

# How much have COVID patients been overcharged in private hospitals?

*Key findings from State level rapid survey in Maharashtra conducted by Corona Ekal Mahila Punarvasan Samiti and Jan Arogya Abhiyan*

The story of COVID is not yet over. Due to its devastating impacts, the tragedy remains ongoing for huge numbers of people. Across Maharashtra, families of seriously ill COVID patients had to desperately search for hospital beds, and when treatment was not available in public hospitals, they were forced to seek care in private hospitals. Even though families knew that treatment in private hospitals would be expensive, saving the lives of loved ones was their highest priority.

In this context, responding to complaints of overcharging, Maharashtra government had issued orders for rate capping of COVID treatment for 80% of the Covid-beds in private hospitals and only 20% of beds were allowed to charge at 'package' rates. Official initiative was also taken to audit excessively high hospital bills, especially in some larger cities. **However, to what extent have these orders for rate regulation been followed? Have COVID patients been charged as per regulations, or has there been overcharging?** Particularly in case of COVID widows, who have been devastated and often lost the main earning member of their family, what was the scale of expenses which the family incurred during treatment of the deceased family member? **Are there situations where unjustified amounts have been charged, which need to be audited, so that excess amounts can be refunded to the family?**

To answer such socially relevant questions, two large voluntary networks in Maharashtra - Corona Ekal Mahila Punarvasan Samiti and Jan Arogya Abhiyan – have recently conducted a rapid survey to understand the experiences of families of COVID patients, especially COVID widows (women who have lost their husbands to COVID) regarding the scale of expenses incurred during COVID treatment. This survey was conducted in September 2021, with **data collected from families of 2579 patients who had undergone treatment for COVID in various hospitals across Maharashtra, and who had perceived complaint about excessive bills.** These cases have been drawn from 205 talukas in 34 districts spread across the state. The preliminary analysis of survey data has been done with a focus on analysing bills that families had to pay for treatment of COVID patients, while examining the status of overcharging if any (especially by private hospitals) as against rates declared by Maharashtra government for the treatment of COVID positive patients. It should be noted that this survey is based on non-probabilistic selective sampling, and findings below are based on preliminary analysis of data gathered through the rapid survey. Further in-depth analysis for deeper exploration into additional aspects would require further detailed surveys.

The profile of patients and main findings of this rapid survey are summarised below.

## **1. Profile of patients covered by the rapid survey**

Families of COVID patients who had undergone hospitalisation for COVID treatment and had some complaint about scale of expenses, were identified by the Corona Ekal Mahila Punarvasan Samiti network, which has contacts across all districts of Maharashtra.

**Number of patients from the first and second wave of COVID covered in the survey:** The survey included 317 (12.3%) patients from the first wave (March 2020 to January 2021) while 2262 (87.7%) were from the second wave of COVID-19 (after February 2021).

**Number of patients treated in government and private hospitals:** Out of total 2579 patients surveyed (all had complaints regarding high hospitalisation expenses), only 121 patients (4.6%) had experience of treatment in government hospitals / government COVID care centers. The rest of the patients (95.4%) had been treated in private hospitals and privately managed COVID care centers.

**District wise distribution of patients participating in the survey** – As mentioned, patients from 34 districts of Maharashtra were covered in this survey. More than 50 patients each participated in the survey from these 12 districts- Nashik, Ahmednagar, Parbhani, Pune, Solapur, Yavatmal, Nagpur, Kolhapur, Satara, Aurangabad, Beed

and Latur. There were less than 50 patients each from the remaining 22 districts. Among the districts, Nashik district has the highest number of respondents (997).

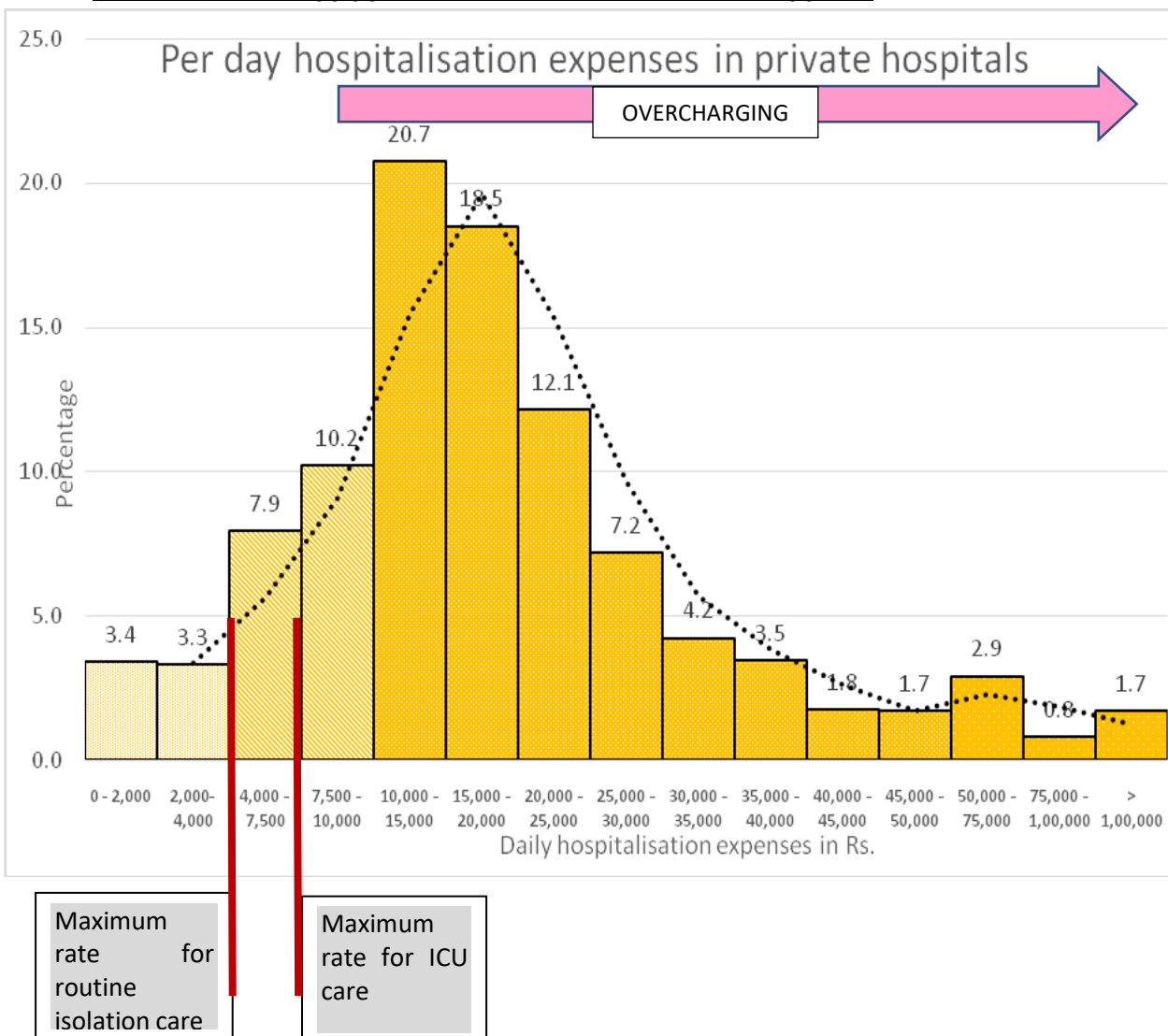
**Recovered patients and COVID deaths covered by the survey-** Out of 2579 patients and their families surveyed, 1284 patients (49.8%) had recovered at the end of treatment, while 1295 patients (50.2%) died. Out of the deaths, 1059 were adult males (who have left behind widowed wives). Out of respondents, 797 (75.3%) were under 60 years of age.

**2. The scale of COVID treatment related overcharging**

Rate capping orders were declared by Maharashtra government to cover 80% of beds for COVID patients in private hospitals. However our survey reveals that these orders were violated on an enormous scale. **Out of the total sample, a huge number of 1954 patients (75% of total cases) have experienced overcharging, compared to the official rates which should have been charged as per regulations.** (See note below on criterion taken for overcharging). It may also be kept in mind that in this study, 226 patients had been treated after 1 June 2021, when the maximum rates for COVID care had been lowered further for Category B and C areas.

Within the overall sample, if we analyse the hospitalizations in private hospitals, as compared to government regulations for charging routine isolation / ICU / ventilator patients at maximum rates of Rs. 4000 / 7500 / 9000 per day respectively, **patients in this study had to pay much higher rates, on average Rs 21,215 per day was charged by the private hospitals for treatment of COVID patients.**

**On an average, each patient in this study who was treated in a private hospital was overcharged by Rs 1,55,934. (One lakh fifty five thousand nine hundred and thirty four).**



3. **Overcharging in case of COVID widows and indebtedness:** The serious issue of women who have lost their husband to COVID sharply came to the fore through this survey. Such families now face a dual burden- death of the main breadwinner of the family and loss of livelihood, combined with being saddled with huge debt due to massive hospitalisation expenses. ***Out of the total patients in this survey 1,059 women had lost their husbands due to COVID, out of which 73% (773) have suffered from overcharging.*** Among these, 220 women and families paid excess amount of Rs 1 lakh to Rs 2 lakh, and 212 women have paid excess amount of more than Rs 2 lakh for their husband's treatment. ***On an average, each of these women and their families were overcharged by Rs 1,72,419.***

It should be noted that of all the episodes of taking treatment in private hospitals, **in over half (56%) of instances, the family had to take some form of loans to pay the hospital bills.**

In case of women who lost their husbands to COVID, their families and livelihoods have been devastated, often the main earner in the family is no more, and on top of this they now have to cope with the huge burden of debt due to overcharged hospital bills. The seriousness of their situation would be further emphasised through the findings of this survey.

4. **Heavy expenditure on medicines besides hospitalisation expenses**

In this survey besides the main hospital expenses, information was also obtained regarding additional expenditure on Remdesivir and other specific medicines, which were purchased separately besides those medications supplied by the hospital. Analysis of these expenditures showed a significant difference in the spending on medicines between patients who were treated in government vs. private hospitals, with massive spending in the latter situation. (While making this comparison, we have made an assumption that severity of patients in public and private hospitals was similar.) The average expenditure on medicines for patients treated in government hospitals was found to be Rs. 17,000, ***while in case of private hospitals patients spent an average of Rs. 90,000 on medicines. This amounted to an average whopping Rs. 7500 per day being spent on additional medicines,*** aside from the already exorbitant main hospital expenses in case of most patients.

5. **Failure of Mahatma Phule Jan Arogya Yojana to support most COVID patients**

The state funded health insurance scheme – MPJAY was supposed to be available for ensuring free care to COVID patients throughout the state. ***However out of the total patients surveyed, only 3.8% patients (98 cases) received entitlements from Mahatma Phule Jan Arogya Yojana*** which helped in paying their hospital bills. On the whole this scheme seems to have proved a flop in protecting COVID patients from high expenditures during the epidemic.

### **Conclusions:**

This rapid survey substantiates the huge financial exploitation by many private hospitals related to treatment of COVID patients in Maharashtra – many of whom unfortunately died, leaving behind their wives and families. This tragic injustice has taken place despite clear orders by Maharashtra government to regulate rates for COVID treatment in 80% of Covid-beds. Among these cases the worst plight has been of COVID widows, who have lost the main breadwinner of the family, and are also now saddled with massive debts incurred due to treatment expenses. Families had to pay hugely excessive amounts for COVID treatment, far higher than the officially stipulated rates; the rates charged by private hospitals for range of hospitalised patients were on average nearly 3 times higher than even the officially defined rates for ICU care in Category A cities.

This rapid survey conducted in short time and with limited resources has only uncovered the tip of the iceberg of COVID related overcharging in Maharashtra, but even this tip appears very large and alarming. **This survey confirms that large majority of patients and families who had complaints of unaffordable billing have actually been**

**overcharged despite government regulations.** The survey on limited number of respondents also indicates that there is likely to be a more massive problem of overcharging which is waiting to be fully documented. The number of cases which could be traced in this survey through voluntary networks was limited in many districts, and actual number of patients who have experienced overcharging is expected to be much higher, which could be revealed through a more in-depth survey having official support. The state government has access to comprehensive data regarding all COVID hospitalisation cases in Maharashtra; this could be taken as reference for conducting a larger, officially supported survey across the state to understand the complete scale of overcharging. This should be accompanied by the Health department contacting all families of hospitalised COVID patients, with promise of support by officials to conduct audits in case of all complaints of overcharging in timely manner, along with assurance that all such excess amounts would be promptly refunded by private hospitals to concerned patients and families.

COVID widows and their families, the families of other patients who died of COVID, as well as hospitalised COVID patients who managed to recover, have already suffered massive trauma due to the devastating impacts of this illness. It is now absolutely essential for the state to ensure that the added liability of huge, unjustified hospital expenses (which have often been managed by taking large loans which remain outstanding) is not added to their existing burdens. Maharashtra state government must act promptly and comprehensively to ensure refund of overcharged amounts in all such instances, while as a society we must support each of them, including first and foremost thousands of COVID widows, in their struggles for justice.

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#### **Note on criteria to assess overcharging**

As per orders issued by Maharashtra government on 21 May 2020, daily rates for COVID treatment were fixed to be not more than Rs. 9000 for ventilator care, Rs. 7500 for ICU care (without ventilator), and Rs. 4000 for care on routine isolation beds. From 1 June 2021, based on division of areas of the state into category A, B and C areas, maximum daily rates for COVID care remained same in Category A areas, but were reduced in Category B and C areas (maximum rates for ventilator care fixed at Rs. 6700 and 5400 in Cat. B and C areas respectively; for ICU care fixed at Rs. 5500 and 4500 in Cat. B and C areas respectively; for routine isolation care fixed at Rs. 3000 and 2400 in Cat. B and C areas respectively).

According to available official figures out of hospitalised COVID patients in India and Maharashtra, it is estimated that the vast majority (over two-thirds of hospitalised patients) are managed on routine isolation beds, and around further one-fourth of hospitalised patients require ICU care without ventilation. Overall vast majority of cases (90 - 95%) do not require ventilator care and would be treated on either a routine isolation bed or an ICU bed (for which maximum daily rates in Maharashtra would be Rs. 4000 or 7500 at highest level for Category A areas).

Keeping this context in view, in this study we have taken as benchmark for the analysis of overcharging, those daily rates which are above Rs. 10,000 per day. We have taken this cutoff point on higher side despite the fact that vast majority of patients covered in this study were from Category B and C areas, where the rates have been capped at even lower level after 1 June 2021.

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