A COMPARATIVE ANALYSIS OF US AND INDIA'S HEALTHCARE SYSTEM

Dissertation Submitted to **IIHMR University, Jaipur**

for the partial fulfilment for the award of the degree of Master of Business Administration (MBA) in Hospital Management by

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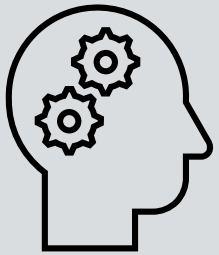
INTRODUCTION

Health care system defined as the organization of people, institutions, and resources to deliver health care services to meet the health needs of target populations.

- Different countries have different approaches to manage their healthcare system.
- While U.S. and India have few things in common, there are a lot of differences. The health care systems in these two countries are an ideal example of fundamental difference in health care system of an industrialized country and a developing country as well as two different approaches to health care.
- In US, Health care facilities are largely owned and operated by the private sector. Health insurance is primarily provided by the private sector, with the exception of programs such as Medicare, Medicaid, TRICARE, SCHIP (Children's Health Insurance Program) and VA (Veterans Health Administration).
- 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.

PURPOSE OF STUDY

- ✓ To identify the similarities and differences in the healthcare system of United States and India
- ✓ To study the variations in terms of Affordability and Per capita spent on healthcare, Literacy and access to information, Public health expenditure and Insurance coverage, Healthcare value chain and Public health issues in India and the United States



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

Ministry of Health & Family Welfare
Government of India

METHODOLOGY

- Secondary Research

RESEARCH DESGN

DATA COLLECTION

- Research articles
- Government reports

- Analytical framework

FRAMEWORK

Full-text articles published in English language were hand-searched from internet,14 research articles: google scholar, research gate, NCBI and10 government and other reports

- "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" etc

Inclusion & exclusion criteria
This study includes the studies published after year 2000 till present year and excluded before year 2000
The text which are published, were in English and their full text were accessible are included
The contents used are relatable to the healthcare system of India and US are included

Diversity in health care systems in India and the United States

1. Affordability and Per capita spent on healthcare
2. Literacy and access to information
3. Public health expenditure
4. Insurance coverage

Healthcare value chain

Public health issues of India and the United States

ANALYSIS

DIVERSITY IN HEALTH CARE SYSTEMS IN INDIA AND THE UNITED STATES

Population

Source: United States Census Bureau

32.82 crores

In the United States' budget estimates showed an outlay of over 17 % of the GDP to public health expenditure

136.64 crores

In India the value of public health expenditure by states and union territories together amounted to around 1.58 trillion INR. This was estimated to be around 1.28 % of the country's GDP

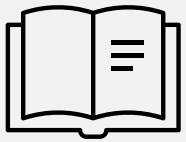
(Source: https://www.statista.com/statistics/684924/india-public-health-expenditure/)

AFFORDABILITY AND PER CAPITA SPENT ON HEALTHCARE

- ✓ 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

LITERACY

Literacy, by definition, refers to the percentage of people aged 15 and above who can read and write



- ✓ At independence, India's literacy rate was barely 14%; over time, literacy rates have risen and as per 2011 census, India's literacy rate is 74.04 %
- ✓ According to The World Factbook, it has a literacy rate of 99 percent and is ranked 28th out of 214 countries included

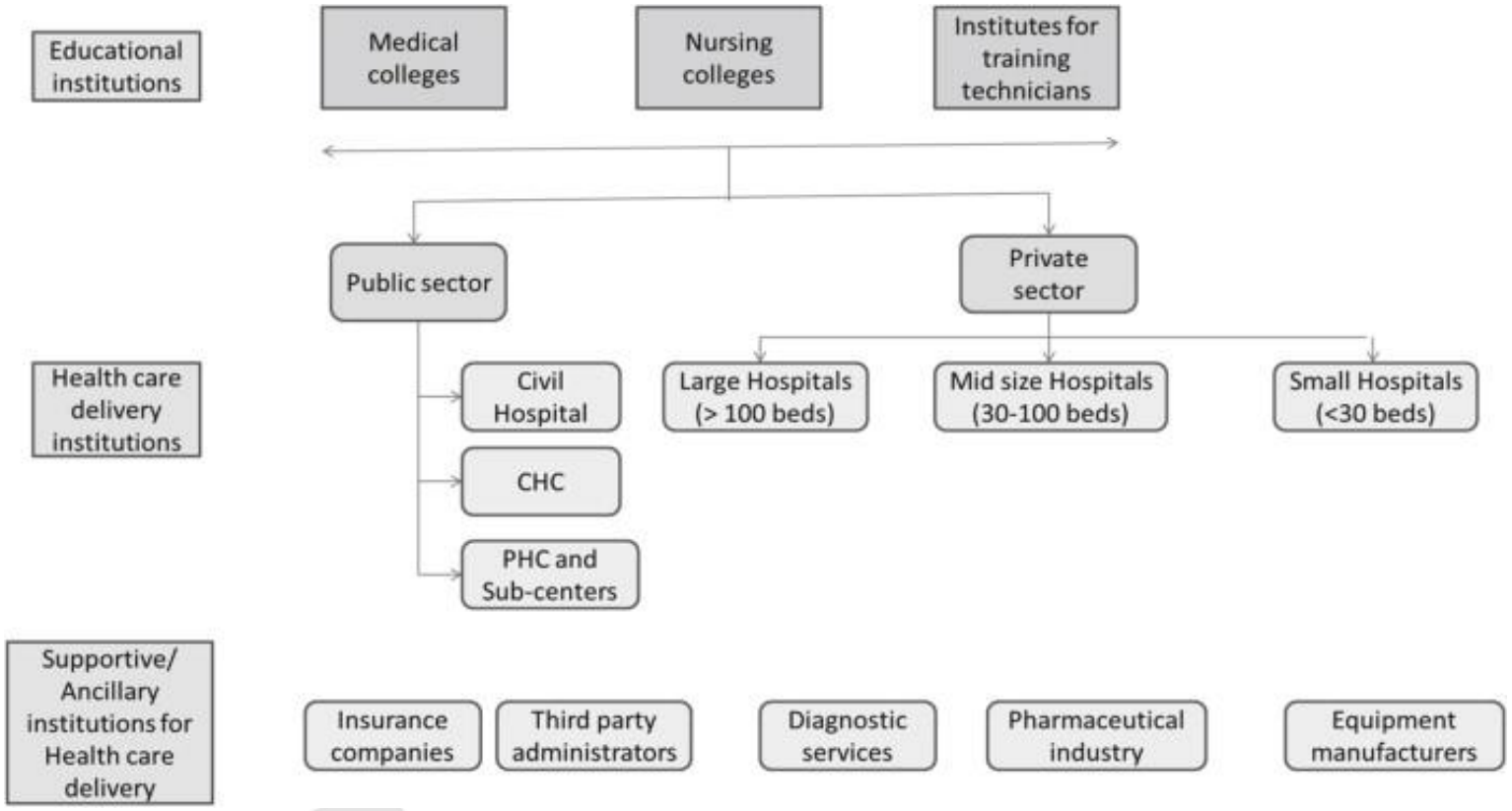
INSURANCE COVERAGE

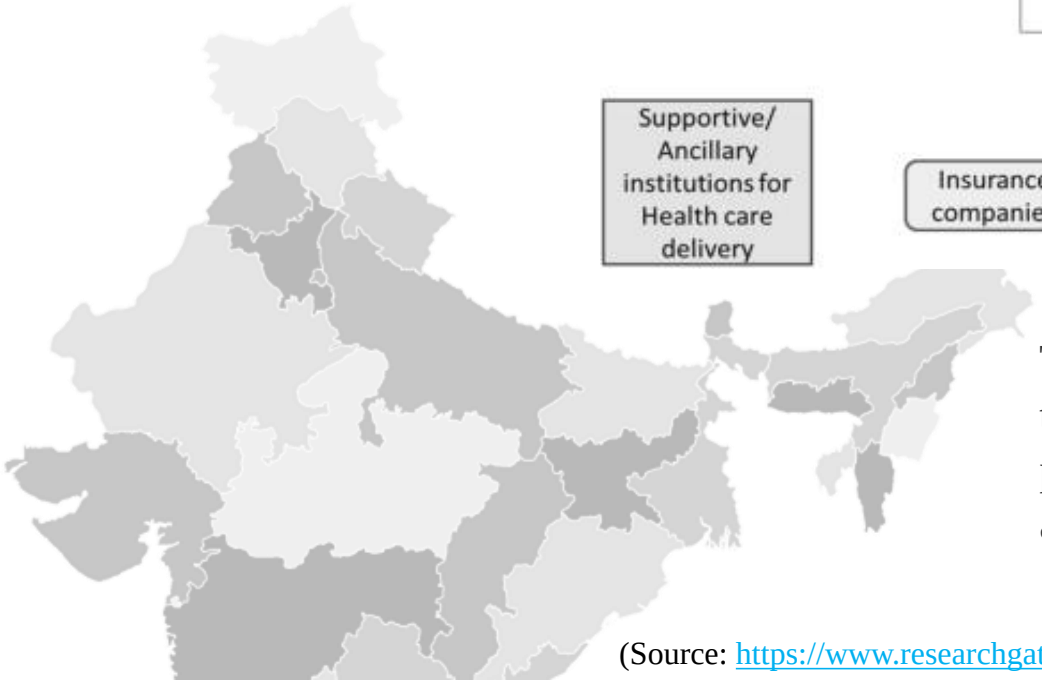
- ✓ In India, approximately 500 million people were covered by health insurance plans. In the financial year 2018, the overall prevalence of health insurance in India was around 35%
- ✓ In the United States, 26.1 million population were uninsured in 2019. 68% covered by private health insurance and 34.1% by public health insurance, according to US Census Bureau

- ✓ Currently in United states, Medicaid programs which are owned by the government, are not equally generous, and 19 states, preferred out of the Affordable Care Act's Medicaid expansion.
- ✓ Whereas India's 28 states along with seven territories presently oversee the majority of the country's public health system

(Source: https://www.statista.com/statistics/657244/number-of-people-with-health-insurance-india/)

HEALTHCARE VALUE CHAIN





The Health Care Value Chain offers a thorough examination of the trading relationships among the manufacturers of health care products, the distributors, the group purchasing organizations, and the hospital customers and end users of those products.

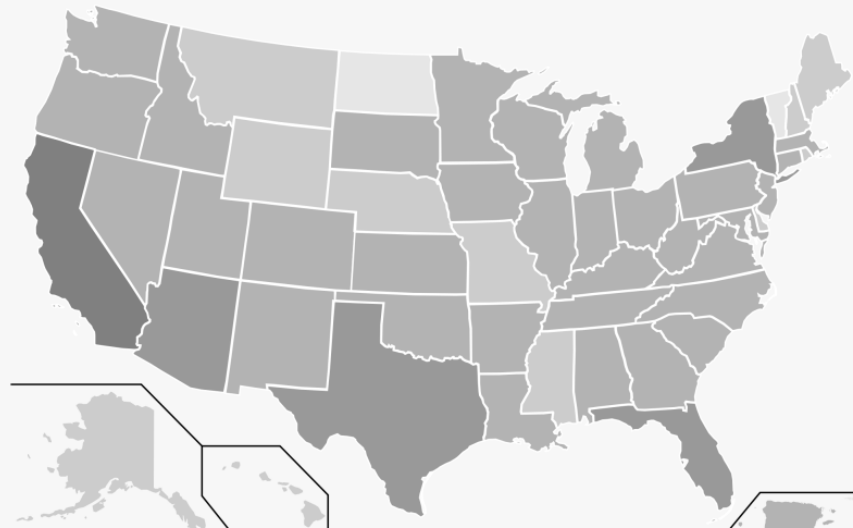
(Source: https://www.researchgate.net/publication/257434070_Ethical_issues_in_health_care_sector_in_India)

HEALTHCARE VALUE CHAIN

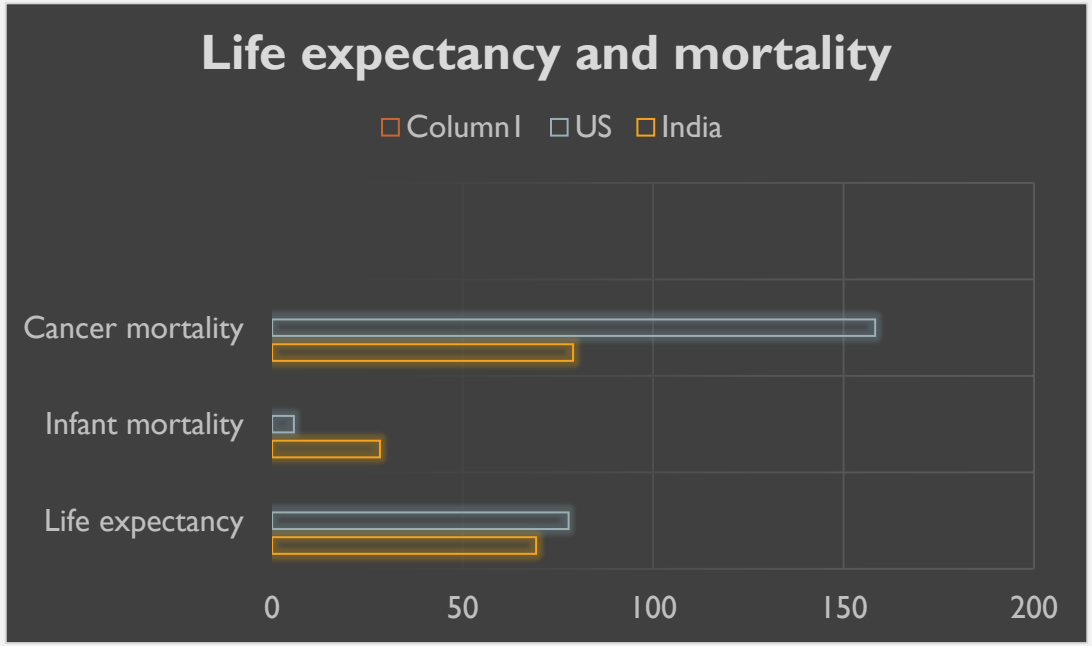
Purchasers	Fiscal intermediaries	Providers	Product intermediaries	Producers
Government Employers Individuals Employer coalitions	Insurers HMOs Pharmacy benefit managers	Hospitals Physicians Integrated delivery networks Pharmacies	Wholesalers Mail order distributors Group purchasing organizations	Pharmaceutical & biotechnology manufacturers Medical device makers Medical suppliers Information technology firms

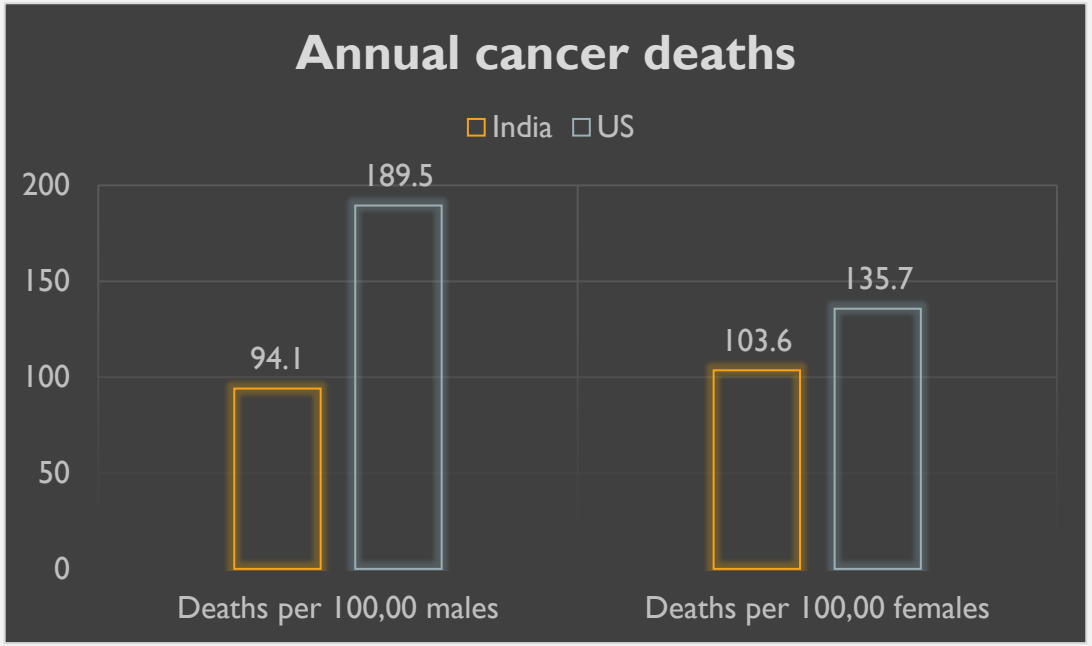
In United States, there are three key sets of actors and two sets of intermediaries between them.

- The three key sets of actors are the individuals and institutions that purchase healthcare, provide healthcare services, and produce healthcare products (purchasers, providers, and producers).
- Two sets of intermediaries separate these key actors: those firms who finance healthcare (offer insurance to the purchasers and handle reimbursement to the providers) and those who bulk buy and distribute products (from the producers to the providers).



PUBLIC HEALTH ISSUES IN THE UNITED STATES AND INDIA





- The rate of infant mortality in India and the United States are 32 and 5.7 per 100 live births, respectively.
- According to the WHO, India's death rate due to cancer is 79 per 100,000 deaths. That is, the number of deaths due to cancer in India are 6% of worldwide cancer-related deaths.
- Life expectancy 69.42 years (2018): India
- Life expectancy 78.54 years (2018): United States

- In US, the cancer death rate is 189.5 per 100,000 men and 135.7 per 100,000 women per year (based on 2013–2017 deaths). This rate is higher among men than women.
- Deaths due to lung cancer in men is more prevalent, while breast cancer in females

(Source: https://www.worldbank.org/en/search?q=life+expectancy&currentTab=3, https://www.cancer.org/cancer/breast-cancer/about/how-common-is-breast-cancer.html)

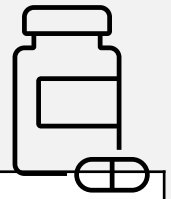
In United States,

- 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.

In India,

- 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 non-infectious health conditions

Countries go through "disease change" during the development period. As economic development progresses, these diseases are declining sharply and there is an increasing number of human diseases, namely, NCDs, injuries, and health problems.



Public health issues	India	United States
Cancer	“National Cancer Control Programme” (Ministry of health and family welfare government of India, 2005)	Division of Cancer Prevention and Control are working with the nation’s health agencies for prevention
Cardiovascular disease, 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).	Million Hearts is a nationwide campaign aimed at preventing Cardiovascular disease. National Diabetes Prevention program
Lung cancer	National cancer control programme	Lung cancer screening programme by CDC

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%. 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.

- The US is one of the world's oldest democracies, while India is the largest. Both are distinguished by their health care value chain that formed the roots of decentralized systems of healthcare financing and ownership; both are currently seeking to simultaneously reform their financing and delivery systems; and both need a concerted effort by their federal and state governments, along with considerable help from the private healthcare sector, to accomplish this reform. Finally, both systems focus on the treatment of disease rather than the promotion of health.

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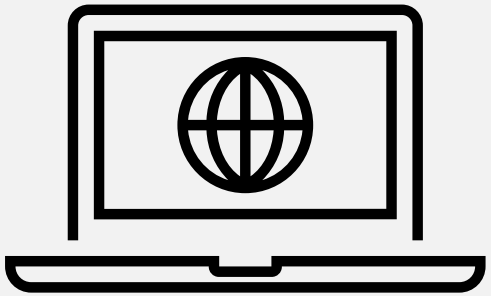

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