Healthcare in India: Challenges and Possibilities

The health status of citizens determines the level of growth of a country. It not only increases the productivity of the labour force, by making them healthier, but also channelises this increased productivity in the circular flow of income in the economy. The health system in India has grown during the rapid economic growth phase but in a few specific areas. The public sector has adopted the Millennium Development Goals where the government set targets to reduce Maternal Mortality Rate (MMR) by three-quarter between 1990 and 2015 and to stop the spread of HIV/AIDS, Malaria and other diseases.

The country has lagged in terms of health outcomes compared to high and middle-income countries. For example, the MMR in India was 200 per 100,000 live births and the infant mortality rate was 44 per 1000 live births in 2012, while the corresponding figures were 12 and 4, respectively, in the United Kingdom1.

One important reason for the poor health scenario is the shortage of adequate infrastructure and human resources. The number of allopathic doctors who possess recognised medical qualifications from state medical councils in the year 2011 was 0.76 per 1000 population, and the number of registered nurses was 1.56 in 2010. Bed density in government hospitals was 0.65 per 1000 population in 2011.

Improvement in general health infrastructure and health resources, in turn, are closely dependent upon public as well as private health expenditure. The health expenditure of India is compared to other low, middle and high-income countries in Table H.1. India spends significantly less on health.

The private sector in India plays a significant role in providing healthcare. Per capita health expenditure incurred by the public sector was ₹242 in 2004–05, while it was ₹959 by private sector (Table H.2). However, the price of private healthcare is exorbitant, which impedes poor people from accessing the system. Quality control and monitoring of the services are also grim issues in the private system.

To address the bleak health status scenario in India, the Planning Commission in its 12th five-year plan document has targeted to establish “a system of Universal Health Coverage”. Such an ambitious vision can only be achieved by setting mission mode goals that address the above-mentioned challenges. The goals would include scaling up health insurance coverage along with the option of strengthening operational elements of insurance schemes.

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1. World Data Indicators, World Bank.