



## Increased in Public Health Expenditure

**For Prelims:** [National Health Policy \(NHP\)](#), [Ayushman Bharat PMJAY](#), [National Health Mission](#), [National Medical Commission](#).

**For Mains:** Findings of National Health Accounts (NHA) data, Challenges associated with ensuring the effective use of increased Healthcare funds in India.

**Source:** [IE](#)

### Why in News?

Recent **National Health Accounts (NHA)** data show that **government health expenditure (GHE)** as a proportion of **GDP** increased by an unprecedented **63% between 2014-15 and 2021-22**.

### National Health Account (NHA)

- The National Health Account (NHA) estimates is **prepared by National Health Systems Resource Centre (NHSRC)**, designated as National Health Accounts Technical Secretariat (NHATS) in 2014 by the Union Health Ministry.
- The NHA estimates are prepared by using an **accounting framework based on the internationally accepted standard of System of Health Accounts, 2011**, developed by the [World Health Organization \(WHO\)](#).
- These estimates are not only comparable internationally, but also enable the policymakers to monitor the progress in different health financing indicators of the country.

### 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).

### What are the Findings of National Health Accounts (NHA) Data?

- **Increasing Government Investment in Healthcare:**
  - This is reflected in a significant **increase in government health expenditure (GHE)** as a percentage of GDP between 2014-15 and 2021-22 (**from 1.13% to 1.84%**).
    - **Per capita government spending** on health has also **nearly tripled** in the same period.
  - The [National Health Policy \(NHP\)](#) aims to provide everyone with access to affordable,

quality healthcare. It proposes raising **public health expenditure to 2.5% of the GDP** by 2025.

▪ **Focus on Government-Funded Insurance Schemes:**

- Investment in government health insurance schemes like [Ayushman Bharat PMJAY](#) has risen sharply (4.4 fold increase since 2013-14).
- The share of social security spending on health has also increased, demonstrating a shift towards a more comprehensive healthcare system.

▪ **Decreasing Out-of-Pocket Expenditure (OOPE):**

- **A significant decline in OOPE** (money spent directly by individuals on healthcare) has been observed, dropping from **62.6% to 39.4%** between **2014-15 and 2021-22**.
- **Factors Contributing to Lower OOPE:**
  - Schemes like **Ayushman Bharat PMJAY** help people access treatment for serious illnesses without financial burden.
  - Increased **utilisation of government facilities, free ambulance services**, and other initiatives contribute to reduced OOPE.
  - Availability of **free medicines and diagnostics at Ayushman Arogya Kendras (AAMs)** further lowers healthcare costs.

▪ **Focus on Essential Drugs and Price Regulation:**

- [Jan Aushadhi Kendras](#) provide **affordable generic medicines** and surgical items, saving citizens an estimated Rs 28,000 crore since 2014.
- **Price regulation of essential medicines** like stents and cancer drugs has led to further savings (estimated Rs 27,000 crore annually).

▪ **Strengthening Social Determinants of Health:**

- Increased government spending not only targets healthcare services but also **includes investments in water supply and sanitation** (through [Jal Jeevan Mission](#) and [Swachh Bharat Mission](#)).

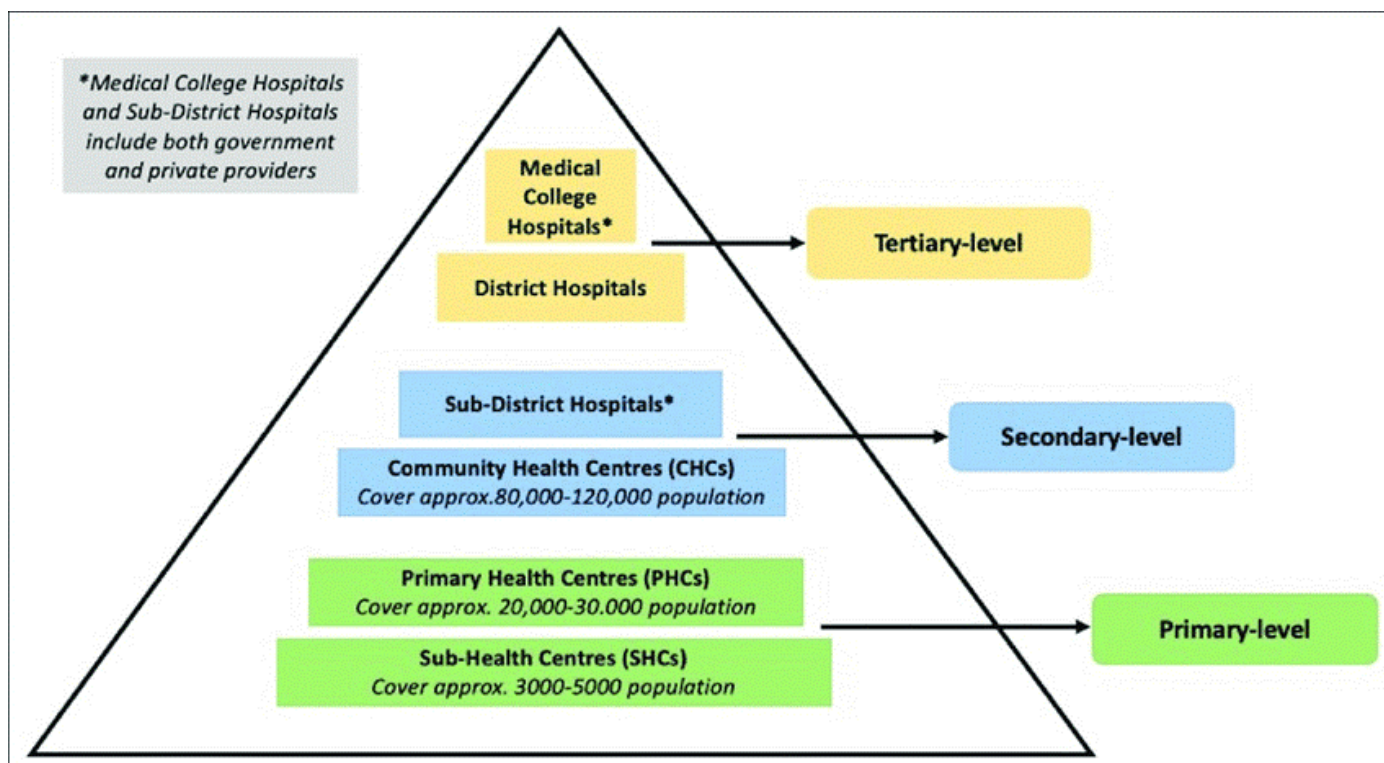
▪ **Investing in Healthcare Infrastructure:**

- Schemes like **Pradhan Mantri Swasthya Suraksha Yojana** and **Ayushman Bharat Infrastructure Mission** are strengthening medical infrastructure, including AIIMS and ICU facilities.
- Increased health grants to local bodies are bolstering the **primary healthcare** system.

**Note:**

- Out-of-Pocket Expenditure (OOPE) is the **money paid directly** by households, at the point of **receiving health care**.
- It excludes the individuals covered under **any public or private insurance or social protection scheme**.

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## What are the Challenges Associated with Ensuring the Effective Use of Increased Healthcare Funds in India?

- **Equity in Access to Improved Facilities:**
  - Rural populations often **face long travel distances** and **limited access to specialists**, leading to delayed diagnoses and poorer health outcomes.
    - A **2021 NITI Aayog report** highlights the significant gap in the **doctor-patient ratio (1:1100)** with a skewed distribution favouring **urban areas (1:400)**.
    - The National Health Profile 2022 reveals a rise in **non-communicable diseases (NCDs)** like diabetes and heart disease, which are expensive to treat.
- **Misuse and Inefficiencies of Funds:**
  - Bureaucratic inefficiencies, mismanagement, and potential corruption are the main factors for diverting funds from reaching their intended beneficiaries.
    - A **2018 Comptroller and Auditor-General of India (CAG) report** identified instances of **inflated bills and unnecessary procedures** in government hospitals.
- **Human Resource Constraints:**
  - **Shortages of doctors, nurses, and other healthcare professionals often lead to overworked staff, compromised quality of care, and longer waiting times.**
    - The **World Health Organization (WHO)** recommends a doctor-nurse ratio of 4:1, while India currently has a **ratio closer to 1:1**.
    - Also, currently, a doctor in the government hospital attends to ~11000 patients, which is more than the **WHO recommendation of 1:1000**.

## Way Forward

- Investing in **rural healthcare infrastructure** by building affordable hospitals and clinics, alongside programs that train and retain healthcare professionals through incentives like **higher salaries, better housing facilities**, and career progression opportunities.
- **Robust monitoring systems** and **stricter regulations** are needed to ensure efficient utilisation of funds towards actual patient care and **prevent leakages**.
- **Increasing the number of medical professionals in under-staffed government hospitals**

and improving **patient-oriented facilities** can lead to better patient care and shorter wait times for treatment.

- Investing in **preventative healthcare through public health campaigns** promoting healthy lifestyles and early disease detection can reduce future healthcare costs.
  - Increased spending **on educating the public about healthy eating habits** and encouraging regular checkups could potentially lead to a decrease in the number of people developing expensive-to-treat chronic illnesses.

## What are the Recent Government Initiatives Related to Healthcare?

- [National Health Mission](#)
- [Ayushman Bharat](#)
- [Pradhan Mantri Jan Arogya Yojana \(AB-PMJAY\)](#)
- [National Medical Commission](#)
- [PM National Dialysis Programme](#)
- [Janani Shishu Suraksha Karyakram \(JSSK\)](#)
- [Rashtriya Bal Swasthya Karyakram \(RBSK\)](#)

## Conclusion

- India's healthcare spending is rising, with government programs like Ayushman Bharat reducing out-of-pocket costs for citizens. However, challenges like human resource constraints and inaccessibility in rural areas still exist.
- Ensuring equal access to quality healthcare in rural areas and a focus on preventative care are crucial for a truly robust and equitable healthcare system for all.

### **Drishti Mains Question:**

Discuss about the challenges associated with ensuring the effective use of increased Healthcare funds in India.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### **Prelims**

#### **Q. Which of the following are the objectives of 'National Nutrition Mission'? (2017)**

1. To create awareness relating to malnutrition among pregnant women and lactating mothers.
2. To reduce the incidence of anaemia among young children, adolescent girls and women.
3. To promote the consumption of millets, coarse cereals and unpolished rice.
4. To promote the consumption of poultry eggs.

**Select the correct answer using the code given below:**

- (a) 1 and 2 only
- (b) 1, 2 and 3 only
- (c) 1, 2 and 4 only
- (d) 3 and 4 only

**Ans: (a)**

**Exp:**

- National Nutrition Mission (POSHAN Abhiyaan) is a flagship programme of the Ministry of Women and Child Development, GoI, which ensures convergence with various programmes like Anganwadi services, National Health Mission, Pradhan Mantri Matru Vandana Yojana, Swachh-Bharat Mission, etc.
- The goals of National Nutrition Mission (NNM) are to achieve improvement in nutritional status of children from 0-6 years, adolescent girls, pregnant women and lactating mothers in a time bound manner during the next three years beginning 2017- 18. Hence, 1 is correct.
- NNM targets to reduce stunting, under-nutrition, anaemia (among young children, women and adolescent girls) and reduce low birth weight of babies. Hence, 2 is correct.
- There is no such provision relating to consumption of millets, unpolished rice, coarse cereals and eggs under NNM. Hence, 3 and 4 are not correct.
- Therefore, option (a) is the correct answer.

**Mains**

**Q.** “Besides being a moral imperative of a Welfare State, primary health structure is a necessary precondition for sustainable development.” Analyse. **(2021)**

PDF Refernece URL: <https://www.drishtiias.com/printpdf/increased-in-public-health-expenditure>

