

Family Physician-led Primary Care System

Effective | Accessible | Affordable

India, at an inflection point

- **Sustained high economic growth** for the next 25 years is key to India's future
- **Perilous state of public finances** is a cause for concern
- While there is a need to curtail fiscal profligacy, the immediate needs of the vast majority of the poor in the country cannot be ignored
 - **Balancing both the long-term good and the short-term needs** is imperative in an electoral democracy
- **Lack of effective and accessible health care** is causing immense distress to the people and hurting India's growth potential
 - Nearly **5.4 crore people are descending into poverty annually** due to health care payments or loss of livelihoods due to illness

Balancing the short-term and the long-term

- An effective **Family Physician-led primary care system with private participation** will substantially take care of the immediate needs of the people and also, contribute to India's long-term growth
 - Protects the fiscal future of the country by imposing **minimal burden on the exchequer**
 - A minimalistic framework that is amenable to **uniform and fair application across states**
 - A politically acceptable programme that does not take away the **states' autonomy in governance**
 - It will be hugely **popular** and will give the governments the **political space** needed to pursue long-term economic growth and poverty eradication

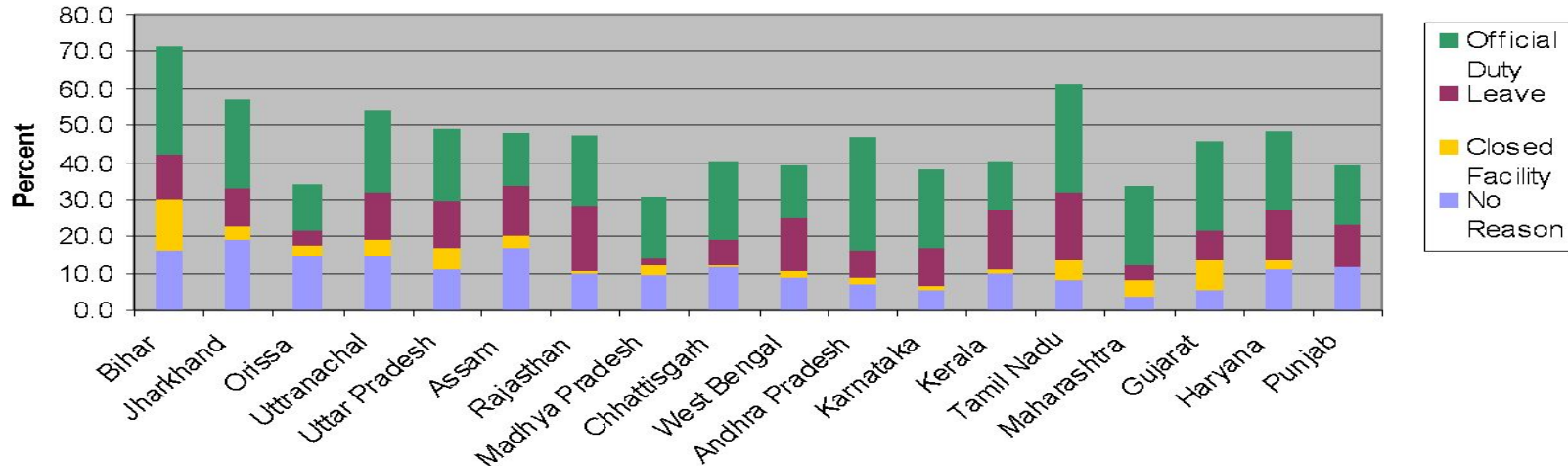
Ayushman Bharat – a step in the right direction

- Seeks to address the various challenges in Indian health care sector:
 - **Epidemiological transition**
 - **High share of out-of-pocket expenditure (OOPE)** in health care
- Marks a shift from segmented approach to health care through comprehensive health care services – **Health & Wellness Centres** (primary care); **PM-Jan Arogya Yojana** (secondary & tertiary care)
- Expansion in primary care services **beyond maternal and child care** is in keeping with current needs
- Focus on **diagnostics and drugs** ensures availability of support services leading to more effective treatment
- Creation of an **integrated digital health ecosystem under Ayushman Bharat Digital Mission** would go a long way in facilitating delivery of safe, timely and effective health care for all.

Challenges that need to be addressed

- **Low patronage for public healthcare facilities**
 - NSS estimates (2017-18) suggest that **only 30%** of visits to a healthcare facility are in the government sector
- **Unwillingness of doctors and nurses to work in remote rural areas**
 - Vacancies and absenteeism rampant across the country

Absenteeism: Reasons for absence among doctors

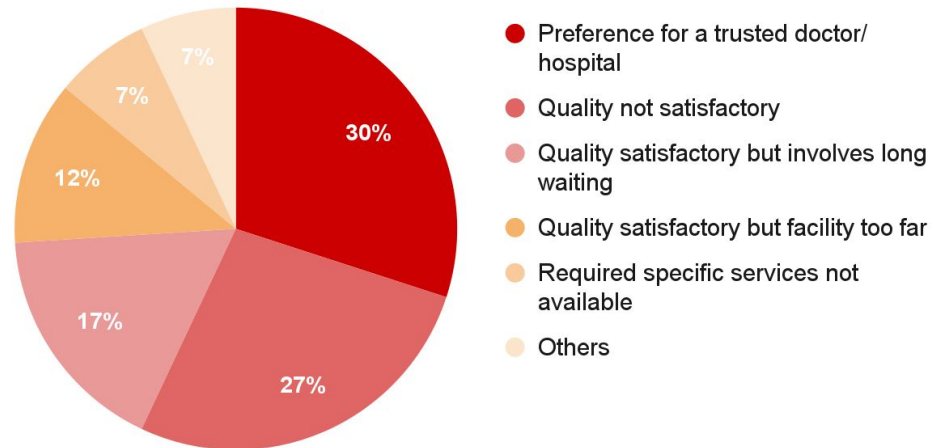


Source: Jeff Hammer, 'Picking your battles: Setting government priorities in health', 2019.

Challenges that need to be addressed

- Lack of **choice** of doctor and lack of **trust** are major concerns (Figure)
- Need to **alter incentives** to ensure better **quality and accountability**
 - Fixed salaries to doctors (& other healthcare workers) do not incentivise better performance

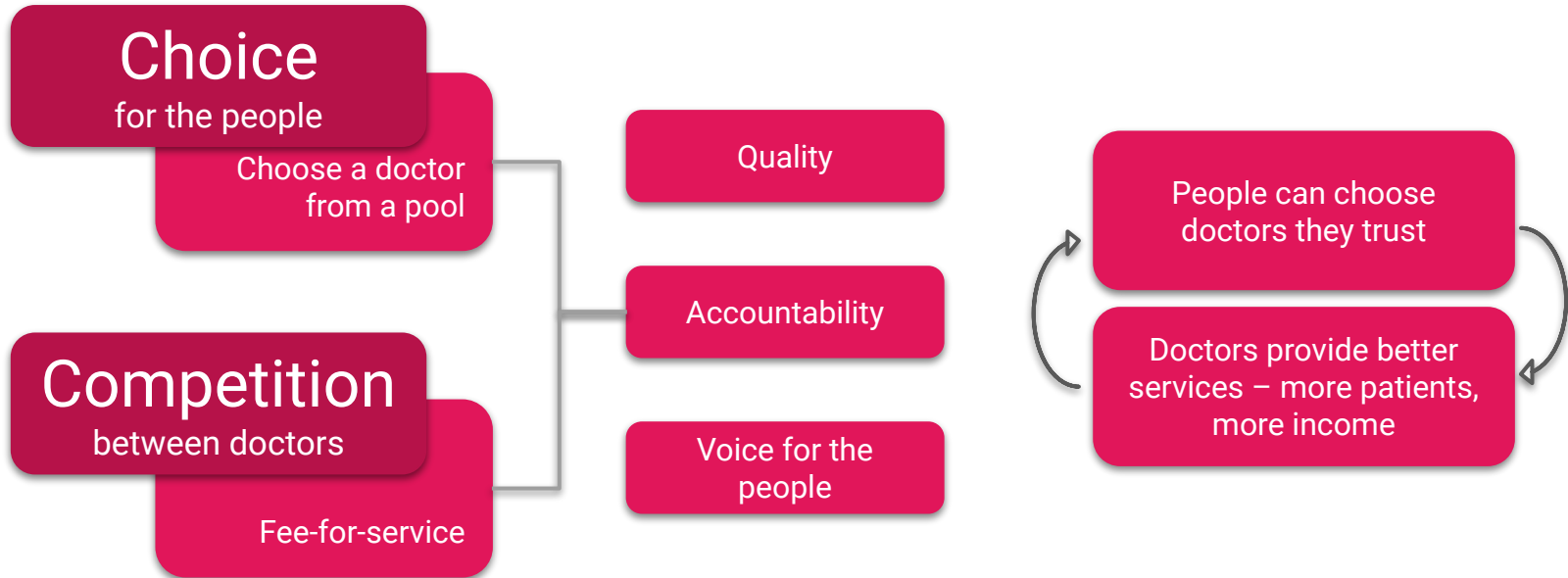
Figure 1: Reasons for not availing government services, % of people (India)



Source: "Health in India", NSS Report No. 586, July 2017 - June 2018, Ministry of Statistics and Programme Implementation, Government of India.

What made PM-JAY successful?

- **Public-funded programme with private participation**
- **Competition among providers incentivising better service**
- **Choice to the consumer/patient ensuring voice and accountability**



Family Physician-led Primary Care with Private Participation

WHAT?

- Family Physician (FP) – private practitioner – as the **first point of contact**
- **Pool of 10 FP clinics/1,50,000 population**
→ choice and competition
- **Strict referral system**
- **Integration** with other public health measures
- **Universal** and non-discriminatory coverage (in reality, may cater to only 70-75% of the population)

HOW?

- **Public-funded** with **fee-for-service** model; say Rs. 150 per consultation
 - Net income of Rs. 1 lakh or more to the doctor
- **Short orientation course in family medicine** (1 month duration)
- **Two ‘centres’ in each Assembly Constituency**
 - Hubs of social and economic activity
 - Small towns or mandal headquarters

Estimated annual expenditure – **Rs. 22,500 crores** (assuming 150 crore annual OP visits, i.e., ~1.5 annual per capita consultations, in government facilities)

DIAGNOSTICS

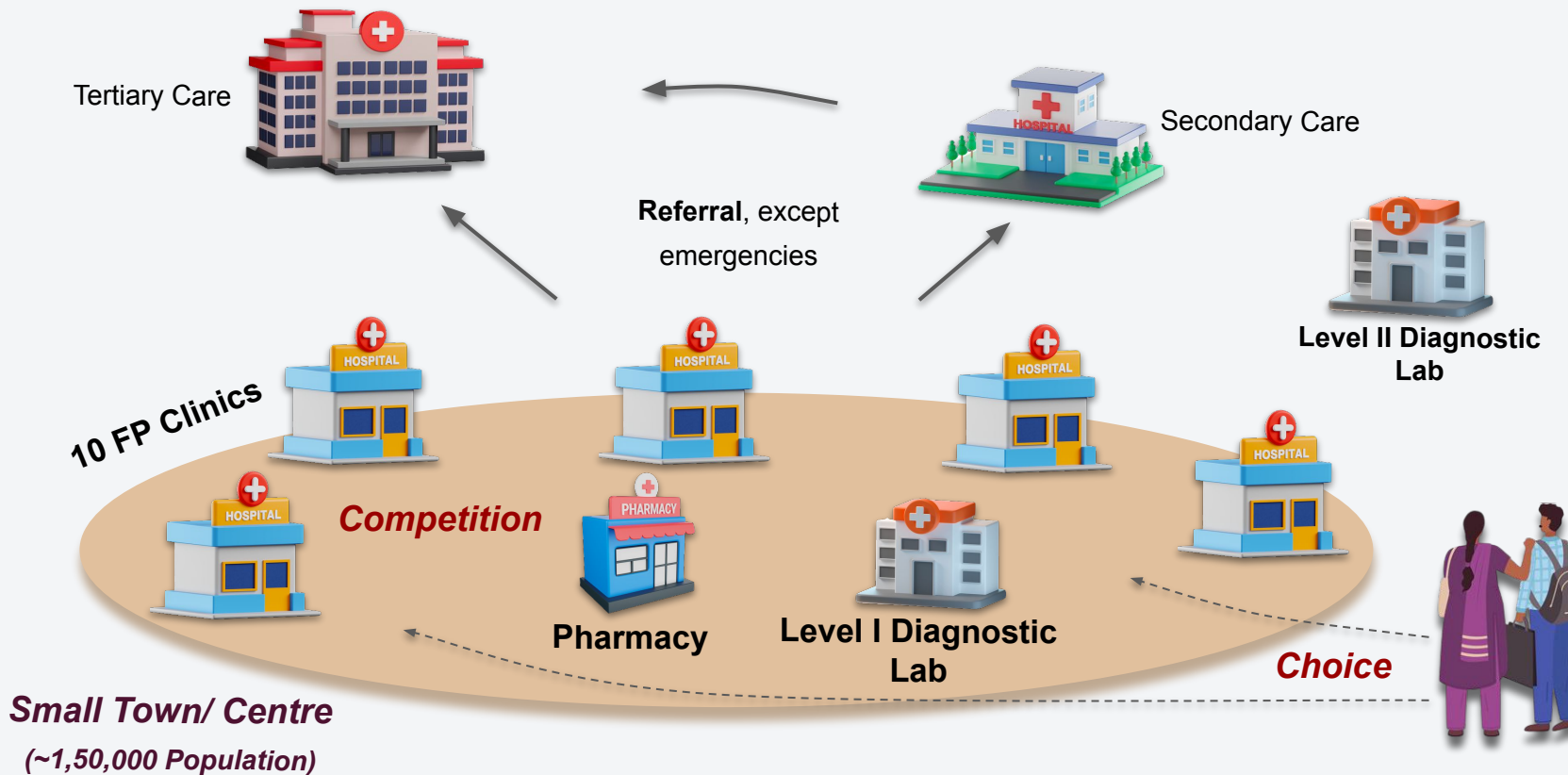
- Andhra Pradesh experience – **PPP mode** and **pooling** of diagnostics
- **Level I Diagnostic Lab in each centre** – 16 basic tests; required by 25% of the OP visits
 - Reimbursed at a rate of Rs. 100 per-test
 - **Estimated cost – Rs. 3,750 crores**
- **Level II Diagnostic Labs** – 42 laboratory tests; required by 10% of OP visits
 - **Pooled** based on economies of scale and local needs
 - Reimbursed at a rate of Rs. 235 per-patient
 - **Estimated cost – Rs. 3,525 crores**

PRESCRIPTION DRUGS

- One dispensary per ‘centre’ in **PPP mode**
- Continue the current practice of **centralised purchase of generic drugs**
- Rational drug choice, reduced wastage, more negotiating power for the government
- Estimated cost (Rs. 100 per capita) – **Rs. 15,000 crores**

Economies of scale – pooling of FP services in a ‘centre’ makes Level I Diagnostic Lab and a Pharmacy viable

Choice and Competition in the Family Physician System



Cost of FP-led Primary Care System

Primary Care Facility	Expenditure (Rs. Crores)
FP Clinics	22,500
Diagnostics	7,300
Prescription Drugs	15,000
Total	44,800

Note:

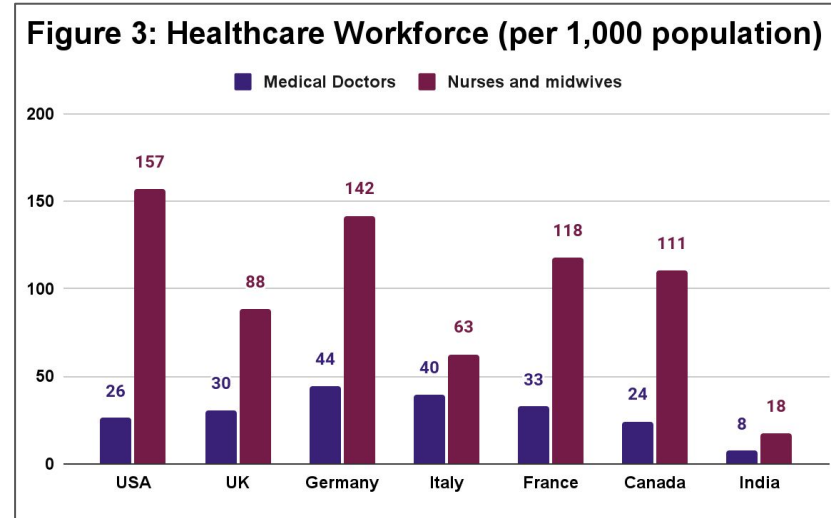
1. The calculations are made based on the assumption that the **annual consultations** in the FP system will be **150 crores** (per capita consultations of ~1.5 for 70% of the population, population taken as 140 crores as estimated by the UN in *World Population Prospects 2022*); Fee-for-service of Rs. 150 per consultation.
2. Cost of prescription drugs – Rs. 100/consultation
3. Cost of diagnostics – Level I: Rs. $100 \times 0.25 \times 150$ crores (annual consultations)
Level II: Rs. $235 \times 0.1 \times 150$ crores
4. Total estimate includes expenditure currently being incurred on drugs and diagnostics.

Operationalising the model

- **Phased roll-out of the model over 3 years**
 - Annual incremental expenditure would not exceed Rs. 15,000 crores
 - It is expected that only 70-80% of the population will avail services in the public system
- Can be adapted to the varying needs across states, without impinging on the states' autonomy in governance.
- The proposed system would provide **substantial relief to millions of Indians** both medically and financially, **without unduly burdening the state exchequer**.

Healthcare Sector – Untapped Economic Potential

- **Potential to generate 10-15 million jobs in the healthcare sector alone**
 - Currently, only **3.4 million** healthcare workers (doctors & nurses and midwives) in India
 - **Low coverage** by global standards (Figure 3)
- **India – a global healthcare hub**
 - This year, **a million overseas patients** are expected to receive healthcare services in India
 - Foreign exchange earned by providing healthcare services to foreigners is expected to reach **USD 13.4 billion by 2026**
 - In ten years, with some effort, this figure can reach USD 100 billion in income



Source: Global Health Workforce Statistics, WHO