

Availability not affordability is the primary healthcare access barrier : IMS Health Study

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While progress has been made in India over the past decade from both public and private sector initiatives, significant challenges persist in providing quality healthcare on an equitable, accessible and affordable basis across all regions and communities, according to a new IMS Institute for Healthcare Informatics study.

The study - Understanding Healthcare Access in India: What is the Current State? - is the most comprehensive assessment of healthcare access undertaken since 2004 and is based on an extensive survey of nearly 15,000 households covering all socio-economic groups in rural and urban areas across 12 states. Information was gathered on more than 30,000 healthcare system interactions, supplemented by interviews with over 1,000 doctors and experts.

"The healthcare system in India is not delivering affordable, acceptable and accessible healthcare to all Indians - which must be the test of its quality," says Arun Maira, member, Planning Commission of India. "Fixes to only parts of the system cannot produce the systemic changes required. In fact, some fixes to only a part, without considering their effects on other parts of the system, can backfire as indeed some are. IMS Health's healthcare access study provides an objective map of the whole system, which can be used to show where the leverage points for action are and to engage stakeholders to arrive at agreements of what strategies will improve the system's performance. I hope this study will be publicized widely and, supplemented with other information, used to stimulate a more collaborative discourse amongst stakeholders."

The study was conducted by IMS Health India, with funding provided by the Organisation of Pharmaceutical Producers of India and the Pharmaceutical Research and Manufacturers of America. Support also was provided by the Indian Drug Manufacturers' Association. The survey, analysis and report preparation were conducted independently.

According to Amit Backliwal, managing director, IMS Health India, "The study's findings provide a solid foundation for the discussion and debate required to align efforts by all stakeholders to advance healthcare access for all Indians. And, it provides a useful baseline for developing a roadmap to improve availability, raise performance levels and expand affordability

in the long term."

A 40-45 percent reduction in out-of-pocket expenditures for both outpatient and inpatient treatments can be attained through a holistic approach addressing four critical, interrelated dimensions of healthcare access. Those components are: physical accessibility and the location of healthcare facilities; availability and capacity of needed resources; quality and functionality of service required for patient treatment; and affordability of treatment relative to a patient's income.

"While expanding healthcare access is a critical priority for both the Indian government and the private sector, the gap between aspiration and today's reality is all too apparent," said Murray Aitken, executive director, IMS Institute for Healthcare Informatics. "Challenges with resourcing and financing the public sector health infrastructure have a significant impact on the availability of healthcare workers and contribute to low-quality perceptions of public health facilities. This leads the rural-poor population to seek costlier treatment options - and adversely impacts overall healthcare access."

The report's key findings include:

• The provision of healthcare services in India is skewed toward urban centers and the private sector. Urban residents, who make up 28 percent of India's population, have access to 66 percent of the country's available hospital beds, while the remaining 72 percent who live in rural areas have access to just one-third of the beds. Similarly, the distribution of healthcare workers, including doctors, nurses and pharmacists, is highly concentrated in urban areas and the private sector.

• Physical reach of any healthcare facility is a challenge in rural areas, particularly for patients with chronic ailments. Patients in rural areas must travel more than five kilometers to access an inpatient facility 63 percent of the time. Difficulty in accessing transportation options and the loss of earnings as a result of travel time lead to treatment being deferred, or facilities selected that may be closer but are not cost-effective or best suited to patient needs. This is especially true for patients suffering from chronic ailments.

• Private healthcare facilities are being used by an increasing proportion of patients due to gaps in quality and availability of public facilities. Over the past 25 years, both rural and urban patients have increased their use of private service providers over public options. In 2012, 61 percent of rural patients and 69 percent of urban patients chose private in-patient service providers, up from 40 percent reported in a 1986/87 government survey. Long waiting times and the absence of diagnostic equipment in public facilities were cited as key reasons by more than 40 percent of those surveyed. Better quality of treatment in private, in-patient centers was cited as an additional reason by 38 percent of survey respondents.

• Availability of doctors is a key reason for selecting private facility outpatient treatments. Across both urban and rural sectors, and among the poor and affording populations, at least 60 percent of those surveyed considered doctor availability as a significant reason for selecting private facilities for outpatient treatment. Absenteeism is typically higher in the less economically developed states of India.

• Patients using private facilities face greater affordability challenges. The cost of treatment at private healthcare facilities is between two and nine times higher than at public facilities. For example, poor patients receiving outpatient care for chronic conditions at a private facility spent, on average, 44 percent of their monthly household expenditure per treatment, compared to 23 percent for those using a public facility.

• Medicine costs as a proportion of out-of-pocket healthcare expenses remain high but stable. On average, across public and private facilities, and for chronic and acute diseases, medicines account for more than 60 percent of patients' total out-of-pocket expenses for outpatient treatments, and 43 percent for inpatient treatments. This share of expenditures for medicines has not increased since 2004 for inpatient treatments, and has decreased for outpatient treatments. Low insurance penetration - and current insurance plans that do not cover drug costs - make the total cost of medicines a continuing, significant burden for a majority of the population.

• Improving the quality and availability of public healthcare facilities would drive the greatest reduction in patient out-of-pocket costs. The report assessed the relative impact of improvements across each of the four components that contribute to healthcare access. Enhancing the quality and availability of public healthcare facilities would curb the diversion of patients to private channels - enabling more patients to utilize lower-cost facilities and reduce their out-of-pocket costs.

Effective financing mechanisms are a critical requirement to making healthcare more affordable for patients. Increased insurance penetration, while relevant across all segments of the Indian population, is particularly critical for those below the poverty line to ensure adequate coverage for out-patient care and prescription medicines. For the middle-income population,

increased use of generic medicines, innovative delivery models and other cost-effective treatment options will yield more affordable care.