State Inception Meeting on
Collusive Behaviour in Health Delivery in India: Need for Effective Regulation

Guwahati, Assam, September 15, 2010

Consumer Unity and Trust Society (CUTS) International with support from Oxfam India, in collaboration with the action north east trust (the ant), organized the first meeting to bring to focus the all important issue of Collusive Behavior in Health Delivery. This is the first ever meeting dealing with its subject. Leading NGO’s like Ashadeep, North East Network, RSVN, SSTEP, OKD, CRS, with various doctors and officials from National Rural Health Mission (NRHM) including the Director, Dr. John Ekka was present.

1st Session

In the introduction, Dr. Sunil Kaul of the ant introduced Mr. Deepak Xavier, Oxfam India, Mr. S. Srinivasan, LOCOST, Vadodara and Mr. Rijit Sengupta, CUTS International.

Mr. Rijit Sengupta gave a brief history of CUTS International which is 27 years old organization mainly dealing with ‘Consumer Rights.’ With the globalizing process, issues are in the realm of trade, competition investment and regulatory issue with special focus on consumer’s welfare in terms of health. This study will focus on the behavioral issues and value change in health care. Health care practices, nature and its impact on the consumers are the core subjects, and the evidence from the study will be taken to the policy makers.

Mr. Deepak Xavier, Oxfam India highlighted on the history of Oxfam which is only two years old in India. The strategy is to work in places like Assam, Uttarkhand, Uttar Pradesh, Orissa, aligning to work on partnerships and integration with lots of transition taking place. Oxfam works in four thematic areas and health comes in one of the thematic area of Essential Services. The study will focus on the knowledge on accessibility and affordability of services provided in health as India has a high percentage of privatize sector in health care. Mr. Xavier viewed that Assam was selected for the study as it is doing well in NRHM especially in finance and service provided. Assam is a model as there is a progressive legislation on health.

In the discussion, Mr. Rijit Sengupta spoke about the very definition of Collusive behavior. There is a high percentage of privatization. The competition should promote quality among consumers and to curb and penalize anti-competitive practice. Mr. S. Srinivasan, LOCOST, commented that the definition of collusive behavior should be expanded. Mr Mukul, Ashadeep, said more evidence based documentation is required. Mrs. Inakshi, CRS, shared her personal experience on the negligence by institutional care. She also shared that capturing the behavioral part is tricky. Ms. Sharma, RGVN shared that demand is high in healthcare but awareness level is low. Dissemination is important. Ms. Jyotika, VHAA opined that people have no choice but out of compulsion they go to private Nursing Homes because their place of work offers such facilities to take treatment in such place. Ms. Indrani Dutta, OKDSCD viewed that in minor ailments people are admitted in ICU’s. Dr. Sunil commented that ethical values have moved to industry. Health is an industry now. Today, it is driven by profit seeking motive. There are no protocols in
India for health. An ethical code of conduct is utmost necessary rather than the percentage of shares between the various players in the health sector. It is a vicious circle.

2nd Session

Ms Indrani Dutta, OKDSDC chaired the session. Dr. Ekka, the Mission Director and the Health Secretary (NRHM) shared some personal experience on endorsing a particular Pharmaceutical brand without any intentions. In Govt Hospitals, inexpensive but effective medicines are provided. People should have the choice in buying between expensive medicines or inexpensive medicines both having the same effects. But generic medicines are people’s expectations. Prices can be brought down with effective regulation by govt as a medium of check and balance. Quality services are available in Govt sector so people have the choices between Govt and Private sector.

Mr. S. Srinivasan, LOCOST spoke on the Collusive behavior in buying degrees in Health Sector which is totally commercial. For instance- Degree of Doctor in Medicine (MD) can be bought for Rs 5 crores. Research on health and pharmaceutical companies is built on ethical inequalities. There is asymmetry in market and the buyers do not get any adequate information. Dr. Sunil commented that in the Health sector, information is asymmetry, there is supplier induced demand and moral hazard which is leading to collusion between doctors and health care deliveries including diagnostic centres. The quality of treatment has decreased and in the process the doctors have stopped learning.

In the discussion, the quality of satisfaction comes in when health for a loved one is concerned and no one wants to take a chance. So whatever the Doctor says and however the medicines are expensive, they are purchased for quick recovery of the patients. Doctors says some medicine do not work but the question arise is where is the qualitative parameters? People should have the basic knowledge in primary treatment.

Govt has asked small labs to close down if it doesn’t meet the minimum requirement which is a positive effort to minimize ill practices.

In summary, Dr. Sunil concluded that 99% of Malaria cases including the tests can be managed in Rs.100. But people pay Rs.1200. There is irrationality due to fear and bad regulation. This is a first step to deal further as a civil society and to come with some effective results.