

Public-Private Partnership (PPP) Role in Health Care in India

Aarti Dawra¹ and Meenal Sharma Jagtap²

^{1,2}Amity University, Manesar

E-mail: ¹aarti_dawra@yahoo.co.in, ²msjagtap@ggn.amity.edu

Abstract—Health care Tourism is a growing phenomenon that attracts the travelers from abroad to take treatment from the world-class hospitals. Healthcare tourism or in specific terms medical tourism is a cost effective facility by private medical care via various corporate hospitals like Apollo, Fortis, Max etc. in alliance with the government. Medical tourism industry to attract foreign patients need to be world class in which various elective, diagnostic, cosmetic surgery and alternative therapies should be provided and they should be value for money. The 10th Ministry of Finance, 2003-2007 budget speech, called for India to become a world class “Global Health Destination” which attracts the foreign direct investment in medical tourism as a way for economic development. Thus on one hand where India is providing world-class medical treatment to foreign patients and on the other hand it is struggling to provide equitable access to primary healthcare and infrastructure for millions living below the poverty line. The basic aim of this paper is to critically examine the equitable inclusive development (pro-poor) of healthcare services by the private corporate sector, in public-private partnership (PPP) with the government. (Medhekar A. , 2014)

1. INTRODUCTION

The defects in the public sector health system in providing health care services to the whole population are well acknowledged. The incompetence of the public health sector has forced the poor and deprived sections of the population to seek health services from the private sector. It has been very much evident that in many parts of country, the private sector provides a large volume of health services. The services that are provided by private sector are untapped and unregulated. To tackle the incompetence and inequality in the health system, many state governments have undertaken health sector reforms. The main reform that has been undertaken by State Governments to collaborate with the private sector is through Public Private Partnership (PPP). State governments in India are taking steps with these kinds of collaborations to reach the poor and underserved sections of the population. (Raman, 2009)

These PPP ventures not only providing world-class medical facilities but these are also attracting FDI's in the country. In India the health sector is increasing rapidly which is enhancing the rapid growth of the private sector in medical tourism and

which is also emerging as a lucrative business opportunity for the various businessmen. (HK, 2011).



Source: Developed for this paper

Fig. 1

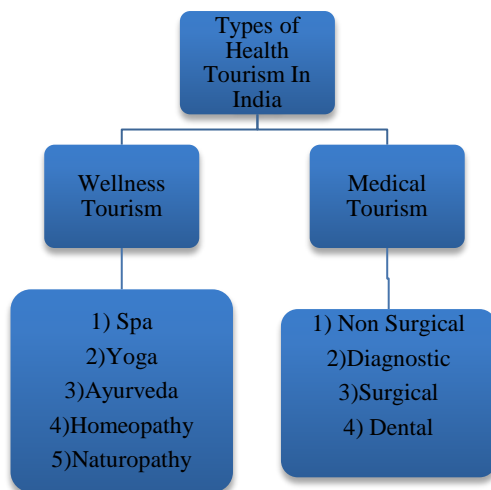
These are the most common and major reasons why tourists are attracting toward India for their medical treatment (See Fig. 1). Around the last two decades, the economic boom in India has led to the building of various world-class medical facilities & great infrastructure via PPP in attracting the tourists from various countries. It is not only providing best facilities but the treatments are also cost effective. A complex transplant or bypass procedure can be achieved with a very little expense as compared with expenditure for the same procedure in the U.S.A. A very important aspect of medicine is the recovery phase and it has been statistically proven that the patients recover more faster when they integrate practices that enhance physical, mental, and emotional well being. Moreover patients can also take advantage of one of Easy Tours for optional extensions that include the world's best guided regimens of Ayurveda, Yoga, and Meditation, which helps in speedy healing and bring the mind and body together as one.

2. RESEARCH METHODOLOGY

The aim of the research is to find how PPP model is helping in health tourism and how government with the help of PPP is taking initiatives towards health care for inclusive growth. The paper is based on Secondary data collected from various sources viz., Journals, books, Internet and from Government of India official websites and the material published by the authorized govt. departments.

3. MEDICAL TOURISM IN INDIA

India is providing world class medical facilities with hospitals and specialized multi specialty health centers which are providing their expertise in the areas of Cosmetic Surgery, Dental care, Heart Surgeries, Coronary Bypass, Heart Check up, Valve replacements, Knee Replacements, Eye surgeries, Indian traditional treatments like Ayurvedic Therapies and much more, practically covering every aspect of medicine combining modern treatments with traditional experience. After studying various websites and extensive literature review the various categories are divided for medical tourism. These are described as below (See Fig. 2):



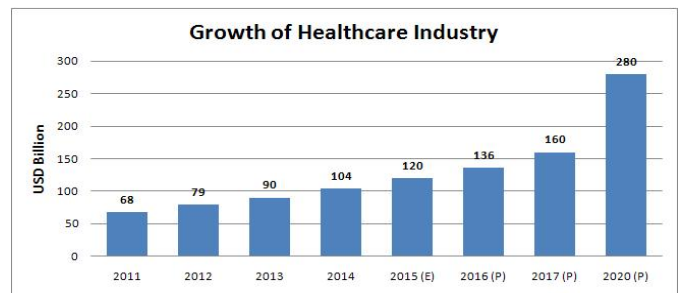
Source: (Medhekar A, 2014)

Fig. 2

Wellness tourism is a field of healthcare i.e. particularly focused on improving everyday health and state of wellbeing, rather than treating a disease or curing illness. On the other hand medical tourism is an integration of medical pathology and surgery as well as wellness services. The medical and wellness tourism is the buzz term i.e. used by various countries trying to attract larger number of foreign tourists and thereby enhance their economic growth via medical tourism. India is a country, which is naturally enriched with a rich cultural heritage, tourism potential and reputation for age-old medicines. The various therapies such as Ayurveda, homoeopathy, naturopathy and yoga are proved as a heaven

for wellness tourism. However, in terms of market share the country enjoys only two percent of the global wellness market which is evidently points at the under-utilization of the potential that India treasures. On the other hand with regard to medical tourism, India has been successful to a large extent in positioning itself as a perfect and viable destination for cost-effective and qualitative advanced healthcare. (Upadhyaya, 2014).

The Indian healthcare sector consists of Healthcare delivery, Pharmaceuticals, Medical technologies and others. Under this industry, Healthcare delivery is the largest segment contributing 70% of the industry revenue followed by Pharmaceutical at 20% of the total revenue and Medical technologies and others contributing 10%. The Hospital segment is highly fragmented with 90% of the hospitals being established and operated by doctors & trusts and the balance are being managed by corporate hospitals chains (Apollo Hospital, Fortis Healthcare etc.). Over the last two decades the private sector in India has gradually grown and enhanced its quality of operations and services to emerge as the leading provider of the entire array of healthcare services. The private sector provides majority of health care institutions with a major concentration in metros, tier II and tier I cities. Large investments by private sector players are likely to contribute significantly to the development of India's hospital industry and the sector is poised to grow to \$120 billion by the year 2015 and further to \$280 billion by 2020. Private sector's share in healthcare delivery is expected to increase to 81% by FY 2015. Private sector's share in hospitals and hospital beds is estimated at 74% and 40%, respectively (See Fig. 3).



Source: (India M. T.)

Fig. 3

4. GOVT. INITIATIVES FOR HEALTH CARE VIA PP

India has witnessed various Public Private Partnerships (PPPs) projects in recent years executed by Central, State and urban local bodies for providing various essential public services. These projects include health care, education, public transport and infrastructure that provide various essential services of acceptable standards to large sections of the population. The healthcare sector is also not left behind as government has taken various initiatives in this sector as well to boost the economy and to uplift the nation with its various benefits and

to also benefit the weaker sections of the society (Post, 2015). The various initiatives taken by the Indian Govt. via PPP are as follows:

- **Yeshasvini Health scheme in Karnataka** - Yeshasvini Scheme is a contributory scheme of Health Care sponsored by Farmer Co-operators and the Government. The resources of the scheme mainly generates out of annual member contribution and Government Grants. (KPMG) (Centre)
- **Arogya Raksha Scheme in Andhra Pradesh**- Arogya Raksha Yojana is an all-inclusive health insurance plan that offers people of rural India affordable access to high quality healthcare, provided by a network of renowned hospitals and clinics, supported by leading doctors and surgeons. (Yojana)
- **Telemedicine initiative by Narayana Hrudayalaya in Karnataka**- The Government of Karnataka, the Narayana Hrudayalaya hospital in Bangalore and the Indian Space Research Organization initiated an experimental telemedicine project called 'Karnataka Integrated Telemedicine and Tele-health Project' (KITTH), which is an on-line health-care initiatives in Karnataka. (KPMG)
- **Emergency Ambulance Services scheme in Tamil Nadu**- The Government of Tamil Nadu has initiated an Emergency Ambulance Services scheme in Theni district of Tamil Nadu in order to reduce the maternal mortality rate in its rural area. This scheme is part of the World Bank aided health system development project in Tamil Nadu. (KPMG)
- **Urban Slum Health Care Project, Andhra Pradesh**- The Andhra Pradesh Urban Slum Health Care Project (APUSHCP) was initiated with assistance from the World Bank in order to provide primary care to the population living in the urban slums of Andhra Pradesh and implement the national health programs. (Innovations)
- **Rashtriya Swasthya Bima Yojana** - Rashtriya Swasthya Bima Yojana (RSBY) is India's first social security scheme that comprises a profit motive, and is a good example of public-private partnership in the social sector. (Basu, 2010).

5. INCLUSIVE GROWTH IN HEALTH CARE VIA PPP

Inclusive health care facilitates the basic healthcare delivery to low-income and to rural populations in developing countries like India. Inclusive health care includes hospitals or pharmacies in rural areas, pharmaceutical or device manufacturers producing quality low-cost products, or technology providers deploying new solutions such as portable diagnostic equipment or telemedicine to reach new markets. As discussed above Indian Govt. is taking lot of initiatives in this regard. Along with the public sector, the private sector is

also playing a critical role in delivering health services for inclusive development. Where the public sector contributes significantly to health infrastructure, a large share of hospitals is owned by the private sector as well. In many instances, private hospitals are contracted by the public or govt. owned premises or are partnering with the public sector to ensure patients can use government insurance schemes. However, in country like India where the incomes are limited and most of population is BPL often choose to visit private facilities instead of public because of the travel distance and waiting times for treatment, or because they believe the quality of services is better at private facilities. (International Finance Corporation).

Various schemes have been launched by the Indian Govt. for the inclusive growth in urban and rural areas. Govt. has taken various steps towards comprehensive health care, population stabilization, health infrastructure, human resources for health, publicly finances healthcare, child nutrition and restructuring Integrated Child development scheme (ICDS). These schemes have the main motive for the inclusive growth and development in every nook and corner of the country. But the schemes would not be possible without the help of private sector. As the global demand is increasing and Govt. is focusing on revenue generation as well with the help of medical tourism so PPP initiatives are required between the key stake holders governments, NGO etc. Private sector is necessary to plan, implement and dispense education, medical, health and tourism related infrastructure facilities for inclusive development as well as to warranty quality of various medical services, infrastructure needs, price, accreditation and handling of any legal disputes equally for local disadvantaged domestic poor and foreign patients. This will help in the achievement of economic growth and equality objectives simultaneously and by this inclusive growth can be achieved.

According to Medhekar (2013b), "given the global nature of medical tourism as an export of healthcare services abroad, not only national public-private partnerships but also global or GPPP approach is required between all the key demand and supply side stake holders including the domestic local population for the success of this global healthcare industry, and global transferability of health insurance for medical travel related complications, and other legal and ethical issues" (p.15) (Medhekar A, 2014).

6. DISCUSSIONS AND POLICY IMPLICATIONS

As already indicated in this paper government is taking various steps via PPP in health care sector so that medical tourism can be enhanced in order to achieve inclusive growth. The main problem in initiating this is that the private sector works only for revenue generation and voluntary organisations like NGOs work on contract services. Government may be of the opinion that by merely developing the medical tourism the market forces will automatically take care of inclusive development and growth, where the benefits from trade in

healthcare services will reach the poorest of poor population. But in reality this is not possible, as it has been seen that private hospitals used to refuse free or subsidized treatment to poor patients. As in last few months it has been seen that rupee value is depreciating and this is making India a less attractive low cost destination for medical tourists as well as import of medical equipment and certain medicine become expensive and thus increase the cost of medical treatment for domestic patients (Medhekar A. , 2014). The government need to focus on this aspect as inclusive growth would not be possible at this front. While initiating PPP in enhancing medical tourism it has to think about the rural and urban rural people so that health care can be reached every nook and corner of the country.

The proposed areas where the PPP can be initiated are as follows:

- There are nearly more than 100 backward districts where socio-economic and infrastructure development is required. In these districts various Industrial Houses could associate with district administration in adopting one district each. The govt. should provide incentives to them by uniting in such development initiatives by providing concessional water, electricity, import and export of products, raw materials etc.
- India is one of the luckiest country where there are maximum number of qualified teachers of primary, middle, high school and college level. These teachers should be given various responsibilities, territorial jurisdictions and the groups to educate, and one independent agency can monitor the implementation of the programmes and their results.
- Various medical Colleges, Nursing schools and Para-Medical schools and various public health training institutions could be extensively involved in organizing health camps in which early diagnosis, referral and health education and awareness programmes can be done.
- Chapters of Indian Medical Association, Nursing Associations, and management schools could be involved in training programmes. The basic first aid and the basic health related problems that the new generation is suffering like obesity etc. could also be included in school curriculum.
- Children should be educated in the schools only with concept of good eating habits so that they can disburse the knowledge to others.
- Influential people in rural and urban areas could be trained so that they can also educate their followers. The local people like carpenters, barbers, blacksmiths, and preachers of all religions, shop keepers, and women leaders could be trained for health education programmes.
- Like in the field of agriculture where one particular agency like Kisan call Centre used to impart all agriculture related suggestions to peasants. One particular agency should be initiated to educate and to answer the queries of the rural and deprived people.

India has tremendous resources and created history in various fields. If some of the above recommendations are implemented, we can try to control the communicable and non-communicable diseases and can promote health for economic growth and national productivity. (Sahni).

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