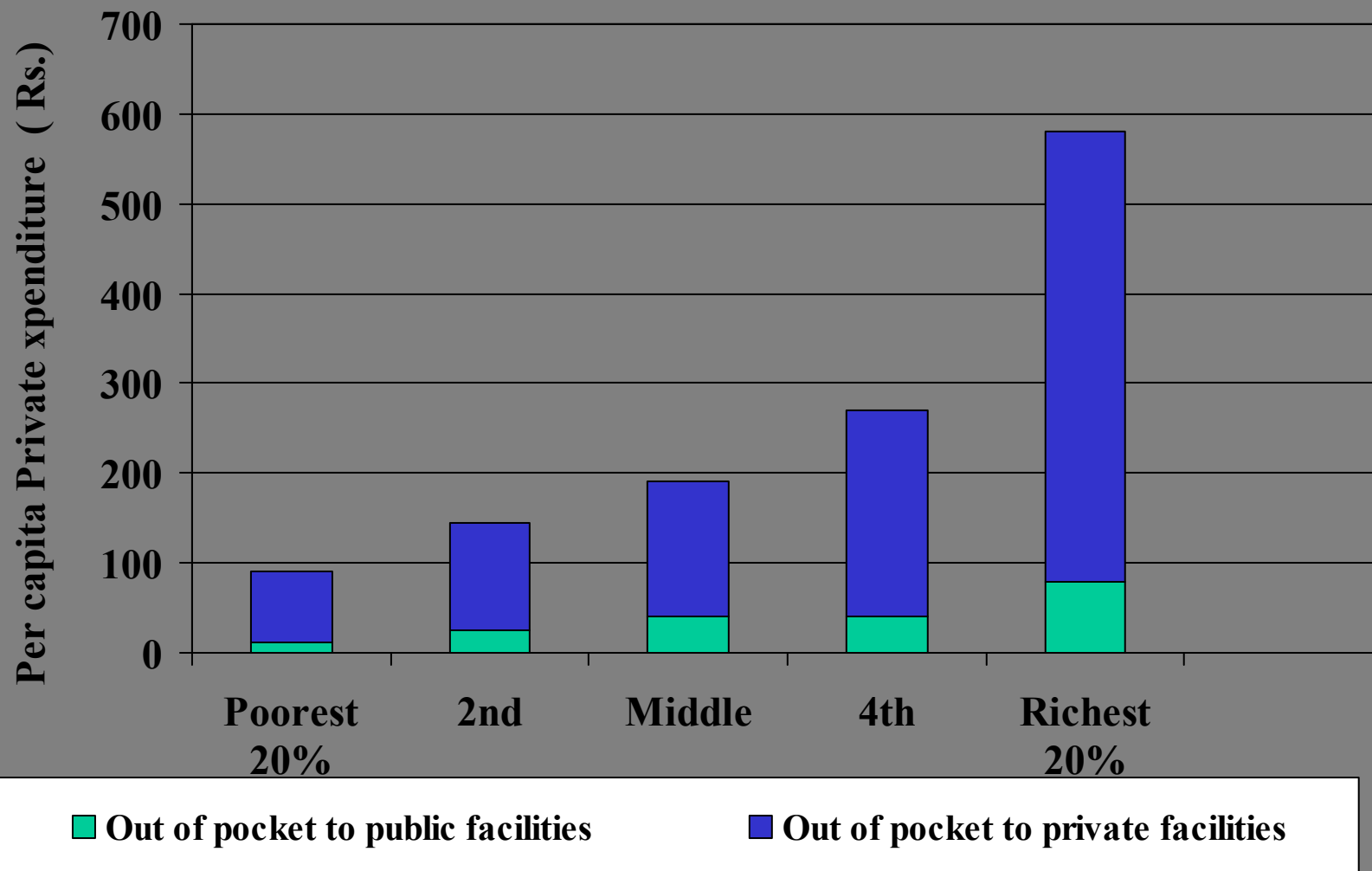
# Institutional Malpractices

- Corporates – overcapitalization
- Hospitals – Medical care regulation
- Doctors – Professional regulation

## Issues of Poor Access

- Right Care
- Corruption – CGHS, ESI etc.
- High Out of Pocket Expenditure

# Out-of-Pocket Payments for Health and Household Income, All India, 1995-96



# Accountability

- Optimal care at moderate costs
  - Prioritization of allocation
    - 50% preventive & 50 % curative
    - Curative Services
      - 50% first referral
      - 35 % second referral
      - 15% third referral
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# Allocation vs Prioritization

## A better match

Morogoro disease burden, % of total

1992-95 Years of life lost, %

1996 Budget

Malaria

Childhood diseases\*

Reproductive health

Immunisation

TB

Other

1998 Budget

Malaria

Childhood diseases\*

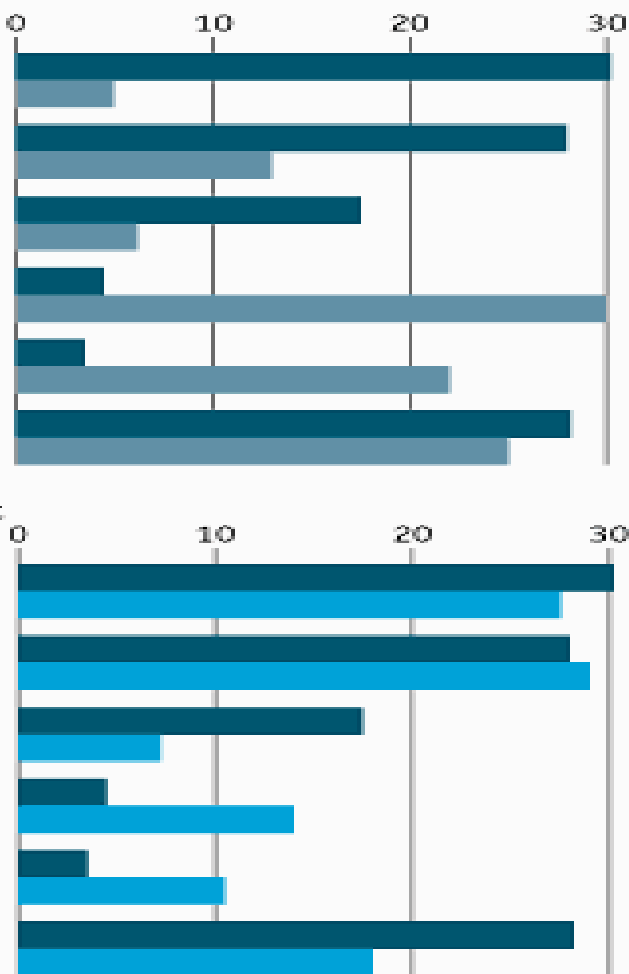
Reproductive health

Immunisation

TB

Other

\*Incl. pneumonia, diarrhoea, malnutrition, measles and malaria  
Source: Tanzania Essential Health Interventions Project



# Campaign Mode – Select Diseases

- Malaria
  - Child hood heart diseases
    - Rheumatic heart disease
    - Congenital heart diseases
  - Tuberculosis
  - AIDS
  - Preventable blindness
  - Excessive reliance will undermine normal public health service delivery
  - Campaign mode in conjunction with effective public health delivery
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# Functional Classification

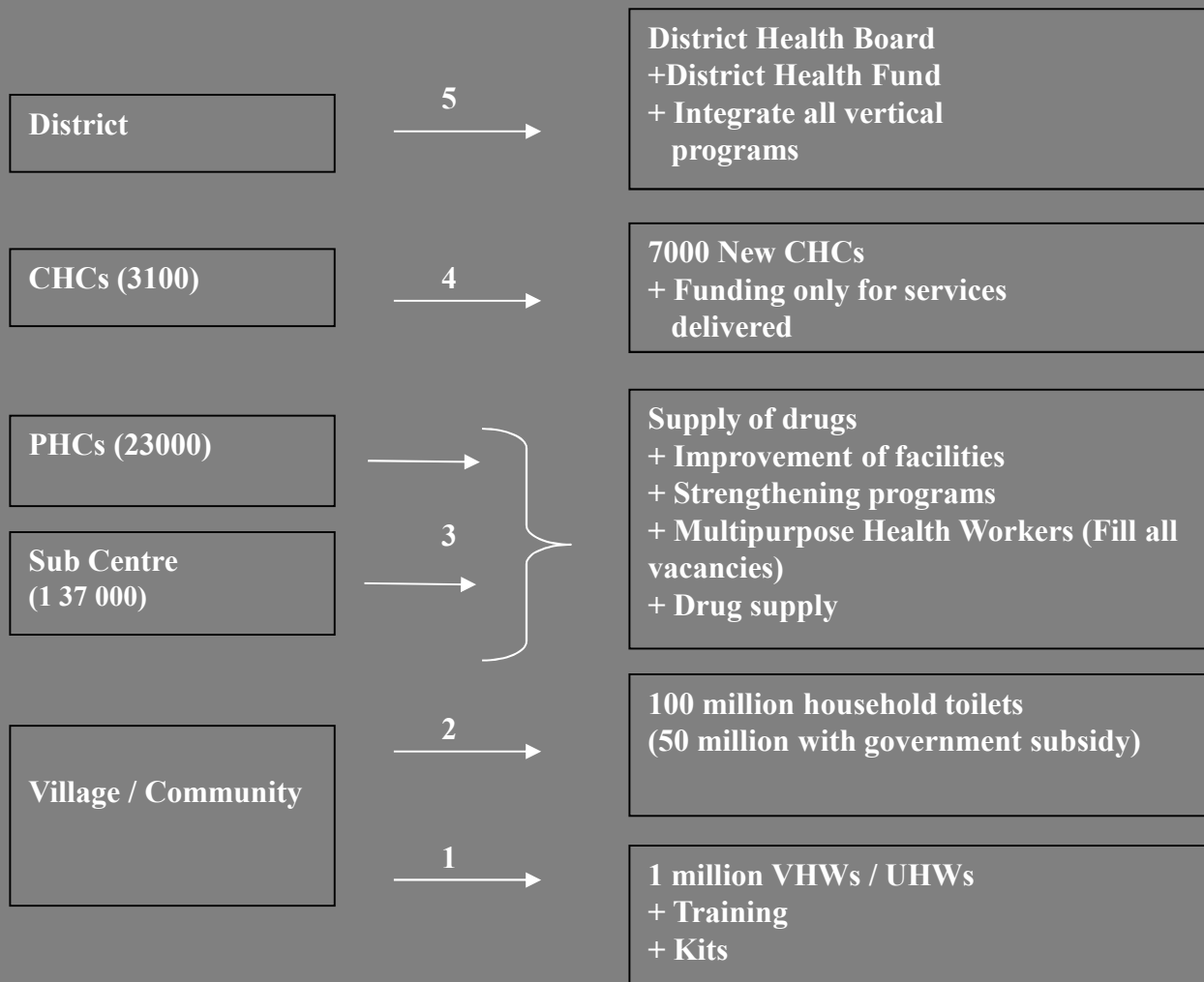
- Category A – can be adequately handled by the individual and the family Eg: minor coughs, colds,
  - Category B – can be adequately handled by properly trained local health functionary. Eg: These include scabies, worms, moderately severe cuts.
  - Category C – can be adequately handled by trained paramedical workers with professional support. Eg: severe gastroenteritis, dysentery, acute respiratory infections etc.,
  - Category D – this group comprises high profile but relatively few conditions which need knowledge, skills and facilities that can only be provided by the trained medical or nursing professionals at a hospital.
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# Ensuring a Healthy Future

## Current Structure

## Interventions Proposed



## Risk-Pooling and Accountability

- An amount of Rs 90 per capita will be raised every year for risk-pooling of hospital care costs as follows:
  - Rs 30 per capita will come from the union government
  - Rs 30 per capita will come from the state Government
  - Rs 50 per capita will be raised as a local tax collected by the local government.
- A total of Rs 9000 crores will thus be raised annually – with District Health Boards (DHB).

## Risk-Pooling and Accountability

- Patients will have a choice to approach any one of the public hospitals within the area of DHB, in case of sickness.
  - Primary health care – PHCs, sub-centres and VHWs / UHWs – free of cost
  - CHCs will be the first referral hospitals.
  - Funding of hospitals only by way of reimbursement of costs for services rendered.
  - Health accounting systems
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# Local Government and Health Care

- Principle of Subsidiarity – Local Control
- Village Health Workers will be recruited and will be controlled by the Gram Panchayat
- All PHC's and their functionaries will work under Mandal Parishads
- All District hospitals and Area hospitals will work under Zilla Parishad

# False Claims Act & Qui Tam

- “He who sues for the king, sues for himself as well”
- A private citizen can sue a company/ organisation for defrauding the government
- Whistleblower’s share – 25 % of the settlement
- In 2003 fiscal year – 1.48 billion recovered from Qui Tam cases.
- Major areas of application
  - Defense and Health care
  - Health accounted for 40 % of total recoveries

# False Claims Act & Qui Tam

- Phantom billing and employees, inflating bills
- Inappropriate or unnecessary procedures
- Billing for equipment not used
- Fake diagnostic tests
- Providing substandard nursing home care and seeking Medicare reimbursement

## Other Accountability Mechanisms

- HCA The Healthcare Company (largest for-profit hospital chain) - unlawful billing practices - \$731,400,000 (December 2000)
  - HCA The Healthcare Company – false claims submitted to Medicare and other federal health programs – \$631,000,000 in civil penalties and damages ( June 2003 )
  - TAP Pharmaceutical Products Inc. -- fraudulent drug pricing – \$559,483,560 (October 2001)
  - Abbott Labs – defrauding the Medicare and Medicaid programs – \$400,000,000 (July of 2003)
  - Fresenius Medical Care of North America – fraud at National Medical Care (world's largest provider of kidney dialysis products and services, ) – \$385,000,000 ( January 2000)
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## Other Accountability Mechanisms

- Independent ombudsmen for each district
  - Mandatory independent Ombudsmen in corporate hospitals.
    - To investigate complaints and order redressal.
  - Indian Medical Council Act has largely failed in its main purpose.
    - A new regulatory mechanism
    - greater transparency,
    - accountability and
    - participation of prominent citizens and jurists
  - Medical Care Regulation
    - Standardization of procedures
    - accreditation
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“Politics encircles us today like the coil of a snake from which one cannot get out, no matter how much one tries ”

- *Mahatma Gandhi*