The Story of SughaVazhvu:
How a few rural health centers in southern India might change its primary care

Rajarshi Banerjee
Harvard Law School

The Alakuddi Rural Micro Health Centre (RHMC) is a tidy little place, with peach-colored walls and a tin awning that shades waiting patients from the strong midday sun. Inside, the Centre has only two small rooms, and is staffed by just a nurse and a traditional medical practitioner. Other than its fresh coat of paint, there is little that makes the Centre stand out from the hundreds of other primary health centers dotting the southern Indian state of Tamil Nadu.[1] Yet the privately-run Centre is home to an experiment that might help change the way primary health care is provided and financed in India.

Can India provide all its citizens low-cost, good-quality primary healthcare? At present, you would be inclined to say no. There are about 700,000 physicians practicing in the country, and many of these physicians do not venture beyond urban India.[2] Moreover, the Indian government spends a minuscule 0.9% of the country's GDP--about $10 for every Indian--on public healthcare.[3] Consequently, government-run clinics and hospitals in rural India tend to be ill-stocked and ill-staffed.

The dismal state of public healthcare in India only serves to remind us of the importance of primary care. The country's poor public health infrastructure discourages many Indians from seeking healthcare until a medical emergency demands it, and this in turn allows easily treatable conditions to morph into life-threatening, and financially draining, events. In a country where over a third of the population lives on less than $1.25 a day,[4] Indians shell out an average of $40 per person each year for healthcare.[3]

For $40 a year, can Indians get better healthcare than they currently receive?

The IKP Trust, an Indian nonprofit, set out to answer this question in 2009 when it launched SughaVazhvu, the rural healthcare project that operates the Alakuddi RHMC. SughaVazhvu (meaning 'happy life' in Tamil) is an experiment in managed care--with a few trained health practitioners, electronic medical records, and simple diagnostic devices, the project eventually aims to closely track and meet the healthcare needs of about 50,000 families.[3]

> "For $40 a year, can Indians get better healthcare than they currently receive?"

"Medicine is driven by rules"

SughaVazhvu does not expect to lure urban doctors to sleepy villages such as Alakuddi. Instead, the project attempts to see if medical records, technology and strict protocols can replace much of what primary care doctors do.

"Medicine is driven by rules," says Dr. Zeena Johar, one of SughaVazhvu's two directors.[1] And SughaVazhvu follows rules for everything: from capturing medical information to performing basic tests to diagnosing ailments ranging from respiratory infections to diabetes. Johar stated last year that such protocols can deal with 80% of diseases. To further drive home this assertion, SughaVazhvu has informed the Medical Council of India (which mandates that a doctor staff every health center) that a single doctor should be able to manage as many as 20 of their centers.

A $20-a-year managed care plan

SughaVazhvu's five RHMCs cost an average of $6,000 to construct and set up.[3] Every five such Centres are expected to share a $10,000 diagnostics center.[3] The Centres' 'physicians'--people with degrees in traditional medicine who are legally permitted to prescribe allopathic medicines--command an annual salary

The waiting room in the Alakuddi RMHC. *Courtesy of ICTPH.*

of $3,000.[3] These doctors are supported by trained local health extension workers who receive about $600 a year for their services.[3] Considering that each Centre sees 40 patients a day, and spends about $1 per patient and drugs and diagnostics, SughaVazhvu estimates that it can put together a comprehensive managed care plan (without any co-pays) at an annual cost of $20 per person.[3] Since there are large parts of rural India where the cost of living is even lower than in rural Tamil Nadu, it might be possible to put together a national managed care plan at a cost lower than the $20 figure. With the Indian government spending about $10 per person each year on public health, as discussed above, it is possible that a national SughaVazhvu-style model could charge Indians less than $10 a year for comprehensive primary care. Since dedicated primary care can stave off many medical emergencies, a SughaVazhvu-style model can put a huge dent in the $40 per person average that Indians currently pay for healthcare.

Too small a microcosm?

For all these extrapolations, SughaVazhvu does not immediately intend to go national--for now, it is quite content using Alakuddi and its neighboring villages as a microcosm for India and its healthcare issues. This, however, calls into question whether SughaVazhvu's successes, failures, and observations can be replicated on a national scale. SughaVazhvu currently serves only 200,000 people, a minuscule fraction of the Indian population. The project also operates in Tamil Nadu, which fares better than the national average on a number of health indicators and boasts a relatively well-run government health service. In a state with less healthy people and a less competent health service, a SughaVazhvu-style project may have to provide people with more treatment, but may also be able to take advantage of the economies of scale that come with a higher demand for the project's services.

Nachiket Mor, who co-directs SughaVazhvu with Dr. Johar, addressed these issues in a conversation with HCGHR on the sidelines of the recent India Conference at Harvard. Dr. Mor, who was until recently a prominent banker[1], noted that the SughaVazhvu model, if it is to scale up, must adapt to whatever local environment it finds itself in. Certain aspects of the model that worked in Tamil Nadu, he reasoned, might not work, or might work better, in other states. Regardless, Dr. Mor is confident about SughaVazhvu's ability to address some of the most fundamental issues that plague rural healthcare in India.

A clinic is a clinic

The Alakuddi RHMC offers an exciting potential solution to some of India's most pressing healthcare problems. To Alakuddi's residents, however, it serves an even more important and immediate role: as a place where they can address their own most pressing healthcare needs.

---

[1] Rajshekhar, M, 'Inside Nachiket Mor's Healthcare Laboratory' Times of India, March 17, 2011. Available at: http://ngopost.org/story/toi-inside-nachiket-mors-healthcare-laboratory-%E2%80%98sughavazhvu%E2%80%99 (Accessed April 8, 2012)

[2] 'India needs 600,000 more doctors: Plan Panel, April 7, 2008. Available at: http://www.rediff.com/money/2008/apr/07panel.htm (Accessed April 25, 2012)

[3] Mor, Nachiket and Karthik Tiruvarur, 'Is Managed Care at all a Possibility in Developing Countries? – A Perspective from Thanjavur' The ICTPH Blog. Available at: http://ictph.org.in/blog/health-technology/is-managed-care-at-all-a-possibility-in-developing-countries-a-perspective-from-thanjavur/ (Accessed April 8, 2012)

[4] Unicef India Page. Available at: http://www.unicef.org/india/emergencies.html (Accessed April 8, 2012)