

# Healthcare in india research paper examples

[Economics](#), [Insurance](#)



## **Introduction**

Healthcare is one of the basic needs for all of us. Once the primary needs like food and shelter are taken care of, the focus for any government shifts towards providing better healthcare for its citizens. As per the Indian constitution, healthcare system in India is primarily run by the states and union territories. Both the states and union territories are responsible for public health and standard of living respectively. India has a population of 1.2 billion. 44% of the children are malnourished and more than 400 million people live on less than \$1.25 per day. This poses a big challenge for the government to provide affordable healthcare for all the people. Healthcare was for long ignored in India as one of the basic needs for the people with more focus being paid by the government to food production, water supply and electricity. However, in last 20 years the government has started taking healthcare into serious consideration. This essay will discuss upon the current state of affairs in the Indian healthcare system in comparison with the US medical system.

## **History**

After India acquired independence in 1947, the first healthcare bill issued a year later was called Employee's State Insurance Scheme (ESIS). The target of that bill was to provide insurance to people who had income less than Rs. 15,000 (240 USD) per year. The funding was provided primarily by the state government and employers. This was one of the first steps towards providing universal health coverage. In 1954, the Central Government of India introduced 'Central Government Health Scheme' for central government

employees. This was primarily funded by the central government and the state government. This scheme still continues to cover the central government employees. In 1975, Integrated Child development Services was introduced across the country with the help of United Nations. The motto of this scheme was to provide proper healthcare for children below the age of 6. The scheme was funded by UNICEF, World Bank and Central Government of India. In 2009, central government proposed Rashtriya Swasthya Bima Yojana. Under this Yojana, people below the poverty line were provided subsidized healthcare in public healthcare facilities. This scheme is fully financed by central and state government and continues to expand into various rural parts of India. In 2011, the Indian government introduced a healthcare scheme for the elderly called ' National Program for the Healthcare of the Elderly' (Healthcare in India, 2012). Under this scheme all senior citizen will have access to government healthcare facilities and doctors at a subsidized rate. Despite several measures taken by the government, India still does not have a comprehensive healthcare plan for all the citizens, mainly because of the budgetary constraint of the government and lack of health planning in last 50-60 years on behalf of the ministry of health and family welfare.

## **Government**

As per the Indian constitution, state and central government are the primary responsible bodies for the health of citizens. However, the government is yet to come up with a comprehensive universal healthcare system. Though central government in last 65 years has come up with some hospital and health clinics across the country but that are not sufficient. Most of the rural

areas still do not have any hospital nearby and in case of critical illness rural people are to travel to big metropolitans. The health related expenditure for government is only 1. 5% (2011) of GDP which is much less than the world median expenditure of 5 % (Kazmin, 2013). The government has come up with some strong action plan in its 12th five year plan in a bid to increase the healthcare expenditure for catering to the dire healthcare needs. The main focus for the Indian government in coming days is to provide basic healthcare facility to all parts of the country.

## **Doctors**

Indian government does not have a big infrastructure to provide medical education. There are some government institutes and privately run medical institutes for studying medicine and surgery. The numbers of doctors available are far less than the actual need for doctors. Due to poor infrastructure in the rural areas doctors do not want to go to rural areas for medical practice. To address that problem, all the medical practitioners passing out from the government medical institutes are mandated by the government to provide service in rural areas for 3 years compulsorily. The best of doctors often after serving in the government run hospitals for first few years shift to private hospitals because of better pay package and infrastructure.

## **Insurance Companies**

Although there were government run health insurance companies available for a long time to insure people but health Insurance companies were largely unknown to common people till 2000s due to poor marketing and

communication effort from the government. Most of the citizens still do not have any kind of health insurance in the country mostly because they do not know or there is no plan available to suit their needs. Most of the insurance is done through the employers and some individuals especially in urban areas use private or public insurance plans. Majority of the insurance service is provided by government affiliated insurance service providers like National Insurance, United Insurance and so on. In recent years, Metlife, Aviva and ICICI Lombard have started offering competitive insurance to people and have gained considerable market share. But none of these insurance companies caters to the need of the poor and have-nots. The Indian government started a GIC Mediclaim policy in 1986 for the poor according to which the buyer of the policy at the payment of a small premium can avail all the government healthcare facilities at a subsidized rate. The plan is not a bad one but even after almost 25 years it is yet to penetrate 20% of the rural areas (India's Healthcare System, 2013).

## **Economics**

The total healthcare expenditure by the Indian government is only 1.5% of the GDP which is poor by world standards and India Ranks 110th among 190 countries in the healthcare index published by WHO. 70-70% of the total healthcare expenditure is from out-of-pocket and often critical and severe illness costs huge amount of money for the patient (Healthcare in India, 2012). That is why treatments for many critical illnesses are elusive to the poor population.

## **US Healthcare System vs. Indian Healthcare System**

USA has a medical system different from the Indian medical system in several ways. US healthcare system is much more advanced and superior from all aspects than that of Indian healthcare system. US system is mostly dominated by the private insurance companies and government only provides health services which act as a parallel health care service to the existing private services. The US government spends 45% of the total medical expenditure compared to less than 20% by Indian government. Per capita healthcare expenditure in India in 2010 was \$54 and that for US was \$8, 290. Life Expectancy in India is 67 years which is lower than US which is 78. 1 years. Infant Mortality rate in India (40) is much higher than that of US (6. 9).

In all the medical parameters like quality of service, health coverage, universal healthcare (like Medicaid) and healthcare technology, US is much ahead of Indian healthcare system. However, Indian medical system is fast growing and the quality of service available in Indian cities is of world-class standards, especially in private hospitals. One parameter which probably is better in India compared to US is the wait time to see a specialist in urban areas. In India people in the cities need to wait less than 7 days to see a specialist which is almost 23 days in case of USA.

## **Conclusion**

India after its independence in 1947 has done some work to create healthcare infrastructure in the country. Urban areas have some public and private facilities catering to the need of the people. However, rural areas are still lacking in basic healthcare infrastructure. Most of the healthcare

expense is from out-of-pocket and so poor people cannot afford critical and severe illness treatments. US medical system is much developed than India. Indian medical system is trying to get into good shape with the help of recent government initiatives and private participation.

## References

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