

# Impact of COVID 19 on the Healthcare Sector in India: An Economic Overview

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**Abstract:** Covid-19, one of the major catastrophes of this century, also known as the severe acute respiratory syndrome coronavirus-2 (SARS-CoV-2,) struck the world and created havoc with its rapid spread. Started as a mere local transmission from the city of Wuhan, China in 2019 and spread throughout the world. The present study is solely based on secondary data and is conceptual in nature. This paper aims to understand various aspects of the economic challenges facing the Indian healthcare system and possible measures undertaken to overcome the impact of the Covid-19 pandemic in India. The purpose of this paper is to analyze the short-term and potential long-term effects of this pandemic on the Indian healthcare sector. The whole India was surprised and countries did not have time to carefully prepare to fight this pandemic. This study provided a comprehensive analysis of the outbreak of Covid-19 in India and its impact on the healthcare sector the epicenter of the challenge.

**Keywords:** Healthcare, COVID-19.

## I. INTRODUCTION

Covid-19, one of the major catastrophes of this century, also known as the severe acute respiratory syndrome coronavirus-2 (SARS-CoV-2), struck the world and created havoc with its rapid spread. Started as a mere local transmission from the city of Wuhan, China in 2019 and spread throughout the world. Corona virus has crossed borders by spreading from person to person, leading to numerous active cases and deaths. Therefore, WHO announcing a public health emergency on January 30, 2020 and global pandemic on March 11, 2020. The pandemic has sent shockwaves to the health system, societies, and economies around the world. The impact of the pandemic was clearly visible in financial markets. But there is still no clarity on the deeper impact that it is having across various sectors of the economy.

The healthcare sector has undergone many forceful changes and has been significantly affected, along with the country's entire population. This paper aims to understand various aspects of the economic challenges faced by Indian healthcare system and to develop possible measures to overcome the impact of the Covid-19 pandemic in India. The purpose of this paper is to analyze the short-term and potential long-term effects of this pandemic on the Indian healthcare sector.

## II. METHODOLOGY

The present study is solely based on secondary data and conceptual in nature. Various sources of data and documents were accessed, and information was collected from news articles both online and offline, information from websites of the Ministry of Health and Family Welfare, Government of India, World Health Organization, International Monetary Fund and World Bank were also referred and extracted.

### 2.1 Understanding the Indian Healthcare System

Health-related decision-making and responsiveness in operating and strengthening the public health system rests with the centre and state governments in India, not the hub. Healthcare delivery in India is done at both the public and private levels. The public system mainly provides primary health care at regional level while secondary, tertiary and quaternary services are provided more by private institutions in urban area. India's healthcare system is considered to have a competitive advantage due to its large number of well-trained specialists and low cost of procedures compared to

other countries in the world. Growing rapidly by expanding its coverage and expanding public and private participation and health sector is one of the largest sectors in India, in terms of beneficiaries, revenue and generation of job. Additionally, both industries are seeing a shift towards mobile health, telemedicine, online patient registration, digital marketing, and service delivery.

On the other side India ranks at 145<sup>th</sup> position amongst 195 international locations in quality and accessibility of care and its healthcare infrastructure isn't one of the best (Shukla et al, 2021). Overall average availability of beds just 0.5 beds for every 1000 patients in India. Approximately, handiest 70,000 ICU beds and 40,000 ventilators are available in the country. Also, price pressures are a prime hassle in each public and private sectors. Private sectors control the budget through looking at charges and imparting specialized care.

## 2.2 COVID-19 Onset in India

India stated its first Covid-19 case on 30 January 2020, which increased to 50 instances in forty one days and in less than 3 weeks, covid cases crossed the three hundred mark and multiplying daily at a greater pace every day. From the 28 states and nine Union territories of India, COVID-19 affected almost 75% of the regions of India with a maximum instances being recorded in the states of Maharashtra and Kerala. Announcement of a one day "Janata Curfew," on 22 March 2020 confirmed a decline in cases, however until 24 March 2020, 536 humans had been tested positive and 10 deaths stated (case fatality rate -1.9%). This day was marked a landmark occasion as 21-day country wide lockdown from 25 March 2020. By 31 May 2020, which marked the stop of four stages of lockdown, India had 1,82,143 showed 5,164 deaths cases with to its records.

## III. EQUITY AND EFFICIENCY IMPACT OF COVID-19

### 3.1 Cost to Health System

COVID-19 got here as an extraordinary shock to the already parlous Indian economy. The gross domestic product (GDP) boom rate for India for the full financial year of 2019-20 had been slower (4.2% growth) than the preceding years. The severity of this health crisis, global economy declined due to COVID, the disruption of demand and supply chains, along with the imposed nationwide lockdown had acute as well as long lasting effect on GDP and on the healthcare sector of India.

Large population and quick spread of virus across regions and a weak public fitness implement in India posed a challenge in terms of time and preparedness to deal with an accelerating case load. In phrases of reachable funding, from the 3.6% GDP investment in healthcare, only 1.5% is by means of the Government, and greater than 2% is borne with the aid of households that is 65% expenditure is out of pocket. Also, constant fees such as physician salaries, employee costs, and session charges may no longer be deferrable and enlarge in the procurement value of consumables such as drugs and sanitizers from the pharmaceutical region for healthcare organizations would affect the margin profiles.

### 3.2 Health System Funding and Fiscal Implications

The rising interest on wellbeing offices and medical care laborers would overextend wellbeing frameworks driving them to work less efficiently. Corona virus in this manner required the Government to present monetary bundles for framework improvement, securing a more noteworthy number of testing units and labs as deficiencies in clinical supplies and a failure to give sufficient testing were the significant issues that concerned the Indian economy. A boost bundle at 0.8% of GDP was declared on 26, March 2020 and was remembered as a move to support families, protection inclusion of medical services laborers and monetary help to low wage laborers and others looking for jobs.

India was at first furnished exclusively with 111 Covid-19 testing labs and on 60,000 beds in government-run quarantine offices across the nation. This lead to patients relying upon understaffed and underfunded state-run offices for analysis and treatment. To address this, the Prime Minister, in April, declared 15,000 crore rupees (USD 2 billion) as India COVID-19 crisis reaction and wellbeing framework readiness bundle' with Rs.7,774 crores allotted for emergency reaction and rest for the medium-term support (1-4 years) under mission mode approach. Ministry of Health and Family Welfare (MoHFW) executed the wellbeing area reaction with regulation and control as key reaction procedures. As on April 9<sup>th</sup>, 2020, according to the PIB Delhi reported, a sum of 223 labs (157 government and 66

confidential research centers) began leading thorough screening. Likewise, Rs. 4,113 crore had been dispensed to every states and association regions for managing the crisis Covid reaction. If the monetary consumption for monetary year 2021 should be kept up with at a similar level as planned, the center should permit a tremendous financial slippage from the planned 3.5% of the GDP and cause a monetary shortage of 5% or higher, attributable to the Covid-19 aftermath of a much-decreased financial development and subsequent drowsiness in charge receipts.

### **3.3 Access to Care and out-of-Pocket Expenditure**

India's wellbeing framework positions as one of the most vigorous subject to form cash on hand (object oriented programming) use on the planet. India's elites might have likewise had an impact in requesting more noteworthy subsidizing for huge clinics (tertiary consideration) as opposed to looking for additional interests in preventive general wellbeing interventions. It is challenging for the Indian Government to cover the full range of medical service needs due to tirelessly low open interest in wellbeing, an absence of HR and chronic frailty foundation, which increment the expense and the monetary weight of care. OOP wellbeing use forces a super monetary weight on families on the grounds that the charges and cost of therapy is exceptionally high in confidential offices and exorbitant for individuals with low pay. OOP use on wellbeing is probably the main motivation for individuals falling into neediness in India.

### **3.4 Impoverishing Health Status and Vulnerable Groups**

The gamble of serious inconveniences from Corona virus is higher for specific weak population, especially individuals who are old, delicate, or have numerous constant conditions. The other weak gathering is shaped by the abandoned, poor, day to day labourers as the consistently expanding wellbeing cost continues to push those simply over the neediness line once again into destitution. Traveller labourers were one such significant gathering in India, recognized during Corona virus. Over the top dependence on personal instalments prompts monetary obstructions for the less wealthy, and expanded disparities in admittance to medical care causing monetary disaster or impoverishment. Funding medical services through such major personal instalments brings about extreme wellbeing use and impoverishment in many low livelihoods or agricultural nations, especially India.

### **3.5 Allocation of Healthcare Resources**

The 15000-crore spending plan tended to crisis and long haul measures. Crisis reaction included increase in the quantity of testing offices and individual defensive gear (PPE), advancement of Corona virus committed therapy offices, unified obtainment of fundamental clinical hardware and medications expected for therapy of contaminated patients, and preparing of clinical and paramedical labor. Long haul estimates included reinforcing and constructing versatile public and state wellbeing frameworks to help avoidance and readiness for future infection episodes by setting up of labs and supporting observation exercises. These mediations and drives would be carried out under the general umbrella of the MoHFW which is answerable for conveyance of assets among the different execution organizations like Public Wellbeing Mission, Focal Acquirement, Railroads, Branch of Wellbeing Exploration/ICMR, Public Community for Infection Prevention. The travel industry framework and rail line foundation were incorporated to get a more prominent number of isolation zones. Confidential clinics and labs upheld to defeat the test of powerless medical services foundation in India.

### **3.6 Insurance**

During this pandemic, health care coverage business is confronting higher risks and according to government mandates, the Corona virus testing costs covered by state legislatures while for positive cases, existing health care coverage arrangements are approached to stretch out their inclusion to incorporate Covid-19 without having a particular exclusion. The Protection Administrative and Improvement Authority of India (IRDAI) likewise gave a warning to insurance agencies to facilitate the handling of cases made corresponding to Corona virus pandemic. For below neediness line cases, Corona virus positive people were to be covered under Ayushmann Bharat Medical coverage Plan, a focal government scheme.

#### IV. DISCUSSION

The ongoing situation has put weight on the wellbeing economy, which calls for relief techniques that emphasis on improving testing offices, emergency clinic backing, and individual cleanliness on a conflict balance. Explicit Research and Development focuses in the nation ought to attempt to rapidly make the most ideal answers for fix like antibodies, oral medications, Ayurveda substitutes, preventive units, aside from zeroing in on creating hand sanitizers and veils. Likewise, the spread of Coronavirus can be eased back through superior screening programs, research center limit, and illness reconnaissance program. Ultimately, public and confidential foundation improvement can be a major advance to further developing admittance to life-saving medical services through superior offices. On the above lines, the Global Bank for remaking and improvement proposed a credit of US\$ 1 billion to India for a crisis reaction and wellbeing frameworks readiness project. Execution of the equivalent could be perhaps the best answer to address the ongoing financial effect.

#### V. CONCLUSION

The whole India was surprised and country did not have time to carefully prepare for the fight against this pandemic. This study provided a comprehensive analysis of the outbreak of Covid-19 in India and its impact on the healthcare sector which is the epicenter of the challenge. The Government of India has acted swiftly to provide the funds, resources, and human resources to overcome this pandemic by strengthening patient testing, isolation, and treatment mechanisms. It announced an aid package for a community pushed to the limit, by covering costs under the national Ayushman Bharat scheme and through instructions to existing insurance companies, the issue of existing inequality in the country. The welfare of poor affected by the dreadful disease need to be worked more closely and this pandemic has given a lesson to everyone to be prepared to fight with any catastrophic in the more future

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