Economics of health care : the role of the medical profession

As health services concentrate on profit at the expense of people's needs, the medical profession must take a stand

Ratna Magotra

Economics may be a mysterious subject to many of us. Still, Amartya Sen's thesis of poverty and hunger (1) is like one's grandmother's logic presented with mathematical precision and scientific rigour.

Once one understands the causes of famine, of poverty, and of hunger which follows the lack of entitlements, it is natural to apply the same principles to health care. Professor Sen notes that during famines or endemic starvation, people are unable to buy food though it is available, because they cannot afford it. Similarly, though health services abound, millions of poor Indians cannot afford them. As market forces direct economic policy, and liberalisation and globalisation become mantras for progress, private health services hold an increasingly dominant position in developing countries. Dr Norman Bethune's comment that there is a rich man's tuberculosis and there is a poor man's tuberculosis expresses the close embrace of economics and pathology (2).

The link between economics and health care is evident in both the developing and the developed world. Environmental pollution is a by-product of economic growth in a world obsessed with profit making. Such toxic waste plays havoc with the health of people in poor countries, where it is often dumped. With their low resistance — because of their poverty and the consecluent malnourishent — the poor, especially women and children, are worst affected by this ecological assault.

Similarly, the pharmaceutical and medical technology industries have grown tremendously: many of their products having developed through the application of military research. These developments have, in turn, conditioned doctors to use these products, and patients to demand them. Irrational drugs and technologies are becoming commonplace, even in teaching institutions and other prestigious hospitals. The media, in its own pursuit of profit and glamour, publicises these drugs and techniques, influencing doctor and patient alike. Not only are many of these interventions unaffordable for a poor society, they can also disturb the natural balance of the body and mind.

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So, today, we witness the poverty of health in the midst of scientific abundance. A recent newspaper article reports how deteriorating services in government-run hospitals drive even the poor to private hospitals or private doctors (3), who are cashing in on the poor quality of government health services. A working person would rather pay for a private doctor than wait all day at a government hospital, losing a day's earnings for each visit. The article quotes a study by the Delhi-based Voluntary Health Association of India which found that some 48 per cent of the urban poor visit private doctors. Evidently, the long distances, the interminable waiting and the unhelpful services have made public facilities unpopular.

Studies find that compared to poorer sections of society, the better off spend proportionally less of their earnings on health care. They are in better health because of better nutrition, housing and working conditions, and they are also able to access government health-services easily because of their contacts.

High-tech, five-star hospitals have pushed costs sky-high. A simple headache will warrant a CT scan to rule out a brain tumour. Doctors have used the CPA to further justify expensive and sometimes unnecessary investigations and therapies. On the other hand, sophisticated equipment is available in government hospitals, but it is often not in working condition.

According to the VHAI report, the government's annual public health expenditure is about Rs. 10,000 crore — a pittance compared to an estimated expenditure in the private sector of between Rs. 40,000 and Rs 60,000 crore. Private services are supported by politicians and bureaucrats, who often get free treatment — which is actually intended for the poor, and is a condition for the various concessions and tax benefits that these hospitals get. The entry of the corporate hospital signals an open focus on profit rather than people's needs. Private medical colleges and high-tech private hospitals

Dr. Ratna Magotra, *professor and head of the department of cardiovascular surgery, KEM Hospital, Parel, Mumbai 400 012.*

proliferate nationwide. For the people behind these ventures, medical education and health care are like any other industry which must make a profit.

Government hospitals need better management. The erosion in public health services calls for introspection by health administrators and health professionals. The administration has only short-term solutions to serious problems. Energy and funds are directed to curative medicine, primary health centres and district hospitals are neglected, funds mismanaged while the recomendations of various committees gather dust. The state has invested heavily in medical education and public health, and these services cannot be handed over to the private sector.

As for the medical profession, it cannot shrug off responsibility for this deterioration. The fact is that doctors ignore the people's real needs. Though 70 per cent of' the population lives in rural areas, most doctors prefer to set up shop in a city evenif they were trained at rural medical colleges — if they cannot go abroad.

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One should take inspiration from the National Health Scheme which resulted in greatly improved health standards in the UK. The consequences of Margaret Thatcher's liberalisation policies may give us other insights into what could happen here with liberalisation. India should learn from other poor countries like Sri Lanka, Costa Rica, Cuba, and, lately, Bangladesh: Cuba has an infant mortality rate of 7.2 per 1000 live births, a maternal mortality less than 2 per 1000 live births, and a life expectancy of more than 75 years, though its economy is not much better off than India's. The US medical industry on the other hand has grown like a monster but provided less care for the money spent.

The medical profession will argue that regulation curbs individual initiative and the patient's right to choose, but these are efforts at self-preservation. A society is judged by its leaders. When these leaders value personal gain, not justice — and they are not challenged — they will reflect the fundamental values of the society.

We need more leaders commited to the doctor's oath, and fewer fashionable technical experts. Let the leaders go to the people, rather than wait for them to come. Let them find solutions to common problems rather than remain satisfied with the latest technical feat. Let them ask people what they need, and not how much can they pay for services. Doctors will have to go through the agni pariksha and emerge as models for rest of society.

Thinking economists like Schumacher have already drawn attention to these anomalies when he questions the efficiency of the American economy that uses 40 percent of the world's resources to support six percent of the world's population without any perceptible improvement of human happiness, well being, peace or culture.

A survey conducted by professors at the London School of Economics (4) found that contrary to the popular belief that the search for happiness leads one to the USA, this country ranks 46th in the list of desirable countries. The survey found no correlation between a person's spending power and perceived quality of life. British and Americans with larger bank balances are low on the 'happy' list, as are Japan, the Netherlands and Canada. Gandhi's concept of non-violent economics, in the form of worship of the poor who represent God *(Daridra Narayan)*, is vindicated.

A paradigm shift is necessary in the thinking of economists and doctors alike. Economists can no longer discuss growth rates, deficits and debts alone; they must talk of environmental costs, health care deficits and even happiness and human enrichment. Doctors, similarly, need to shift their attention from disease and focus on the holistic health of people.

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