Rajendra Pratap Gupta
President & Member
Board of Directors

August 21, 2012.

Dr.Manmohan Singh,
Prime Minister
Government of India
7, Race Course road , New Delhi -110001.

Shri. Ghulam Nabi Azad
Union Minister for Health & Family Welfare
Government of India.
Nirman Bhawan, New Delhi – 110108.

Reference: Faster, Sustainable & more inclusive Growth- An approach to the 12th Five year plan - Health

Dear Dr.Singh & Shri Azad ji,

Congratulations on pushing healthcare at the top of the agenda for the 12th five year plan . I am writing this note on behalf of the Disease Management Association of India – DMAI – The Population Health Improvement Alliance .

About Disease Management Association of India (DMAI) Disease Management Association of India (DMAI - The Population Health Improvement Alliance), was formed by Executives from the Global Healthcare industry to bring all the stake holders of healthcare on one platform. DMAI has been successful in establishing an intellectual pool of top healthcare executives to become an enabler in building a robust healthcare system in India. India is on the verge of building its healthcare system, and it has a long way to go. DMAI is building the knowledge pool to contribute & convert 'Ideas' into 'Reality' for healthcare in India. DMAI is the only not-for-profit organization focused on population health improvement in India

Through this note, we wish to draw your attention to the 12th Five Year Plan approach paper dated October'2011, on the Health chapter (chapter 9, page 87-95) and put forth some suggestions for your kind consideration and action

The approach paper correctly highlights the areas of concern and seven measurable targets like; IMR- Infant Mortality Rate, MMR- Maternal Mortality Rate, TFR- Total Fertility Rate, Under-nutrition among children, anaemia among women and girls 2

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(According to this plan paper , 55.3 % of the girls are anaemic) , provision of clean drinking water for all & improving child sex ratio for age group 0-6 years .

Given the formidable challenge that the Indian healthcare system faces, of having 830 million rural population & 6,40,000 villages, we need to be innovative to find solutions that leads to better health outcomes at standards comparable to the best and with least price points that are sustainable in the medium and long term. Also, the role of technology (Telemedicine and mobile Health) for rural health and chronic disease management, is missing from the plan paper. Without Telemedicine , the goal of 'Inclusive healthcare' will remain a distant dream.

Let me take the most critical issue for which India has invested billions of dollars , and still has been facing the flak of all the international bodies and i.e. the issue of Infant mortality and maternal mortality .

We have about 18 million births every year (about 34 per minute), with highest number of still births, according to a study by Lancet . So clearly, there has to be an action plan for 18 million mothers; right from the time of conception which includes awareness , education , sensitization , nutritional & medical support as an Integrated 'Healthy Baby Mission' for India . This will cost about Rs. 5000.00 per new born (not including delivery charges and post natal care). If we include all , this could reach around Rs.10000.00 to a maximum of Rs. 15000.00 per baby. So , a total budget of Rs. 18000 crores would be needed to fix the problem if we invest Rs.10,000 per new born baby every year . But assuming the number of rural births to be 12.6 million (70% of all births i.e 70 % of 18 million per year), of which 80 % i.e. 10.08 million only need financing ; and the number of births in urban India to be 5.4 million (which is 30 % of all births i.e. 30 % of 18 million), of which 50 % i.e. 2.7 million need financing, the net investment comes to not more than Rs.12,780 crore per year taking an investment of Rs 10,000 per baby per year. To make this happen, a radical change in approach is needed. Also, hoping that population stabilization efforts will contain the cost of financing in the medium and long term.

Without innovating with radical changes, this program or any program that we are building for IMR – MMR, is not going to yield any results ! ICDS has spent thousands of crores for the past 35 years and we are still trying to figure out a new model for ICDS with an inter-ministerial group ! Hoping that the new program will deliver ! Despite the fact that the ICDS has a budget of Rs. 10,000 crore for 2011 / 12, and for the entire 11th five year plan had a budget of Rs. 38980 crore, still our IMR – MMR is amongst the highest in the world.

On page 90, point 9.18, the plan paper states that, "One of the major reasons for the poor quality of health services is the lack of capital investment in health for a prolonged period of time. 3

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The National Rural Health Mission had sought to strengthen the necessary infrastructure in terms of Sub-centres, Primary Health Centres and Community Health Centres. While some of the gaps have been filled, much remains to be done. According to the Rural Health Statistics (RHS), 2010, there is a shortage of 19,590 Sub-centres; 4,252 PHCs and 2,115 CHCs in the country".

According to point 9.19, "It is essential to complete the basic infrastructure needed for good health services delivery in rural areas by the end of the Twelfth Plan".

The plan paper rightly talks about lack of human resources and the accountability of people recruited. Given the complexities of the challenges faced and the keenness of the Government to save the Indian healthcare system from the pain & irreversible damage being faced by the healthcare systems in USA, U.K. & Europe , it is imperative to focus on the plan papers note on point 9.34 on 'Publicly Financed Healthcare' . This is a very good move and will yield significant positive outcomes

According to the point 9.34, "Public financing of healthcare does not necessarily mean provision of the service by public providers. It is possible to have public financing , while the service itself is provided by private sector players, subject to appropriate regulations and oversight. This type of partnership is common in many areas, but its scope has not been fully explored in the health sector. However, a number of experiments are now in operation, which allow for private sector participation. At the Central level, the Rashtriya Swasthya Bima Yojana (RSBY), is a health insurance scheme available to the poor and other identified target groups where the Central Government and the State Governments share the premium in 75:25 ratio. RSBY covers more than 700 in-patient procedures with a cost of up to Rs. 30,000/-per annum for a nominal registration fee of Rs. 30/-. Cashless coverage, absence of any bar based on pre-existing conditions and age limit are other unique features of this scheme. A total of 2.4 crore families have been covered under RSBY and over 8,600 health care providers are enrolled in the selected districts across 29 States and Union Territories. In several Central Government hospitals, pathology and radiology services are outsourced to private providers".

"State Governments are also experimenting with various types of PPP arrangements which at times also include actual provision of healthcare by private practitioners. Public Private Partnership (PPP) as a mode to finance healthcare services, if properly regulated, can be of use to the intended beneficiaries. However, care needs to be taken to ensure proper oversight and regulation including public scrutiny of PPP contracts in the social sector to ensure freedom from potential conflicts of interest and effective accountability".

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Taking into account the recommendations of this plan document, contributions , achievements and learning from other sectors , I would like to highlight the following :

Private sector has clearly made commendable difference to oil exploration , road building , ports , airlines , news and media , education & telecom, besides other sectors. Not only have the services increased & improved drastically, but India has also attained global standards in many fields where private sector participated, bringing in more and better options to the public at affordable price points. In addition, this has created more employment than the public sector. According to the report by the Planning Commission and Directorate General of Employment and Training (DGET) , Ministry of Labour and Employment, between 1994-2008, the employment has de-grown by -0.65 % in the public sector ,while it has grown by 1.75 % in private sector .

We have achieved a lot by actively engaging the private sector in various segments of the economy. We have also learned a lot during this journey . Now is the time to translate the learning and involve the private sector in government programs for healthcare, and make sure that we have a healthier nation, with investment in healthcare leading to positive outcomes . Not only that PPP's in health will lead to better health outcomes with accountability but also lead to increased investments and employment generation.

Need of the hour is to implement the recommendations of the Planning Commission . We need to chart out the road map for private sector engagement , and also the guidelines to balance profits with outcomes and not trade one for another ! We lack an economic model for healthcare. If we madly rush for Universal Healthcare in the name of social mandate without a proper implementation roadmap and with checks and balances , we would have embarked on a road of irreversible financial losses to the exchequer with little or no impact on the healthcare outcomes. Past experience with various government run programs shows us that we have been running ICDS in the health sector for about four decades ,and we still are rated amongst the worst when it comes to Infant mortality and maternal mortality ! Time to immediately introspect and correct as in the approach paper of the 12th five year plan.

Recently, I have been approached by two international organizations ; MAMA Alliance and the MDG Alliance

The MAMA Alliance (Mobile Alliance for Maternal Action) is a Private Public Partnership launched in May 2011 by the founding partners- United States Agency for International Development , Johnson & Johnson with supporting partners – the United Nations foundation , mHealth Alliance , and BabyCenter.

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MDG Alliance is working with the support of UN Foundation , World Bank, UNICEF, PMNCH , and the Global Compact .

I have accepted to support them by joining them as the advisory board member / partner . Such organizations will do what is easily doable by the PPP models within India !

It is the time to seriously re-consider our approach for each program, and sit & discuss with the sector that brings phenomenal execution capability (the private sector) and work together to come out with an economic and health outcomes model for the Indian healthcare system

Without the private sector engagement healthcare will remain a 'bottomless pit' for the exchequer and accountability issue will never get addressed . But for sure , with the right PPP models , we will have a faster , sustainable and more inclusive growth in the 12th five year plan ; The goal of the government .

With best regards

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Member, World Economic Forum's Global Agenda Council.
Board Member, Care Continuum Alliance , Washington DC.
President & Board Member, DMAI – The Population Health Improvement Alliance

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