LOK SATTA

People Power

Health, Medical Care and Accountability

LV Prasad Eye Institute, 17th 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, 80%
  - housing.
- Next great improvement in Health care in first half of 20th 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
## Limits to Modern Medicine

<table>
<thead>
<tr>
<th>Spectacular Advances – Low Cost</th>
<th>Nutrition, Immunization, Antibiotics, Aseptic surgery, Maternal and child care, Healthy life styles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grey Areas – High Cost</td>
<td>Degenerative diseases, Autoimmune diseases, Malignancies</td>
</tr>
<tr>
<td>Dark Areas</td>
<td>Idiopathic, Iatrogenic, Hospital Infections, Progressive, Irreversible Disorders</td>
</tr>
</tbody>
</table>
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
Dear life
Health spending as % of GDP, 2002

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<td>Britain</td>
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</tbody>
</table>

Source: OECD Health Data 2004
*2001 †1992-2002

Percentage-point rise 1990-2002
Public Health vs Total Health Expenditure

- Total Health Expenditure: 5.2% GDP

- Comparable countries:
  - Cambodia
  - Burma
  - Afghanistan
  - Georgia

![Bar chart showing private and public health expenditure percentages]
<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita (in PPP terms - $)</th>
<th>Health Expenditure per capita ranking (in $ terms)</th>
<th>Health Level Ranking (DALE)</th>
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</thead>
<tbody>
<tr>
<td><strong>Low Income Countries</strong></td>
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<tr>
<td>Sri Lanka</td>
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<td>Indonesia</td>
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<td>1928</td>
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<td>India</td>
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<td><strong>Middle Income Countries</strong></td>
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<td>Russian Federation</td>
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<td>South Africa</td>
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<td>57</td>
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<td>Brazil</td>
<td>7625</td>
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<td><strong>OECD Countries</strong></td>
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<tr>
<td>Germany</td>
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<tr>
<td>Japan</td>
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<tr>
<td>United Kingdom</td>
<td>23509</td>
<td>26</td>
<td>14</td>
</tr>
</tbody>
</table>

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

- Per capita Private expenditure (Rs.)
- Out of pocket to public facilities
- Out of pocket to private facilities

Income Quintiles:
- Poorest 20%
- 2nd
- Middle
- 4th
- Richest 20%
Accountability

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

A better match
Morogoro disease burden, % of total
1992-95 Years of life lost, %

1996 Budget
0 10 20 30

Malaria
Childhood diseases*
Reproductive health
Immunisation
TB
Other

1998 Budget
0 10 20 30

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
# 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.
## Ensuring a Healthy Future

<table>
<thead>
<tr>
<th>Current Structure</th>
<th>Interventions Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>District</strong></td>
<td>District Health Board</td>
</tr>
<tr>
<td></td>
<td>+ District Health Fund</td>
</tr>
<tr>
<td></td>
<td>+ Integrate all vertical programs</td>
</tr>
<tr>
<td><strong>CHCs (3100)</strong></td>
<td>7000 New CHCs</td>
</tr>
<tr>
<td></td>
<td>+ Funding only for services delivered</td>
</tr>
<tr>
<td><strong>PHCs (23000)</strong></td>
<td>Supply of drugs</td>
</tr>
<tr>
<td></td>
<td>+ Improvement of facilities</td>
</tr>
<tr>
<td></td>
<td>+ Strengthening programs</td>
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<tr>
<td></td>
<td>+ Multipurpose Health Workers (Fill all vacancies)</td>
</tr>
<tr>
<td><strong>Sub Centre</strong></td>
<td>100 million household toilets (50 million with government subsidy)</td>
</tr>
<tr>
<td>(1 37 000)</td>
<td></td>
</tr>
<tr>
<td><strong>Village / Community</strong></td>
<td>1 million VHWs / UHWs</td>
</tr>
<tr>
<td></td>
<td>+ Training</td>
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<tr>
<td></td>
<td>+ Kits</td>
</tr>
</tbody>
</table>

- **1**: Village / Community
- **2**: Sub Centre (1 37 000)
- **3**: PHCs (23000)
- **4**: CHCs (3100)
- **5**: District
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
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)
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
“Politics encircles us today like the coil of a snake from which one cannot get out, no matter how much one tries”

- Mahatma Gandhi