Through the looking glass

A practical path to improving healthcare through transparency

Country report card: **India**

KPMG International

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Foreword

Transparency is a critical tool that can help transform the way a nation's health system operates. Making information available publically can improve competition among health providers, which in turn can indirectly improve quality of care.

Health systems globally and more so in India, have suffered from *asymmetry of information* — with caregivers making decisions on behalf of patients, primarily due to patients' lack of adequate information. Transparency can help patients take charge of their own health and make critical decisions about which health facility to select, doctor to visit, or price to pay for a particular set of services.

KPMG International recently conducted a multi-country study to assess the transparency of global health systems. The study mapped 27 indicators across six dimensions of transparency to provide an individual transparency score for each country. While the boarder report compares 32 countries overall, this India-focused mini report is specifically designed to provide more detailed reflections around the country's results.

India's health system is unique and continues to grapple with the dual burden of high disease prevalence and large out of pocket payment for healthcare. With dominance of the private sector in healthcare delivery, institutionalization of transparency measures continues to be a challenge.

India achieved an overall transparency score of 36 percent, placing it in the bottom fifth tier among countries on the index. However, an analysis of the results shows that India achieved its highest transparency scores for 'Governance' (44 percent), 'Personal Healthcare Data' (43 percent), and 'Finance' (42 percent). Scores ranged from 29 to 31 percent across the other three dimensions within the transparency index, signalling opportunities to improve in these areas ('Quality of Healthcare', 'Communication of Healthcare Data' and 'Patient Experience').

While sporadic experimentation continues, the government will need to take the lead in making India's health system more transparent. Developing a basic framework to report specific parameters voluntarily could be the first step. Linking performance with incentives and developing a central repository with information publicly available, needs to follow. While continuing to garner learnings through various initiatives, governments can gradually move from voluntary to mandatory disclosure of information to help build a more transparent health system.

KPMG in India has a seasoned team of professionals with significant skills and experience around e-governance and can help governments and institutions develop transparency frameworks. Additionally, KPMG has worked with various private sector hospitals and health providers and can help bridge the gap between these sectors to develop a strong, sustainable, transparent and patient-centric health system.

Nilaya Varma
Partner & COO, Infrastructure,
Government & Healthcare (IGH)
KPMG in India

To read about these lessons and case studies in more detail, please see full report — *Through the looking glass: A practical path to improving healthcare through transparency*

What is a transparent health system?

Transparency of health systems matters, but progress to date has been more symbolic than substantive. KPMG International's recent report 'Through the Looking Glass' showed the wide variation that exists in how far different countries have pursued transparency in healthcare, with the central message that every system needs to improve how strategically it uses this powerful but potentially damaging tool.

What constitutes 'transparency' in healthcare is hotly contested around the world, but following a global literature search and interviews with experts around the world, the following six dimensions surfaced as the most important:

1. **Quality of healthcare:** transparency of provider-level performance measures, especially the quality of outcomes and processes.
2. **Patient experience:** patient perceptions of their healthcare experience and outcomes.
3. **Finance:** price and payments transparency, and the public nature of accounts for healthcare organizations.
4. **Governance:** open decision making, rights and responsibilities, resource allocation, assurance processes and accountability mechanisms.
5. **Personal healthcare data:** access, ownership, and safeguarding of patient's individual health data.
6. **Communication of healthcare data:** the extent to which all the above is presented in an accessible, reliable and useful way to all relevant stakeholders.

Using these six dimensions we constructed a scorecard to measure each of the world's major health systems. Twenty-seven indicators were measured for each country tracking the extent to which different transparency practices were in effect on a systemic level. Selection of the indicators was on the basis of published evidence and interviews with experts, under the guidance of a twelve-member global health system transparency steering group. We considered indicators that were: employed by other organizations to measure transparency; likely to highlight meaningful variation across health systems; used by stakeholders to effect positive change; and, identified as important by interviewees.

Completed transparency scorecards were received from 32 countries, covering most OECD and G20 countries. A composite overall ranking score was created by summing each country's score for every indicator.

Methodology

This study involved several research stages:

- Summary literature review of the evidence on health systems transparency
- 25 interviews with experts
- Development of the transparency framework and sense-testing with KPMG heads of health and interviewees
- Completion of the transparency scorecard by leaders of KPMG's major health practices
- Transparency scorecard data collected and analyzed by country

Data health warning

- It is not necessarily good to have a high score because transparency can be harmful as well as beneficial
- The data shows what health systems are currently doing, not whether the transparency is well managed, or achieving good or ill

> "A health system that provides accessible, reliable, useful and up-to-date information to all interested stakeholders so they can acquire meaningful understanding of the quality, patient experience, finance, governance, and individual health data associated with the health system, and make judgements on its fairness."

KPMG International definition of healthcare transparency, Through the Looking Glass (2017)

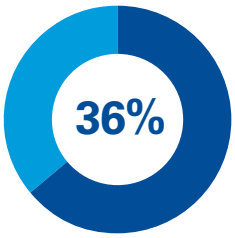
Global health systems transparency index — composite results (%)

	Overall Score	1. Quality of Healthcare	2. Patient Experience	3. Finance	4. Governance	5. Personal Healthcare Data	6. Communication of Healthcare Data
Denmark	74	67	62	83	94	93	50
Finland	72	48	46	83	88	86	93
Sweden	71	81	69	75	69	79	50
Norway	69	67	62	83	81	71	50
UK	69	57	85	83	81	57	57
Australia	68	52	62	83	88	64	64
New Zealand	67	38	54	83	94	64	79
Netherlands	67	57	85	75	69	50	71
Portugal	64	48	46	83	63	86	71
Singapore	63	57	77	83	81	43	43
Israel	62	48	92	50	56	79	57
Brazil	61	48	69	67	81	64	43
Canada	61	57	46	50	81	50	79
Spain	61	76	46	42	75	71	43
France	60	48	62	67	75	50	64
Germany	56	29	54	75	63	64	64
Italy	54	57	31	67	56	64	50
Iceland	53	43	54	75	63	50	43
Switzerland	53	33	69	67	69	57	36
R. of Korea	52	29	31	83	56	50	79
Poland	50	29	46	67	56	57	57
R. of Ireland	49	29	31	67	75	79	43
Luxembourg	47	29	46	50	63	50	50
Russia	47	33	38	67	63	50	36
Austria	46	29	31	58	56	64	43
Japan	46	48	31	67	56	43	29
Greece	43	29	38	50	69	50	29
Mexico	42	33	46	42	50	36	50
K. Saudi Arabia	38	29	31	50	50	43	29
South Africa	37	33	31	33	44	50	29
India	36	29	31	42	44	43	29
China	32	29	31	50	31	29	29
Average Score	55	44	51	66	67	59	52

70% and over | 60% and over | 50% and over | 40% and over | Lower than 40%

In depth reflections on India's results

Overall transparency score =



Overview: India's Health System

India currently has an estimated 1.15 beds per 1000 people (approximately 1.5 million beds), with around 55 percent of these being in the private sector. While growth trends are positive, with a 4.6 percent CAGR in the number of beds over the last 10 years, India is still woefully short in terms of healthcare infrastructure.

The public sector plays a dual role in regulating and providing health services. With almost 45 percent of hospital beds belonging to the public sector they contribute to a sizable part of the overall health infrastructure, however current estimates suggest that less than one-third of the population use these health services and the private sector continues to be preferred.

The private sector in India continues to invest heavily in the creation of healthcare infrastructure. The number of private healthcare chains have significantly increased in recent years, but currently make up a relatively small proportion of the market. Top chains including Fortis, Apollo, Narayana Hrudayalaya, Manipal, and Max Hospitals (among others) make up just 5 percent of total beds across the country, largely in tertiary or super-specialist hospitals in large urban centres.

With respect to medical education and skilled healthcare resources, there has been a two-fold rise in the number of medical colleges, two-fold rise in the number of allopathic doctors, and three-fold increase in number of registered nurses over the past decade. The doctor-to-population and nurse-to-population ratios however remain abysmal when compared to other nations. Realizing this, the government has taken many steps to increase job opportunities within the health sector by increasing the number of medical seats, skills development initiatives and creating an alternate cadre of health workers.

The overall shortage of healthcare infrastructure (buildings and human resources) is aggravated by the inequitable distribution among urban and rural areas. Over 70 percent of the infrastructure (beds and outpatient clinics) and 80 percent of medical professionals are based in urban areas, which are home to a mere 30–35 percent of the Indian population.

While overall numbers of infrastructure and skilled resources may have increased significantly over the past decade, the population has also increased by 20 percent during this time. With such a picture, significant investment is required just to maintain the current levels of capacity in the system relative to need.

Reflections on India's results

India achieved an overall score of 36 percent, placing it in the fifth tier of countries on the transparency index. An analysis of the dimension-specific results shows that India recorded its highest scores for transparency of 'Governance' (44 percent), 'Personal Healthcare Data' (43 percent), and 'Finance' (42 percent). Scores ranged from 29 to 31 percent across the remaining dimensions, signalling an opportunity to improve transparency in these areas ('Quality of Healthcare', 'Communication of Healthcare Data' and 'Patient Experience').

Patient Experience

— In terms of *reporting patient outcome measures*, it is encouraging that some private healthcare providers have started publicly reporting independently validated data. However without strong regulations, in most cases, reporting is done for select health outcomes, primarily with the perspective of branding and marketing. An example of this is a cardiac hospital reporting cardiac surgery success rates on its website. Furthermore, public reporting (across public and private hospitals) is limited to measurements of input data, such as the number of patients serviced, human resources available at a facility, or available healthcare infrastructure, but there is no (or very limited) information on clinical outcomes.

— *Measuring Patient satisfaction* is critical, especially for private hospitals to evaluate their performance. Though this information is compiled and analyzed on a regular basis by individual hospitals, it is rarely made publically available. Public hospitals on the other hand don't have any formalized activities for measuring and compiling information around patient satisfaction, though occasionally, studies may be commissioned by authorities.

— *Patient approval mechanisms* are absent. Select healthcare providers have an informal method which allows users to comment and report their experiences via web portals. However, this may not be considered a formal method of patient approval reporting but is invariably a marketing strategy. Similarly, *patient complaint mechanisms* are present across public and private hospitals, however almost never publicly reported. For Public Hospitals under the preview of Right to Information Act (RTI), this information is shared as requested.

Personal Health Data

— Patient data privacy and safeguarding policies are in place, especially for third party use of individual health data, and are applicable to all healthcare providers. While there are ethics and codes set by the Medical Council of India, a more recent Privacy (Protection) Bill, 2013 addresses health-related information under the preview of personal data and defines parameters for its usage.

— While electronic health records are not available to all, there are select initiatives from agencies like the Police and Internal Security Services that are trying to develop comprehensive EMR data for their employees and beneficiaries, which is encouraging. Furthermore, the National Health Portal under the Ministry of Health and Family Welfare, Government of India, clearly defines guidelines for EMR and EHR to be implemented at a national level and associated privacy policies. Unfortunately, current frameworks do not allow patients to edit their personal health data or medical notes.

Finance

— There is room for significant improvement in transparency around this dimension. India is one of only a small minority of countries where healthcare providers do not publicly report prices patients or health insurers/payers are charged for individual medical conditions and treatments. However, it is encouraging that bed charges, consultation charges and diagnostic charges at Government Hospitals are published. In addition, state-run insurance schemes clearly report prices for individual medical conditions, even if private sector insurers do not do so currently. As National Accreditation for Healthcare Providers gains momentum, sharing estimates for inpatient services will be enforced especially in accredited facilities, helping to improve transparency.

— The West Bengal Clinical Establishments (Registration, Regulation and Transparency) Bill passed in March, 2017, suggesting that progressive states like West Bengal are attempting to enforce price regulations within the private sector. This is a significant move as a majority of the population avails services through the private sector. The concept is that these price regulations will be based on a multitude of parameters including clinical care outcomes, infrastructure, and human resources available (among others), which will drive affordable pricing for health and force hospitals to publicly report a wide range of information.

Quality of Healthcare

— At present, healthcare providers do not publicly report risk-adjusted mortality/survival rates, hospital re-admission rates, wait times for emergency care, or hospital-acquired infections. While the government already collects some of the data on these indicators as part of the civil registration system, it is not hospital-specific. Publication of this information at the individual hospital level would notably advance transparency.

— With initiatives like those being conceptualized in West Bengal or greater penetration of state-run health insurance schemes, reporting of quality measures is likely to become mandatory. However, based on current trends it is estimated that this would take about a decade to be implemented in its true sense.

Governance

— The Right to Information Act (RTI) allows patients to request information from public or private healthcare institutions (if services are sought through State Insurance Programs).

— Standalone legislations are in place to protect patient rights as a consumer and avail emergency medical services, irrespective of a patient's ability to pay. However, with NABH accreditation becoming the norm its mandate on developing a patient charter, which defines patients' rights and responsibilities, is gaining ground and being seen as a positive sign.

— Formal procurement processes have been defined for the public sector, however there is little visibility around whether the need for these procurements is well established. Private hospitals typically have their own procurement policies.

— Community participation in decision-making is very limited, though comments are invited on topics like National Health Policy and other critical policy documents. In general, this significantly limits the role that civil society organizations can play in the decision-making process.

Communication of Health Data

— Select health data compiled within the public sector are publicly reported and published on select websites like the Central Bureau of Health Intelligence and Department of Health. However, most of this data is primarily focused on the performance of the public sector and rarely show any comparison of providers or alternative choices available to patients.

Dimension 1
Quality of Healthcare

Total result:
29%

Indicator	1.1. Mortality/ survival rates for individual medical conditions & treatments	1.2. All- cause mortality/ survival rates	1.3. Hospital re-admission rates	1.4. Waiting times for emergency care	1.5. 'Adverse event' reporting	1.6. Hospital-acquired infections
	(total possible score = 4)	**(total possible score = 3)**	**(total possible score = 3)**	**(total possible score = 3)**	**(total possible score = 4)**	**(total possible score = 4)**
Score	1	1	1	1	1	1

Registration/reporting happens as part of the civil registration system (birth and death reporting), but not hospital-specific. Causes of death are generated with select communicable and non-communicable diseases during a specific year (National Health Profile, Central Bureau of Health Intelligence).

Dimension 2
Patient Experience

Total result:
31%

Indicator	2.1. Patient reported outcome measures	2.2. Patient satisfaction	2.3. Patient approval	2.4. Patient complaints
	(total possible score = 3)	**(total possible score = 3)**	**(total possible score = 3)**	**(total possible score = 4)**
Score	1	1	1	1

— Some private hospitals publish patient reported outcome measures (example: Cardiovascular surgery success rates), but nothing comprehensive.

— Patient satisfaction is reported selectively by some private players, no public reporting.

— Patient approval/complaints — data not collected for specific intent of reporting. Online web portals are doing this for private hospitals but more for marketing and branding.

Dimension 3

Finance

Total result:

42%

Indicator	3.1. Financial performance	3.2. Prices patients are charged	3.3. Prices health insurers/ payers are charged	3.4. Disclosure of payments, gifts and hospitality to healthcare staff
	(total possible score = 3)	**(total possible score = 3)**	**(total possible score = 3)**	**(total possible score = 3)**
Score	2	1	1	1

— Financial performance — financial statements of only the listed Hospital Groups are available in the public domain. Governments file their statements with the Ministry of Corporate Affairs and Auditor General of India which are available for a fee.

— Prices patients are charged — for private NABH accredited hospitals it is mandatory to display packages for elective procedures like angioplasty, CABG, TKR/THR etc., but these are rarely shared publicly. For public hospitals, this is clearly specified for bed charges (not total charges). Financial estimates provided to patients and actual bills vary significantly. No inter-hospital comparison of actual patient bill amount on risk-adjusted disease group is publicly available.

— Prices health insurers/payers are charged & disclosure of payments/gifts to hospital staff — private sector insurers are not required to share this information. State-run insurance schemes clearly define payment per medical condition, cumulative payment and payment across various conditions (SAST, RGJAY, etc.).

Dimension 4

Governance

Total result:

44%

Indicator	4.1. Freedom of Information legislation	4.2. Patient rights	4.3. Procurement processes and decision-making	4.4. Public decision making	4.5. Patient/ Public involvement
	(total possible score = 3)	**(total possible score = 3)**	**(total possible score = 4)**	**(total possible score = 3)**	**(total possible score = 3)**
Score	2	2	1	1	1

— The Right to Information Act (RTI) is only applicable to public organizations.

— The tendering process mostly applies to public hospitals; private institutions are not required to share this information publicly.

Dimension 5
Personal Healthcare Data

Total result:
43%

Indicator	5.1. Electronic patient records system	5.2. Shared clinical documentation	5.3. Patient data privacy and safeguarding policy	5.4. Information on use of patient data
	(total possible score = 4)	**(total possible score = 3)**	**(total possible score = 4)**	**(total possible score = 3)**
Score	1	1	2	2

Dimension 6
Communication of Healthcare Data

Total result:
29%

Indicator	6.1. Accessible data	6.2. Up-to-date data	6.3. Direct comparison of providers and services	6.4. Open data formats
	(total possible score = 3)	**(total possible score = 4)**	**(total possible score = 3)**	**(total possible score = 4)**
Score	1	1	1	1

— Some data is published annually, but not updated on a regular basis. Most data is published in PDF format.

Seven features of successful healthcare transparency

There is critical need for transparency to be better managed if it is to deliver its future potential. The research conducted for this report identifies seven different features that all health systems need to consider more seriously if the gains of transparency are to be unlocked, and risks avoided:

1. **A consistent strategy.** The government of Denmark offers a good example, having successfully created a positive policy and legislative environment, supported by a governance model that focuses on quality of care and quality management.

2. **Take the lead from innovative providers.** The most enlightened stakeholders be they providers, purchasers or payers are not waiting to have transparency imposed on them by legislation, but are looking to how they can best introduce and manage transparency initiatives to improve quality and value. Taking the lead from them can avoid a top-down approach which can generate resistance.

3. **Measuring what matters to patients.** Information on patient experience is a key motivator in attracting more consumers to use performance data in healthcare decisions. The Friends and Family Test introduced by the English NHS provides real-time information on patient experience based on a single question asking whether people would recommend the health service they have recently used to friends and family.

4. **Fewer measures, more meaningful data.** One of the most immediate benefits of transparency is that people can see what information is currently collected across the system. This can stimulate useful debates about how much of this is really necessary, and which indicators are most helpful to improving care.

5. **Providing personalized price transparency.** In line with evidence on what consumers seek from price data to support choice, personalized price transparency tools provide information on actual costs for individual patients.

6. **A give-and-take approach to safeguarding patient data.** Transparent data security and information governance has become a necessity. In developing a privacy and safeguarding strategy for personal patient data, it is vital that there is a clear 'what's in it for me' argument for patients, in addition to any more abstract benefits to the system.

7. **Promote independent narratives to improve understanding.** Independent data assessment and interpretation enables better understanding of the impact and outcomes of healthcare policies, performance, and markets. Dr. Foster in the UK was an early pioneer of independent third party narratives. The Health Care Incentives Improvement Institute (HCI[3]) in the US, using advanced analytic techniques, provides such narratives currently.

Conclusions and recommendations

Overall, India is making gradual progress towards a more transparent health system. To progress even further, India should consider mandating public reporting of health outcomes, tariffs and pricing, and patient satisfaction.

States focusing on health like West Bengal have initiated this effort as a part of recent announcement to regulate private sector pricing. While this initiative is a bold and ambitious move, it is likely to be faced with significant resistance. This in turn will reduce the chances of it being successfully implemented. It is therefore recommended that the government bring about change in phased approach and lead by example.

Firstly, the government should develop a basic framework to report on select transparency parameters (such as surgical complications, stand patient satisfaction score, etc.) and adoption of these by individual hospitals can be encouraged by including them as part of the NABH accreditation process or as a precondition to procuring healthcare services by government funded agencies.

Secondly, the government could work to improve reporting by public hospitals against these set indicators, which are intermittently verified by third party agencies. Linking performance with some form of bonus/incentive could further drive uptake. Furthermore, government processes to compile, review and validate this information needs to improve to ensure meaningful and comprehensive implementation of these initiatives.

Thirdly, a centralized repository of health data for the general population needs to be developed. This repository could provide performance reports across different geographies, facilities and institutions, helping to encourage healthy competition and active participation among providers.

Finally, efforts to develop learnings through various initiatives on electronic health/medical records or digitalization of records should be continued. While the extent of progress in this area will depend upon the technological advances and uptake by the health system as a whole, these activities should be continued in parallel to strengthen and support a more transparent health system. These changes could usher in a change wherein publicly available 'transparency scores' for individual hospitals becomes a differentiator in the market place thereby driving clinical outcomes, operational excellence and patient centricity.

Contacts for healthcare services

India

Nilaya Varma
Partner and COO
Infrastructure, Government and Healthcare
T: +91-98100 85997
E: nilaya@kpmg.com

Nitin Atroley
Partner and Head
Sales and Markets
T: +91-98111 38000
E: nitinatroley@kpmg.com

Lalit Mistry
Director
Infrastructure, Government and Healthcare
T: +91-98196 83809
E: lalitmistry@kpmg.com

Sumit Goel
Partner
Infrastructure, Government and Healthcare
T: +91-98204 45207
E: sumitgoel@kpmg.com

kpmg.com
kpmg.com/socialmedia

Designed by Evalueserve.
Publication name: Through the looking glass: A practical path to improving healthcare through transparency — India
Publication number: 134300d-G
Publication date: March 2017