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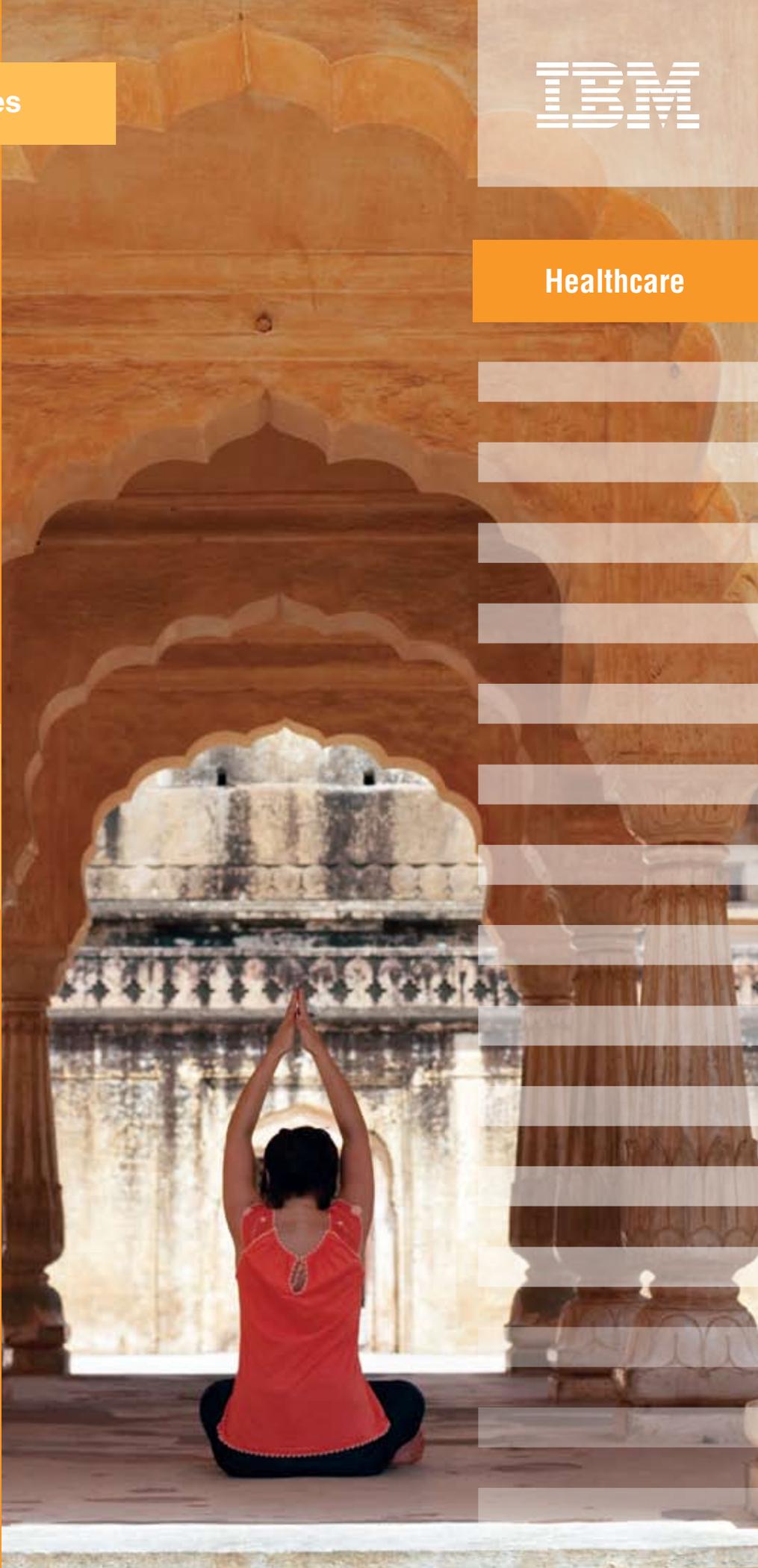
Healthcare

Healthcare in India

Caring for more than a billion

Executive summary

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Healthcare in India: Caring for more than a billion

Executive summary

India has had notable health achievements since independence in 1947. Life expectancy has doubled and infant mortality and crude death rates have been greatly reduced.[1] Some diseases, such as small pox and guinea worm, have been eradicated. Others, such as leprosy and polio, have been nearly eliminated.[2] And India's doctors and hospitals are increasingly receiving recognition for the quality of care they provide.

Nevertheless, India faces considerable challenges. For example, the country accounts for a relatively large share of the world's disease burden.[3] And while India's burgeoning middle class has greater access to excellent healthcare, the vast majority of citizens still have limited access to basic care. The quality of care varies significantly, as well.

An examination of healthcare systems in other countries underscores the importance of achieving a value-based, affordable, sustainable healthcare system in India. In a recent study by the IBM Institute for Business Value, we demonstrated that unrelenting pressures are pushing many healthcare systems along an unsustainable path.[4] If left unaddressed, many countries will reach a breakpoint in their current paths, forcing immediate and major forced restructuring. What does this mean for India?

Without significant changes, an unsustainable path for India could have public health, economic, social and political ramifications. For example, despite significant investments, the healthcare infrastructure will likely remain fragmented, focused on acute, reactive, episodic care and will be inaccessible for many, particularly in rural areas. And the insufficient healthcare delivery capacity would be exacerbated, as providers are burdened by such issues as workforce shortages and overcrowding.

Fortunately, a more positive scenario is possible. However, it will require new levels of accountability, tough decisions and collaborative hard work on the part of all stakeholders.

To help India avoid a healthcare crisis, we recommend:

Healthcare providers expand their current focus on episodic, acute care to encompass the enhanced management of chronic diseases and the life-long prediction and prevention of illness.

Citizens make wiser health choices and increase the value they receive from a transformed healthcare system.

Payers help consumers remain healthy and get more value from the healthcare system, as well as assist care delivery organizations and clinicians in delivering higher value healthcare.

Suppliers work collaboratively with care delivery organizations, clinicians, and patients to produce products that improve outcomes or provide equivalent outcomes at lower costs, particularly for diseases endemic to India.

Society makes realistic, rational decisions regarding lifestyle expectations, acceptable behaviors and privacy policies – as well as the degree healthcare will be a societal right versus a market service to provide all Indians at least environmental and basic healthcare.

Government addresses the unsustainability of the current system by providing the leadership and political willpower to remove obstacles, encourage innovation and guide the country to sustainable solutions.

If stakeholders can act with accountability and demonstrate the willingness and ability to change, they can better harness the drivers of change and achieve a win-win transformation. India's healthcare system can help its citizens lead healthier, more productive lives, as well as contribute to India's ability to compete globally. It can also help India win a competitive advantage in the emerging global healthcare industry.

Ingredients of a "win-win" transformation

Action and accountability are the basic ingredients of change. To create a win-win transformation in its healthcare system, we believe India should undertake the following actions (see Figure 1):

- *Focus on value* – Consumers, providers and payers should agree upon the definition and measures of healthcare value and then direct healthcare purchasing, healthcare services delivery and reimbursement accordingly.

- *Develop better consumers* – Consumers need to make healthier lifestyle choices and become more astute purchasers of healthcare services.

- *Create better options for promoting health and providing care* – Consumers, payers and providers should seek out more convenient, effective and efficient means, channels and settings for health promotion and care delivery.

A clear accountability framework enables these actions. Accountability must span the system, including the provision of adequate healthcare financing and rational policy, the adherence of healthcare professionals to clinical standards and quality care, the encouragement by payers of preventive and proactive chronic care and the responsibility by citizens for their own health.

FIGURE 1.
Keys to a "win-win" transformation of India's healthcare system.
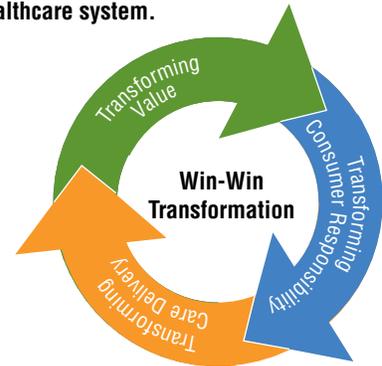
Source: IBM Institute for Business Value.

The value transformation

Value is in the eye of the purchaser, but, today, value in healthcare is difficult to see. For example, data regarding quality is scarce and mostly anecdotal or incomprehensible. Compounding this is the prevalence of multiple forms of medicine, from allopathic medicine to more traditional, less regulated forms such as Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy.

To complicate matters, the purchasers and benefactors of healthcare – consumers, payers and society – all have different opinions as to what constitutes good value. Balancing and resolving these conflicting perspectives is one of the major challenges in the successful transformation of a healthcare system.

Today, consumers are largely responsible for bearing the costs of healthcare, and their ability to predict healthcare quality is equivalent to a roll of the dice. Payers – consumers, public or private health plans, employers and governments – shoulder the burden of healthcare costs, but have largely been disintermediated from or disinterested in the quality of care discussion.

In the win-win scenario we envision, consumers will assume much greater responsibility for their healthcare, which, in turn, will drive the demand for value data that is readily accessible, measurable, reliable and understandable. In response, payers will help empower consumers by enabling greater transparency into care costs and quality.

In the absence of pressure from consumers or payers for greater scrutiny, most providers have not been forthcoming in providing data around value. Recently, however, some voluntary disclosures have emerged as some corporate hospitals have begun to pursue accreditation from organizations such as the National Accreditation Board for Hospitals and Healthcare Providers (NABH) and the Joint Commission International (JCI) in order to promote their adoption of quality standards.

Payers also will take a more holistic view of value – looking not simply at the episodic costs of procedures, but at how investments in high-quality preventive care and proactive health status management can improve quality and help minimize the long-term cost structure of care.

Finally, society will demand that payment for and quality of healthcare services be aligned to the value those services return, both to the individual and to the country as a whole.

The consumer transformation

The second key element in the win-win transformation of India's healthcare system is increased responsibility by consumers for managing their healthcare services, as well as their personal health management. As India is pressed ever closer to the edge of a healthcare crisis, the pressure is building for consumers to change counterproductive health behaviors and actively participate in their healthcare decisions.

Today, consumers are not usually able to define value in healthcare. Some do not care what healthcare costs because they see it as free or prepaid. Some do care, but find it prohibitively difficult to access meaningful information they need to make sound choices. And many others do not have the "health literacy" skills required to navigate these choices.[5]

Compounding the problem is the disregard by a segment of the population for healthy lifestyle choices. For example, tobacco use is high in India, despite government efforts to curtail this. Indians should be actively engaged to combat illnesses and conditions, especially since lifestyle behaviors are a major contributor to health status.

In the win-win scenario, we believe consumers should increasingly comparison shop for healthcare in the same manner they shop for other goods and services. Lifestyle choices will also be more explicit, with poor choices being accompanied by short-term consequences.

Health infomediaries, or coaches, who help patients identify the information required to make sound choices, interpret medical and financial information, choose between care alternatives and channels and interact with the

providers they choose, are likely to become fixtures in the healthcare landscape for both the well and the chronically ill, as well as for a much broader socioeconomic segment of the population.

A current example of health infomediaries is the National Rural Health Mission's Accredited Social Health Activists (ASHAs). There are thousands of female ASHA volunteers positioned at the village level and trained in preventive health. They promote sanitation and hygiene, disseminate information on basic preventive healthcare and facilitate access to public health facilities, particularly for women and children.

The care delivery transformation
The third key element in the win-win transformation of healthcare is a fundamental shift in the nature, mode and means of care delivery. Healthcare delivery is overly focused on episodic acute care; it should shift and expand to include and embrace prevention and chronic condition management in order to respond to the emerging environment.

Preventive care
Today, preventive care, which focuses on keeping people well through disease prevention, early detection and health promotion, is a concept without a champion in India. Generally speaking, consumers ignore it, payers do not incent it and providers do not profit from it.

In the win-win scenario, we expect the notion of preventive healthcare will expand, combining allopathic and indigenous approaches and the best of the old and the new. Consumers are likely to seek this care in new settings, such as their workplaces and homes, which should offer lower prices, enhanced convenience and more effective delivery channels than traditional healthcare venues.

Among the poor, the focus must be on prevention and the achievement of improved health status in terms of water supply, sanitation, nutrition, access to vaccines, vitamins and other low cost, but vital, services.

Preventive care may also be delivered by midlevel providers – including physiotherapists, nutritionists, exercise experts and midwives – in close coordination with doctors to address India's health workforce shortages of qualified clinicians. While this will require a change in the mindset among many consumers to accept new forms for caregivers, it will open up a strong demand for new and different categories of healthcare professionals.

Chronic care
Today, as the incidence of chronic illness increases, chronic care management remains expensive, labor intensive and plagued by wide variations in the effectiveness of care.

In the win-win scenario, particularly among the upper and middle classes, we believe chronic patients, increasingly assisted by health infomediaries, will be empowered to take control of their diseases through IT-enabled disease management programs that improve outcomes and lower costs. Their treatment will center on their location, thanks to connected home monitoring devices, which will automatically evaluate data and, when needed, generate alerts and action recommendations to patients and providers.

The poor will likely continue to struggle to meet basic environmental needs and, thus, will lack the infrastructure to substantially limit the progression of chronic disease. Efforts to stem chronic disease will necessarily be aimed at the infectious and lifestyle contributors to chronic conditions.

Acute care

Today, acute care is the foundation of the healthcare economy, and its effectiveness depends heavily upon the expertise of the individual doctor. In the win-win scenario, we anticipate that standardized approaches to acute care, developed through the careful analysis of clinical data and the unrelenting documentation of patient variation, will be a widespread starting point in care delivery.

The availability of high quality care information should enable the treatment of non-urgent acute conditions, such as strep throat and sinusitis, at the patient's home via the use of telemedicine or at-work settings that provide low cost, good quality and convenience. This will free doctor time and encourage the transformation of today's massive, general purpose hospitals into "centers of excellence" devoted to specific conditions, combination triage centers, which determine the specialized facility patients should go to, and post treatment recovery centers, in which patients are monitored before returning home.

And in poorer areas, care standards should enhance the education of local providers. In most situations, however, with the exception of scarce mobile healthcare services, people living in remote locations without basic services will likely still rely on traditional means of treating acute illness.

Toward a value-based and sustainable healthcare system

The transformational challenge facing India's healthcare system is considerable but addressable. It should expand its primary focus on often poorly coordinated episodic care to encompass the life-long and coordinated management of preventive, acute and proactive chronic care – across India's burgeoning middle class, as well as for those who will not benefit from economic development.

This expansion should be achieved with limited incremental funding in an increasingly competitive global economy and healthcare environment. Successful transformation will require all stakeholders to actively participate, collaborate and change. But, correspondingly, we believe the rewards of successful transformation are high for all stakeholders. Successful healthcare transformation also requires a shared vision and a comprehensive, long-term plan created through an open, inclusive process. This seems obvious, but is rarely done. Too often, change is addressed in a piecemeal fashion, and solutions are generated by a few experts working behind closed doors. The result is systemic chaos and minimal buy-in.

As a starting point for this discussion, we offer a multifaceted vision for India's healthcare – one that addresses the financial, infrastructure and professional resource gaps that India's healthcare system may face (see Figure 2). It also requires key stakeholders to collaborate in the refinement of the vision and to define an explicit set of values for a desired future healthcare system.

FIGURE 2.
Proposed vision for India's healthcare system.

Source: IBM Global Business Services and IBM Institute for Business Value.

Healthcare in India paints a portrait of what the India's healthcare system can look like in the next decade. Parts of the portrait already exist in the country with notable advances in the public and private sectors. Even so, bringing the entire portrait to life is an extraordinarily difficult, but vitally important task, which must be informed and achieved through a process of debate and consensus, and action and accountability.

We invite you to read the full report which is available at

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And we hope that our ideas will serve as a starting point for the transformation effort.

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Related publication

Adams, Jim, Edgar L. Mounib, Aditya Pai, Neil Stuart, Randy Thomas and Paige Tomaszewicz. "Healthcare 2015: Win-win or lose-lose?" IBM Institute for Business Value. October 2006. Available at

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[2] National Commission on Macroeconomics and Health. "Burden of disease in India." September 2005.

[3] Ibid.

[4] Adams, Jim, Edgar L. Mounib, Aditya Pai, Neil Stuart, Randy Thomas and Paige Tomaszewicz. "Healthcare 2015: Win-win or lose-lose?" IBM Institute for Business Value. October 2006. http://www.ibm.com/health-care/hc2015

[5] "Health literacy" is a term used to describe the capacity of consumers "to obtain, process, and understand basic information and services needed to make appropriate decisions regarding their health." (source: IOM Committee on Health Literacy. 2004. "Health literacy: a prescription to end confusion." National Academies of Science. Washington, DC).