

Value-Based Universal Healthcare Model in India and key tax reforms: need of the hour

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I have the following suggestions to the government under three heads:

I. Value-based Universal Health Care Model for India

Universal Health Care (UHC) implies an efficient mechanism that ensures effective, equitable, and economical citizen access to needful health services. This time-honoured concept has assumed even more critical significance amid the ongoing pandemic where a tiny virus has forcibly made healthcare a top priority across the globe. UHC has been in vogue in many countries - both developed and developing - in various forms. While advanced nations like Switzerland, Netherlands, United Kingdom, and Canada have been running discernibly evolved versions, developing nations like Cuba, Saudi Arabia, Costa Rica, and Vietnam have made commendable progress despite the constraints. I believe Universal healthcare is integrally linked to value-based treatment focused on value for patients rather than on enabling access or cost containment. It can bring quality healthcare to the citizens' doorstep, accompanied by sustainable health insurance schemes. This model can naturally attract and retain well-trained, competent, and highly motivated doctors and nurses as also provide for well-equipped clinics at convenient locations providing tech-enabled, quality care.

- The government can do a lot more in the capacity of a proactive catalyst. For one, it can subsidize healthcare expenses across all categories of hospitals. Under this arrangement, the poorest of poor beneficiaries can be made to pay a token premium for an annual cover, in exchange of which they can access quality treatment at private hospitals at substantially lower out of pocket expenses. The principle of cross subsidy would be imperative, whereby the Above Poverty Line families would need to pay insurance premiums in line with their income slabs. Those who seek better facilities in a private hospital of one's choice can opt for a higher premium.
- The government can rope in a host of private insurance companies and hospitals to deliver quality services, which alone will ensure the sustainable success of this arrangement. Lowering of GST slabs and raising of tax deduction limits can help serve the larger cause of

insurance. The focus should be on inclusion of the poor through comprehensive coverage schemes.

- The government can set up an autonomous regulatory body to monitor the fund allocation and on-ground performance of private hospitals and insurance companies. An advisory body comprising domain experts and technocrats can help the government formulate prudent healthcare policies. Among other measures, the government can also build an endowment fund by monetizing impaired assets, unused real estate, and loss-making ventures, whereby the withdrawals from the investment income of this fund can be earmarked for Health and Education. The private sector can be urged to make wilful contributions to the endowment corpus, which will have a far more sustainable impact than what private foundations and CSR initiatives achieve in individual capacities.
- India is primarily a nation of the youth who are aggressive cell phone users. The government can also impose a small tax on every cell phone user and create a huge corpus of universal health. On the one hand, this cover will ensure uniformity of treatment for the vulnerable population; on the other, it will help the contributors become its beneficiaries beyond a certain age or in the event of contracting an ailment.

II. Tobacco Eradication: Moving from Partial Control to Total Ban

According to the Global Youth Tobacco Survey, one-fifth of Indian teenagers aged 13-15 use tobacco products. 38% cigarette smokers, 47% bidi smokers and 52% smokeless tobacco users picked up the habit before they turned 10. If India is to rise above its daunting challenges, health must become our top priority along with education. Instead, tobacco has been our top priority for long. A ban on tobacco should be part of the election manifesto of all political parties.

We incepted HCG to treat cancer patients. As oncologists, our ultimate goal is to ensure the health and well-being of the society at large. The best way to ensure the health of our society is to prevent cancer, i.e., not have the disease at all. Almost 30 to 35 percent of cancers can be prevented by simply eradicating tobacco. However, the society as a whole needs to come together to get rid of the tobacco menace. One way of doing this is of course to urge people to stop using tobacco. This is a critical need no doubt, but the more conclusive way is to attack the root cause and stop the production of tobacco. To achieve the second goal, we need to

address the concerns of farmers and the tobacco industry and convince them to join the fight against tobacco. The farmers' immediate concern is about ensuring their livelihood. Towards this effect, HCG is successfully steering an alternate farming project in Hunsur, which is a tobacco belt in Karnataka. We have got positive response from the farmers with some among them even reporting increase in revenues after having shifted from tobacco to sandalwood farming. The transformation has had a very positive effect on the health and well-being of the community at large.

Having said that, the tobacco industry also needs to explore alternative ways of revenue generation by venturing into new businesses and completely shunning the production of tobacco, a crop which is a confirmed health hazard. Through the above two goals, we can prevent close to 30 to 35 per cent of cancers, as also the physical and psychological suffering and the economic burden that go along with it.

III. Key Tax reforms

- There is an urgent need to bring agricultural income within the ambit of taxation given the fact that many affluent farmers are availing of subsidies they don't need, while many 'non-agriculturists' are abusing the exemption through colossal tax-free wealth generation, converting their black money into white. Countless rich farmers growing areacnut, coconut, betel nut, tea, coffee and the like have amassed massive wealth without having to pay a single rupee of tax, and without spending any money whatsoever for community development or improving the living conditions of the labourers working on their farms.
- Rich farmers and non-agriculturists get fertilizer at reduced rates, a subsidy that costs the government about \$10 billion a year nationally, more than it spends on healthcare or higher education. They also get cheaper electricity than factories or homes. This subsidy abuse must be weeded out at the earliest.
- The 2014 Tax Administration Reforms Commission (TARC) report had rightly highlighted the need for a "cross-subsidy" approach: of keeping small farmers out of tax purview, while taxing large farmers and closing a popular escape route for money laundering. The incremental tax collection can help the government lower the debt burden to construct roads, ports, power plants and other public projects. The TARC had recommended that farmers with agricultural income Rs 50 lakh-plus should pay income tax.

- The income tax threshold is only Rs 5 lakh which needlessly exempts the average Indian earning Rs 1.4 lakh a year from paying any income tax. The tax base needs to be expanded to include more people within the ambit, people who are not averse to pay tax if asked to, as is otherwise assumed.
 - Only 1.46 crore among 130 crore Indians pay tax on their incomes
 - 1 crore individuals disclosed income between Rs. 5 and 10 lacs
 - Only 46 lakh individuals have disclosed annual income above Rs 10 lakh
 - Only 8600 individuals have declared annual income above Rs 5 crore
 - Only 2200 doctors, CAs, lawyers and other professionals have declared annual income above Rs 1 crore

- Most people from the unorganized or the informal sector that includes shop owners, traders, small businesses and the self-employed do not file tax returns despite having incomes that qualify for the same. Every business owner or service provider, small or big, has to be brought under the ambit of income tax - whether an auto driver, tour operator, corner shop, shopping mall, electrician, builder, home-based manufacturer, or large industrialist.

- India's income tax base will be adequately widened if the income tax exemption threshold is reduced and kept unchanged over several years; this strategy will ease the burden on the 3% working Indians who are harassed and penalized for every transaction - whether for work or play.

I am sure that a purposeful dialogue between all stakeholders of the society on the above-mentioned suggestions will pave the way for needful reforms aimed at establishing a potent and purposeful Universal Healthcare system in India, ensure the health and well-being of the society through tobacco control, and also improving compliance, expanding tax base, and arresting the widespread tax evasion and avoidance.

