

State of Private Healthcare

Relevancy:

- GS Mains paper II
- Polity and governance, Private healthcare regulations.

Recently:

- A reknowned private hospital in New Delhi handed over a dead infant who was thereafter discovered to be still alive.

Regulatory framework in the states:

- The union health ministry has written to all States asking them to adopt its 2010 framework, which many have not till now.
- West Bengal has instituted a regulatory commission.
- Karnataka has amended and strengthened its 2007 regulation.
- However, the doctors are expressing their agony against the Rules. In Karnataka, the doctors organised public protests and changes were made in the final legislation removing the provision for imprisonment as a punishment.
- There is something wrong when costly private healthcare becomes the flavour of the season for investment in a poor country where public health service is totally inadequate.

Where the money is going?

- The corporate hospitals claim that they are just being able to earn 10% of the capital investment made in the hospitals.
- If this is the case, then where the money is going?
- The income tax department has indicated that there is a widespread nexus that exists between the doctor on the one side and clinical laboratories and chemists on the other.
- E.g. the doctors get a referral fee of 35 per cent for MRI tests and 20 per cent for CT scans and other diagnostic tests.
- Thus the need of the hour is the “regulation of private healthcare”. Because private sector healthcare has greater role to play in a country where Public sector healthcare facilities are limited.
- E.g. a few months ago, the National Pharmaceutical Pricing Authority (NPPA) imposed price ceilings on stents and knee replacements which brought down their costs to patients by over half.

Impediments to healthcare regulation:

- The regulation framing procedure in India is very slow.
- In India, there is a tendency of formation of rent-seeking regulation.

What should be done?

- **An independent and high-powered regulatory body:** The regulatory body has to be high-powered, politically independent and represent all sections of stakeholders, particularly patients and NGOs active in the field.
- **Transparency:** The regulator should insist on transparency — hospitals clearly publicising their rates for standard treatments and procedures.

- **The rates of various services should be mandatorily placed in the hospitals:** Also, if the government is controlling the prices of essential medicines through the National Pharmaceutical Pricing Authority, then there should also be control over the exorbitantly priced diagnostic services.
- **Health Insurance Schemes:** The government should come up with better Health Insurance services. It should also push the private sector to come up with non-fussy health Insurance packages.
- **Checking commissions of the doctors:** Doctors are the anchors of the healthcare system and most societies hold doctors in high esteem. Conversely, unethical practices cannot be widespread without the active participation of doctors. The foremost job of regulators is to ensure that doctors are not paid commissions for referring patients to diagnostic centres or bringing them to hospitals.
- **Redefining the Code of Ethics of Medical Council of India:** The code of ethics of the Medical Council of India for professionals disallows this but it seems a dead letter.

Understanding Bail-In provisions of FRDI Bill

Relevancy:

- GS Prelims, GS Mains Paper III, Optional: Economics
- Economy, FRDI Bill, Bail In provision

Recently:

- The Financial Resolution and Deposit Insurance Bill, 2017 was introduced in Lok Sabha during Monsoon Session 2017.
- The Bill is currently being examined by a Joint Committee of the two Houses of Parliament.

Understanding bail-in:

- Bail-in provision is used in the cases when it is not wise to sell the assets of the financial firm and it must continue its operations.
- There are various provisions in the Bill that prove to be tools to resolve a financial firm which is on the verge of bankruptcy. These tools include:
 - Mergers
 - Transfer of firm's assets and liabilities
 - Liquidating the assets of the firm
 - Restructuring the debt of the firm, which is termed as Bail-in

○ Bail-in differs from a bail-out which involves funds being infused by external sources to resolve a firm. This includes a failing firm being rescued by the government.

Methods under Bail-in provision:

• The FRDI Bill has provided for the institution of Resolution Corporation, which can take decision from either of the following options:

1. Cancellation of liabilities that the firm owes to its creditors, or
2. Converting its liabilities into any other instrument (e.g., converting debt into equity), among others.

• The Resolution Corporation can either resolve a firm by using bail-in only, or use bail-in in combination with other resolution methods like mergers or acquisitions in combination with the bail-ins.

Order of priority under liquidation:

- Deposit Insurance
 - Resolution costs (Including liquidation costs)
 - I) Workmen dues for 24 months and ii) secured creditors
 - Wages to employees for 12 months
 - Uninsured deposits and insurance related amounts
 - Unsecured creditors
 - I) Government dues, and ii) remaining secured creditors (remaining debt if they enforce collateral)
 - Remaining debt and dues
 - Shareholders
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New island may offer insights into Mars

Relevancy:

- Facts for Prelims
- Science and Technology, Space science, Mars

Recently:

- As per NASA, the world's newest island — formed during a volcanic eruption in the remote Pacific three years ago — may offer clues to how life potentially developed on Mars.

Details on Hunga Tonga Hunga Ha'apai:

- The island of **Hunga Tonga Hunga Ha'apai** rose from the seabed about 65 km northwest of the Tongan capital Nuku'alofa in late 2014 or early 2015.
- Scientists initially expected the island — created when vast quantities of rock and dense ash spewed from the earth's crust — to wash away within a few months.
- But NASA said it had proved more resilient than expected, possibly because warm sea water combined with ash during the volcanic explosion to create a concrete-like substance known as "tuff".
- While the island — which initially measured one km wide, two km long and about 100 metres high — has undergone significant erosion, it is now expected to last anywhere from six to 30 years.
- Mars has many similar volcanic islands.

The 3 nation Indo-Pacific Compact

Relevancy:

- GS Mains paper II
- International Relations, Indo-Pacific, The quadrilateral, ASSEAN-India meet

Recently:

- A trilateral meet of India, Japan and Australia was conducted in new Delhi
- India, Japan and Australia have “growing convergences” in the Indo-Pacific region.
- The fourth trilateral between Foreign Secretaries S. Jaishankar and his counterparts, Ms. Adamson and Japanese Vice-Minister Shinsuke Sugiyama, was held in Delhi a month after the first meeting of the **Quadrilateral, or Quad**, which includes the U.S., was held in Manila.

Issues discussed:

- The three sides stressed the need for greater collaboration on **maritime security** and domain awareness and **disaster response capabilities**.
- They also renewed their resolve to fight the **scourge of terrorism** in all its forms and manifestations and stressed the need for enhanced cooperation on counter-terrorism.

- a statement issued by the External Affairs Ministry said.
- The three parties also discussed **Connectivity issues**.
- The joint statement issued after the meet has also underlined “support for ASEAN centrality in the political and security architecture of the Indo-Pacific region”. This indicates the possibility of **trilateral military cooperation** along with East Asian nations as well.

ASEAN-India summit

- India will be hosting a commemorative ASEAN-India summit in Delhi on January 25 2018.
- Also, all 10 ASEAN-nation leaders will be the chief guests at the coming Republic Day parade.
- The theme of the engagement this year would focus on the three “**C’s**” of **Commerce, Connectivity and Culture**.

Case Study- Hemis National Park, Ladakh

Relevancy:

- GS Prelims, GS Mains paper III
- Environment, Case studies can be mentioned in relevant answers and essays.

Background:

- Every year, about 21 to 45 snow leopards are killed in India, according to a 2016 report by Traffic, a wildlife trade monitoring network.
- While some are killed following livestock loss, others are poached for their skin, bone and claws. It is estimated that a little over 500 of a global population of 6,500 snow leopards live in India.

Snow Leopard Conservancy India Trust (SLC-IT):

- Pioneered in 2002 by the Snow Leopard Conservancy India Trust (SLC-IT) based in Ladakh in partnership with the Hemis National Park, the **homestay project** — designed to give villagers an income to offset losses caused by the predator — has begun to see results.
- Homestay owners today earn anything between ₹2 lakh and ₹3 lakh annually.
- In short, the ‘ghost cat’ has become a vital source of business — and it is more valuable alive than dead.
- As for tourists, they now regularly report seeing the animal in Hemis from just 50-200 metres away.

- The project gives tourist a first-hand experience of Ladakhi culture and cuisine.
- Registered with the tourism department, these licensed homestays charge ₹1000 a day for accommodation, breakfast, packed lunch, dinner, filtered water and tea.
- All homestays have ecofriendly dry compost toilets to conserve the scarce supply of water in the region. Each owner contributes 10% of their income to a village fund handled by women's groups.
- As snow leopard numbers have increased, so have the tourists.
- And this has fuelled a demand for nature guides. So as an extension to the homestays, local people are now being trained and certified as nature guides by SLC-IT and the Wildlife Department.