

# **FUNDING OF HEALTH CARE : PROBLEMS AND SOLUTIONS**

**“The accent on health rather than disease per se is a twentieth century phenomenon”.**

*—Voluntary Agencies Show The Way*

## **Introduction**

In the Middle Ages, hospitals were first established and financed solely by charity, mobilised through the church and religious institutions. They were indeed just for the care of the most destitute and the gravely sick. Hospitals in many countries are still supported partly by donations. The latter day perspectives on health have carved the need for something more in tune with the times i.e. the voluntary health agency.

A voluntary health agency could be defined as an organisation that is administered by an autonomous board which holds meetings, collects funds for its support chiefly from private sources and expends money whether with or without paid workers in conducting a programme directed primarily to furthering the public health by providing health services or health education or by a combination of these activities. The health services should be defined in terms of purpose rather than actual achievement.

## **Governmental Agencies**

No government, however, affluent and committed to caring the health of its aspirant subjects, can afford to cater to every aspect of health care. There is always a limit to governmental spending. No single individual

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or an organisation can afford to undertake the responsibility of providing health care to a given community for all times. Hence, institutions other than Government bodies have a fundamental and active role to play in health care delivery system in every community. The voluntary health agencies are an integral part of present infrastructure and perform tasks which otherwise would be left undone. The fact that without the assistance of voluntary health agencies, the States cannot meet every need is gaining ground. The role of voluntary organisations is being increasingly recognized, not only by our society but also by the Government. In recent years, the accent of our central government has been to encourage the voluntary agencies in taking part in health care delivery system. Actions of voluntary health agencies on health care delivery system often prepare the way for statutory action for instance, family planning programme in India is an ideal example.

### **Non-Governmental Organisations (Voluntary Agencies)**

The voluntary agencies operate in the form of hospitals, societies and associations, free clinics and immunisation centres, ambulance and rehabilitation service and health education. No precise information is available, with regard to their number, pattern, type and scope of activities. No accurate statistical data is available with regard to the total amount of service rendered and the resulting output, as well as the money spent by these agencies. Yet, immaterial of the differences in their approach and methodology, they have a common ideology and purpose. Truly they are service organisations, by and large practicing socialistic philosophy- 'Robbing the rich to pay the poor'. Voluntary health agencies reduce the burden of the State at all levels in health care delivery system.

### **Scope of Voluntary Agencies**

The scope of voluntary agencies varies from one country to another. Each country has to decide its own priorities. The role of voluntary health agencies in developed countries is mostly to offer curative and symptomatic relief and sometimes taking care of the aged and infirm. In developing countries, the role of voluntary agencies should naturally be different, both in area and the type of health care delivery system. Interestingly, voluntary agencies in developing countries have modelled their health strategies on those of industrialised countries. Consequently, services

have largely become centred in cities and towns and are predominantly curative in nature. The developed have understandably a lesson to teach the developing countries. Some valuable suggestions may be negative rather than positive—"don't do it our way".

## **Role of Voluntary Agencies**

It is important here to note that voluntary action in India is now in a process of transition. While, earlier, voluntary organisations concerned themselves more with relief or aid giving functions, present approach is marked by emphasis on collective or people's action towards social change which often borders on political action insofar as it tries to change the alignment of forces in the rural society. This change has been conditioned by the need to take a holistic view of the entire process of development embracing the totality of social, political, economic and environmental forces which affect the people.

It is being argued that voluntary agencies, being close to the people, can ensure the much needed people's involvement in successful implementation of programmes and also with their committed workers, can deliver the goods more effectively than Government machinery, if the former are called upon to play a specific role in micro-level planning and implementation of various target-group oriented programmes.

Voluntary agencies are being recognised by the Government as a potential vehicle for change and declared "partners in development." Promises and pronouncements are being made that voluntary efforts will be enlisted in the implementation of poverty alleviation programmes, education, health and family welfare programmes, to name but a few.

## **Aim of Voluntary Agencies**

The aim of voluntary agencies in developed countries is preventive and promotional. The accent is more on preventing smoking, alcohol consumption, accidents, over-nutrition, physical activity and stress. In developing countries however, the stress ought to be naturally on improvement in nutrition, hygiene, housing and working conditions and providing clean water supply, reducing water, food and vector borne disease and reduction in birth rate.

## Functions of Voluntary Agencies

The function of voluntary health agencies then is to provide promotional, preventive, and curative health care, play a significant role in promoting, supplementing and supporting the health and health related activities of the Government. They are actually engaged in medical research and health care activities, providing professional opportunities and facilities for young and highly qualified specialists, provide pioneering health education, demonstrations and experimental projects; guarding the work of official agencies, mobilising public opinion and advancing health legislation. Demonstration of borehole latrines to solve hookworm disease by Rockefeller Foundation is a case in point.

## Resources

The resources for health are invariably limited. Bulk of money in health care goes on a small minority who are seriously ill. There may well be a limit on what healthy are prepared to spend on the unhealthy. The major improvements in mortality in Europe and Northern America occurred before the massive investment of the last few decades. *Countries that appear to spend the most on health services do not necessarily have the best health.*

The cost of running voluntary agencies include building and equipment, technical and paratechnical personnel and their training, diet, drugs and operations, ambulance and rehabilitation services and others. The finances of voluntary agencies are normally met by philanthropists, trusts, societies, charitable institutions, donations channeled through foundations, industries and companies, service organisations, fees for service, Governmental grants. Foreign-aid, religious institutions, lotteries, cinema shows, charity box, special local events and work done without remuneration etc.

The guidelines for improving funding will be considered under generating extra resources, eliminating waste and improving cost effectiveness and finally a 'think tank' to etch out scope and goals of these voluntary agencies and to plan, complement and integrate their activities. The respective Governments could recognise voluntary health agencies as priority sector, liberalise the tax concessions on the donations, provide

direct grant and incentives more freely, exempt sales tax, excise duty and surcharge on drugs and equipments and further liberalisation of tax concession to voluntary agencies operating in rural areas.

There is considerable need to eliminate waste and improve cost effectiveness by research into the effects of financing remuneration system. Cost effectiveness, analysis of health care procedures, the use must justify the efforts involved, effects should justify the cost, operation efficiency (best value for money) could be improved by—(1) clinical freedom to be linked to budgetary responsibilities; (2) encourage providers to be cost conscious; (3) limited training and low cost service programme.

### **Peoples' Participation**

Rural people can make great contributions by donating labour and material. Community participating in health services means resource mobilisation. Health insurance scheme (voluntary and group insurance) creates new and continuing allocation of resources. Rationalising the gamut of investigation—'paise vs. patient' would reduce the expenditure considerably. Persuasion of pharmaceutical industries to provide standard drugs at low cost, to make use of loan license, dispensing cheaper drugs and drugs substitutes are some of the other methods.

### **Summary**

The voluntary agencies should define their scope and goals and function complementary to each other and the activities of voluntary health agencies should be planned and implemented in an integrated manner. Their resources and efforts would be mobilised more effectively if they forge better coordination amongst themselves and also coordinate more effectively with government bodies. Uncoordinated activities can be wasteful and may even damage the beneficiaries. Voluntary agencies small or big should maintain good public relations in order to improve their own functioning, as well as to motivate prospective donors.

The government is determined to convert the dream 'Health for all by 2000 A.D. into reality, and the catalyst in the implementation of this health programme could well be the voluntary agencies.

