

MUCH NEEDED REFORMS IN POST-COVID HEALTHCARE SYSTEM IN INDIA

Dr. Vikalp Shrivastava*

India ranks 66th position as per the 2021 Global Health Security Index. This rank is much lower than that of the USA, UK, Brazil and other countries. Therefore, our country is more prone to face high figures in mortality as compared to other countries. India's total health expenditure stands at only around 3.8% of its GDP, which is still lower than Bhutan and South Korea. According to the National Medical Commission, as of November 2024, the doctor-population ratio in the country was approximately one doctor for every 811 persons --a ratio the Government claims is now better than what WHO mandates, though this figure includes AYUSH practitioners and an assumed availability rate. This paper will try to analyze what needs to be done by the government of India to ensure that our healthcare system doesn't collapse post pandemic. The paper also strives to highlight measures that can be taken to improve the overall healthcare system in this country post-COVID-19.

Key Words: Health, Indian Govt., Pandemic, GDP

Introduction

Health is one of the key ingredients of personal growth. People feel empowered only when they are away from poverty, malnutrition, hunger, and are living a healthy life. For this, the most important aspect is easy and affordable healthcare. This not only improves the overall well-being of the citizens but also improves their productivity and financial security. All over the world it is the primary responsibility of the incumbent governments to provide good healthcare facilities to their citizens, especially in the case of developing countries like India.¹ In India, there are approximately 13.86 lakh doctors who are registered medical practitioners and we have a huge number of unregistered practitioners or Quacks. Rural areas have as low as 18.8% of registered doctors while urban areas are on a better footing with having approximately 58% of qualified doctors.²

* Assistant Professor, Christ University (Deemed University), Ghaziabad.

1 Healthcare financing reforms in India, available at; https://www.nipfp.org.in/media/medialibrary/2013/04/wp_2012_100.pdf (Visited on July 05, 2020).

2 National Medical Commission data as cited in Doctor-Patient Ratio in India Is Better Than WHO's Standard: Centre, available at; <https://www.etvbharat.com/en/!bharat/doctor-patient-ratio-in-india-is-better-than-who-standard-centre-enn24080206126> (Visited on September 17, 2026).

The sorry state of affairs in the health sector could also be understood from the fact that the doctor-population ratio is only about one doctor for every 811 people (even by the Government's own, more favourable count that includes AYUSH practitioners), and there is only about one Government hospital bed for every 1,266 people (0.79 beds per 1,000 population), well short of the National Health Policy's own target of two beds per 1,000 people, as per the Ministry of Health and Family Welfare. Government hospitals lack dedicated staff, proper management, and good infrastructure - leaving the poor and deprived (i.e. 11.28% of India's population classified as multidimensionally poor, as per NITI Aayog's National Multidimensional Poverty Index data for 2022-23) at the mercy of such hospitals, since they can't afford private healthcare.³ As per recent estimates, around 70% of India's population is now covered by public or private health insurance schemes, and out-of-pocket personal spending, though it has fallen considerably, still accounts for close to 39% of total expenditure on healthcare in India, as per the National Health Accounts Estimates 2021-22. There have been some recent initiatives to augment public spending on health care, but achieved only limited success. The National Rural Health Mission (NRHM), established in 2005 (now subsumed within the broader National Health Mission), and Rashtriya Swasthya Bima Yojana (RSBY), a national health insurance scheme for people below the poverty line, were among the most important initiatives by the Central government; RSBY has since been replaced by the far more expansive Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), launched in 2018. Several state governments have also come up with their own insurance and health-related schemes. Following these initiatives, public spending on health has shown a marked increase in recent years, though it still remains short of the Government's own target. These two above-mentioned major schemes are noble initiatives by the Government to provide healthcare facilities to poor people at affordable rates. But if we look at the total expenditure of the Government on healthcare, it hasn't improved much over a couple of decades, and that is the main cause of the deplorable state of healthcare in India. Being the second-most populous

³ Doctor-population ratio in country is better than WHO standard: Nadda, available at; <https://deccanchronicle.com/nation/doctor-population-ratio-in-country-is-better-than-who-standard-nadda-1842451> (Visited on September 17, 2026); Ministry of Health and Family Welfare, Press Release on hospital bed availability, available at; <https://mohfw.gov.in/press-info/7905> (Visited on September 17, 2026); NITI Aayog, Multidimensional Poverty in India since 2005-06 (Discussion Paper, January 2024), available at; <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/jan/doc2024119300101.pdf> (Visited on September 17, 2026).

country in the world, we Indians need to spend more on healthcare.⁴ We somehow survived pandemic barely, hence urgent measures are needed more than ever before, to ensure that our health-sector does not collapse if we ever face such type of challenge in the future. Also, at the same time, such measures should be on a long-term basis so that we could be ready for similar contingency and the government should avoid patchwork and short-term measures.

*** Measures that can be taken by the Government post-COVID 19 crisis, to improve public healthcare facilities**

Low public spending on the health-sector

Public-spending on the health-sector has always been very low. During 1996-97 and 2005-06, the overall public spending was approx. 1% of GDP, which was even lower when compared to underdeveloped countries. If we look at the public spending from 1990 till 2009, it was almost stagnant, moving from 0.9 to 1.2 % of GDP. Despite several attempts to boost public spending by introducing NRHM and other schemes, the total outlay remained only 1.2% of GDP in 2009-2010. In the case of India, due to poor public healthcare, citizens are forced to take recourse to the private sector, thereby causing high 'Out-of-Pocket' (OOP) spending. For long, OOP spending in this country was several times higher than Government expenditure on healthcare, though this gap has narrowed considerably in recent years, with Government spending now accounting for a slightly larger share (48%) of total health expenditure than OOP spending (39.4%), as per the latest National Health Accounts Estimates (2021-22).

The Constitution of India tries to overcome the problem of horizontal and vertical imbalances, and it also attempts to sort out the disparity regarding sharing of central taxes with the states. Similar concerns present themselves when there is a situation of providing grants-in-aid to backward States. These allocations and aids are provided by the Central Government, based on the recommendations by the NITI Aayog (previously known as the Planning Commission). The Central Government also provides grants to various States for implementing its schemes (like Swachh Bharat Abhiyan). Despite all these mechanisms, the poor and backward States are left with a stringent financial budget, as the aid provided by the Central Government is not enough, leading to poor implementations of these policies by the States, and deplorable condition of healthcare in these areas.

Under the Constitution, the State Governments have the primary responsibility to provide for services relating to healthcare. Entry 6 of List II of Seventh Schedule i.e. “State list” clearly provides for “Public health and sanitation, hospitals and dispensaries”, meaning thereby that it is the primary duty of the States to provide for healthcare to its citizens, and not the direct duty of the Central Government. On the other hand, “Population control and family planning”, “Medical, legal and other professions”, “Mental deficiency and lunacy”, etc., come under “Concurrent List”, putting all these matters within the ambit of both Central and State Governments. Low public spending on the health sector has led to increased OOP expenditure by the citizens. The total expenditure on health in India during 2007 was approx. 4.1% of GDP, which was even higher when compared to other countries like China, Sri Lanka, and Thailand. Due to high OOP expenditure, poorer sections of the population in India are under a lot of financial stress. From 1986-87 till 2004-05, the number of patients not getting the necessary treatment due to reasons of financial constraints, has risen from 15% to 28% in rural areas. This phenomenon is because of the rapid growth of private players in the healthcare sector, as also due to the deplorable state of the existing public health infrastructure and system that is forcing people to opt for private healthcare instead of public healthcare.⁵

On the brighter side, the over-all Government spending on healthcare has seen a consistent rise from 1.13 percent in 2014-15 to 1.84 percent in 2021-22, and further to around 1.9 percent of GDP in 2023-24, as per the Economic Survey 2023-24. It just not the Government’s lack of concern that has made our health sector almost incapable of handling COVID pandemic crises, but it is also because India’s elite class channel their funding more to the private sector than to the public sector, since private hospitals offers more profitable prospects than those available in Government hospitals. In the financial year, 2017, out of the total spending on healthcare, only 7% was seen to have been spent on preventive healthcare, while the rest was spent on treatment and cure of diseases and infirmities. However, now, during the lockdown, the entire spending has almost shifted to preventive measures. Had it been the priority earlier, we could have avoided such a

5 *Supra* Note 1 at 16.

catastrophic situation and smoothly sailed through the pandemic. More spending on healthcare is the need-of-the-hour, and the pandemic-situation in our country has been an eye-opener.⁶

On May 12th, an economic stimulus package of 20 lakh crore was announced by the Government, and it is expected that it would be enough to handle the situation of economic slowdown and unemployment in our country. Also, at the same time, it is expected that it would provide some relief to the health sector which is currently reeling under a lot of pressure. A commendable step taken by the Government is, donations to the PM care fund, and any activity relating to the COVID 19 prevention and cure done by the companies would come under CSR activity. Also, the companies would get tax benefits, due to which a lot of companies have donated and came forward to help the Government in the fight against COVID-19. In the stimulus package, an amount of only 15,000 crore is allocated for healthcare, out of 20 lakh crore, which is quite less a figure considering that this is a health emergency. The Government should reconsider its allocation of funds if they don't want to further put more pressure on the health sector. The Government had taken sufficient steps during pandemic (like ordering more PPE's and testing kit, ventilators, etc.), but as we know it wasn't sufficient at that time. The funds allocated for other health programs like family-planning etc. could have been diverted for treatment and identifying of COVID-19 patients; since without extensive testing, a country would face high difficulty in coming out of any such crisis like pandemic. Many media personnel have reported that private hospitals are charging exorbitant prices from COVID patients; and most of the time, these private hospitals are denying admission to the patients by citing various flimsy reasons. The Government should have encouraged and promoted private hospitals by providing subsidies and grants for treating COVID patients; and at the same time, taken strict action against those who are denying to treat COVID patients or are charging sky-rocketed prices.

*** Putting a cap on pricing for various healthcare services offered by the private players**

In the past couple of decades, India has become a hotspot for medical tourism, with patients pouring in from all over the world (especially from the Middle East and Southeast Asian countries). The main reason for this

⁶ Health expenditure now at 1.84% of GDP, moving steadily to 2.5%: Nadda, available at: <https://www.deccanherald.com/amp/story/india%2Fhealth-expenditure-now-at-184-of-gdp-moving-steadily-to-25-nadda-3453460> (Visited on September 17, 2026); see also COVID 19 shows why we need a healthcare reboot for India, available at: <https://www.livemint.com/politics/policy/will-covid-19-prompt-health-reboot-11585497828527>. (Visited on June 08, 2020).

influx of patients is - comparatively cheaper private healthcare. Ironically, what seems to be cheaper for foreign patients is way too expensive for people of this country. Post-independence private hospitals provided service to approximately 5 to 10% patients, but now they serve almost 58% of in-patients and 82% of out-patients. This sharp rise is partially due to the abysmal state of public healthcare in India and also due to the support provided to these private hospitals by the Government by way of providing cheap lands, infrastructure, and exemptions from taxes and duties. Now, the private hospitals have focused their attention more on profiteering than on providing affordable healthcare by providing five-star level hospitals and by recruiting foreign doctors in their panel, due to which the overall medical expense has gone beyond the reach of most of the 'main janta' or people of India. Citizens are forced to opt for such costly treatment since there is no alternative available in the form of viable public sector healthcare. 40% of patients who are admitted to the private hospital either have to sell their property or borrow money to bear such hefty expenses which push them below the poverty line. The need-of-the-hour is to fix the pricing of services provided by these private hospitals, as there are a lot of disparities in pricing; various hospitals charge different prices for the same treatment or service. Various countries like Japan, U.K., and Thailand have already done that where prices are fixed by the Government after discussing with the stakeholders. The Government must also guarantee that overbilling by private hospitals attract severe penalties. The cost of healthcare will come down if the Government changes its perception of looking at poor patients as a liability and burden on the exchequer. It must be remembered that if a patient pays Rs. 1000, almost Rs. 250 goes to the Government in the form of various taxes. Tax-exemptions for hospitals will incentivize the hospitals to provide affordable healthcare to all its patients.⁷

Lack of Medical Personnel

This is a very basic problem faced by our country. There is an acute shortage of nurses, doctors, and other medical staff, which is more visible in the rural areas where majority of the Indian population resides. While medical staffs are generally quite reluctant to serve in rural areas, health personnel are employed in the private sector in majority of the urban areas. The scarcity of medical experts in rural areas is up to 90% in Jharkhand, Rajasthan, and Chhattisgarh, while in Odisha and Uttarakhand, it is up to 86%. Even after several years of the introduction of NRHM (National Rural Health Mission), the gap between the availability of allopathic doctors

7 *Supra* Note. 2 at 10

in rural areas of socio-economically backward states like Bihar, Uttar Pradesh, Jharkhand, Chhattisgarh, Orissa, Rajasthan, etc., and other states is very wide.⁸

‘Elitist Medical Education’

If we see a trend of students admitted to AIIMS medical institute for medical training, we would find that many students, after completing their education, head to western countries for a job rather than staying in their own country. From 1989 to 2000 almost 54% of students left the country after completing MBBS. Amongst the remaining students, almost 74% live in urban areas and serve only 29% of the Indian population. Since medical education is very costly in India if it's done through private institutions (since Government medical colleges are less in number, most of the medical graduates are from private medical colleges and have paid hefty fees to get the degree. These students mostly belong to the elite class of our society, in big cities. Also, the medical courses which are being imparted come from western countries. Due to such factors, these freshers are least interested to leave the comforts in urban areas and practice in rural and backward areas instead. If we had more Government medical colleges catering to all students of medical science, this situation would not have arisen, since private medical colleges have commercialized the entire education-system – by charging donations and capitations-fees which runs into lakhs, of rupees thereby discouraging those hailing from a humble and poor background who may aspire to join this noble profession. Government must regulate the fee-structure and occasional fee-hike of the private medical colleges.⁹

Need to improve healthcare infrastructure

Health- Infrastructure is a key factor in comprehending the healthcare policy of any country. India has the second-largest population in the world, with almost 11.28% of its population classified as multidimensionally poor,

8 Challenges confronting public hospitals in India, their origin and possible solutions, *available at*: <https://www.hindawi.com/journals/aph/2014/898502/> (Visited on June 10, 2020).

9 *Ibid.*

which poses a humongous challenge before the Government.¹⁰ There are currently only about 7.9 Government hospital beds per 10,000 population and around twelve doctors per 10,000 citizens. The health sector of our country still remains considerably under-equipped to handle a crisis on the scale of the COVID-19 Pandemic again. In the public sector, there lies dysfunctioning, inefficiency, and a severe shortage of healthcare facilities and infrastructure, due to which it struggles to cater to a huge influx of patients in any similar emergency. Additionally, close to 30% of the citizens of this country still don't have access to any health insurance, and a large share have no or limited access to essential medicines. Moreover, in the past couple of decades, accessibility of free medicines in the public sector has fallen from 17.8% to 5.9% for outpatients, and from 31.2% to 8.9% for inpatients as reported by the rating agency Public Health Foundation of India.

It is also said that our government's efforts to push for Universal Health Care (as a part of its commitment, due to the fact of India being a member of United Nations, where every member state agreed to achieve universal healthcare worldwide by 2030) would promote the rapid growth of pharmaceutical sector in our country, along with the healthcare market. Since COVID 19 has put a lot of stress on the health sector for achieving universal healthcare, it still seems like a distant dream. Planned healthcare reform, with special emphasis on improving the overall infrastructure, is the need-of-the-hour. Serving in rural areas will help our country to improve our ranking in the Human Development Index (which is currently 130 out of 193 countries, as per the UNDP's Human Development Report 2025).¹¹

10 Health infrastructure in India: Critical Analysis of policy Gaps in the Indian Health Care Delivery, available at: <https://www.vifindia.org/sites/default/files/health-infrastructure-in-india-critical-analysis-of-policy-gaps-in-the-indian-healthcare-delivery.pdf> (Visited on June 08, 2020); NITI Aayog, Multidimensional Poverty in India since 2005-06 (Discussion Paper, January 2024), available at: <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/jan/doc2024119300101.pdf> (Visited on September 17, 2026).

11 India's human development continues to make progress, ranks 130 out of 193 countries, UNDP Press Release (6 May 2025), available at: <https://www.undp.org/india/press-releases/indias-human-development-continues-make-progress-ranks-130-out-193-countries> (Visited on September 17, 2026); see also Lack of medical investment healthcare infra big challenges for India's COVID - 19 fight: Fitch, available at: <https://health.economictimes.indiatimes.com/news/industry/lack-of-medical-investment-healthcare-infra-big-challenges-for-indias-covid-19-fight-fitch/75737892> (Visited on June 07, 2020).

Lack of political will

Since 1947, no Government in our country has truly tried to solve the fundamental problems like poor healthcare facilities. In 1977, the newly elected Janata Party set the aim to achieve "Healthcare for All by the year 2000" by adopting the policy of "primary health care". In 2002, BJP came into power, and they came up with the idea of "National Health Policy ". Soon, it was followed by the "National Common Minimum Program" when the Congress party came into power in 2004. Both these programs promised to the people of India that public spending on healthcare would be increased to up to 3% of the GDP by 2010. Later, in 2005, NRHM was launched to achieve a renewal of rural healthcare. After finishing its first phase, the NRHM program entered its second phase in 2012, but even this could not achieve its target as was set by the incumbent Government. Since 1977 till today, India has witnessed several programs and policies on healthcare, designed by various Governments - but in reality, none of them has been able to make a considerable impact on the health sector - the main reason for which is the lack of political will. Had such a policy been present, the health sector of our country would have been of world-class level by now. The people of India must rise to make the Government answerable for the promises which they make during their political campaigns. Till the time this happens, our country will never get the circumstances to witness sound healthcare facilities at par with the developed countries.

Conclusion

In India, due to poor healthcare facilities in the public sector and high cost of treatment in private hospitals, the accessibility to adequate and affordable healthcare facilities has become a distant dream for the majority of the Indian population. The COVID-19 pandemic had put our healthcare sector to ultimate challenge which at that time was on the verge of complete collapse. The government must give a serious thought on increasing the share of healthcare in the total GDP of our nation. It should at least be increased to 3% of GDP, considering the population.

At the same time, since healthcare is the primary responsibility of States, they should also allocate more funds for healthcare, especially the backward States like Bihar, Jharkhand, etc. The twin goal of Central as well as State Governments must be to provide easy and accessible healthcare facilities to its citizens, while also striving to ensure that the standard of healthcare is constantly being raised in tune with the current times. Mainly, there are two sectors i.e., health, and education - which must be given utmost importance by the Government, since the Indian economy is now heavily dependent on the service sector. The service sector depends on

human resources, and better healthcare facilities ensure an uninterrupted flow of human resources, which is extremely necessary for the service sector. There is no magic formula to improve the healthcare facilities in our country in a fortnight. It requires positive and assertive actions on the part of the Government for a considerable amount of time for any kind of visible changes in this sector, which would later be worth mentioning.

There is also a regular need to revisit the health policy of this country by the Government, preferably for every two years, to ascertain the progress and lacunae of various programs and schemes. The Government also needs to identify more backward areas lagging in healthcare, and must provide an immediate incentive package and grant aid to such areas on a priority basis. During COVID pandemic, such backward areas needed more such governmental attention and support. As we have seen during pandemic how the number of casualties in those backward areas rose to a catastrophic level, after the return of migrant workers to their homes in those states.¹²

The deplorable state of public healthcare is not only due to lack of sound policies or skills or due to paucity of the latest technologies, but it is because it furthers interests of the dominant class of our society which has hold not only on the medical education aspects, but also on healthcare. To rectify this situation, people must rise against their petty differences and demand basic rights from the government. Unless the masses are sensitized towards these issues, things will not change for the good anytime soon.

In the era of post pandemic, our health sector stands at crossroads, and it might need to conquer multiple challenges. It is not only the duty of our government but also of the 'people of India' to provide assistance and support, in whatever manner possible, to help our country emerge out of this deplorable state as a winner. Sensitization of the people on these key issues will certainly push the Governments to take measures to improve the healthcare of India not on paper but in reality.¹³

¹² *Supra* Note 11 at 4.

¹³ *Supra* Note 9 at 3.