

# How Much Do the Governments Spend on Healthcare? Infirmities in Public Expenditure data

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# Introduction

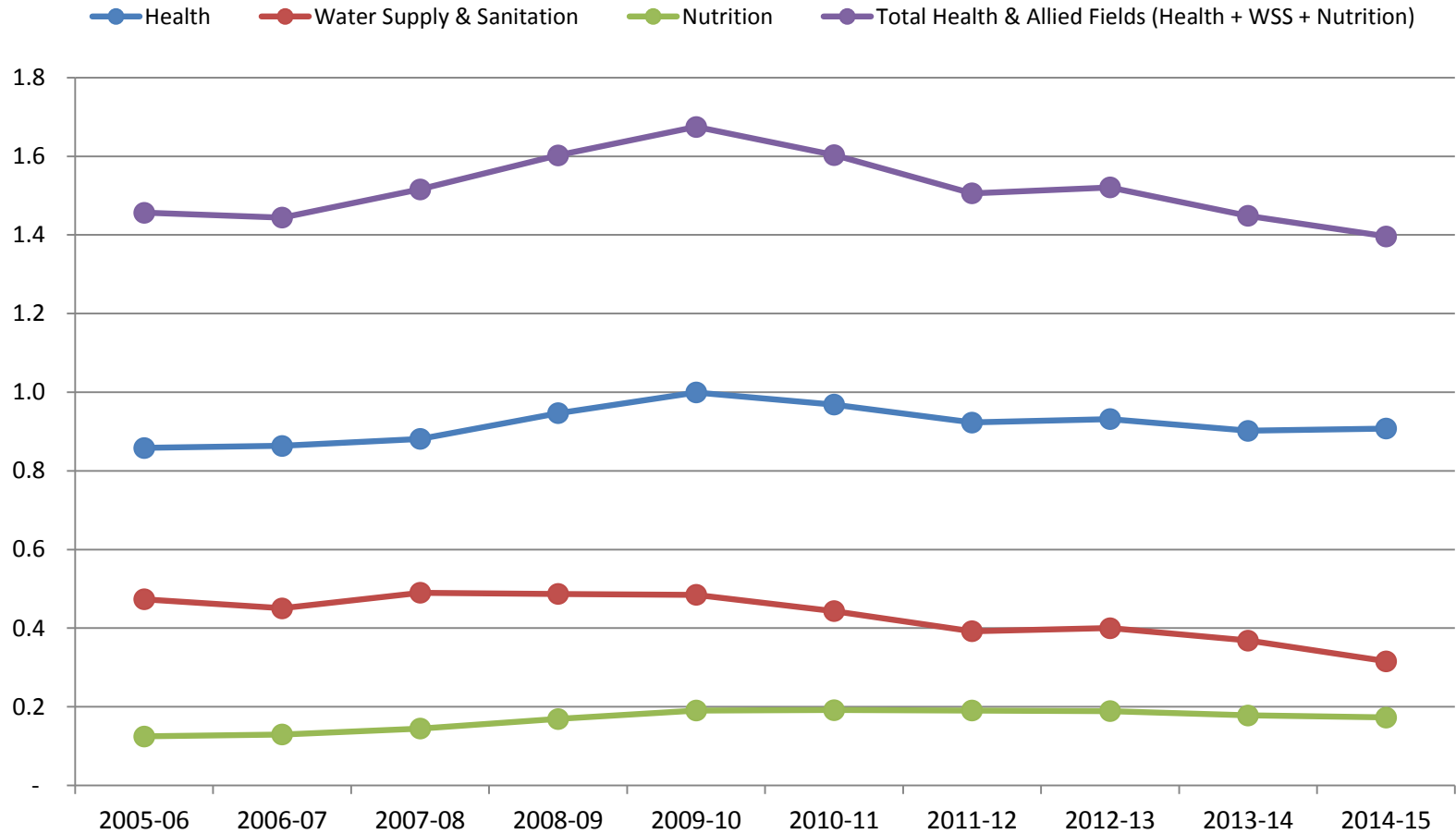
- There is a broad consensus that the Governments have an important role in providing basic healthcare in developing countries.
- The primary mechanism of government intervention is through public spending.
- Therefore, it is important to get a clear picture of how much is spent, where it is spent and how is it spent. This is the basic information needed for any policy making on healthcare.
- Considerable work is required to get comparable data.

# Healthcare Expenditure Data Aggregate

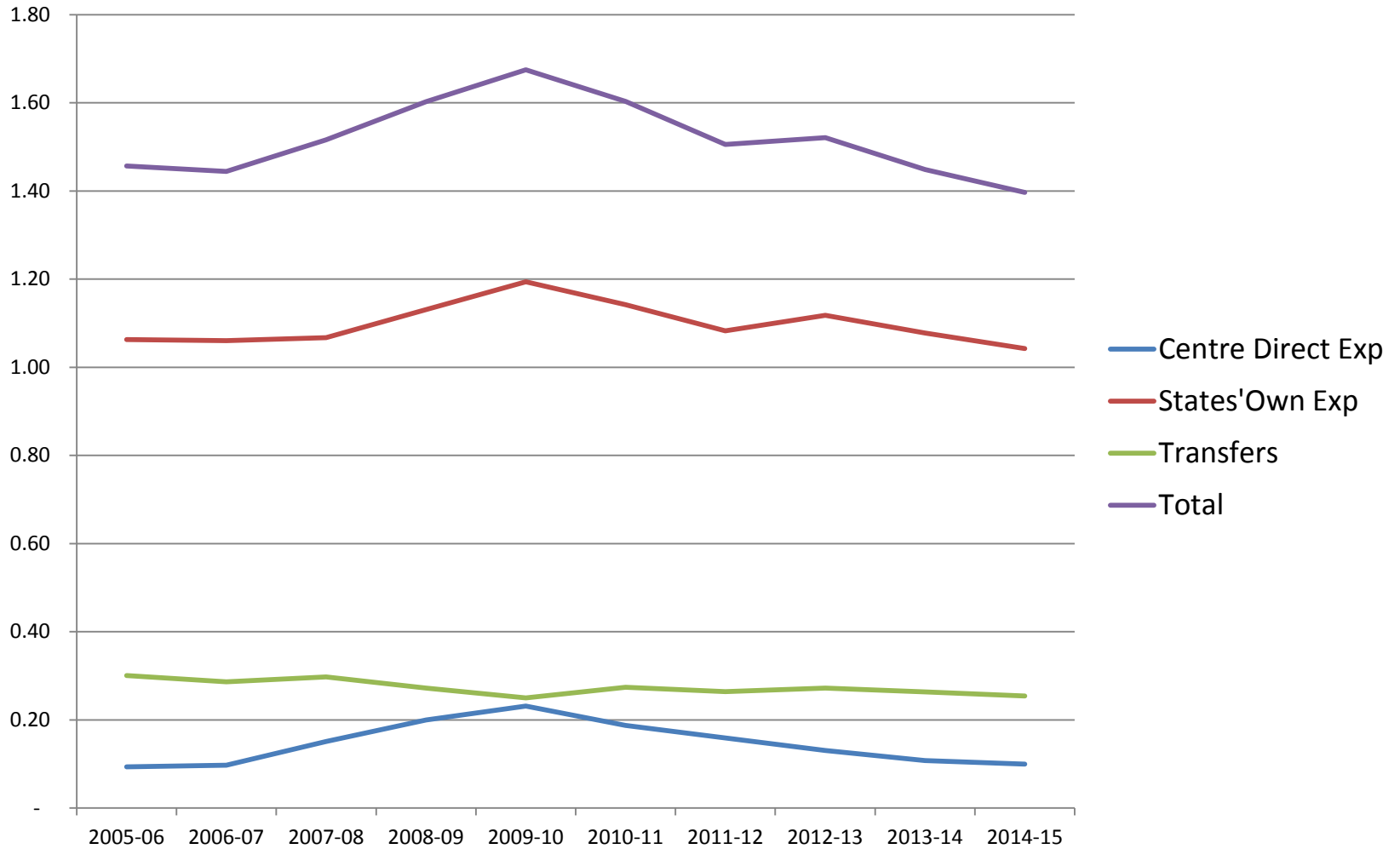
- Total Healthcare Expenditures Include:
  - I. Revenue and capital expenditures and Loans and advances of Central and State governments on:
    - (i) Medical and Public Health;
    - (ii) Family Welfare;
    - (iii) Water supply and sanitation;
    - (iv) Nutrition;
  - II. Expenditures by other departments (Defence and Railways)
  - III. Reimbursements/allowances by States.
  - IV. Local Body Expenditures.

Problems in getting all of them: Need for Regular health Accounts.

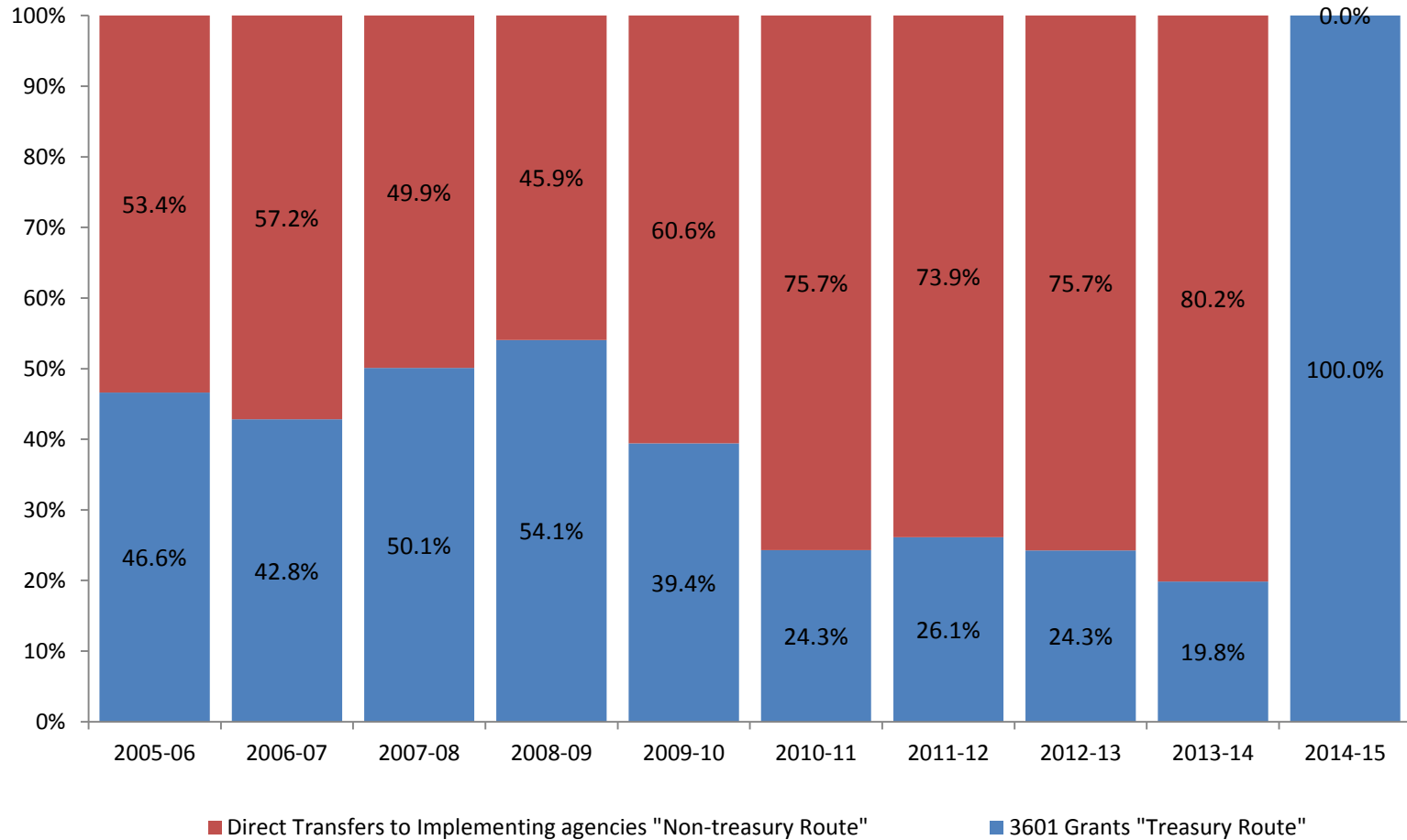
## Total Public Expenditure on Health & Allied Fields as a % of GDP



# Composition of Healthcare Expenditures: Union and States



## Routes of Union-to-State Transfers in Health and Allied Subjects (2005-06 to 2014-15)



# Health Expenditure data at State levels

- Lack of comprehensiveness;
- Inter-temporal comparability; Misleading conclusions.
- Significant inter-state variations. (9.5% of total healthcare expenditure in Kerala to 41% in West Bengal.
- Design of the transfers: Not exactly according the need.

Per Capita Healthcare Expenditures in States (2014-15)

States	Per Capita GSDP	Per Capita State Expenditure	Per Capita Direct Transfers	Per Capita Total Expenditure	Per cent Direct Transfers
Andhra Pradesh (Undivided)	98848.6	1299.8	166.2	1466.0	11.3
Bihar	34057.2	506.7	111.3	618.0	18.0
Chhattisgarh	74063.9	975.6	163.4	1139.0	14.3
Gujarat	125619.5	1513.0	191.0	1704.0	11.2
Haryana	146924.7	1589.8	233.2	1823.0	12.8
Jharkhand	53169.1	669.3	170.7	840.0	20.3
Karnataka	100889.2	1161.9	230.1	1392.0	16.5
Kerala	112753.1	1478.2	155.8	1634.0	9.5
Madhya Pradesh	57926.9	825.6	240.4	1066.0	22.6
Maharashtra	129688.5	940.9	152.1	1093.0	13.9
Orissa	65580.8	985.3	184.7	1170.0	15.8
Punjab	111723.0	885.8	225.2	1111.0	20.3
Rajasthan	73468.0	1520.4	285.6	1806.0	15.8
Tamil Nadu	124780.1	1624.9	240.1	1865.0	12.9
Uttar Pradesh	41185.5	555.7	119.3	675.0	17.7
West Bengal	77202.1	516.5	358.5	875.0	41.0



## NHM Funds Allocation and Programme Implementation

Programme Implementation Plan  
Demand for NHM Grants



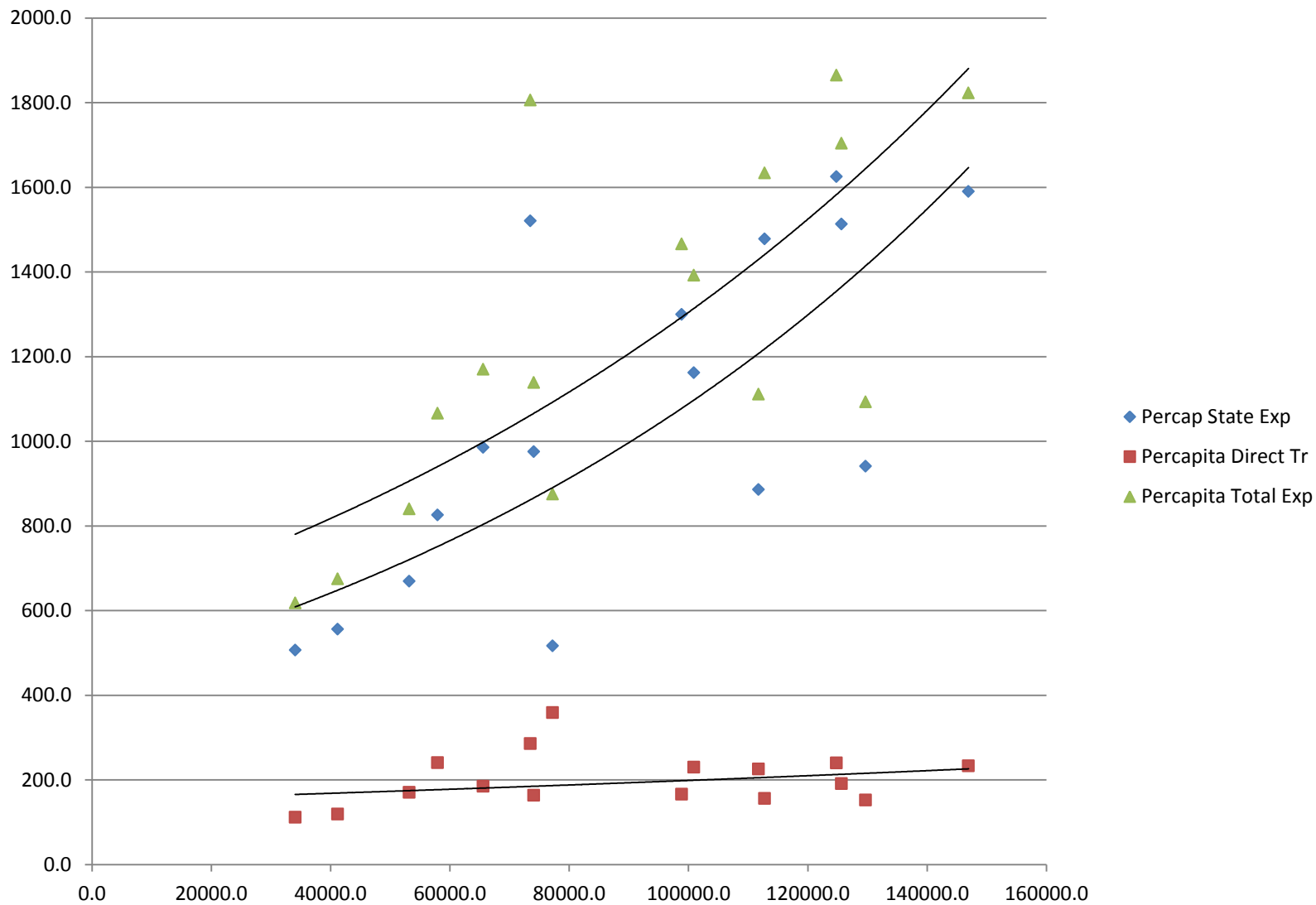
Record of Proceedings  
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OB+All +St  
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GOI Funds Release



Audit by Independent Agencies

# Per capita Healthcare Expenditures in Major States



# Other Issues

- Difficulty in getting information on primary healthcare;
- Difficulties in getting information on salaries and allowances, medicines and equipments.
- Decentralization problems.
- Wide inter-state differences in Per capita Healthcare expenditures.
- Poor design of the transfer system.