

## Health Economics in India: Improving Accessibility, Affordability, and Quality of Healthcare (Analysis of National health policy of 2017 in India Health economics)

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### ARTICLE DETAILS

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### ABSTRACT

Health economics in India focuses on improving the accessibility, affordability, and quality of healthcare services. The National Health Policy of 2017 aims to achieve universal healthcare through public-private partnerships, utilizing 2.5% of GDP. Key initiatives like Ayushman Bharat and Mission Indradhanush focus on preventive care and vaccination for marginalized communities. Despite progress, challenges remain, such as the impact of the COVID-19 pandemic on healthcare infrastructure. Effective policy management, public financing, and stakeholder engagement are crucial for improving healthcare cost-effectiveness and achieving sustainable universal health coverage in India.

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**Health Economics and Policy in India;** Health economics is a domain of economics which is concerned with the problems of productivity, principles and behaviour in the production and consumption of healthcare facilities. The aim of the study is to highlight the health economics and its factors in India and the ways it could improve. India is a developing country which has done excellent improvement in the domain of healthcare sector.

It has aimed to render the mission of "Health for All " which states that the accessibility of standard quality and inexpensive health care facilities for all. Distributive justice signifies the appropriate and uniform distribution of advantageous, threats and risk in a society (Gear *et al.* 2018). Thus, it has

attempted its best to launch some preventive programmes of health which could assure the strengthening of the local communities. For instance, the Indian Government has initiated a scheme called “Ayushman Bharat” which facilitates the functions and organizations of health and wellness related concerns.

The process begins with the provisions provided to the local communities such as nutrition and maternity care, family planning and other amenities such as vaccination centres for polio, covid-19 and other related diseases. These services are necessary for the marginalized and the vulnerable sections of the society (Herrmann *et al.* 2018). The *National Health Policy of 2017* clearly states that the country had an objective of ‘universal healthcare’. India took the stand that it would use the 2.5% of the GDP for its launched model of public private partnership (PPP). The National Health Policy had a vision to expand at least two-third of the health expenditure by the Government. The Indian Healthcare dimension is the amalgamation of public and private service providers.

The Preventive HealthCare of the country has been facilitated through *Ayushman Bharat Health and Wellness Centres* which is proposed to be set up in 2022. Another Mission *Indradanush* has covered 87.18 lakh pregnant ladies in 680 districts were inclusive of another step that was *Gram Swaraj Abhiyan and its extension*). They have been vaccinated for the better health protection and upliftment in their crucial domain of their life which increased equality in health.

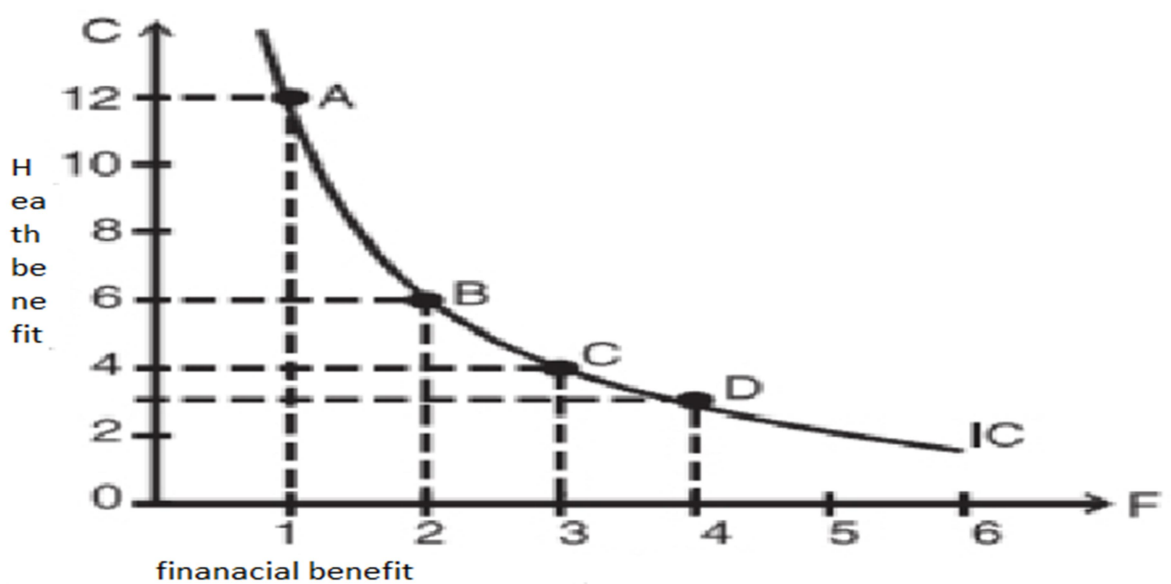
**Challenges and Future Directions:** The National Healthcare which is the administration to gather all healthcare expenses and it pays the cost of care. Medical services are funded publicly for the facilitation of the vulnerable and poor sectors (Fletcher *et al.* 2019). This has led to the improvement of the groups which mostly live in the areas of rural specifics or those who do not have proper support through awareness and education. As the targeted people can gain advantage from this policy the *demand for this policy* can be increased.

The National Healthcare was established in 2007 which majorly dealt with the medical supplies which are of low budget and have the high requirements with the proper precision and accuracy. The preventive health care mechanism has also banned e-cigarettes which encompassed the threat of the addictions among the youth and children of the lower strata (Gear *et al.* 2018). Additionally, it also commenced the Quitline services and large warnings through pictorials which called for the eradication of the involvement in the process of e-cigarettes. It showed that the government has put in more efforts to diminish the use of tobacco and the utility of the *production and distributions*.

National Healthcare has banned all the tobacco and the addictive substances for the public spheres such as the cinema halls, open auditoriums, metros and other places of significance. However, the prohibition on the export and import of these toxic materials have demonstrated the relevant transformations in a society (Gear *et al.* 2018). For instance, the strict guidelines to not provide cigarettes to the children below the age group of 18 years have caused the loss of industry but has brought change at a societal level. Cost associated with the policy: the policy aimed to utilize  $\frac{2}{3}$  of the GDP of the country in the healthcare sectors. The valuation of the industry increases as the actual cost of services and the facilities also get high.

Figure.1 illustrates the indifference curve, highlighting the trade-off between financial benefits (F) and health benefits (C) (Source: Ojikutu et al. 2019). Point A represents a high health benefit of 12 units with a low financial benefit of 1 unit. Moving to point B, the health benefit decreases to 8 units while the financial benefit increases to 2 units. At point C, the health benefit further reduces to 5 units, and the financial benefit rises to 3 units. Finally, point D shows a health benefit of 3 units with a financial benefit of 4 units. The curve indicates that as financial benefits increase, health benefits decrease, and vice versa, representing different combinations where the individual's satisfaction remains constant.

**Indifference curve:**



**Figure 1: Indifference curve**

(Source: Ojikutu et al. 2019)

***The Quality-Adjusted Life (QALY)*** Year is the result for the value of health outcomes. The curve of the QALY increases if a person could lead a perfect health for a year, it is considered as 1 QALY. Hence, gradually, the curve moves up if the healthcare sector improves. The financial strategy is interlinked with QALY in such a way that it elaborates and enhances the approaches. One of the major financing healthcare strategies is to incorporate the practice of public financing. The process majorly comes from the state government which is about 80 percent and the Union government strives on the 12 per cent. The maximum budgeting has been done by the external sources such as World Bank and other institutions which is based on the structural adjustment loan. Another method of financing which is private financing that displays the importance of insurance policies and other hospitalization amenities (Ojikutu *et al.* 2019). One of the prominent healthcare affordability schemes is Ayushman Bharat Pradhan Mantri Jan Arogya Yojana which is the world's largest health insurance scheme.

The national resources which are available in the country could be understood through the parameters of affordability. It has been observed that there has been a decline in the expenditure of total healthcare as per the data of the updated National Health Accounts of 2016-17. The downfall in the out of pockets has demonstrated the enhancement in the affordability. This has resulted in the better organization of the factors which could ameliorate the materials related to the funds, human resources, equipment, availability of a place and various other concerns. The focus on these planks have increased by leaps and bounds due to the situation of a new normal existing because of Covid-19 Pandemic.

India has been trying to adhere to the delivery of a sustainable approach which could led the establishment of universal health coverage in India. It could be observed that the effective usage of the healthcare system could lead to the betterment in the channelization of resources. The proper mechanisms. The accessible and approachable staff in the healthcare dimensions have shown their excessive emphasis on the diseases. Thus, the intervention of the government has signified that if the youth and other people who are addicted due to the smoking habits have scaled down the utility (Reddy *et al.* 2018). The other dimensions such as the land could be utilized in an impoverished way. For example, the healthcare sector in India was hit extensively in the first wave and the second wave of the Covid-19 Pandemic. This was caused due to the lack of infrastructure, which brought about the emergence of the dimshing amenities of the bed and oxygens. Furthermore, the adverse impact on the

system has resulted in the establishment of the quarantine centres and the isolation wards in the regions of various states of India and even in the different nations of the world.

The cost-effectiveness of the healthcare system could be improved if there is the emphasis on the management of proper policies. It encourages the patients and other stakeholders in the industry to take the alternatives of the healthcare facilities (Rawat *et al.* 2021). This is generally understood through the potentiality of the expert staff as the accessibility of the tools and apparatuses.

The intervention of the government has permeated the new and experimenting treatments and cure. The cost-effectiveness of the healthcare amenities could be increased by the incorporation of the amenities such as the healthcare cards and other pension cards. These are extremely necessary as the demand for the standard healthcare amenities are upgrading. On the other hand, the production is still stagnant. Furthermore, the cost utility analysis should be enhanced for the same as the quality of a life matters more than its length.

The Healthcare system of India is attempting its best to improve to provide the quality service to all the sections of the society. It has encompassed certain financing strategies which could upgrade the mechanisms of the human resources, equipment and other infrastructural interests. The policy makers have put in immense efforts for the growth of the healthcare amenities and being able to deliver it to the most needed section. The government has even been focused on the establishment of the medical institutions and colleges to render cost-effectiveness. The new paradigm has recognised the prevalent challenges evolved due to the Covid-19 Pandemic.

The policy makers should understand the diverse culture of the country, while formulating the policies. The Government must be able to comprehend the dynamic nature of the healthcare system as the characteristics of the diseases also keep varying. The stakeholders such as doctors, in charge and other people related to the domain should also be consulted for their needs and expectations (Bogart *et al.* 2019). The existing ones should also be improved for better results in both the economy and healthcare sector.

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