



INCREASING COST OF HEALTHCARE - GS II MAINS

Q. Addressing rising healthcare costs requires comprehensive reforms, including standardization, financing strategies, and regulatory measures, to ensure affordability and accessibility for all. Discuss (15 marks, 250 words)

News: *Court's nudge on hospital charges, a reform opportunity*

What's in the news?

- The Supreme Court of India, while hearing a Public Interest Litigation (PIL) in February this year, directed the central government to find ways to regulate the rates of hospital procedures in the private sector.

Clinical Establishments (Central Government) Rules, 2012:

- The Clinical Establishments (Central Government) Rules, 2012 were formulated under the **Clinical Establishments (Registration and Regulation) Act, 2010**, granting authority to the Central Government.

Administration:

- **Appointment of Secretary** of the National Council by the Central Government.
- The Ministry of Health and Family Welfare designates a **Joint Secretary** as the ex-officio Secretary of the National Council for clinical establishments, ensuring coordination and oversight.

National Council and its Sub-Committees:

- The National Council categorizes clinical establishments and forms sub-committees with diverse representation to oversee specific tasks, ensuring a balanced approach.

Minimum Standards for Medical Diagnostic Laboratories:

- Clinical establishments must adhere to specified standards for diagnostic services, ensuring quality and reliability for patients.

Conditions for Registration and Continuation of Clinical Establishments:

- Establishments are mandated to display service rates, comply with treatment guidelines, and maintain electronic medical records, enhancing transparency and patient care.

Reasons for Rising Healthcare Costs in India:

1. Unregulated and Profit-Oriented Health Sector:

- Private providers prioritize profits, leading to price inefficiencies and overprovision of care, necessitating regulatory oversight.



2. High Out-of-Pocket Expenditures (OOPEs):

- Over half of healthcare costs are borne by individuals, highlighting the need for comprehensive financing reforms.

3. Weak Implementation of Laws:

- Enforcement challenges hinder effective regulation, impacting care quality and affordability.

4. Issues in Capping Medical Devices:

- Price caps on medical devices face implementation challenges, failing to address stakeholders' incentives.

5. Corporatization of Healthcare:

- Shift towards profit-driven healthcare compromises affordability, necessitating regulatory measures.

6. Inadequate Investments in Public Hospitals:

- Underinvestment in public healthcare leads to overcrowding and infrastructure deficits, exacerbating costs.

7. Inadequate Political Priority:

- Healthcare lacks political attention, hindering reforms essential for accessibility and affordability.

Preventive Measures to Control Healthcare Costs:

1. Formulating Standard Treatment Guidelines (STGs):

- STGs can standardize care practices, ensuring efficient resource allocation and cost containment.

2. Comprehensive Health Financing Reform Strategy:

- A holistic reform strategy is needed to align incentives and address systemic inefficiencies.

3. Following Models of Tamil Nadu and Rajasthan:

- Procurement of generics and insurance schemes can reduce costs and improve access to medicines.

4. Maintaining Transparency in Rate Standardization:

- Transparent rate displays and adherence to government-prescribed rates promote accountability and affordability.

5. Preventing Irrational Healthcare Interventions:



PL RAJ IAS & IPS ACADEMY

MAKING YOU SERVE THE NATION

- Standard protocols can curb unnecessary procedures, improving care quality and reducing costs.

6. Implementing Patients' Rights:

- Protecting patients' rights ensures transparency and accountability in care delivery.

7. Controlling Commercialization of Colleges:

- Regulating medical colleges' fees and expanding public education can mitigate commercialization in medical education.

8. Reforming National Medical Commission and NEET:

- Reforms in medical education and entrance exams can ensure equitable access and quality standards.

Addressing rising healthcare costs requires comprehensive reforms, including standardization, financing strategies, and regulatory measures, to ensure affordability and accessibility for all.

