



GOVERNMENT HEALTH EXPENDITURES IN INDIA (2013-14)

FEBRUARY | 2017

National Health Accounts Technical Secretariat
National Health Systems Resource Centre
Ministry of Health and Family Welfare, Government of India

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DETAILS RELATED TO PUBLICATION

This report is one among three individual reports on health expenditure estimates developed by NHSRC. Overall health expenditures are presented in the National Health Accounts Estimates 2013-14 report. The estimates presented in this report are only a subset of all the financing schemes presented in the NHA 2013-14 report.

This report provides details of the Government health expenditures in India based on System of Health Accounts 2011 (SHA 2011) and National Health Accounts Guidelines for India. The estimates presented here are based on currently available information. Improvements will be made as and when additional information is available.

Policy implications of government health expenditures are not discussed in this report. However commentators, researchers and policy makers can draw inferences from this report within the purview of NHA methodology described here, NHA Guidelines for India 2016 and System of Health Accounts 2011 (SHA 2011).

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Foreword

The Government health expenditure in India has increased slowly but steadily between 2004 and 2014. Government is committed to improving healthcare in the country and envisages universal access to good quality healthcare services without any one having to face financial hardship.

NHA Estimates for India (2013-2014) released in August, 2016 showed Total Government Health Expenditure (TGHE) as a share of Total Health Expenditure (THE) increased from 22.5% in 2004-05 to 28.6% in 2013-14. Social health insurance expenditures (including government financed health insurance and reimbursement to employees) as a share of THE increased from 4.2% to 6% during the same period. Government spends 51% of its current health expenditure on primary care. The Out of Pocket Expenditures (OOPE) as share of THE reduced from 69.8% to 64.2%.

This report is based on National Health Accounts estimates (2013-14) for Government Health Expenditures. It presents details of the healthcare expenditures financed through Government, sources of financing (Union/State/Local government, etc.), the type of healthcare providers and healthcare services purchased through these mechanisms.

This publication has been made possible through the joint efforts of the Bureau Planning, Ministry of Health and Family Welfare and National Health Accounts Technical Secretariat (NHATS). The estimates were arrived at through several technical consultations and adhered to NHA Guidelines for India and the System of Health Accounts, 2011 (SHA 2011) definitions and methods. The publication has benefitted from the comments of Shri J. Rajesh Kumar, Director, Bureau of Planning. It is believed that the estimates and related policy inputs will be widely used by policy makers, administrators and researchers in arriving at evidence base policies in financing and planning of health programmes.

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Healthy Village, Healthy Nation



एड्स - जानकारी ही बचाव है
Talking about AIDS is taking care of each other

MESSAGE

This report is a sub report of the National Health Accounts (NHA) Estimates for India, 2013-14 focusing on Government health expenditures in India for the Financial Year 2013-14. This report provides information on Government financing of India's health system, which is very important for evidence-based policy making. NHA has been used internationally for comparing health financing estimates and guiding health policies across countries.

This report provides important insights into critical issues such as the priorities of Governments at different levels, expenditure patterns with respect to healthcare providers and functions, etc. Such information is not available through any other source. Therefore it is important that these estimates are produced in an institutionalised way to understand the trends and patterns of Government health expenditures.

While this report provides overall estimates for Government health financing by sources of financing, by schemes that manage the funds, by providers of healthcare, by functions of care and by types of care, policy interpretations of the data will follow including estimation of expenditures by diseases, age and gender in the coming year.

My sincere thanks to the Ministry of Health and Family Welfare for assigning this task and the NHATS core team led by Dr. Charu Garg for putting in all the hard work to come up with this important set of estimates.

Dr. Sanjiv Kumar,
Executive Director, NHSRC

ACKNOWLEDGEMENT

The report on Government health expenditures forms an integral part of the estimates on National Health Accounts, India 2013-14. Government health expenditures contribute to 28.6% of total health expenditures. Disaggregated information of Government contribution is analysed in this report. This report has been done after several rounds of consultations with experts, and State representatives. We are grateful to the National Health Accounts Steering Committee, the Expert Group for providing us the overall guidance and to Dr. Sheela Prasad, Economic Advisor, MoHFW and Dr. Sanjiv Kumar for encouraging us to publish this report.

This report could not have been completed without the contribution from the NHSRC technical team, especially Dr. Rahul Reddy for insurance estimates. We are extremely grateful to Mr J. Rajesh Kumar, Director, Bureau of Planning, MoHFW who provided extensive comments on the earlier versions of this report. We thank Dr. Kavita Singh, Director NHM Finance, MoHFW and Mr. Jayant Mandal, Consultant-FMG, MoHFW for not only providing the National Health Mission data but also the clarity to understand the data. We acknowledge the support from the subcommittee on Government Health Expenditures comprising Mr. J. Rajesh Kumar, Director, Bureau of Planning, MoHFW, Dr. Mita Choudhury (NIPFP) and Dr. Sakthivel Selvaraj (PHFI) for their inputs. We are thankful to Dr H. K. Amar Nath, NIPFP for his inputs on rural local body estimates. We are also thankful to Dr. Indranil Mukhopadhyay (PHFI) for his regular inputs at different stages of this work and to Dr. Sandeep Sharma (PHFI) especially for facilitating the estimates on urban local bodies. Thanks to Dr. Shankar Prinja, PGI Chandigarh for providing costing estimates that were used for arriving at allocation formula. Many thanks to Mr. Amit Kumar and Ms. Poonam Arya at NHA Cell, MoHFW for data entry of health expenditure by all State Departments of Health And Family Welfare and the MoHFW.

A special thanks to Dr. Maneeta Jain, Dr. Pratheeba, Dr. Vivek Panwar and Ms. Dakshu Jindal for their support in classifying thousands of budget line items and screening hundreds of budget books for extracting health expenditures by different Ministries and Departments at State and national level. Finally we thank Ms. Neeru Khurana and Ms. Preeti Atwal for secretarial assistance.

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LIST OF ABBREVIATIONS

AYUSH	Ayurveda, Yoga, Unani, Siddha and Homeopathy
CGHE	Current Government Health Expenditures
CGHS	Central Government Health Scheme
CHC	Community Health Centre
CHE	Current Health Expenditures
CHSS	Contributory Health Service Scheme
CSMA	Central Services Medical Attendance
DDG	Detail Demand for Grants
DoHFW	Department of Health and Family Welfare
ECHS	Ex-Servicemen Contributory Health Scheme
ESIS	Employee State Insurance Scheme
FMR	Financial Monitoring Report
FS	Revenues of Healthcare Financing Schemes
FY	Financial Year
GDP	Gross Domestic Product
GGE	General Government Expenditures
GoI	Government of India
HC	Healthcare Functions
HF	Healthcare Financing Schemes
HMIS	Health Management Information System
HP	Healthcare Providers
IEC	Information Education and Communication
IIB	Insurance Information Bureau of India
MCGM	Municipal Corporation of Greater Mumbai
MoHFW	Ministry of Health and Family Welfare
MOR	Ministry of Railways
NGO	Non Governmental Organization
NHA	National Health Accounts

NHM	National Health Mission
NHSRC	National Health Systems Resource Centre
NPISH	Not for Profit Institutions Serving Households
OBC	Other Backward Classes
OOPE	Out of Pocket Expenditures
PHC	Primary Health Centre
PST	Primary, Secondary and Tertiary
RELHS	Retired Employees Liberalised Health Scheme
RLB	Rural Local Body
RMSC	Rajasthan Medical Service Corporation
ROP	Record of Proceedings
RSBY	Rashtriya Swasthya Bima Yojana
SC	Scheduled Caste
SHA	System of Health Accounts
SHI	Social Health Insurance
ST	Scheduled Tribes
TCAM	Traditional Complementary and Alternative Medicine
TGHE	Total Government Health Expenditures
THE	Total Health Expenditures
ULB	Urban Local Body
UT	Union Territories

EXECUTIVE SUMMARY

This report presents the estimates of Government Health Expenditures in India for the Financial Year 2013-14 as healthcare financing schemes (i.e. the financing arrangement through which healthcare is provided by different levels of Government). The Government Health Expenditures in India include health expenditures by Union Government of India (i.e. Union Ministry of Health and Family Welfare and other Union Ministries incurring health expenditures for their employees or the general population), all State Governments¹ and Union territories (i.e. Department of Health and Family Welfare and other departments of the State Governments and UTs incurring health expenditures for their employees or the general population) and the Local Governments/ Local Bodies (i.e. the Urban and Rural Local Bodies).

The estimates were produced using “System of Health Accounts 2011 framework” and “National Health Accounts Guidelines for India”, which categorise health expenditures into healthcare financing schemes, revenues of healthcare financing schemes (i.e. source of financing healthcare), healthcare providers and healthcare functions. The primary objective of this report is to provide a comprehensive overview of the distribution of Government funds across different types of providers and the services, which can help the Governments at different levels to

1. Understand the current pattern of their expenditures on health,
2. Identify the bottlenecks in funding
3. Improve the allocation of resources
4. Correlate financial indicators with health indicators and policy objectives

Summary of Findings

Total Health Expenditure (Rs 4,53,106 crores, 4.02% of GDP and Rs 3,638 per capita)²

The Total Health Expenditure (THE) in India for FY 2013-14 is estimated at Rs 4,53,106 crores (this includes health expenditure in public sector, private sector, Non-profit Institutions Serving Households (NPISH), enterprises/firms, insurance sector and external or foreign funds). Of the THE, 92.96% (Rs 4,21,194 crores) is current expenditure and 7.04% (i.e. Rs 31,912 crores) is capital expenditure³. This equates to 4.02% of Gross Domestic Product (GDP) in 2013-14, as compared to 4.25% of GDP in 2004-05. The per capita health expenditure in 2013-14 is estimated at Rs 3,638.

¹ Telangana was a part of undivided Andhra Pradesh in 2013-14.

² National Health Systems Resource Centre (2016), National Health Accounts Estimates for India (2013-14), New Delhi: Ministry of Health and Family Welfare, Government of India.

³ Capital expenditure includes spending on construction of building or infrastructure, research and development, education and training in medical/ paramedical/ allied sciences, etc.

Total Government Health Expenditures (Rs 1,29,778 crores, 1.15% of GDP; Rs 1,042 per capita)

The Total Government Health Expenditures (TGHE)⁴ in FY 2013-14 is estimated at Rs 1,29,778 crores, of which 75% (i.e. Rs 97,866 crores) is recurrent expenditure and 25% (i.e. Rs 31,912 crores) is capital expenditure. This equates to 1.15% of the GDP as compared to 0.84% in 2004-05 and 0.96% in 2005-06⁵. The per capita TGHE is estimated at Rs 1,042. The TGHE as a percentage of total health expenditures have increased to 28.6% in 2013-14 as compared to 22.5% in 2004-05. The TGHE as percentage of General Government expenditure is 3.78% in 2013-14.

Current Government Health Expenditures (Rs 97,866 crores, 0.87% of GDP; Rs 786 per capita)

The Current Government Health Expenditures (CGHE) in FY 2013-14 is estimated at Rs 97,866 crores, of which 28.37% (Rs 27,764 crores) is spent through Union Government Schemes, 47.14% (Rs 46,138 crores) is spent through State Government Schemes, 7.22% (Rs 7,069 crores) is spent through Local Government Schemes, 12.40% (Rs 12,139 crores) is spent through Social Health Insurance schemes and 4.86% (Rs 4,757 crores) is spent through Government based Voluntary Health Insurance schemes such as RSBY and state specific insurance.

The Union Government as a source of funding finances 33.61% (i.e. Rs 32,897 crores) of the CGHE from its own revenues. The State Governments and Union Territories combined together as a single source of funding finance 54.75% (i.e. Rs 53,577 crores) of the CGHE from its own revenues. The remaining 11.64% is financed through other sources of funding such as ULBs (2.61% of CGHE, Rs 2,556 crores), RLBs (0.02%, Rs 24 crores), internal transfers and grants of foreign origin routed through Union Government (0.14% of CGHE, Rs 136 crores) and State Governments (0.45% of CGHE, Rs 442 crores), Social Health Insurance contributions by employers (5.76% of CGHE, Rs 5,635 crores) and employees (2.54% of CGHE, Rs 2,485 crores) and voluntary prepayments by individuals/ households under RSBY (0.12% of CGHE, Rs 114 crores).

The Government expenditures on Government hospitals (specialised and general) as providers of healthcare is estimated at 38.17% (i.e. Rs 37,352 crores) of CGHE, the expenditure on government ambulatory centres⁶ is estimated at 26.45% (i.e. Rs 25,890 crores) and the expenditure on providers of preventive care is estimated at 12.11% (i.e. Rs 11,851 crores). Government expenditures on health system administration and financing is 13.30% (i.e. Rs 13,013 crores), on private hospitals is 4.97% of CGHE (i.e. Rs 4,861 crores), on patient transportation 1.02% of CGHE (i.e. Rs 998 crores), on private General Medical Practitioners 0.09% of CGHE (i.e. Rs 85 crores) and the rest of the expenditures could not be classified by healthcare providers (3.90%).

The expenditure on curative care by the Government is estimated at 61.15% (i.e. Rs 59,843 crores) of CGHE; of which, 36.13% (i.e. Rs 35,356 crores) is incurred on inpatient curative care, 25.01% (i.e. Rs 24,478 crores) is incurred on out patient curative care and 0.01% (i.e. Rs 10 crores) is incurred on home based curative care. The expenditure on preventive care is estimated at 25.20% (i.e. Rs 24,660 crores) of CGHE. The remaining 13.65% is spent on (a) governance and health systems administration (8.61% of CGHE, Rs 8,425 crores) (b) administration of health financing (1.53% of CGHE, Rs 1,496 crores), (c) patient transport (1.02% of CGHE, Rs 998 crores), rehabilitative and long term care (0.06% of CGHE) and (e) 2.43% on healthcare services that could not be classified by functions.

4 The Total Government Health Expenditure includes current and capital expenditures by Union, State and local Governments, social health insurance schemes, Government financed voluntary health insurance schemes and external funding/ donor funding routed through the UTs, Union/State Governments.

5 National Health Accounts India 2004-05, National Health Accounts Cell, Ministry of Health and Family Welfare, Government of India; 2009.

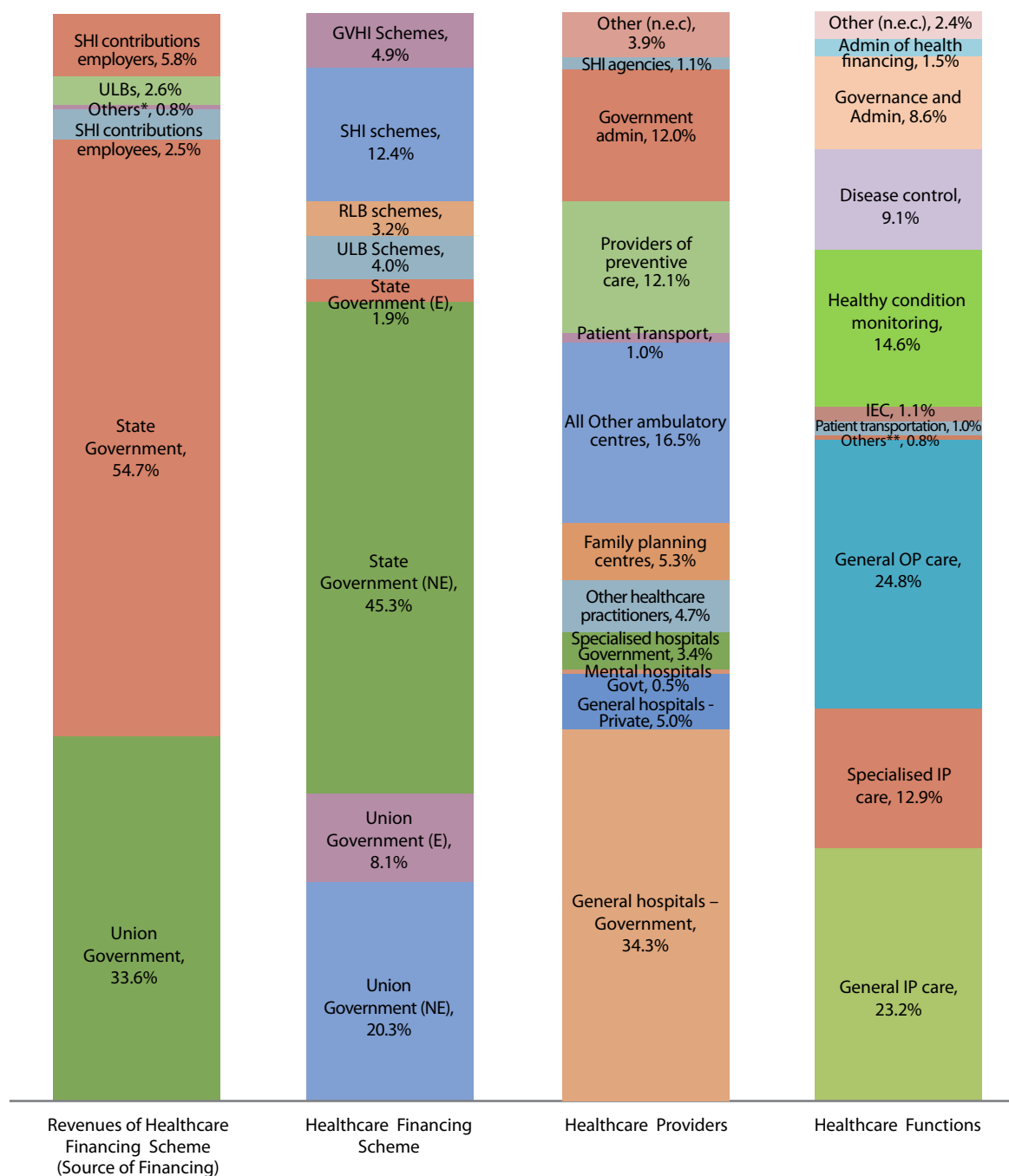
6 This includes expenditure on Primary Health Centers, Dispensaries, Sub Centers, Family Welfare Centers, etc.

The Government expenditures on primary care is estimated at 51% of CGHE (i.e. Rs 50,010 crores), the expenditure on secondary care is estimated at 23% of CGHE (i.e. Rs 22,822 crores) and that on tertiary care is estimated at 13% of CGHE (Rs 12,723 crores). Of the remaining 13% of CGHE 10% is spent on governance and administration and the remaining expenditure is non allocable. The Government expenditure on AYUSH is estimated at 2.6% (Rs 2,542 crores) of CGHE.

The State-wise variation in Government Health Expenditures shows that most of the North-Eastern States (except Assam) and UTs have higher per capita Government Health Expenditures. Among the major States Delhi, Himachal Pradesh, Jammu & Kashmir, Kerala and Uttarakhand have Per Capita Government Health Expenditures higher than Rs 1,000. Five States that have lowest Per Capita Government Health Expenditures are Madhya Pradesh, Odisha, Uttar Pradesh, Jharkhand and Bihar, with Bihar spending lowest at Rs 247 per capita. The State-wise comparison of Total Government Health Expenditures as a percentage of Gross State Domestic Product (GSDP) shows that richer States such as Gujarat, Punjab, Maharashtra and Haryana are spending the lowest (lesser than 0.7% of their GSDP). Most States accord very low priority to health in the Government Expenditures. Assam, Uttar Pradesh, Tripura, and Madhya Pradesh spend less than 1% of General Government Expenditures on health. Delhi accords highest priority to health in their budgets, spending over 11.33% of General Government Expenditures on health.

The key Government healthcare financing indicators for India are listed in **Table 2. Figure 1** gives a snapshot of percentage distribution of Government Health Expenditures by revenues of healthcare financing schemes (sources of funds), healthcare financing schemes, healthcare providers and healthcare functions.

Figure 1: Distribution of Current Government Health Expenditures (%), 2013-14



Abbreviations used in the figure above: SHI=Social Health Insurance; ULB=Urban Local Bodies; RLB=Rural Local Bodies; GVHI=Government based Voluntary Health Insurance Schemes; (NE)=Non Employee; (E)=Employee; (n.e.c.)=not elsewhere classified; IEC=Information, Education and Counselling (IEC) programmes ; OP=Outpatient; IP=Inpatient;

Note: the category "Others (n.e.c.)" is a SHA 2011 classification category, which includes expenditure under line items that could not be classified into any of the classifications (given by SHA 2011) in that category.

Others* (0.8% under revenues of financing schemes): Transfers to State Governments (0.5%) and Union Government (0.1%) from foreign origin, Rural Local Bodies (0.02%) and remaining (0.18%) is due to rounding off.

Others (0.8% under healthcare functions):** Immunization (0.4%), Dental (0.1%) and Specialized OP care (0.1%), Rehab care (0.1%), and remaining 0.1% is for disaster preparation, early disease detection, home based new born care and long term care.

1. INTRODUCTION

“Public expenditure on health refers to expenditure on healthcare incurred by public funds”.⁷ Public funds are Union Government, State Government, Local Government bodies and social security schemes.

The Government is committed to provide healthcare to the people of India through various national health programs, state specific health schemes and programs, centres of excellence, public hospitals (District Hospitals, Sub District Hospitals, Community Health centres, etc.), speciality and super speciality hospitals, ambulatory healthcare centres, outreach camps, imparting medical and paramedical education, conducting research and development activities, and so on. These health programs and activities are governed by Ministry of Health and Family Welfare (MoHFW), other Union Ministries (Ministry of Labour and Employment, Ministry of Minority Affairs, etc.), Department of Health and Family Welfare (DoHFW) in different States and Union Territories, Urban and Rural Local Bodies, Employee State Insurance Corporation (ESIC), etc.

While providing healthcare services to the general population is an important function, the Government is also an employer and is committed to providing healthcare services to its employees through CGHS Dispensaries, Defence and Railways hospitals and dispensaries, etc. Those employees who cannot avail services from a Government health facility (in circumstances of emergency, etc) and those who are referred to a higher level facility, avail services from the private sector. The medical bills of such Government employees are reimbursed by their respective departments.

The public health system in India is mainly tax funded. The Governments at different levels collect taxes which are pooled at different levels of Government, as defined by the Constitution of India. The Union Government receives the major chunk of taxes from all levels and distributes the funds back to the State Governments, Union Territories and the Local Bodies (Urban and Rural) through devolution (lump sum amount to be used at their own discretion) and through specific grants (that are tied and are to be used for specific purpose only) such as transfers under National Health Mission.

The State Governments also raise their own revenues and provide grants to local bodies through State Finance Commissions (devolution of funds). The Rural local bodies are mainly dependent on State and Union Governments for their revenues, while few Urban Local Bodies, such as the Municipal Corporation of Greater Mumbai (MCGM) also known as Brihan Mumbai Municipal Corporation, have medical colleges, hospitals, health posts etc., established and managed from their own resources.

For purpose of National Health Accounts, healthcare provided by the Government incorporates health-financing schemes that are mainly tax funded and provided by Government healthcare facilities. According to System of Health Accounts 2011 (SHA 2011) and NHA India Guidelines, expenditures under the following health financing schemes are considered Government Health Expenditures in India.

⁷ Glossary of Statistical Terms, OECD (Organization for Economic Co-operation and Development), accessed from the Website: <http://stats.oecd.org/glossary/index.htm>

Healthcare financing schemes that constitute the Government Health Expenditures in India are as follows:

1. Union Government Schemes (Non-Employee)
2. Union Government Schemes (Employee)
3. State Government Schemes (Non-Employee)
4. State Government Schemes (Employee)
5. Urban Local Bodies Schemes
6. Rural Local Bodies Schemes
7. Social Health Insurance Schemes
8. Government-based Voluntary Health Insurance Schemes

Note: The Government expenditures do not include health expenditure by households at private facilities (such as pharmacies, laboratory, imaging and diagnostic centres) but includes expenditure at private facilities if financed by Governments.

1.1 Union Government Schemes (Non-Employee)

Union Government schemes (Non-Employee) includes expenditures under National Health Mission, National Family Welfare Programmes, National AIDS Control Program, IEC programs, and partnership with NGOs. It also includes health expenditures under the schemes by other Union Ministries such as Working Conditions and Safety, Labour Welfare Scheme, Maulana Azad Medical Aid Scheme, National Institute of Sports, Science and Sports Medicine, Transfer to National Fund for Control of Drug Abuse, Assistance for Prevention of Alcoholism and Substance (Drugs) Abuse, Artificial Limbs Manufacturing Corporation, Aids and Appliances for the Handicapped, Tata Memorial Centre (TMC), Jan Aushadi Scheme, National Pharmaceutical Pricing Authority etc.

1.2 Union Government Schemes (Employee)

Different Ministries of Government of India provide healthcare facilities to their employees, pensioners and their dependents through a large network of health facilities owned and managed or financed by respective ministries. For example, the following Union Ministries provide healthcare services to their employees and their dependants - Ministry of Defence through the Armed Forces Medical Services (AFMS), Ministry of Railways through its Indian Railways Medical Services (IRMS), and Ministry of Communications through the Postal Health Services.

The Government of India also finances Social Health Insurance Schemes (CGHS, ECHS, CHSS and RELHS) providing care through their own network of health facilities and empanelled public or private providers. The Social Health Insurance Contributions of Union Ministries are described separately in the sub section on social health insurance schemes.

For the employees and their dependents (other than those of the Railways and Defence schemes; and those residing in non-central Government Health Scheme area) the Government of India covers medical expenses by providing medical reimbursements under Central Services Medical Attendance Rules through respective Ministries. This scheme is completely funded by the Government of India.

1.3 State Government Schemes (Non-Employee)

The State Governments provide curative, preventive and promotive healthcare services to the general population through a network of health facilities such as the Medical College Hospitals, District Hospitals,

Sub District or Taluk Hospitals, Community Health Centres, Primary Health Centres and Sub Centres. This scheme is financed by the Union Government; State Governments, and transfers distributed by State Government from foreign origin.

1.4 State Government Schemes (Employee)

The State Governments provide healthcare to their employees through reimbursements of medical bills as a part of their employee benefit scheme. Different State Governments have different rules and regulations for administering the respective schemes, capturing which was beyond the scope of NHA 2013-14 exercise. Therefore, expenditures recorded under the object head "06 – Medical Reimbursements" in State budget books (Detail Demand for Grants of all Departments of all State Governments and Union Territories in India) are included under this scheme. This scheme is completely funded by respective State Governments.

1.5 Urban Local Bodies Schemes

This scheme includes expenditure on healthcare services provided through ULB administration. This scheme is financed by Union Government, State Government and ULBs (own resources).

1.6 Rural Local Bodies Schemes

This scheme includes expenditures on health prevention and promotion activities undertaken by the Rural Local Bodies (RLBs) in the rural areas. This scheme is financed by Union Government, State Government and RLBs (own resources)

1.7 Social Health Insurance Schemes

Social health insurance schemes usually cover employees in the organized work force. These are financed by contributions of employees (household's prepayments), employers (enterprises) and Union and State Government premiums/contributions paid on behalf of their own employees. In India, Social Health Insurance expenditures include expenditures of the Central Government Health Scheme (CGHS), Employee State Insurance Scheme (ESIS), Ex-servicemen Contributory Health Scheme (ECHS), Contributory Health Services Scheme (CHSS) of Department of Atomic Energy, and Retired Employees Liberalized Health Scheme (RELHS) of Ministry of Railways. However due to non-availability of disaggregated financial data for NHA estimates (2013-14), CHSS and RELHS expenditures are not included under SHI and are included under Union Government Employee Schemes.

1.8 Government-based Voluntary Insurance Schemes

Government based voluntary insurance schemes cover the poor and unorganized sector workers and are being implemented in India since 2005. These are financed through budgetary transfers from Union and State Governments (direct reimbursements or premium paid to private or public insurance company); transfers to State governments from foreign origin and household prepayments made to the scheme. The expenditures under all the 15 health insurance schemes implemented by the Union and State Governments in 2013-14 are included here. These schemes are Rashtriya Swasthya Bima Yojana (RSBY), Handloom Weavers and Artisans Health Insurance, Aarogyasri (United AP); Vajpayee Aarogyashree and Yeshasvini, Karnataka; Mukhyamantri Amrutam Yojana, Gujarat; Chief Minister's Comprehensive Health Insurance, Tamil Nadu; Rajiv Gandhi Jeevandayee, Maharashtra; Comprehensive Health Insurance Scheme (CHIS and CHIS plus), Kerala; Megha Health Insurance (MHIS), Meghalaya; Mukhyamantri Swasthya Bima Yojana, Chhattisgarh;

Goa Mediclaim Scheme; Sanjeevani Swasthya Bima Yojana, Dadra and Nagar Haveli; Chief Minister's Health Insurance, Arunachal Pradesh; and Community Health Insurance, Puducherry.

1.9 Flow of Funds

The main source of finances under the Government schemes is the budgetary transfers through Ministry of Health and Family Welfare (MoHFW), Other Union Ministries, Departments of Health and Family Welfare (DoHFW) of all States and Union Territories, Other Departments of State Governments and Local Bodies (ULBs and RLBs).

The National Health Mission (NHM) requires a special mention as the fund transfer follows the society route⁸, where the transfers are made by the MoHFW to the State Health Societies, which further release funds to District Health Societies and finally reach the block level (i.e. the lowest level of administration) from where the funds are released to health facilities. The reporting of expenditures happens in the reverse order. From facility level to the block level, from block level to the District level and from District to the State level. A consolidated health expenditure statement (Financial Management Report or FMR) is then submitted to the MoHFW. The NHM is mainly funded by MoHFW (75% or 90% of the State's resource envelope) and partly funded by State Governments. Each State Government is mandated to release 25 percent⁹ (except Northeastern State and hilly states that include Jammu and Kashmir, Himachal Pradesh and Uttarakhand, where the State contribution is 10 percent of their resource envelope) of their resource envelope as a matching contribution towards NHM.

The main sources of finances in health insurance are the households or employees, Governments and employers. These entities pay premiums or contributions for health service coverage for the financing health insurance schemes described above. Such payments are risk pooled either by a health insurance company, social health insurance fund or government department/ government governed trust/society or a not for profit organization.

The healthcare facilities providing services to the beneficiaries are mainly the Government hospitals (which include Medical College hospitals, ESIS hospitals, District hospitals, Sub District hospitals, and CHCs), PHCs, CGHS Dispensaries and other Dispensaries, Mobile Medical Units, Sub Centres, etc. Other than these the Governments also purchase healthcare through empanelled private hospitals under different health insurance schemes across the country. Healthcare is also provided through Public Private Partnerships from NGOs and other private providers in hilly and difficult terrains, hard to reach areas or areas affected by left wing extremists, etc.

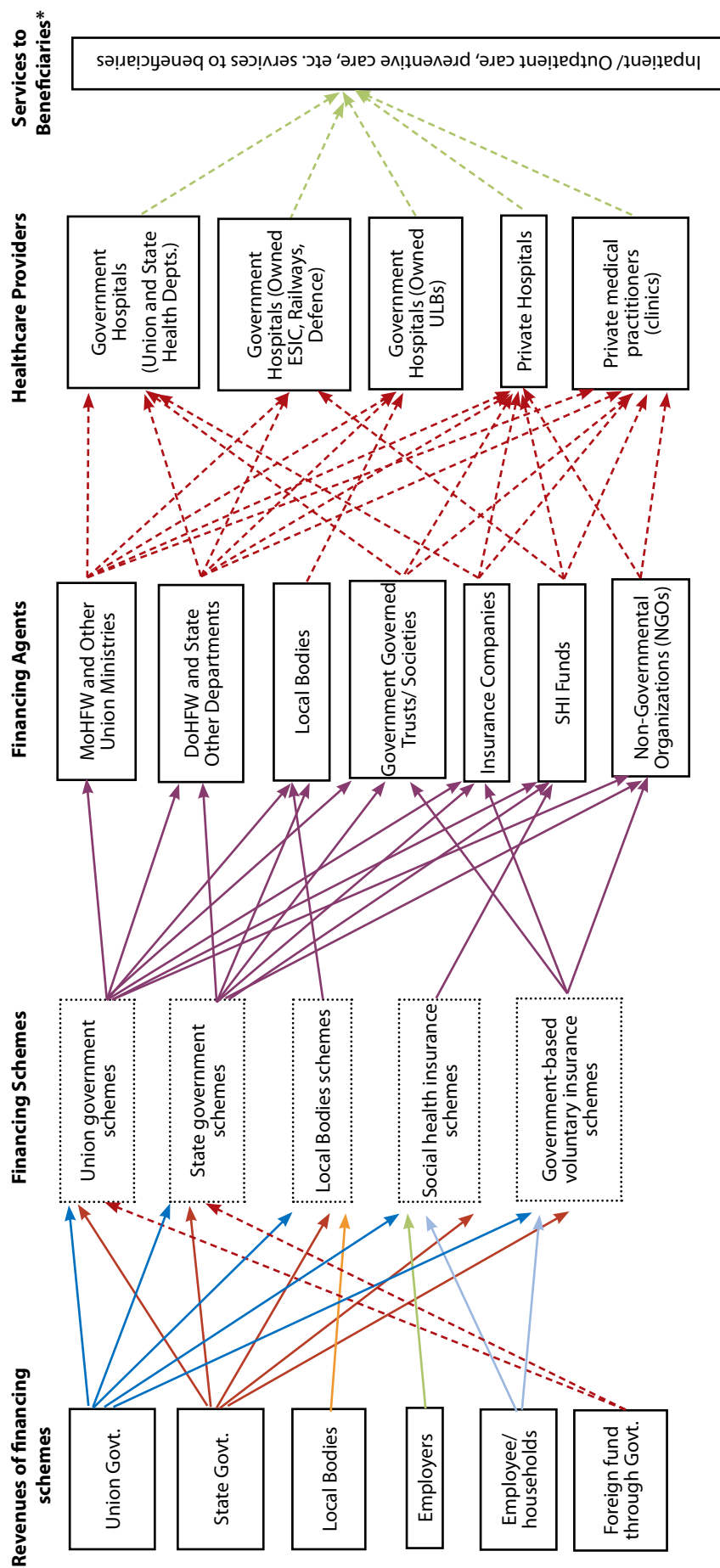
Figure 2 shows the flow of funds from various Government schemes, their funding sources, how the funds are spent at each level of provider and what type of services are purchased through these Government funds.

⁸ The Government of India followed the society route of funds transfer in 2013-14, which has now been changed to treasury route.

⁹ These Central and State shares have changed in 2015-16 to 60: 40. However in North East States, Jammu & Kashmir, Himachal Pradesh and Uttarakhand, State contribution continues to remain at 10%.

Figure 2: Flow of Funds – Government Health Expenditures

(Arrows reflect flow of funds to financing agents/providers and services to beneficiaries. Financing Schemes are shown in dotted boxes as the financing agents are represented by them)



*The health accounts for beneficiaries by population and disease categories have not been done for this report, but are important classifications that will be attempted in future

2. DATA SOURCES

Union Government

The health expenditure data of Union Ministry of Health and Family Welfare (MoHFW) has been sourced from the Detail Demand for Grants (DDG) of MoHFW. The data is presented in Demand No. 48 – Department of Health and Family Welfare, Demand No. 49 – Department of Health Research¹⁰ and Demand No. 50 – Department of AIDS Control.¹¹ The data on expenditure by Department of AYUSH¹² is sourced from Demand No. 6, Ministry of AYUSH.

The DDGs were available in printed hard copies. The health expenditure data was entered and verified at National Health Accounts Cell, MoHFW, Govt. of India.

The Financial Monitoring Reports (FMR)¹³ of all states along with the Record of Proceedings (ROP's) of respective states are used for allocating the expenditures under National Health Mission according to SHA 2011 categories. The FMR for all states and UTs are obtained from the Financial Management Group, National Health Mission, MoHFW.

The data for other union ministries or departments (i.e. union ministries and departments other than MoHFW that incur expenditure on health) is sourced from the detail demand for grants of respective Ministries or Departments as shown in the **Table 1** below.

Table 1: Data Sources for Union Government Health Expenditures

Sources of Expenditure Ministry/ Department	Data source
MoHFW	DDG Demand No. 48,49,50
Ministry of AYUSH	DDG Demand No. 6
Ministry of Communication and Information Technology	DDG Demand No. 13 - Dept. of Posts DDG Demand No. 16 - Dept. of Electronics and Information Technology
Ministry of Mines	DDG Demand No. 67
Ministry of Railways	DDG- Part-I & Part-II

10 The demand number for Department of Health Research has been changed to Demand no 43- Department of Health Research.

11 The Demand number for Department of Health and Family Welfare has changed to Demand no. 42. The Department of AIDS Control is now a part of Department of Health and Family welfare and the expenditures are reported in Demand no. 42.

12 As Department of AYUSH has become independent Ministry since November 2014 the DDG has changed Demand No 6 - Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH).

13 The Financial Monitoring Report is a financial report that provides component-wise utilization against the budget allocated in the given financial year. Every month, FMRs are prepared at the district level on the basis of Statement of Expenditure (SoE) booked at the block and the facility (CHC/PHC/SC) level. The FMRs are consolidated at the State level and sent quarterly to the Financial Management Group, MoHFW, Gol.

Sources of Expenditure Ministry/ Department	Data source
Ministry of Science and Technology	DDG Demand No. 86 - Dept. of Science and Technology DDG Demand No. 87 - Dept. of Scientific and Industrial Research DDG Demand No. 88 - Dept. of Bio-Technology
Ministry of Defence	Defence Services Estimates
Ministry of Labour and Employment	DDG Demand No. 62
Ministry of Minority Affairs	DDG Demand No. 68
Ministry of Youth Affairs and Sports	DDG Demand No. 109
Ministry of Finance	DDG Demand No. 43 - Department of Revenue
Ministry of Social Justice and Empowerment	DDG Demand No. 90
Department of Atomic Energy	DDG Demand No. 4
Ministry of Chemicals and Fertilisers	DDG Demand No. 9 - Dept. of Pharmaceuticals

State Governments and Local Governments

The health expenditure data was entered and verified and provided in electronic format/excel sheets by the National Health Accounts Cell, Ministry of Health and Family Welfare, Govt. of India.

The Financial Management Reports (FMR)¹⁴ of all States along with the Record of Proceedings (ROPs) of respective States are used for allocating the expenditures under National Health Mission according to SHA 2011 categories. The FMR for all States and UTs are obtained in electronic from the Financial Management Group, National Health Mission, MoHFW.

The data on healthcare expenditures of State/UTs Departments (other than Department of Health and Family Welfare) was obtained from the Detail Demand for Grants of respective State and UT Departments and entered at the National Health Accounts Technical Secretariat, National Health Systems Resource Center, MoHFW.

The Rural Local Bodies health expenditure (from their own resources) data was obtained from the Fourteenth Finance Commission¹⁵. The Urban Local Bodies health expenditure (from their own resources) data is collected through a sample survey¹⁶, since the information available with Fourteenth Finance Commission did not have disaggregated data on health expenditure. The details of sample survey are provided in the "National Health Accounts Guidelines for India".

Health Insurance

Data sources for health insurance expenditures are (1) Union or State Government demand for grants (budget books); (2) data on contributions and medical reimbursements/ treatment expenses of Government Employees obtained from the Controller General of Accounts (CGA); (3) Annual Report of the Insurance Regulatory and Development Authority of India (IRDAI); (4) Annual Report of the Insurance Information Bureau (IIB) and specific disaggregated data obtained from IIB on components of claims reimbursed (medicines, nursing charges, investigation etc.) (5) Annual Reports of the Government Departments implementing insurance schemes or the social health insurance agencies (Central Government Health Scheme, Employee State Insurance Corporation); (6) Annual Reports and websites of the Government voluntary insurance schemes.

14 The Financial Monitoring Report is a financial report that provides component-wise utilization against the budget allocated in the given financial year. Every month, FMRs are prepared at the district level on the basis of Statement of Expenditure (SoE) booked at the block and the facility (CHC/PHC/SC) level. The FMRs are consolidated at the State level and sent quarterly to the Financial Management Group, MoHFW, GoI.

15 It was not possible to classify the healthcare expenditure by RLBs according to the SHA 2011 framework. Therefore the absolute value of total healthcare expenditure by RLBs was included in final estimates so that we do not miss these expenditures.

16 The Public Health Foundation of India, New Delhi, conducted the survey with support from NHRSC.

3. BOUNDARIES

The SHA 2011 criteria for boundary setting were used to identify health expenditures incurred by different union Ministries and Departments. Approximately 90 different Detail Demand for Grants (DDGs) were studied thoroughly to identify any expenditure on health or health related activities and was examined against the set criteria in the SHA 2011 manual. All expenditures by the Union Ministry of Health and Family Welfare were found to meet the criteria and were included. In addition to MoHFW, twelve other Union Ministries/Departments, viz. Ministry of Defence, Railways, Labour and Employment, Minority Affairs, Finance, Communications, Chemicals and Fertilizers, Mines, Social Justice and Empowerment, Science and Technology, Youth Affairs and Sports, and Department of Atomic Energy were identified. Each of these Ministries or Departments had line items which were inside the healthcare boundary and hence were included as health expenditure.

The DDGs of each and every Department of all the State Governments and Union Territories were studied thoroughly to identify any expenditure on health or health related activities. All expenditures by the State Department of Health and Family Welfare were found to meet the criteria and were included. In addition to DoHFW, other State Departments such as Labour, Art and Culture, Social Security, Welfare and Nutrition, Welfare of SC/ST and OBC, Information and Publicity, Jails, Police, Natural Disaster, Tribal Development, Social Welfare, Women and Child Development, Sports, Pension, Public Work, Home, Revenue, Finance, Agriculture, etc. were found to be spending on healthcare. The specific line items and their expenditure were included under the health expenditure boundary. The expenditure on medical reimbursements to State Government employees by each Department of all the States and UTs was also included.

The Government Health Expenditures were divided into current and capital expenditures according to the NHA Guidelines. All expenditure on building capital assets, renovations and expansions of buildings, purchasing of vehicles, machines, equipment, medical/ AYUSH/ paramedical education, research and development, training (except on the job trainings), major repair work were considered as capital expenditure and were separated from the current expenditures.

For more details, see section on boundaries for health expenditures in NHA Guidelines for India¹⁷.

17 National Health Accounts Guideline for India, National Health Systems Resource Centre, Ministry of Health and Family Welfare, Government of India; May 2016.

4. METHODOLOGY

The following steps were taken to arrive at the Government Health Expenditure estimates:

- The Government expenditure data (Union government, other Ministries and State Departments of health) in electronic format was procured from the National Health Accounts Cell, Ministry of Health and Family Welfare (MoHFW).
- In addition to this, the data on medical reimbursements to the employees of Union Government and State Governments; reported in the DDGs under the object head “06 – Medical Treatment/ Reimbursements” was procured in electronic format (i.e. excel sheets) from the office of “Controller General of Accounts (CGA)”, Ministry of Finance, Government of India.
- Also a separate exercise was carried out to identify healthcare expenditure data by other Union Ministries and State Departments through a meticulous screening of DDGs of all Union Ministries, Departments and State Departments to identify line items falling within health expenditure boundary.
- After all the data were compiled, current and capital expenditures were separated.
- The current expenditure line items were then mapped as per the SHA 2011 framework and “National Health Accounts Guidelines for India”. Each line item was mapped to a specific classification category and codes under healthcare financing scheme, revenues of healthcare financing schemes, providers of healthcare, and healthcare functions.
- Those expenditure line items with more than one source, schemes, providers and functions were then identified and the expenditure amounts were apportioned using specific criteria (See **Box 1**).

Box 1: Example of Methodology Used to Derive Allocation Keys for Apportioning Healthcare Expenditures

The allocations keys for inpatient and outpatient at a specific facility have been arrived at, by taking HMIS data for caseloads at a facility along with the cost ratio of providing inpatient and outpatient services at these facilities using the following formula:

- Case load ratio at the facility = IPx / OPx ,
- Costing Ratio at the facility = $IPC / OPC^{\#}$
- Total expenditure ratio IP/ OP = $(IPx / OPx) * (IPC / OPC)$

Where, IPx = cases of inpatient admissions at facility, OPx = cases of outpatient visits at facility, IPC = Average cost of 1 Inpatient admission, OPC = Average cost of 1 outpatient visit, IP = Inpatient, OP = Outpatient.

These ratios will vary across states depending on the costs and utilization of different services.

The HMIS data is available facility wise for all states and has been used accordingly for each state; however the cost data was available only for public facilities in Punjab and Haryana and the same has been applied to all the States. Cost for Sub District Hospital has been taken similar to the District Hospital.

- The data set also included line items reporting “Recoveries” that had to be deducted in order to get the right totals. These recoveries were adjusted against corresponding line items and matching budget codes and description of expenditure line items.
- The line items where recovery was not matching to a specific expenditure line item, the total amounts were deducted proportionately from all the line items under the same major head.
- The excel sheets prepared with mapped line items and expenditures were uploaded to Health Accounts Production Tool (HAPT). The NHA tables were obtained using the HAPT software.
- The outputs of HAPT are presented in the Annexures and estimates section of this report.

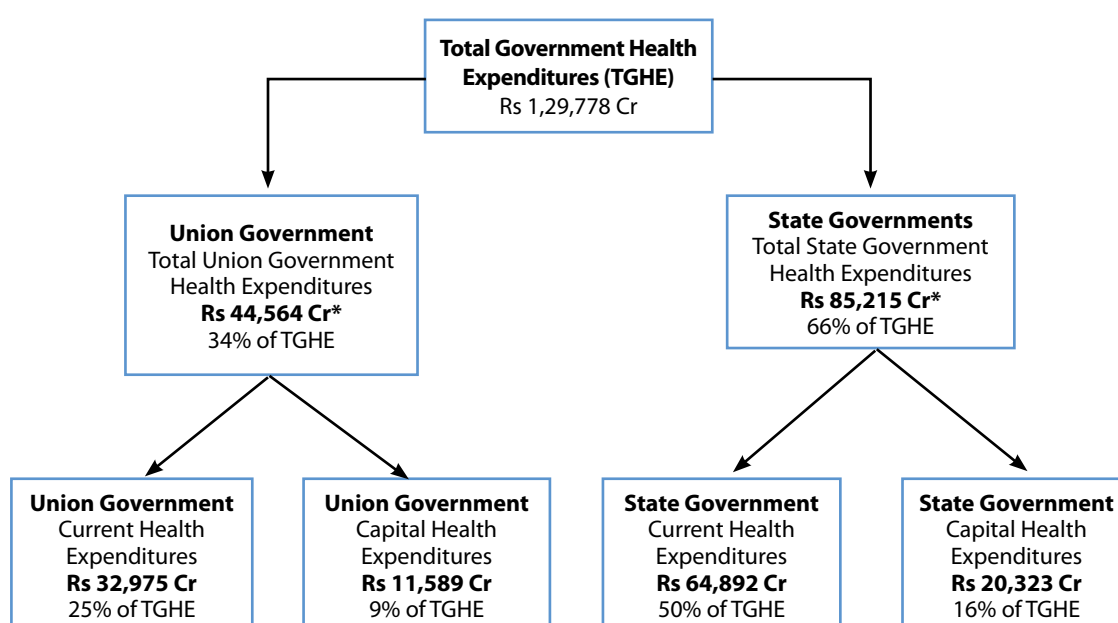
5. ESTIMATES

In this section the Government Health Expenditures estimates are presented in detail. Section 5.1 provides the details of Total Government Health Expenditures, including the key indicators for Government Health Expenditures. Section 5.2 presents capital expenditures by States and Union Governments. Section 5.3 provides the details of current Government Health Expenditures by financing schemes, revenues of healthcare financing scheme, healthcare providers and functions. Each sub section there after describes a specific healthcare financing scheme and provides details of expenditure estimates under each scheme by revenues of healthcare financing schemes (i.e. the sources of funds for financing these schemes), healthcare providers and functions.

5.1 Total Government Health Expenditures

The Total Government Health Expenditure (TGHE) for FY 2013-14 is estimated at Rs 1,29,778 crores. TGHE is the sum total of Government Current Health Expenditure (Rs 97,866 crores) and Government Capital Expenditure (Rs 31,912 crores). **Figure 3** shows distribution of Total Government Health Expenditures (TGHE) in India in FY 2013-14 into Union and State Government.

Figure 3: Distribution of Total Government Health Expenditures (TGHE)¹⁸



* Figures rounded off

18 The use of Total Health Expenditures (THE) or Total Government Health Expenditures (TGHE) is discouraged in SHA 2011. It is argued that the TGHE shows current & capital Government Health Expenditure in the current year and does not represent the actual use of these funds in current year.

The Union Government Current Health Expenditure (Rs 32,975 crores) includes – MoHFW and Other Union Ministries (Rs 27,764 crores), CGHS (Rs 2,393 crores), ECHS (Rs 1,776 crores), RSBY (Rs 928 crores) and Handloom Weavers and Artisans Health Insurance Scheme (Rs 114 crores).

The Union Government Capital Health Expenditure (Rs 11,589 crores) includes – MoHFW and Other Union Ministries (Rs 11,565 crores), CGHS (Rs 10 crores) and ECHS (Rs 14 crores).

The State Government Current Health Expenditure (Rs 64,892 crores) includes: DoHFW (all states and UTs) and other State Departments (all states and UTs) (Rs 46,138 crores), ULBs (3,933 crores), RLBs (3,316), ESIS (Rs 7,970 crores), State specific health insurance schemes in all States and UTs (Rs 3,485 crores), RSBY (Rs 184 crores) and Handloom Weavers and Artisans Health Insurance Scheme (Rs 45 crores).

The State Government Capital Health Expenditure (Rs 20,323 crores) includes: DoHFW (all States and UTs) and other State Departments (all States and UTs) (Rs 19,885 crores) and ESIS (Rs 438 crores).

The key Government Healthcare Financing Indicators for FY 2013-14 are presented in **Table 2**.

Table 2: Key Indicators - Government Health Expenditures, 2013-14

Sr. No	Indicator	Ratio Indicator	NHA Codes (linked)	Numerator (Rs in crores)	Denominator (Rs. In crores)	Indicator Value (%)	Numerator per Capita 2013-14 (in Rs)
1	Total Health Expenditures (THE)	as % of GDP	CHE+HK	453106	11272764	4.02	3638
2	Current Health Expenditures (CHE)	as % of GDP	All schemes sum total	421194	11272764	3.74	3382
		as % of THE			453106	92.96	
3	Total Government Health Expenditures (TGHE)	as % of GDP	HF.1+HF.2.1.1.2+HK	129778	11272764	1.15	1042
		as % of general government expenditure (GGE)			3434182	3.78	
		as a % of THE			453106	28.64	
4	Current Government Health Expenditures (CGHE)	as % of CHE	HF.1+HF.2.1.1.2	97866	421194	23.24	786
		as % of TGHE			129778	75.41	
5	CGHE (excluding insurance)	as % of CHE	HF.1+HF.1.2.1	80971	421194	19.22	650
		as % of CGHE			97866	82.74	
5.1	Union Government Schemes	as % of CGHE	HF.1.1.1.1+HF.1.1.1.2	27764	97866	28.37	223
5.2	State Government Schemes	as % of CGHE	HF.1.1.2.1.1+HF.1.1.2.1.2	46138	97866	47.14	370
5.3	Local Government Schemes	as % of CGHE	HF.1.1.2.2	7069	97866	7.22	
5.3.1	Urban Local Bodies Schemes	as % of CGHE	HF.1.1.2.2.1	3933	97866	4.02	
5.3.2	Rural Local Bodies Schemes	as % of CGHE	HF.1.1.2.2.2	3136	97866	3.20	
6	Social Health Insurance Schemes	as % of CGHE	HF.1.2.1	12139	97866	12.40	

Sr. No	Indicator	Ratio Indicator	NHA Codes (linked)	Numerator (Rs in crores)	Denominator (Rs. In crores)	Indicator Value (%)	Numerator per Capita 2013-14 (in Rs)
7	Government based Voluntary Health Insurance Schemes	as % of CGHE	HF.2.1.1.2	4757	97866	4.86	38
8	Domestic General Government Funds for Health	as % of CHE	All financing sources sum total	97866	421194	23.24	786
8.1	Domestic Union Government Funds for Health	as % of CGHE	FS.1.1.1	32897	97866	33.61	264
8.2	Domestic State Government Funds for Health	as % of CGHE	FS.1.1.2	53577	97866	54.75	430
8.3	Domestic Urban Local Bodies Funds for Health	as % of CGHE	FS.1.1.3.1	2556	97866	2.61	
8.4	Domestic Rural Local Bodies Funds for Health	as % of CGHE	FS.1.1.3.2	24	97866	0.02	
9	Government AYUSH/ TCAM expenditures	as % of CGHE	HC.RI.2	2542	97866	2.60	20
10	Government Expenditure on Curative care	as % of CGHE	HC.1	59843	97866	61.15	481
10.1	Government Expenditure on Inpatient care	as % of CGHE	HC.1.1.1+HC.1.1.2	35356	97866	36.13	284
10.2	Government Expenditure on Outpatient care	as % of CGHE	HC.1.3.1+HC.1.3.2+HC.1.3.3	24478	97866	25.01	197
11	Government Expenditure on Preventive care	as % of CGHE	HC.6	24660	97866	25.20	198
12	Expenditure on Hospitals - Government	as % of CGHE	HP.1.1.1+HP.1.2.1+HP.1.3.1	37352	97866	38.17	300
13	Government Expenditure on Ambulatory Healthcare centres	as % of CGHE	HP.3.1.1+HP.3.3+HP.3.4.1+HP.3.4.9	25975	97866	26.54	209
14	Expenditure on Inpatient care in General Government Hospitals	as % of CGHE	From HCxHP Matrix	25382	97866	25.94	204
15	Expenditure on Inpatient care in specialized Government Hospitals (other than mental hospitals)	as % of CGHE	From HCxHP Matrix	3248	97866	3.32	26

Sr. No	Indicator	Ratio Indicator	NHA Codes (linked)	Numerator (Rs in crores)	Denominator (Rs. In crores)	Indicator Value (%)	Numerator per Capita 2013-14 (in Rs)
16	Expenditure on Outpatient care in Government Hospitals	as % of CGHE	From HCxHP Matrix	8068	97866	8.24	65
17	Primary Care	as % of CGHE	From HCxHP Matrix	50010	97866	51.10	402
18	Secondary Care	as % of CGHE	From HCxHP Matrix	22822	97866	23.32	183
19	Tertiary Care	as % of CGHE	From HCxHP Matrix	12723	97866	13.00	102

Source:

1. GDP - Advance Estimates of National Income and Expenditures of GDP at current prices, 2015-16.
2. The projected population for the year 2013 has been derived using Census 2011 population estimates and compound growth rate between 2001 and 2011. This is estimated as 124.5 crores for 2013-14.
3. *General Government Expenditure (GGE) – Handbook of Statistics on the Indian Economy, Reserve Bank of India.

5.2 Capital Expenditures

Capital Expenditure¹⁹ in the healthcare system is measured by the total value of the fixed assets that health providers have acquired during the accounting period and are used repeatedly or continuously for more than one year in the production of health services. The capital expenditure by Government includes expenditure on building capital assets (e.g. hospitals, clinics, etc.), major repair work, renovations and expansions of buildings, purchasing of vehicles, machines, equipments, etc. It also includes expenditure on medical and paramedical education²⁰, research and development, training (except on the job trainings). The government capital expenditure on health (i.e. Union, State and local Governments together) in FY 2013-14 is estimated at Rs 31,912 crores constituting 25% of the Total Government Health Expenditure.

Union Government capital expenditure is estimated at 9% of TGHE (Rs 11,589 crores). This equates to 36% of the Government capital expenditures on health. The Union Government capital expenditures on health includes capital expenditure by MoHFW (Rs 11,543 crores), the capital expenditure by Union Ministries other than MoHFW (Rs 22 crores). In addition to this, the capital expenditure under ECHS and CGHS is Rs 14 crores and Rs 10 crores, respectively.

State Government capital expenditure is estimated at 16% of TGHE (i.e. Rs 20,323 crores). This equates to 64% of the capital expenditures on health by Government. The State Government capital expenditure on health includes expenditure by DoHFW²¹ (DoHFW of all States and UTs together) estimated at Rs 19,862 crores, by State Government Departments other than DoHFW estimated at Rs 22 crores and Rs 438 crores under ESIS. **Table 3 and Figure 4** show the distribution of capital expenditure by various levels of Government in 2013-14.

19 The definition is modified using the OECD definition of gross capital formation, available at <http://www.oecd-ilibrary.org/docserver/download/8115071ec064.pdf?expires=1470650955&id=id&accname=guest&checksum=ABB9FFEEB45EF4735BA7CED394E673F>

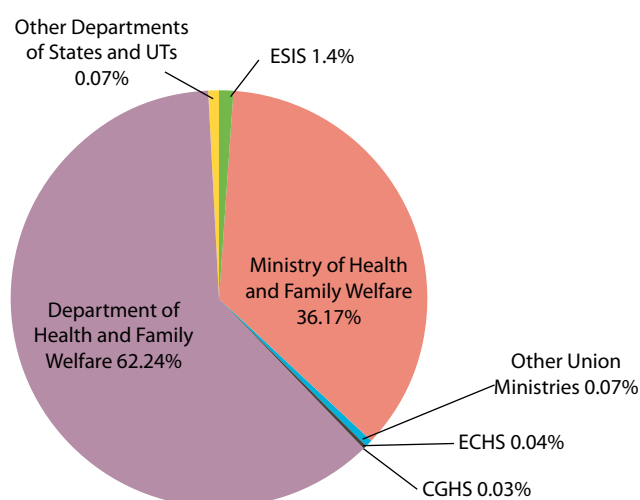
20 Expenditure on medical and paramedical education includes expenditure on Universities and colleges providing professional education in disciplines such as Allopathy, Ayurveda, Yoga, Unani, Siddha, Homeopathy, nursing, physiotherapy, occupation therapy, etc.

21 The estimated capital expenditure of State Department of Health And Family Welfare (all States and UTs together) in FY 2013-14 is Rs 19,863 crores. This estimate of Rs 19,863 is obtained after deduction of Rs 451 Crores (i.e. the amount reported in state DoHFW detail demand for grants as capital expenditure under centrally sponsored schemes (CSS)) to avoid double counting. Rs 451 Crores also reflects under the detail demand for grants of MoHFW and is included as capital expenditure by MoHFW.

Table 3: Details of Capital Expenditures on Health by Levels of Government

Level of Government	Ministry/ Department	Exp (in crores)	Total (in crores)
Union Government	MoHFW	11,543	11,589
	Other Central Ministries (OCM)	22	
	Social Health Insurance (CGHS)	10	
	Ex-servicemen Contributory Health Scheme (ECHS)	14	
State Government	DoHFW*	19,862	20,323
	State Other Departments (SOD)	23	
	Employee State Insurance Scheme (ESIS)	438	
Total		31,912	31,912

*The capital expenditures under Centrally sponsored schemes (CSS) is reflected in the DDGs of both State and Union Government budget books/ DDGs. To adjust for double counting, the capital expenditure under CSS (Rs 451 crores) reported in the DDGs of DoHFWs of all states and UTs is deducted from the total Capital Expenditure of DoHFWs i.e. Rs 20313. (i.e. 20313-451=19862 crores).

Figure 4: Distribution of Capital Expenditures (%), 2013-14

5.3 Current Government Health Expenditures (CGHE)

Current expenditure²² on health quantifies the economic resources spent on the healthcare goods and services consumed by the resident units. The CGHE includes expenditure on human resources (i.e. medical, paramedical and non medical staff), medicines and consumables, material and supplies, administration, etc.

This section presents the summary of Current Government Health Expenditure estimates in India for FY 2013-14 by financing schemes, revenues/source of funds, providers and functions. These estimates were calculated using the NHA tables generated using the Health Accounts Production Tool (HAPT). The NHA cross classification tables are presented in Annexures **Tables A.1.1 to A.1.4** for reference. The NHA tables are a set of 2x2 matrices generated to track the flow of funds between two SHA 2011 classification categories. The NHA estimates for Government Health Expenditures and the healthcare financing indicators presented in this report were derived using these tables. The following matrices are provided in the annexures:

22 OECD, Eurostat, WHO (2011), A System of Health Accounts, OECD Publishing. doi: 10.1787/9789264116016-en

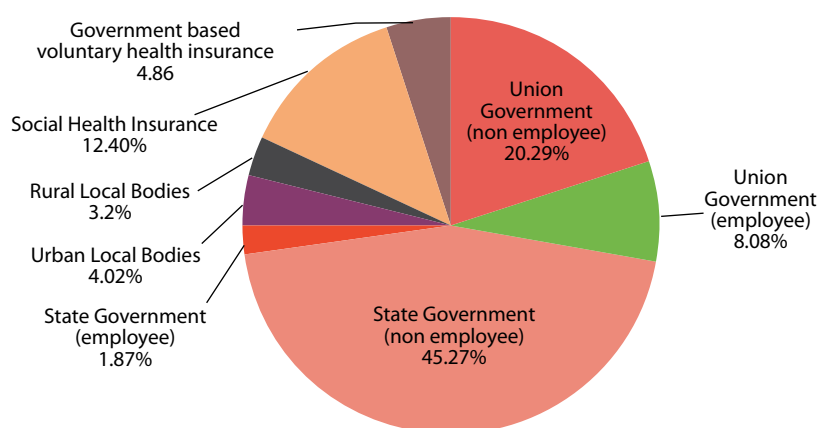
- Annex 1: NHA tables
- Table A.1.1: HFxFS (2x2) matrix cross classifying financing schemes with financing sources
- Table A.1.2: HPxHF (2x2) matrix cross classifying financing schemes with healthcare providers
- Table A.1.3: HCxHF (2x2) matrix cross classifying financing schemes with healthcare functions
- Table A.1.4: HPxHC (2x2) matrix cross classifying healthcare providers with healthcare functions

In 2013-14, the CGHE is estimated at **Rs 97,866 crores**. The pie charts in this section present distribution of Current Government Health Expenditures according to healthcare financing schemes (**Figure 5**), revenues of health financing schemes (source of financing) (**Figure 6**), healthcare providers (**Figure 7**) & healthcare functions (**Figure 8**).

Healthcare Financing Schemes

Government Health Expenditures are mainly through State Government Schemes (Non Employee) 45.27% of CGHE (i.e. Rs 44,306 crores), followed by Union Government schemes (Non-Employee) at 20.29% of CGHE (i.e. Rs 19,583 crores) and Social Health Insurance Schemes at 12.40% (i.e. Rs 12,139 crores). The expenditure through Union Government Schemes (Employee) is estimated at 8.08% of CGHE (i.e. Rs 7,911 crores), financing through Government-based voluntary insurance schemes is estimated at 4.86% of CGHE (i.e. Rs 4,757 crores) and financing through urban and rural local bodies schemes is estimated at 4.02% of CGHE (i.e. Rs 3,933 crores) and 3.2% of CGHE (i.e. Rs 3,136 crores) respectively. The CGHE through State Government Scheme (Employee) is estimated at 1.87% of CGHE (i.e. Rs 1,832 crores).

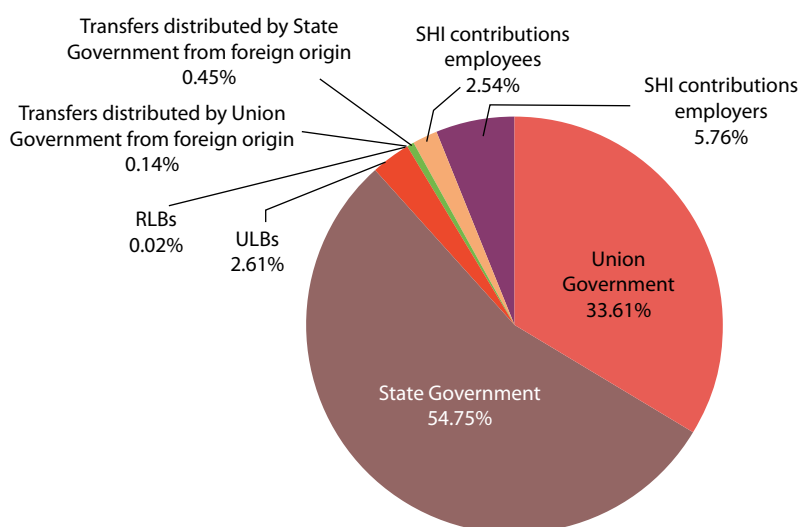
Figure 5: Distribution of Current Government Health Expenditures according to Healthcare Financing Schemes



Revenues of Healthcare Financing Schemes

The healthcare financing schemes are mainly funded by State Governments and Union Territories, which is estimated at 54.75% of CGHE (i.e. Rs 53,577 crores). The other major sources of financing are - Union Government estimated at 33.61% of CGHE (i.e. Rs 32,897 crores), Social Health Insurance Contributions from employers and employees estimated at 5.76% of CGHE (i.e. Rs 5,635 crores) and 2.54% of CGHE (i.e. Rs 2,485 crores) respectively. The other sources of financing includes Urban Local Bodies (from their own revenues) at 2.61% of CGHE (i.e. Rs 2,556 crores), transfers distributed by State Government from foreign origin at 0.45% of CGHE (i.e. Rs 442 crores), transfers distributed by Union Government from foreign origin at 0.14% of CGHE (i.e. Rs 136 crores), voluntary prepayments from individuals/households- 0.12% of CGHE (i.e. Rs 114 crores) and Rural Local Bodies (from their own revenues) 0.02% of CGHE (i.e. Rs 24 crores).

Figure 6: Distribution of Current Government Health Expenditures according to Revenues of Healthcare Financing Schemes, 2013-14



Healthcare Providers

Current Government Health Expenditures are largely incurred at Government General Hospitals²³ which is estimated at 34.34% of CGHE (i.e. Rs 33,604 crores). The expenditure at “all other Ambulatory centers”²⁴ is estimated at 16.51% of CGHE (i.e. Rs.16,160 crores). The expenditure on providers of preventive care²⁵ is estimated at 12.11% of CGHE (i.e. Rs 11,851 crores). The providers of healthcare system administration and financing account for 13.30% of CGHE (i.e. Rs 13,013 crores), this can be further broken down into – i) Government Health Administration Agencies that account for 11.96% of CGHE (i.e. Rs 11,704 crores), ii) Social Health Insurance Agencies (1.07% of CGHE, Rs 1,048 crores), iii) Private health insurance administration (0.08% of CGHE, Rs 76 crores) and iv) Other administration agencies (0.19% of CGHE, Rs 185 crores). The expenditure on Family Planning centres account for 5.25% of CGHE (i.e. Rs 5,138 crores), private general hospitals account for 4.97% of CGHE (i.e. Rs 4,861 crores), other healthcare practitioners²⁶ account for 4.69% of CGHE (i.e. Rs 4,591 crores), Government Specialized²⁷ hospitals account for 3.37% of CGHE (i.e. Rs 3,303 crores), providers of patient transport account for 1.02% of CGHE (i.e. Rs 998 crores), Government Mental Hospitals account for 0.46% of CGHE (i.e. Rs 445 crores), offices of general medical practitioners (i.e. private clinics) account for 0.09% of CGHE (i.e. Rs 85 crores) and “Other healthcare practitioners not elsewhere classified” account for 3.90% of CGHE (Rs 3,816 crores).

23 Government General Hospitals include – Government Medical College Hospitals, District Hospitals, Sub-District/ Taluk/ Area Hospital and Community Health Centre.

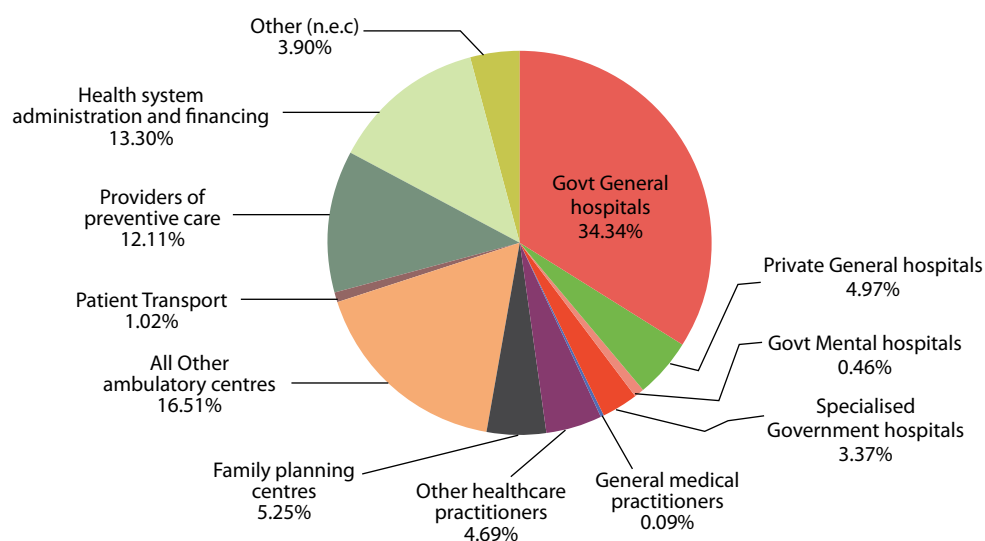
24 All other ambulatory Centers include – Primary Health Centre (PHC), Dispensaries, AYUSH Dispensaries, etc.

25 This category comprises organizations/ institutions that primarily provide collective preventive programs and campaigns/ public health programs for specific groups of individuals or the population-at-large, such as health promotion and protection agencies or public health institutes as well as specialized establishments providing primary preventive care as their principal activity. For India these include ASHA, Multi-Purpose Health worker, community health workers and volunteers under national Public health programs for communicable and non-communicable diseases. Also included are providers for IEC programs/ activities, Grants to Indian Red Cross Society Port Health Establishment including Airport Organization, Administration & Prevention of Food Adulteration (General Component), Food Safety and Standards Authority of India, BCG Vaccine Laboratory, Chennai, etc.

26 This includes sub- centers, Aanganwadi centers, Village health & nutrition sanitation Committees (VHNSC), etc.

27 This includes specialty hospitals like cancer, TB and lung diseases, cardiology, neurology etc. Hospitals exclusively providing maternal & child health and the government AYUSH Hospitals are also included here.

Figure 7: Distribution of Current Government Health Expenditures according to Healthcare Providers, 2013-14



Healthcare Functions

The Government expenditure on curative care is estimated at 61.15% of CGHE (i.e. Rs 59,843 crores). Further break up of the curative care expenditures reveal that: i) general outpatient curative care is 24.79% of CGHE (i.e. Rs 24,257 crores), ii) general inpatient curative care is 23.25% of CGHE (i.e. Rs 22,751 crores), iii) specialized inpatient curative care 12.88% of CGHE (i.e. Rs 12,605 crores), iv) dental outpatient curative care 0.11% of CGHE (i.e. Rs 109 crores), specialized outpatient curative care 0.11% of CGHE (i.e. Rs 111 crores) and v) home based curative care 0.01% of CGHE (i.e. Rs 10 crores).

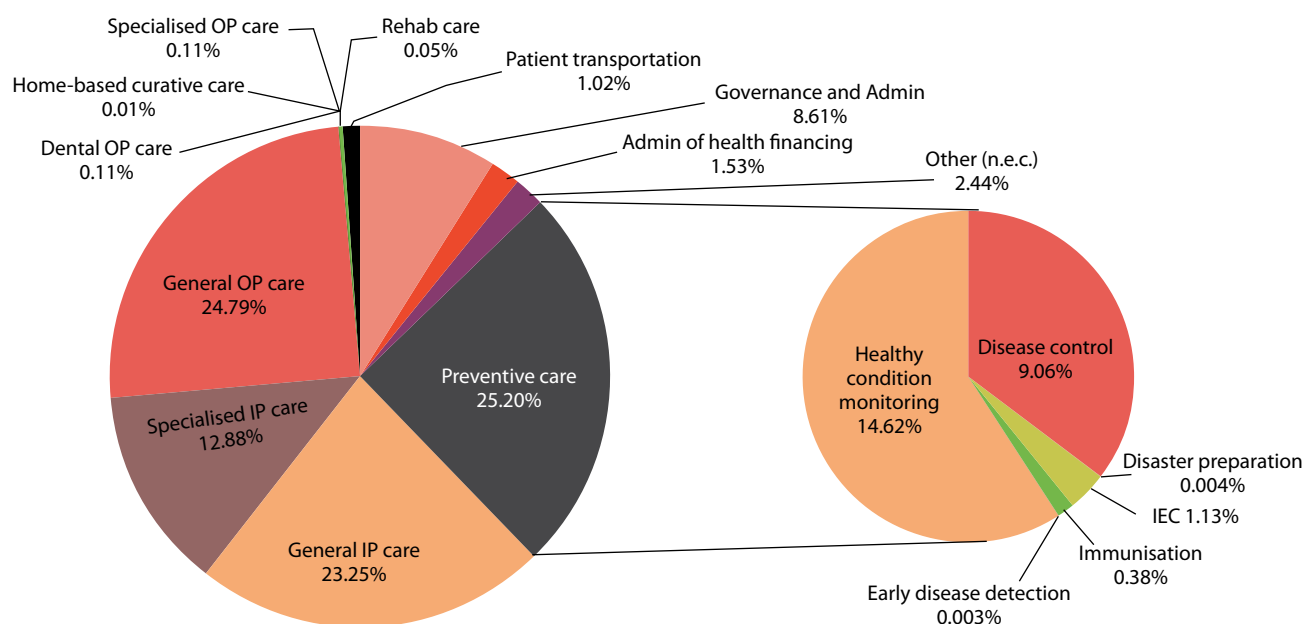
Government expenditure on preventive care accounts for 25.20% of CGHE (i.e. Rs 24,660 crores). The composition of the preventive care expenditures includes, i) Healthy condition monitoring programmes²⁸ 14.62% of CGHE (i.e. Rs 14,312 crores), ii) Epidemiological surveillance and risk and disease control programmes 9.06% of CGHE (i.e. Rs 8,868 crores), iii) Information, Education and Counselling (IEC) programmes 1.13% of CGHE (i.e. Rs 1,104 crores), iv) Immunisation programmes 0.38% of CGHE (i.e. Rs 371 crores), v) Preparing for disaster and emergency response programmes 0.004% of CGHE (i.e. Rs 4 crores) and vi) Early disease detection programmes 0.003% of CGHE (i.e. Rs 3 crores).

The expenditure on "Governance and health system and financing administration" accounts for 10.14% of CGHE (i.e. Rs 9,921 crores), of which i) Governance and Health system administration accounts for 8.61% of CGHE (Rs 8,425 crores) and ii) Administration of healthcare financing accounts for 1.53% of CGHE (i.e. Rs 1,496 crores).

The expenditure on patient transportation, rehabilitative care and long term care accounted for 1.02% (Rs 998 crores), 0.05% (Rs 51 crores) and 0.005% (Rs 5 crores) of CGHE respectively. The expenditure on other healthcare services not elsewhere classified is estimated at 2.44% of CGHE (i.e. Rs 2,388 crores).

28 This includes expenditure on Ante Natal Care (ANC), Post Natal care (PNC), School Health Program, etc.

Figure 8: Distribution of Current Government Health Expenditures according to Healthcare Functions, 2013-14



5.3.1 Current Health Expenditures under Union Government Schemes (Non Employee)

The expenditure under Union Government Schemes (non employee) is estimated at 20% of CGHE (i.e. Rs 19,853).

5.3.1.1 Revenues of Healthcare Financing Schemes

The scheme is financed mainly through internal transfers and grants from Union Government, which accounts for 74% of the total expenditure under this scheme (or 15% of CGHE, Rs 14,655 crores). The other sources of financing this scheme are i) internal transfers and grants from State Governments, which accounts for 25% (i.e. 5% of CGHE, Rs 5061 crores) and transfers distributed by Union Government from foreign origin, which account to 1% (i.e. 0.1% of CGHE, Rs 136 crores) of the total expenditure under this scheme.

5.3.1.2 Healthcare Providers

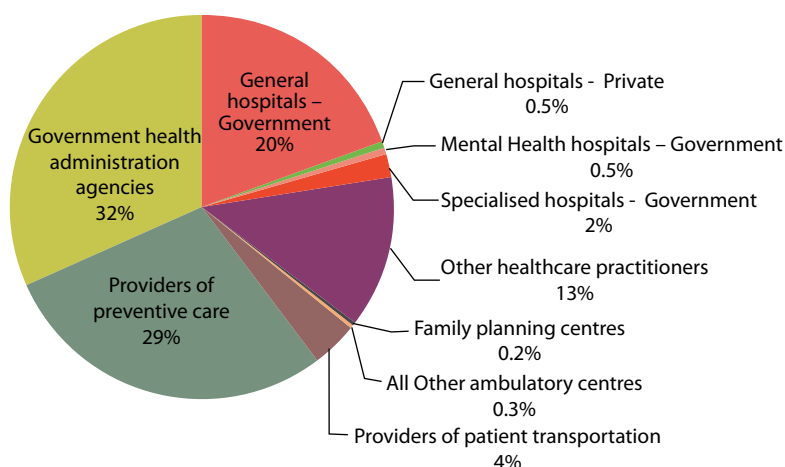
Expenditures are largely incurred at providers of preventive care estimated at 29% of the total expenditure under this scheme (i.e. 6% of CGHE, Rs 5,797 crores), 20% of these expenditures are on Government General Hospitals²⁹ (i.e. 4% of CGHE, Rs 3,900 crores), 13% on other healthcare practitioners³⁰ (i.e. 2% of CGHE,

29 Government General Hospitals include – All India Institute of Medical Sciences (AIIMS); Post Graduate Institute of Medical Education and Research (PGIMER), Chandigarh; and other such apex hospitals, Dr Ram Manohar Lohia (Dr RML) Hospital, Safdurjung Hospital and other such hospitals across the country and other hospitals such as Government Medical College Hospitals, District Hospitals, Sub-District/ Taluk/Area Hospital and Community Health Centre through funds under National Health Mission (NHM).

30 This includes sub- centers, Aanganwadi centers, Village health & nutrition sanitation Committees (VHNSC), etc.

Rs 2,488 crores). The expenditure at Government Health Administration Agencies³¹ accounts for 32% of the total expenditure under this scheme (i.e. 6% of CGHE, Rs 6,266 crores). The expenditure at Government Specialised Hospitals³² estimated at 2% of the total expenditure under this scheme (i.e. 0.3% of CGHE, Rs 397 crores), Government Mental Hospitals 0.5% (i.e. 0.1% of CGHE, Rs 103 crores), private general hospitals 0.5% (0.01% of CGHE, Rs 97 crores), All other ambulatory health centres 0.3% (i.e. 0.06% of CGHE, Rs 58 crores), Family Planning Centres 0.2% (0.05% of CGHE, Rs 46 crores) and providers of patient transportation and emergency rescue services is estimated at 4% of the total expenditure under this scheme (i.e. 0.7% of CGHE, Rs 701 crores). **Figure 9** explains distribution of expenditures under this scheme by healthcare providers.

Figure 9: Distribution of Current Health Expenditures under Union Government (Non Employee) Scheme by Healthcare Providers, 2013-14



5.3.1.3 Healthcare Functions

The expenditure by Union Government (non-employee scheme) is largely towards preventive care, which accounts for 58% of the total expenditure under this scheme (i.e. 12% of CGHE, Rs 11,482 crores). Dis-aggregate distribution of these expenditures reveal that i) Healthy condition monitoring programmes constitute 30% of the expenditures (i.e. 6% of CGHE, Rs 6,031 crores) ii) Epidemiological surveillance and risk and disease control programmes constituting 22% (i.e. 4% of CGHE, Rs 4,375 crores), iii) Information, Education and Counselling (IEC) programmes receive 5% (i.e. 1% of CGHE, Rs 1,013 crores) and iv) Immunisation programmes 0.3% (i.e. 0.06% of CGHE, Rs 62 crores) of the total expenditure under this scheme.

The expenditure towards curative care is estimated at 22% of the total expenditure under this scheme (i.e. 5% of CGHE, Rs 4,457 crores), of which, i) general inpatient curative care accounts to 15% of the total expenditure under this scheme (i.e. 3% of CGHE, Rs 3,009 crores), ii) Specialized inpatient curative care accounts to 7% (i.e. 1% of CGHE, 1,341 crores) and (iii) general outpatient care accounts to 0.5% of the total expenditure under this scheme (i.e. 0.1% of CGHE, Rs 107 crores).

The expenditure on patient transportation and emergency rescue is estimated at 4% of the total expenditure under this scheme (i.e. 0.7% of CGHE, Rs 701 crores). In addition to this, 16% of the total

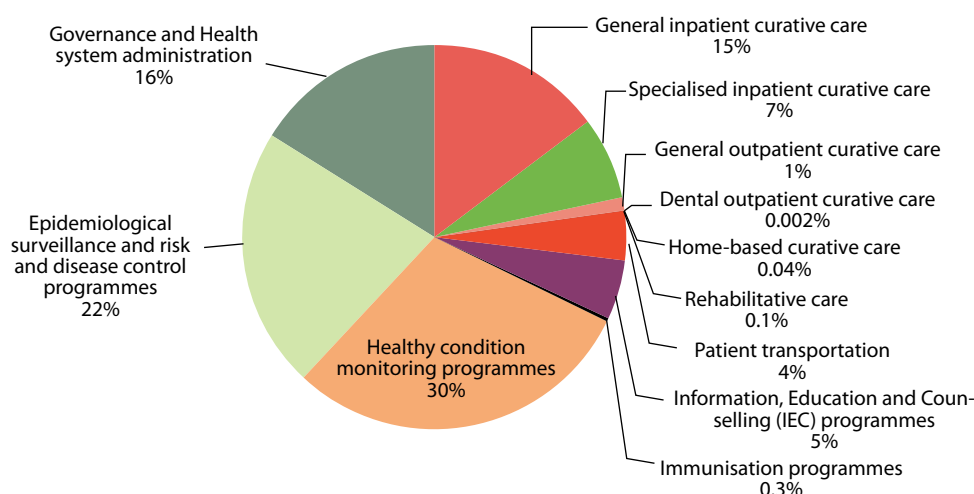
31 This includes expenditure incurred by Directorate General of Health Services, by MoHFW for policy making and on program management units under NHM, contributions to international organisations such as WHO, etc.

32 This includes specialty hospitals like cancer, TB and lung diseases, cardiology, neurology etc. Hospitals of AYUSH and exclusively providing maternal and child health are also included.

expenditure under this scheme (i.e. 3% of CGHE, Rs 3,187 crores) is incurred for governance and health systems administration.

Figure 10 presents the distribution of expenditures under this scheme by healthcare functions.

Figure 10: Distribution of Current Health Expenditures under Union Government (non-employee) Schemes by Healthcare Functions, 2013-14



Key points – Union Government Schemes (Non-Employee)

- Priority of the Union Government was on preventive care as 29% of its Current Health Expenditures is directed to providers of preventive care.
- Union Government schemes (non-employee) spend 20% of its money on general hospitals that provide both inpatient and outpatient care.
- Providers of primary care services like the Sub Centres, Anganwadi centres and the Village Health and Sanitation Committees are also important entities who receive about 13% of the money under Union Government schemes.
- Of the total expenditures on preventive care, the prime focus of the Union Government is on healthy condition monitoring programs (30%) which comprise of, screening of pregnant women, post natal care, routine health check up for infants and children monitoring them for height and weight, health expenditure under the school health program, etc.
- Disease control programmes – both communicable and non communicable diseases and epidemiological surveillance are the second most priority area of the Union Government. 22% of the money under this scheme goes into prevention and control of various diseases.

5.3.2 Current Health Expenditures under Union Government Schemes (Employee)

Union Government's (employee) scheme covers medical expenses of its employees, pensioners and their dependents through reimbursement of medical bills or financing social health insurance contributions (CGHS, ECHS, CHSS and RELHS) providing care through their own network of health facilities and empanelled public or private providers. Union Government employees are covered for their medical expenses through following schemes:

Armed Force Medical Services (AFMS): Union Ministry of Defence finances healthcare of its current employees and their dependents from its own budget under the Armed Forces Medical Services (AFMS). It has a network of health facilities across India exclusively for its own employees. These are called the defence clinics and hospitals.

Indian Railways Medical Services: The Ministry of Railways (MOR) funds provides healthcare to its employees, pensioners and their dependents from its own budget. It has a network of health facilities across India to deliver outpatient and inpatient services. The expenditure on Railway Health Services is inclusive of expenditure on Retired Employee Liberalized Health Scheme (RELHS). This scheme is being implemented since 1997³³ and is a contributory scheme for pensioners and their dependents under the Indian Railways Medical Services (IRMS). Pensioners pay a one-time contribution at retirement equal to their one-month's basic pay. MoR contribution is through budgetary allocation. Beneficiaries receive cashless medical treatment, investigations, diet, and reimbursement of claims for treatment at railway clinics, hospitals and empaneled private and public non-railway hospitals. Revenue of the financing scheme and Institutional unit is MoR. Since the disaggregated estimates for this scheme are currently not available, the expenditure on Railway Health Services is inclusive of expenditure on RELHS. If these estimates are separately available they will be classified under Social Health Insurance Scheme.

Department of Atomic Energy: The health expenditure by this Department includes expenditure on Tata Memorial Cancer Hospital and Contributory Health Services Scheme (CHSS). The disaggregated expenditure on CHSS is not available and hence could not be separated from the expenditure by Dept. of Atomic Energy. If the disaggregated expenditure is available separately, it should be included under Social Health Insurance Scheme.

Central Services Medical Attendance (CSMA): The medical expenses of Union Government employees or the civil employees and their dependents (other than those of the railways and defence schemes; and those residing in non-central Government Health Scheme area) are reimbursed by the Government through their own Ministries/Departments under CSMA. This is a non-contributory scheme and entirely funded by Gol as an employment benefit. Under CSMA the employees are directly reimbursed the medical bills or reimbursements are made to empanelled government and private hospitals and medical practitioners.

Postal Health Services: The Department of Post under Ministry of Communications provides healthcare services to its employees through dispensaries owned and run by the Department.

The estimated current health expenditure under Union Government Scheme (employee) is estimated at 8% of CGHE (i.e. Rs 7,911 crores).

5.3.2.1 Revenues of Healthcare Financing Schemes

The Union Government Scheme (Employee) is completely funded through internal transfers by Union Government (Rs 7,911 crores).

5.3.2.2 Healthcare Providers

Expenditures are mainly incurred at General Government Hospitals which account for 76% of the total expenditure under this scheme (i.e. 6% of CGHE, Rs 5,986 crores), followed by Government Health

³³ It was established in succession to the RRECHS (Railway Retired Employees Contributory Health Scheme). No new members are allowed to join the RRECHS. Annual contribution ranges from Rs 108 to Rs 432. The benefits under the scheme are limited to outdoor treatment of retired railway employee and his/her spouse in Railway hospitals/health units.

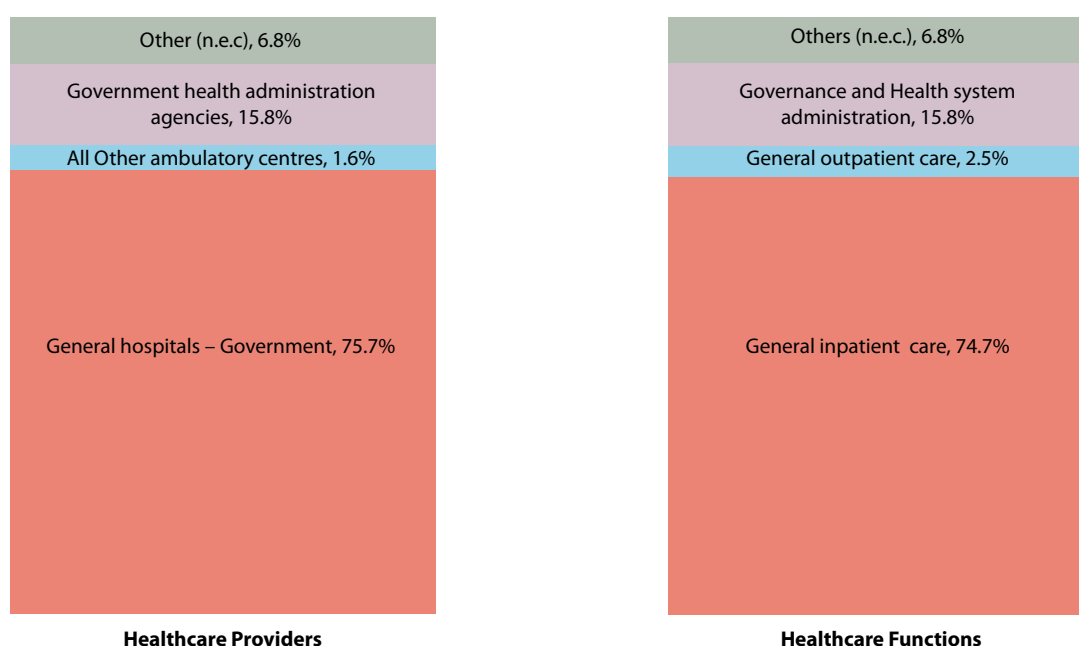
Administration Agencies at 16% (i.e. 1% of CGHE, Rs 1,247 crores), all other ambulatory centres 2% (i.e. 0.1% of CGHE, Rs 128 crores), providers of preventive care 0.1% (i.e. 0.01% of CGHE, Rs 9 crores) and on Other healthcare providers not elsewhere classified (n.e.c) at 7% (i.e. 0.5% of CGHE, Rs 541 crores).

5.3.2.3 Healthcare Functions

75% of the total expenditure under this scheme (i.e. 6% of CGHE, Rs 5,913 crores), is incurred for general inpatient curative care followed by governance and health systems administration at 16% (i.e. 1% of CGHE, Rs 1,248 crores) and general outpatient curative care constitute 3% of the expenditures (i.e. 0.2% of CGHE, Rs 201 crores). Other functions include IEC 0.1% of the total expenditure under this scheme (i.e. 0.01% of CGHE, Rs 8 crores), epidemiological surveillance and risk and disease control programs 0.01% (i.e. Rs 1 crores) and 6% of the expenditures under this scheme were spent on other healthcare services not elsewhere classified (others n.e.c)³⁴ (i.e. 0.5% of CGHE, Rs 540 crores).

Figure 11 explains the distribution of expenditures under Union Government (Employee) Scheme by healthcare providers and functions respectively.

Figure 11: Distribution of Union Government (Employee Scheme) by Provider and Functions (%), 2013-14



Note: The category "Others (n.e.c.)" is a SHA 2011 classification category, which includes expenditure under line items that could not be classified into any of the classifications in that category.

Key Points – Union Government Schemes (Employee)

- The Union Government under the employee scheme spends 76% of its expenditures across different health facilities that include General Government Hospitals, medical college hospitals, district hospitals, sub-district hospitals, CHCs to provide both inpatient and outpatient care for its employees.
- Three fourth of the health spending for employees under the Union Government scheme is for general inpatient care sought at the various government health facilities mentioned above.

³⁴ The category "Others (n.e.c.)" is a SHA 2011 classification category, which includes expenditure under line items that could not be classified into any of the classifications (given by SHA 2011) in that category.

5.3.3 Current Health Expenditures under State Government Schemes (Non Employee)

The State Government through a network of health facilities such as Medical College Hospitals, District Hospitals, Sub District or Taluk Hospitals, Community Health Centres, Primary Health Centres and Sub Centres, provide curative, preventive and promotive healthcare services to the general population. The current health expenditure under State Government schemes (non-employee) is estimated at 45.27% of CGHE (i.e. Rs 44,306 crores).

5.3.3.1 Revenues of Healthcare Financing Scheme

The scheme is financed mainly through internal transfers and grants from State Government, which accounts for 88% of the total expenditure under this scheme (i.e. 40.27% of CGHE, Rs 39,048 crores), internal transfers and grants from Union Government, which account for 11% of the total expenditure under this scheme (i.e. 4.97% of CGHE, Rs 4,868 crores) and transfers distributed by State Government from foreign origin, which account for 1% of the total expenditure under this scheme (i.e. 0.4% of CGHE, Rs 390 crores).

5.3.3.2 Healthcare Providers

Of the total expenditure under this scheme 40% (i.e. 18% of CGHE, Rs 17,821 crores) are incurred at Government General Hospitals, 19% (i.e. 8% of CGHE, Rs 8,281 crores) at all other ambulatory centres, 11% (i.e. 5% of CGHE, Rs 5,092 crores) at family planning centres, 10% (i.e. 5% of CGHE, Rs 4,465 crores) at providers of preventive care, 7% (i.e. 3% of CGHE, Rs 2,906 crores) at Government Specialized Hospitals, 3% (i.e. 2% of CGHE, Rs 1,520 crores) at other healthcare practitioners, 1% (i.e. 0.4% of CGHE, Rs 343 crores) at Government Mental Hospitals, 0.2% (i.e. 0.1% of CGHE, Rs 107 crores) at private general hospitals, 0.05% (i.e. 0.02%, Rs 22 crores) at private clinics (i.e. offices of general medical practitioners), and providers of patient transportation & emergency rescue received 1% (i.e. 0.3% of CGHE, Rs 298 crores) of these expenditures. The Government Health Administration Agencies accounted for 8% (i.e. 3% of CGHE, Rs 3,419 crores) of the total expenditure under this scheme and 0.08% (i.e. 0.03% of CGHE, Rs 34 crores) was spent on other healthcare providers not elsewhere classified (n.e.c.).

5.3.3.3 Healthcare Functions

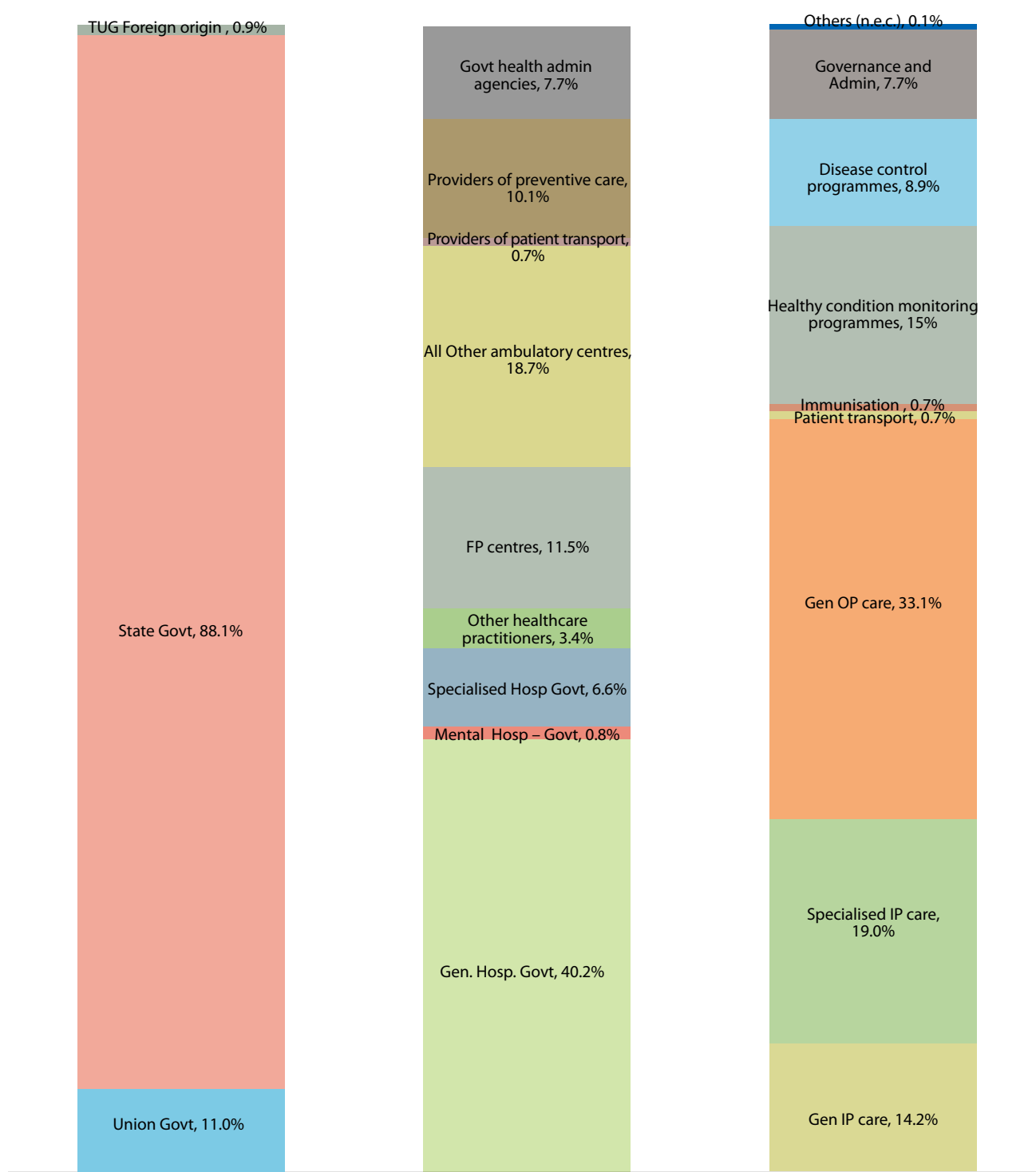
The expenditure under the State Government (non-employee scheme) is largely towards curative care, which accounts for 67% of the total expenditure under this scheme (i.e. 30% of CGHE, Rs 29,509 crores). The composition of expenditures under curative care component of this scheme includes i) general outpatient curative care, which accounts for 33% of the total expenditure under this scheme (15% of CGHE, Rs 14,645 crores), ii) specialized inpatient curative care, which accounts for 19% (i.e. 9% of CGHE, Rs 8,418 crores), iii) general inpatient curative care accounts for 14% (i.e. 6% of CGHE, Rs 6,301 crores), iv) dental outpatient curative care 0.2% (i.e. 0.1% of CGHE, Rs 109 crores), v) specialized OP care 0.08% (i.e. 0.04% of CGHE, Rs 35 crores) and vi) home based curative Rs 1 crores).

The expenditure towards preventive care accounts for 24.8% of the total expenditure under this scheme (i.e. 11% of CGHE, Rs 11,006 crores). This includes expenditure on a) Healthy condition monitoring programmes, estimated at 15% (i.e. 7% of CGHE, Rs 6,664 crores) b) Epidemiological surveillance and risk and disease control programmes 9% (i.e. 4% of CGHE, Rs 3,965 crores), c) Immunisation programmes 0.7% (i.e. 0.3% of CGHE, Rs 288 crores), d) Information, Education and counselling (IEC) programmes 0.2% (Rs 83 crores) and e) Preparing for disaster and emergency response programmes 0.01%, (Rs 3 crores) of the total expenditure under this scheme.

The expenditure on patient transportation and emergency rescue is estimated at 0.7% (Rs 298 crores), rehabilitative care 0.1% (Rs 34 crores) and long term care (health) at 0.01% (Rs 5 crores). In addition to this 7.7% (i.e. 3% of CGHE, Rs 3,406 crores) of the expenditures under this scheme are incurred for governance and health systems administration and 0.1% (Rs 47 crores) on other healthcare services not elsewhere classified.

Figure 12 shows distribution of current health expenditure under State Government schemes (Non-employee) by revenues of financing scheme, healthcare providers and healthcare functions.

Figure 12: Distribution of State Government Scheme (Non-Employee) (%), 2013-14



Abbreviations used in the figure: TUG=Transfers distributed by Union Government; Govt=Government; Admin=Administration; FP=Family Planning; Gen=General; Hosp=Hospital; OP=Outpatient; IP=Inpatient.

Note: The category "Others (n.e.c.)" is a SHA 2011 classification category, which includes expenditure under line items that could not be classified into any of the classifications (given by SHA 2011) in that category.

Key points – State Government Schemes (Non-Employee)

- 40% of the money under State Government financing schemes (non-employee) is spent on General Government Hospitals.
- State Government financing schemes have also given due emphasis to providers of primary care who provide a wide range of outpatient care services. About 18.7% of the money is allocated to the ambulatory healthcare providers that involve Primary Health Centres, Dispensaries both Allopathic and AYUSH.
- 10% of the money from the State Government financing schemes are given to ASHAs, Multipurpose Health Workers, Community Health Workers who actively engage in prevention and control of communicable and non-communicable diseases, provide collective preventive programs and campaigns that benefit large sections of the population.
- 66% of the money is spent by States on paying for inpatient care inclusive of general and specialised care services and outpatient care services. Prevention of diseases also seems to be seeking the attention of States as almost 24% of the total expenditures from the State Government financing schemes are directed on the above mentioned preventive healthcare components.

5.3.4 Current Health Expenditures under State Government Schemes (Employee)

The State Governments provide healthcare to their employees through reimbursements of medical bills as a part of their employee benefit scheme. Other than medical reimbursements, this category also includes the health expenditure on medical facilities to Chief Ministers and other Ministers of different State Governments and Medical benefits to pensioners in few States. The current health expenditure under State Government schemes (employee) is estimated at 2% of CGHE (i.e. Rs 1,832 crores). This scheme is completely funded by State Governments.

5.3.4.1 Healthcare Providers

The information by providers of healthcare for medical reimbursements to State Government employees was not known, as the expenditure could have been incurred at a general hospital or a speciality hospital or even at the office of medical practitioner. Therefore all expenditure under the medical reimbursements category was classified as HP.10 – Other healthcare providers not elsewhere classified and this account to 94% (i.e. Rs 1,721 crores) of the total expenditure under this scheme.

The expenditure on medical facilities to Chief Ministers/Other Ministers of different State Governments and Medical benefits to pensioners in few states, estimated at 6% of the total expenditure under this scheme (i.e. Rs 113 crores), could be classified based on available information on healthcare providers.

Therefore under this scheme, the expenditure on Government General Hospitals is accounted at 5.8% of the total expenditure under this scheme (Rs 107 crores), ambulatory centres (0.2%, Rs 5 crores) and Government health administration agencies is accounted at 0.05% (Rs 1 crores).

5.3.4.2 Healthcare Functions

The functions of medical reimbursements to State Government employees are not known, as the money could have been used for inpatient, outpatient or rehabilitation care. Also there was no information available

in the published literature which could be used for deriving the allocation keys. Therefore all the expenditure under the category medical reimbursements was classified as HC.9 – Other healthcare services not elsewhere classified, which accounts 94% (Rs 1,721 crores) of total State expenditures under Government employee scheme.

The expenditure on medical facilities to Chief Ministers/Other Ministers of different State Governments and Medical benefits to pensioners in few states, estimated at 6% of the total expenditure under this scheme (i.e. Rs 113 crores), could be classified based on available information on healthcare functions.

The expenditure towards general inpatient curative care is accounted at 5.8% (Rs 107 crores), general outpatient curative care (0.2%, Rs 5 crores) and Governance and health systems administration is accounted at 0.03% (Rs 0.5 crores).

5.3.5 Current Health Expenditures under Urban Local Bodies Schemes

This scheme includes expenditure on healthcare services provided through ULB administration and schemes. The expenditure under this scheme is estimated at 4% of CGHE (Rs 3,933 crores).

5.3.5.1 Revenues of Healthcare Financing

The scheme is majorly financed through the Urban Local Bodies (own resources), which accounts to 65% of the total expenditure under this scheme (i.e. 2.6% of CGHE, Rs 2,557 crores), followed by internal transfers from State Government estimated at 26% of the total expenditure under this scheme (i.e. 1% of CGHE, Rs 1,025 crores) and internal transfers from Union Government, estimated at 9% of the total expenditure under this scheme (i.e. 0.4% of CGHE, Rs 352 crores).

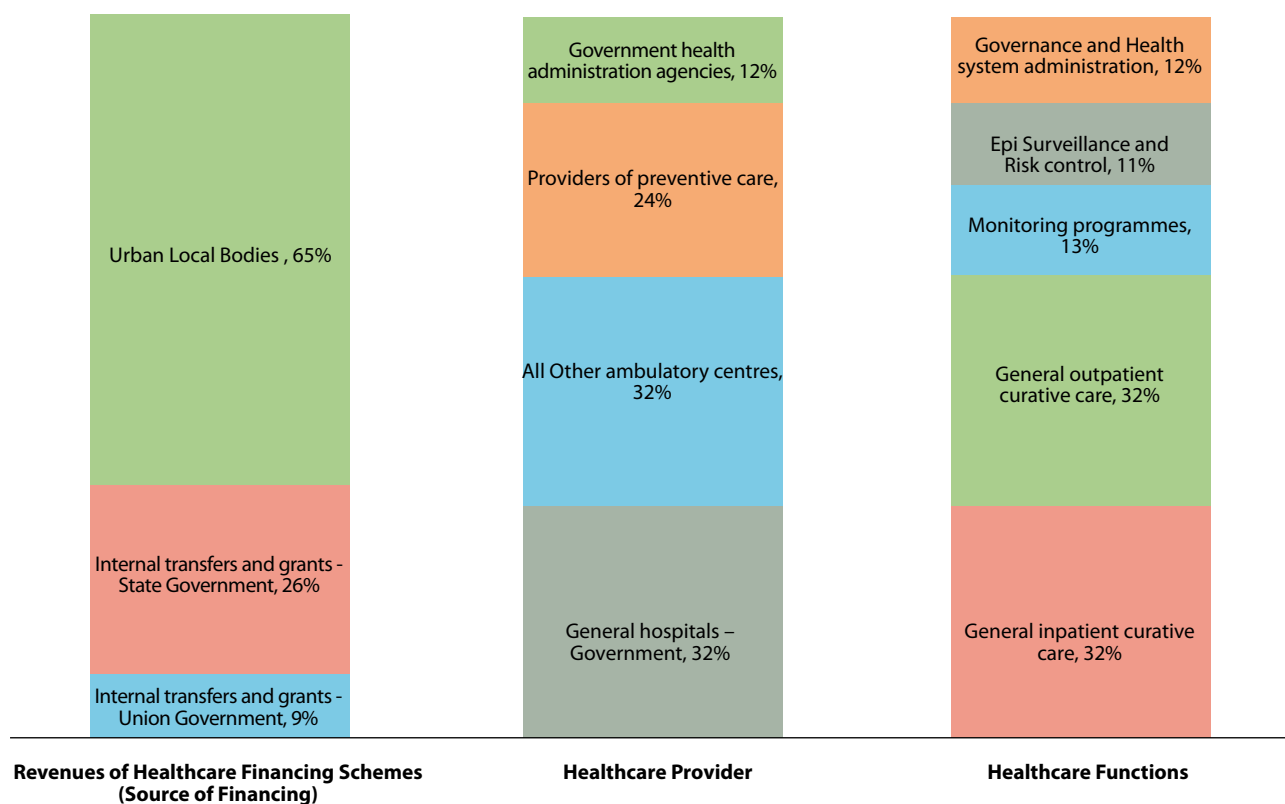
5.3.5.2 Healthcare Providers

The expenditures are largely on Government General Hospitals estimated at 32% of the total expenditure under this scheme (i.e. 1.3% of CGHE, Rs 1,259 crores) and all other ambulatory centres also estimated at 32% of the total expenditure under this scheme (i.e. 1.3% of CGHE, Rs 1,259 crores), providers of preventive care estimated at 24% (i.e. 1% of CGHE, Rs 944 crores) and government health administration agencies estimated at 12% of the total expenditure under this scheme (i.e. 0.5% of CGHE, Rs 472 crores).

5.3.5.3 Healthcare Functions

The expenditures on general inpatient care is accounted at 32% of the total expenditure under this scheme (i.e. 1.3% of CGHE, Rs 1,259 crores) and the expenditure on general outpatient care is estimated at 32% of the total expenditure under this scheme (i.e. 1.3% of CGHE, Rs 1,259 crores). The expenditure on healthy condition monitoring programs is accounted at 13% of the total expenditure under this scheme (i.e. 0.5% of CGHE, Rs 510 crores), Epidemiological surveillance and risk and disease control programmes 11% (i.e. 0.4% of CGHE, Rs 434 crores) and governance and health systems administration 12% of the total expenditure under this scheme (i.e. 0.5% of CGHE, Rs 472 crores).

Figure 13 shows distribution of Current Health Expenditures under ULB schemes.

Figure 13: Distribution of Current Health Expenditures under Urban Local Body Schemes (%), 2013-14

5.3.6 Current Health Expenditures under Rural Local Bodies Schemes

The Union and State Governments transfer funds to Rural Local Bodies for running primary health centres and sub centres, State specific schemes and programs, National programs, etc. and conducting activities such as immunization, out reach activities, IEC and BCC, etc. in their respective administrative areas. The expenditure under this scheme is estimated at 3.2% of CGHE (i.e. Rs 3,136 crores).

5.3.6.1 Revenues of Healthcare Financing

This scheme is largely financed through internal transfers and grants from State, estimated at 86% of the total expenditure under this scheme (i.e. 2.75% of CGHE, Rs 2,693 crores). The other sources of financing are 'internal transfers and grants from Union Government', estimated at 13% of the total expenditure under this scheme (i.e. 0.43% of CGHE, Rs 419 crores) and RLBs (own resources) is estimated at 1% of the total expenditure under this scheme (i.e. 0.02 % of CGHE, Rs 24 crores).

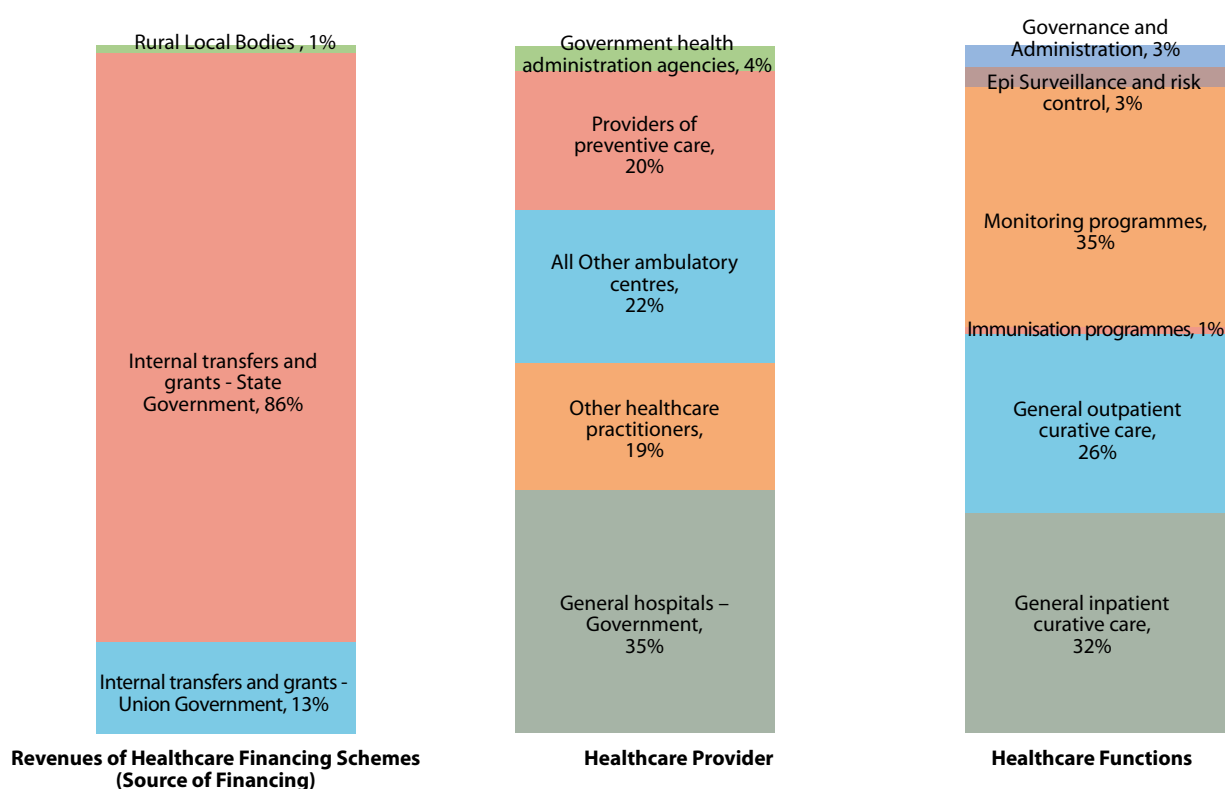
5.3.6.2 Healthcare Providers

The RLBs incur 35% of their total expenditures under this scheme (i.e. 1.13 % of CGHE, Rs 1,109 crores) at government general hospitals. Expenditure at all other ambulatory centres is estimated at 22% of the total expenditure under this scheme (i.e. 0.7% of CGHE, Rs 695 crores), the expenditure on providers of preventive care is estimated at 20% of the total expenditure under this scheme (i.e. 0.65% of CGHE, Rs 637 crores), the expenditure at other healthcare practitioners is estimated at 19% (i.e. 0.6% of CGHE, Rs 583 crores), Family planning centres (Rs 0.6 crores) and Government Health Administration Agencies constitute 3.6% of the total expenditure under this scheme (i.e. 0.1% of CGHE, Rs 112 crores).

5.3.6.3 Healthcare Functions

The expenditures on general inpatient and outpatient curative care are accounted at 31.7% (Rs 994 crores) and 25.9% (Rs 811 crores), respectively. The expenditures are largely on healthy condition monitoring programs (35.3%, Rs 1,106 crores), Governance of health system administration (3.6%, Rs 112 crores), epidemiological surveillance and risk and disease control programmes (3%, 93 crores) and immunization programs (0.7%, Rs 21 crores). **Figure 14** shows distribution of current health expenditures under RLBs scheme.

Figure 14: Distribution of Current Health Expenditures under Rural Local Bodies Scheme



5.3.7 Current Health Expenditures under Social Health Insurance Schemes³⁵

Social health insurance schemes have a financing arrangement that ensures access to healthcare based on a payment of a non-risk-related contribution by or on behalf of the eligible person. Contributions are mainly wage-related and are shared between employers and employees and/or by the Government to cover deficits. The social health insurance schemes are established by a specific public law, defining, among others, the eligibility, benefit package and rules for the contribution payment.³⁶

Social health insurance encompasses five individual schemes in India. Central Government Health Scheme (CGHS), Employee State Insurance Scheme (ESIS), Ex-Servicemen Contributory Health Scheme (ECHS), Contributory Health Services Scheme (CHSS) and Retired Employees Liberalized Health Scheme (RELHS). Estimates for CHSS and RELHS are not presented here as disaggregate expenditures for these are not available

³⁵ For the details please refer to "Health Insurance Expenditures in India (2013-14), November 2016, National Health Systems Resource Centre, Ministry of Health and Family Welfare, Government of India"; available online at <http://www.nhsrindia.org>

³⁶ Refer SHA 2011 Page 169-171 and NHA Guidelines for India for further details.

in 2013-14 and these are included in Union Government employee scheme expenditures mentioned under Department of Atomic Energy and Ministry of Railways respectively.

Of the total Rs 12,139 crores (i.e. 12.4% of CGHE) social health insurance expenditure, CGHS accounts for 19.7% expenditure (i.e. 2.45% of CGHE, Rs 2,393 crores), ESIS accounts for 65.7% (i.e. 8.14% of CGHE, Rs 7,970 crores) and ECHS accounts for 14.6% (i.e. 1.8% of CGHE, Rs 1,776 crores).

These schemes are financed through Internal transfers and grants by Union Government estimated at 31% (i.e. 3.85% of CGHE, Rs 3,765 crores); Internal transfers and grants - State Government estimated at 2.1% (i.e. 0.26% of CGHE, Rs 255 crores); social insurance contributions from employees estimated at 20.5% (i.e. 2.54% of CGHE, Rs 2,485 crores); social insurance contributions from employers estimated at 46.4% (i.e. 5.76% of CGHE, Rs 5,635 crores).

The distribution of social health insurance expenditures by providers and functions are given in the health insurance report (2016).

5.3.8 Current Health Expenditures under Government-based Voluntary Health Insurance (GVHI) Scheme³⁷

Insurance schemes financed and implemented by the Union and State Governments to provide cashless secondary and tertiary inpatient care services for specific groups of the population (below poverty line and unorganized sector workers) are categorized here. In all the schemes participation by the population is voluntary. These schemes are implemented either through a Government Department, parastatal body governed by the Government (Trust/ Society) or an insurance company. When implementation is only through a parastatal body, the entity receives a budgetary transfer from Government for the reimbursements to be made to healthcare providers. However when an insurance company is used for implementation, premium is paid on behalf of the enrolled by the Government (contributions are not collected from the enrolled population). For example, RSBY, Chief Minister's Comprehensive Health Insurance Scheme in Tamil Nadu and Jeevandayee scheme in Maharashtra use an insurance company for implementation. At times the enrolled population has to pay a minimal registration fee (in RSBY) or the enrolled population pays a part of /subsidized premium (the Handloom Weavers Scheme, Mizoram health Scheme for APL population, CHIS Kerala for APL population)³⁸.

In 2013-14, Union and State Governments implemented 15 such insurance schemes. The total expenditure under these schemes during 2013-14 was Rs 4,757 crores (4.86% of CGHE).

The finances are sourced from internal transfers and grants by State Government - 77% of the total expenditure under this scheme (i.e. 3.74% of CGHE, Rs 3,663 crores) and Union Government finance 19.5% (i.e. 0.95% of CGHE, Rs 928 crores) of GVHI scheme. Transfers distributed by State Government from foreign origin 1.1% (i.e. 0.05% of CGHE, Rs 52 crores) partly finance the Vajpayee Aarogyashree scheme in Karnataka. Voluntary prepayments from households/individuals finance 2.4% (i.e. 0.12% of CGHE, Rs.114 crores) of GVHI expenditures which are collected as part of the premiums under the weavers/handloom workers insurance and registration/enrolment fee under the RSBY.

The distribution of Government based voluntary health insurance expenditures by providers and functions are given in the health insurance report (2016).

37 For the details please refer to "Health Insurance Expenditures in India (2013-14), November 2016, National Health Systems Resource Centre, Ministry of Health and Family Welfare, Government of India"; available online at <http://www.nhsrindia.org>

38 (Refer SHA 2011 Page 169 -174 and NHA Guidelines for India for further details).

5.3.9 Government Health Expenditures on AYUSH³⁹

The Government Expenditure on AYUSH in FY 2013-14 is estimated at 2.6% of CGHE (i.e. Rs 2,542 crores). Of this, estimated expenditure on outpatient curative care is Rs 1,411 crores and that on inpatient curative care is Rs 1,131 crores.

The State Governments' expenditure on AYUSH is estimated at Rs 2,353 crores of which expenditure on outpatient curative care is estimated at Rs 1,371 crores and on inpatient curative care is estimated at Rs 981 crores.

The Union Government expenditure on AYUSH is estimated at Rs 189 crores of which expenditure of Rs 149 crores is on inpatient curative care and Rs 40 crores is spent on outpatient curative care.

5.3.10 Government Expenditures on Primary Secondary and Tertiary Care⁴⁰

For relevance to policy makers in India, it is necessary to present the NHA estimates according to primary, secondary and tertiary care. These expenditure estimates from 2013-14 under each category should not be compared to the categorization in NHA Estimates, 2004-05 as,

1. NHA 2004-05 used only the providers for classifying PST, whereas in NHA 2013-14 expenditures were classified using both functions and providers, with emphasis being more on functions. For example, in 2004-05 all expenditures at a general hospital (medical colleges) are considered as tertiary care but in 2013-14, the same expenditures using functional classification are allocated between tertiary (specialized inpatient curative care portion), secondary (general inpatient curative care portion) and primary (general outpatient curative care).
2. In 2004-05 the distribution of diagnostic and pharmaceutical expenditures is again linked to the providers whereas in NHA 2013-14, it is linked to both function and providers. For example in 2004-05 all drugs and diagnostics expenditures at general hospital (Medical College) are considered tertiary care but in 2013-14, the drugs and diagnostics expenditures at general hospitals under general inpatient curative care are considered secondary care and those under specialized inpatient curative care are considered tertiary care.
3. NHA 2004-05 had capital formation included as part of the NHA hence it was also included in the classification of PST. However for 2013-14, PST classification is only for the current health expenditures.
4. The expenditure reported under "Governance, oversight and supervision" is where both the providers and functions are administrative in nature. The instances where only the provider is administrative in nature, while the function is either curative care or preventive care; the classification is based on its functional classification only. For example, expenditure under "HP.7.1 Government Health Administration agencies and HC.1.1.1 General Inpatient curative care" is classified as secondary care based on the function only i.e. HC.1.1.1 General Inpatient curative care. Similarly, if the function is preventive care (HC.6.4) and provider is government administrative agencies (HP.7.1), these are classified as primary care.

³⁹ It may be noted, in the SHA 2011 and "National Health Accounts Guideline for India" AYUSH is termed as "TCAM" i.e. Traditional Complimentary and Alternative Medicine. The data for Government Expenditure on AYUSH is sourced from the Detail Demand for Grants of Ministry of AYUSH – Demand No. 6.

⁴⁰ An attempt is made to arrive at these expenditure categories using the healthcare functions vs. healthcare providers matrix (HCxHP). Specific expenditures related to each of the category are color coded in the matrix (Table A 5) (primary care (Green), secondary care (Blue) and tertiary care (Red)). It is important to note that the administrative expenditures (brown) for overall health system governance have been presented as a separate category. Also note that about 1% of the total expenditures regarded as "not elsewhere classified" (yellow) either under functional classification or provider classification has also been presented.

Table 4 shows the categorization of expenditure estimates 2013-14 from NHA 2013-14 into Primary, Secondary and Tertiary care based on healthcare functions vs. healthcare providers' matrix (HCxHP).

Table 4: Expenditure Categories and Distribution of Current Government Health Expenditures under Primary, Secondary and Tertiary (PST) Care, 2013-14

Sl.no	Category	Percentage
1.	<p>Primary Care</p> <ol style="list-style-type: none"> Expenditures for inpatient curative care under sub centers manned by ANM, Primary health centers including expenditures related to childbirth as reported by households. Expenditures for general outpatient curative care at all healthcare providers including related diagnostic and pharmaceutical expenditures. Expenditures for home based curative care at all healthcare providers excluding any under government health administration agencies. Expenditures under rehabilitative care at offices of general medical practitioners. Expenditures under all long term care. Expenditures under patient transportation. Expenditures under all pharmaceuticals and other medical non-durable goods, therapeutic appliances and other medical goods purchased directly by the households. Expenditures under preventive care under all healthcare providers. <p>Hence all expenditures at subcenters, Family planning centers, PHC, dispensaries (CGHS, ESIS, etc., private clinics) except for those incurred for specialized outpatient care and dental care.</p>	51
2.	<p>Secondary Care</p> <ol style="list-style-type: none"> Expenditures under general inpatient curative care at hospitals including related diagnostic and pharmaceutical expenditures. Expenditures under dental outpatient curative care at all healthcare providers including related diagnostic and pharmaceutical expenditures. Expenditures under Specialized outpatient curative care at all providers of ambulatory healthcare. Expenditures under all diagnostic and pharmaceutical expenditures under specialized outpatient curative care. Expenditures under laboratory and imaging services. 	23
3.	<p>Tertiary Care</p> <ol style="list-style-type: none"> Expenditures under specialized inpatient curative care at all providers including related diagnostic and pharmaceutical expenditures. Expenditures under specialized outpatient curative care at hospitals. Expenditures under rehabilitative care at specialized hospitals other than mental health hospitals. 	13
4.	<p>Governance, Oversight and Supervision</p> <ol style="list-style-type: none"> All expenditures where both providers and functions are healthcare systems administration and financing governance and health system and financing administration (HP.7 X HC.7). 	10
5.	<p>Not elsewhere classified (n.e.c) (refer to definitions in relevant sections of the report or the NHA Guidelines for India).</p>	2

Note:

- The above classification of expenditures does not include capital expenditures.
- The above percentages do not add up to 100% due to rounding up of figures after decimal.

6. COMPARING GOVERNMENT HEALTH EXPENDITURES: NHA 2013-14 WITH NHA 2004-05

It is always important to compare how health expenditures have changed over time. The last NHA estimates for India are available for 2004-05, which was based on SHA 1.0 framework. Hence some of the numbers may not be exactly comparable as there are differences in definition of capital formation; inclusion of certain vitamins and minerals within SHA 2011 boundary; inclusion of expenditures from other ministries directed towards health (besides medical reimbursements); exclusions of reserves and interests under the social health insurance scheme, etc. There are also differences in classification codes and how sources of financing and financing schemes are described. Hence the comparison with 2004-05 has been kept only at the broad level in **Table 5** where the indicators can be considered somewhat comparable.

Table 5: Comparative Indicators from NHA 2004-05 and NHA 2013-14

S.No	Indicators	NHA 2004-05	NHA 2013-14
1	GDP (Rs crores)	31,49,412	1,12,72,764
2	THE as % of GDP	4.25	4.02
3	TGHE as % of GDP	0.84*	1.15
4	CHE as % of THE	98.91	92.96
5	TGHE as % of THE	22.5	28.6

*Source - Table no 1.1, page no 2; National Health Accounts: India; 2004-05.

7. METHODOLOGICAL REFINEMENTS

The NHA exercise of 2013–14 and the subsequent efforts have enabled conceptual and methodological refinements to be made in the preparation of NHA 2013–14. These refinements include:

1. The previous NHA (i.e. NHA 2004-05) was based on the System of Health Accounts 2001 (SHA 1) framework and the WHO Producers Guide. The NHA 2013-14 is based on SHA 2011 framework and all the changes made in the process of transition from SHA 1 to SHA 2011 have been incorporated in the NHA 2013-14 estimation.
 - a) The SHA 2011 framework reports Current Health Expenditure (CHE) and Capital Formation (HK) separately.
 - b) Expenditures on medical education, research and development, training, etc. are considered as a part of capital formation. This was treated as current health expenditure in SHA 1 framework.
 - c) The expenditures on repair and maintenance were treated as current expenditure; where as all major repairs are treated as capital formation in NHA 2013-14.
 - d) SHA 2011 framework has introduced a new term called Healthcare Financing Schemes (HF) in addition to the Financing Agents (FA) used in SHA 1. Figure 2 (in this report) shows the flow of funds from financing schemes up to the beneficiaries.
 - e) There are several other refinements in classification codes used in SHA 2011 compared to SHA 1, which have been explained in “National Health Accounts Guidelines for India”.
2. A separate exercise was carried out to screen the detail demand for grants of all the Union and State Government departments to extract information on health expenditures incurred by departments other than Department of Health and Family Welfare. The SHA 2011 criteria for setting function boundaries were used to include or exclude an expenditure line item from the healthcare functional boundaries of NHA 2013-14.
3. The Provider by Function (HPxHC) matrix was used for the classification of current health expenditure into Primary, Secondary and Tertiary care. Whereas, in NHA 2004-05 the classification was based only on the provider classification.
4. The expenditures under Government Medical Stores and depot was allocated into different providers and functions based on the passbook data from Tamil Nadu Medical Services Corporation (TNMSC) and Rajasthan Medical Services Corporation (RMSC).
5. Numerous Government Health Insurance schemes have been introduced after 2004-05. The expenditures under all the Union and State Government funded health insurance schemes have been incorporated in the 2013-14 NHA estimates. Detailed analysis of health insurance expenditures is reported in the health insurance report.
6. Detailed analysis of health insurance schemes, such as – Ex-Servicemen Contributory Health Scheme (ECHS), Contributory Health Services Scheme (CHSS), Retired Employees’ Liberalized Health Scheme (RELHS), etc. which were not a part of NHA 2004-05 estimates, have been incorporated in NHA 2013-14.

8. LIMITATIONS

1. Disaggregated data on health expenditure by Rural Local Bodies was not available from any secondary sources and conducting a survey for collecting this information was not feasible. Therefore, the total expenditure by RLBs from its own revenues was considered as a single line item and classified as HF.1.1.2.1.1 – State Government scheme (non employee), FS.1.1.3.2 – rural local bodies (source of funds), HP.6 – providers of preventive care (healthcare provider) and HC.6.4 – healthy condition monitoring programs (healthcare function).
2. Expenditure by autonomous bodies (not funded through Government sources) has not been included in NHA 2013-14 and in this report.
3. The Members of Parliament (MPs) spend on healthcare of the people of their constituency through “Member of Parliament Local Area Development fund (MP LAD Fund). These expenditures have not been included in NHA 2013-14.

ANNEX 1 – NHA TABLES

Table A.1.1: HFxFs Matrix – Healthcare Financing Schemes X Revenues of Healthcare Financing Schemes

(Expenditure in INR Crores)

Classification code	Revenues of healthcare financing schemes	All FS												
		FS.1.1.1	FS.1.1.2	FS.1.1.3.1	FS.1.1.3.2	FS.2.1	FS.2.2	FS.3.1	FS.3.2	FS.5.1				
	Financing schemes	Internal transfers and grants - Union Government	Internal transfers and grants - State Government	Urban Local Bodies	Rural Local Bodies	Transfers distributed by Union Government from foreign origin	Transfers distributed by State Government from foreign origin	Social insurance contributions from employees	Social insurance contributions from employers	Voluntary prepayment from individuals/ households				
HF.1.1.1.1	Union Government schemes (Non-Employee)	14,655	5,061			136								19,853
HF.1.1.1.2	Union Government schemes (Employee)	7,911												7,911
HF.1.1.2.1.1	State Government schemes (Non-Employee)	4,868	39,048				390							44,306
HF.1.1.2.1.2	State Government schemes (Employee)		1,832											1,832
HF.1.1.2.2.1	Urban Local Bodies schemes	352	1,025	2,556										3,933
HF.1.1.2.2.2	Rural Local Bodies schemes	419	2,693		24									3,136
HF.1.2.1	Social Health Insurance Schemes	3,765	255					2,485	5,635					12,139
HF.2.1.1.2	Government-based voluntary insurance	928	3,663				52			114				4,757
All HF		32,897	53,577	2,556	24	136	442	2,485	5,635	114				97,866

Table A.1.2: HPxHF Matrix - Healthcare Providers X Healthcare Financing Schemes

Classification Codes	Financing schemes	(Expenditure in INR Crores)									
		HF.1.1.1.1 Union Government schemes (Non- Employee)	HF.1.1.1.2 Union Government schemes (Employee)	HF.1.1.2.1.1 State Government and UT schemes (Non-Employee)	HF.1.1.2.1.2 State Government and UT schemes (Employee)	HF.1.1.2.2.1 Urban Local Bodies schemes	HF.1.1.2.2.2 Rural Local Bodies schemes	HF.1.2.1 Social Health Insurance schemes	HF.2.1.1.2 Government-based Voluntary insurance	All HF	
HP.1.1.1	General hospitals – Government	3,900	5,986	17,821	107	1,259	1,110	1,961	1,462	33,604	
HP.1.1.2	General hospitals - Private	97		107				1,964	2,694	4,861	
HP.1.2.1	Mental Health hospitals – Government	103		343						445	
HP.1.3.1	Specialised hospitals (Other than mental health hospitals) Government	397		2,906						3,303	
HP.3.1.1	Offices of general medical practitioners			22				63		85	
HP.3.3	Other healthcare practitioners	2,488		1,520			583			4,591	
HP.3.4.1	Family planning centres	46		5,092			1			5,138	
HP.3.4.9	All Other ambulatory centres	58	128	8,281	4	1,259	695	5,736		16,160	
HP.4.1	Providers of patient transportation and emergency rescue	701		298						998	
HP.6	Providers of preventive care	5,797	9	4,465		944	636			11,851	
HP.7.1	Government health administration agencies	6,266	1,247	3,419	1	472	112	2	186	11,704	
HP.7.2	Social health insurance agencies							1,048		1,048	
HP.7.3	Private health insurance administration agencies								76	76	
HP.7.9	Other administration agencies									185	
HP.10	Other healthcare providers not elsewhere classified (n.e.c)		541	34	1,721			1,366		3,816	
All HP		19,853	7,911	44,306	1,832	3,933	3,136	12,139	4,757	97,866	

Table A.1.3: HCxHF Matrix - Healthcare Functions X Healthcare Financing Schemes

Classification Codes	Financing schemes Healthcare functions	(Expenditure in INR Crores)									
		HF.1. 1.1.1 Union Govt. schemes (Non-Employe)	HF.1. 1.1.2 Union Govt. schemes (Employe)	HF.1. 1.2.1.1 State Govt. & UT schemes (Non-Employe)	HF.1. 1.2.1.2 State Govt. & UT schemes (Employe)	HF.1. 1.2.2.1 Urban Local Bodies schemes	HF.1. 1.2.2.2 Rural Local Bodies schemes	HF.1. 2.1 Social Health Insurance Schemes	HF.2. 1.1.2 Govt. based voluntary insurance	All HF	
HC.1.1.1	General inpatient curative care	3,009	5,913	6,301	107	1,259	994	2,228	2,941	22,751	
HC.1.1.2	Specialised inpatient curative care	1,341		8,418				1,476	1,369	12,605	
HC.1.3.1	General outpatient curative care	107	201	14,645	4	1,259	811	7,229		24,257	
HC.1.3.2	Dental outpatient curative care	0		109						109	
HC.1.3.3	Specialised outpatient curative care			35				76		111	
HC.1.4	Home-based curative care	9		1						10	
HC.2	Rehabilitative care	17		34						51	
HC.3	Long-term care (health)			5						5	
HC.4.3	Patient transportation	701		298						998	
HC.6.1	Information, education and counselling (IEC) programmes	1,013	8	83						1,104	
HC.6.2	Immunisation programmes	62		288			21			371	
HC.6.3	Early disease detection programmes			3						3	
HC.6.4	Healthy condition monitoring programmes	6,031		6,664		510	1,106			14,312	
HC.6.5	Epidemiological surveillance & risk & disease control programmes	4,375	1	3,965		434	93			8,868	
HC.6.6	Preparing for disaster and emergency response programmes	0		3						4	
HC.7.1	Governance and Health system administration	3,187	1,248	3,406	1	472	112			8,425	
HC.7.2	Administration of health financing							1,050	447	1,496	
HC.9	Other healthcare services not elsewhere classified (n.e.c.)		540	47	1,721			80		2,388	
All HC		19,853	7,911	44,306	1,832	3,933	3,136	12,139	4,757	97,866	

Table A.1.4: HCxHP Matrix – Health Functions X Healthcare Providers

Classification Codes	(Expenditure in INR Crores)																
	Healthcare providers		HP.1.1.1	HP.1.1.2	HP.1.2.1	HP.1.3.1	HP.3.1.1	HP.3.3	HP.3.4.1	HP.3.4.9	HP.4.1	HP.6	HP.7.1	HP.7.2	HP.7.3	HP.7.9	HP.10
	General hospitals – Government	General hospitals - Private	Mental Health hospitals – Government	Specialised hospitals (Other than mental health hospitals)	Offices of general medical practitioners	Other healthcare practitioners	Family planning centres	All Other ambulatory centres	Providers of patient transportation and emergency rescue	Providers of preventive care	Government health administration agencies	Social health insurance agencies	Private health insurance agencies	Other administration agencies	Other healthcare providers not elsewhere classified (n.e.c)		
HC.1.1.1	18,145	2,418		899		13		1			100				1,175		22,751
HC.1.1.2	7,238	2,356	445	2,349				0							217		12,605
HC.1.3.1	8,011	36		3	85	56		16,041							24		24,257
HC.1.3.2								55									109
HC.1.3.3	2	51						34							24		111
HC.1.4							1				9						10
HC.2				51													51
HC.3	5																5
HC.4.3									998								998
HC.6.1	37					0				1,067							1,104
HC.6.2						100	24			246							371
HC.6.3										3							3
HC.6.4	112					4,221	5,089	30		1,888	2,971						14,312
HC.6.5						201	24			8,643							8,868
HC.6.6										4							4

(Expenditure in INR Crores)

Classification Codes	Healthcare providers	Healthcare providers											All HP							
		HP.1.1.1 General hospitals - Government	HP.1.1.1 General hospitals - Private	HP.1.1.2 Mental Health hospitals - Government	HP.1.3.1 Specialised hospitals (Other than mental health hospitals)	HP.3.1.1 Offices of general medical practitioners	HP.3.3 Other healthcare practitioners	HP.3.4.1 Family planning centres	HP.3.4.9 All Other ambulatory centres	HP.4.1 Providers of patient transportation and emergency rescue	HP.6 Providers of preventive care	HP.7.1 Government health administration agencies		HP.7.2 Social health insurance agencies	HP.7.3 Private health insurance agencies	HP.7.9 Other administration agencies	HP.10 Other healthcare providers not elsewhere classified (n.e.c.)			
HC.7.1	Governance and Health system administration											8,422						3	8,425	
HC.7.2	Administration of health financing											188	1,048	76	185					1,496
HC.9	Other healthcare services not elsewhere classified (n.e.c.)																	2,373	2,388	
All HC		33,604	4,861	445	3,303	85	4,591	5,138	16,160	998	11,851	11,704	1,048	76	185			3,816	97,866	

Table A.1.5: Distribution of Government Health Expenditures by HPXHC to define Primary, Secondary and Tertiary Care*(Expenditure in INR Crores)*

Classification Codes	Primary		Secondary		Tertiary		Admin		NEC		All HP					
	HP.1.1.1 General hospitals – Government	HP.1.1.2 General hospitals - Private	HP.1.2.1 Mental Health hospitals – Government	HP.1.3.1 Specialised hospitals (Other than mental health hospitals)	HP.3.1.1 Offices of general medical practitioners	HP.3.3 Other healthcare practitioners	HP.3.4.1 Family planning centres	HP.3.4.9 All Other ambulatory centres	HP.4.1 Providers of patient transportation and emergency rescue	HP.6 Providers of preventive care	HP.7.1 Government health administration agencies	HP.7.2 Social health insurance agencies	HP.7.3 Private health insurance agencies	HP.7.9 Other administration agencies	HP.10 Other healthcare providers not elsewhere classified (n.e.c)	All HP
HC.1.1.1	18145	2418		899		13		1		100				1175	22751	
HC.1.1.2	7238	2356	445	2349			0							217	12605	
HC.1.3.1	8011	36		3	85	56	16041							24	24257	
HC.1.3.2	55						55								109	
HC.1.3.3	2	51					34							24	111	
HC.1.4										9					10	
HC.2				51											51	
HC.3	5														5	
HC.4.3								998							998	
HC.6.1	37					0			1067						1104	
HC.6.2						100			246						371	

(Expenditure in INR Crores)																
Classification Codes	Primary		Secondary		Tertiary		Admin		NEC		All HP					
	HP.1.1.1 General hospitals – Government	HP.1.1.1 General hospitals – Private	HP.1.2.1 Mental Health hospitals – Government	HP.1.3.1 Specialised hospitals (Other than mental health hospitals) Government	HP.3.1.1 Offices of general medical practitioners	HP.3.3 Other healthcare practitioners	HP.3.4.1 Family planning centres	HP.3.4.9 All Other ambulatory centres	HP.4.1 Providers of patient transportation and emergency rescue	HP.6 Providers of preventive care	HP.7.1 Government health administration agencies	HP.7.2 Social health insurance agencies	HP.7.3 Private health insurance administration agencies	HP.7.9 Other administration agencies	HP.10 Other healthcare providers not elsewhere classified (n.e.c.)	All HP
HC.6.3									3						3	
HC.6.4	112					4221	5089	30	1888	2971					14312	
HC.6.5						201	24		8643						8868	
HC.6.6									4						4	
HC.7.1										8422				3	8425	
HC.7.2										188	1048	76	185		1496	
HC.9 Other healthcare services not elsewhere classified (n.e.c.)									0	15				2373	2388	
All HC	33604	4861	445	3303	85	4591	5138	16160	998	11851	1048	76	185	3816	97866	

ANNEX 2 – CURRENT GOVERNMENT HEALTH EXPENDITURES ACCORDING TO CLASSIFICATION CATEGORIES

While the 2X2 matrices in Annexure 1, provide detailed estimates of flow of funds, it is also important to understand the relative contribution of each of classification categories under different consumption axes – Financing, Provision and Consumption. Data is presented according to Government health financing schemes, sources of financing (revenue of financing scheme), providers and functions. Proportion of current Government health expenditures for healthcare financing schemes and revenues of healthcare financing schemes are presented in Table A.2.1 and A.2.2 respectively, and share of current government health expenditures by healthcare providers and functions are presented in Tables A.2.3 and A.2.4 respectively.

Table A.2.1: Distribution of Current Government Health Expenditures according to Healthcare Financing Schemes

Code	Financing Schemes	Expenditure (Rs crores)	%
HF.1.1.1.1	Union government schemes (Non-Employee)	19853	20.29
HF.1.1.1.2	Union government schemes (Employee)	7911	8.08
HF.1.1.2.1.1	State government schemes (Non-Employee)	44306	45.27
HF.1.1.2.1.2	State government schemes (Employee)	1832	1.87
HF.1.1.2.2.1	Urban Local Bodies schemes	3933	4.02
HF.1.1.2.2.2	Rural Local Bodies schemes	3136	3.20
HF.1.2.1	Social health insurance schemes	12139	12.40
HF.2.1.1.2	Government-based voluntary insurance	4757	4.86
	Total	97866	100

Table A.2.2: Distribution of Current Government Health Expenditures according to Revenues of Healthcare Financing Schemes

Code	Financing Schemes	Expenditure (Rs crores)	%
FS.1.1.1	Internal transfers and grants - Union Government	32897	33.61
FS.1.1.2	Internal transfers and grants - State Government	53577	54.75
FS.1.1.3.1	Urban Local Bodies	2556	2.61
FS.1.1.3.2	Rural Local Bodies	24	0.02
FS.2.1	Transfers distributed by Union Government from foreign origin	136	0.14
FS.2.2	Transfers distributed by State Government from foreign origin	442	0.45
FS.3.1	Social insurance contributions from employees	2485	2.54
FS.3.2	Social insurance contributions from employers	5635	5.76
FS.5.1	Voluntary prepayment from individuals/households	114	0.12
	Total	97866	100

Table A.2.3: Distribution of Current Government Health Expenditures according to Healthcare Providers

Code	Financing Schemes	Expenditure (Rs crores)	%
HP.1.1.1	General hospitals – Government	33604	34.34
HP.1.1.2	General hospitals – Private	4861	4.97
HP.1.2.1	Mental Health hospitals – Government	445	0.46
HP.1.3.1	Specialised hospitals (Other than mental health hospitals) Government	3303	3.37
HP.3.1.1	Offices of general medical practitioners	85	0.09
HP.3.3	Other health care practitioners	4591	4.69
HP.3.4.1	Family planning centres	5138	5.25
HP.3.4.9	All Other ambulatory centres	16160	16.51
HP.4.1	Providers of patient transportation and emergency rescue	998	1.02
HP.6	Providers of preventive care	11851	12.11
HP.7.1	Government health administration agencies	11704	11.96
HP.7.2	Social health insurance agencies	1048	1.07
HP.7.3	Private health insurance administration agencies	76	0.08
HP.7.9	Other administration agencies	185	0.19
HP.10	Other health care providers not elsewhere classified (n.e.c)	3816	3.90
	Total	97866	100

Table A.2.4: Distribution of Current Government Health Expenditures according to Healthcare Functions

Code	Financing Schemes	Expenditure (Rs crores)	%
HC.1.1.1	General inpatient curative care	22751	23.25
HC.1.1.2	Specialised inpatient curative care	12605	12.88
HC.1.3.1	General outpatient curative care	24257	24.79
HC.1.3.2	Dental outpatient curative care	109	0.11
HC.1.3.3	Specialised outpatient curative care	111	0.11
HC.1.4	Home-based curative care	10	0.01
HC.2	Rehabilitative care	51	0.05
HC.3	Long-term care (health)	5	0.005
HC.4.3	Patient transportation	998	1.02
HC.6.1	Information, education and counseling (IEC) programmes	1104	1.13
HC.6.2	Immunisation programmes	371	0.38
HC.6.3	Early disease detection programmes	3	0.003
HC.6.4	Healthy condition monitoring programmes	14312	14.62
HC.6.5	Epidemiological surveillance and risk and disease control programmes	8868	9.06
HC.6.6	Preparing for disaster and emergency response programmes	4	0.004
HC.7.1	Governance and Health system administration	8425	8.61
HC.7.2	Administration of health financing	1496	1.53
HC.9	Other health care services not elsewhere classified (n.e.c.)	2388	2.44
	Total	97866	100

ANNEX 3 – STATE-WISE VARIATION IN GOVERNMENT HEALTH EXPENDITURES

This section focuses on presenting the variation amongst different States in terms of their Government Health Expenditures using the following indicators:

- a. Per Capita Government Health Expenditure,
- b. Government Health Expenditure as a percentage of Gross State Domestic Product (GSDP) and
- c. Government Health Expenditure as a percentage of General Government Expenditure (GGE).

The following section is presented as an annexure to this report because these estimates are not derived from the NHA tables. The aggregate Total Government Health Expenditure derived by adding revenue and capital expenditures have been used in calculating these indicators. State-wise expenditure figures are sourced from the following two sources.

- a. "Health Sector Financing by Centre and States/UTs in India [2013-14 to 2015-16], compiled by - National Health Accounts Cell, Ministry of Health & Family Welfare, Government of India¹, and
- b. Detail Demand for Grants of all State Departments to cull out health expenditures incurred by different State Departments in addition to the expenditures by the respective State Health Departments.²

"The General Government Expenditures for each of the 28 states (as Telangana was a part of undivided Andhra Pradesh in 2013-14) and 2 UTs (Delhi NCT and Puducherry) were calculated by adding up the revenue expenditures and the total capital outlay (not adjusted for lending) of all the government departments in a state/ UT reported in the Annexure II and IV of the Reserve Bank of India's annual report, "State Finances: A Study of Budgets (2016)".

The "Revenue Expenditures" for each State and UT were obtained from "Appendix II: Revenue Expenditure of States and Union Territories with legislature" and the "Total Capital Outlay" for each State and UT were obtained from "Appendix IV: Capital Expenditure of States and Union Territories with legislature". Available online at:

<https://www.rbi.org.in/Scripts/AnnualPublications.aspx?head=State%20Finances%20:%20A%20Study%20of%20Budgets>

The State-wise Total Health Expenditure, population, GSDP and GGE figures along with the health financing indicators are provided in **Annex Table A.3.1**.

1 Report available online at - <http://www.mohfw.nic.in/showfile.php?lid=3700>

2 This data was compiled in-house at NHSRC.

Table A.3.1: State-wise Indicators for Government Health Expenditures

Sl No	Name of the state	TGHE (in crores)	Population 2013 (in crores)	Per capita TGHE (in Rs)	GSDP (in crores)	TGHE as a % of GSDP	GGE (in crores)	TGHE as % of GGE
1	Andaman & Nicobar Islands	202	0.04	5154	6150	3.28	NA	NA
2	Andhra Pradesh*	6373	8.70	733	855935	0.74	125665	5.07
3	Arunachal Pradesh	361	0.14	2529	13545	2.67	7411	4.87
4	Assam	1712	3.22	532	159460	1.07	35179	4.87
5	Bihar	2682	10.87	247	343663	0.78	76478	3.51
6	Chandigarh	253	0.11	2339	29076	0.87	NA	NA
7	Chhattisgarh	1591	2.65	599	185682	0.86	37434	4.25
8	Dadar & Nagar Haveli	63	0.04	1755	NA	NA	NA	NA
9	Daman & Diu	42	0.03	1669	NA	NA	NA	NA
10	Delhi	3067	1.73	1775	391125	0.78	27074	11.33
11	Goa	463	0.15	3077	48897	0.95	7813	5.93
12	Gujarat	5148	6.16	835	765638	0.67	97936	5.26
13	Haryana	1895	2.62	722	388917	0.49	45822	4.14
14	Himachal Pradesh	1177	0.71	1653	82585	1.43	19208	6.13
15	Jammu and Kashmir	1374	1.28	1069	87570	1.57	31565	4.35
16	Jharkhand	1172	3.41	343	172773	0.68	28160	4.16
17	Karnataka	4656	6.37	731	614607	0.76	106136	4.39
18	Kerala	3655	3.44	1062	396282	0.92	64780	5.64
19	Lakshadweep	44	0.01	6665	NA	NA	NA	NA
20	Madhya Pradesh	3539	7.44	476	434730	0.81	80682	4.39
21	Maharashtra	7440	11.70	636	1510132	0.49	174923	4.25
22	Manipur	413	0.28	1475	14324	2.88	7011	5.89
23	Meghalaya	453	0.30	1491	21922	2.07	6627	6.84
24	Mizoram	348	0.11	3085	10297	3.38	5516	6.31
25	Nagaland	302	0.20	1477	17749	1.70	6957	4.34
26	Odisha	2019	4.32	467	272980	0.74	53374	3.78
27	Puducherry	361	0.13	2842	21077	1.71	4845	7.45
28	Punjab	2106	2.84	741	317556	0.66	43841	4.80
29	Rajasthan	4807	7.17	670	517615	0.93	89174	5.39
30	Sikkim	256	0.06	4090	12377	2.07	4370	5.86
31	Tamil Nadu	6203	7.40	839	854238	0.73	126998	4.88
32	Tripura	409	0.38	1090	26810	1.53	7590	5.39
33	Uttar Pradesh	9515	20.87	456	862746	1.10	191010	4.98
34	Uttarakhand	1095	1.04	1051	122897	0.89	19928	5.50
35	West Bengal	4920	9.35	526	706561	0.70	98724	4.98

Source Population: Population projections (NHSRC Calculation) for India based on 2011 census , using geometric growth rate of population.

Source GSDP: For Sl. No. 1-33 -- Directorate of Economics & Statistics of respective State Governments, and for All-India -- Central Statistics Office

Source for State-wise GGE: RBI State Finances: A Study of Budgets (2016); Appendix II: Revenue Expenditure of States and Union Territories with legislature and Appendix IV: Capital Expenditure of States and Union Territories with legislature. Available online at <https://www.rbi.org.in/Scripts/AnnualPublications.aspx?head=State%20Finances%20:%20A%20Study%20of%20Budgets> . State-wise sheets (for 28 states and 2 UTs with legislature) were downloaded on 20.04.2017

Source TGHE: Derived by adding up state-wise expenditure figures sourced from the following two sources that are mutually exclusive:

- "Health Sector Financing by Centre and States/UTs in India (2013-14 to 2015-16), compiled by - National Health Accounts Cell, Ministry of Health & Family Welfare, Government of India, Report available online at - <http://www.mohfw.nic.in/showfile.php?lid=3700> and
- Detail Demand for Grants of all State Departments to call out health expenditures incurred by State Departments other than State Health Departments. (data compiled in-house at NHSRC)

NA= information/ data not available.

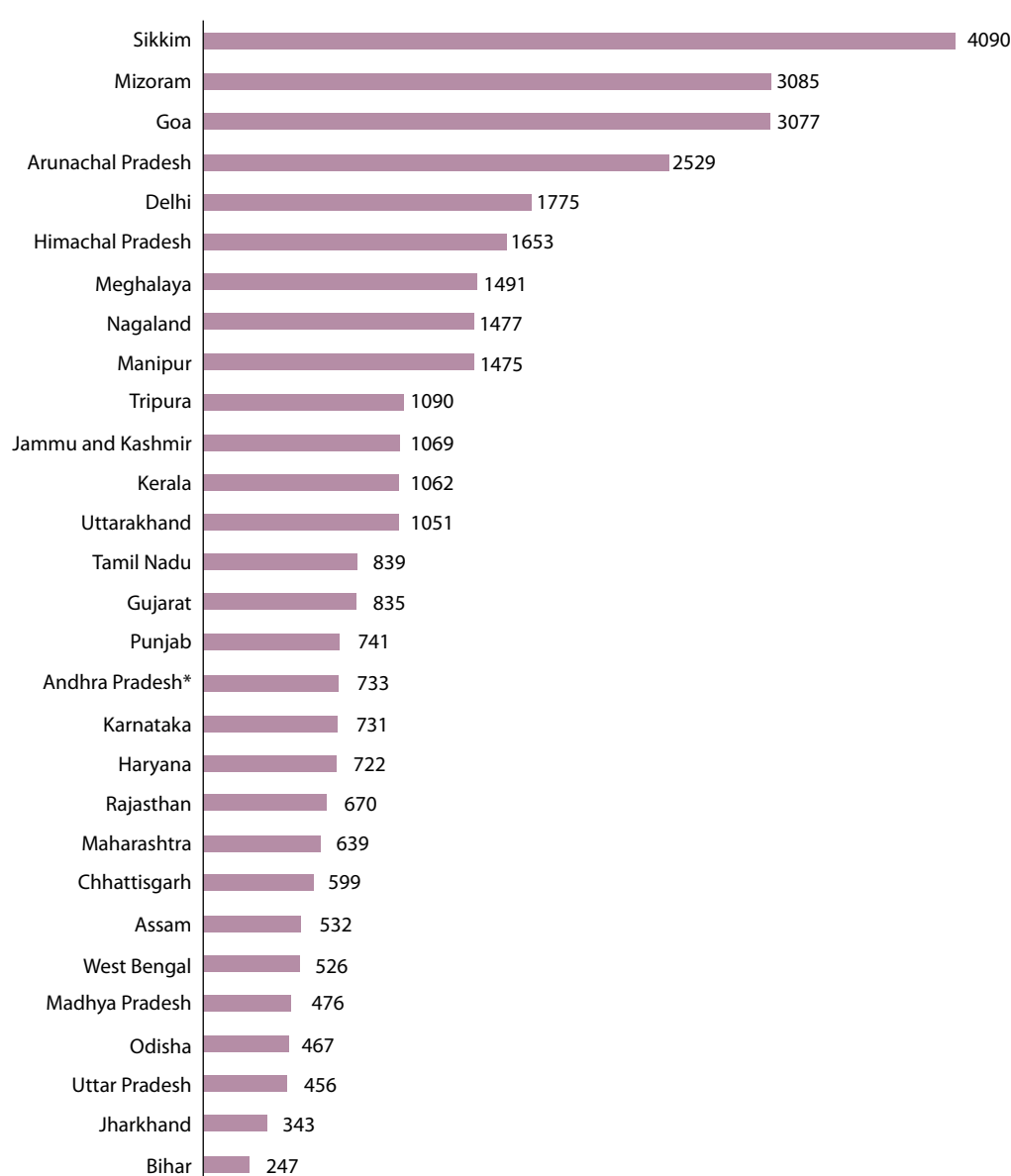
* Undivided Andhra Pradesh

A.3.1 State-wise Variation in Per Capita Government Health Expenditures

State Governments are the major source of funding for health sector. The State-wise per capita public spending shows that Sikkim spends Rs 4090 per capita, which is the highest among all States (UTs not included), whereas Bihar spends the lowest amount Rs 247 per capita. The Government Health Expenditure (Per Capita) in States like Chhattisgarh (Rs 599), Maharashtra (Rs 636), Rajasthan (Rs 670) is lower than “All India” Per Capita Health Expenditure of Rs 1042 (i.e. all States governments, UTs and the Union Government Health Expenditures added together) and derived from National Health Accounts estimates.

Figure A.3.1 shows State-wise variation in Per-Capita Total Government Health Expenditures (Capital+Current added together).

Figure A.3.1: State-wise Total Government Health Expenditures (per capita), 2013-14



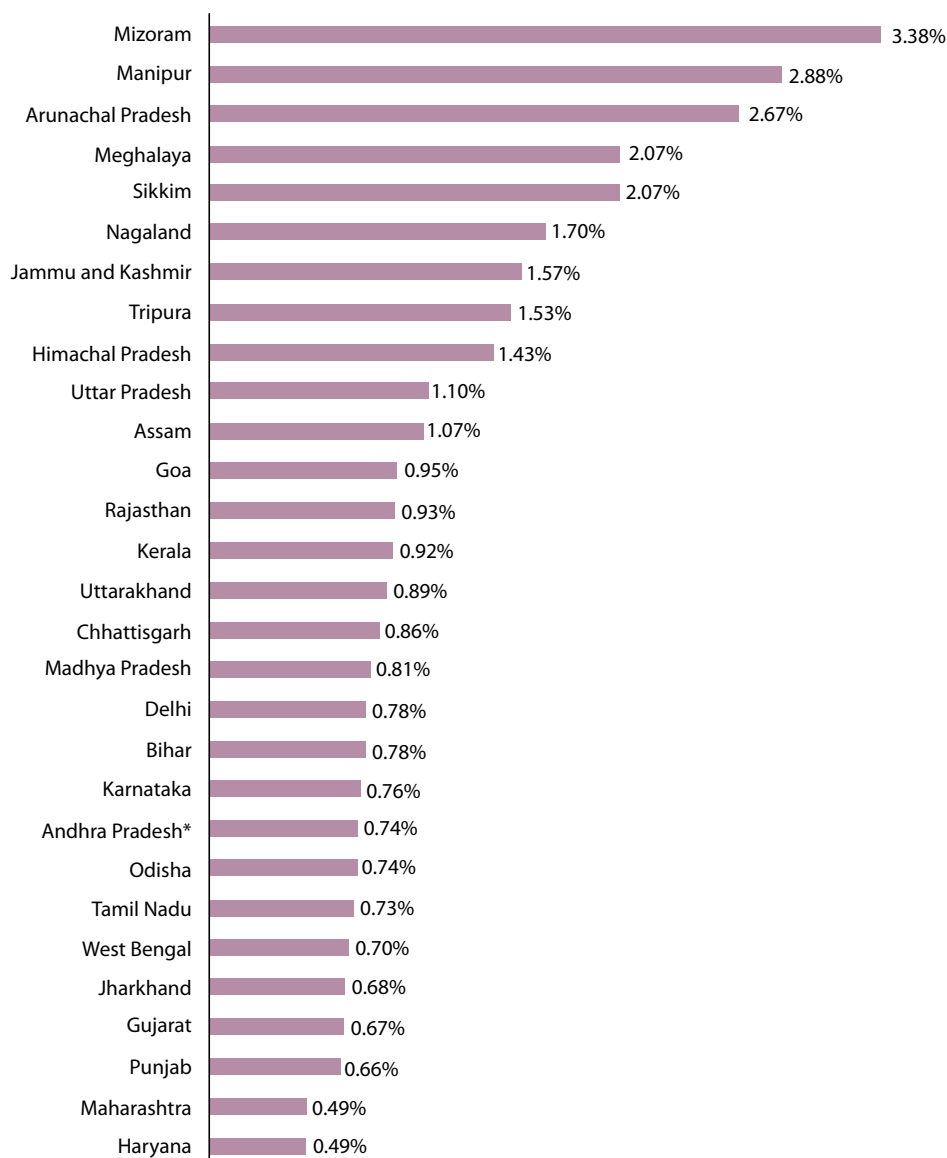
Source of population data: Population projections (NHSRC Calculation) for India based on 2011 Census, using geometric growth rate of population

* Undivided Andhra Pradesh

A.3.2 State-wise Variation in Total Government Health Expenditures as a Percentage of GSDP

The State-wise Total Government Health Expenditure as a percentage of Gross State Domestic Product (GSDP) shows that Mizoram spends 3.38% of its GDP on health i.e. the highest among all States (UTs not included), whereas Haryana and Maharashtra spend 0.49% of their GSDP on health. Only the North Eastern States and hilly states are spending above 1.15% of GDP (expenditure by all Governments together). The **Figure A.3.2** shows State-wise variation in Total Government Expenditure as a percentage of GSDP for FY 2013-14.

Figure A.3.2: State-wise Total Government Health Expenditures as a percentage of GSDP, 2013-14



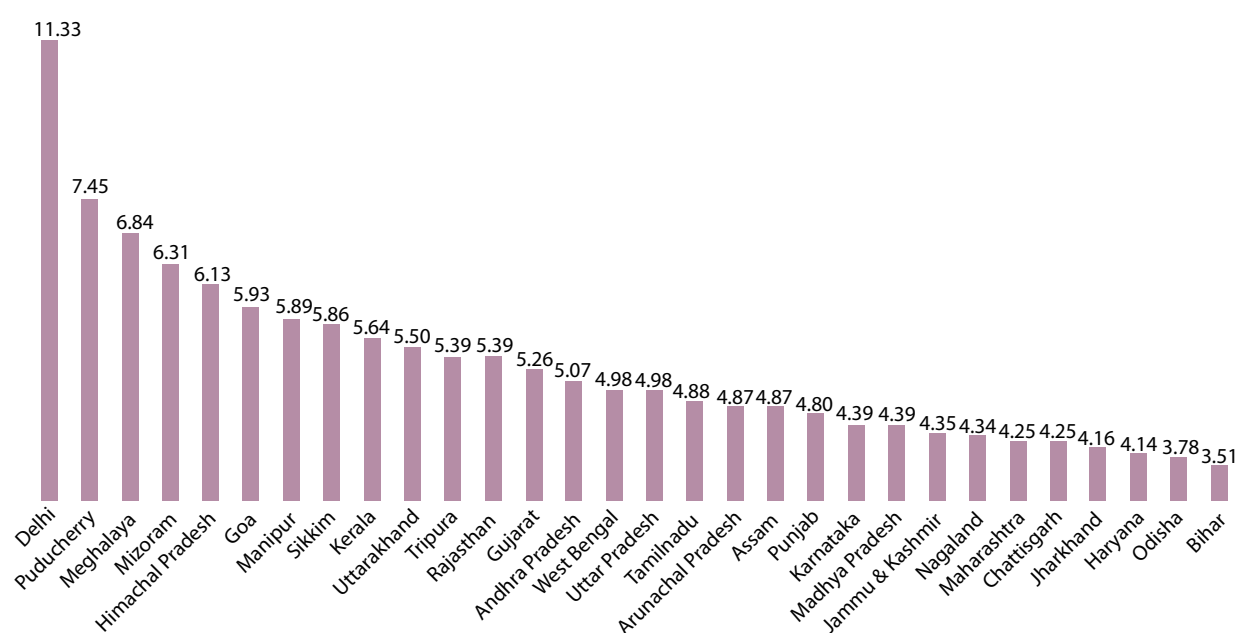
Source GSDP: For Sl. No. 1-33 -- Directorate of Economics & Statistics of respective State Governments, and for All-India -- Central Statistics Office

* Undivided Andhra Pradesh

A.3.3 State-wise Variation in Total Government Health Expenditures as a percentage of General Government Expenditures

Another important indicator to look at is the inter-State variations in Government Expenditure on Health as Government Health Expenditure as a percentage of General Government Expenditure. A comparatively higher percent value indicates greater priority to public health sector in the State. The Delhi Government spends around 11.33% of its General Government Expenditure and is the highest among all Indian States and UTs whereas; Bihar spends only 3.51% of its General Government Expenditure on Health. The State-wise percentage values of Government Health Expenditure as a percentage of General Government Expenditure of respective States is presented in **Figure A.3.3**.

Figure A.3.3: State-wise Total Government Health Expenditures as a percentage of General Government Expenditures



Source for State-wise GGE: RBI State Finances: A Study of Budgets (2016); Appendix II: Revenue Expenditure of States and Union Territories with legislature and Appendix IV: Capital Expenditure of States and Union Territories with legislature. Available online at <https://www.rbi.org.in/Scripts/AnnualPublications.aspx?head=State%20Finances%20%20A%20Study%20of%20Budgets>. State-wise sheets (for 29 states and 2 UTs with legislature) were downloaded on 20.04.2017.

"The State-wise GGE was calculated by adding Revenue Expenditure and total capital outlay, obtained from the appendix II and IV of the RBI State Finances: A Study of Budgets (2016)"

* Undivided Andhra Pradesh



NATIONAL HEALTH ACCOUNTS TECHNICAL SECRETARIAT
NATIONAL HEALTH SYSTEMS RESOURCE CENTRE
MINISTRY OF HEALTH AND FAMILY WELFARE, GOVERNMENT OF INDIA