

Assam saw highest jump in share of public health spend

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States with the least per capita spend — Bihar, MP and Assam in that order — have very poor health indices but Bihar does better on most indices, which underlines that spending is necessary but spending alone is not sufficient, shows data from the recently-released National Health Accounts for 2018-19 for 20 large states. It shows that often where total health expenditure is high, the bulk is borne by people out of their own pockets, as in Kerala and Maharashtra. However, in Himachal and J&K, the government accounts for more than half the total spending on health and 47% in Tamil Nadu too.

The government's share in total health spending was highest in Uttarakhand at 61% and Assam at over 55%. It was lowest in UP and Kerala at about 25%. In 2004-05, the government accounted for just 9.7% of the spending in Kerala and 13% in UP. While those shares have risen significantly, people in these states, as also in West Bengal, continue to shoulder most of the burden of healthcare. This has been the case since 2004-05, the earliest year for which the National Health Accounts (NHA) are available.

Maharashtra, the third biggest spender on health after Kerala and Himachal Pradesh in per capita terms, also had the government accounting for barely 27% of this expenditure. Interestingly, Tamil Nadu, which has health indices similar to Maharashtra, spends much less per capita. Moreover, the government share of the total health spend expanded from just 18% in 2004-05 to almost 47% in 2018-19, thus reducing the burden on the people. Almost all states have increased public spending on health from abysmal levels in 2004-05, with a significant jump between NHA of 2014-15 and 2018-19. Assam had the highest jump in share of public spending in the total health expenditure between 2004-05 and 2018. J&K saw the lowest increase in this period. Jharkhand and Karnataka too showed increases of 2.5 percentage points and six percentage points, respectively.

The total health expenditure has three components—government spending, people spending out of pocket and the third is a combination of private health insurance, expenditures by enterprises, not-for-profit institutions or NGOs and external sources or funds from outside India.

In Karnataka and Maharashtra, the third component is almost as high as the government's share of total spending on health. "This is because most big firms/NGOs have their headquarters in these states even though their subsidiaries may be spread across India. As budgets, payments and coverage are always through the headquarters, the reporting of health related expenditures is concentrated there. This was our finding from the surveys we conducted for enterprises and NGOs. The insurance data even from IRDAI shows the same picture," explained Dr Rahul Reddy Kadarpetta, national coordinator at Health Systems Transformation Platform.

HEALTH SPENDING OF STATES AND UTs

