HEALTH CARE MANAGEMENT- A COMPARATIVE STUDY AMONG PUBLIC AND PRIVATE HOSPITALS

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It is health that is real wealth and not pieces of Gold and Silver.
- Mahatma Gandhi

ABSTRACT

The paper focuses on Health care management both in Public and Private Hospitals. The major objective of the study was (i) to evaluate the techniques and strategies used by both the Hospitals. (ii) to analyze the awareness and overall behaviour of Respondents regarding health care (iii) to examine the challenges faced by Public and Private hospitals (iv) to suggest measures for the development of Hospitals under study. Researcher has used Statistical tools like Multiple Regression Analysis, F Test to test the Hypothesis and to fulfill the Objectives of the Study.

Key words: Health care, Health care services, Private hospital, Public Hospital, Strategies of Public Hospitals.

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1. INTRODUCTION

Healthcare has become one of India’s largest sectors - both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players.
Indian healthcare delivery system is categorized into two major components - public and private. The Government, i.e. public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities. India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe.

1.1. Review of Literature

Ashok Vikhe Patil, et al (2002) published an article entitled “Current Health Scenario in Rural India” in ‘Australian Journal of Rural Health’. In this study seven that. About 75% of health infrastructure, medical man power and other health resources are concentrated in urban areas where 27% of the population lives. Contagious, infectious and waterborne diseases such as diarrhoea, amoebiasis, typhoid, infectious hepatitis, worm infestations, measles, malaria, tuberculosis, whooping cough, respiratory infections, pneumonia and reproductive tract infections dominate the morbidity pattern, especially in rural areas. However, non-communicable diseases such as cancer, blindness, mental illness, hypertension, diabetes, HIV/AIDS, accidents and injuries are also on the rise. The health status of Indians, is still a cause for grave concern, especially that of the rural population. This is reflected in the life expectancy (63 years), infant mortality rate (80/1000 live births), maternal mortality rate (438/100 000 live births); however, over a period of time some progress has been made.

Ranganayakulu Bodavala (2002) writes on “ICT applications in Public Health Care System in India: A Review” in ‘ASCI Journal of Management’. India’s public healthcare network is five decades old. It is plagued by many problems like absenteeism of doctors, lack of proper facilities and most significantly lack of proper referral services to urban hospitals and specialist centers. Due to these reasons the utilization and confidence in the public healthcare system is very low. Successive governments have tried to improve the various measures in the system with marginal success. Application of ICT tools will improve access and delivery of healthcare services to vast majority of poor people living in rural areas in India.

1.2. Objectives of the Study

- To evaluate the techniques and strategies used by both the Hospitals.
- To analyze the awareness and overall behaviour of Respondents regarding health care
- To examine the challenges faced by Public and Private hospitals
- To suggest measures for the development of Hospitals under study

1.3. Hypotheses of the Study

- There is no significant difference between the Satisfaction levels of Health care services provided by both the Public and Private Hospitals.
- The independent variables (Hospital, Income, Age) does not strongly influence the Dependent Variable (Health status of the respondents)
1.4. Methodology of the Study
The study involves both primary and secondary data. The source material for secondary data was collected from books and Internet. The primary data was distributed among the patients who visit Public and Private Hospital. The sample size was restricted to 150.

2. HEALTH CARE SERVICES

2.1. Public Healthcare
Public healthcare is free for those below the poverty line. The public health sector encompasses 18% of total outpatient care and 44% of total inpatient care. Middle and upper class individuals tend to use public healthcare less than those with a lower standard of living. Additionally, females and elderly use public services more. The public health care system was originally developed in order to provide a means to healthcare access regardless of socioeconomic status. However, reliance on public and private healthcare sectors varies significantly between states. Several reasons are cited for relying on the private rather than public sector; the main reason at the national level is poor quality of care in the public sector, with more than 57% of households pointing to this as the reason for a preference for private health care. Most of the public healthcare caters to the rural areas; and the poor quality arises from the reluctance of experienced healthcare providers to visit the rural areas. Consequently, the majority of the public healthcare system catering to the rural and remote areas relies on inexperienced and unmotivated interns who are mandated to spend time in public healthcare clinics as part of their curricular requirement. Other major reasons are distance of the public sector facility, long wait times, and inconvenient hours of operation.

Different factors related to public healthcare are divided between the state and national government systems in terms of making decisions, as the national government addresses broadly applicable healthcare issues such as overall family welfare and prevention of major diseases, while the state governments handle aspects such as local hospitals, public health, promotion and sanitation, which differ from state to state based on the particular communities involved. Interaction between the state and national governments does occur for healthcare issues that require larger scale resources or present a concern to the country as a whole.

National Health Assurance Mission, which would provide all citizens with free drugs, diagnostic treatments, and insurance for serious ailments. In 2015, implementation of a universal health care system was delayed due to budgetary concerns.

Considering the goal of obtaining universal health care, scholars request policy makers to acknowledge the form of healthcare the many are using. Scholars state that the government has a responsibility to provide health services that are affordable, adequate, new and acceptable for its citizens. Public healthcare is very necessary, especially when considering the costs incurred with private services. Many citizens rely on subsidized healthcare. The national budget, scholars argue, must allocate money to the public health sector to ensure the poor are not left with the stress of meeting private sector payments.

2.2. Private Healthcare
With the help of numerous government subsidies in the 1980s, private health providers entered the market. In the 1990s, the expansion of the market gave further impetus to the development of the private health sector in India. After 2005, most of the healthcare capacity added has been in the private sector, or in partnership with the private sector. The private sector consists of 58% of the hospitals in the country, 29% of beds in hospitals, and 81% of doctors.
According to National Family Health Survey-3, the private medical sector remains the primary source of health care for 70% of households in urban areas and 63% of households in rural areas. The study conducted by IMS Institute for Healthcare Informatics in 2013, across 12 states in over 14,000 households indicated a steady increase in the usage of private healthcare facilities over the last 25 years for both Out Patient and In Patient services, across rural and urban areas. In terms of healthcare quality in the private sector, a 2012 study by Sanjay Basu et al., published in *PLOS Medicine*, indicated that health care providers in the private sector were more likely to spend a longer duration with their patients and conduct physical exams as a part of the visit compared to those working in public healthcare.

However, the high out of pocket cost from the private healthcare sector has led many households to incur Catastrophic Health Expenditure (CHE), which can be defined as health expenditure that threatens a household's capacity to maintain a basic standard of living. Costs of the private sector are only increasing. One study found that over 35% of poor Indian households incur CHE and this reflects the detrimental state in which Indian health care system is at the moment. With government expenditure on health as a percentage of GDP falling over the years and the rise of private health care sector, the poor are left with fewer options than before to access health care services. Private insurance is available in India, as are various through government-sponsored health insurance schemes. According to the World Bank, about 25% of India's population had some form of health insurance in 2010. 2014 Indian government study found this to be an over-estimate, and claimed that only about 17% of India's population was insured. Private healthcare providers in India typically offer high quality treatment at unreasonable costs as there is no regulatory authority or statutory neutral body to check for medical malpractices. In Rajasthan, 40% of practitioners did not have a medical degree and 20% have not complete a secondary education.

### 2.3. Government Initiatives

Some of the major initiatives taken by the Government of India to promote Indian healthcare industry are as follows:

- India's first ever 'Air Dispensary', which is based in a helicopter, will be launched in the Northeast and the Ministry of Development of Northeast Region (DONER) has already contributed Rs 25 crore (US$ 3.82 million) for its funding.
- The Intensified Mission Indradhanush (IMI) has been launched by the Government of India with the aim of improving coverage of immunisation in the country and reach every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme.
- Ministry of Health and Family Welfare is planning to spend more funds, over and above the current sanction of Rs 955 crore (US$ 148.22 million), to tackle lifestyle diseases such as cardiovascular disease (CVD), hypertension, obesity and diabetes in India.
- The Union Cabinet approved setting up of National Nutrition Mission (NNM) with a three year budget of Rs 9,046.17 crore (US$ 1.40 billion) to monitor, supervise, fix targets and guide the nutrition related interventions across the Ministries.
- The Government of India aims to increase the total health expenditure to 2.5 per cent of Gross Domestic Product (GDP) by 2025 from the current 1.15 per cent.
- Mr J P Nadda, Union Minister of Health and Family Welfare, Government of India, launched initiatives such as LaQshya, for Labour Room Quality Improvement, a mobile application for safe delivery, and operational guidelines for obstetric high dependency units (HDUs) and intensive care units (ICUs).
In March 2018, the Union Cabinet of India approved the continuation of National Health Mission with a budget of Rs 85,217 crore (US$ 13.16 billion) from 1st April 2017 to 31st March 2020.

### 2.4. Road Ahead

India is a land full of opportunities for players in the medical devices industry. India’s healthcare industry is one of the fastest growing sectors and in the coming 10 years it is expected to reach $275 billion. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep.

Indian healthcare sector is much diversified and is full of opportunities in every segment which includes providers, payers and medical technology. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business.

India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. India also offers vast opportunities in R&D as well as medical tourism. To sum up, there are vast opportunities for investment in healthcare infrastructure in both urban and rural India.

### 3. ANALYSIS AND DATA INTERPRETATION

#### Table 1 Showing Hospitals Prefered And Income Status

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>PUBLIC HOSPITAL</th>
<th>PRIVATE HOSPITAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;10,000</td>
<td>20</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>10,000-20,000</td>
<td>10</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>20,000-30,000</td>
<td>10</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>30,000 – 40,000</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>&gt;40,000</td>
<td>0</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

**Interpretation**

The above table shows that people who earn above 40,000 prefer Public hospital. And people who earn below 10,000 prefer Public hospital. It is clear that Income plays a major role in preference of the hospital.

#### Table 2 Showing Satisfaction Level of Health Care Services Provided By the Hospitals

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>PUBLIC HOSPITAL</th>
<th>PRIVATE HOSPITAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>2</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>Satisfied</td>
<td>10</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>13</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>20</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>
Interpretation

It is clear from the above data that the people who prefer private hospital are much satisfied than the people who prefer Public hospital. The major disadvantage of the public hospitals was the Puctuality of the doctors.

3.1. Application of the Statistical Tools

3.1.1. Multiple Regression Analysis

H₀: The independent variables (Hospital, Income, Age) does not strongly influence the dependent Variable (Health status of the respondents)

H₁: The independent variables (Hospital, Income, Age) strongly influence the dependent Variable (Health status of the respondents)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.475</td>
<td>.034</td>
<td></td>
<td>8.731</td>
</tr>
<tr>
<td>Disease of the respondent</td>
<td>.006</td>
<td>.023</td>
<td>.04</td>
<td>0.826</td>
</tr>
<tr>
<td>Age of the respondents</td>
<td>.007</td>
<td>.071</td>
<td>.80</td>
<td>-8.058</td>
</tr>
<tr>
<td>Hospital preferred</td>
<td>.012</td>
<td>.041</td>
<td>.14</td>
<td>0.125</td>
</tr>
</tbody>
</table>

Note: Dependent Variable: Outcome of Treatment

It is clear that Disease of the respondent (.006) strongly influence the Health status of the respondents, followed by the Age of the respondents (0.07) and then the Hospital preferred by the respondents (0.12).

3.1.2 Comparison Of Satisfaction Level Of Health Care Services Provided By Both The Hospitals Among The Respondents Using Anova

H₀: There is no significant difference between the Satisfaction level of Health care services provided by both the Public and Private Hospitals.

H₁: There is significant difference between the Satisfaction level of Health care services provided by both the Public and Private Hospitals

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>11.433</td>
<td>1</td>
<td>21.433</td>
<td>9.12</td>
</tr>
<tr>
<td>Within Groups</td>
<td>139.930</td>
<td>149</td>
<td>2.35</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>150</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Interpretation

Since the calculated value is greater than the table value at 5% significance level, Null hypothesis is rejected. There is significant difference between the Satisfaction level of Health care services provided by both the Public and Private Hospitals

4. CONCLUSIONS

Clinics are overcrowded and understaffed without enough beds to support their patients. Statistics show that the number of health professionals in India is less than the average number for other developing nations. In rural Bihar the number of doctors is 0.3 for every 10,000 individuals. Urban hospitals have twice the number of beds than rural hospitals do but the number is still insufficient to provide for the large number of patients that visit.[2] Sometimes patients are referred from rural areas to larger hospitals, increasing the overcrowding in urban cities. 5% of visits to health practitioners are in private clinics or
hospitals, many of which are paid for out of pocket. Money is spent on improving private services instead of on funding the public sector. Governmental failure to initiate and foster effective partnerships between the public and private healthcare spheres results in financial contracts that aren’t negotiated to help the common man. These contracts would allow the private sector to finance projects to improve knowledge and facilities in the public sphere.

REFERENCES


[3] Department of Industrial Policy and Promotion (DIPP), RNCOS Reports, Media Reports, Press Information Bureau (PIB), Union Budget 2017-18


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