



Prescription for a “Healthy India”

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Thank you for being with us at the 92nd Annual General Meeting of GlaxoSmithKline Pharmaceuticals Limited (GSK).

A nation's performance depends a lot on the health of its population. Not only does it improve efficiency, it is also an indicator of an all-round performance of the country. Policy makers cannot ignore its importance in economic development, as well as happiness and human development of the nation. Health and well-being of the population of a country have been made one of the most important dimensions of the sustainable development goals adopted by the general assembly of the United Nations.

India has made good progress in improving public health, as witnessed by the increased life expectancy to 68 years from 59 years in 1991. The country has successfully combated several diseases through initiatives such as the Pulse Polio Programme, the National AIDS Control Programme, National Rural

Health Mission, National TB Control Programme, Swachh Bharat and many more. However, India today faces a silent threat from Non-Communicable Diseases (NCDs) which have become the largest cause of mortality and morbidity. This threatens economic growth and the quality of life. In particular, changing demographics and lifestyle modifications, may have contributed to the NCD challenge. Health, therefore, is not merely an absence of disease. It is about a fit and productive nation, the wellbeing of which is the responsibility of the Government and the healthcare industry.

Recognising the importance of health in the development of the nation, India has begun witnessing a renewed commitment from the Government. The recently announced National Health Policy 2017 which comes after a gap of 15 years has seen a marked emphasis on comprehensive quality primary care. The focus of the Government to develop 'a holistic care system', is an indication of the national focus aligned to the

UN goals. As India stands poised as an emerging superpower, it is imperative that the demographic dividend that we enjoy, is not squandered away by lack of productivity due to inadequate healthcare. Our long-term competitiveness in the global economy is reliant on a healthy and productive workforce.

We have an opportunity to improve our nascent healthcare system by effectively addressing some of the key challenges outlined below:

1) Increase healthcare spending and efficiency

India grossly underspends on health and offers poor access to care, even as the bulk of its population – not just the poor, but the middle-classes, too, remains heavily exposed to diseases. The Government spends 1.2% of GDP on healthcare, which is way below comparable countries and this must increase to 2.5-3% in the near term. However, only increasing the budget allocations as a percentage of GDP is not the solution.

A major challenge that the country faces is inefficient healthcare expenditure. The budget allocated and spent does not produce the desired outcomes on the ground. Several evaluations by Indian and international agencies have documented the poor productivity of resources in India's social and health sector. To address the lacunae, the Government should consider moving to an outcomes based model and allocate some percentage of funds to public health facilities based on achievement of agreed outcomes.

In addition, the Government needs to focus its efforts at three levels - Primary Health Centres (PHCs), district hospitals and teaching hospitals. Primary Healthcare is the backbone of health service delivery. India was one of the first countries to recognise the merits of primary healthcare; long before the 1978 Declaration of Alma-Ata, India adopted a primary healthcare model derived from the recommendations of the Health Survey and Development Committee Report 1946, chaired by

Sir Joseph Bhore. Today, there are over 25,000 PHCs that provide essential healthcare services across the country. However, delivering quality primary care to large populations is always challenging. Communicable diseases, maternal, perinatal and nutritional deficiencies continue to be key contributors to mortality. As the Government has acknowledged, the current primary healthcare structure is rigid, making it unable to respond effectively to local realities and needs. Our nation's diversity requires local adaptation of basic healthcare services and their delivery mechanisms.

The challenge confronting us is, how best to reform, revitalise and resource primary health systems to deliver different levels of service aligned to local realities, ensuring universal coverage, equitable access, efficiency and effectiveness, through an empowered cadre of health personnel.

Another aspect, is to look at how some developed countries make teaching hospitals, the Centre of learning and

healthcare innovation. This was true even in India a few decades ago and we need to bring teaching hospitals back to the apex, encouraging the best talent to practice there and create a conducive environment for research.

2) Declare war on NCDs (Non-Communicable Diseases)

NCDs have emerged as a grave public health concern. With the changes in lifestyles and demographic profiles, non-communicable diseases have emerged to be important health problems that demand appropriate control before they assume epidemic proportion. For the first time in the modern history of India, NCDs have surpassed communicable diseases as the most common cause of morbidity and premature mortality.

Cardiovascular diseases, cancers, chronic respiratory diseases, diabetes and other NCDs accounting for 60% of all deaths in India, are the leading cause of death – ahead of injuries and communicable, maternal, prenatal, and nutritional conditions. In fact, NCDs

account for about 40% of all hospital stays and roughly 35% of all recorded outpatient visits.

Restructuring and strengthening healthcare systems have resulted in a decline in the incidence of infectious disease. This provides adequate evidence that the same result is possible for NCDs. The objective is to achieve the sustainable development goals and bring innovative and sustainable solutions that reduce the social, economic and medical burdens of NCDs on Indian patients. The first step towards mitigating this large and looming economic and wellness burden, is to increase efforts on educating the public about the very existence of these diseases. Creating awareness about health, hygiene and disease prevention can go a long way in achieving the desired vision of a healthy country.

All players – government, non-government and the private sector – must declare war on NCDs. At the same time, citizens must be supported with universal health insurance for primary

care and catastrophe coverage. Most Indians accessing the existing healthcare system pay out of pocket – that is nearly 60% of health expenditure, which is three times the global average. Overall, Health Insurance penetration is very low and contribution from private players is still in its infancy. Incentives must be created for healthy living and emphasis given to screening, early diagnosis, treatment by pharmaceuticals as well as lifestyle modifications. This may also reduce the cost of hospitalisation, which is a huge drain on the healthcare system. Several countries are spending more on preventive healthcare as they realise its merits.

3) Improve the Quality of healthcare

The Indian pharmaceutical industry is known as the pharmaceutical capital of the world. However, several questions arise when you juxtapose the above sentence, with the word, Quality! Hence, there is an immediate need to enhance quality processes and designing and implementing best-in-class quality systems.

The pharmaceutical industry, as a whole, should move away from viewing quality as a support function and toward seeing it as a vital internal governance body. It is imperative to have a strong quality organisation with visibility and oversight across all good manufacturing practices in the supply chain, both internal and external.

Pharma companies need to tighten their quality systems to be able to meet growing regulatory requirements and scrutiny. Your Company is at the forefront of driving the Quality agenda. Your Company has taken several structured initiatives to enhance quality standards, that have also received positive affirmation from regulatory bodies.

Equally, the Government too has stepped up its emphasis on Quality in recent times. While most efforts are focused towards providing care, the Government needs to stay invested in the quality of care. The Government should plan to set up a national body to accredit the quality of health and build an ecosystem

where everyone is aligned to a common goal of integration across levels of care, involving the private sector and policy-shaping.

In addition, the Government could also consider adopting a World Health Organisation Good Manufacturing Practice (WHO-GMP) common standard for selling medicines and consider establishing an authorisation mark/bar code for certain classes of drugs to ensure quality.

4) Technology as a healthcare enabler

India has leapfrogged on the back of public digital goods built on Aadhaar, e-KYC and other Aadhaar related services. If you step back from the privacy and fundamental rights debate around Aadhaar, the fact that we can bring down transaction costs, by creating a public trust and transaction layer is today unparalleled in the world.

One of the major technology challenges in healthcare is the inability of IT systems to interact with each other, leading to

the formation of multiple, disassociated clusters of information across programmes. Building on the success of the Aadhaar system, the Government could create Electronic Health Records (EHR) and improve the existing Health Management Information System (HMIS) which will be the key to optimising healthcare IT systems. This system could be anchored to the National Population Registry and linked to Aadhaar.

This creates enormous opportunities for the Government to use digital as a healthcare enabler and the biggest winners will be the patients, who receive better treatment and those who avoid becoming patients.

5) Public Private Partnerships (PPPs) to promote Innovation

PPPs in India can be categorised under several heads, namely*:

1. increasing access (mobile health units),
2. affordability (community health insurance),

3. efficiency (functional autonomy to hospitals),
4. financing (joint ventures),
5. outreach (partnering with grassroots organization),
6. risk transfer (contracting)

The Government could take a more active responsibility for healthcare delivery and the industry could partner more effectively to shape the market and create better patient outcomes. That offers a real opportunity in a country as vast as ours.

However, industry needs greater clarity on the role of stakeholders, and also on health policy and regulation so that the private sector can commit to greater investments for affordable and accessible healthcare and earn reasonable returns. The private sector should also be key in enhancing the effectiveness of public infrastructure via public-private partnerships.

Conclusion:

Healthy India is a vision no one stakeholder can make a difference alone; the transformation lies in collective action.

Your Company believes the time is right for the industry to unite for a common vision. Only a long-term collaborative strategy with education and awareness at its centre, involving all stakeholders i.e. the government, healthcare providers, insurance companies, and healthcare and pharmaceutical companies can achieve the desired vision of a healthy country.

Over the past 93 years of serving patients in India, your Company has played an integral role in the healthcare firmament of the country and looks forward to continue to contribute significantly in building a Healthy India.

Sources:

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