
Chapter - 11

Patient referral, regulatory environment and infrastructure problems faced by private HCIs

In this chapter, we present certain residual information about the operating environment of private and public HCIs. First, we present data about patient referral and handling of medico-legal cases by private and public HCIs. Next we present owner-manager feedback about the regulatory environment. Finally, we present public utility and infrastructure related problems reported by the owner-managers.

I. Patient referrals

Referral, for cases that can not be handled by the HCI, is an important quality of service characteristic. The Primary Health Care approach to the Health for All (HFA) goal envisages a referral system that fosters easy movement of patients between institutions based on patient's need and availability of optimal care facility in different institutions. Table-11.1 shows the extent of participation by different health care institutions in an informal referral system. We asked the respondent institutions, if they receive patients regularly referred by other provider and also if they send patients to others. Most health care institutions at all levels in the public sector reported to be receiving patients regularly referred by others. About 71% of public HCIs reported that they regularly receive patients referred by other providers, compared to only 47% of private HCI. The difference is mainly between clinics and small hospitals. Less than half of private clinics and small hospitals reported to regularly receive patients referred by others. It would appear that a large number of clinics and small hospitals in the private sector are practice facilities of individual doctors. Many of them receive patients who are direct clients of the respective doctor-owners. About half of the private clinics and small hospitals must be providing primary health care services or basic obstetric services such that they do not receive regular referrals from others. When it comes to sending patients to others, the practice is regular at all levels of private health care institutions as well as the public sector. PHCs and small hospitals in the public sector are more likely to regularly receive patients referred by others compared to private clinics and small private hospitals. The difference is not much for big hospitals. All private big hospitals in this study sample reported that they regularly receive patients referred by other providers. More (93%)

public sector HCIs send patients to other hospitals compared to about 77% HCIs in the private sector.

Table-11.1: Referral linkage - HCIs receiving or sending patients to and from other providers and handling medico-legal cases. (H = Hospitals)

↓ Referral activity n→	Private clinics and hospitals				Public PHCs, and hospitals			
	Clinics	Small H	Big H	All	PHCs	Small H	Big H	All
	71	69	10	150	53	41	12	106
Send patients to other hospitals	76%	78%	70%	77%	98%	90%	83%	93%
Receiving patients regularly referred by other provides	44%	42%	100%	47%	72%	66%	92%	72%
Handles medico-legal cases.	10%	26%	80%	22%	8%	41%	75%	28%

There are anecdotes about the link between handling of medico-legal cases and referral. Private sector HCIs do not want to be involved in medico-legal cases. Handling of medico-legal cases would require concerned doctors to appear before courts of law to give testimony about injury reports, etc. It is said that many private HCIs do not handle medico-legal cases to avoid the hassles of court attendance and dealing with the police officials. We asked the HCIs in both private and public sector, if they handle medico-legal cases. There appears to be no difference between clinics and big hospitals. Most clinics and PHCs do not usually handle medico-legal cases. Small public sector institutions appear more likely (41%) to handle medico legal cases compared to their private counterparts (26%). Only 75% of big hospitals in the public sector reported to handle medico-legal cases, compared to 80% of big hospitals in the private sector. This appears to be an anomaly of the present sample. The study sample of big hospitals included some unispecialty hospitals in the public sector. The big hospitals in the private sector are all multispecialty hospitals. Medico-legal cases are generally handled by multispecialty hospitals. In fact the two big public hospitals that reported that they do not handle medico-legal cases are TB hospitals. It appears that the system of referrals is sustained by shared knowledge about the service character of different type of HCIs. For example, role of government hospitals to handle medico-legal cases or accident cases, etc.

II. Regulatory environment

Table-11.2: % of HCl owner-managers reporting that they experience the regulatory interface or face the obstacles either severely or very severely.

No. of respondents			Regulatory interface	% HCl facing obstacle			
CI	SH	BH		CI	SH	BH	All
50	56	5	High level of taxes	16	27	40	23
52	55	5	Unfair competition from other providers	19	20	60	21
48	55	5	Quality standards	15	18	20	17
48	56		Difficulty in getting govt. clearances	6	21	40	16
51	57	5	Corruption by govt. officials	4	19	40	13
50	56	5	Tax administration procedures	6	16	20	12
48	50	5	Functioning of judicial systems	2	16	40	11
46	53	4	Labor trade union regulations	2	11	50	9
53	57	5	Corruption by police	1	14	20	9
51	54	5	Price controls		7	0	5
70	68	8	Visit any Govt. official in last 3 months	2	3	0	2

CI = clinics, SH = Small hospitals, BH = Big hospitals, Diag = Diagnostic facilities

Table-11.2 shows owner-manager reports about their interface with various regulatory authorities. About 15-20% of the owner-managers felt that quality standards was an obstacle. Since there are no health care quality assurance or standard setting bodies, these responses must be with respect to some quality standards the respective owner-managers were trying to implement. Most of the clinics and small hospitals did not feel that the regulatory environment is an obstacle. Half of big hospitals in the sample reported that the labour trade union regulation was an obstacle. Note that in response to a similar question in another part of the questionnaire: (Table-10.6) 17% of private big hospitals reported trade union activities as a problem. Other regulatory obstacles reported by the big hospitals in private sector include (a) high level of taxes (b) functioning of the judicial system, (c) corruption by government officials, and (d) difficulty in getting government clearances. Overall, health care related regulatory pressure on private HCl is minimal. Only 17% HCl cited meeting of quality standards

as an obstacle. Yet smaller number (7%) HCIs cited price controls as an obstacle. The only health care related obstacle cited by a fairly significant number (20%) of HCIs is unfair competition from other health care institutions. This feedback is consistent with the fact that there are no regulatory mechanisms to set quality standards and clinical practice guidelines on health care institutions. This leaves scope for unscrupulous HCI managers to undercut the more ethically minded health care providers by compromising on quality character of care that would not be easily noticed by the patients. Most other obstacles cited by HCIs pertain to the general regulatory environment including (a) high level of taxes and cumbersome tax procedures (b) corruption by public servants, etc.

III. Public utility and infrastructure related problems perceived by owner-managers of private HCIs:

Table-11.3: Public utility related (PU) problems faced by private HCIs. % HCI owner-managers reporting that they face the respective problem often or very often

No. of respondents				PU problem statement posed to owner managers of private HCIs	% HCI facing PU problem				
CI	SH	BH	Diag		CI	SH	BH	All	Diag
67	66	8	168	Electricity breakdown	57	62	25	59	68
63	66	8	152	Telephone	30	45	63	37	32
66	65	8	163	Water problem	23	40	50	33	39
66	65	8	172	Drainage	33	46	25	40	41
63	62	8	173	General Waste disposal	19	24	13	22	20
62	61	8	168	Biomedical waste disposal	15	23	0	18	18
62	63	8	169	Transportation	15	22	0	17	7

CI = clinics, SH = Small hospitals, BH = Big hospitals, Diag = Diagnostic facilities

Table-11.3 shows owner-manager reports about infrastructure and public utility related problems faced by private HCIs. Quite clearly breakdown of electricity is being experienced by large percentage (50 to 68%) of health care institutions. This is followed by drainage, telephone and water supply related problems.

IV. Summary of findings about patient referral, regulatory environment and infrastructure problems faced by private HCIs.

The Primary Health Care approach to the Health for All (HFA) goal envisages a referral system that fosters easy movement of patients between institutions based on patient's need and availability of optimal care facility in different institutions. Information collected from private and public HCIs in AP suggests that an informal but active referral system exists to meet patient needs. The system is sustained by professional contacts of physicians, shared knowledge about the service character of different type of HCIs. Domain specific regulation of health care services, like state licensing requiring conformity to standards of care, definition of services and compliance of ethical norms is lacking. This could be the reason why unfair competition was cited as an important obstacle faced by owner-managers of private HCIs. Private HCIs also reported obstacles on account of high and cumbersome tax regime and poor governance such as corruption of public officials. Electricity, followed by water supply and drainage were reported as important infrastructure constraints faced by private HCIs.

