



NHA Report on Health Expenditure

Why in News

Recently, **National Health Accounts (NHA)** reported that the government has increased the expenditure on health, making the **decline of [Out-Of Pocket Expenditure \(OOPE\)](#) to 48.8% in 2017-18 from 64.2% in 2013-14.**

- This report was produced by the **National Health Systems Resource Centre**, designated as the National Health Accounts (NHA) Technical Secretariat in 2014 by the Health Ministry.
- The NHA estimates are prepared by using an accounting framework based on the internationally accepted System of Health Accounts 2011, provided by the [World Health Organization \(WHO\)](#).

National Health Systems Resource Centre

- It was established in 2006-07 under the National Rural Health Mission (NRHM) of Government of India to serve as an apex body for technical assistance.
- Its mandate is to assist in policy and strategy development in the provision and mobilization of technical assistance to the states and in capacity building for the Ministry of Health and Family Welfare (MoHFW).

Key Points

- **Increased Government Share in the Total GDP:**
 - For 2017-18, **there had been an increase in the share of Government health expenditure** in the total [GDP \(Gross Domestic Product\)](#) of the country.
 - It has increased from 1.15% in 2013-14 to 1.35% in 2017-18.
- **Increased Government Spending on Per-Capita Terms:**
 - In per capita terms, the Government health expenditure has increased from Rs 1,042 to Rs 1,753 between 2013-14 to 2017-18.
- **Share of Primary Health Care:**
 - The share of primary healthcare in current Government health expenditure has increased from **51.1% in 2013-14 to 54.7% in 2017-18.**
 - Primary and secondary care accounts for more than 80% of the current Government health expenditure.
- **Social Security Expenditure on Health:**
 - Also the share of social security expenditure on health, which includes the social health insurance programme, Government financed [health insurance schemes](#), and medical reimbursements made to Government employees, has **increased.**
- **Decline in out-of-pocket expenditure:**
 - The rise in government spending on healthcare led to an increase in the share of government expenditure in the total health expenditure to 40.8% and **a decline in out-of-pocket expenditure to 48.8%** for 2017-18.
 - The fall in OOPE is attributed to the **increased utilisation of government health facilities and reduction in the cost of services** at these facilities.

Issues with Health Sector

- **Lack of Primary Healthcare Services:** The existing public primary health care model in the country is limited in scope.
 - Even where there is a well-functioning public primary health centre, only services related to pregnancy care, **limited** childcare and certain **services** related to national health programmes are **provided**.
- **Supply-Side Deficiencies:** Poor health management skills and lack of appropriate training and supportive supervision for health workers prevent delivery of the desired quality of health services.
 - A report released by the Johns Hopkins Bloomberg School of Public Health in 2019 suggested that **nearly one out of every 100 Indian children does not live to celebrate their fifth birthday** on account of either diarrhoea or pneumonia.
 - Suboptimal access to clean water and sanitation is directly linked to diseases such as diarrhoea, polio and malaria.
- **Inadequate Funding:** India spent **1.8% of its GDP on health in FY 2020-21** and 1-1.5% in the previous years. India's total out-of-pocket expenditure is around 2.3 % of GDP.
 - As compared with the **OECD countries'** average of 7.6% and other **BRICS** countries' average of 3.6% on their health sector, this is considerably low.
- **Overlapping Jurisdiction:** There is no single authority responsible for public health that is legally empowered to issue guidelines and enforce compliance of the health standards.
- **Sub-optimal Public Health System:** Due to this, it is challenging to tackle **Non-communicable Diseases**, which is all about prevention and early detection.
 - It diminishes preparedness and effective management for new and emerging threats such as pandemic like **Covid-19**.
- **Less than Required Doctors:**
 - India currently has one doctor over the population of **1,445 against the WHO norm of 1:1000**.

Related Government Initiatives

- [Janani Shishu Suraksha Karyakram \(JSSK\)](#).
- [Rashtriya Bal Swasthya Karyakram \(RBSK\)](#).
- **Implementation of Free Drugs and Free Diagnostics Service Initiatives.**
- [PM National Dialysis Programme](#).
- [Ayushman Bharat](#).
- [Pradhan Mantri Jan Arogya Yojana \(AB-PMJAY\)](#).

Way Forward

- To bring down costs beyond a few islands of excellence such as the AIIMS, **investments in other medical colleges shall be encouraged** to possibly bring down costs and ramp up quality of health services.
- Emphasising on [Public Private Partnerships \(PPP\)](#) in other clinical procedures and hospitals and **leveraging private sector expertise** in the vaccination drive for a quicker and successful achievement of the target.
- Incentivising **R&D (Research and Development) by additional tax deductions** to further support greater investments in new drug developments and reducing [GST \(Goods and Services Tax\)](#) on life-saving and essential drugs.
- To prepare the existing healthcare workforce to provide the people the proposed healthcare facilities, it is important to **give significant attention to their training, re-skilling, and knowledge upgradation**.

[Source: TH](#)

