

AJAY BAKSHI | CEO | MAX HEALTHCARE

Expect increased FDI inflows in healthcare sector

THIS time of the year, for me, has always been a time for reflection and rumination.

As I dwell upon the year gone by and look ahead toward new beginnings, a few trends emerge that will define the way forward for the healthcare sector: Growth—faster, sustainable and inclusive; these are the mantras of the Planning Commission for the 12th five year plan, which aims to increase public health spending to 2.5% of GDP by 2017. Some of the levers that the government will employ to achieve this:

■ A broader vision for National Rural Health Mission. This includes a sharper focus on preventive care along with a curative model. However, well publicised reports have brought to light that NRHM funds in many instances have not been fully utilised and have eventually lapsed. According to the Rural Health Statistics (RHS) 2010, there is shortage of 19,000 sub-centres; 4,000 primary health centres (PHCs) and 2,000 community health centres (CHCs). Moreover, there is no systematic public health infrastructure available to the *aam aadmi* in urban slums and settlements.

■ Establishment of 6 new AIIMS like institutions. The govern-

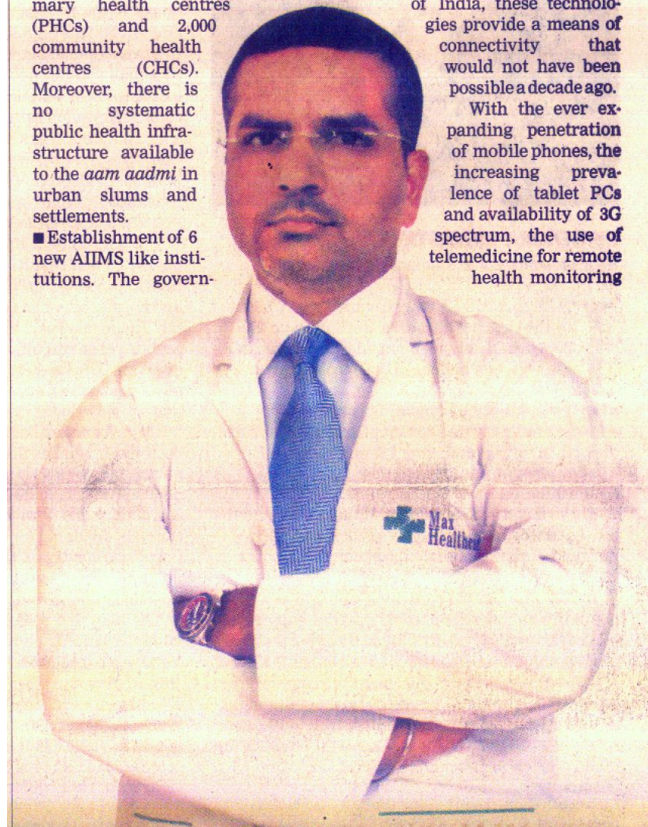
in no small measure is the paucity of skilled clinical manpower.

Thus, a combination of the strengths of the public and private sectors to deliver quality healthcare is the only sustainable and inclusive way forward toward Universal Health Coverage. Specific, time-bound and action oriented public private partnership (PPP) projects with defined measures of success should be the focus for this year. These will be powerful mechanisms for achieving improved healthcare delivery outcomes.

Another trend that has been gaining momentum over the last few years and is likely to be in the 'eye of the storm' so to speak is the dispersion of mobile health technologies. A thrust area outlined in the draft 12th plan document is the increased connectivity of public health centres through mobile and computer technologies. In emerging and resource constrained economies like that

of India, these technologies provide a means of connectivity that would not have been possible a decade ago.

With the ever expanding penetration of mobile phones, the increasing prevalence of tablet PCs and availability of 3G spectrum, the use of telemedicine for remote health monitoring



ment has allocated approximately \$1.2 billion for establishment of these hospital complexes and upgradation of 13 existing medical colleges. These hospital complexes are expected to be complete by October 2012.

■ Increased coverage through social health insurance schemes like the Rashtriya Swasthya Bima Yojna. The coverage of RSBY will now be expanded to cover seven additional unorganised sectors including rag pickers, autorickshaw and taxi drivers and sanitation workers. Moreover, in a first time move two private trusts have been given approval to enrol their beneficiaries into the RSBY scheme which will add 2.5 lakh families to the existing covered population.

These measures will have far reaching implications for the healthcare delivery sector in terms of infrastructure, manpower and health service delivery protocols and bring with them numerous opportunities and challenges. The demand for health services will increase but the existing infrastructure is unable to meet even the demands of the current system; about 127 million below poverty line (BPL) families which were previously 'outside the system' now have some form of basic health insurance coverage and are availing healthcare services.

The pressure created by increased affordability and accessibility may lead to compromises in quality of care. The increase in maternal infections at government hospitals including the well publicised deaths of 15 women in Jodhpur earlier this year, due to post delivery complications is a case in point. Contributing

Specific, time-bound and action oriented public private partnership projects with defined measures of success should be the focus for this year

is likely to gain critical mass. These applications will be useful in not only spreading mass awareness but also monitoring patients with chronic diseases such as diabetes. They will increase accessibility especially for remote populations by enabling successful implementation of hub and spoke models of care delivery. However, for these initiatives to be effective sustained collaboration across sectors such as IT, telecom, healthcare and government will be required.

Lastly, this sector is likely to experience an increased inflow of FDI. We have already witnessed some large foreign investments; the investment by South Africa's Life Healthcare into Max Healthcare, Abbott Laboratories' purchase of Piramal Healthcare; Reckitt Benckiser's purchase of Paras Pharmaceuticals to name a few. This trend is likely to continue unabated with many global players looking to increase their presence in the pharmaceuticals, nutraceuticals, healthcare delivery, medical devices and even wellness segments. Standardisation of care delivery, exchange of information and best practices and creation of new knowledge are just a few of the benefits that would accrue.