

Government should focus on Healthcare innovation, not price capping

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The Indian government's recent move to order capping of prices of medical devices such as heart stents and knee implants to slash costs by up to 75 per cent has re-ignited debate about the efficacy of such interventionist measures.



A few decades back it would have been difficult to visualize the dramatic improvement advancements in minimally invasive surgery can bring towards medical outcomes as well as costs. Minimally invasive procedures result in lesser complications, faster recovery and shorter hospital stay. Be it coronary bypass, spinal or abdominal surgeries, improvements in laparoscopic surgery mechanisms have not just improved outcomes for millions of people but also lowered treatment costs. This is just one example of how innovation in healthcare can lower costs and make treatment more affordable to the masses.

The Indian government's recent move to order capping of prices of medical devices such as heart stents and knee implants to slash costs by up to 75 per cent has re-ignited debate about the efficacy of such interventionist measures. The move, though well intentioned, is being seen by the medical devices industry as obstructive, unsustainable and unfavorable for innovation. International players have expressed concern, with the issue even finding mention among trade representatives' talks between India and the US. The moot question that arises here is whether this thrust on capping prices is the right way to address cost issues or does it amount to thrusting a nail where a much larger repair is required?

In a country where millions of people do not even have access to primary healthcare, capping device prices that are used only in tertiary treatment, is like addressing the tip of the iceberg. It might be touted as the medical tourism hub of the world, yet the fact remains that Indian healthcare is characterized by abysmal infrastructure and manpower constraints. For a majority of people living outside metropolitan cities, even getting the right diagnosis for an ailment is an uphill task. Millions of people have to travel to bigger cities to get appropriate treatment and undergo life saving procedures like angioplasty. Not to mention the large rural population which lives under perpetual health neglect. According to Statistics of the Ministry of Health & Family Welfare, around eight per cent of the Primary Health Centres (PHCs) across rural India were running without a doctor in 2014-15.

Need for promoting innovation

Making healthcare accessible to all requires a multi-pronged approach towards different aspects of healthcare delivery. This includes substantially increasing government expenditure on healthcare, improving healthcare infrastructure especially in public hospitals, and addressing the problem of low doctor-patient ratio as well as shortage of other healthcare staff. While all this requires a much comprehensive effort, it is crucial to continue to encourage innovation in all aspects of healthcare. The private sector has for long innovated to reduce costs and improve delivery; unfortunately there has been little or governmental support to this strategy. Instead of adopting a singular approach to price capping of medical devices, the government should focus on innovation to maximize benefits from its limited resources.

Using Innovation to devise low cost solutions for healthcare

When it was invented in the 1960s, the Jaipur Foot, a cost-effective and highly viable artificial limb proved to be a game-changing innovation. With improved accessibility, it was a life-changing solution for many disabled people who couldn't afford high cost artificial limbs available in the market. India is desperately hungry for such innovations.

The government must institute a dedicated department under the Ministry of Healthcare to work persistently on such innovations. The innovators must work on not just reducing costs of medical products but also brainstorm on devising innovative process/paradigm solutions to make healthcare more accessible and affordable. Developing low cost diagnostic kits for rural households, low cost dialysis technology, even cheaper sanitary napkins, can go a long way in improving the healthcare scenario in the country. Instituting a large-scale use of make-shift bike ambulances to improve emergency medical response can save millions of lives. India is often referred to as the 'jugaad' nation. In many ways, 'jugaad' is the Indian colloquial of innovation. We must make sure we use this inherent tendency to devise out-of-the-box solutions for conventional problems to improve healthcare delivery and lower costs.

In Assam, an initiative called the 'Akha Boat' initiative works to reach under-served people in remote riverine islands through boat clinics; Tamil Nadu Medical Services Corporation (TNMSC) relies on IT systems and processes to streamline drug procurement and ensure availability of drugs on lower prices. These are just a few examples of a number of interesting process and product innovations initiated in various parts of India. However, we need a more comprehensive approach to institutionalize and spread such innovations.

Here are a few areas where innovation can help:

- Large scale use of medical mobile units to increase reach of medical care for remote rural areas is a very important need of the time. In a country where the nearest hospital for some people may be as far as 50 kms, taking medical care to doorsteps can significantly improve healthcare delivery, reduce time of diagnosis and prevent travelling costs for a large number of people. Mobile health vans to cater to medical emergencies can also reduce number of preventable deaths.
- Increasing usage of telemedicine to provide remote care is another highly under-utilized option. Telemedicine and remote care can provide access to doctors to a large population of under-served people, especially in rural areas. This can also reduce the excessive burden on district hospitals that serve thousands of people every day. While a number of independent investors and innovators are investing in telemedicine technology, we need the government to institutionalize its usage. In fact every district hospital needs to have a telemedicine centre to cater to the remote population. Through remote care, a large number of patients with minor health issues can be treated without the need to visit the hospital; while more serious cases can be called for personal examination.
- Establishing venture capital funds for innovators in healthcare can address the issue of paucity of adequate funding for healthcare innovations. The government must also provide tax relief to start ups and companies working on healthcare-focused innovation.
- Creating low cost diagnostic solutions is another challenge in a country where diagnostic tests often leave gaping holes in pockets. Apart from developing low cost diagnostic solutions, equally important is to develop early diagnosis solutions to identify diseases early.
- Healthcare-focused innovation must also adopt a prevention focus to be able to reduce the rising burden of lifestyle diseases. WHO estimates that at least 80% of premature heart disease, stroke and type 2 diabetes and 40% of cancer could be prevented through healthy diet, regular physical activity and avoidance of tobacco products. If we create ground level prevention focused teams of healthcare workers in each district, it can radically reduce our disease burden over the next few decades.

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