**The rise of private capital**

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Tuesday, Jan 04, 2022

The much-vaunted Naya Pakistan Sehat Card initiative has been launched in Punjab with tall claims that it would benefit the underprivileged. Prime Minister Imran Khan has asserted that this Rs400 billion move would help translate his dream of creating a true Islamic welfare state into reality. Federal ministers have described it as a great policy that will extend health facilities to the province’s 120 million people.

This is not the first time the government has introduced such a scheme. In the past, it launched the same facility in Khyber Pukhtunkhwa (KP) where it arguably benefited millions of people, but critics believe that such moves are aimed at enriching private hospitals that have already been placing a huge financial burden on Pakistanis by offering expensive medical treatment. Some believe that this scheme is likely to develop a nexus between private hospitals and those who have some financial interest in insurance businesses.

Many critics assert that such insurance schemes miserably failed in protecting the most vulnerable sections of society, ending up enriching private businesses that thrived on these initiatives. For instance, the US spends the highest per capita on health – more than $11,000 per person, but even then the country was badly hit by the Covid-19 pandemic that claimed the largest number of deaths in the world. In 2020 its health budget was $4.1 trillion – three times higher than its defence budget – but that huge budget did not extend help to the most marginalised sections of society because a large chunk of this budget was siphoned off by private pharmaceutical and insurance companies and other vested interests.

Although the US spends a high amount on health, one of the biggest factors leading to personal insolvency in the country is the debts accrued on medical bills. Frequent hospital visits and prolonged treatment also raise health insurance premiums, creating hardships for people from low-income households. The phenomenon of ‘overprescription’, which is quite common in the country, claims thousands of lives, and medical insurance proves ineffective in preventing such malpractices. Medical insurance is in fact considered to be one of the factors fueling overprescription.

It is feared that in Pakistan, since most government hospitals are overcrowded, with many of them facing an acute shortage of doctors, nurses and paramedical staff, most patients would end up preferring private hospitals, which means it is private capital that will greatly benefit from this government initiative. Experiences from KP show that most patients opted for treatment at private hospitals with government- and state-run insurance companies paying hefty amounts to these private health entities.

For instance, in KP at least 250,439 patients were reportedly treated under the Sehat Card Plus programme during the seven months of FY 2020-21. But what is worth noting is the number of people who went to private hospitals. According to the official data, around 174,388 people got themselves treated at private health facilities while only 76,052 patients preferred government hospitals. The KP government reportedly made a payment of Rs7.2 billion to different hospitals, besides paying Rs13.056 billion to the State Life Insurance Corporation during the last financial year. Under the agreement, the organisation will pay back the remaining amount of Rs5.856 billion. According to media reports, under this initiative, around 173 hospitals in KP have been put on the panel, out of which only 46 are state-run health facilities and 127 belong to the private sector.

The result was clear last June when it was reported that private hospitals made a hefty reward of Rs8 billion during the last five years while government-run health concerns fetched only Rs2 billion from the Sehat Card insurance scheme. The government reportedly spent Rs10.5 billion on the free treatment of 423,525 patients in the province. Private hospitals attracted 78 percent of the patients while the share of government hospitals was only 22 percent. It is quite clear that if this programme is extended to other federating units, it will benefit private capital.

Now if the KP government has spent over Rs10.5 billion since the scheme was launched in September 2016 – and this is a conservative estimate – and if the Punjab government is going to pump Rs400 billion into this, it is a staggering amount. Could this mammoth amount not have completely transformed the country’s health system if it had been allocated for recruiting more medical professionals and building more health facilities?

In 2013, Karachi’s city administration was building two 50-bed hospitals costing around Rs310 million. It means that a fifty-bed hospital could be established in just Rs155 million in expensive cities like Karachi where land price has been skyrocketing for years. In remote areas, it might be built on state land using even less amount. Construction experts believe that one 500-bed hospital could be built in just Rs700 million – or Rs crores. Now, had over Rs400 billion been allocated for building new health facilities, the country could have set up more than 400 hospitals with 500 beds. This could have benefited millions of people.

Now, look at this problem in another way. Pakistani government hospitals are facing a shortage of doctors, nurses and paramedical staff. Only in Punjab, until March 2020, 19,000 positions of such professionals were lying vacant. The country is reportedly facing a shortage of more than 0.2 million doctors, 0.18 million dentists and 1.4 million nurses. According to international standards, around two doctors, a dentist and eight nurses should take care of a thousand patients, but to meet this requirement, the PTI government needs to recruit medical professionals to ease pressure on overcrowded government hospitals. The average salary of a nurse is between Rs34,000 and Rs90,000 (depending on the professional’s seniority). Doctors in the country get below Rs70,000 at the time of appointment.

Suppose that a newly appointed doctor is given a Rs50,000 salary per month. With just Rs15 billion, 50,000 doctors could be recruited. Just Rs15 billion could have eased pressure on major hospitals in Punjab and KP. Despite many protests by doctors, successive governments failed to appoint more medical professionals. They all rather tried to appease the private capital by pumping money into motorways, safe city projects, Orange and Metro lines and several other capital-intensive schemes.

The PTI is also following the same line. From the Rs260 billion Ehsaas programme and Rs1200 billion bailout package for the country’s capitalists to amnesty for real-estate barons, hefty packages for stock exchanges and tax exemption for cars import, the government’s actions suggest that it wants to break all records of appeasing private capital. A UNDP report claims that the Pakistani rich and the influential fetch slightly over $17 billion in economic privileges from the state.

If Khan wants to show that he does not want a Pakistan where people are treated differently on account of their status and wealth, all he needs to do is put an end to this subsidy. This would help him break the begging bowl besides ridding the country of a vicious debt circle that has been sapping the very foundations of this country. But like Zia, Nawaz and Zardari, the Kaptaan will also continue rewarding private capital because it is this wealth that brings politicians into power and they end up serving their interests.

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