Profit, not profiteering

GS-IV Ethics

States have done well to step in to regulate charges for COVID-19 care in private hospitals

The role of the state as a big brother is problematic, and yet only a vigilant, just state can temper the avaricious excesses in the society it governs. The move by certain States to regulate hospital fees charged in the private sector for COVID-19 care falls square in this category. Bombarded with reports about exorbitant bills being raised in the private sector for hospital care of persons who tested positive for COVID-19, a few States decided to get involved, rightly so, and set a cap on the tariff that can be charged by private hospitals.

- In some instances, the Indian Medical Association also prayed for intervention by the government to regulate this.
- Maharashtra was the first to fix a tariff, followed by Gujarat and Tamil Nadu, three of the States seeing a high number of COVID-19 infections.
- For the initial part of the epidemic, it was the State that was the primary testing agent and care giver, for all COVID-19 cases.
- At that stage, few private hospitals, if any, were in the front line of the battle. All tests were initially done by the government, and anyone who tested positive was shifted to a government hospital for isolation and treatment.
- However, as the number of cases increased, naturally calling all hands to the deck meant the significant involvement of the private sector. Complaints of overcharging followed.
- Media reports revealed differential rates across the country, but costs were upwards of ₹7 lakh for a minimum 14-day period of hospitalisation, even for mildly symptomatic or asymptomatic patients. If intensive care unit care is warranted, then the rates would be much higher.

Way Forward

- The state’s intervention could not have been delayed any further. In fact, in retrospect, the strategy employed by the Central government to cap the price of tests for COVID-19 at ₹4,500 in private labs could have been used to regulate private hospitals’ charges too.
- Hospitals have been graded into categories, depending on facilities provided, with reasonable rates fixed per day for each category. ICU rates are naturally higher, and States have specified that private hospitals should follow the tariff for beds or they could be charged for violations.
- Making it a participatory process, the private sector was also co-opted into discussions on tariff. Tamil Nadu has also fixed a separate tariff for beneficiaries under the Chief Minister’s Comprehensive Health Insurance Scheme (now subsumed under the Central Insurance scheme) making it easy for patients from lower income groups to access private care treatments for COVID-19.
- It has also re-fixed the rate for testing in a private lab at ₹3,000 per test. Further watchfulness should continue on the part of the State, but shorn of high-handedness.
- Staying alive to the hardships of its people, it must ensure that the harsh times are not further exacerbated by profiteering.