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Q: In India only 17% of the population has health insurance and most of it is from the urban areas. We want to know, what health insurance companies are doing to reach out to the rural population.

A: In India it is a combination of the public and private sector which is driving lots of initiatives over there, but we have a long way to go. So if you look at it as you rightly pointed out that only 17% is what is being covered in terms of health insurance, it means that we still have a long way to catch up. If you remove the urban population from that 17%, that number can fall down to 2 or 3% which constitutes the rural population. Most of the 17% people are primarily employees who are working in an organisation that provides insurance facility to them. But if you look at the general population, not many people opt for health insurance. Government has launched a lot of schemes to reach up to rural people, such as Narayana Hrudayalaya. Also, these days lots of people are going for free eye check-ups, free cardiac operations, etc. If you look at Satya Sai Baba Hospital, there a lot is being done in the field of health. But I think when you are doing all this, the reach has to be more extensive and a lot of youngsters must go out to rural population and explain the importance of health insurance to them.

Q: The malpractices in healthcare sector in India are increasing day by day, like it is said that some doctors and hospitals do business in the name of healthcare. Many hospitals make extra money through patients. Why are these malpractices going on and how to stop them?

A: Two things are there. The reason why they do is primarily because of healthcare administration and healthcare costs. Healthcare costs are rising up. The cost of establishing a healthcare institution itself is very huge. In terms of sale itself, how much support does a person need? One needs to take care of infrastructure, import equipment, pay export and import duties, etc. So I think due to such huge costs, those people get compelled to make money by unfair means. But apart from this factor, another important factor is education. So, if on one hand, it is a land of opportunities, then at the same time they can get opportunities where they can misuse them. So one side you have people like Narayana Hrudayalaya and Satya Sai Baba Hospital, who are giving free healthcare to people. On the other side, you also have corporatisation of the entire healthcare industry. So with education and our Government's solid policies around IRDA (Insurance Regulatory and Development Authority), all this can be mitigated to some extent. But the problem is that most of us are not aware that such options also exist. So what is unknown to people remains unknown and people don't want to know about it. Like I mentioned, why don't I go for a health check-up, why don't we all go? Due to a fear of seeing something come up. But it is always better to identify the disease early, whether it is there or not. Because otherwise, after a particular stage one has to pay and that is more than the amount paid in regular check-ups. And at that time, it is often too late. So according to me, it is a combination in terms of both healthcare administration and education. Moving away from FIFO service to capitation will help. But what does FIFO service do? It is a volume game. Let's take an example of a clinic: If a doctor has to make more money because he is not

getting a fixed salary, and then a patient walks in, he gets Rs.100 and another person walks in, he gets 100 more and so on. So it's a volume game. But if there are more people the service will not be good. So they moved away from FIFO service to capitation. Now, what does capitation do? Capitation says that insurance pays the doctors per person per month a certain amount. Let's take an example of an institute where there are 300 people, and the insurance is paying Rs.1000 per person, which accounts to Rs.300000 per month. And as high risk decreases, incentives increase. So a day will come when the doctors will call you automatically for your scheduled health check-up. This way a doctor is interested in your health, which will make you better, and those Rs.100000 which you had saved becomes an incentives for him/her, thereby leading to decrease in malpractices.