

Issues and Challenges of Public Health Expenditure in India**Rakhi Ranjith**Research Scholar, Department of Economics, Kannur University,
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Abstract

Health is an imperative part of human development. A capable health care system supports in meliorating a country's prosperity by determining a quicker economic progress and development. Public health services performance an imperative role in the health position of the societies and health spending by the Government occupies essential part in determining the health outcome in India. When compared to the other countries, India uses very low amount of its GDP on healthcare, creating it one of the neap depositors in the segment globally. Hence, it's insufficient to satisfy the healthcare demands of world's second most populous nation. Because day by day, there is an ostensibly increase in numerous diseases in all over the world. This reveals the collective occurrence of life style changes, climate change, deprived social environment, rapid demographic changes, technological changes, etc... World's second most crowded realm like India, majority of the populace subsists under the country's poverty line, especially in rural area. Consequently, majority of the people using public sector health facilities for treatment of their illness and health care. But still the real volume of pelf devote on health sector is below the required amount. Using the health system necessitates out of pocket expenses for several Indian poor's, which leads to amplified poverty. Because most of the rural mass, accessing the health system by borrow money at high interest rate or vend their assets at thrown away price. Healthcare expenses places families under substantial economic strain and burden in rural areas in India.

Therefore this research paper estimate the pattern and trends of public health expenditure in India. Alongside, this research paper focuses on the issues and challenges of public health expenditure in India. The results implied that, there is huge distinction in the accessibility, affordability and consumption of health facilities across different regions in India. The healthcare investments are determined by the concerned state's budgetary share which causes to interstate incongruence in health facilities and health position in India. Therefore, it is indispensable to take required economic reforms in fiscal discipline that's an efficacious solution to handle inequality and economic vulnerability, to attain best and equitable world class healthcare services to all needy people at a reasonable price. Thereby ensuring longstanding true inclusiveness in health delivery mechanism.

Keywords: Public Health, Health Sector, Expenditure, Healthcare, Issues, Challenges JEL Classification: H51, I11, I18

Introduction

Health is an imperative measure of human progress. Health is not only a crucial things to augmenting the eminence of human life but also augmenting the socio-economic development of a nation. Healthy inhabitants are a precondition to shape a healthy nation. Because a vigorous mind and body supports an individual to live a superior and creative life. The economic progress of a country rely upon the vigour and efficiency of its citizen. However low level health not only immediately effect the performance of a person at dissenting fields of lifetime like at education, employment, or even their individual lives but also socio-economic welfare of a country. Consequently, good health has been considered to be a highly valuable asset.

Since health is the most important segment on which effects the human progress of the civilization, it has to be given highest precedence in appraisal to other segment. Health care systems has been considered as one of the greatest essential facilities delivered by government in all over the universe. Government expenditure on health is also vindicated in its influence on the person's lifecycle earnings, through the individual's capability to partake in the work force and earn furtherance due to better wellbeing, thereby mitigate the occurrence of poverty, and eventually nurturing economic progress and growth. Even after seven decades of independence, India still facing awful worriment's like extensive poverty and health care problems. Health care spending is a key attention for the government, as it is inevitably connected with the complete economic comfort of a nation and its inhabitants, any spending in these segments consider a more impact on entire society.

Therefore this research paper estimate the pattern and trends of India's public health expense. Alongside, this research paper focuses on the issues and challenges of India's public health disbursement.

Objectives

- 1.To estimate the pattern and trends of public health expenditure in India.
- 2.To study the issues and challenges of public health expenditure in India.

Methodology

Secondary data were primarily used in this study and it has been attained from the disparate sources, such as Ministry of Health and Family welfare, Union and State Budgets document, Reserve Bank of India database, Economic Surveys of India, Niti Aayog (National Institution for Transforming India) and other report and publication of the Government of India. Necessary data on world public health disbursement was extracted from reports and publication of international organizations such as the World Health Organization (WHO), World Development Report (WDR), World Bank Publications; etc.

Concept of Public Health

World Health Organization denominate Public health as "the art and science of averting illness, protracting life and encouraging well-being via the systematized efforts of society". In India, public health care is not a new concept and its concern and practise, can be traced back to the Indus-Valley Civilization. The custom of public baths and highly developed water systems were common practise for during that times. Because peoples were highly conscious about hygiene maintains measures. During the period of British rule in India, Western medicine and health care practise were introduced but vast majority of the native Indian population was denied access to the Modern medicine and cure. Because it was focused largely on protecting British troops and British civilians. British's left behind Indian nation mired in dismal poverty. Health care services were utterly inadequate for meeting the demands of people. Since Independence, upgrading in the health position of the populace has been one of key thrust spaces in social

expansion packages of India. Keeping in view the legitimate responsibilities, the Indian Government deliberate numerous tactics for the healthcare provision.

The Indian Government appointed various committees on different occasions to assess the current health status, existing health infrastructure and available resources that was required. Over the past seven decades after the independence, the health services organization and infrastructure have undergone wide-ranging changes and expansion in various stages.

Scope and Prominence of Public Health Expenditure

Public Health Expenditure means the expenditure by the government authorities on preparation and intervening for good health upshots for the common people as these are significant to the total health and well-being of the populaces. In India, public expenditure on health is borne by the central governments, state governments and local bodies. The central government duty contains mostly of policy creating, designing of plans, supervision, supporting, estimating and directing the health ministries works of states and also expends financial support to the State Governments in the form of grants-in-aid. The Central Government mainly providing for sickness control programmes, health education and family welfare programmes, etc. The State government duty consists transfer of financial assistance to rural and urban local bodies for healthcare spending and also the execution of health associated programmes at the state level. "Public expenses on health by Rural and Urban Local Bodies on healthcare facilities to the overall population, through the healthcare packages and services run by the local bodies (GoI, 2018)".

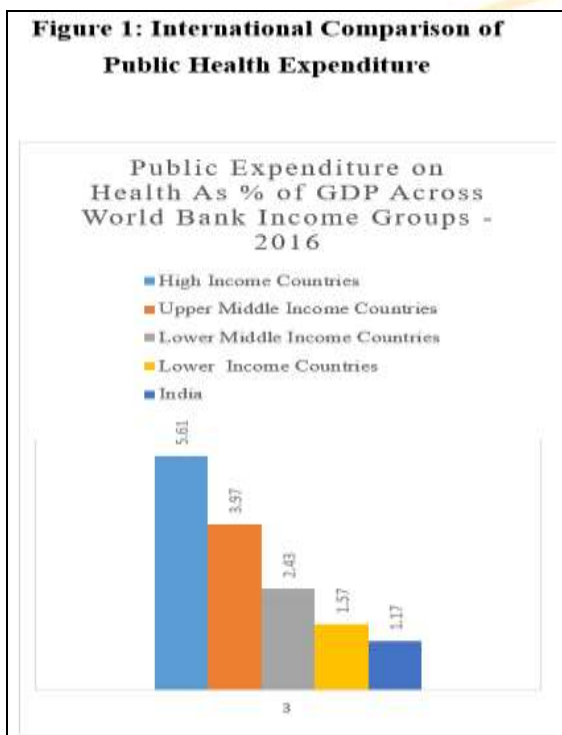
"Presently, both Union and the States governments expends approximately 1.13 percent of gross domestic product on health, which is obviously insufficient likened to analogous expenses by other nations. Consequently, sixty two percent of healthcare disbursements is spend by families via out-of-pocket disbursement at the fact of upkeep (GoI, 2019)." The small proportion healthcare expenses have directed to a state of paucities in the health upshots of a majority of the nation's citizens. Public expenditure on health not only just delivers

major socio economic advantages but also escalates the upcoming demand on healthcare facilities.

The Pattern and Trends of Public Health Expenditure in India

Health expenses incurred by the government in a country highly influencing the health care infrastructure of that country. Public Health expenses is the greatest decisive of all elements of a healthcare system such as quality of healthcare services, availability of medical facilities at low price, availability of expert personnel’s, etc.

change, deprived social environment, rapid demographic changes, technological changes, etc... The less health expenses by the government has directed to a very advanced private healthcare segment. The private disbursement on health in India is twofold that of the public disbursement on health. World’s second most crowded realm like India, majority of the populace subsists below the country’s poverty line, especially in rural area. Consequently, majority of the people using public sector health facilities for treatment of their illness and health care. But still the real volume of pelf devote on health sector is below the required amount. Using the health system necessitates out of pocket expenses for several Indian poor’s, which leads to amplified poverty. Because most of the rural mass, accessing the health system by borrow money at high interest rate or vend their assets at thrown away price. Healthcare expenses places families under substantial economic strain and burden in rural areas in India.



Source: Global Health Expenditure Database, World Health Organization

Notes: As per System of Health Accounts 2011 (SIIA 2011), Domestic General Government Health Expenditure as a % of GDP (CGHE-D% GDP) is taken as Public Expenditure on Health as a % of GDP

Figure 1 reveals that the International Comparison of Public Expenditure on Health. When compared to the other countries, India uses very low amount of its GDP on healthcare, creating it one of the neap depositors in the segment globally. Hence, it’s insufficient to satisfy the healthcare demands of world’s second most populous nation. Because day by day, there is an ostensibly increase in numerous diseases in all over the world. This reveals the collective occurrence of life style changes, climate

Table 1. : Trends in Public Health Expenditure in India

Year	Public Expenditure on Health (in Rs. Crores) #	Population (in Crores) \$	GDP * (in Rs.)	Per capita Public Expenditure on Health (in Rs.)	Public Expenditure on Health as Percentage of GDP (%)
2009-10	72536	1177	64827	621	1.12
2010-11	83101	1188	77845	701	1.07
2011-12	96221	1202	873609	802	1.1
2012-13	108236	1222	995134	890	1.09

2013-14	112270	1231	112764	913	1.00
2014-15	121600.23	1255	12433749	973	0.98
2015-16	140054.55	1266	13764037	1112	1.02
2016-17 (R E)	178875.63	1288	15253714	1397	1.17
2017-18 (B E)	213719.58	1299	16751688	1657	1.28

Source: Central Bureau of Health Intelligence

Public expenditure on Health from "Health Sector Financing by Centre and States/UTs in India 2015-16 to 2017-18". National Health Accounts Cell, Ministry of Health & Family Welfare.
 \$ "Report of the Technical Group on Population Projections May 2006". National Commission on Population, Registrar General of India
 * GDP from Central Statistics Office.
 Note: GDP figures from 2011-12 to 2015-16 released vide press note dated 31st January, 2017 were subsequently revised by incorporating the new series of Index of Industrial Production (IIP) and Wholesale Price Index (WPI) released on 31st May, 2017 are available at Central Statistics Office, Ministry of Statistics & Programme Implementation. Second revised estimates of GDP are given in 2011-12, 2012-13, and 2013-14.

Table 1 illustrate that the trends in Public Health Expenditure in India. Country’s public expenses on salubrious has been gradually increasing over the past ten years so as to satisfy to its increasing

populace. The total per capita health disbursement for the financial year 2017-18 is over Rs 1,600. India has made considerable improvement on various indicators of health during the previous few years.

Table 2: Public Expenditure in Health by States & Union Territories

States	2015-16 (Actual)	2016-2017 (R E)	2017-2018
Andhra Pradesh	53470483	61550039	74299271
Arunachal Pradesh	5357577	7762079	11199034
Assam	28643237	49576860	53770407
Bihar	46528287	79080770	66685781
Chhattisgarh	27543544	42005179	44871975
Delhi	37594067	45961230	59027640
Goa	5750373	8338680	9601472
Gujarat	71993325	80404487	88164653
Haryana	27058044	37957112	43849236
Himachal Pradesh	15330549	22722310	20544690
Jammu & Kashmir	19539174	29804690	35454949
Jharkhand	21822461	29922341	31292593
Karnataka	60153923	70717466	72295591
Kerala	47715032	58979697	68824749
Madhya Pradesh	55229521	63731378	80651222
Maharashtra	100521782	127807762	122250772
Manipur	4856580	6743438	6045568
Meghalaya	6438624	7679394	7639627
Mizoram	4506119	6810560	5558640
Nagaland	4649643	6495454	6164974

Odisha	37435595	49095011	57514627
Puducherry	4876530	5119388	5269367
Punjab	28005392	33596066	36378787
Rajasthan	78183293	103367837	98143384
Sikkim	2618237	3143926	3636621
Tamil Nadu	85248545	90412777	99761913
Telangana	39476048	59863964	63914252
Tripura	6104618	9785895	7364735
Uttar Pradesh	137962248	172280920	189671521
Uttarakhand	14962656	15373472	22471783
West Bengal	7976214	84846308	79211955
Total A	1159337621	1470936490	1571531789
B Union Territories (UTs)			
Andaman & Nicobar Islands	3151506	3334318	3407106
Chandigarh	3744305	4162884	4225950
Dadra & Nagar Haveli	1005015	1219985	1349973
Daman & Diu	637255	577190	643050
Lakshadweep	581140	682660	791300
Total B	9119221	9977037	10417379
Total of States & UTs (A+B)	1168456842	1480913527	1581949168

Source: Ministry of Health & Family Welfare, Government of India

Notes: Figures for the year 2016-17 (Revised Estimates) and 2017-18 (Budget Estimates) are Provisional. Figures for Manipur are taken from Annual Financial Statements. Does not include reimbursement figures.

Table 2 demonstrate that the public disbursement in salubrious by states and union territories. During the period of 2015-18, the states like Uttar Pradesh, Maharashtra, Tamil Nadu, Rajasthan, Gujarat, West Bengal, Karnataka, Madhya Pradesh, Andhra Pradesh and Kerala were expended huge amount on public health disbursement in India. The states like Uttar Pradesh and Maharashtra expended between 180 to 120 billion Indian currencies on public health expenditure in 2018 financial year, however north-eastern regions such as Sikkim, Mizoram, etc. traditionally expended very low amount on public health expenditure. In 2017-2018 financial year, they

expended nearby 6 to 3 billion rupees on public health expenditure. During the period of 2017-2018, public expenditure on health by states and union territories was about 1.58 trillion Indian currencies. Total public health expenditure was estimated to be around 1.28 % of India's GDP. It is observed that there is huge distinction in public health expenditure pattern in developed and less developed states.

The Issues and Challenges of Public Health Expenditure in India

When compared to the other countries, healthcare upshots have been under adequate in India. There are numerous issues responsible for these dreary upshots, that includes insufficient

financial investment on health, absence of suitable skilled health professionals, insufficient healthcare infrastructure, problems in access and availability of health care system, etc. Deteriorating proportion of the public health expenditure increasing private health expenditure by household. Small levels of investments on the public health expenditure have affected the quality of services delivered by the public healthcare system. Healthcare indicators differ extensively in Indian states, there is a regional imbalance in public health expenditure and its outcomes. There is a need of intensive efforts to be undertaken in bridging the deficit in the obtainability of health infrastructure and its distribution for improved health upshots. So government should ensure funds in timely and smoothly for implementation of health related programmes, to ensure allocated funds were not lapsing at the end of financial years.

Conclusion

Health is an imperative thing of human advancement. Health is not only a crucial thing to augment the eminence of human life but also augmenting the socio-economic development of a nation. The healthcare investments are determined by the concerned state's budgetary share which causes interstate incongruence in health facilities and health

position in India. Therefore, it is indispensable to take required economic reforms in fiscal discipline that's an efficacious solution to handle inequality and economic vulnerability, to attain best and equitable world class healthcare services to all needy people at a reasonable price. Thereby ensuring longstanding true inclusiveness in health delivery mechanism.

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