



Omicron, a new variant of COVID-19 and its effects on Health Care Industry: Special Emphasis on India-

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Abstract: India is the Seventh largest country in the world with full of different caste, creeds, religion, and cultures living together in a state of “Unity in Diversity”. In this write up an analysis of the Impact of Pandemic COVID-19 along with its Omicron Variant has been made in the Health Care Industry which deals with the state of complete physical, mental and social well-beings of the population in India are derived. The “SMART” motive is to be ‘Specific’ in the Scenario occurred due to the existence of the SARS-CoV-2 Virus causing COVID-19 Pandemic; It ‘Measures’ the dynamic changes occurred in the Healthcare Delivery system of the respective Industries in this field; The Write Up also depicts the ‘Attainability’ and ‘Reliability’ of the resources in the upcoming future; A ‘Time-based’ approach of the Healthcare Infrastructures has also been forecasted due to the surge of COVID -19 cases which also shows that the future of Indian Healthcare Industries are on a bright path.

Index Terms - COVID 19 Variant, Omicron, Symptomatic, Economic Restriction.

I. INTRODUCTION: “OMICRON” A NEW VARIANT OF THE PANDEMIC “COVID-19”

The Omicron variant (B.1.1.529), a new variant of the coronavirus, was first reported in Botswana on Nov’21 and appeared on 14th Nov’21 in South Africa. Since then Omicron had spread to various countries in Europe including Belgium, the Netherlands, France and the U.K. Australia and Canada are among others.

In India, two men in Karnataka were tested positive for Omicron variant of Corona Virus in 2nd Dec’2021. They were the country’s first cases of the new variant of Corona virus i.e. Omicron, a 66 year old male and a 46 year old male. The new variant was known to be heavily muted with up to 30 mutations observed in the spike protein. The number of people testing positive for the Omicron variant is not only rising in India but also it is rising fast across the world after it was first detected in South Africa.

Health care providers are experiencing a massive increase in their demand with the spread of Omicron. At the same time, health care providers are facing staggering shortages of health care staff across every role around the globe. Not only it is the shortage of nurses but also the entire health care workforce is affected i.e. from pharmacists and pharmacy technicians to people processing COVID-19 tests.

It is learnt that Omicron is considerably much more contagious than early COVID-19 variant. It is susceptible to infect even vaccinated people. Both vaccinated and unvaccinated people have a larger risk of infection while this high level of variant spreading through the society. While boosted, health care workers are still facing the risk of breakthrough infection by this variant and require a mandatory isolation period whether they are symptomatic or not. Staff members are withdrawing themselves from service due to the cause that their family members are infected in the house who need care and attention. Competing home and child care burden as well forcing health care workers to confine mostly at home. Due to this reasons, a major staff are likely to be absent from duty. A considerable no of health care workers are quitting their jobs or otherwise their entire professions due to moral distress, exhaustion and poor treatments by their hospitals etc.

The above issues have made doctors and other health care professionals to overwork beyond normal duty and in turn they are continually facing the threat of being infected. Most of them are either changing or leaving their jobs causing acute shortages of medical staffs.

Health care system was under stress even before the Omicron surge. According to the data intelligence report of Oct’20, 18% of health care workers quit their jobs during the pandemic and another 12% were laid off. Amongst workers who were on their jobs, 31% was considered leaving.

In order to mitigate the crisis, some hospitals are offering hazard pay just to attract workers or travelling nurses or nurses from overseas. But paying more to the workers are eroding the bottom line of the hospitals. The research Firm, Forrester report quoted that half of the hospitals could have negative margin by the end of 2021.

The spread of Omicron is much quicker than the previous dominant Delta variant. Studies suggesting that Omicron is four times more transmissible than Delta variant. Most of those who are dying from Omicron in the US are unvaccinated and it indicates that vaccines do make a difference in reducing hospitalization and deaths. As Omicron cases surged in December’21 and January’22,

Hospitals around the world were struggling with the number of admissions took place. In the US and UK, military force were sent to support hospitals tackling staff shortages. Health care systems were buckling under the number of Omicron cases admitted.

World Health Organization (WHO) warned that the Omicron Coronavirus variant could lead to overwhelmed health care systems even though early study suggested it sparked into mild disease. However, China and Germany put tough restrictions to cope up with new infection surges. Hundreds of thousands more people were put under lockdown in China. Infections hit new heights across Europe and in several US states. Many nations across the world were forced to make tough choices including economic restrictions to control the spread of COVID- 19 virus as it wreaked havoc around the world.

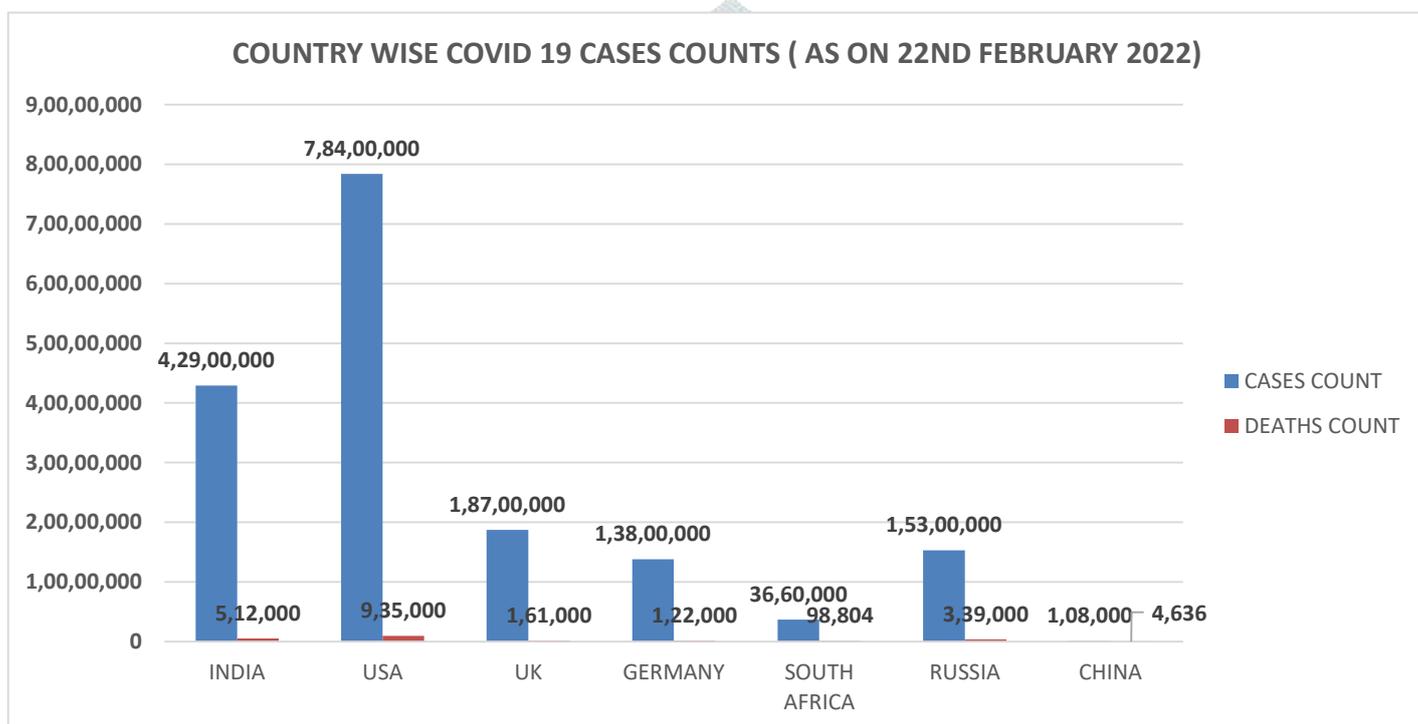
The United States had halved the isolation period for asymptomatic cases to try and blunt the disruption. The nation was hit hardest by the new variant of COVID-19, i.e. Omicron variant and was closed on its daily high of 2, 50,000 cases recorded last January.

Contact restrictions took place in Germany for the second year in a row as Europe’s biggest economy shuttered night clubs and forced sport competitions behind closed doors.

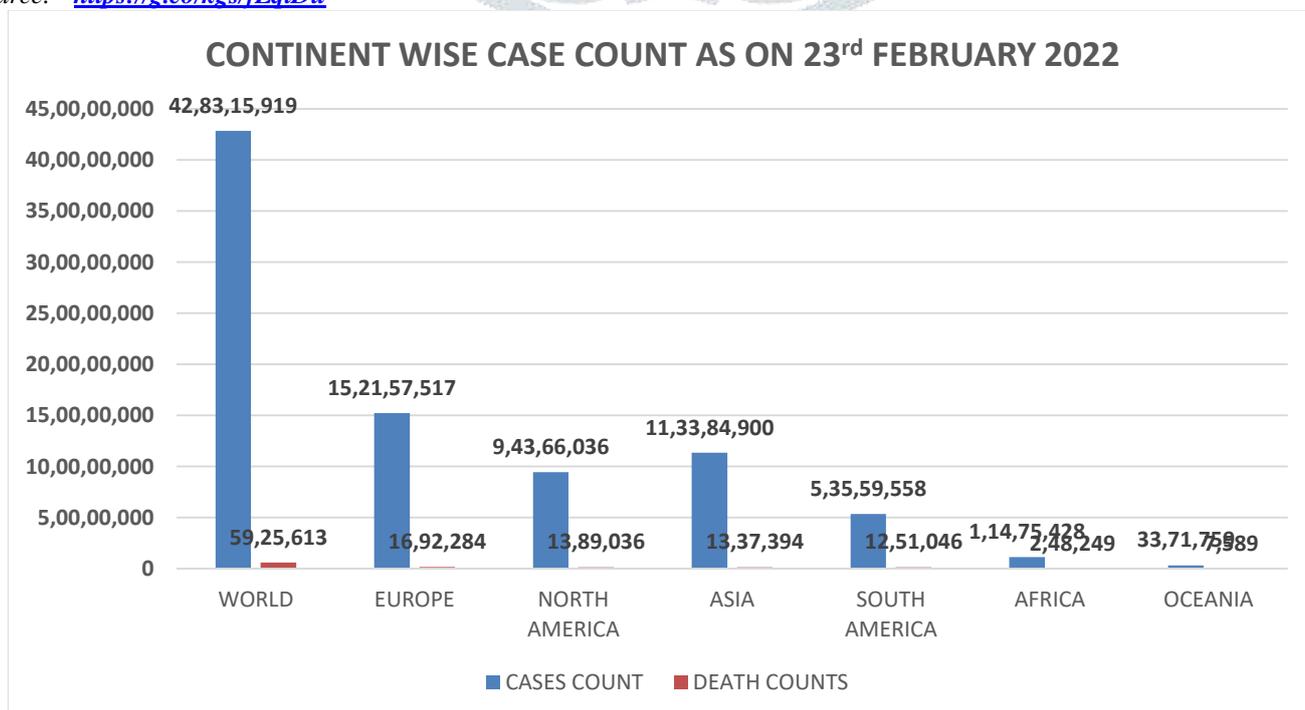
This time, China is facing a much smaller outbreak as compared with global virus hotspots. China is working on its zero COVID strategy and imposing stay-at-home orders in various parts of the city of Yanan.

Omicron variant has now become the dominant strain in Netherlands and Switzerland. Greece is reported a new daily record of 21,657 cases which is linked to the rise of Omicron.

WHO has warned that a rapid growth of Omicron even if combined with a slightly milder disease, will still result in larger numbers of hospitalization, particularly amongst unvaccinated groups, and cause widespread disruption in health systems and other critical services.



Source: - <https://g.co/kgs/fLqiDu>



Source: - <https://www.worldometers.info/coronavirus/>

Figure 1:- Graphical Representation: COVID 19 Pandemic: Country and Continent wise Cases count vs. Death counts

II. INDIA: AN OVERVIEW

India is experiencing a rapid surge in new daily COVID-19 infection i.e. Omicron which is highly transmissible. In large metro cities, almost 75% of the new cases are caused by Omicron. In Delhi, 81% of the current surge is coming from the new variant i.e. Omicron. Whatever is happening all around, chronically, under-resourced health workers will bear the brunt.

Health care professionals i.e., doctors, nurses, hospital cleaning and administrative staff are all at an increased risk from the new variant i.e. Omicron. India started vaccinating its healthcare and frontline workers almost a year ago on Jan'20 and now started offering a precautionary third dose from Jan'10, 2022.

Though vaccines are largely effective against severe disease and hospitalization, Omicron variant can still infect the people who are fully vaccinated. Major cities like, Delhi, Mumbai, Kolkata and Chennai have reported several clusters of infections among health care workers.

Last year, during second wave, nearly 800 doctors died according to the Indian Medical Association. This time, the number of hospitalization is less relatively than it was during the delta wave.

India has already a shortage of health care workers with less than one doctor for every 1000 people whereas the US has 2.6 doctors per 1000 people according to 2018 World Bank estimate.

As India is greatly suffering from the Omicron surge and an understaffed health care industry, demand for medical professionals increased in December 2021 with a 6% month-on-month growth. According to Monster Employment Index, health care led with the highest intent on hiring health workers for shortage of staff amidst rising COVID cases. Hiring health care workers have brought about a strong recovery across the sectors.

Given the number of COVID cases increase, there has been a rise in job opportunities in health care professionals in India. Considering the possible impact of Omicron on the job scenario, the recruitment growth in 2022 in the health care industry is likely to increase.

Despite the initial upsurge faced by the health care industry, Govt. of India has undertaken timely and effective reform measures to enable India to resist the turbulent wave caused by Omicron. To strengthen the health care system, Govt. of India has taken deep structural and sustained reform measures coupled with various efforts in manufacturing of medical equipment, disposables, drugs and immunization drives and the same has recognized India as a global leader. Apart from fulfilling the domestic need, India is fulfilling the global need also,

Govt. of India has taken into consideration various proactive schemes including AYUSHMAN BHARAT. The health sector has been allocated Rs.86, 200 Cr. In the union budget for 2022-23, there has been an increase of 16% over Rs.73, 931 Cr. in 2021-22. Moreover, Govt. has announced Rs. 64,180 Cr. outlay for the health care sector over six years in the union budget 2021-22 for strengthening the existing National Health Mission by developing capabilities of Primary, Secondary and Tertiary care, health care systems and institutions for detection and cure of new and emerging diseases.

While the entire world especially the developed countries witnessed the havoc of COVID-19 pandemic and collapse of high end medical facilities, Govt. of India promoted AYUSH in a larger way as a main stream system.

Tele-health and many health plans were introduced in a variety of ways. By using telemedicine technology, rural health centers where infrastructure and specialists are not available connected with urban health care centers where infrastructure and specialist are available. Public and Private insurers have a significant role and need to make sure that this important medical tool should flourish after the pandemic is over.

A few Graphical representations and Analysis have been done on Impacts of COVID 19 on different sectors of India

III. IMPACT OF COVID-19 ON HEALTH INSURANCE SEGMENT

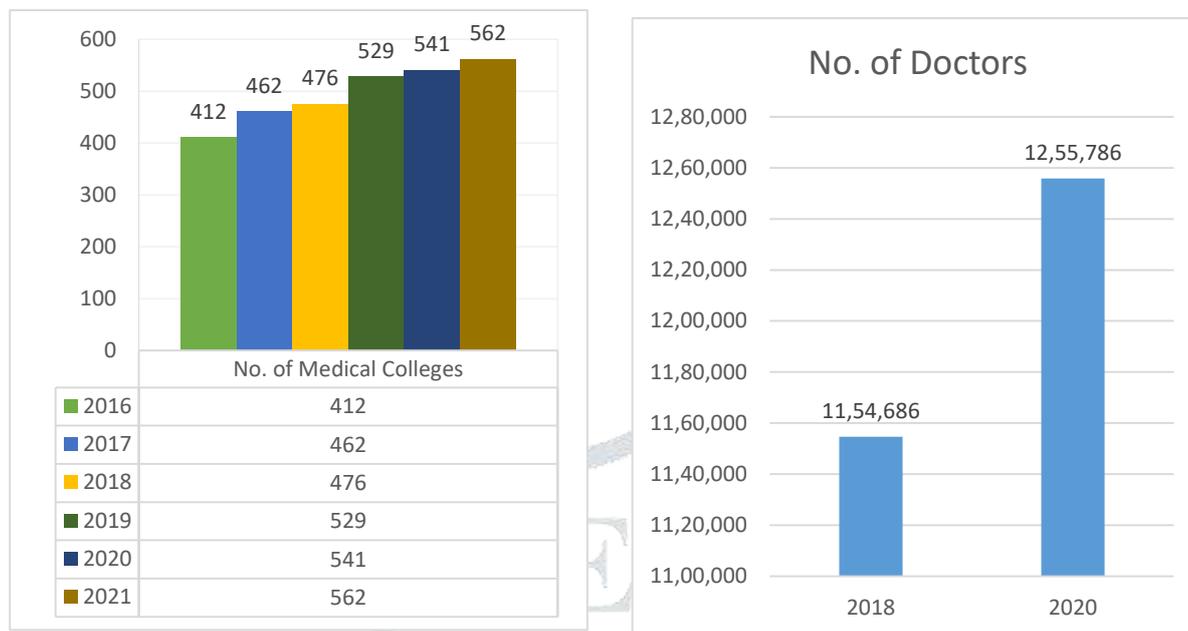


Source: - <https://www.ibef.org/industry/healthcare-india.aspx>

COVID-19 has transformed many sectors in India and the health insurance sector is one of them. Certain positive changes and some challenges have occurred in the health insurance sector over the past few years. Insurance providers have made many changes

in the insurance policy in order to adjust to the new norms of COVID 19. The sale of health insurance Plan has increased dramatically over the last few years as people have realized the importance of financial backup for medical emergencies. Therefore, more and more people are investing in health insurance policies for themselves as well as their loved ones. This era of global pandemic has adversely affected a large population due to which individuals have lost their loved ones. Digitalization of this sector has made things easy and accessible for the customers.

IV. EVOLUTION OF INFRASTRUCTURE AND MANPOWER RESOURCES IN THE AREA OF HEALTHCARE DELIVERY SYSTEM

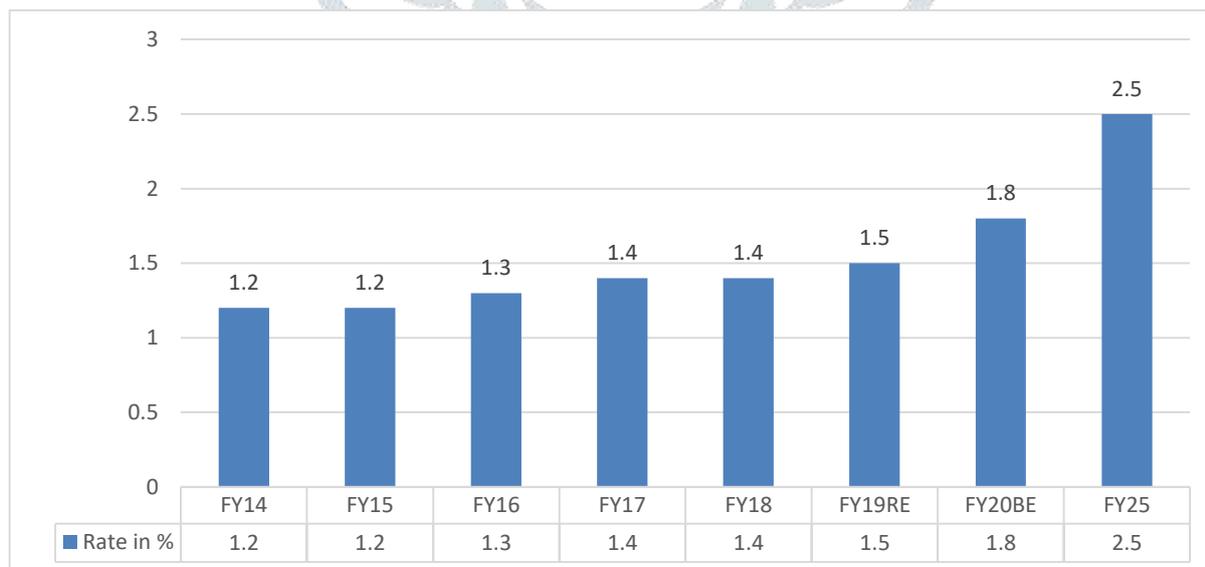


Source: - <https://www.ibef.org/industry/healthcare-india.aspx>

Figure 3: - Graphical Representation on Infrastructure and Manpower resources

One of the largest in the world, India’s medical care delivery and education system makes thousands of medical professionals every year. During COVID 19, there is a growing requirement of health education infrastructure. Govt. of India has planned to build more medical colleges. The government has decided to set up 157 new medical colleges out of which 58 colleges in the first phases, 24 colleges in the second phase and another 75 in the third phase. There are close to 562 medical colleges in the country of which 49% are government run and remaining are self-financed and on public-private-partnership basis. Under the ministry of Health and Family welfare, The National Medical Commission (NMC) has evolved a plan to increase the total number of undergraduate medical seats to one lakh by next year.

V. Government Health Expenditure as % of GDP



Source: - <https://www.ibef.org/industry/healthcare-india.aspx>

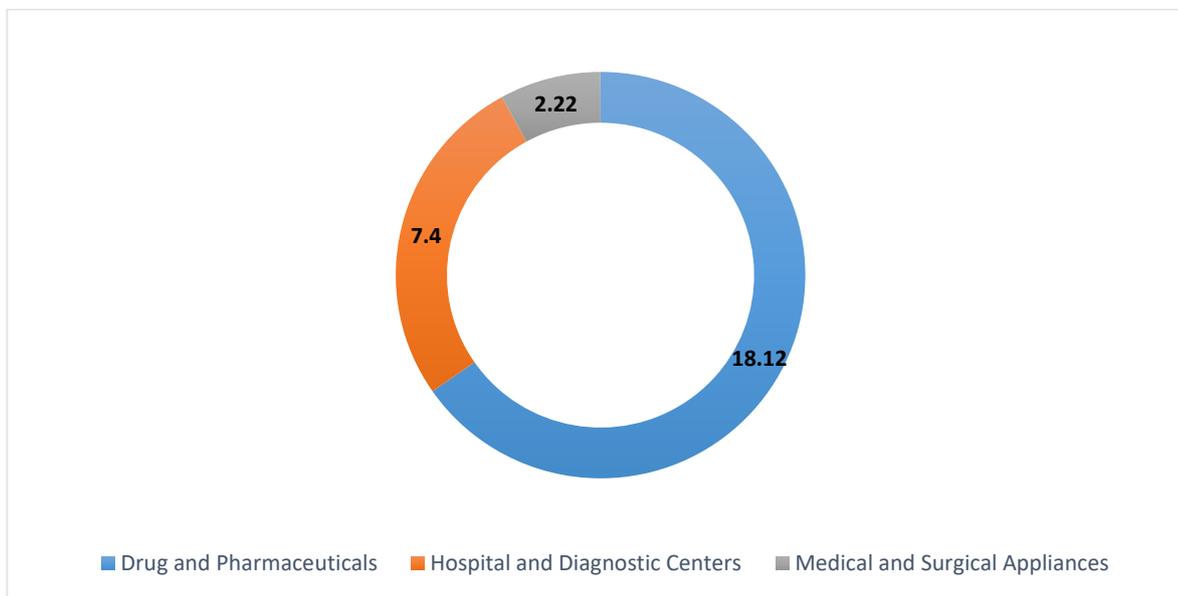
Figure 4: - Government Healthcare Expenditure as a % of GDP

Health Expenditure as % of gross domestic product (GDP) shows the importance of health sector in the whole economy and indicates the societal priority which health is given measured in monetary terms.

The COVID 19 Pandemic in India caused considerable sufferings along with economic and social disruptions.

The good news is public health expenditure in India has increased. Revised estimate for 2020-21 shows an overall spending on health at 1.8% of GDP. As per SDG India Index Report (2019-20) by NITI AAYOG, India aims to increase health expenditure to 2.5% of GDP by 2025.

VI. CUMULATIVE FDI INFLOWS FROM APRIL 2000 TO JUNE 2021 (US\$ BILLION)



Source: - <https://www.ibef.org/industry/healthcare-india.aspx>

Figure 5:- Cumulative FDI inflows from April 2000 to June 2021 (US\$ billion)

While FDI inflows gradually declined elsewhere, India recorded 13% growth in FDI in 2020 despite COVID-19 Pandemic led by investments in the digital sector. Demand growth, cost advantage and Govt. Policy support have been instrumental in allowing FDI.

Between April 2000 and June 2021, FDI inflows for Drugs & Pharmaceutical Sector stood at US\$18.12 billion.

Inflows in sectors such as hospitals and diagnostic centers and medical and surgical appliances stood at US\$7.40 billion and US\$2.22 billion respectively between April 2000 and June 2021.

VII. HEALTHCARE SECTOR- THE GROWTH TREND



Source: - <https://www.ibef.org/industry/healthcare-india.aspx>

Figure 6: Healthcare Sector Growth Trend (US\$ billion) in different Financial Years

Health care sector has become one of the largest sectors of the Indian Economy, in terms of both revenue and employment. Since 2016, India’s healthcare sector has been growing at a Compound Annual Growth Rate (CAGR) of around 22%. In 2015, the Healthcare Sector became the fifth largest employer, employing 4.7 million people directly. As per NSDC, (National Skill Development Corporative) health care is likely to generate 2.7 million additional jobs in India between 2017-22 over 5, 00,000 new jobs per year.

In addition to this, COVID-19 has contributed long term changes toward personal health and hygiene, health insurance, fitness and nutrition as well as health monitoring and medical check-ups. The COVID 19 has prompted the use of digital technology, Telemedicine etc. On the policy front, Govt. has undertaken deep structural and sustained reforms to strengthen the healthcare.

At a 22 % CAGR it is expected that health care industry would reach 372 US Billion \$ in 2022 from 140US Billion \$ in 2016 and growing at a tremendous pace.

VIII. CONCLUSION

There have been significant advancements in the healthcare system in India over last few decades. However, during COVID 19 Pandemic and Omicron surge, the health care system remained ineffective in providing basic minimum care to the nations as promised in the Indian Constitution.

The fiscal constraints on the government made it obligatory for the private healthcare providers to take over part of the responsibilities. New ways for establishing, strengthening and sustaining the public-private co-operation are essential for rejuvenating

the system. At the same time, decentralization exercises can make the health care system of India more efficient and improve the quality of healthcare delivery.

All these changes will need to be based on a strong political will and should be accompanied by economic and social reforms.

Hence, the services or the goods provided by the hospitals or the healthcare organization must be only for “PRO-BONO-PUBLICO” (LATIN WORD) means “For Public Good.”

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