

Union Budget 2018: Outlook for Healthcare sector

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Each year, around the Union Budget, the Healthcare sector eagerly waits for some positive news regarding certain pressing issues, which remain unchanged for decades. Toward this, I sincerely feel that India should stop wasting taxpayers' money on non-developmental areas like Defence and focus more on developing the healthcare and education sector.

Recent reports suggest that 1% of the population is controlling 73% of wealth in this country. This is shameful and must be addressed to see how we can improve the per capita income of the lower strata, which will automatically get them access to better health and education facilities. Since the government has failed to address the issue of unemployment in rural areas, it could now look at creating jobs in the manufacturing space, thereby enhancing the quality of life in rural India and improving the per capita income as well as national growth.

Furthermore, it is simply pathetic and not acceptable that the government wants to leverage the private healthcare segment for their failures. Some expectation for the sector in the forthcoming budget are as follows.

- **Healthcare funding:** Private enterprises in the industry are hoping that the budget will address this issue and look at providing better funding for healthcare. In India, government spending on healthcare stays put at around one per cent of the GDP i.e. it invests only USD 31 Billion and private people spend about USD 67 billion. Still, the combined USD 105 billion spent on healthcare is equal to or less than what a small country like the UK spends for the same. Clearly,

for 1.2 billion we are spending a miniscule amount of funds, which comes to about \$90 for each person annually, while China and the US spend \$350 and \$9400, respectively.

- **Private Public Partnership:** Given that Private healthcare provides around 75 to 80 per cent of healthcare in the country. Instead of taking an autocratic approach toward private players, the government could look at cooperating through PPPs
- **Cashless Healthcare:** Today, India has become a global destination for low-cost quality healthcare services. Unfortunately, this potential has gone unnoticed within the country, and is on the verge of being destroyed. Instead of excessive government intervention, it's time to offer universal healthcare and cashless solutions to patients, irrespective of their economic background. There could be a system where we can provide insurance to all, with a viable hybrid model, wherein the government invests \$30 billion dollars, and the remaining amount of around \$70 billion can be raised through compulsory health tax, depending on income level. This, combined with the Employees' State Insurance (ESI) can develop a system where, for Rs 12,000 per annum, an average family of 4.8 members can be easily covered with an insurance of up to Rs 5 lakh.

It's about time the government realised that a few credible institutions such as AIIMS alone are not enough to fulfill the healthcare needs of a vast country like India; private enterprises are the only ones capable of doing so. Though there will be hurdles in the way of adopting the cashless model, we must overcome them, without being pessimistic.