Privatising Healthcare in Rajasthan

CHHAYA PACHAULI, NAREN德拉 GUPTA

Vol. 50, Issue No. 41, 10 Oct, 2015

Narendra Gupta (narendra531@gmail.com) and Chhaya Pachauli (chhayapachauli@gmail.com) are with the Prayas Centre for Health Equity and Jan Swasthya Abhiyan Rajasthan.

The Rajasthan government has planned to hand over its public health centres to private operators through a process of bidding. However this will have a debilitating effect on the inadequate and under-resourced public healthcare system in the state.

The Government of Rajasthan is set to privatise public healthcare under an arrangement euphemistically called “Public–Private Partnership.” Primary healthcare services of a population of about 9,00,000 covered through 300 public health centres (PHCs) would be handed over to private operators through a process of bidding.

It advertised a Request for Proposal on 23 July 2015 (http://www.rajswasthya.nic.in/407%20Dt.%2023.07.2015%20Revised%20Tender.pdf). This followed a cabinet decision that had been taken to hand over 90 PHCs along with their health sub-centres and village-level health activities to eligible private individuals and institutions for operations under the “Run a PHC Scheme.”

Criteria for Proposals

Proposals could be submitted in two different envelops in the form of a technical bid and financial bid. One could apply for more than one PHC but bids would have to be submitted separately for each PHC. The estimated amount for each PHC is Rs 30 lakh annually and the memorandum of understanding (MoU) for five years would be signed with the successful bidder with lowest quoted amount if other eligibility criteria were met. The MoU could be extended further for another five years. Non-profit agencies, group of doctors (with each having an MBBS degree), individual doctors (having an MBBS degree), private limited companies were eligible to apply.

Experience of running a government hospital or running a 10-bed hospital other than government hospitals would have higher eligibility. Similarly, bidders having an annual turnover of more than Rs 1 crore for the last three years and those applying for high priority districts would have additional weightage in eligibility.
Each bidder would have to deposit Rs 60,000 along with the proposal and the successful bidder would have to deposit Rs 5 lakh as security deposit for each PHC. Each successful bidder would have to appoint a staff of 11 persons at the PHC and one auxiliary nurse midwife (ANM) at each of the sub-centres attached to it.

A list of the tasks to be performed mandatorily is mentioned in the bid document along with the performance indicators with weightage for different categories of the tasks to be performed. For instance, weightage for running the outpatient department is 5% and that of inpatient departments (including deliveries) is 6%. Safe motherhood which includes registration of 95% pregnant mothers in the first year and 100% by the third year carries 6% weightage; 95% women receiving four antenatal check-ups in first year and 100% by third year is assigned 10% weightage; 200 normal deliveries annually in the first year and 300 deliveries by the third year is assigned 7% weightage; and 5% is assigned to high-risk cases referral. For infant care, the weightage allocated for all high-risk infants screened and referred to malnutrition treatment centres is 7%, for 90% immunisation in the first year and 100% immunisation by third year has been given a weightage of 11%.

For family planning methods, total weightage is 19%. This includes 12% for 75% of the sterilisations as per minimum level of achievement and 7% for temporary methods which should be 75% of the unmet need for each method in first year and 100% after the third year so that the total fertility rate (TFR) of 2.1 is achieved at the end of fourth year.

The government had not put up the list of PHCs though the last date of submission of bid document was 31 August. It issued a corrigendum on 30 August with a list of 300 PHCs instead of just 90 as was mentioned in the first advertisement. All these PHCs are distributed in 34 districts (Jaipur divided into two districts) of Rajasthan. On examination of the physical location of these PHCs, it was found that a majority of the PHCs were around urban areas and almost all have easy accessibility. The earlier pronouncement of the government that only PHCs located in far-flung areas would be offered to private operators as government would find it difficult to post health personnel there has been proved wrong.

**Additional Services and Their Misuse**

There is a clause in the bid document about “Additional Services Including Diagnostic Services.” These additional services can be charged at rates agreed between government and private service providers beforehand. Though it is not clearly mentioned from whom the private operator would charge there is enough indication that it would be from the patients seeking these additional services.

There is no explicit mention about what these additional services could be but we may guess that these would be services of specialists such as of paediatrics, gynaecology, ophthalmology, orthopaedics and diagnostics services such as electro-cardiogram (ECG), ultrasonography, X-rays etc. These services otherwise are not part of the mandated services of a PHC as illustrated in the Indian Public Health Standards (IPHS) guidelines. Then why is
the Government of Rajasthan introducing additional services?

The only possible explanation is that the financial targets assigned for tasks to be performed are extremely ambitious and nearly impossible to attain. Therefore there remains a strong possibility of proportionate reduction in payments from the government. In such a scenario, any private body who acquires a PHC through competitive bidding would always charge additional fee from patients through introduction of additional services.

For example, ultrasonography is not a service mandated to be provided at the level of PHC. However, if the private provider installs it and advises it to all pregnant women and collects charges then patients would be forced to adhere to these norms. That would violate the Janani Shishu Suraksha Yojana (JSSK) norms on cashless maternal and neonatal health services.

**Distorting the Referral Chain of Healthcare**

Placing PHCs for bidding which are close to urban areas or within easy physical accessibility seems to have been orchestrated to make it easier for private hospitals with inpatient facilities to get patients from these PHCs from their hospitals. This is a grey area as the request for proposal (RFP) is silent about the system of referral to be followed. Big private hospitals would like to grab this opportunity of getting PHCs which they might turn into their satellite centres for getting patients.

This kind of practice will also distort the entire concept of referral chain system of from PHCs to community health centres (CHCs) to district hospitals and to medical college hospitals. In the absence of any clear guidelines, it is doubtful that PHC operators would refer patients who cannot be treated at the PHCs to higher government health facilities.

**Pernicious Privatisation**

Rajasthan has already started handing over of PHCs to bodies who would like to run them through their own resources. Already 30 PHCs in 12 districts have been handed over to WISH Foundation which has been allowed to carry out an experiment called “Asset-light, user paid, affordable private primary healthcare clinics in areas with remotely located PHCs that increases choice, access and quality for underserved.”

A proposed health insurance scheme for the poor has already made inroads into the public healthcare system. About 1 crore families would be insured under the scheme for up to Rs 3 lakh in instances of critical illnesses and Rs 30,000 for general illness. Many corporate hospitals have been lobbying for launch of such an insurance scheme to corner public health funds in their kitty.

It seems that finally all segments of public health system—primary, secondary and tertiary are being thrown open to the predatory private medical sector in Rajasthan.