

The Healthcare System in India - Prerequisites, Problems and Directions for Development

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Abstract

Easy and affordable access to healthcare services is one of the fundamental vitalities of good living. However, for an individual who is unable to access such health facilities, it could mean a situation of life and death. Therefore, without adequate health care facilities, an important part of the development of the social sector is incomplete. The quality of human health is the basis on which the development of a person, the community or nation as a whole, depends and is the core of development strategy. Health and development are mutually related - health leads to economic growth, economic development, in effect, tends to improve the health status of the country's population. India as a country has been growing economically at a good pace, but, this speedy economic growth was not followed, in general, by development in the health sector. In terms of the resource investment, the healthcare sector has been given very low priority.

This research paper focuses on the current challenges and problems faced by the Indian healthcare industry. The study also reflects on dynamic changes in political, demographic and socioeconomic characteristics that present the challenges, opportunities and impact on the economy and development of health profile of society. In order to uplift the development of healthcare segment, the prerequisites and factors for developing the health system are discussed. In this paper an attempt has been made to analyze the challenges of public health in India and guideline is recommended what can be done to develop the health system in India.

Key words: India; Healthcare; Healthcare challenges; Health System Delivery; Opportunities; Development; Impact; Health Prerequisite;

Jel: I11, I13, I15, I18

Introduction

Health is not distributed fairly or equitably among the world's citizens. India's inhabitants are burdened with significant portion of the world's disease, but has only limited healthcare staff and financial resources are constraint¹. Of the 8 million children under the age for 5 who died in 2009, 99% lived in low and middle income countries. Effective health services could have avoided two-thirds of these deaths – adequate birth care, vaccines, antibiotics and other such basic steps². In order to reach the people who need affordable healthcare, it is the health systems themselves that need to be improved. Today, health is considered a human right, and it is the central and state that are responsible for fulfilling this right by promoting and protecting their people's health.

¹ World Health Report. Working together for health. Genève: WHO, 2006. www.who.int/whr/2006/en/

² Darmstadt GL, Bhutta ZA, Cousens S et al. Evidence- based, cost-effective interventions: how many newborn babies can we save? Lancet 2005; 365: 977–88.

Since the developing countries such as India will have the inadequate capacity to fulfil these commitments on their own, a concerted and targeted effort are made by the global donor community. But it is not enough simply to pump in funds, targeted or not, to lead to lasting changes in public health by creating sustainable health systems. The contributions also need to promote equity and fairness in the healthcare system.

The World Health Organization (WHO) reports that a health system should strengthen patients, families and local communities' health status. It must protect the population of the country from health threats and disease's destructive financial consequences. The health system must provide equal access to human health services and ensure the participation of local communities in decisions that affect their health and health systems³. Access to medical professionals, administration, procurement and distribution of equipment and drugs, funding mechanisms and information generation and use processes are key factors that underlie system failure in low- and middle-income countries⁴. A functioning health system is a prerequisite for a good healthcare of any country.

Health is a fundamental right of man and a target of society worldwide. Health is needed to fulfil basic human needs and to achieve a better quality of life status. Improving the quality of growth in many developing countries is an important development classic goal. Better health, education, equitable and broader employment opportunities for all, trustworthy and open people, intelligence, healthier and cleaner climate, integrity, self-esteem and protection of existence, among others, are main manifestations of growth performance. Unless the value of human capital is good, physical capital and natural resources cannot be used properly and development cannot be sustained or qualitative. The health is defined as "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity⁵". In general, health status is measured in terms of birth life expectancy, infant mortality rate, fertility rate, crude birth rate and crude death rate⁶. Health is a multidimensional phenomenon because it is both a goal and a means of strategy for growth. Health and development relationship are mutually reinforcing- while health leads to economic development, economic development in turn tends to improve the health status of a country's population⁷.

India is, however, one of the major countries in which diseases are not yet under control. Nevertheless, India's healthcare sector falls well below the global levels for physical infrastructure and human resources and even below the requirements in comparable developing countries. It is essential to review the major challenges in key health sector segments in India.

The purpose of this paper is to examine the major challenges in the healthcare sector and suggest the development of health system in India. The paper is organized as follows: Section 1 provides an overview of the prerequisite required for developing the healthcare system in India. Section 2 discusses the challenges in the key segment of the health care sector in the country and finally Section 3 concludes with the suggested guidelines to address the healthcare challenges to develop the health system in India.

1. Prerequisites for development of the healthcare system in India

Healthcare as a *public system* includes all socio-economic relations that are related to the health of the population. In other words, healthcare is a national system of political, financial, administrative and medical activities aimed at the well-being of public, personal and family health⁸.

Healthcare is also seen as part of the *social system* of society with its place and importance in the public life of the nation, composed of separate and interacting structures and actors through which public relations related to health are carried out.⁹

³ Key components of a well-functioning health system. Genève: WHO, 2010.

www.who.int/healthsystems/publications/hss_key/en/index.html

⁴ Travis P, Bennett S, Haines A et al. Overcoming health-systems constraints to achieve the Millennium Development Goals. *Lancet* 2004; 364:900–6.

⁵ World Health Organization Report 2011, 2012.

⁶ Reddy, K. N. (1994), "Health Expenditure in India : Is It Low?" *Finance India*, Vol. VIII, No. 2, June.

⁷ Bloom G (2004) *Private Provision in its Institutional Context, Lessons from Health*. DfID, London

⁸ Димитров, Гр. Рискове и предизвикателства при реформиране на здравната система. София, Издателство на ВУЗФ, 2018, 978-954-8590-46-4, с. 17

⁹ Right there.

In addition to studying the India's healthcare system with the analysis framework, Burns (2014) also highlighted dynamic changes underway in the country's political, demographic, socioeconomic, and epidemiologic characteristics that present the challenges and opportunities for the country¹⁰. These are outlined below.

First, political and diversity in religious belief system. India is a big nation with more than 17% of the world's inhabitants (as of 2011) and 42% of USA landmass. It is also a very diverse country, with 28 States and 7 union territories, at least 6 major religions (81 percent Hindu, 13 percent Muslim, 2 percent Christian, 2 percent Sikh, 1 percent Buddhist, and 0.5 percent Jain; 2001 data), and 22 percent officially recognized languages and 1,700 dialects. Indian healthcare funding and spending, healthcare facilities and healthcare results vary enormously¹¹. Couple of these variations represent differences in state income, which in turn represent differences in business activity and growth of the private sector, as well as the existence of capitalist investments in healthcare and willingness to invest in sectors that complement healthcare such as water, sanitation, nutrition, education, and basic infrastructure.

Second, demographic transitions in urban area. India is the second most heavily inhabited country in the world and expected to grow 1.35 billion by 2022 and 1.6 billion by 2050, thereby becoming number one in the world¹². The urbanization and concentration of the Indian population is increasing; whereas at the end of the 1980s only 25% of the 850 million inhabitants lived in towns, this proportion risen to 28% (2001) and 31% (2011) and is anticipated to exceed 55% by 2050¹³. This accumulation occurs in massive urban areas with a population of over 10 million (Delhi, Mumbai, Kolkata), massive metropolises of 5-10 million (Hyderabad, Bangalore, Chennai, Ahmedabad) and a host of large cities with a population of 3-5 million (Pune, Surat, Jaipur, Kanpur, Nagpur, Lucknow, etc.)¹⁴. In relation to the country's 53 "million-plus" urban centers, the previous decade has seen significant development in 415 urban cities with over 100,000 inhabitants. The 2011 census indicated that while urbanization rates are rising in cities and towns with more than 100,000 inhabitants, in the three megacities they have started to slow down: Delhi, Mumbai and Kolkata¹⁵. Together with these main metropolitan cities, which account for 70% of the urban population, the 7,467 urban cities with a population of 5,000–100,000 stayed mainly stable. Two additional trends in demographics are longer life expectancy and elderly population growth (in absolute numbers, not as a proportion of the complete population).

Third, socio-economic factors influencing economic performance. After economic liberalization, India was praised for its fast economic development between 1990 and 2010. Over this era, the country's GDP growth rate averaged 6.6 percent. The GDP growth rates rose from 5.7 percent (the average rate in the 1980s) to 6.1 percent (the average rate in the 1990s) to 8.1 percent (2003–04) and as much as 9–9.5 percent (2005–07) before dropping after the 2008 economic crisis. The "green revolution," based on the implementation of a package of industrial innovations such as chemical fertilizers and hybrid seeds in the 1970s, also encouraged economic growth. This revolution has fostered increasing productivity in India's agricultural sector (for some goods), which has increased living standards in rural regions. As a consequence, between the early 1970s (51.3%) and the early 1990s (28.6%) the incidence of poverty was almost halved. By 2004–05, levels of urban poverty had fallen to 26%, while rates of rural poverty fell to 28%¹⁶. The different definitions of poverty line status indicate the complete amount of poor individuals ranging from 330 million to 480 million. Literacy rates also rose from 52.2% (1991) to 64.8% (2001) and 74.0% (2011), according to census information.

¹⁰ Burns, L.R. (2014). India's Healthcare Industry: A System Perspective. In Burns, L.R. (Ed.), *India's Healthcare Industry: Innovation in Delivery, Financing, and Manufacturing*, 3-37. Cambridge University Press.

¹¹ A.K. Shiva Kumar, Lincoln C. Chen, Mita Choudhury, Shibam Ganju, Vijay Mahajan, Amarjeet Sinha and Abhijit Sen. 2011. "India: Towards Universal Health Coverage 6 – Financing Health Care for All: Challenges and Opportunities," *The Lancet*, January 12. Accessed November 21, 2011. <http://www.thelancet.com/series/india-towards-universal-health-coverage>.

¹² CIA (Central Intelligence Agency) (2019). India - The World Factbook [online] Available at <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

¹³ United Nations. 2008. *World Urbanization Prospects: The 2007 Revision Population Database*. Available at <http://esa.un.org/unup/index.asp?panel=1>

¹⁴ Wikipedia (2019). Classification of Indian cities [online] Available at http://en.wikipedia.org/wiki/Classification_of_Indian_cities

¹⁵ Census of India 2011. Provisional Population Totals Urban Agglomerations and Cites. New Delhi: Government of India. http://www.censusindia.gov.in/2011-prov-results/paper2/data_files/India2/1.%20Data%20Highlight.pdf.

¹⁶ Central Bureau of Health Intelligence (2010), *National Health Profile 2010*.

Despite economic growth and the resulting rise in personal income and tax revenues, however, the nation has failed to raise public spending on health care (or other social industries) in a proportionate fashion¹⁷. Indeed, liberalization has been followed by cuts in central government spending on healthcare and other social services to reduce public deficits and promote private sector development.

Employment and unemployment are also some of the most important indicators of a country's economic situation. Typically, employment increases have a positive impact on both individual income earners and the economy as a whole. Increasing employment implies an increase in tax revenue and a reduction in social assistance spending. All things being equal, this leads to a redirection of funds for the development of other spheres in the economy.¹⁸

At the macroeconomic level, the most common negative consequences of unemployment „are the formation of actual gross domestic product below potential, which leads to inefficient use of resources. All this has a negative effect on the financial status of individuals and their standard of living and, on the other hand, on the economy, since usually inefficient use of resources leads to a halt to economic growth opportunities”¹⁹.

Fourth, increasing prevalence of chronic disease in the population on the epidemiological front, typical of nations that boost national wealth. In particular, India is experiencing an increasing incidence of Western-style circumstances such as diabetes, hypertension, and obesity, as well as an increasing presence of lifestyle circumstances (e.g., heart disease) and cancer-related diseases. In India, for instance, 700,000 fresh instances of cancer are diagnosed each year; 800,000 individuals die each year from the disease²⁰. Chronic illnesses accounted for an estimated 50%+ of India's 10 million fatalities in 2004, compared with 37% of fatalities from transmissible illnesses, maternal and perinatal illnesses and dietary deficiencies²¹. The second major cause of death in India (after TB) is cardiovascular disease and diabetes. Cardiovascular diseases account for approximately one quarter of all fatalities among the 25-69-year-old population; ischemic heart disease is common in the West but not common in other developing and low-income countries. This represents a mix of India's fast lifestyle change, dietary change, increased levels of urbanization stress, decreased physical activity, and genetic predisposition to risk factors for heart illness (obesity, diabetes, and hypertension). India has also experienced the development of communicable diseases such as HIV / AIDS and TB in addition to chronic disease.

Fifth, the state and quality of the environment, as well as opportunities for its protection and improvement through a complex of mechanisms – economic, environmental and legal – to protect the life, health and working capacity of the population. Among these mechanisms, environmental insurance is of particular importance, which offsets accidental deviations in the country's economy and permits the normal course of the production process. Adequate quantification of the risk of environmental pollution is a major prerequisite for environmental safety in society.²²

In the end, the effective implementation of environmental risk insurance depends on the promotion of its benefits and broad public relevance to the population. On the other hand, it is important to promote it as a necessary element of corporate risk management of industrial enterprises for the insurance of environmental risk of anthropogenic nature and environmental protection.²³

¹⁷ A.K. Shiva Kumar, Lincoln C. Chen, Mita Choudhury, Shibam Ganju, Vijay Mahajan, Amarjeet Sinha and Abhijit Sen. 2011. “India: Towards Universal Health Coverage 6 – Financing HealthCare for All: Challenges and Opportunities,” *The Lancet*, <http://www.thelancet.com/series/india-towards-universal-health-coverage>.

¹⁸ Митков, М. Развитие на застрахователния пазар в условията на финансовоикономическата интеграция на България в ЕС за 10 години членство (2007–2016 г.). Алманах „Научни изследвания”, том 25, част 1/2018, ISSN: 1312-3815, с. 225.

¹⁹ Right there.

²⁰ Sevantika Bhandari. 2012. “Health Insurance in India.” Presentation to the Indian School of Business, Mohali, October 29.

²¹ Vikram Patel, Somnath Chatterji, Dan Chisholm, Shah Ebrahim, Gururaj Gopalakrishna, Colin Mathers, Vishwanathan Mohan, Dorairaj Prabhakaran, Ravilla D. Ravidran, K. Srinath Reddy. 2011. “India: Towards Universal Health Coverage 3 – Chronic Diseases and Injuries in India,” *The Lancet*, <http://www.thelancet.com/series/india-towards-universalhealth-coverage>;

²² Мишева, Ир. Застраховането на екологични рискове в системата от механизми за управление на качеството на околната среда. – Икономически и социални алтернативи, София, брой 2, 2016, ISSN 1314-6556, с. 41-45

²³ Misheva, Ir. Main features and particularities of the environmental pollution liability insurance. The Second International 28

All of these challenges will increase the demand of healthcare services and develop the need for establishing guidelines to address the healthcare challenges by means of employment in the private sector, increasing revenue levels, enhanced provision of medical experts, enhanced investment in health infrastructure and enhanced government investment in transport and telecommunications infrastructure.

2. Problems facing the health system in the country

The Indian healthcare industry is one of the world's largest and fastest-growing sector. The country's healthcare industry works with the assistance of both the private and public sectors. Public health care system includes the services and equipment regulated by both state and central government. The scheme of central government is useful in that it offers the individuals of rural regions with a variety of services and other equipment at no price or at concessional prices, as well as low-income individuals in urban regions.

Healthcare contributes to one of the largest part of service sector of India in terms of employment and revenue, and is growing rapidly. The Indian healthcare during the 1990s grew at annual compound growth rate of 16%. Today the total value of the sector is more than \$34 billion that translates to \$34 per capita, or 6% of GDP²⁴. In India, not only has the right to healthcare been acknowledged as a fundamental right, but India has several global commitments to pursue „access and equity”. In 2009, India had only 1.27 beds accessible per 1000 individuals, which is less than half the worldwide average of 2.6. There are 369,351 government beds in urban areas and a mere 143,069 beds in rural areas. The amount of skilled physicians in the nation is not enough to meet Indian healthcare's increasing needs. In addition, the proportion of rural „physicians to inhabitants” is 6 times smaller than that of metropolitan regions. In 2010, India had about 300 medical colleges, 290 Bachelor of Dental Surgery schools and 140 Master of Dental Surgery schools admitting 34,595, 23,520 and 2,644 students each year²⁵. About 74% of graduate physician's job in India is in urban colonies that make up only about one-fourth of the population.

India is signatory of Millennium Development Goal (MDG) that highlighted the fact that it is the central and state governments ' responsibility to provide healthcare to all. Unfortunately, India is far from providing a universal healthcare coverage. Not only have the improvements in health indicators been slow, but India is far behind in terms of health indicators, including most developing countries and few least developed countries. Moreover, there are also big disparities between countries within India in attaining health results. The problems in the healthcare system in India is categorized under social, economic and political fundamentals. Problems in healthcare system in India can be widely split into issues of inequality, socio-economic-political issues and unregulated development of private healthcare²⁶.

- **Inequity problems on health.** The health effects of social and economic inequality are discerning. Poverty, resulting from social and economic inequality in a community, is harmful to population health. The health result indicators (mortality, morbidity and life expectancy) are all affected directly by inequality in a specified population. Table 1 shows that India was enveloped in a decline in health during the period 1950 to 1971, as the values talk so high. The trend persisted with the gradual decline in health indicator values. The annual pace of development decreased after every ten years. From Average Annual Growth Rate values, all indicators showed a decreasing trend with the rate of death falling twice the rate of birth, and the same scenario followed in other indices.

Conference on Advances in Social Science Management and Human Behaviour – SMHB'14, 25-26 October 2014, Zurich, Switzerland, organized by Institute of Research Engineers and Doctors – IRED, USA, published by SEEK Digital Library, ISBN: 978-1-63248-032-3, p. 171.

²⁴Government of India (2015). Report of the National Commission on Macroeconomics and Health, Ministry of Health and Family Welfare.

²⁵ Government of India (2015). Report of the National Commission on Macroeconomics and Health, Ministry of Health and Family Welfare and Ministry of Finance.

²⁶ Nassir Ul Haq Wani, N. (2013). Health System in India: Opportunities and Challenges for Enhancements. *IOSR Journal of Business and Management*, 9(2), pp.74-82.

Table 1. Healthcare Indicators in India

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

(Source: Indian Health Statistics Report 2012)

What matters is not complete revenue deprivation, but relative revenue allocation. No other nation has an abysmally unequal allocation of healthcare resources as in India. In terms of public health spending (Burundi, Myanmar, Pakistan, Sudan, and Cambodia), only five other nations in the globe are worse off than India. Health and health care's increasing inequalities are taking their toll on the marginalized and socially disadvantaged population.

- **Socio-economic problems.** The state of the economy has a direct impact on a country's health. The infrastructure of health care relies directly on the financial strength. The latest economic policy changes have had a definite impact on India's healthcare. A program of economic policy reforms to achieve macroeconomic stability and greater economic growth rates was introduced in 1991. Since the launch of India's financial reforms in 1991, the Indian economy has maintained an average annual growth rate of more than 6%. Growth in GDP in 2003-04 was around 7.5%. Table 2 sheds light on health spending per capita. India's health expenditure in 2000 was \$20, rising to \$40 in 2007 and \$63 in 2012, while China was \$43 to \$108, \$123. Unlike other developed countries such as the United States, Canada and Australia, India does not stand where.

Table 2. Per Capita Health Expenditure

Country	Per Capita Total Expenditure at Average Expenditure Rate US \$			Per Capita Govt. Expenditure on Health at Average Expenditure Rate in US \$		
	2000	2007	2012	2000	2007	2012
India	20	40	63	5	17	38
China	43	108	123	1405	3086	4321
Brazil	267	606	879	107	252	361
Australia	1728	3986	4345	1155	2691	3489
USA	4703	7285	8987	2032	3317	4567
Canada	2082	4409	5467	140	308	

(Source: WHO Statistics Report 2012)

Policies in the health sector in India tended to stress the need to reduce population growth. Stabilizing population growth is important for a big nation such as India, as there are connections between the general population health status and population growth rates. Their health and social status is among the worst in the globe in many Indian states where stabilization of population growth is not a concern. Poverty illnesses continue to influence over half of the population while degrading the environment; occupational hazards and fresh contagious diseases such as AIDS have a severe effect on the population. Urbanization has worsened health care issues. Illiteracy and absence of consciousness among the masses pose a continuous threat to society's fabric, thereby tilting the health band in the wrong direction. Poverty persistence in the social structure also makes the health scene more complicated. The poor suffer excessively from the double burden of traditional illnesses and from contemporary illnesses created by industrialisation and fast depletion of resources. As a consequence, social inequalities continue, affecting people's health more significantly than the more well-heeled organizations do.

- **Political instability.** India is not a participatory democracy, but a representative. Once the elections are over, for every major decision, the politicians who run the central and state governments don't really need to return to the electorate. Thus, in the five years between one election and another, there is hardly any way for people to express their views on any public choice. There are number of gaps in the development process left by the government in India-sometimes owing to intention or absence of resources and sometimes due to absence of consciousness. Most Indian politicians are reluctant to take tough but healthy choices because voting policies dominate the agenda. Equality and social justice are an inevitable topic in the process. The political stability should be strong and continuous over at least one to two decades in order to bring about any significant change in the scheme.

- **Private Healthcare development.** Private healthcare companies have been prolific in India in the latest past. Given the government's economic constraints in extending health infrastructure and growing healthcare expenses, the position of the private sector is becoming stronger. A middle class that is quickly growing prefers personal medical care. The understandable inadequacy of public health care facilities has also moved demand to personal issues. Furthermore, the advent of private insurers and the spread of medical insurance are also boosting personal medical care.

The rapid growth of private sector has given rise to some problems. The need, suitability and effectiveness of medical care facilities are increasingly being questioned. There is a common conviction that most facilities overload through unnecessary diagnostic testing and extending the duration of stay of the patient. The issue is exacerbated by the absence of regulation and institutional pressure to reduce costs per episode of disease. The private healthcare industry is growing and becoming stronger despite these issues. Private healthcare industry development has mainly been seen as a boon, but it adds to ever-increasing social dichotomy. Private-sector dominance not only denies access to poorer segments of society, but also skews the equilibrium towards urban-based, tertiary-level health facilities with profitability that outweighs equality and rationality of care that often takes a back seat. The increasing cost of healthcare paid through „out - of-pocket” payments makes healthcare inexpensive for an increasing amount of individuals. One in three individuals who need to be hospitalized and pay out of pocket are compelled to borrow cash or sell property to cover their costs. Every year, more than 20 million Indians are driven below the poverty line due to the impact of out - of-pocket health care spending. The quality of medical care is constantly deteriorating in the lack of an efficient legislative power in the private healthcare industry. A latest study from the World Bank recognizes the facts that doctors over-prescribe drugs recommend unnecessary investigation and treatment and fail to provide adequate data to patients even in the private healthcare industry.

Environmental risks of technogenic and anthropogenic nature have a negative impact on the health status of the population. The difficulty in assessing these risks leads to difficulties in seeking and offering insurance protection. The problem of their insurance should be resolved by means of a detailed analysis of the risk situation of hazardous production enterprises, enhancing the corporate social responsibility of industrial enterprises and the implementation of expert systems for assessing the risk of environmental pollution. In order to prevent major accidents involving dangerous substances and to limit their consequences for the life and health of humans and the environment, businesses should be classified according to the degree of danger against the regulatory framework of the country concerned. There is little difference in the practice of different countries regarding the classification of high-risk industrial enterprises.²⁷

There are many other problems in health systems in India such as obsolete information technology system, qualified healthcare workforce, migration of qualified doctors to developed countries. There is an acute shortage of medical teachers ' faculties throughout the nation. Another problem is to discover excellent talent for the provision of ancillary health facilities in India.

²⁷ Misheva, Ir. Expert assessment of the environmental risk of technogenic nature – an element of the environmental pollution liability insurance of the industrial enterprises. – Business management, 3/2017, ISSN: 0861 6604-Print Edition, ISSN: 2534-8396-Electronic Edition, p. 104.

3. Challenges and guidelines for health care development in India

World Health Organization (WHO) recognizes health as a human right and the common denominators for ensuring social well-being²⁸. Countries face a myriad of health-related problems relating on one hand to poverty and a lack of access to basic services/resources, and on the other to large-scale, rapid industrialization, urbanization, demographic change, and technological development. The way to understand and study the challenges in the health care system is through analytical framework. There are several frameworks that can be used to study and analyze the challenges in the health care system²⁹. The „Actors” framework, which classifies four significant actors in a health scheme, is an early framework: suppliers, payers, regulators, and served population. The other widely used framework is the analysis of a country’s national health accounts” (NHA). These accounts meticulously categorize the kinds and purposes of all spending in a healthcare system produced by / to all actors.

WHO has defined the framework of a healthcare system in terms of its basic building blocks. These include service delivery of effective, safe, quality personal and non-personal interventions; an adequate number of health workforce, knowledgeably trained, and fairly distributed; a health information system that produces, analyzes, and disseminates reliable and timely information; medical products and technologies that are safe, efficacious, cost-effective, and accessible; a financing system that raises adequate funds to ensure the population can use needed services and is protected from financial catastrophe; and governance and oversight of the above³⁰. All six building blocks are viewed as essential for developing health care system.

Two further frameworks concentrate on evaluating the dynamics of the development of the healthcare system. *The first* discusses trends over time in the price, access and quality / outcome dimensions of the iron triangle across countries³¹. The framework here examines health expenditures per capita, percent of GDP spent on healthcare, insurance coverage, hospital utilization, and expenditures per capita, physician visits per capita, and such outcomes as life expectancy at birth, infant mortality, and disability days. Insights in the development of health care systems are obtained from cross-border comparisons between these trends. *The second framework* demonstrates the interrelationship of cost, access, and quality. The “healthcare quadrilemma” model examines the efforts to address problems in access to healthcare by extending insurance coverage to previously uncovered segments of the population have multiple downstream effects³². These include financial incentives to manufacturers and producers to invest more in technological research and development (R&D), since the costs of innovation are more likely to be covered.

These frameworks are applied in Indian health system to analyze the challenges and proposes the guiding principles for the development of healthcare system with variations in the models. There is a widespread absence of knowledge among the population of sophisticated insurance schemes, medical technologies, and infrastructure due to the low literacy rate and educational level of the country. At current, for the mass of the population, private insurance premiums are not affordable. There is also a lack of governmental regulation and supplier sector supervision that is delaying quality assurance and enhancement of health care in India.

Conclusion

India's healthcare sector is at a crossroads where the right policy action is extremely critical in determining the sector's future course. The industry is facing major challenges because of the country's changing demographics, poor state of public infrastructure, lack of financial resources, lack of human capital and poor governance. The incredibly low public sector contribution to the healthcare sector is at the root of all these problems.

²⁸ Mann JM, Gostin L, Gruskin S, Brennan T, Lazzarini Z, Fineberg HV. Health and human rights. *Health Hum Rights*. 1994;1:6–23

²⁹ George Shakarishvili. 2009. “Building on Health Systems Frameworks for Developing a Common Approach to Health Systems Strengthening.” Paper prepared for the World Bank, the Global Fund, and the GAVI Alliance Technical Workshop on Health Systems Strengthening, Washington, DC, June 25–27.

³⁰ WHO. 2007. *Strengthening Health Systems to Improve Health Outcomes*. Geneva:

³¹ Gerard Anderson and Peter S. Hussey. 2001. “Trends in Expenditures, Access, and Outcomes among Industrialized Countries.” In *Global Health Care Markets*, edited by Walter Wieners, 24–40. San Francisco, CA: Jossey-Bass

³² Burton Weisbrod. 1991. “The Healthcare Quadrilemma: An Essay on Technological Change, Insurance, Quality of Care, and Cost Containment.” *Journal of Economic Literature* 29(2):523–552

While the National Health Policy attempts to address most of these problems, the feasibility of implementation and insufficient financing are significantly lacking. Although considerable progress has been made in improving the health of the Indian population, the current state of affairs still shows a grey portrait. This is caustic, considering that India is spending a relatively large proportion of its gross domestic product (GDP) on health and is not satisfactory despite these achievements. However, substantial improvement has been made in India's healthcare system over the past few decades.

Through this paper, an interesting observation has been made. The challenges are not only lying in the capacity of the healthcare system, but the structure, performance, quality and delivery of initiatives providing healthcare services. There is a need for a certain degree of consistency in schemes with regard to the delivery and quality of the healthcare services in order to ensure that healthcare services are accessible and affordable in India. Despite these recent steps, as promised in the Indian Constitution, the health system remains ineffective in providing basic minimum care. The government's fiscal limitations make it compulsory for private health care providers to bear certain responsibility.

The paper concludes that the healthcare challenges can be addressed through concerted action by key stakeholders and the implementation of framework defined by WHO.

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