

# India is rolling out a health-care plan for half a billion people. But are there enough doctors?

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NEW DELHI — India's Prime Minister Narendra Modi is expected to roll out the first phases of a new health-care program on Wednesday that could bring affordable health care to a staggering 100 million families.

First announced in February, the National Health Protection Mission will give poor families health coverage of up to \$7,100 every year — which could go a long way in reducing crippling health-care costs for half a billion people. At the time, India's then-Finance Minister Arun Jaitley said this was going to be the “world's biggest government-funded health care program.”

It's an ambitious plan that could have vast appeal among voters, but one that also faces major challenges. Experts say that even if the government can provide insurance to so many people, India lacks the health-care infrastructure to provide even the most basic services for its population.

Health care in the world's most populous democracy is characterized by a yawning gap between the services available in urban and rural parts of the country and between rich and poor. State-funded hospitals face huge shortages of beds and staff, and because of the scarcity of medical facilities in villages, many have to travel for hours to cities for care.

Medical costs are the number one reason people plunge below the poverty line, and millions of families fall into debt to pay for care.

Modi's plan could change all that, the government says. “This is going to be a game changer,” said Indu Bhushan, chief executive officer of the program.



India has seen a huge economic leap over the past three decades, but it lags behind in social welfare and in quality of life indicators.

A health-care program of this scale — covering around 40 percent of India's population — could clinch Modi's reputation as a leader who can deliver vast social change ahead of general elections next year.

India spends just 1.4 percent of its gross domestic product on health care compared with China's 3.1 percent and the United States' 8.3 percent, according to the World Bank.

The cost of health-care services has a knock-on effect on economic costs. According to a 2010 study, 63 million people fall below the poverty line every year because of health-care costs, and over 70 percent of medical bills are paid out-of-pocket by patients.



Even with the new public health-care plan, however, India simply does not have the doctors and hospitals to serve so many hundreds of millions.

There is one doctor for every 1,315 people — most of whom work in private hospitals and live in cities, which means millions of Indians turn to quacks or traditional medicine when they fall ill.

With this expansion of affordable health care, demand for services is likely to explode. Bhushan said that there will be 5 million more procedures in the country, and the need for 35 million more hospital beds.

“In theory those beds exist, but in reality, those beds may not be there.”

When asked how hospitals will cope, Bhushan said, “The market will do that.”



Unlike the public sector, the country's private health-care sector is booming.

The Federation of Indian Chambers of Commerce and Industry, a business association, estimates that the market will grow 15 percent every year and rise threefold by 2022 to \$133 billion. And while millions don't have access to decent care, the country markets itself as a hub for medical tourism.

The shortages in the public sector mean that around 70 percent of Indians turn to private health care when they are unwell, Bhushan said. But private hospitals can charge as much as 10 times more than their public counterparts for the same procedures.

Bhushan said that 8,000 hospitals have already signed up to the government's plan and have agreed to accept set costs for procedures. The government is also hoping that investors will recognize the booming demand for health care and build more hospitals in response.

Critics, however, caution that relying private on health care is inefficient and could see increased disparity between the services available to rich and poor.

The private sector expects huge profits when investing in health care, said Ramanan Laxminarayan, director at the Center for Disease Dynamics, Economics and Policy, and the government's budget constraints simply won't be able to match their expectations. “The private sector wants more money than the government wants to spend,” he said.

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