Q17

In a crucial domain like the public healthcare system, the Indian State should play a vital role to contain the adverse impact of marketization of the system. Suggest some measures through which the State can enhance the reach of public healthcare at the grassroots level.

UPSC Civil Services Mains 2024 · GS II · 15 marks · Health, Education and Human Resources

Issues relating to development and management of Social Sector / Services relating to Health, Education, Human Resources.

Core demand of the question

- Show why marketization of healthcare hurts equity
- Affirm a vital State role in containing that impact
- Suggest measures to enhance the reach of public healthcare at the grassroots
- Do not treat insurance purchase as a complete health system

Revision summary

Private-heavy care and out-of-pocket spend are the face of marketization in Indian health.

Information asymmetry and cream-skimming make a pure market unsafe for the poor.

- **Grassroots State role:** Health and Wellness Centres, ASHA and ANM, district hospitals, public colleges, pooled drugs, ambulances.

Insurance purchases care; it does not replace a public provider that sets a price floor.

Article 47 and Article 21 emergency-care cases already treat basic health as a State duty.

Capex on buildings is not enough; people who stay and drugs that exist are the reach.

Introduction

India's sick still pay out of pocket more than a republic should ask. Private beds and labs grew because the public core was thin, not because the market is a clinic of last resort. Marketization without a strong State means cream-skimming: paying patients inside, the poor outside or indebted. In healthcare the State is not a referee on the touchline. It is the team that must still play.

Body

Adverse impact of marketization

A free market in stents is a seller's market.

- **Peg:** Private share of outpatient and inpatient care is high; catastrophic spend still pushes households below the line.

- **Peg:** Information asymmetry means the patient cannot shop for a procedure the way she shops for soap.
- **Peg:** Rural posts stay vacant while urban corporate hospitals cluster; clinical-establishment regulation is patchy.
- **Peg:** Insurance without public provision can inflate prices if the public hospital is too weak to be a price anchor.

Why the State must play

Article 47 and Article 21 already said the quiet part.

- **Peg: Paschim Banga Khet Mazdoor Samity** and **Parmanand Katara** treat timely emergency care as a State duty under Article 21.
- **Peg:** The grassroots right to a nurse, a drug and a referral is not a tradable.
- **Peg:** Market players can remain for electives; they cannot be the only competent bed in a district.

Grassroots measures

Provision first, purchase second.

- **Peg:** Fill **Health and Wellness Centres** with diagnostics and drugs that do not require a private shop; pay **ASHAs** as the real primary-care network.
- **Peg:** Mid-level providers, served rural bonds, specialists at district hospitals, and public medical colleges attached to those hospitals expand seats and beds together.
- **Peg:** Immunisation, tuberculosis, vector control, mental health at the primary centre, ambulance grids, **Jan Aushadhi** and pooled procurement on the Tamil Nadu Medical Services model.
- **Peg:** Enforce clinical-establishment standards; audit insurance claims; steer volume to public facilities that are made fit - insurance as a servant of provision, not a substitute.

Flow diagram

Marketization -> OOP cream-skim

State -> HWC drugs ASHA drugs ASHA

State -> District hospital

State -> Regulate private

HWC drugs ASHA -> Equity at grassroots

District hospital -> Equity at grassroots

Conclusion

Marketization without a public core prices the poor out and inflates the bill. The State enhances grassroots reach by staffing wellness centres and district hospitals, buying drugs in bulk, regulating private excess, and using insurance as a servant of provision - not a substitute.

Facts & figures

Health and Wellness Centres (Ayushman Bharat)

Primary-care upgrade of sub-centres and PHCs - the intended grassroots platform.

Paschim Banga Khet Mazdoor Samity v. State of West Bengal
Failure to provide timely emergency medical care can violate Article 21.

Tamil Nadu Medical Services Corporation
Pooled public drug procurement model often cited for quality and price.

Article 47 of the Constitution
Nutrition and public health as among the State's primary duties.

Parmanand Katara v. Union of India
Doctors and hospitals must render emergency care; the State's duty is not postponed by paperwork.