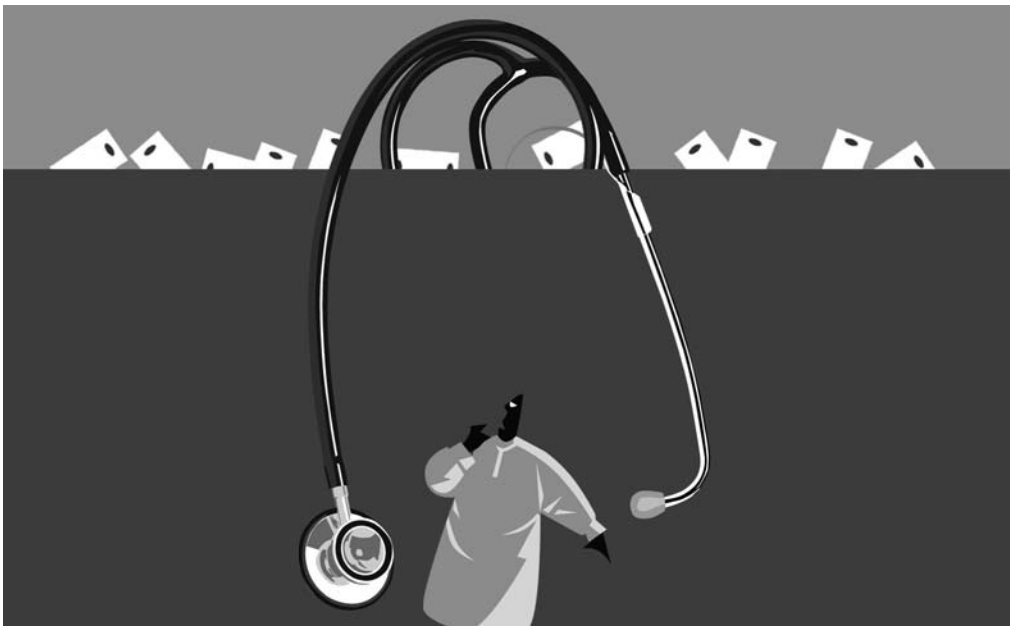
ILLUSTRATION BY BINAY SINHA



Foundations for health policy

A key input is networks of health care providers that offer comprehensive care to individuals

SNAKES & LADDERS

AJAY SHAH

We in India are getting poor health care as measured by quality and price. While solving this is important, the best scenario of all is one where there is less sickness. This requires an emphasis on the traditional agenda of public health: A set of old-fashioned preventive interventions. And, it requires re-architecting health care. The ideal health care system is one in which an entire system of medical practitioners engages with people, trying to make sure they do not show up at a health care facility.

Health care in India works badly. There are transactional relationships where a customer shows up in front of a for-profit doctor. The doctor is generally conflicted, and earns more when more procedures and more drugs are prescribed. Doctors make more money when customers are less healthy. In the present system, nobody cares about the health of the customer.

The Indian policy discourse is quite focused on household expenditures on health care. We like insurance programmes where the health care costs of the sick are paid for by the non-sick. While this is nice in terms of consumption smoothing, it does not solve the deeper problems: Of excessive health care costs and of excessive disease.

Our prime focus should be on the health of the population. Our dream for India should be to get a healthy populace. Everyone is vastly better off if a person does not get sick in the first place. The first battlefront is the traditional conception of public health, of disease prevention.

India has one of the weakest immunisation programmes in the world. If we did better on the number of diseases covered, and the operations of immunisation programmes, fewer people would get sick. Water and sanitation are well established as the root cause of a great deal of infectious disease. Fighting disease vectors such as mosquitoes matters, and we seem to do this less than we did in the 1970s.

New battlefronts have opened up in preventive health. Air quality has become a first order issue. There is carnage on the roads. We are proud of our new roads, but highway engineering is weak, and we have one of the highest accident rates per vehicle-kilometre in the world. Failures of policy are making disasters such as floods more frequent and more harmful, and earthquakes more harmful.

The administrative boundaries of our Ministries of Health are part of the problem. Most of the deep determinants of the health of the people are outside Ministries of Health. This gives an excessive focus upon health care, which is under the purview of Ministries of Health. If the National Highways Authority of India tries to get more vehicle-kilometres done at the lowest possible cost, they will tend to short-change the issues of road safety and disaster resilience.

We need to reorient our policy strategies so as to bring health risk into the thinking of all departments of government, and achieve state capacity in the traditional areas of public health. This will reduce the need for health care.

Alongside this, we also need to rethink health care. When doctors are paid per procedure, they have an incentive to over-prescribe procedures, and make more money when patients are sickly. Payment per procedure generates wrong incentives.

Can we do this differently? The key insight is to have a contract between a network of providers and the patient, which underwrites all health care for the patient for life, in exchange for fixed monthly payments. This must be not just one doctor but a network of providers that covers all aspects of health care. When I get sick, I would go to my network, and they would render me health care services at no additional cost.

Once this style of contracting is done, the incentives of the health care producer change completely. Now, the health care network is paid by me every month, and these payments are clean profit for them until I get sick. When I get sick, I impose costs upon them. They have no incentive to over-prescribe procedures, and their incentive is to keep me healthy.

Now the health care network has the incentive to ask me to come in for regular check-ups, so that problems are caught early. At all ages, immunisation will be pushed by the health care network so as to avoid the costs associated with illness. The choice of treatments will be done with a view to keeping me healthy.

At present, the conversation between a doctor and a patient in India is a transactional one, where symptoms are described and treatments are explained. The time in that room is a powerful opportunity to change behaviour. A few minutes spent by the doctor evangelising better behaviour tends to have a significant impact on behaviour and health. As an example, a doctor might say: "I'm prescribing a programme of exercise for you, and I want you to come back to me in three months and we will look at the improvements in your cholesterol numbers." This would be quite motivating for most patients. Such practices would result in reduced costs and higher profit for the health care network.

A doctor in such a health care network who sees a surge in the number of people contracting an infectious disease in her neighbourhood would have the incentive to talk with public health officials and initiate public health responses that address the epidemic at its root. This would be efficient behaviour on her part because the health care network makes more money when fewer people get sick.

In the present Indian discourse, there is a prime focus upon reducing the financial risk for households from a malfunctioning health care system. While this is an issue, we need to go deeper. The prime objective of health policy should be to get to the best of all worlds: One where people do not get sick. This requires health-oriented thinking that permeates a wide array of departments of government. And, it requires a health care system that values paying non-customers.

The writer is a professor at National Institute of Public Finance and Policy, New Delhi