Public Health Spending in India

> Mains Syllabus: GS II – Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Why in the News?

Recently, a report titled "Benefit Incidence of Public Health Expenditure in India: Urban–Rural Equity Matters for Universal Health Coverage" has been published in the Journal of Health Management.

What is the benefit incidence analysis?

- **Benefit Incidence Analysis (BIA)** – It is a tool to estimate the equity of healthcare benefits accrued to individuals across socio-economic groups.
- The study was done by a team of researchers led by faculty from the Indian Council of Medical Research (ICMR) and M.S. Ramaiah University of Applied Sciences, Bengaluru.
- **Data Used** - The 75th round of the National Sample Survey (NSS), which was performed between July 2017 and June 2018, focused on social consumption of health and provided secondary data for the current study.
- **Considered Factors** - Disease burden, out-of-pocket expenses, and non-utilisation of public health services for outpatient and inpatient care were analysed.
- **Benefit of BIA** - The results help illustrate the extent of the effectiveness of resource allocation on public health by the government in meeting the needs of vulnerable populations.

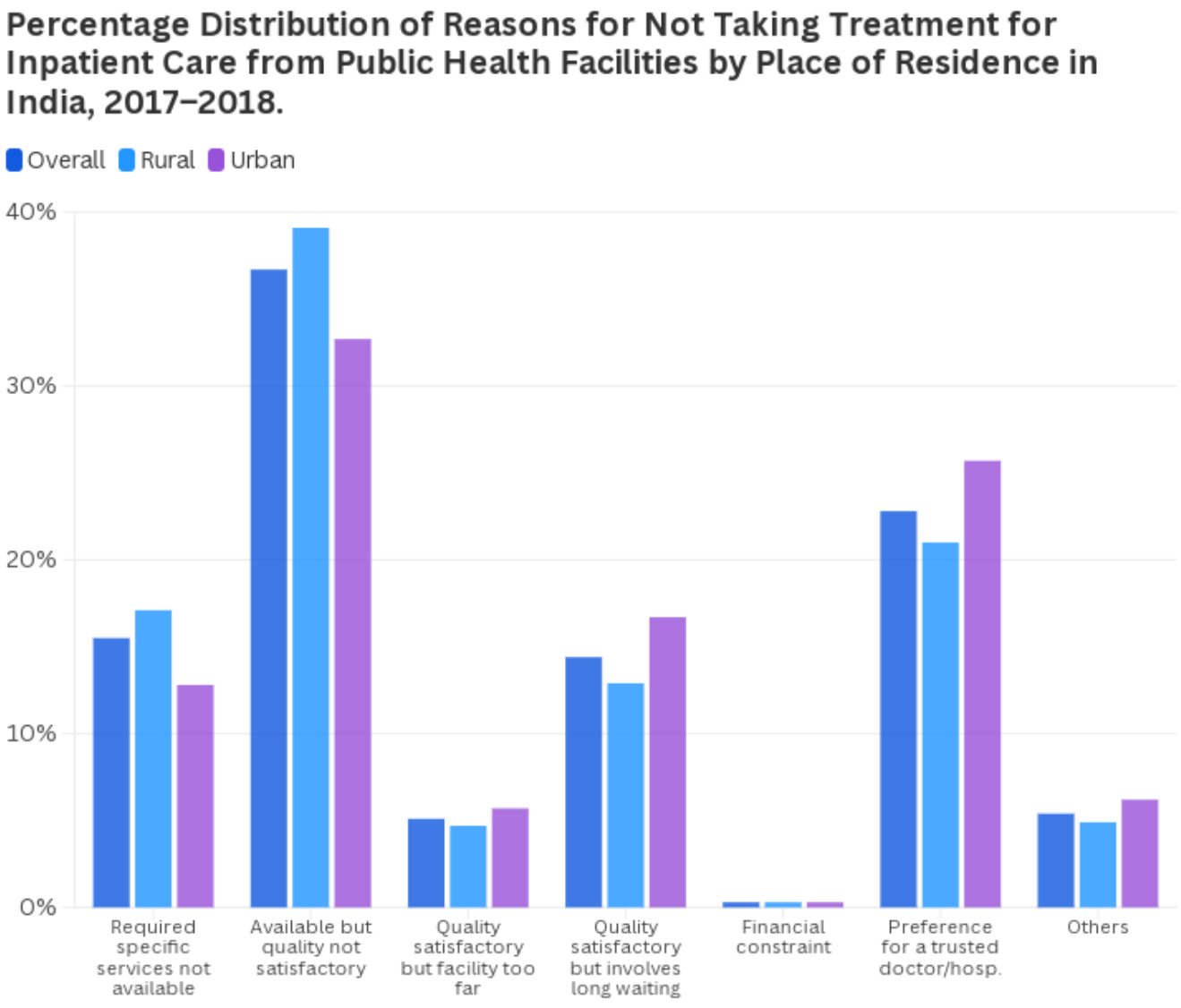
What is the status of public health spending in India?

- **Public Health Spending** - Total public health spending on healthcare in 2016–2017 was Rs.11900.39 million, with a share of public and private spending of 26.6% and 73.4%, respectively.
- **Higher Inpatient Spending** - It accounted for 66% of all public spending, and outpatient care accounted for 34%.
- **Equitable Distribution** - When both outpatient and inpatient care are considered together, public health spending approaches a more equitable distribution.
- **Pro-Poor Inpatient Care** - For inpatient care, public health spending is more pro-poor oriented.
- **Pro-Rich OutPatient Care** – In the outpatient care ecosystem, the public health spending is more pro rich oriented.
- **Rural Urban Disparity** - Results at the national level show a patchy distribution of equality in public spending between urban and rural people.

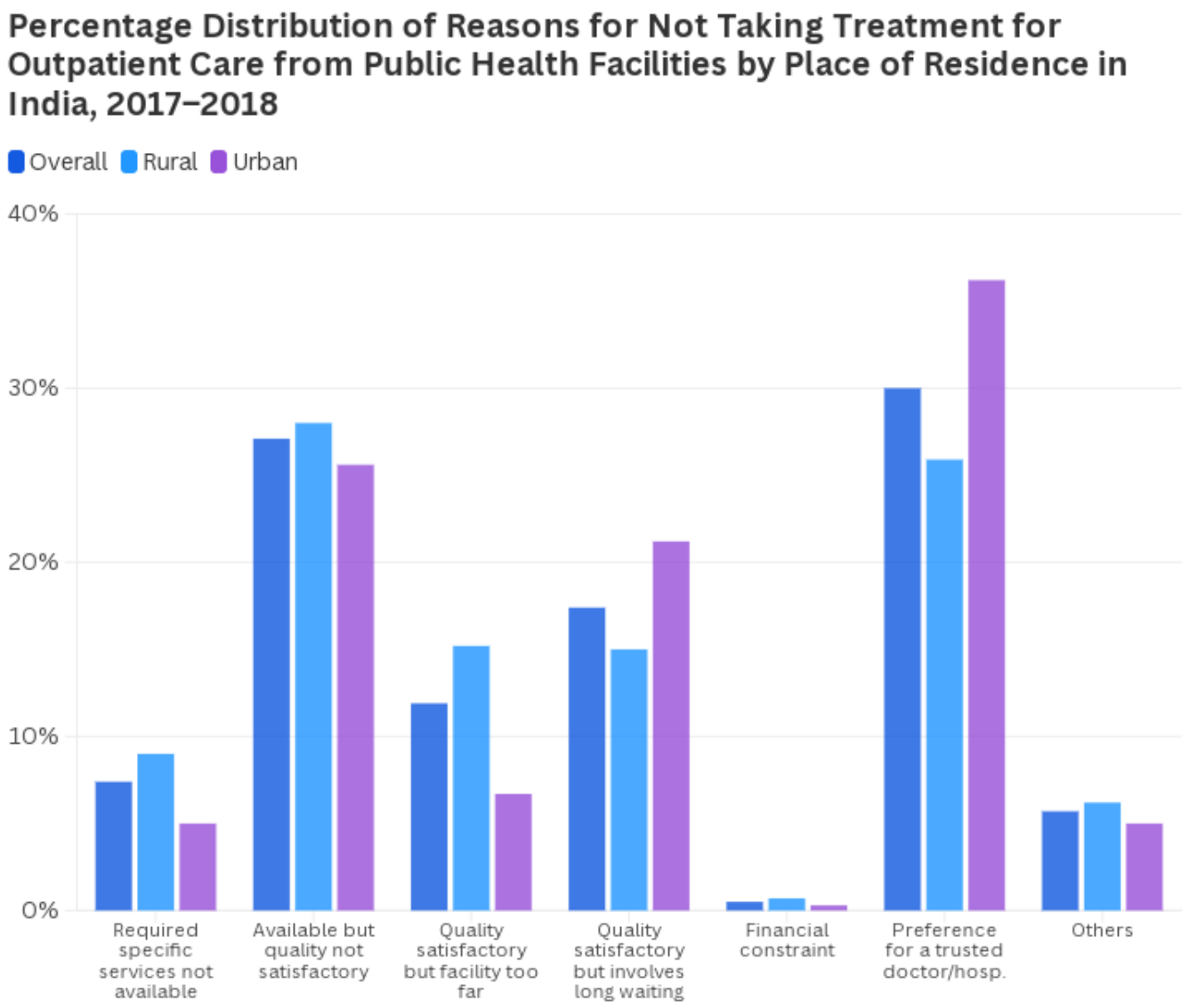
- **Better Equity in Rural Public Healthcare** - In rural areas, public health spending on outpatient and inpatient care is more pro-poor compared to urban areas, where it tends to be more pro-rich.
- **Non Poor Usage** - Overall, at the national level, the non-poor are the main users of public health facilities for both inpatient and outpatient care.

What are the causes for the discrepancies in the system?

- **Inadequate Finances** - Only 1.28% of India's GDP, or roughly ₹1.58 trillion, is allocated to public health spending, one of the lowest rates in the world.
- **Inadequate Investment in Rural Health Infrastructure** - In India, metropolitan healthcare facilities typically receive a bigger share of public funding, leading to fewer investments in rural health infrastructure.
- **Unsatisfactory Quality** - The main barrier to urban and rural residents receiving treatment at public health facilities for inpatient care was the availability of services, but unsatisfactory quality.
- **Reliability Issues** - The main deterrent for urban and rural residents to seek treatment from public health institutions for outpatient care was their desire for a reliable hospital.



- **Human Resource Issues** - Inadequate administration, staff absenteeism at healthcare facilities and a lack of training for healthcare workers are further problems in rural healthcare.



- **High Private Sector Expenses** - Higher-income quintiles in metropolitan regions may use outpatient care and inpatient treatment at higher rates due to their higher levels of education, poor health insurance coverage, and high private sector expenses.

What lies ahead?

- To fulfil the health needs of the urban and rural populations, public health funding needs to be appropriately allocated.
- In order to better target the underprivileged in rural and urban areas and achieve UHC in India, policymakers need to use these statistics to increase the amount of detail in their work and monitor levels and equity patterns in government health spending.

References

1. The Hindu | Public Health Spending

2. [Sage Journals | Benefit Incidence of Public Health Expenditure in India]

