

Healthcare

Reflections &

Outlook 2021



The ongoing pandemic has brought healthcare in the national discourse... 2021 is an opportunity to not just build upon the funding and momentum including use of technology, but to address basic issues that continue to plague healthcare in India

Shifting focus from pure access to quality and timely healthcare

Pain Areas

Like the entire world, India was also affected due to the unprecedented pandemic. COVID-19 has disrupted the ways of living life for every section of society. It highlighted some of the deeply rooted issues of our healthcare system –

Insufficient Budget Allocation: While the developed countries allocate around 10-18 per cent of GDP for healthcare, India's spending on the same is 1.5 per cent of GDP, which is among the lowest in the world.

Inadequate Infrastructure and Manpower: Before the COVID-19 outbreak, the country had 8.5 hospital beds for

10,000 citizens, 8 doctors per 10,000 people and approx. 58 thousand oxygen-supported beds. Though the numbers improved significantly during the pandemic, it posed a great challenge initially for the country. According to the Ministry of Health and Family Welfare, there is only one physician for every 1,404 people and 1.7 nurses per 1,000 people, which does not meet the WHO guidelines.

For the Healthcare industry, along with opening the new horizons for digital interventions, 2020 highlighted the importance and brought the focus back on basic parameters.

Visible Positives

Digital Interventions: Owing to the push from the pandemic, the digital healthcare market in India is expected to increase at a CAGR of 27.41 per cent to reach **\$485.43 billion by 2024**, as per an IBEF report. Telemedicine, Digital Health Knowledge Resources, Electronic Medical Record, Electronic Health Record, Hospital Information System, Technology-enabled care, Mobile-based health delivery etc. witnessed tremendous growth.

With the launch of **National Digital Health Mission (NDHM)** and initiatives like 'eSanjeevani' telemedicine service, **National Health Stack** (centralized repository for citizens of the country), the Government has taken digital health all sections of the society.

Building Capacity: India rose to the occasion and ensured improvement on several fronts. From being a net importer of PPE kits, it produced more than 60 Mn PPEs and almost 150 Mn N-95 masks till October 2020 and exported more than 20 Mn PPEs and over 40 Mn N-95 masks. The number of ICU beds and ventilator beds increased more than three times during the pandemic on the infrastructure front.

Traditional Medical Care: Realizing the importance of Ayurvedic and Unani medicines, AYUSH Ministry roped in Industry players and signed an MoU to promote medicinal plants' cultivation. All India Institute of Ayurveda also signed an MoU for Research of Ayurveda.

...but challenges still remain...

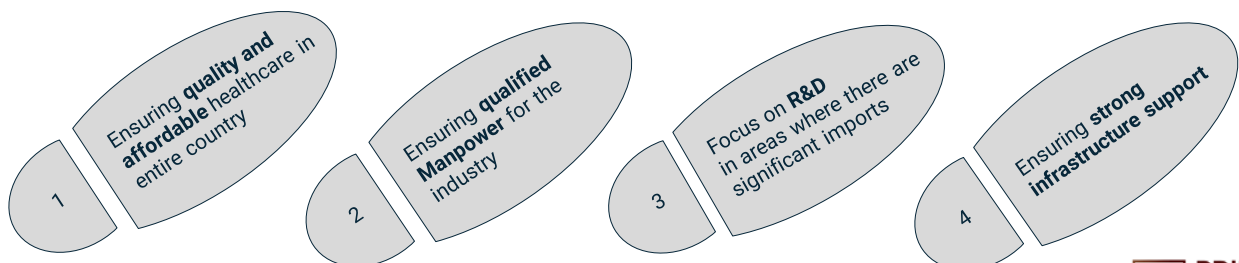
Although a young country, around 19 per cent of India's population shall be comprised of old people by 2050, requiring significant healthcare attention.

Despite our best attempt, the spending on healthcare has not increased significantly. The country still has over 60 per cent of total health expenditure as an out-of-pocket expenditure. For over 15 per cent of the population, 10 per cent or more of their household expenditure is just on healthcare.

There are studies that show 23% of the Indian population are at risk of early death due to non-communicable diseases, and a large number of district hospitals do not provide services for NCDs.

The disparity on health services across states is staggering. Due to lack of infrastructure and manpower, 72% (rural) and 79% (urban) seek private sector outpatient services, which is slightly lower for in-patient services.

...and the agenda for 2021 should include a focused approach on...



It is important to ensure better health outcomes and reduced cost of healthcare delivery

1 Mandatory Generic Drugs Prescription under all Government Programs

A large part of the money spent through various programs like CGHS, PMJAY, NRHM etc. goes towards the cost of drugs. Over 30 per cent of OPEs for healthcare goes towards drugs. Globally, most countries, including the USA, do not allow prescription of non-generic drugs under public health coverage. However, prescribing branded drugs is a common practice in India.

It is therefore recommended that India immediately mandate prescription and reimbursement of generic drugs under all its program, which will significantly reduce the overall cost. This shall help in saving thousands of crores of rupees.

Poor quality control of generic drugs is one of the main reason behind prescribing branded drugs. To overcome this, it is suggested that the Ministry of Health / Health regulator prepare and share generic drugs produced through Good Manufacturing Practices which can be prescribed under Government programs.

This can be done for a period of 3-5 years, during which other generic drug manufacturers can be incentivized to upgrade their manufacturing processes to ensure quality. This will also help India in strengthening its pharmaceutical industry and bringing in fresh investments.

2 Investment promotion scheme and program for PHCs in Aspirational Districts

Approximately 30 per cent area in India lacks basic Primary Healthcare, a significant part of which is in the aspirational district. Also, 65 per cent of the facility in Secondary and Tertiary care is in the private sector, and the same is unlikely to change anytime soon.

Globally, instead of multi-specialty, the world is moving toward single specialty hospitals, which are low on capital cost and where technology is leveraged to reduce manpower intensity.

In India, we have limited OPD facility for NCDs in underserved areas, especially relating to Metabolic

(obesity/diabetic), Hypertension (cardio), and Cancer. Patients pay the significantly higher cost of treatment by going to SHQ or Regional Centres, as such health facilities are not locally available. At the same time, there is no real incentive for the Private Sector to set up a facility in the underserved areas.

The government should introduce a program for Investment promotion and support for setting up single specialty hospitals in these underserved areas, which is linked to initial cost but more importantly, treatment and outcomes.

3 Bridge course for Nurse Practitioners for manning PHCs and supporting CHCs

While the Government has significantly improved the infrastructure for healthcare delivery, our basic issue remains qualified manpower.

Attempts like mandatory deployment of doctors etc. have not produced effective results. We also recognize the opposition from IMA and others on Ayush led practitioners at health and wellness centres.

It is accordingly proposed that Government should introduce a one-year bridge course for trained medical

workers (like nurses) who, after the course, can be authorized to man primary care centres and the underserved area along with administering certain drugs and procedures.

This can be easily done and funded through the District Health Society, which can also monitor the program.

It is important to ensure better health outcomes and reduced cost of healthcare delivery

4 Promoting Medical Tourism

Owing to the low cost of treatment for major surgeries in India, which comes out to be approximately 20% of that in developed countries, there should be high focus on developing country as a preferable medical tourism destination. Factors like presence of skilled medical professionals and world-class hospitals should be leveraged for the same.

Traditional medical care like Ayurveda, Yoga & Naturopathy, Mediation, Unani, Siddha and Homoeopathy

etc. have huge potential and major service offerings which can attract medical tourists from European nations and the Middle East to India, as per an IBEF report.

There should be focus on building capacity, designing policy and promoting USPs of India to promote it as a favorable medical tourism destination. Ensuring superior quality and low treatment cost should be the key objectives to be achieved.

5 Promoting Digital Ecosystem and Collaboration Across Supply Chain

Introducing digital interventions for manual services throughout the value chain shall define the success rate of engagement with consumers, who have rapidly changing needs in current times.

Service providers need to invest in the entire ecosystem, including consumer engagement, consultation, delivery infrastructure, customer service platform, delivery

workforce etc. to be efficient and sustainable.

Collaborating with solution providers across the value chain shall provide edge to healthcare service providers as it will provide access to larger consumer base with lesser investment. The digitally-bundled solution shall attract more consumers and provide better services.

6 Cross-sector Learning for Improved Efficiency

Consumer expectations from other sectors drive their behavior. Therefore, healthcare providers need to learn from offerings by other sectors and consumer response to the same, which will play a critical role in designing service offerings.

Single window clearances, cost effective services, low turn around time etc. are key traits leading to leaner, agile, cost effective and consumer friendly supply chains. Healthcare sector should design their offerings covered through a platform designed using these traits.

Ensuring better health outcomes and reducing cost of the healthcare delivery should be the topmost priority for India.

Under "Atmanirbhar Bharat Abhiyan" India has taken the right steps in capacity building, infrastructure development, adoption of technologies and attracting investment. However, a lot more has to be done to achieve universal healthcare, specially when it comes to rural and remote areas.

The progress on Digital Healthcare front is remarkable. However, Digital Health is here to supplement and complement the existing system, not to replace it. Hence, strong interventions are required to revamp the existing system.

By focusing on the above-mentioned big ideas, India will ensure that while it builds on its existing capabilities and capacities, there is also a dedicated progress on futuristic interventions and complement the existing strengths.

Attempting to achieve difficult targets is what will be the motivation for the sector

Few key questions that will need executable answers



How to attract private investment and private players in achieving the objective of universal healthcare?



How to transform the ongoing R&D efforts in a systematic manner to emerge as global hub for R&D activities?



Trained Manpower v/s Low Cost of Healthcare v/s Increased Penetration v/s Digital Intervention – How to strike a balance and build an ecosystem which thrives on the synergy and generates desired results?

...and what policy / budget clauses can enable implementing the above

Government of India has taken several bold and remarkable steps for strengthening the healthcare ecosystem. The initiatives like *Ayushman Bharat Pradhan Mantri Jan Arogya Yojana*, National Nutrition Mission, National Digital Health Mission etc. have impacted a very large population of the country.

In addition to these efforts, some of the below-mentioned areas need to be addressed to achieve our desired outcomes -

- Government needs to design a **comprehensive national policy** for human resources in healthcare industry, with appropriate **monetary and non-monetary incentives** to attract qualified health workers to work in rural and remote areas.

- Focused efforts for manufacturing quality **generic drugs** and inspiring private sector to invest in the same by providing **incentives**.
- **Investment promotion** and support for setting up single specialty hospitals in underserved areas, to ensure availability of quality treatment and achieve desired health outcomes.
- **Ease of Doing Business** – establishing a single window system for accessing guidelines, sharing information, providing approval regarding the regulatory requirement.

What to look out for in 2021

1. Effectiveness and coverage of COVID-19 vaccination drive
2. Budget allocation for Healthcare spending in FY22
3. Roll out and adoption of National Digital Health Mission
4. Roll out of New Medical institutions
5. Implementation and success of Policy interventions including Ayushman Bharat Pradhan Mantri Jan Arogya Yojana in meeting its originally targeted numbers.

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'Idea Realization'— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

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