Health insurance in India: the need to come together for a common good

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Life used to be simple for doctors and patients. You got sick, went to the doctor, got treated, paid the doctor and went home. The doctor was satisfied that the patient had been taken care of and he made a living in the process. Then technology happened. Patients got richer, travelled more and were exposed to better systems of care. Information was freely available. Patients rightfully started demanding better care; and medical care got more expensive. That is when corporate hospitals and insurance companies happened. This is what happened all over the world, not just in India.

The concept was simple. Pay a small premium to the insurance company, and when you need medical care the insurance company will pay the bill. It was assumed that the model would work because the number of people who fall sick would be significantly less than the number who are insured. Unfortunately, this whole model was based on trust. It was assumed that the patients and their doctors could be entrusted with the responsibility of providing accurate data regarding the status of the patient's health. It was assumed that hospitals would provide the appropriate care at the appropriate price. It was also assumed that the insurance companies would pay the bills in a transparent and fair manner. It has been proved that all these assumptions were completely wrong.

The insurance companies trusted the doctors to provide a baseline report on the health status of the person being insured. This was necessary to fix their premiums. The healthier you are, the lower your premiums. The doctors who believed their main concern is their patients' wellbeing did not think it was wrong to falsify the patients' health history. Worse still, some did it for incentives in cash or kind. Corporate hospitals also saw this as an opportunity to improve their incomes by charging the insured patients indiscriminately. Then there were patients falsifying everything including admissions, procedures, investigations, etc, with the connivance of the doctors and hospitals to make some extra money. The insurance companies did everything possible to decrease their expenditure, by including all sorts of absurd stipulations in the fine print of their policies. When no one can trust anyone in a model based on trust, should we be surprised that we are having problems? This, again, has happened wherever there is health insurance in the world.

We are at a nascent stage of insured healthcare in India. We do not have to go through the same trials and tribulations that countries like the US have been through. We can and should learn from the mistakes made by others, rather that insist on making the same mistakes ourselves. We in India need to be a lot more morally responsible because we have more holes in our system than Swiss cheese. Doctors and patients need to police ourselves better because all of us know that we cannot depend on our justice department, or our government, to provide the necessary safety nets for providing safe and good quality healthcare. If we do not do this, insurance companies will dictate how healthcare is provided in our country and, as in the US, we will be begging for nationalised healthcare. Everything that has set in the West does not have to rise in the East.

Insured healthcare is going to be around for the next few decades at least; because we cannot expect good quality healthcare to be provided by the government. Self financing will not be an option as healthcare will only become more expensive. For the system to work optimally everyone involved has to cooperate. To begin with, we need to understand that every action does have a consequence. Any idea that targets short-term gains will have disastrous consequences in the long run.

Insurance companies should focus on providing, not just inpatient insurance care, but also on outpatient and, most importantly, preventive healthcare. This will ensure that their clients stay healthy and will not avail of expensive curative healthcare. They should provide healthcare to children because that will improve the general health of the population; and provide them with larger numbers of healthy premium-paying clients. They should also create policies that cater to different groups of patients like senior citizens, patients with chronic diseases and patients needing emergency and ICU care, and charge higher premiums, if deemed necessary.

Patients, on their part, should be honest about their medical history. They should also refrain from misusing the system for personal gain. They should try to stay healthy by following the preventive medical advice given by their doctors. By preventing diseases or their complications the utilisation of high-end expensive medical care is reduced, which in the long term decreases the cost of medical care for the community. This will prevent insurance premiums from soaring as technology increases the cost of medical care. In the US, an annual insurance policy for a family of four costs the same as buying a new Honda Accord every year. If we can prevent this from happening here, in the long run all of us will be better off and will have access to quality healthcare at an affordable cost.

Hospitals should get away from the "make hay while the sun shines" policy. They should create a uniform system of billing. The policy of charging differently for luxury room patients not only by way of room rents but also consumables is fraught with danger. Doctors' fees should be procedure-based and they should be consistent. There should be a limit on consultation fees. If these measures are not taken voluntarily

now, as insurance companies mature they will have enough bargaining clout to dictate what they will pay for any service provided. In the US, the state-funded Medicaid and Medicare programmes set the reimbursement rates for medical services provided and private insurers use those as a guideline for their reimbursement rates. In India, we do not have such a system and will truly be at the mercy of the insurance companies if we do not police ourselves now.

Finally, doctors, who, I believe, are the most responsible for delivery of healthcare, will need to provide the direction for future healthcare in India. They should lead by example. They, more than anybody, should understand the harm that can be done to future generations by not doing the right thing now,. A wrong turn now will affect not only future patient care but also the trust in doctors among patients and insurers. If doctors resort to unethical billing practices they will be open to criminal prosecution and being blacklisted by insurance companies. This will lead to an across-the-board decrease in revenue for doctors and hospitals. Having unethical doctors is not good for hospitals as the hospitals employed by them will also be blacklisted by insurance companies. This will prompt hospitals to fire doctors who are responsible for this. Some unwitting doctors who think they are helping patients by falsifying, and not documenting, the correct medical histories harm everyone in the long run. This kind of practice leads to an increase in denial of claims, higher premiums and a lack of trust among all the parties involved. Doctors today need to get used to honest and accurate documentation of the medical care provided for any patient. They also need to get used to electronic medical records as that is the way documentation is going to be done universally. Finally, they have to provide evidence-based medicine as insurance companies and independent bodies including patients are going to review the medical care provided by individual doctors and posting this information on websites that can be seen by anyone. In the US, this is already happening and we are never too far behind. So let us be prepared and come to terms with the changing face of medical care in India.

It will all be worthwhile, as it is for the common good.