A COMPARATIVE ANALYSIS OF UNITED STATES AND INDIA'S HEALTHCARE SYSTEM

Dissertation Submitted to

The IIHMR University, Jaipur

for the partial fulfilment for the award of the degree of

Master of Business Administration
(MBA) in Hospital Management by

Dr Shivani Vishwakarma

Under the Supervision and Guidance of

Dr. Seema Mehta

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DECLARATION BY STUDENT

I hereby declare that this dissertation titled "A Comparative Analysis of India's and United States healthcare system" is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from the published or unpublished work of others has been duly acknowledged in the text.

Name of Student:

Dr Shivani Vishwakarma

Date: July 05, 2021

CERTIFICATE

This is to certify that Dr Shivani Vishwakarma in partial fulfillment of the requirements for the award of the degree of MBA (Hospital and Health Management) from the IIHMR University, Jaipur has been working with Figmd, Pune in CDA department from April 1, 2021, till date and has completed her internship as a part of her on-job training. Her internship report has been reviewed and the details mentioned therein are found to be accurate.

Place: Pune

Date: 28 June, 2021

Preceptor/Head of the Department:

Narendra Shaligram

Name of the organization: Figmd Pvt. Ltd., Pune

CERTIFICATE

This is to certify that dissertation titled "A Comparative Analysis of India's and United States healthcare system" is a record of the research work undertaken by Dr. Shivani Vishwakarma in partial fulfillment of the requirements for the award of the degree of MBA (Hospital and Health Management) from the IIHMR University, Jaipur under my guidance and supervision and her approach to the research study has been sincere, scientific, and analytical.

Dr. Seema Mehta	Dhirendra Kumar
Faculty Guide	Dean
IIHMR University, Jaipur	IIHMR University, Jaipur

Date: 05 July, 2021

ABSTRACT

The dissertation is titled “A Comparative Analysis of India’s and United States healthcare system”. The basic scope of this project is to provide simple and focused information on the diversity of the health system in developed and developing countries. The health care systems within these 2 countries can be a decent example of the elemental variations in the health care system of the developed and developing world and therefore the 2 completely different health care systems. In these 2 countries, it is considered a study area to know better about the health care system. One of the developed countries is being monitored by the United Nations and another developing country, India. We are deliberately focused on both countries because the United States is a prosperous nation and India is one of the fastest-growing economies in the world.

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1. INTRODUCTION

1.1 Health Care System

People and organisations involved in providing health care to the public make up the medical system. The health-care system can alternatively be defined as a collection of people, institutions, and resources that work together to provide health-care services to the target population's health-care needs.

Figure 1.1 Components of the healthcare system

1.2 India and the United States Healthcare systems

Both the nations have the fastest growing economies and most people. India has a comprehensive health care system; it can take decades to understand the health care system in our country. There are several approaches to the analysis of a foreign health care system, an analysis of what the health system might look like, compared to the United States system and the use of application frameworks for health care system analysis, assessment of major demographic changes, socioeconomic status, political and disease, and crisis analysis. national public health.

While the United States and India have several similarities, several variations also exist. The health care systems within these 2 countries can be a decent example of the elemental variations in the health care system of advanced and emerging world and therefore the 2 completely different types of health care.

Health-care institutions in the United States are largely managed and run by individuals or small businesses. Insurance is mostly provided by the private sector, and the total health-care system, including health-support systems and service delivery, is organised on the principle of client service.

Figure 1.2 Healthcare facilities in the United States

“World Health Organization defines the health as a state of complete physical, mental and social well-being, not merely the absence of disease and illness” (WHO). "WHO defines the health care system in a simple but comprehensive way as" all activities have its main purpose in promoting, restoring or maintaining health. "

The United States is one of the oldest democracies in the world, and India is the largest. the return of complementary and alternative medicine that forms the roots of distributed health care systems and ownership; both now want to simultaneously transform their financial and delivery systems; and both need the concerted efforts of their government and national governments, as well as greater support from the private health care sector, to achieve this change. these programs focus on treating disease rather than promoting health. Finally, both have their previous delivery to health care: for example, homeopathy in the United States, Ayurveda in India (Burns, 2014).

India features a universal healthcare model in which diverse payers, such as public and private insurance and public hospitals, cover the cost of healthcare services for the country's population. The national health insurance programme, Ayushman Bharat, covers a large portion of the country's population. Also expanded National Health Mission to huge extent. In addition, the National Health Mission has been greatly enlarged.

1.3 Purpose of the study

The basic scope of this project is to provide simple and focused information on the diversity of the health system in developed and developing countries. In these 2 countries, it is considered a study area to know better about the health care system. One of the developed countries is being monitored by the United Nations and another developing country, India. We are deliberately focused on both countries because the United States is a prosperous nation and India is one of the fastest-growing economies in the world.

Comparison of India and United states health. Why ?

The political, economic, and social elements that influence how much money a country spends on healthcare dictate how much money it gets. Wealthier countries, such as the United States, will spend more on healthcare on average than less affluent nations. As a result, this comparison may provide important insights for health-care system management and future planning.

1.4 Research Question :

How India’s healthcare system is different in comparison with the United States based on divergence, healthcare value chain, and public health issues.

Research Objective:

To compare India's and United States healthcare systems based on Diversity in health care systems, healthcare value chain, and public health issues.

2. Healthcare system overview

Health systems and policies have an important role in defining how health services are supplied, used, and impact health outcomes. 3 primary goals to be achieved by the health-care system:

- enhancing the well-being of its target audience
- meeting and exceeding people's expectations
- ensuring financial security against the costs of illness.

UKEssays elaborate “components of health care system, performance of health care system , health care expenditures, how government in involved, health care coverage and insurance system, administration and payment system” for comparison of United States and India healthcare system (UKEssays, 2018).

For the analysis of healthcare systems of countries, they usedthe potential range of variation in financing, service supply, and regulation to develop a complete conceptual framework for analysing healthcare systems and their transitions. Also identified three ideal types: the state, the societal, and the private health care system (Claus W, 2009).

In most assessments of the healthcare system, a value chain paradigm is used, which represents one of the main participants as buyers and sellers and their economic transactions (LR, 2014).

They have concentrated on the creation of healthcare system typologies, the assessment of integration between several health services, the problematization of transferring healthcare system boundaries and the relationship between healthcare societies and cultural inequalities (Jason B, 2013).

This research compares India's with the United States' healthcare systems, including healthcare expenditures, insurance coverage, literacy, affordability, and the health-care value chain.

3. METHODOLOGY

3.1 Research Design:

Secondary research

3.2 Data collection:

Data is collected from articles and reports available on online data sources.

Research articles	14	google scholar, research gate, NCBI
Government reports	10	CMS, mohfw, nitiayog etc

Keywords used:

- "The healthcare system in India and the United States"
- "How the healthcare system is comparable in India and the United States"
- "Challenges to healthcare in India and the United States"
- "Transitions in India and United States healthcare"
- "The framework of the healthcare system, health analytics of India and the United States"

3.3 Inclusion and Exclusion criteria

Criteria for Inclusion	Criteria for exclusion
This study includes the studies published after year 2000 till present year	This study excludes the studies published before year 2000
The text which are published, were in English and their full text were accessible.	The text which are published, were not in English or their full text were not accessible are excluded.
The contents used are relatable to the healthcare system of India and US.	The contents which does not contain relatable information with healthcare system are excluded.

3.4 Analytical Framework

This study analyses India's healthcare system using the following methods:

1. Diversity in health care systems in India and the United States:

    a. Affordability and Per capita spent on healthcare
    b. Literacy and access to information
    c. Insurance coverage
    d. Public health expenditure
2. Healthcare value chain
3. Public health issues of India and the United States

4. RESULTS

4.1 Diversity in health care systems in India and the United States

a. Affordability and Per capita used in health care:

When compared to global data, India has some of the lowest healthcare prices. India's current consumption remains at 1.6 percent of GDP, while the government's 2017 National Health Policy considers expanding the health expenditure to 2.5 percent of GDP. In 2019, United States healthcare spending climbed by 4.6%. However, health expenditures accounted for 17% of the global GDP in that year. (CMS, 2019).

The population of the United States was expected to be 323 million in 2019. The majority of those folks possessed private health insurance or were enrolled in a state-run healthcare program (such as Medicare or Medicaid). Approximately 9.2% population of the United States are Hispanic. They have not been confirmed.

b. Literacy and access to information

India's population ranks second among the world's most populous nations. India has a population of 1.21 billion people and a 1.41 percent growth rate, the population will only continue to expand rapidly. However, given India's age, with 65 percent of Indians aged 15 to 64 and 30 percent under the age of 15, the Indian population is quite small. As per 2011 census, India's literacy rate is 74.04 percent (CensusIndia).

At independence, India's literacy rate was barely 14%; over time, literacy rates have risen, although at varying rates in different provinces, with certain provinces, outperforming the national average by 63.8 percent (CensusIndia).

“According to The World Factbook from the United States Central Intelligence Agency (CIA), it has a literacy rate of 99 percent and is ranked 28th out of 214 countries included” (World factbook, 2021). Literacy, by definition, refers to the percentage of people aged 15 and above who can read and write (World factbook, 2021).

c. Insurance coverage

In India, approximately 500 million people were covered by health insurance plans, with the majority of people being covered by government-sponsored plans and individual insurance coverage cover the smallest number of people.

“In the financial year 2018, the overall prevalence of health insurance in India was around 35%” (Statista, 2021).

In the United States, 26.1 million population were uninsured in 2019.

- private health insurance: 68%

- public health insurance: 34.1%

(US Census Bureau, 2019).

Currently, Medicaid programs which are owned by the government, are not equally generous, and 19 states, including nearly all of the South's comparatively impoverished states, preferred out of the Affordable Care Act's Medicaid expansion. India's 28 states along with seven territories presently oversee the majority of the country's public health system (Temma., 2017).

d. Public health expenditure

i. Public health expenditure in India

- The principles states that spending by the nation were around 1.58 trillion INR. This is approximately 1.28 percent of the nation's GDP. (Statista Research Department, 2018).
- State health spending should be increased to 7% of state budgets by 2015, and then to 8% thereafter. Indeed, by 2025, the aim might be gradually increased to 10%. It also proposes that central spending for health should account for 25% of overall public expenditure, rather than the current 15% (Srinivisan, 2020).
- Central Bureau of Health Intelligence stated that even though treatment in private facilities is substantially more expensive than treatment in public facilities, the population of India mostly trust and use private health care.

- In the short run, government health spending must be increased from 2% to at least 5%–6% of GDP (K, 2018).

ii. Public health expenditure in the United States

- According to CMS, United States healthcare spending climbed by 4.6%. In that year, however, health spending accounted for 17.7% of GDP (CMS, 2019).
- In 2019, along with people who are not insured, health insurance companies, the central and provincial governments spent $3.6 trillion on health-care consumption, accounting for 16.8% of the country's GDP (J, 2021).

4.2 Healthcare Value Chain

a. India's Healthcare value chain

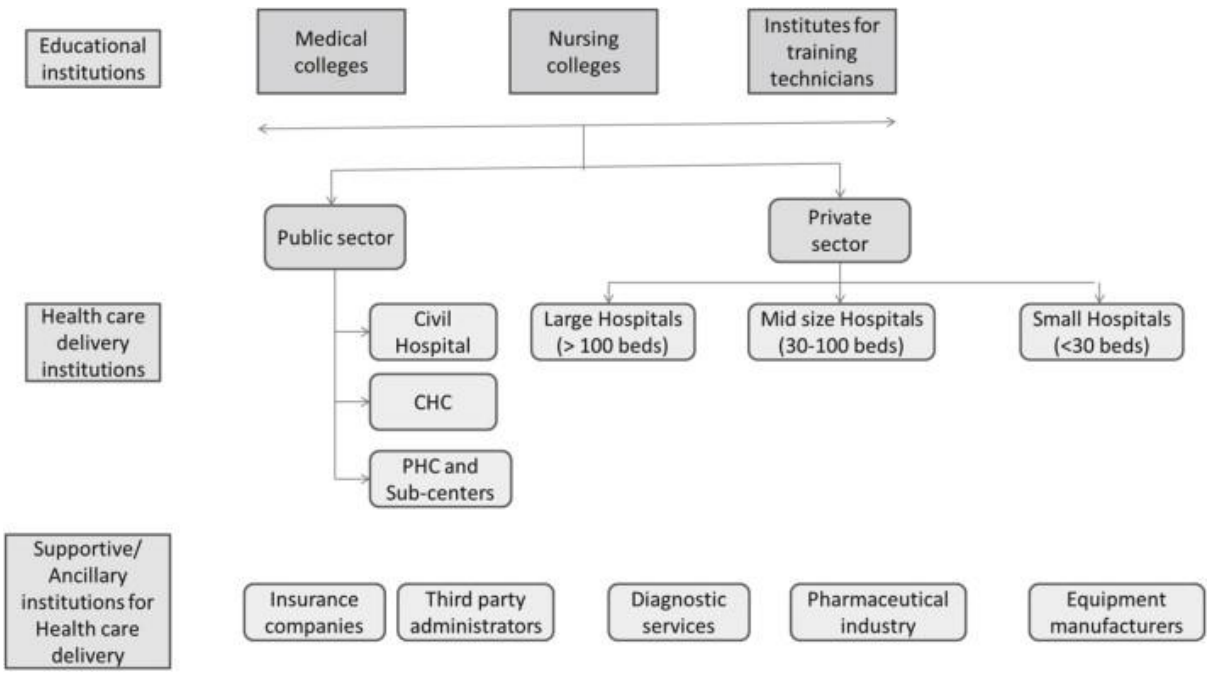

Figure 4.1 Health Care Value Chain in India (C, 2012).

It comprises of three major healthcare delivery systems, educational institutions, delivery institutions and supportive or ancillary institutions.

b. United States healthcare value chain

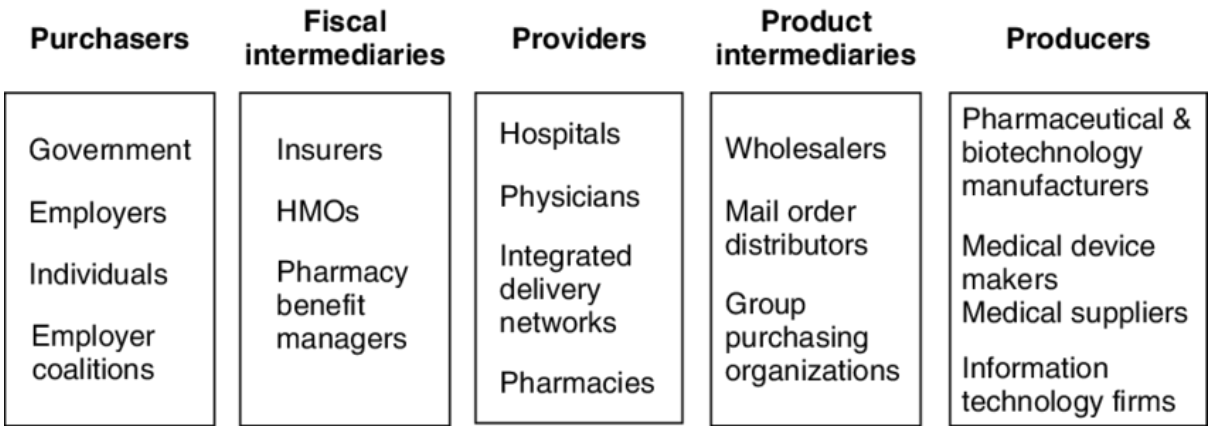

Figure 4.2 United States Health Care Value Chain

The Affordable Care Act of 2010 and various other pieces of legislation have boosted federal leadership. Healthcare legislation passed in January 2013 provides powerful "drivers" for improving healthcare quality and value, especially for programs aimed at preventing disease and promoting good health. (Straube, 2013).

As the population ages, fewer employees will be available to support each beneficiary. In 1960, there were 5 workers per recipient; by 2000, there would be 3 workers per beneficiary, and 1.9 by 2040 (Nancy D).

4.3 Public health issues in the United States and India

Figure 4.3 Life expectancy and mortality rates in India and the United States

- The rate of infant mortality in India and the United States are 32 and 5.7 per 100 live births, respectively.
- The death toll from cancer in India is 6% of cancer deaths worldwide. In the US, the number of deaths is going up as more people get older.
- The Hispanic population saw the second-largest drop in life expectancy (79.9), falling to a level below that of 2006, the first year for which life expectancy figures of Hispanic origin were available (80.3) (Elizabeth A, Report No. 010 ν February 2021).

Figure 4.4 Annual cancer deaths

- The average lifespan has increased to 67 years, and neonatal mortality rates for children under the age of five have decreased as well as the disease rates. Polio, guinea worm, yaws, and tetanus are just a few of the illnesses that have been eradicated. Infectious diseases will continue to be a major public health issue in the next decades, posing a threat to national and international health.
- In the United States, coronary illness and stroke are the prime causes of death. Heart disease claims the lives of approximately 610,000 people each year. Hypertension, high levels of LDL cholesterol, and smoking are all targets for prevention. Every year, over 130,000 people die as a result of a stroke. Countries go through "disease change" during the development period. Because of infectious diseases and the deaths of mothers and children, developing countries have high rates of morbidity and mortality at first. As economic development progresses, these diseases are declining sharply and there is an increasing number of human diseases, namely, NCDs, injuries, and health problems. Both the high incidence of infectious diseases and the expanding epidemic of non-communicable diseases may be traced back to India. The dual burden system is associated with both urban and rural regions, with urban areas having a somewhat greater proportion of noninfectious health conditions (JP, 2016).

Public health issues	India	United States
Cancer	“National Cancer Control Programme” (Ministry of health and family welfare	Division of Cancer Prevention and Control are working with the nation’s health agencies

	government of India, 2005) This aims for primary prevention by educating citizens about the risks of tobacco intake.	for prevention
Cardio vascular disease	"National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke" (Ministry of health and family welfare government of India, 2017-2022). This include the measures such as early detection, health promotion, camps etc.	Million Hearts is a nationwide campaign aimed at preventing Cardio vascular disease
Lung cancer	National cancer control programme	Lung cancer screening programme by CDC
Diabetes	"National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke" (Ministry of health and family welfare government of India, 2017-2022).	National Diabetes Prevention program

Table 4.1 Major public health issues

5. DISCUSSION

Taking global data into account, India's current consumption is 1.6 percent of GDP, while the government's National Health Policy considers expanding the health expenditure to it. Whereas United States healthcare spending climbing to their expenditures (CMS, 2019).

The population of the United States mostly possess private health insurance or were enrolled in Medicare or Medicaid, but not confirmed with the population of the United States who are Hispanic.

India's population ranks second among the world's most populous nations and based on 2011 census, 74.04 percent population are literate in India (CensusIndia). On taking its history, population of India was barely literate to 14% at the time of independence (CensusIndia).

Whereas United States has 99% of literacy and is ranked 28th out of 214 countries based on the data from The World Factbook (World factbook, 2021).

Under insurance coverage, majority of people being covered by government-sponsored plans and the smallest number being covered by individual insurance policies in India. And India is covering it's 28 states along with seven territories while 19 states by United States.

Rate of public health expenditure in United States is much more above than that in India.

Health Care Value Chain provides comprehensive evaluation for commercial relationships between health care product manufacturers, distributors, customers, and ultimate consumers of those items, as well as group procurement groups.

The structure of the value chain in health care is even more complex: there are three important sets of characters and two sets of mediators between them. Three sets of key actors are individuals and institutions that purchase health care, provide health services, and produce health products (consumers, suppliers, and manufacturers). Two sets of

mediators distinguish these key players: those healthcare firms (providing insurance to consumers and managing refunds from suppliers) and those that buy and distribute products in bulk (from manufacturers to suppliers).

India is not among the countries with the highest infant mortality rates or lowest birth rates in the world. In the previous few decades, India has made significant progress in the health sector. The average lifespan has increased to 67 years, and neonatal mortality rates for children under the age of five have decreased as well as the disease rates. In the United States, coronary illness and stroke are the prime causes of death. Cancer mortality and life expectancy rate is higher and lower infant mortality rate in United States than in India.

6. CONCLUSION

In India, expenditure as a proportion of GDP is less than 4%, whereas, in the United States, it is above the world average, at 16.2% of GDP. India spends roughly $ 40 per person per year on health care, compared to $ 8,500 in the United States. The most significant difference between the United States and India is in the sphere of public health.

Prevention services, which are currently unavailable in India, can aid in early detection and management. In India, ensuring more responsiveness to healthcare providers can help to eliminate inequities in care access and quality. Intermediate provider education programs, like those utilized in the United States, should be used in India to rapidly increase the number of health care providers to meet the growing need.

In the United States, on the other hand, pocket spending stands at about 10-12% (CMS, 2019). India has a state-of-the-art health care system run by central and provincial governments.

Apart from an expansion in the process of creating goods and services in an economy and the consequences of expanding personal and taxation, India has not added public spending on health care (or other social services) in the same way. The liberalization is to go along with a reduction in government payout on central health care and other public services to minimize societal backlogs and stimulate private sector development.

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