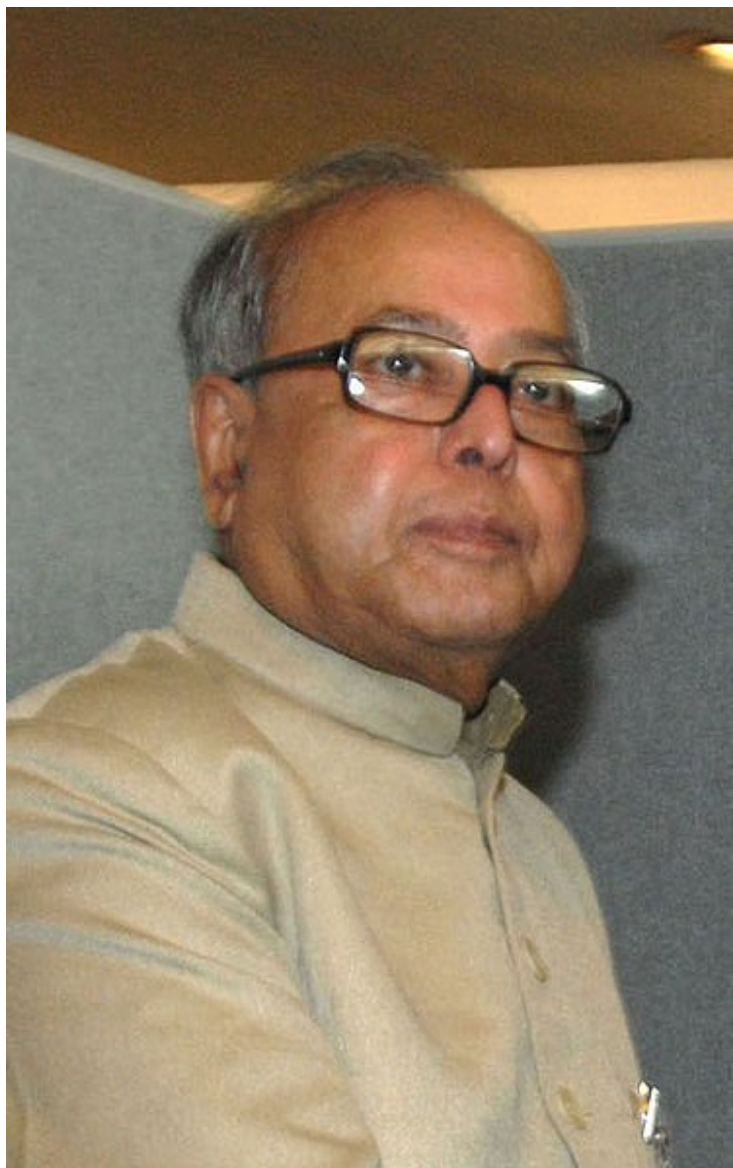


President of India unveils Ernst&Young healthcare report

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Mumbai: At a recent event organised by the industry body FICCI on the theme of 'Universal Healthcare: Dream or Reality?', Mr Pranab Mukherjee, the President of India said that the government is currently undertaking efforts for increasing healthcare expenditure to three percent of total gross domestic product (GDP) by 2022. Presently, the government spends

less than two percent of its GDP on healthcare, comparatively lesser than other BRICS countries. The government had earlier announced its plans to increase its spending to at least 2.5 percent of the GDP in the 12th five year plan.

A FICCI-Ernst and Young report was also unveiled at this occasion by Mr Mukherjee titled, 'Universal health cover for India: Demystifying financing needs'. The report called for more aggressive healthcare spending to keep in line with the growing population and its needs. According to the report, "It is estimated that government health expenditure of 3.7 percent-to-4.5 percent of GDP in 2022 would be required to implement the Universal Health Care (UHC) program, covering out-patient (consultation fee, drugs, diagnostic tests) and in-patient (ailments covered under RSBY and AarogyaSri) services for the entire population". This would call for an aggressive campaign over the next 10 years, overhauling certain aspects of the public health system in the country.

Currently, even smaller countries such as Thailand spend more than India on its healthcare budgets. China, considered to be India's closest competitor allocated 3.3 percent of its budget for healthcare needs. Developed nations such as UK, Germany, Spain and Italy spend 6.5-to-eight percent of their GDP on their healthcare budgets.

The report says that currently a comprehensive Universal Healthcare Plan is needed as treatment costs continue to be largely borne by the patients. Almost 80 percent of urban households and 90 percent of rural households find average cost of in-patient treatment to be almost half of their annual household expenditure. The report also asks for an India specific solution to be designed for the healthcare plan, in order to make it effective and sustainable. Additionally, the report suggests a plan, pay, pool, purchase, and provide mechanism to be adopted as guiding principles for financing the healthcare plan.

Mr Mukherjee added that, "The government cannot handle healthcare issues single-handedly. We should encourage co-operation between the public and private sectors in achieving health goals."