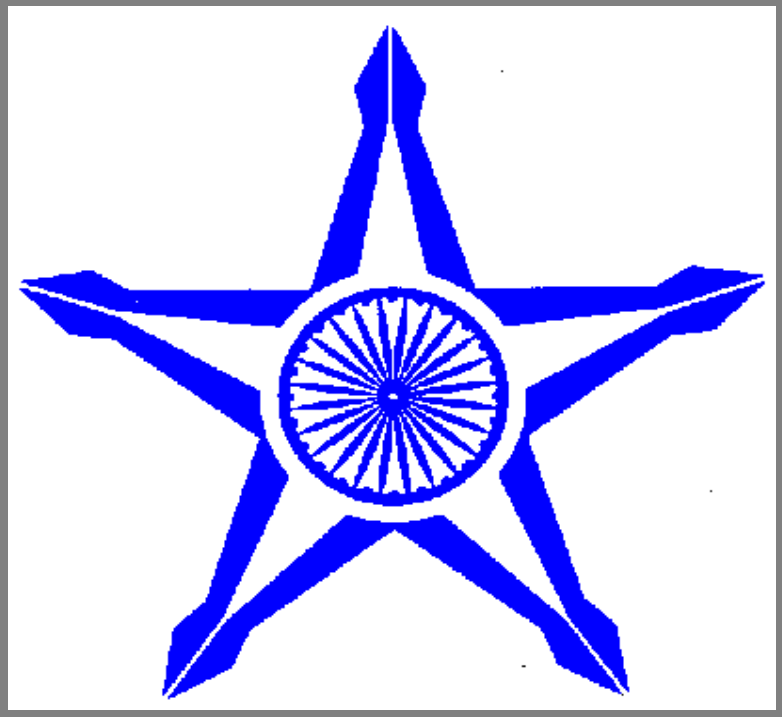

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People Power

Health, Medical Care and Accountability

LV Prasad Eye Institute, 17th October, 2004, Hyderabad

" 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 "

Development and Health

- Development efforts have enormous impact on health status
- Health improvement in the West resulted from "non-health" improvements in
  - nutrition,
  - sanitation & hygiene
  - housing.

  } 80%
- Next great improvement in Health care in first half of 20th century – 20% eg: Great Britain
  - Up to 1950: Immunization and anti-biotics – life-expectancy increase – 20 years
  - After 1950: NHS and high cost cures – life-expectancy increase – 10 years

Limits to Modern Medicine

Spectacular Advances – Low Cost	Nutrition, Immunization, Antibiotics, Aseptic surgery, Maternal and child care, Healthy life styles
Grey Areas – High Cost	Degenerative diseases, Autoimmune diseases, Malignancies
Dark Areas	Idiopathic, Iatrogenic, Hospital Infections, Progressive, Irreversible Disorders

Spiraling Health Care Costs

- In OECD Countries health care costs are growing faster than GDP
- Total estimated costs of health care in rich countries : $ 3 trillion
- Average GDP share of health expenditure in OECD countries rose from 5.2% in 1970 to 8.9% in 2001

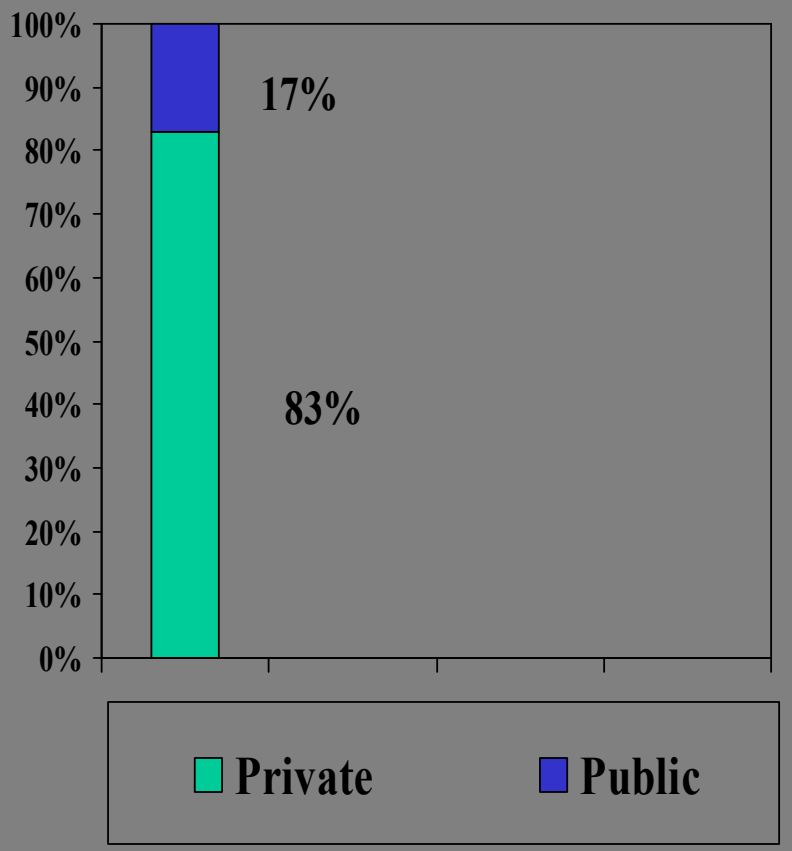
Spiraling Health Care Cost

Public Health vs Total Health Expenditure

- Total Health Expenditure

  5.2% GDP

- Comparable countries:
  - Cambodia
  - Burma
  - Afghanistan
  - Georgia



GDP Per Capita, Health Expenditure DALE Rankings

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Country	GDP per capita (in PPP terms - $)	Health Expenditure per capita ranking (in $ terms)	Health Level Ranking (DALE)
Low Income Countries			
Sri Lanka	3530	138	76
Indonesia	3043	154	103
Pakistan	1928	142	124
Egypt	3635	115	115
India	2358	133	134
Middle Income Countries			
Russian Federation	8377	75	91
South Africa	9401	57	160
Brazil	7625	54	111
OECD Countries			
United States	34142	1	24
France	24223	4	3
Germany	25103	3	22
Japan	26755	13	1
United Kingdom	23509	26	14
Sources: The World Health Report – 2000 and UNDP Human Development Report – 2002 (UNDP)			

Preventive and Curative Services

- PHC's – nodal agency for preventive and primary care
- Credibility of health system shaped by quality of curative care.
- Therefore high quality referral hospitals are needed to deliver curative care

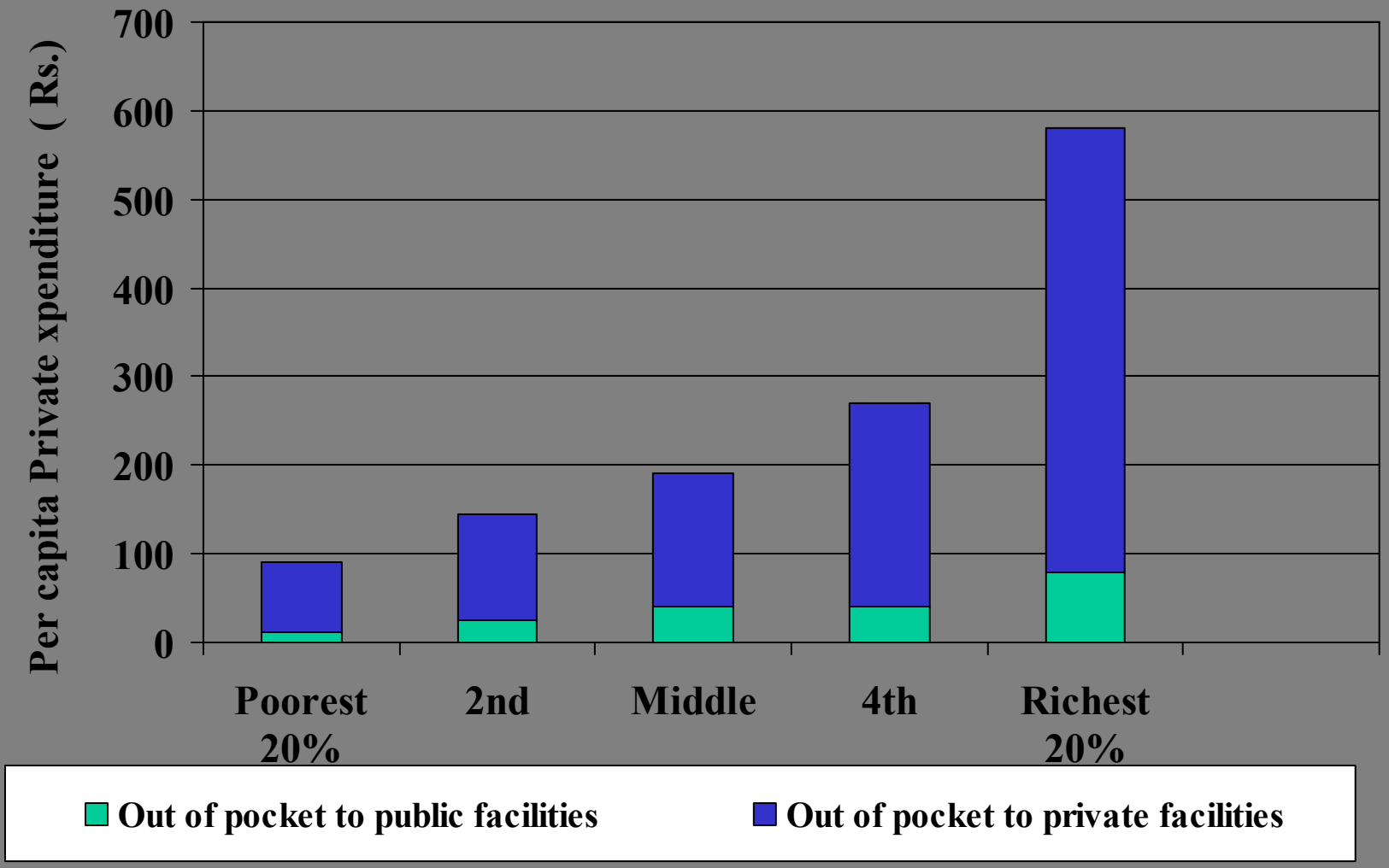
Institutional Malpractices

- Corporates – overcapitalization
- Hospitals – Medical care regulation
- Doctors – Professional regulation

Issues of Poor Access

- Right Care
- Corruption – CGHS, ESI etc.
- High Out of Pocket Expenditure

Out-of-Pocket Payments for Health and Household Income, All India, 1995-96



Accountability

- Optimal care at moderate costs
- Prioritization of allocation
  - 50% preventive & 50 % curative
  - Curative Services
    - 50% first referral
    - 35 % second referral
    - 15% third referral

Allocation vs Prioritization

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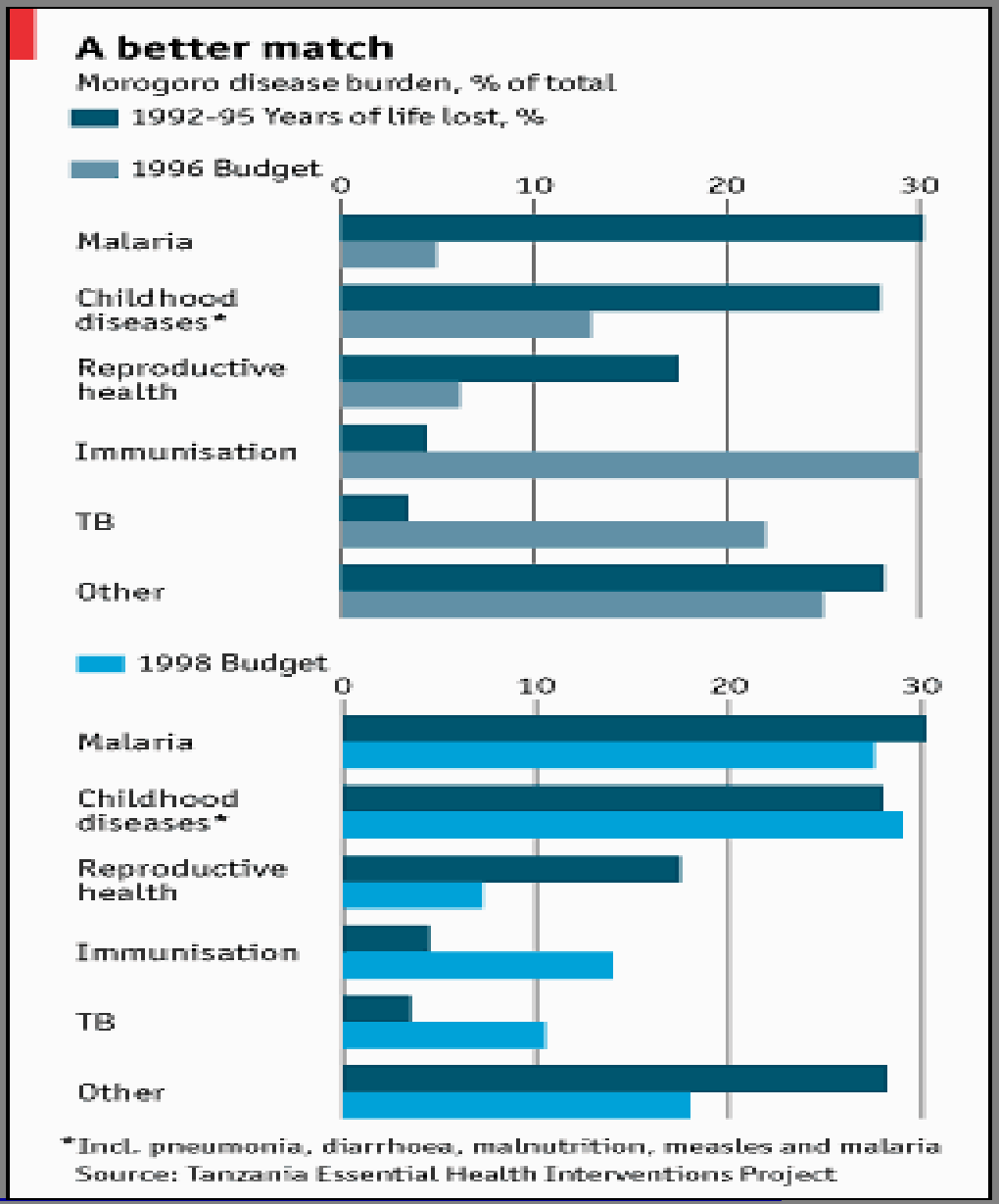


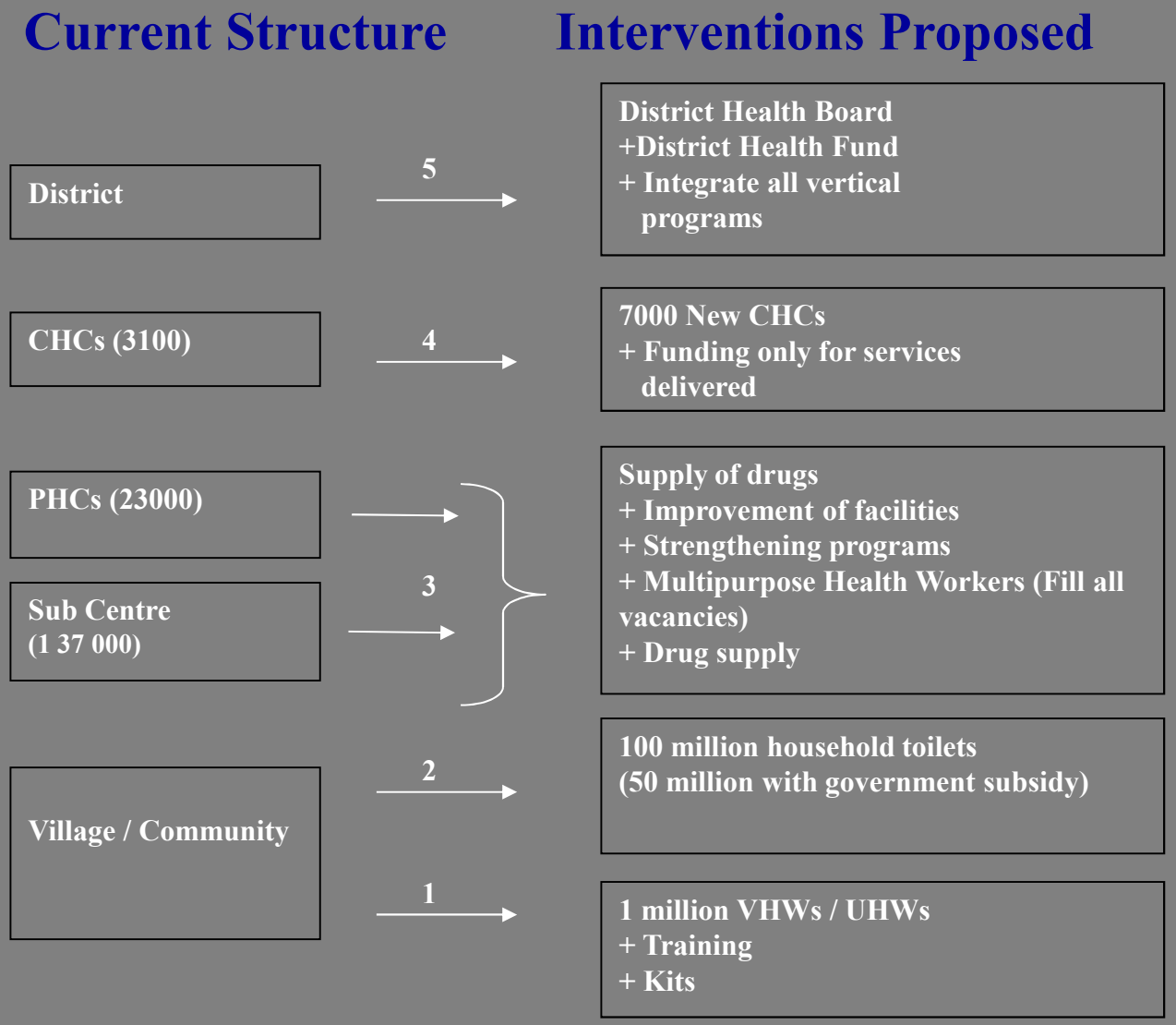
Campaign Mode – Select Diseases

- Malaria
- Child hood heart diseases
  - Rheumatic heart disease
  - Congenital heart diseases
- Tuberculosis
- AIDS
- Preventable blindness
- Excessive reliance will undermine normal public health service delivery
- Campaign mode in conjunction with effective public health delivery

Functional Classification

- Category A – can be adequately handled by the individual and the family Eg: minor coughs, colds,
- Category B – can be adequately handled by properly trained local health functionary. Eg: These include scabies, worms, moderately severe cuts.
- Category C – can be adequately handled by trained paramedical workers with professional support. Eg: severe gastroenteritis, dysentery, acute respiratory infections etc.,
- Category D – this group comprises high profile but relatively few conditions which need knowledge, skills and facilities that can only be provided by the trained medical or nursing professionals at a hospital.

Ensuring a Healthy Future



Risk-Pooling and Accountability

- An amount of Rs 90 per capita will be raised every year for risk-pooling of hospital care costs as follows:
  - Rs 30 per capita will come from the union government
  - Rs 30 per capita will come from the state Government
  - Rs 50 per capita will be raised as a local tax collected by the local government.
- A total of Rs 9000 crores will thus be raised annually – with District Health Boards (DHB).

Risk-Pooling and Accountability

- Patients will have a choice to approach any one of the public hospitals within the area of DHB, in case of sickness.
- Primary health care – PHCs, sub-centres and VHWs / UHWs – free of cost
- CHCs will be the first referral hospitals.
- Funding of hospitals only by way of reimbursement of costs for services rendered.
- Health accounting systems

Local Government and Health Care

- Principle of Subsidiarity – Local Control
- Village Health Workers will be recruited and will be controlled by the Gram Panchayat
- All PHC's and their functionaries will work under Mandal Parishads
- All District hospitals and Area hospitals will work under Zilla Parishad

False Claims Act & Qui Tam

- "He who sues for the king, sues for himself as well"
- A private citizen can sue a company/ organisation for defrauding the government
- Whistleblower's share – 25 % of the settlement
- In 2003 fiscal year – 1.48 billion recovered from Qui Tam cases.
- Major areas of application
  - Defense and Health care
  - Health accounted for 40 % of total recoveries

False Claims Act & Qui Tam

- Phantom billing and employees, inflating bills
- Inappropriate or unnecessary procedures
- Billing for equipment not used
- Fake diagnostic tests
- Providing substandard nursing home care and seeking Medicare reimbursement

Other Accountability Mechanisms

- HCA The Healthcare Company (largest for-profit hospital chain) - unlawful billing practices - $731,400,000 (December 2000)
- HCA The Healthcare Company – false claims submitted to Medicare and other federal health programs – $631,000,000 in civil penalties and damages (June 2003)
- TAP Pharmaceutical Products Inc. -- fraudulent drug pricing – $559,483,560 (October 2001)
- Abbott Labs – defrauding the Medicare and Medicaid programs – $400,000,000 (July of 2003)
- Fresenius Medical Care of North America – fraud at National Medical Care (world's largest provider of kidney dialysis products and services,) – $385,000,000 (January 2000)

Other Accountability Mechanisms

- Independent ombudsmen for each district
- Mandatory independent Ombudsmen in corporate hospitals.
  - To investigate complaints and order redressal.
- Indian Medical Council Act has largely failed in its main purpose.
  - A new regulatory mechanism
  - greater transparency,
  - accountability and
  - participation of prominent citizens and jurists
- Medical Care Regulation
  - Standardization of procedures
  - accreditation

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

- Mahatma Gandhi