



**LOK SATTA**  
*People Power*

**Ensuring a Healthy Future**  
Agenda for Action

Consultation Workshop on Health  
22nd September 2004 at New Delhi

“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”

# Agenda for Action

## Raising an army of Village Health Workers (VHW)

- Women from the community
- One VHW per 1000 population (a million gainfully employed)
- 3 months' training (union)
- Accountable to village Panchayat

# Agenda for Action

## Cost implication - VHW

- Rs. 600 crore for training – one time. (borne by the Union) – spread over three years
- Rs. 1200 crore per annum – honorarium. (shared equally by Union and States)
- Rs. 100 crore per annum – health kit, a few generic drugs etc. (shared equally by Union and States)
- Rs. 50 crore per annum – 2 refresher workshops – 3 days each. (shared equally by Union and States)

# Agenda for Action

## Referral Hospitals

- One 30-50 bed referral hospital for every 100,000 population
  - Staff – One Civil Surgeon, 3 or 4 Civil Assistant Surgeons, a dentist, 7 or 8 staff nurses and 2 paramedical personnel.
- To be controlled by the local government (district panchayat or town/city government).
- Recruitment, appointment, control and financial provision by local government, with full assistance from state and Union governments in the form of grants.

# Agenda for Action

## Cost Implications - Referral Hospitals

- 80 % of all cases can be handled by the VHW, ANM or PHC through prevention. About 15 % of patients need to go to a referral center and 5 % to the tertiary level.
- Out of the total public healthcare budget, at least 50 % should be for preventive care, and no more than 35 % for referral care and 15% for tertiary care.
- The preventive care budget should be supplemented by additional funds to meet cost of drugs for common ailments such as Malaria, Diarrhea, TB, Leprosy etc.
- Functional classification of diseases and jurisdiction among different service providers will be adhered to, not according to medical pathology, but according to the varying levels of knowledge, skills and facilities needed for diagnosis, management and care.

# Agenda for Action

## Referral Hospitals

- Rs. 6000 crores of capital costs, at Rs. 1 crore per referral centre (spread over period of three years) – The expenditure will be incurred by the Union government.
- Rs. 2,400 crores recurring expenditure, at Rs. 40 lakhs per referral center per annum – This expenditure will be shared by the Union and state governments in 50:50 ratio.

# Agenda for Action

## Cooperative Medical Care – Lessons from China

- Recurring expenditure on Health care – shared by the Union (1/3<sup>rd</sup>), the State (1/3<sup>rd</sup>), and the individuals (1/3<sup>rd</sup>) – 10 yuan each – 30 yuan per capita

Risk pooling – Citizens' Cooperative Fund – managed by local authorities

- Local management of delivery of health services
- Patients can visit any public hospital – choice and competition



# Agenda for Action

## Operationalizing in India:

- Target Population : 1,00,000
- Per capita expenditure : Rs.30 (Union Rs.10; State Rs.10; Individuals Rs.10)
- Citizens' Cooperative Fund : Rs. 30 lakhs
- Delivery of healthcare services to be managed completely by local governments.

## Accountability of Health Care Delivery Systems

- Risk pooling at local govt. level, where authority and accountability fuse.
- Complete control to local governments (budget, personnel, transfers)

# Agenda for Action

- Great Sanitation Movement
  - Health, hygiene, dignity and aesthetics
    - A toilet for every household
    - 100 million toilets in 5 years
    - 50 million units with private funds + 50 million with subsidies
    - Rs 3000 / unit: 20% owner
      - Balance : Union: State – 2:1
  - Cost: Rs 12000 crore spread over 5 years
    - Rs 1600 crore / year Union
    - Rs 800 crore / year States

# Agenda for Action

## Health Insurance

- Average actuarial costs – Rs. 200 per capita per annum
- Target population 30 crores – Rs. 6,000 Cr. per annum
- Lower middle class – 50% subsidy – Rs. 4,000 Cr.
- Total Cost – Rs. 10,000 Cr. per annum
- Per capita public health expenditure Rs. 200. The total public health expenditure – Rs. 20,000 Cr. (approx)
- Consequences:
  - Diminish resources for preventive and public health.
  - Escalation of demand for high-cost curative medicine.

# Agenda for Action

## Public Health System – Health Risk Fund

- A fund to be created at Rs. 30 per capita
- 1/3 contributed by Union, 1/3 by the state and 1/3 collected from the individuals
- The Union will subsidize the 1/3 contribution of BPL population
- The Health Risk Fund will be managed at the local government level
- People will have freedom of choice to go to any public hospital within the district
- Public Hospitals get reimbursement based on service delivery
- All other funding from government to hospitals will cease

# Agenda for Action

## Health insurance (Private Sector)

- Link with existing institutions
- Expand to a whole territory or group
- Ensure effective health infrastructure
- Subsidize BPL families with matching grants
- Review after 5 years

Cost: Rs. 100 crore / year – Union

# Agenda for Action

## Public hospitals – Demand-driven approach

- User charges – nominal for OP (free for the very poor)
- Free inpatient for BPL families

Cost recovery for others

- Hospital committees
- Hospital fund for local utilization only

# Agenda for Action

## Campaign mode – Select diseases

- Malaria
- Child hood heart diseases
  - Rheumatic heart disease
  - Congenital heart diseases
- Tuberculosis
- AIDS
- Preventable blindness

# Agenda for Action

## Reproductive Health Services and Birth Control Measures

- Tamil Nadu vs Andhra Pradesh model
- Basic infrastructure for RCH services
- Incentives
- Coordination
- Sustained campaign in select states



# Agenda for Action

## Medical education

- Curriculum
- Training
- Integration
- Public-private participation

# Agenda for Action

## Medical ethics

- Drug policy – Bangladesh model
- MCI revamping
- Standardization and cost control
- Independent ombudsmen
- False Claims Act
- Transparency mechanisms
- Independent rating

# Governance and Health

- Fiscal crisis
- Redefining state's role
- Electoral reform
- Decentralization
- Public-private convergence

# Total Additional Allocation Proposed

- Capital Costs: Rs. 19,600 crores for five years – Union.
- Recurring Costs: Rs. 3,750 crores per annum – Union and states.
- NHP – 2002 proposal: 1% GDP additional expenditure per annum by 2010
- NCMP 2004 proposal: 1 – 2% GDP additional expenditure per annum by 2009

- These proposals will amount to an additional commitment of less than 1 % of GDP to be spent cumulatively over five years towards capital costs, and about 0.15 % GDP additional commitment per annum as recurring healthcare expenditure.

“Politics encircles us today like the coil of a snake from which one cannot get out, no matter how much one tries ”

- *Mahatma Gandhi*