

NITI Aayog proposals on District hospitals

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Source: *The Hindu*

Manifest pedagogy: The topic is highly relevant for Mains. It is difficult to frame a question in Prelims on this topic. One has to understand the entire topic in the changing role of state in recent times. Till recently the argument held water that the state should continue with Public goods like education and health even after LPG. This narrative seems to be altered slightly with the proposition of NITI.

In news: The NITI Aayog proposal to hand over district hospitals to private medical colleges in Karnataka and Gujarat has been criticised by health activists and doctors.

Placing it in syllabus: Health

Dimensions:

- What are the proposals?
- Pros and cons

Content:

What are the proposals?

- The scheme is “**to link new and/or existing private medical colleges with functional district hospitals through PPP**”.
- The proposal entails providing “*exclusive right, license and authority to augment, operate and maintain the District Hospital and provide Healthcare Services and design, finance, procure, construct, operate and maintain the Medical College*”.
- The proposal will be for a **minimum of sixty years**.

- Such district hospitals need to have **at least 750 beds**, of which nearly **half will be “market beds” and the rest will be “regulated beds”** for free patients.
- These guidelines **can be adopted by interested states** particularly those struggling to infuse funds in the healthcare sector and where district hospitals are not up to the mark.

Pros and cons:

Pros

- As it is practically not possible for the Government to bridge the gaps in medical education with their limited resources and finances, the scheme **necessitates formulating a PPP model by combining the strengths of public and private sectors.**
- It would augment medical seats and also **rationalise the costs of medical education.**
- The model will **resolve the issues of shortage of medical colleges** and upgradation of district hospitals.

Cons

- This proposal is **against the recommendation of every national expert committee** that has ever been constituted in this regard.
- Critics are opining that the scheme has been **drawn up to provide an avenue for corporate investments and profits** in health care.
- It also **violates the government’s own National Health Policy of 2017**, which promises free drugs and diagnostics and free care for all in the public hospitals.
- The patients will be divided into two (a) **Free Patients** and (b) **All Patients other than the Free Patients.** **Clause 22.2 of the agreement** states that to be a “free patient”, one would need a specific authorisation

certificate from a district health authority. This **division of patients into two categories based on their ability to pay goes against both national policy as well as international commitment of the country towards universal healthcare.**

- Under this scheme, all in-patient beds will be categorised into **“Regulated Beds” and “Market Beds”**. For the regulated beds, treatment will be provided free of cost; while for the market beds, treatment will be provided at competitive market rates. However, the regular beds are implicitly for patients who are already covered under the government insurance schemes. So, even though it is stated as free care, payment for most of the free patients will come from the government.
- As the government proposes to hand over the hospitals at an extremely low fee with additional grant in the form of equity, **the “concessionaire” could show lower revenue earnings in its balance sheet and pay even less.**
- In **Karnataka, the ‘Arogya Bandhu’ scheme which was scrapped in 2012** showed that the State’s PPP arrangements have not been successful in the past because of poor governance and the lack of accountability and a grievance redressal mechanism.