

Healthcare spending by BRICS nations to increase'

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Singapore: The PwC report in Indian context mentions that India's infrastructure requirement is also significant and as per estimates, the country requires to add 650,000 beds which will translate to the capital investment of INR 162,500 Cr by 2017. Skewed distribution of healthcare infrastructure where 70 percent of beds are located in top 20 cities further limits the access to quality care.

"However, the sector is poised for significant growth trajectory and recognised as one of the fastest growing social sectors, estimated at approximately 75 billion USD. It is estimated to grow at a CAGR of 15 percent annually and by 2020, the industry is expected to reach 220 billion USD. Development of healthcare infrastructure is therefore, critical in order to spur the GDP growth rate of a country," says the PwC report.

Since government spending on healthcare alone will not be able to cater to the growing need for investment in the healthcare sector in India, governments are increasingly looking towards Public Private Partnership (PPP) model to solve larger problems in care delivery and wellness. The cost impact of PPPs is far more substantive and sustainable. It is also welcome owing to the technological advancements and thereby efficiency and innovation that the private sector is expected to infuse. PPPs are also changing the notion that private healthcare is only for the rich and are equalizing healthcare for all populations. We are now moving to a wider paradigm where People become a vital component of this eco-system to make it a public, private people partnership.

PPPs are increasingly developed by local, rather than national governments, that are closer to local health needs. This becomes all the more critical in a consumer-focused industry such as healthcare. However, to make the best of this model,

several tangible and intangible aspects need to be looked at. It is imperative to establish a national PPP framework that enables local health systems to tailor solutions and demonstrate political will. Governments and private players, alike, also need to focus on the common objective of making quality healthcare accessible, affordable to all. This calls for mutual trust and an understanding of mutual constraints and expectations. While governments should not overlook the financial viability of the business model for the private operator, private players understand the social obligations under healthcare PPP's and ensure strong long term partnership. Only then will the model survive and sustain and the real payback reach the fourth and most important pillar of the framework- the people.