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1.1 Introduction

The growth and development of every country depends on the provision of economic and social infrastructural facilities, where economic infrastructure includes road, dams, telecommunication, post and telegraph etc. social infrastructure includes education, health, sanitation, water supply. With this background, an attempt is made in the area of health sector.

The Access to healthcare varies across countries, groups and individuals, largely influenced by social and economic conditions as well as the health policies. Countries and jurisdictions have different policies and plans in relation to the personal and population based healthcare goals within their societies. Healthcare systems are organizations established to meet the health needs of target populations. Their exact configuration varies from country to country. In some countries and jurisdictions, healthcare planning is distributed among market participants, whereas in others planning is made more centrally among governments or other coordinating bodies. In all cases, according to the World Health Organization (WHO), a well-functioning healthcare system requires a robust financing mechanism; a well-trained and adequately-paid workforce; reliable information on which to base decisions and policies; and well maintained facilities and logistics to deliver quality medicines and technologies.¹

According to World Development Report, good health, as people know from their own experience, is a crucial part of well-being, but spending on health can also be justified on purely economic grounds. Improved health contributes to economic growth in four ways: it reduces production losses caused by worker illness; it permits the use of natural resources that had been totally or nearly inaccessible because of disease; it increases the enrollment of children in school and makes them better able to learn; and it frees for alternative uses resources that would otherwise have to be spent on treating illness. The economic gains are relatively greater for poor people, who are typically most handicapped by ill health and who stand to gain the most from the development of underutilized natural resources.²

1.1.1 Health, Healthcare and Healthcare System:

Health:

Health is wealth for every individual & hence health is recognized as one of the basic right of an individual. It is defined as a state of physical, mental and social well-being and not merely the absence of disease or infirmity. The Indian government is the quasi federal form of government with parliamentary system.

Several people have defined in different ways few of them are explained below:

1. The state of the organism when it functions optimally without evidence of disease or abnormality.
2. A state of dynamic balance in which an individual's or a group's capacity to cope with all the circumstances of living is at an optimal level.
3. A state characterized by anatomic, physiologic, and psychological integrity, ability to perform personally valued family, work, and community roles; ability to deal with physical, biologic, psychological, and social stress; a feeling of well-being, and freedom from the risk of disease and untimely death.

Health is the level of functional and / or metabolic efficiency of a living being. In humans, it is the general condition of a person in mind, body and spirit, usually meaning to be free from illness, injury or pain. The World Health Organization defined health in its broader sense in 1946 as “a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity”.

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**Healthcare:**

The preservation of mental and physical health by preventing or treating illness through services offered by the health professionals is called healthcare.\(^7\)

Healthcare is the diagnosis, treatment, and prevention of disease, illness, injury, and other physical and mental impairments in humans. Healthcare is delivered by practitioners in medicine, chiropractic, dentistry, nursing, pharmacy, allied health, and other care providers. It refers to the work done in providing primary care, secondary care and tertiary care, as well as in public health.

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**Healthcare System:**

A healthcare system is the organization by which healthcare is provided. Although some view healthcare from an economic perspective as being no different from other products or services, others believe it has many characteristics that encourage government intervention or regulation. (i) The provision of critical

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\(^7\) Online available at <http://wordnetweb.princeton.edu/perl/webwn?s=healthcare> accessed on 02/009/2012

healthcare treatment is often regarded as a basic human right, regardless of whether
the individual has the means to pay some treatments cost more than a typical family's
life savings. (ii) Healthcare professionals are bound by law and their oaths of service
to provide lifesaving treatment. (iii) Healthcare professionals are monopolists in
various respects: surgery, gynecology, prescribing, etc. (iv) Consumers often lack the
information or understanding to be able to choose rationally between competing
healthcare providers when they need treatment, particularly in the event of the need of
urgent or emergency treatment.9

Importance of Health in Economic Development:

Improvement in the health of people increases their productive capacity and
leads to qualitative improvement in human capital hence expenditure on health is
important in building and maintaining a productive labour force as well as improving
the lives of the people and the quality of economy. The progress related to healthcare
systems are as follows:

i. Expanding medical knowledge through increased basic research in the life
science.

ii. Faster dissemination of new information and techniques to help policy makers
and the public.

iii. More and better organized health facilities, man power, research laboratories,
medical schools, general hospitals, private hospitals, highly trained specialists
are essential.

iv. Improved financing of medical services.

v. Free medical aid to the poor, downtrodden and other poor section of the
population.

Content264.htm> accessed on 16/09/2012.
1.1.2 Characteristics of Quality Healthcare:

According to IOM (Institute of Medicine) Report the following are six characteristics of quality care:\(^\text{10}\):

- **Safe** - Any of us who encounter the healthcare system should have an unqualified expectation of safety; and yet, we know that preventable medical errors – medication errors, etc., happen many times every day. So, healthcare should be safe.

- **Timely** - This doesn’t mean that sometimes we shouldn’t have to wait a few minutes in the waiting room. It means that when we need care, we should get it in a timely manner. This is a real problem in some countries where patients wait for many months to have needed tests and procedures.

- **Effective** - The care we get should be the “right” care.

- **Efficient** - Data indicated showed cost and quality are not correlated; some lower cost physicians (or hospitals) produce high quality care, while some high cost physicians produce low quality care. This led many of the purchasers, plans and researchers to conclude that measuring, rewarding and making transparent both cost and quality may lead to improved efficiency without adversely affecting quality.\(^\text{11}\)

- **Equitable** - Everyone should have access to the same quality care.

- **Patient-centered** - Patient centered care is the right care, the highest quality care and the most cost effective care for every patient. Patients are each very unique biological, social, psychological, economic, ethnic and spiritual beings. Multiple disciplines are important to the best patient centered outcome. Patient centered care will also provide help with achieving the best individual patient outcome.

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1.1.3 Public Healthcare System:

Public health is "the science and art of preventing disease, prolonging life and promoting health through the organized efforts and informed choices of society, organizations, public and private, communities and individuals".\(^\text{12}\)

The focus of public health intervention is to improve health and quality of life through the prevention and treatment of disease and other physical and mental health conditions, through surveillance of cases and the promotion of healthy behaviors. Promotion of hand washing and breastfeeding, delivery of vaccinations, and distribution of condoms to control the spread of sexually transmitted diseases are examples of common public health measures.

Public healthcare system consists of (i) primary, secondary and tertiary care institutions, manned by medical and paramedical personnel. (ii) Medical colleges and paraprofessional training institutions to train the needed manpower and give the required academic input. (iii) Programme managers managing ongoing programmes at central, state and district levels. (iv) Health management information system consisting of a two-way system of data collection, collation, analysis and response.

1.1.4 Private Healthcare System:

The private health sector consists of the ‘not-for-profit and the ‘for-profit’ organizations. Individual practitioners from various systems of medicine provide the bulk of medical care in the for-profit health sector. The not-for-profit sector is heterogeneous, with varying objectives, sizes and the areas they cater to.

The diversity in the composition of the private sector, range from voluntary, not-for-profit, for profit, corporate, trusts, stand-alone specialist services, diagnostic laboratories, pharmacy shops, unqualified providers (quacks); each addressing different market segments. However, typically the private sector consists largely of sole practitioners or small nursing homes having 1 to 20 beds, serving the urban and semi-urban clientele and focused on curative care.

1.1.5 **Public-Private-Partnership (PPP) in Healthcare:**

Public Private Partnership in health sector falls under the broad framework of Health Sector reforms that was initiated by the World Bank in the early 1990’s. Public private Partnership has been defined in various ways by different authors in different contexts. It has to be understood that there is no single uniform definition of a Public-Private Partnership that can be applied to all situations where a Partnership has taken place between two parties for the greater good.

Public-Private Partnerships in the health sector have become the rule rather than exception especially in the developing nations. The need for PPP arose from the inadequacies and inefficiencies that has been plaguing Government healthcare service delivery in most developing nations including India and the indomitable and unregulated rise of the Private sector in healthcare service delivery. The Government sector and the Private sector had its own strengths and weaknesses. Thus PPP stood out as an ideal platform where the strengths of both the parties could be used to provide the maximum benefit of healthcare delivery to the common people while minimizing each-others’ weaknesses. These considerations led to the evolution of a range of institutional agreements in varied situations with the ultimate goal of offering healthcare services to the people. Partnerships with the private sector have emerged as a policy option with the realization that, given respective strengths and weaknesses, neither the public sector nor private sector alone is in the best interest of the health system. Involvement of the private sector is, in part, linked to wider belief that public sector bureaucracies are inefficient and unresponsive while market mechanisms promote efficiency and ensure cost effective, good quality and responsive services (WHO 2001).

Though such partnerships create a powerful mechanism for addressing difficult problems by leveraging on the strengths of different partners, they also package complex ethical and process-related challenges.
1.1.6 Role of Government in Public Welfare and Healthcare:

Indian Healthcare System:

The Indian constitution charges the states with "the raising of the level of nutrition and the standard of living of its people and the improvement of public health". However, many critics of India's National Health Policy, endorsed by Parliament in 1983, point out that the policy lacks specific measures to achieve broad stated goals. Particular problems include the failure to integrate health services with wider economic and social development, the lack of nutritional support and sanitation, and the poor participatory involvement at the local level.

Central government efforts at influencing public health have focused on the five-year plans, on coordinated planning with the states, and on sponsoring major health programs. Government expenditures are jointly shared by the central and state governments. Goals and strategies are set through central-state government consultations of the Central Council of Health and Family Welfare. Central government efforts are administered by the Ministry of Health and Family Welfare, which provides both administrative and technical services and manages medical education. Similarly States Governments also provide public services and health education to the society.

The 1983 National Health Policy is committed to providing health services to all by 2000. In 1983 healthcare expenditures varied greatly among the States and Union Territories, from Rs.13/- per capita in Bihar to Rs.60/- per capita in Himachal Pradesh and Indian per capita expenditure was low when compared with other Asian countries outside of South Asia. Although government healthcare spending progressively grew throughout the 1980s, such spending as a percentage of the gross national product remained fairly constant. In the meantime, healthcare spending as a share of total government spending decreased. During the same year, private-sector spending on healthcare was about 1.5 times as much as government spending.13

### 1.1.7 Other sectors connected to Healthcare Services:

Insurance coverage is that which pays for medical and surgical expenses incurred by the insured person. Health insurance can either reimburse the insured for expenses incurred from illness or injury or pay the care provider directly. Health insurance is often included in employer benefit packages as a means of enticing quality employees.14

There are many public and private healthcare insurance companies who provide free and affordable medical insurance facilities especially for the poor section of the society.

### 1.2 Need of the Study

In the context of above introduction a need is felt to examine the facilities available in public and private healthcare services of Bijapur District.

- Do life-saving equipments available in the concern hospitals are sufficient?
- Whether Bijapur City is having adequate Diagnostic Facilities for both poor and rich?
- Why Bijapur City is not referral center for tertiary care and other super specialty care?
- Is there optimal utilization of Government healthcare facilities, schemes and funds?
- How insurance providers help in the healthcare?

No such study has been made in the past covering the healthcare system of Bijapur District. As such it would be the first study of this kind. It would fill a research gap.

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1.3 **Statement of the Problem**

For human development, healthcare facilities are most essential. These help in minimizing infant and maternal mortality rates. These also help in improving life expectancy level.

In this context, the issue of research is a comparative study of public and private healthcare systems with reference to Bijapur District.

1.4 **Objectives of the Study**

i. To examine the status of healthcare system in India and Karnataka

ii. To study the healthcare system in Bijapur District

iii. To analyze a comparative study of public and private healthcare systems in Bijapur District

iv. To find out the deficiencies of healthcare facilities in the study area

v. To offer suitable suggestions on empirical evidence to improve healthcare systems in Bijapur District.

1.5 **Hypotheses**

The present research study intends to develop the following hypotheses:

i. Over the years, awareness amongst people pertaining to health has improved significantly.

ii. Private hospitals provide better healthcare facilities than the public hospitals.

iii. Higher revenue earning is the major motive of private hospitals.

1.6 **Methodology**

For the present work, the following methodology is adopted:

1.6.1 **Sources of Data Collection:**

For the purpose of data collection, both primary and secondary sources were utilised. The secondary sources included Books, Journals, Census Report, Socio-
economic Survey of the District Statistical Office (2011-12) Bijapur, Bijapur District at a Glance 2011-12, various web searches, etc.

The primary data was gathered using the questionnaire and interview method. A suitable questionnaire was designed to collect the information for the comparison of public and private healthcare service providers. The questions focused to know the existing availability of healthcare facilities and services in public, private and charitable hospitals. The researcher has designed two separate questionnaires - one for the ‘Administrators / superintendents / stakeholders / heads’ of research hospitals and other for the ‘IPD patients’ at the time of discharge from research hospitals.

The questionnaire prepared for ‘Administrators / superintendents / stakeholders etc., covered the issues like type of hospital, number of beds, availability of specialities, super speciality, supportive services, critical care services, Intensive Care Units (ICU), special rooms, academic facilities, special diagnosis, infrastructure, assessment of government and private healthcare schemes, charges of various diagnostic tests. The other questionnaire was designed to get personal information and feedback about the concerned hospitals from Indoor Patient Department (IPD) patient at the time of discharge. It covered information like personal, educational, income, employment, reason for admission, treatment & management satisfaction, outcome of research hospitals etc.

Along with the collection of the data using questionnaire and interview, the researcher has personally visited the research hospitals and interacted with the managers/ stakeholders and IPD patients to gather more information. This helped to collect relevant information from the maximum number of respondents.

1.6.2 Sampling Technique:

The research is carried out by using simple random sampling. All the data has helped in formulating a very comprehensive case study. All sample units are personally contacted and interviewed.
1.6.3 **Sample Size:**

The sample of only 12 hospitals which are exists since last 10 years are covered. There are many private hospitals in Bijapur District but only multi speciality hospitals with minimum 50 beds are considered for the present research work.

For the collection of hospital profile, the breakup is as under:

i. Data of five public hospitals is collected, (Bijapur District Civil Hospital and four Taluka Hospitals of Bijapur District).

ii. Data of six private hospitals of Bijapur City is collected, (BLDEU’s Hospital, Choudhari Hospital, Munir Bangi Hospital, Mudanur Hospital, Vatsalya Hospital, Sri Ramakrishna Hospital).

iii. Data of one Charitable Hospital is collected, (Al-Ameen Hospital).

The sample size of IPD patients is 200, which is 25 percent of the total admissions per month in concerned hospitals and the questions were asked only to IPD patients at the time of discharge. The break up is as under:

i. Data of 15 patients each in Taluka hospitals which are of 100 beds. (Basavan Bagewadi, Indi, Muddebihal, Sindagi) and its total is 60 patients.

ii. Data of 30 patients each in hospitals with more than 300 beds of Bijapur City which consists of 1 Government District hospital, 1 private hospital (BLDEU’s) and 1 charitable hospital (Al-Ameen) with total 90 patients.

iii. Data of 10 patients each in 5 private hospitals with 50-100 beds of Bijapur City with total 50 patients.

1.6.4 **Study Period of Data Collection:**

The research hospitals were visited randomly between April 2011 and April 2013.
1.6.5 **Data Analysis:**

The present research work, which is comparative in nature has adopted ratio, percent and statistical *Z-Test* with *P-Values* understand the significant differences of facilities and services in public and private hospitals, opinion about the hospitals, treatment satisfaction, staff cooperation level, outcome, and study of charges of different services. Further pie and bar charts are used wherever necessary.

1.7 **Limitations of the Study**

The present study has the following limitations;

1. The present study is confined only to Healthcare facilities among various infrastructural services.
2. This study is limited to Bijapur District only.
3. The period of study is 2000-01 to 2010-11.
4. The field survey has been conducted in 5 public hospitals and 6 private hospitals spread over Bijapur District.
5. Only multi-specialty hospitals are covered for present study with minimum bed strength of 50 or above.
6. Patients profile has been collected from admitted patients based on patient’s knowledge at the time of discharge.
7. As per the micro level study, the conclusions drawn may not be generalized.

1.8 **Chapter Scheme**

The present study is spread over seven chapters. The brief outline of each chapter is as follows:

**Chapter-I:** The first chapter provides introduction to the problem and also covers need, aims and objectives. It also mentions the hypotheses, scope and limitations of the study. It also describes research methods and techniques, collection of data, interpretation of data and its analysis.
Chapter-II: This chapter illustrates a detailed review of related literature. The thematic and chronological approach has been used for the review. The sub-themes are broadly categorized into five headings viz., Health and its significance, nature and scope; Public healthcare services; Private healthcare services; Public Private Partnership in healthcare services and other sectors involved in healthcare services.

Chapter-III: An overview of Status of Healthcare System in India and Karnataka is discussed in detail in this chapter. This chapter has been divided into two sections. In Section-A: Facets of health, healthcare system; characteristics of a good health system; public healthcare system; private healthcare system; public private partnership in healthcare; other sectors involved in healthcare is discussed. Further, in Section-B: Public health policies and plans in India are discussed. It covers the availability of schemes and the subsidies from government and private healthcare in Karnataka is covered.

Chapter-IV: This chapter describes general profile and health profile of the district such as, total hospitals available in Bijapur District consisting of all government, private nursing homes and clinics including the bed strength with the availability of facilities, implementation of schemes etc. Furthermore this chapter covers the assessment of rural and urban hospitals of the district.

Chapter-V: In this chapter an attempt is made for comparing public and private hospitals, with the facilities available in the selected hospitals, patient’s profile at the time of discharge and economic study of charges for OPD, admission, treatment and diagnostic tests etc. it also covers various statistical analysis and tests for the significance.

Chapter-VI: This chapter provides the summary of major findings, suggestions, testing of hypotheses and conclusions.
1.9 Conclusion

Healthy population leads to health nation, better health is central to human happiness and well-being. This makes an important contribution to economic progress, as healthy population lives longer, is more productive and can save more which leads to economic development of the nation.

It is realized that health plays a significant role in the process of growth and development. So, Government has taken timely steps through the establishment of various hospitals from community level to district level, with the required equipments, further many of the healthcare schemes have been introduced to improve the health conditions of its citizens.