Investing in Health: Minding the Caveats

Dr. Soham D. Bhaduri *

Abstract

The Union Budget 2021-22, despite registering a considerable increase in allocation for health and wellness, failed to meet expectations with respect to healthcare-proper. Though large health gains can result from investing in social determinants of health, they don't necessarily denote a strong and resilient healthcare system. Prioritization of primary care investments has unquestionable ethical and economic bases. However, reducing the expenditure share of hospital care in the absence of expanding budgets could further weaken the fund-starved public hospital sector in India. As COVID-19 prods greater attention towards the health sector, our approach to health investments must be balanced and wise.

Keywords: Union Budget 2021, COVID-19, social determinants of health, primary care, universal health coverage, public health in India

The Union Budget 2021-22 was a subject of much anticipation as it came at a highly crucial juncture - both during the COVID-19 pandemic and in the aftermath of it's major ravages. The announcement of a 137 percent increase in allocation for "health and wellness" in the budget speech caught widespread attention and kindled a flame of hope for the long ailing public health sector. It was soon, however, to be doused, as it was realized that the aforementioned increase was inclusive of allocations for health, water and sanitation, nutrition, and finance commission grants (including covid-19 vaccination) - and that the Ministry of Health and Family Welfare received a very modest 10.2 percent nominal increase over last year's budget estimates. Overall, feedback from health experts and stalwarts has not been very encouraging. Many have criticized the low allocations for healthcare-proper despite the lessons from the pandemic, while some have called out the attempt to artificially (and somewhat misleadingly) inflate the numbers for health by combining it with other related sectors under "health and wellness".

Investing in Social Determinants

Sanitation and nutrition are important social determinants of health, among others like education, work and employment, social gradient etc. As far as impacting health outcomes and averting premature mortality are concerned, social determinants of health have a much greater role than medical determinants like healthcare services provisioning. While the importance of acting on social determinants for improving population health and achieving universal health coverage (UHC) has been repeatedly realized, actually operationalizing a broad health agenda inclusive of these social determinants has few precedents. This is due to the fact that impacting these social determinants requires concerted, collaborative action across multiple sectors apart from health, which is colossally challenging. Policy pronouncements over the years, despite having upheld the importance of these social determinants, have refrained from prescribing a definitive and comprehensive road-map that embraces them.

As such, talking of healthcare as a subset of "health and wellness" in this year's budget speech may be symbolic of the government embracing a broader, more inclusive idea of health that is not confined just to the health sector. If so, it would require an unprecedented reorientation of institutional and sectoral dynamics across the country, apart from unprecedented investments, to ensure that such an ambitious ideal doesn't ring hollow. In the process, however, it would be instructive not to allow investments in healthcare-proper to be undermined.

Particularly in a developing country context, where social investments can result in large and visible health gains, it is possible to easily conflate the latter

* Executive Editor, The Indian Practitioner; Physician and Public Health Researcher and Commentator, Mumbai. Email: soham.bhaduri@gmail.com

with the existence of a strong healthcare system. The Coronavirus pandemic has aptly demonstrated that disaster/epidemic-resilience requires strong health system capacities across primary, secondary, and tertiary levels, and that the absence of the same can erode years of health gains achieved through steadfast social investments. Our neighbour, Bangladesh, is an apt case in point. Bangladesh has been a success story with respect to a number of social and health indicators including poverty reduction, primary school enrolment, and reducing maternal and child deaths. However, it has one of the lowest levels of government health spending (0.4 percent of GDP in 2018[1]), which translates to weak capacities and poor resilience of the public health system.[2] Highly desirable as social investments may be, the cardinal lesson from the pandemic is that strong public healthcare capacities must be grown alongside.

Primary Care vs. Secondary and Tertiary Care

An important issue that has frequently been overlooked in the advocacy for a strong primary healthcare system in India is the equally, if not more, feeble condition of hospital care in the public sector, particularly tertiary care. The high-level expert group on universal health coverage, 2011, and more recently the National Health Policy 2017 and the report of the 15th finance commission, have advocated for nearly two-thirds of state resources for health to be devoted to primary healthcare. As per the National Health Accounts estimates for 2016-17, 45.2 percent of current health expenditure and 52.1 percent of government health expenditure in India was spent on primary care.

Primary care encompasses a large array of preventive, promotive, and curative care services ranging from health education to community-based long term care, and is capable of addressing roughly 90 percent of healthcare needs. It cannot be contested that primary care must be the foremost priority for India and deserves the major chunk of resources, at least as long as near-universal access to basic health services is attained. Ethical considerations are vital to resource allocation decisions, particularly in resource-constrained settings like India, and primary care qualifies to be the foremost ethical priority along all three criteria of ethical priority setting, namely cost-effectiveness, priority to the worse-off, and financial risk protection.[3]

There is, however, an important caveat. While illnesses requiring inpatient care form a small chunk of the total, they tend to require a large share of resources. Hospital care, particularly tertiary care, is cost-intensive, and therefore consumes the major share of public resources in a truly universal system offering a comprehensive set of benefits. A case in point is the United Kingdom (UK). In 2018, 49 percent of government healthcare expenditure in UK was incurred on hospital care, out of which 68 percent was incurred on inpatient care and hospital day cases.[4] Ambulatory providers and preventive care accounted for 24 percent and 4.8 percent of government healthcare expenditure in the UK. This is despite the UK National Health Service's emphasis on primary care and rationing of elective specialist care services. While the differential disease burden profiles of the two countries are to be noted, cost projections of providing essential hospital care in the Indian scenario are still huge. Under such circumstances, reducing the share of hospital expenditure, when the public hospital sector is already fund starved, could prove to be detrimental. Covid-19 has indicated that alongside a strong primary care infrastructure, adequate hospital and critical care capacities are crucial to combating health emergencies. Given that the ethical and economic bases for prioritizing primary healthcare are unassailable, the way forward is to considerably increase India's public healthcare spending while we appropriate the major share of funds for primary care, and to adopt a balanced approach that ensures that essential hospital care isn't compromised.

The upheaval of covid-19 has begotten high expectations from the government as regards spending on public health, and will hopefully place us in a trajectory of expanding government healthcare investments over the next few years. This makes it all the important to heed the niceties of wisdom and adopt a scrupulously balanced approach to health investments.

References:

1. World Health Organization [Internet]. Global Health Expenditure Database. NHA indicators for Bangladesh. [Cited 2021 February 17]. Available from: https://apps.who.int/nha/database/ViewData/Indicators/en
2. Bhaduri SD. Comparing COVID-19 pandemic responses of three South Asian countries - Bhutan, Sri Lanka, and Bangladesh. *The Indian Practitioner. 2020* Nov;73(11):7-14.
3. Bhaduri SD. Ayushman Bharat and universal health coverage in India: is our approach ethical? *Indian J. Med. Ethics.* Forthcoming.
4. Office of National Statistics [Internet]. Healthcare expenditure, UK Health Accounts: 2018. 2020 April 28 [Cited 2020 Feb 17]. Available from: https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthcaresystem/bulletins/ukhealthaccounts/2018.