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Health System in India: Opportunities and Challenges for Enhancements

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Abstract: *One of the basic vitalities of good living is quick access to essential services like health care. But many times it could mean a condition of life and death for an individual who is unable to get the access to these services. Thus an important part of social sector development is incomplete without adequate health care facilities. The quality of human health is the foundation upon which the realization of life goals and objectives of a persona, the community or nation as whole depends. It is both an end and means of development strategy. The relationship between health and development is mutually reinforcing- while health contributes to economic development, economic development, in turn, tends to improve the health status of the population in a country. India as a nation has been growing economically at a rapid pace particularly after the advent of New Economic Policy of 1991. However, this rapid economic development has not been accompanied by social development particularly health sector development. Health sector has been accorded very low priority in terms of allocation of resources. Public expenditure on health is less than 1 per cent of GDP in India. This research paper focuses on the current status of the Indian healthcare industry, the challenges faced plus the comparison of few selected Indian states based on health indicators. Furthermore comparison of India with some developed and developing countries is also employed in order get the clear picture of the health sector. In order to boost the development line, some opportunities in the health care industry are also discussed and necessary policy implications. Regarding in this connection India lags behind in regard of health improvement as compared to U.S.A, Canada, China, and Brazil, but contrary to other developing countries like Pakistan, Bangladesh the scenario is better with life expectancy, Mortality ratios, health care spending speak volumes about the healthcare status. When analyzed through the prism eye, within India there are large disparities amongst states in achieving health outcomes as well. Before liberalization the improvement was at a snail's pace, but after liberalization the whole picture changed because the key initiatives to improve the current healthcare standard a two prong strategy focusing on the infrastructure needs and the technology solution were implemented, which resulted in the healthy scenario of the healthcare industry. Healthcare sector, a leading weapon as the contributor to GDP (approx.8%) is thus the matter to be deeply looked into, so that golden harvest is reaped.*

I. Introduction:

Health is a fundamental human right and a worldwide social goal. Health is necessary for the realization of basic human needs and to attain the status of a better quality of life. Improving the quality of growth is an important goal of the development archetype in many developing countries. Better health, education, equal and wider job opportunities to all, trustworthy and transparent people's intuition, sustainable and cleaner environment, dignity, self-esteem and life security, among others, are key manifestations of the quality of growth (WB, 2000).

If the quality of human capital is not good, physical capital and natural resources cannot be properly utilized and growth neither be sustained nor be qualitative. According to WHO, "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". The health status is usually measured in terms of life expectancy at birth, infant mortality rate, fertility rate, crude birth rate and crude death rate. These indicators of health are determined by numerous factors such as per capita income, nutrition, housing, sanitation, safe drinking water, social infrastructure, health and medical care services provided by government, geographical climate, employment status, incidence of poverty (Reddy, 1994). It is in reality the quality of human health upon which the realization of life goals and objectives of a persona, the community or nation as whole depends. Health is multi-dimensional phenomenon as it is both an end and means of development strategy. The relationship between health and development is mutually reinforcing- while health contributes to economic development, economic development, in turn, tends to improve the health status of the population in a country. Health is also an important entitlement that enhances "capabilities" of the poor people leading to increase in "commodities" and further improvement in health status (Bloom, 2004). As investment on health increases, the productive capacity of the working population, and hence the level of income tends to rise and to that extent it contributes to a decline in the incidence of poverty (Reddy, 1994). With rapid improvement in health particularly of the poor "vicious circle" of poverty can be converted into "virtuous circle" of prosperity (Mayer, 2000). Although there has been a two-way relationship, a strong causal link from adult health to

economic growth is observed by many studies (Mayer, 1999). Further, Knowles and Owen (1997) and Jamison and Wang (1998) find that life expectancy contributes to economic growth more than education. In addition to its direct impact on productivity, health has other effects on economic development and demographic transition. Good infant health and nutrition directly increase the benefits of education (WB 1993; WHO 1999).

However, India is one of the major countries where diseases are still not under control. India's healthcare sector, however, falls well below international benchmarks for physical infrastructure and manpower, and even falls below the standards existing in comparable developing countries. This study examines the opportunity and the major challenges in the key segments of the healthcare sector. The rest of the paper is structured as follows: Section II presents the literature review while section III presents the data base and research methodology. We describe the data and present the results in section IV .The conclusion of the study and the policy implications are presented in the final section

II. Review Of Literature:

Due to intensified competition, government of India have started realising the significance of improving health system for economic growth. In this context, the present study reviews the literature relating to the study so as to formulate the problem precisely and develop a rationale for its undertaking. The basic objective is to indicate in a general way the type of work done in this direction rather than to give exhaustive review of all the research work done on the problem. The review of various studies done will provides a broad spectrum about the health system in India which would be helpful to design the appropriate methodology for the present study.

Barro (1996) points out that by increasing longevity; health reduces the depreciation rate of human capital, making investment in education more attractive. It is a well-known fact that India is, next only to China, the second largest country in terms of population in the world. But the health status of a great majority of the people is far from satisfactory as compared to China and other developed countries. However, over the last five decades or so, India has built up health infrastructure and manpower at primary, secondary and tertiary care in government, voluntary and private sectors have made considerable progress in improving the health of its population (Ray 2003; Bhatt and Babu 2004).Health is also an important entitlement that enhances "capabilities" of the poor people leading to increase in "commodities" and further improvement in health status (Dadibhavi and Bagalkoti 1994; Bloom et al 2004). As investment on health increases, the productive capacity of the working population, and hence the level of income tends to rise and to that extent it contributes to a decline in the incidence of poverty (Reddy and Selvaraju 1994). With rapid improvement in health, particularly of the poor "vicious circle" of poverty can be converted into "virtuous circle" of prosperity (Mayer 1999; Mayer 2000; Bloom et al 2004). Grossman and Rand (1974) treat prevention and cure as separate inputs into the household health production function. They assume that groups with low depreciation rate of the health capital stock demand preventive health care and groups with high depreciation rate of the health capital stock demand curative health care. This allows for prevention and cure to be treated as substitutes by consumers. A higher endowment of health increases demand for health investment, so differences in endowed health are magnified in terms of attained longevity. Cropper (1977) gets the same results for preventive health care with endogenous length of life and depreciation rate rising with age. In general, since the risks of different illnesses show different lifecycle patterns, the demand for prevention depends on the specific intervention, where intervention is defined as any attempt to intervene or interrupt the usual sequence in the development of a disease. For some preventive actions like exercises, the health benefits are realized much more quickly by older people and so will be not as heavily discounted as when young people consider the intervention. In addition to models that take the human capital approach, models of insurance and behaviour under uncertainty also analyze prevention decisions. Intuitively, health is an irreplaceable commodity given the incompleteness of the technology of cure. Despite insurance for curative care, prevention is attractive because the choice is between completely preventing the illness or incompletely curing it. Many large firms pay healthcare claims of their employees. These firms have an added incentive to invest in prevention for improving employee productivity and reducing absenteeism (Kenkel, 2000)

OBJECTIVES:

- To examine the status and problems of health services in India;
- To examine the quality of health services in India; and
- To compare health system of India with other nations.

DATA SOURCES AND RESEARCH METHODOLOGY:

The present study is based upon secondary data of 15 major states and All India level. Sources of data collection relating to health indicators and health infrastructure collected form Ministry of Health and Family

Welfare, Government of India, National Human Development Report, Planning Commission, Government of India and Population Census of India and World Health Statistics. Whereas, data related to socio-economic indicators collected from the Central Statistical Organization.

CURRENT STATUS:-

Healthcare is India's one of the largest part of service sector in terms of revenue and employment, and is expanding rapidly. During the 1990s, Indian healthcare grew at annual compound growth rate of 16%. Today the total value of the sector is more than $34 billion. This translates to $34 per capita, or roughly 6% of GDP (India's Health Report 2012). By 2013, India's healthcare sector is projected to grow to nearly $47 billion. Not only right to healthcare has been recognized as a fundamental right in India, there are several international obligations for India to pursue 'access and equity' in this regard. In 2009, the number of beds available per 1000 people in India was only 1.27, which is less than half the global average of 2.6. There are 369,351 government beds in urban areas and a mere 143,069 beds in rural areas. The number of qualified doctors in the country is not sufficient for the growing requirements of Indian healthcare. Moreover, rural "doctors to population" ratio is lower by 6 times as compared to urban areas. As of FY10, India had approximately 300 medical colleges, 290 colleges for Bachelor of Dental Surgery and 140 colleges for Master of Dental Surgery admitting 34,595, 23,520 and 2,644 students annually respectively. India needs to open 600 medical colleges (100 seats per college) and 1500 nursing colleges (60 seats per college) in order to meet the global average of doctors and nurses(Indian Health Statistics Report 2011).However the scenario is different as the medical personnel are concentrated in urban areas. Around 74 percent of the graduate doctors in India work in urban settlements which account for only approximately one-fourth of the population. The countrywide distribution of these institutes is also skewed as 61 percent of the medical colleges are in the 6 states of Maharashtra, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh and Pondicherry, while only 11 percent are in Bihar, Jharkhand, Orissa and West Bengal and the north-eastern states.

In addition, India is a signatory to the Millennium Development Goals. MDGs represent the will of the world's nations to achieve development objectives by the year 2015. The importance of healthcare in the MDGs is highlighted by the fact that providing healthcare to all is the duty of the Central and State Governments. Unfortunately, India is far from providing a universal healthcare coverage. Not only the improvements in health indicators have not only been slow, India lags far behind in world, including most developing countries and few least developed countries with respect to health indicators. In addition, within India there are large disparities amongst states in achieving health outcomes as well.

TABLE 1
HEALTH INDICATORS IN INDIA, 1951-2011

Indicator/year	Birth rate	Death rate	Infant Mortality Rate	Maternal Mortality Ratio	Total Fertility Rate
1951	40.8	25.1	148	1321	6
1961	38.7	20.6	129	1180	5.9
1971	36.9	14.9	120	853	5.2
1981	33.9	12.5	110	810	4.5
1991	29.5	9.8	80	424	3.6
2001	23.8	7.6	58	254	2.9
2011	21.7	6.9	44	197	2.5
AAGR	-1.103***	- 2.246	-2.016	-3.386	-1.577

AAGR stands for Average Annual Growth Rate in Percent

Note: *** represents that coefficient is significant at 1 percent level of significance.

Source: Author's Calculations

Table 1 reveals that in the period from 1950 to 1971, India was engulfed in health deterioration as the values speak so high. The trend continued with the gradual decrease in the values of the health indicators. The annual growth rate after every ten years declined. From the values of AAGR, all the indicators have shown a declining trend with death rate decreased twice the birth rate, and same situation followed in other indicators as well. Thus a dramatic change resulted with an improvement in health sector.

TABLE 2
SELECTED HEALTH STATUS OUTCOMES IN MAJOR INDIAN STATES

State	Life Expectancy	Neonatal Mortality	Infant Mortality Rate	Under five Mortality Rate	Total fertility Rate	Underweight children (%)
Andhra Pradesh	63.53	40.3	49	63.2	1.8	42.7
Assam	57.9	45.5	61	85	2.6	46.5
Bihar	60.8	39.8	52	84.8	3.9	55.6
Gujarat	63.4	33.5	48	60.9	2.5	51.7
Haryana	65.2	23.6	51	52.3	2.5	45.7
J&K	61.3	19.6	49	54.6	3.4	48.8
Karnataka	64.5	28.9	41	54.7	2.0	24.5
Kerala	73.5	11.5	12	16.3	1.7	50.0
Madhya Pradesh	56.9	44.9	67	94.2	3.3	46.3
Maharashtra	66.2	31.8	31	46.7	2.8	45
Odhisa	58.5	45.4	67	93.8	2.7	36.7
Punjab	68.5	28.8	38	52.8	1.9	43.7
Tamil Nadu	65.2	19.5	28	35.5	1.7	30.9
Uttar Pradesh	59.1	47.6	67	96.4	4.2	56.8
West Bengal	63.9	37.6	33	59.6	1.9	44.6

. Source: Indian Health Statistics Report 2012

Table 2 portrays the health status of selected states on the basis of health indicators. Life expectancy values of all the states lie above 57 Yrs., with the highest value attributed to Kerala followed by Punjab having value 73.5 and 68.5 Yrs. and with least life expectancy value acknowledged to Assam having 57.9Yrs.Neonatal Mortality Rates is highest in Uttar Pradesh with 47.6 per 1000 births die followed by Odhisa with 45.4 per 1000 births. The least Neonatal Mortality Rates is in case of Kerala with 11.5 per 1000 births. Other states like Andhra Pradesh also witness the high Neonatal Mortality Rates with 40.3 per 1000 births. In case of Punjab and J&K the values stand at 28.8 and 19.6.Contrary to the Infant Mortality Rates trend, Madhya Pradesh and Odhisa rank first with highest IMR rates equal to 67 per 1000 births respectively. However Kerala is the best performer in the segment with least IMR rate having 12 per 1000 births. Under 5 mortality rate is quite at peak level in case of Odhisa with 933.8 per 1000 births followed by Bihar, while as Kerala witnessed low value 16.7 per 1000 births. In case of total fertility rates, Kerala, Tamil Nadu performs well with value equal to 1.7 followed by Punjab having 1.9 total fertility rates. Maximum number of underweight of children is found in Uttar Pradesh followed by Bihar. Thus, Kerala suits as a best sample having acceptable values of life indicators. In case of poorly developing states like Odhisa, U.P., and Bihar, the health indicators portray a dark and fussy picture as the values lie well below the unacceptable levels.

COMPARISION OF HEALTH STATUS IN INDIA WITH SELECTED COUNTRIES

This section deals with indicators of life expectancy and mortality rates, including overall life expectancy at birth, as well as infant and under-five mortality (the probability of dying between birth and 1 and 5 years of age, respectively), and adult mortality (the probability of dying between 15 and 60 years of age).Neonatal mortality (death during the first 28 days of life per 1000 live births) accounts for a large proportion of child deaths in many countries, especially in low-income countries.

TABLE 3
SELECTED HEALTH INDICATORS

Indicator	India	China	Brazil	Srilanka	Thailand	US	Canada	Australia	Pakistan
IMR/1000 live-births	50	17	17	13	12	7	5	4	43
Under 5 mortality/1000 live births	66	19	21	16	13	7	6	5	46
Fully Immunized (%)	66	95	99	99	98	100	100	100	71
Health Expenditure as percentage of GDP	4.2	4.3	8.4	4.1	4.1	9.7	13.8	15.7	3.7
Birth by skilled attendants	47	96	98	97	98	99	98	98	43
Govt.share of total health expenditure (%)	32.4	47.3	44	43.7	74.3	81.8	72.7	81.3	49.8
Govt. health spending share of total Govt.spending (%)	4.4	10.3	6.0	7.9	14.2	16.8	19.7	21.8	12.8
Per capita Spending (in US $)	122	265	875	187	328	942	886	1012	124

Source: WHO Report 2011

Table 3 depicts the comparison of India with other countries. It seems quite injustice to compare India with countries like U.S.A, Canada, Australia, Brazil, because on every parameter regarding status of health India lags far behind. In case of IMR per 1000 India is at the top with IMR of 50 per 1000 births followed by its neighbor Pakistan having IMR of 43 per 1000.In other health indicators like percentage of fully immunized India's 66 percent of population is immunized, where as in case of Pakistan 77 percent of population is fully immunized where as U.S., Canada and Australia are fully immunized. The grim picture of the health sector in India is attributed to the less government spending in the health care facilities. In case of India the government share of total health expenditure is 32.4 percent, in case of Pakistan it is 49.8 percent and if we look at the values of per capita spending, the trend continues with India lagging behind followed by Pakistan.

TABLE 4
PER CAPITA HEALTH EXPENDITURE

Member	Per Capita Total Expenditure at Average Expenditure Rate US $			Per Capita Total Expenditure at Average Expenditure Rate in PPP in US $			Per Capita Govt. Expenditure on Health at Average Expenditure Rate in US $			Per Capita Govt. Expenditure on Health at Average Expenditure Rate in PPP in US$		
	2000	2007	2012	2000	2007	2012	2000	2007	2012	2000	2007	2012
India	20	40	63	66	109	124	5	17	38	16	29	43
China	43	108	123	2516	3900	4400	1405	3086	4321	1770	2730	3234
Brazil	267	606	879	506	837	1123	107	252	361	202	348	423
Australia	1728	3986	4345	2263	3357	4897	1155	2691	3489	1512	2266	3215
USA	4703	7285	8987	4703	7285	9867	2032	3317	4567	2032	3317	4012
Canada	2082	4409	5467	2516	390	4876	140	308		177	273	

					0		5	6	4087	0	0	3212
Bangladesh	9	14	45	22	42	65	3	5	9	8	14	31
Pakistan	15	28	54	48	64	123	3	7	14	10	19	43

Source: WHO Statistics Report 2012

Table 4 throws light on the per capita health expenditure. India's spending on health in 2000 was 20 $ while it is increased to 40 $ in 2007 and in 2012 to $ 63, while in case of Pakistan it was 15 $ to 28 $, 48 $, thus giving a poor picture of Pakistani economy, Contrary to other developed countries like that of U.S.A., Canada and Australia, India stands no where.

HEALTH WORKFORCE AND INFRASTRUCTURE:

This section presents data on the resources available to the health system – this includes physicians; nurses, dentists and hospital beds. Estimates of the numbers and density of the health workforce refer to the active health workforce – i.e. those currently participating in the health labor market..

TABLE 5
COMPARISON OF HEALTH FORCE AND INFRASTRUCTURE OF INDIA

Country	Physicians		Nurses		Dentists		Hospital density/100000
	Number	Density/100000	Number	Density/100000	Number	Density/100000	
Brazil	320013	17	549423	29	217217	12	24
China	1862363 0	14	1259240	10	136520	1	30
India	643520	16	1372059	13	55344	1	1.8
Canada	62307	19	327224	100	380310	12	38
U.S.A	793648	27	2927000	98	43663	16	31
Australia	19612	10	222133	109	29624	15	39
Pakistan	127859	8	62651	4	15790	1	6
Bangladesh	42881	3	39471	3	2344	<0.5	4

Source: WHO Report 2011

Table 5 deals with the healthcare infrastructure in India plus the comparison of selected countries. Health infrastructure in India is inadequate when compared with the global standards. It lags behind the global average in terms of healthcare infrastructure and manpower. India has an average 16 doctors per 10000 population against the global average of 12.3 17 which suggests an evident manpower gap. The penetration of healthcare infrastructure in India is much lower than that of developed countries. The lack of an efficient and accountable public health sector has led to the escalating of a highly variable private sector, which accounts for around 68 percent of overall health spending. This is despite the fact that India's economy has been growing at a reasonably faster rate that many other countries and is only behind China in this regard. Compared to the number of Physicians China is at the top with density of 14 physicians per 10000 populations, where as Bangladesh at lowest level amounting to 3 physicians per 10000. Hospital bed ratio is highest in China with 30 beds available per 100000, where as India is having 1.8 bed ratios. Thus in all parameters India is lagging behind when compared with China,U.S.A,Brazil,Canada but an improvement is visible when compared with developing countries like that of Pakistan and Bangladesh.

OPPURTUNITIES IN HEALTHCARE INDUSTRY:-

The Indian healthcare sector is ripe for the expansion and significant growth. One of the main factors is increase in the space of medical tourism in India. Medical tourism in India is growing at a compounded annual growth rate of over 27 per cent during 2009-2012. Medical tourism market is valued to be worth USD 310 million and is expected to generate USD 2.4 billion by 2012 and is growing at 30 per cent a year (Indian Health Report 2011).Due to increasing medical tourism and greater clinical trial activities in India, there is a need to upgrade the service standards and provide the state-of-the-art facilities to bring the service levels on par with

global standards. This changed outlook has created an excellent opportunities for the investors to provide much needed managerial and financial support.

Given the growing demand, the emergence of reputed private players, and the huge investment needs in the healthcare sector. In recent years, there has been growing interest among foreign players and non resident Indians to enter the Indian healthcare market. There is also growing interest among domestic and international financial institutions, private equity funds, venture capitalists, and banks to explore investment opportunities across a wide range of segments. Healthcare sector is a social sector, where right to use and equity are as important as the need to have further investment. Health is major segment of human capital. The opportunity to enter India's healthcare industry is very attractive. The estimated 4.2% of GDP generated from the healthcare market to reach over 1.2 billion denizens is underdeveloped and seems like a great opportunity for growth. The Indian healthcare delivery market is estimated at US$ 18.7 billion and employs over four million people, making it one of the largest service sectors in the economy today. Total national healthcare spending reached 5.2% of GDP, or US $54.9 billion in 2011 and is expected to rise to 5.5% of GDP or US $80.9 billion by 2012. This includes the pharmaceuticals market, government and private spending. Private segment constitutes bulk and growing rapidly, to reach $38 billion by 2012. There are various gaps in the Indian healthcare market, which also present a vast opportunity. Good healthcare in India is in extreme short supply. Hospitals in India are running at 80-90 per cent occupancy. There are some economic factors which make India such an exciting market. Since healthcare is dependent on the people served, India's huge population of a billion people represents a big opportunity; mainly the middle income group representing 300 million. A significant portion of the population receives inadequate or no health care, specifically 25.7% living below the poverty line and those who have only the public health system to rely on. Thus Indian healthcare sector represents a deal to transform the opportunity into potential, so that social sector plus the overall economy flourishes.

CHALLENGES IN THE INDUSTRY

Changes in the health policy of a country have to be modified to the needs and prevailing situation. This is best explained when we discuss health reforms in India. India, with its unique demography, diversity, political and social systems and a recent leap in economy can be a challenge to the policymakers. This section discusses the problems in healthcare delivery in India and social, economic and political fundamentals for undertaking reforms in Indian healthcare system. Problems in healthcare delivery in India can be broadly divided into problems of inequality, socio-economic-political problems and unregulated growth of private healthcare.

Problems of Inequality:

The effect of social and economic inequality on health is insightful. Poverty, which is a result of social and economic inequality in a society, is detrimental to the health of population. The outcome indicators of health (mortality, morbidity and life expectancy) are all directly influenced by in-equality in a given population. More so, it is not the absolute deprivation of income that matters, but the relative distribution of income. There is no other country where the distribution of the healthcare resources is abysmally unequal as in India. Only five other countries in the world are worse off than India regarding public health spending (Burundi, Myanmar, Pakistan, Sudan, and Cambodia). The growing inequalities in health and health care are taking its toll on the marginalized and socially disadvantaged population.

Socio-economic problems

The state of economy has a direct effect on the state of health in a country. The healthcare infrastructure directly depends on the economic strength. The recent changes in the economic policies had a definite effect on the healthcare in India. In 1991 a program of economic policy reforms was launched with a view to attain macroeconomic stability and higher rates of economic growth. Since India's economic reforms were launched in 1991, the Indian economy has sustained an annual average growth rate of over 6 per cent. In 2003-04, GDP growth was around 7.5 per cent. Health Sector policies in India have tended to stress on reducing population growth. Stabilizing growth of population is a matter of importance for a large country like India, as there are links between overall health status of population and population growth rate. In many of the Indian states where stabilization of population growth is not a priority, their health and social status is among the worst in the world. Diseases of poverty continue to affect more than half the population while environmental degradation; occupational hazards and new contagious diseases such as AIDS have a serious impact on the population. The phenomenon of Urbanization has intensified problems of healthcare. Illiteracy and lack of awareness amongst masses pose constant threat to the fabric of the society, thus tilts the band of health in the wrong direction. Persistence of poverty in the social structure also complicates the health scene. The poor suffer excessively because of the double burden of traditional diseases as well as modern diseases that are caused by

industrialisation and rapid resource depletion. As a result, social inequalities persist and these affect the health of the poor more severely than it does the more well-heeled groups.

Political will

India is a representative rather than a participatory democracy. Once the elections are over, the politicians who run the federal and state governments don't really need to go back to the electorate for every major decision. So, in the five years between one election and another there hardly are any means available to the citizens to voice their opinions on any decision taken by a government. In India, there are numerous gaps left by the government in the development process - sometimes by intention or due to lack of funds and sometimes due to lack of awareness. Most Indian politicians are hesitant to take harsh but healthy decisions as the politics of vote dominates the agenda. In the process, equality and social justice is an unavoidable subject. As in any reforms, a strong political will is of essence in health policy reforms too. The political will should be genuine and continual over a period of at least one to two decades to bring about any appreciable change in the system.

Emergence of private Healthcare

Medical care in India has been in recent past prolific by private healthcare providers. The role of the private sector is getting stronger in view of the government's financial constrains in expanding the health infrastructure and increasing healthcare costs. A rapidly increasing middleclass prefer private medical care. The understandable inadequacy of resources in government-run medical care infrastructure has also shifted the demand towards private concerns. Besides, the emergence of private insurers and increasing spread of medical insurance is also giving a boost to private medical care. The rapid growth of private sector has given rise to some concerns. The necessity, appropriateness and efficiency of care delivered by medical care facilities are increasingly under question. There is a widespread belief that most facilities overcharge by way of unnecessary diagnostic tests and by stretching the patient's length of stay. The problem is exacerbated by lack of regulation and institutional pressure to lower 'cost per illness episode. Inspite of these concerns, the private healthcare sector is growing and becoming stronger. The growth of private healthcare sector has been largely seen as a boon, however it adds to ever-increasing social dichotomy. The dominance of the private sector not only denies access to poorer sections of society, but also skews the balance towards urban-biased, tertiary level health services with profitability overriding equality, and rationality of care often taking a back seat. The increasing cost of healthcare that is paid by 'out of pocket' payments is making healthcare unaffordable for a growing number of people. One in three people who need hospitalization and are paying out of pocket are forced to borrow money or sell assets to cover expenses. Over 20 million Indians are pushed below the poverty line every year because of the effect of out of pocket spending on health care. In the absence of an effective regulatory authority over the private healthcare sector the quality of medical care is constantly deteriorating. Powerful medical lobbies prevent government from formulating effective legislation. A recent World Bank report acknowledges the facts that doctors over-prescribe drugs recommend unnecessary investigations and treatment and fail to provide appropriate information for patients even in private healthcare sector. Although services offered are excellent but are unaffordable for a common man. This re-emphasizes the role, socio-economic inequality plays in healthcare delivery.

Other Challenges

Many hospitals and healthcare providers are struggling with outdated information technology in India today. A major challenge for our nation and the healthcare industry would be not only to retain the healthcare workforce but also to develop an environment, which would attract those abroad to return (reverse brain drain). The growing demand for quality healthcare and the absence of matching delivery mechanism pose a great challenge. There is an acute shortage of faculty of medical teachers all over the country. One of the pivotal factors to sustain the projected growth of the healthcare industry in India would be the availability of a trained workforce, besides cheaper technology, better infrastructure etc. Another challenge will be to find good talent in India to provide the ancillary healthcare services; especially the voice based ones which require not only good English communication skills but also very good analytical skills

POLICY RECOMMENDATIONS

With a view to take optimal advantage of demographic dividends and knowledge as a source of growth, it is essential to improve quality of human resources. For enhancing quality of human resources through health sector the following policy recommendations must be made:

First very meagre funds are allocated to health sector in India. The level of public expenditure on health in India should be enhanced considerably. Most of the policy documents including National Health Policy 2002; and the National Rural Health Mission (2005-2012) have recommended increasing health expenditure to around

3 per cent of GDP (Choudhury, 2006). This recommendation should be adopted with immediate effect, and not mere lip service

Secondly, it is recommended to reduce regional disparities in the provision of health services. With a view to ensure health services across states, expenditure on basic health services should be State wise. Poor and backward states lagging behind need quantum jump in the level of funding of health services. The expenditure on health services should be stepped up to the level of 5 per cent of State Domestic Product in most backward states like Bihar and Jharkhand, Odhisa.

Thirdly, with a view to reduce rural-urban divide in the provision of health services, the government of India has launched a programme known as National Rural Health Mission (NRHM). The pace of implementation of the Mission is very slow. It must be speeded up so that the access to health services by the rural people in general and poor in particular gets improved. For improving the quality of health services the government on priority basis should fill all the vacant posts of medical personnel particularly doctors and nurses, improve the quality of infrastructure and availability of medicines. Although Private sector has emerged as the major provider of health services in India, but to control sector on account of price, quality of services, unethical practices, it is recommended to draft an effective regulatory mechanism.

III. Conclusion:

'Every area of trouble gives out a ray of hope; and the one unchangeable certainty is that nothing is certain or unchangeable'. These words of John F.Kennedy offer a ray of hope when we look at the healthcare system in India. While considerable progress has been made in improving the health of the Indian population, the current status still portrays a grim picture. This is ironical, considering that India spends a comparatively large share of its gross domestic product (GDP) on health and despite this achievements are not optimal. The responsibility of the government to provide primary healthcare is a part of a larger goal to create 'equal society' as repeatedly emphasized in the Preamble and Directive Principles of the Constitution of India.

However there have been significant advances in the healthcare system in India over last few decades. Despite these recent strides the health system remains ineffective in providing basic minimum care as promised in the Indian Constitution. The fiscal constraints on the government make it obligatory for the private healthcare providers to take over part of the responsibility. New ways for establishing, strengthening and sustaining the private- public co-operation are essential for rejuvenating the system. With the increasing population and the growth of middle income group, the access of medical services has gained prime importance. With several initiatives taken by government to address the infrastructure requirements the need for technology solutions have grown rapidly. In the absence of technology solutions the healthcare sector cannot achieve its full potential as there would be cases of excess and insufficient capacity of specialized services at various locations. All this can be achieved with the help of integration and thus helping our own economy to be at the zenith

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