CONCLUSION

THE FUTURE OF ‘NOT-FOR-PROFIT’ SECTOR IN HEALTH SERVICES DELIVERY
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The overall objective of the study was to look at the emergence, interactions and social transformation of non-profit hospitals through a cross-sectional study of these hospitals in Delhi. We looked at the evolution of this sector in Europe, North America, and India. We further examined the social basis of the promoters of non-profit hospitals in India and more specifically in Delhi. In terms of ownership, it was seen that it is the business community who are the main promoters of the non-profit hospitals. Based on the study conducted in Delhi, we categorised the non-profit hospitals in Delhi in to three phases: pre-independence, post-independence (1950-1980) and 1981-present. These cut-offs have been the beginnings of socio-economic changes in the city. The process of social transformation of the non-profit hospitals that has been mapped across these phases, has been examined through the changes in the role of the State and market, the changes in social structure and the socio-demographic and epidemiological transitions.

In an era of rapid commercialisation of the health services there has been little attention paid to the non-profit sector in terms of its changing characteristics and role in delivery of medical care. In several countries, including India, there is a mixed economy with both the public and private sectors playing a significant role in the provisioning of health services. From the post-independence period itself one finds that the State had provided the space for the private sector to play an important role in health care delivery. The growth of the private sector has to be seen in relation to the underfunding of the public sector. The evolution of the private sector that includes both the for-profit and non-profit institutions has seen significant transformation. The for-profit that forms a larger proportion than the non-profit has grown and diversified. The non-profit on the other hand has formed only a small proportion with historical roots in the pre-independence period of India’s history. These institutions have undergone changes in the organisation, role and culture that have been shaped by a variety of factors relating to the socio-political changes, growth of state and private institutions.

In terms of characteristics and distribution there is heterogeneity in the institutional forms and this is marked by rural-urban and interstate variations. As seen in the study, the non-profit hospitals are heterogeneous in terms of size, ownership, services provided and motivations and account for approximately 18-20 percent of beds in the private sector (Nundy, 2005).
As in the case of other institutions, hospitals in the non-profit sector have also been shaped by a variety of factors like socio-economic, epidemiological and demographic factors. Available evidence suggests that the non-profit sector has primarily catered to the poor prior to the 20th century. Earlier, non-profit hospitals were open to mostly the poorer sections and the middle and upper sections of the society visited in lesser numbers. The latter were important to generate some revenues as most revenues came as endowments and subsidies from the government. During this period the state of medical knowledge was rudimentary and hospitals were seen as a last refuge for the sick and dying. With the growth of scientific knowledge during the 19th century, hospitals were seen as places for cure. As techniques improved, these hospitals were used by the middle classes as well. In order to keep up with scientific advances, revenue was harnessed through charging for services. During the 20th century the rise of the welfare state and later the market played an extremely important role in determining the growth and role of the non profit sector in delivery of health services. This was the case in several countries and also India.

The socio-economic, epidemiological and demographic factors have acted and influenced the demand and supply of non-profit services. The shifting base of the classes that rely on the non-profit sector underwent changes over the last six decades. This is seen in terms of the rise of the middle classes using these services. The changing demographic and epidemiological characteristics of the middle class resulted in redefinition of the demands in terms of 'who' were accessing the non-profit and for-profit sector. The increasing role of the market in health care and the role played by the middle class have been instrumental in bringing about changes. The growth in utilisation of these hospitals by the middle classes as well as the disease transition and increase in life span experienced by this class, combined with changing values in society, marked by consumerism, professionalism and a change in perceptions and notions of 'quality' have all led to the transformation process of non-profit institutions. The demands of this section of the society define the way an institution functions as they are the 'customers' and 'consumers' shopping for services.

Availability of technology creates demands on these hospitals in terms of their image and services that are offered. Here, the comparison is with large private hospitals where high-end technology is equated with good 'quality' care. This influences consumer choice as well as providers' demands for providing 'quality care'. It is well acknowledged that technology is an important source of earning revenues for a hospital. Here, the medical professionals play a
key role in generating demand for technology use. They create demand amongst their patients by making referrals to diagnostics, other specialisations and so on. The bulk of the middle classes and upper middle classes in the city, therefore, access private hospitals while the public sector gets the bulk of the poor sections. As the poor do not voice their needs and their protests often go unheard, the public institutions lack the motivation to improve services. The private sector on the other hand gets influenced by various actors - the doctors, management, trustees, and the changing patient profile. The goals of the public and private sector are also very different where the latter exists and survives on the profits made while the primary goal of the former is to provide services and making profits is secondary. There is increasing evidence that the public sector is largely being utilised by the poor, the higher end corporate hospitals by the upper class and the smaller for-profit hospitals and non-profit hospitals are increasingly being used by the middle classes. With increasing pressures of the market that has put demands on hospitals to grow, sustainability has become a major concern. As a consequence hospitals made space for the middle classes who became the main source of income. The shifting social base of the non-profit sector which has seen a shift from the poor to catering to the middle class and rise of for-profit sector has had a profound influence on their organisation and culture.

The behaviour of non-profit hospitals is perceived as different from for-profit ones. Non-profits are seen as more likely to maintain lower prices, expand charity care, or introduce cross subsidies so that the well-off subsidise the sick. Community based non-profits are perceived as less interested in expansion as financial structures and/or limited access to capital make expansion difficult. Capital costs for setting up a non-profit hospital as seen from evidence is lower than a for-profit as they receive donations and subsidies from government. But evidence shows that the boundaries between the for-profit and non-profit hospitals are increasingly getting blurred. There have been debates on whether it is important to differentiate between the for-profit and non-profit at all when they both function in similar ways in a market dominated economy. In its present form this sector is heterogeneous and the only feature that binds them together is the legal status. Faith-based hospitals may have retained their charitable character more than the ones promoted by business but even they have had to face conflicts within their institutions and have had to transform in order to survive. Many non-profits see themselves separate from the emerging corporate sector. Costs levied by these hospitals are reportedly less than the corporate hospitals but even then, they are not accessible to many.
So if the non-profits have transformed and are perceived similar to the for-profits, what is the significance of non-profit in the health services system of India today? Do they fill the gaps that the public sector and for-profit sector create? It is an important debate question that needs to address whether public policy should offer subsidies for the creation of more non-profit hospitals. While policy makers since independence have given space for the private sector to grow, the state needs to address strengthening and developing its own institutions. But since the space has already been created then probably there is the question to be asked whether it is best to provide these spaces to the non-profit more than the for-profit. Studies all over the world show that non-profits and for-profits function differently and the latter leaves a lot to be desired for. In the United States, studies have shown that for-profits have higher death rates than the 'not-for-profit' hospital as it is believed that the for-profits may cut some corners in order to generate more revenues. Based on our study of non-profit hospitals in Delhi it is evident that the non-profit hospitals at the tertiary level behave like the for-profit. The costs of care are high, they do not function as 'charitable' institutions and there are no clear cross-subsidisation mechanisms. Majority of the patients hail from the middle classes, and many of these hospitals have partnered with for-profit and corporate agencies at various levels – management, clinical and non-clinical services.

While the motives of the for-profit are clear, there needs to be further clarity in defining the not-for-profit and the way it might function. Though the cost structure of a non-profit hospital may be no different from a for-profit, Baru (2005) argues that ethical medical practice maybe still possible in non-profits. It may be defined by the values of the institutions that set them apart from other institutes. There are variations in these institutions as motivations and values differ from one to the other. The motives to set up a non-profit are important to understand that gets delineated by the promoters of these institutions. Although motives of several non-profits may be different from a for-profit, the behaviour of the present non-profit hospitals has implications for equity. As seen from evidence they do not provide enough space for the poor sections of society. While some hospitals provide the middle space and strike a balance by providing space for all sections, the other non-profits especially those at the tertiary level have merged in character with the for-profit while many that operate at the primary level still retain their charitable character.

Evidence shows that the presence of non-profit hospitals is skewed towards urban cities and is not accessible to many. At the other side, there is considerable evidence that shows many non-profits working in the health sector in rural areas at primary level. The
actual number of these organisations may be many but their presence is scattered and not universal and they are mostly implementing government health programmes and providing preventive services in terms of health education. Some among these have made significant contribution towards improving health status by building mechanisms to provide accessible primary health services to the communities they serve but these are few. The state could introduce subsidies for more of these non-profit organisations at the primary level and also strengthen its own institutions.

The changing values and ethics of individuals in a society raise questions on the fundamental ways in which a non-profit institution functions in a transforming society. This leaves a lot of questions that need to be addressed by policy makers, promoters of institutions and the medical profession that would define the larger vision, motives and values that make a public 'trust' which is the operative word in the 'non-profit' sector. Therefore, policies have to be directed towards addressing issues of equity and ethical practices. This calls for more regulation of the private sector, fulfilment of conditionalities associated to the subsidies received from the government, encouraging more non-profits to work at the primary level and strengthening of the public sector.