

**STATE HEALTH ACCOUNTS
ESTIMATES FOR
SIKKIM
2017-18**

**NATIONAL HEALTH SYSTEMS RESOURCE CENTRE
MINISTRY OF HEALTH & FAMILY WELFARE, GOVERNMENT OF INDIA
&
DEPARTMENT OF HEALTH CARE, HUMAN SERVICES & FAMILY WELFARE, SIKKIM**

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2017-18

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Preface

The health account for Sikkim is produced using the globally recognized framework of System of Health Accounts (SHA, 2011) along with methods agreed upon as mentioned in the Guideline for National Health Account in India (2016). States in India play a very important role in provision of health services to the people. Thus, it is of immense important to capture the magnitude and pattern of health spending at the state level. The State Health Account estimates will help to understand nature and extent of flow of funds within the health care system. It will also help us to answer important policy question as how much is spent on healthcare in the state, what are the different sources of funds, for what purpose the money spent and lastly who providers health care.

State Health Accounts estimates for Sikkim will help us to understand the magnitude of health spending by different sources which include government, households, private firms, non-government organizations. It will also enable us to answer the critical health financing questions, such as the extent of prepayment and risk pooling mechanisms in the state. Further, it will also provide detail on nature of government health spending in terms of salary, drugs, etc. This document will be a useful precursor both for policy makers as well as the academicians who wants to get an understanding of the health system of the state. The layout of the report follows the pattern followed at the national level. To assess the performance of the state whenever necessary we have made comparison of health financing indicators of the national level estimates of FY 2017-18.

The state of Sikkim is one of the northeastern states of the country and unlike the country average dependency on government health facilities is quite high in the state. The main source of revenue for health financing in the state is the state government followed by the households. The disaggregated analysis of the state government expenditure clearly show that majority of the expenditure is done as salary and wages. Even though the government health expenditure plays an important role, the nature of expenditure show that emphasis has been on Primary Health Care.

We are indebted and express our special gratitude to Dr. M P Pradhan from NHM, Sikkim for entrusting such an important policy relevant study. We would also like to thank the officials at the Health Department, Economics and Statistics Department in facilitating data collection and further improvisation of the study. We would like to thank our colleagues of the NHSRC

and the support staff who directly or indirectly helped in the preparation of the estimate and preparation of this report.

NHA Team, NHSRC

Abbreviations

ANM	Auxiliary Nurse Midwife
AYUSH	Ayurveda Yoga and Naturopathy Unani Siddha and Homeopathy
CES	Consumer Expenditure Survey
CGA	Controller General of Accounts
CGHE	Current Government Health Expenditure
CGHS	Central Government Health Scheme
CHE	Current Health Expenditure
CHSS	Contributory Health Service Scheme
CRS	Creditor Reporting System
CSMA	Central Services Medical Attendance
CSO	Central Statistics Office
CSO-NAD	Central Statistics Office-National Accounts Division
DAC	Development Assistance Committee
ECHS	Ex-Servicemen Contributory Health Scheme
ESIC	Employees' State Insurance Corporation
FCRA	Foreign Contributory Regulation Act
FP	Factor of Provision
FS	Financing Schemes
GHE	Government Health Expenditure
GGE	Government General Expenditure
GoI	Government of India
HAPT	Health Accounts Production Tool
HC	Healthcare Functions
HF	Healthcare Financing Schemes
HMO	Health Monitoring Organization
HMIS	Health Management Information System
HP	Healthcare Providers
HS	Health Systems
IEC	Information Education and Communication
IEG	Institute of Economic Growth
IIB	Insurance Information Bureau of India
IMS	Intercontinental Marketing Services
IRDAI	Insurance Regulatory and Development Authority of India
Incl.	Including
MoHFW	Ministry of Health and Family Welfare
MoSPI	Ministry of Statistics and Programme Implementation

N.E.C	Not Elsewhere Classified
NFHS	National Family Health Survey
NGO	Non-Governmental Organization
NHA	National Health Accounts
NHATS	National Health Accounts Technical Secretariat
NHSRC	National Health Systems Resource Centre
NHM	National Health Mission
NPISH	Non-Profit Institutions Serving Households
NSSO	National Sample Survey Office
OECD	Organisation for Economic Co-operation and Development
OOPE	Out of Pocket Expenditure
PHFI	Public Health Foundation of India
PNC	Post-Natal Care
PPP	Public Private Partnership
PST	Primary, Secondary and Tertiary
RELHS	Retired Employees Liberalized Health Scheme
RLB	Rural Local Body
RMSC	Rajasthan Medical Service Corporation
SHA	System of Health Accounts
TA	Technical Assistance
TCAM	Traditional, Complementary and Alternative Medicine
THE	Total Health Expenditure
TMC	Tata Memorial Centre
TNMSC	Tamil Nadu Medical Services Corporation Ltd
ULB	Urban Local Body
VHNSC	Village Health Nutrition and Sanitation Committee

Highlights of State Health Accounts Estimates 2017-18

What is Health Accounts?

Health Accounts describe health expenditures and flow of funds in country's health system over a period of time - financial year for Sikkim. It answers important policy questions such as what are sources of healthcare expenditures, who manages these, who provides health care services and which services are utilized. It is a practice to describe the health expenditure estimates according to a global standard framework: System of Health Accounts 2011 (SHA 2011), to facilitate comparison of estimates across countries. SHA 2011 framework presents expenditures disaggregated as Current and Capital. Focus is on describing Current Health Expenditures (CHE) and their details presented according to (1) Revenues of healthcare financing schemes - entities that provide resources to spend for health goods and services in the health system; (2) Healthcare financing schemes - entities receiving and managing funds from financing sources to pay for or to purchase health goods and services; (3) Healthcare providers - entities receiving finances to produce / provide health goods and services; (4) Healthcare Functions - describe the use of funds across various health care services; (5) Factors of Provision-describes the inputs needed to produce healthcare services and goods.

Sikkim at a Glance

According to Census 2011, the population of Sikkim was 610,577 out of which 323,070 were males and 287,507 were females. Majority of the population reside in rural region (74.85%). Sex ratio is 890 females per 1000 males. The literacy rate of the state is 81.42%. Around 86.55% of males and 75.61% of females in Sikkim are literate¹. Per capita GSDP for Sikkim is Rs. 3,49,163 for the F.Y 2017-18, next only to the Goa².

The life expectancy (LE) in Sikkim in 2017 was 75.8 years for females and 70.5 years for males.³ According to the National Family Health Survey – 5, Infant Mortality Rate (IMR) has declined tremendously over the past years from 34 in 2005-06 to 11.2 in 2019-20.

In terms of health performance, NITI Aayog has ranked Sikkim 5th for absolute performance in the smaller state's category of its annual exercise of 'Performance on Health Outcomes:

¹Census (2011), Primary Census Abstracts, Registrar General of India, Ministry of Home Affairs, Government of India, Available at: <http://www.censusindia.gov>.

²Ministry of Statistics and Programme Implementation available at <http://mospi.nic.in/data>

³Indian Council of Medical Research, Public Health Foundation of India, and Institute for Health Metrics and Evaluation. India: Health of the Nation's States - The India State-level Disease Burden Initiative. New Delhi, India: ICMR, PHFI, and IHME; 2017.

State Health Index' for the year 2018-19. It has shown a decline in its performance from the previous year 2017-18 where it ranked 4th. The state shows a declining trend indicating that strategic interventions are needed for improving the health performance.

What are the key health expenditure estimates for Sikkim?

For the year 2017-18, Total Health Expenditure (THE) for Sikkim is estimated at Rs. 555.6 crores (2.4% of GSDP and Rs.8457 per capita). THE constitutes current and capital expenditures incurred by Government and Private Sources including External/Donor funds. Current Health Expenditure (CHE) is Rs. 310.8 crores (55.9% of THE) and capital expenditures is Rs. 244.8 crores (44.1% of THE). Capital expenditures are reported for all sources of Government and Enterprises (Union Government is Rs. 17.4 crores; State Government Rs. 227.3 crores, Enterprises Rs. 0.1 crores).

Total Government Health Expenditure (TGHE) which includes capital expenditure is Rs. 469.8 crores (84.55% of THE, 2% GSDP and Rs. 7151 per capita). This amounts to about 8.3% of General Government Expenditure in 2017-18. Of the GHE, Union Government share is 9.5% and State Government share is 89.2%.

Household's Out of Pocket Expenditure on health (OOPE) is Rs. 80.2 crores (14.4 % of THE, 0.35% of GSDP, Rs. 1221 per capita) Private Health Insurance expenditure is Rs 5 crores (0.9% of THE).

Who contributes to current health expenditures?

Of the Current Health Expenditures, Union Government share is Rs. 27.4 crores (8.82%) and the State Government's share Rs. 191.9 crores (61.74%). Local bodies' share is Rs. 0.02 crores (0.1 %), Households share (including insurance contributions) about Rs. 86.0 crores (27.66%, OOPE being 25.8%). Contribution by enterprises (including insurance contributions) is Rs. 5.5 crores (1.95% of CHE).

Who provides health care services?

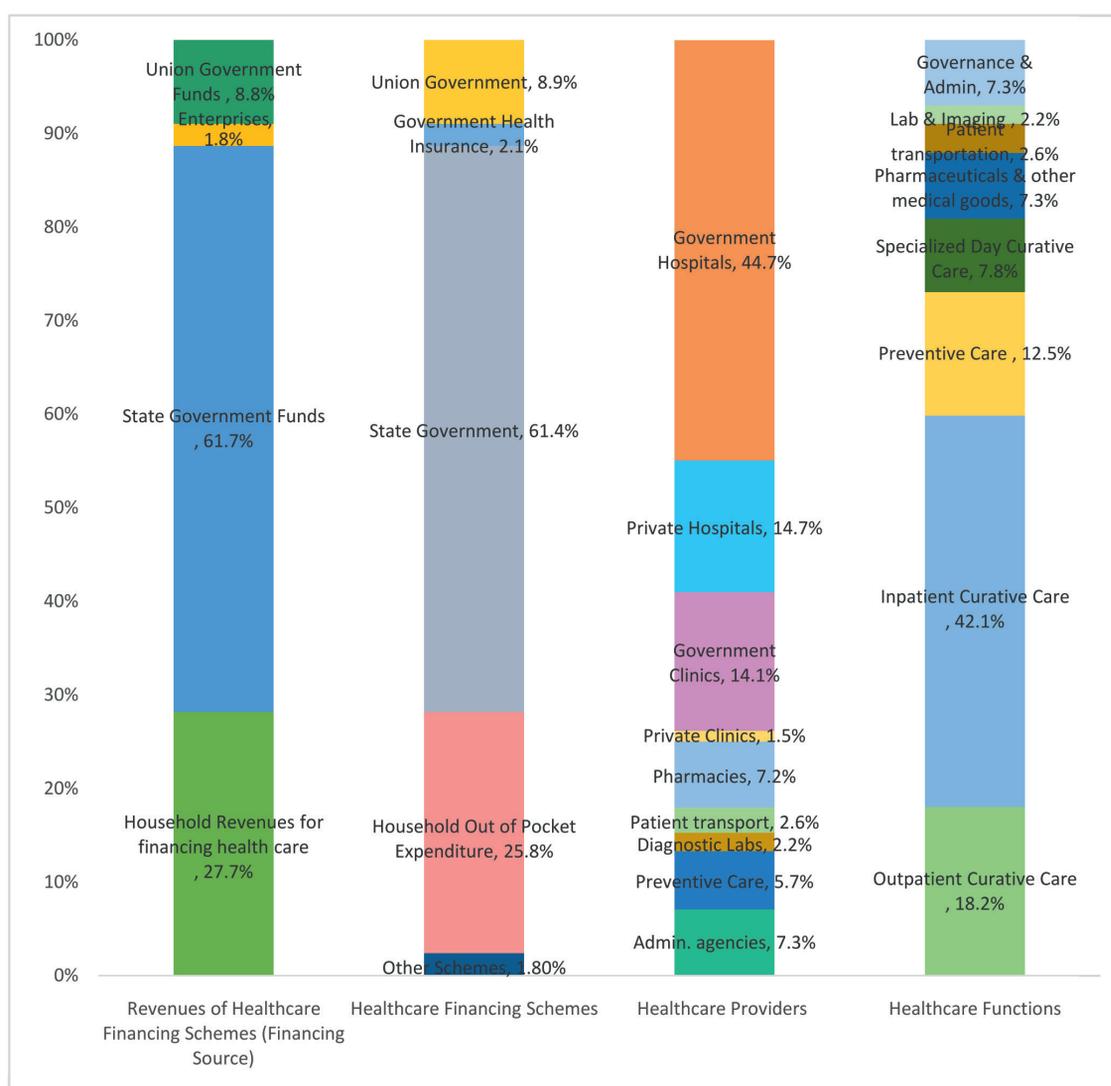
Current Health Expenditure attributed to Government Hospitals is Rs. 139.1 crores (44.76%), and Private Hospitals Rs. 45.8 crores (14.74%). Expenditures incurred on other Government Providers (incl. PHC, Dispensaries, and Family Planning Centers) is Rs. 43.9 crores (14.12%), Other Private Providers (incl. private clinics) is Rs. 4.5 crores (1.45 %), Providers of Patient Transport and Emergency Rescue is Rs. 8.1 crores (2.61%), Medical and Diagnostic laboratories is Rs. 6.8 crores (2.19%), Pharmacies is Rs. 22.3 crores (7.18%), Providers of Preventive care is Rs. 17.7 crores (5.69%). About Rs. 22.5 crores (7.23%) are attributed to Providers of Health System Administration and Financing.

What services are consumed?

Current health expenditure attributed to Inpatient Curative Care is Rs. 130.7 crores (42.05%), Outpatient curative care is Rs. 56.5 crores (18.18%), Patient Transportation is Rs. 8.1 crores (2.61%), Laboratory and Imaging services is Rs. 6.9 crores (2.22 %), Prescribed Medicines is Rs. 21.7 crores (6.98%), Over the Counter (OTC) Medicines is Rs. 0.6 crores (0.19%), Preventive Care is Rs. 39.0 crores (12.55%), and others is Rs. 0.3 crores (0.09%). About Rs. 22.6 crores (7.28%) are attributed to Governance and Health System Administration.

Total Pharmaceutical Expenditure is 26.9 % of CHE (includes prescribed medicines, over the counter drugs and those provided during an inpatient, outpatient or any other event involving a contact with health care provider). Expenditure on Traditional, Complementary and Alternative Medicine (TCAM) is 0.02 % of CHE.

Figure A: Distribution of Current Health Expenditure (2017-18) by Healthcare Financing Schemes, Revenues of Healthcare Financing Schemes, Healthcare Providers and Healthcare Functions (%)



Note:

1. *Government Health Insurance Schemes include Government-based insurance schemes like ESIC.*
2. *Government Clinics include ambulatory centers like Sub-Centers/ANM, ASHA, Anganwadi Centers & VHNSCs (5.9%); Primary Health Centers (PHC), Govt. dispensaries including AYUSH (8.2%) and Family planning centers (0.0%).*
3. *Administrative agencies include Govt. health admin (7.1%)*
4. *Other providers include Retail sellers and other suppliers of durable medical goods and appliances (0.0%).*
5. *Pharmaceuticals and other medical goods include prescribed medicines (7.0%), Over-the-counter medicines (0.2%); all therapeutic appliances and other medical goods (0.1%).*
6. *Preventive care includes programmes on Information, education and counselling (IEC) (1.9%); Immunization (0.9%); Healthy condition monitoring (1.8%); Epidemiological surveillance, risk and disease control (8.0%).*

1.1 Key Health Financing indicators

Key health financing indicators enable comparison of health expenditures with other countries and across various rounds of National Health Accounts estimates within the country. Health financing indicators commonly used and the relevant description are presented here:

Total Health Expenditure (THE) as percent of GDP and Per Capita: THE constitutes current and capital expenditures incurred by Government and Private Sources including External funds. THE as a percentage of GDP indicates health spending relative to the country's economic development. THE per capita indicates health expenditure per person in the country.

Current Health Expenditures (CHE) as percent of THE: CHE constitutes only recurrent expenditures for healthcare purposes net all capital expenditures. CHE as percent of THE indicate the operational expenditures on healthcare that impact the health outcomes of the population in that particular year. System of Health Accounts 2011 (SHA 2011) Framework disaggregates capital and current expenditures.

Government Health Expenditure (GHE) as percent of THE: GHE constitutes spending under all schemes funded and managed by Union, State and local Governments including quasi-Governmental organizations and donors in case funds are channeled through Government organizations. It has an important bearing on the health system as low Government health expenditures may mean high dependence on household out of pocket expenditures.

Out of Pocket Expenditures (OOPE) as percent of THE: Out of Pocket Expenditures are expenditures directly made by households at the point of receiving health care. This indicates extent of financial protection available for households towards healthcare payments.

Social Security Expenditure on health as per cent of THE: Social Security Expenditures include finances allocated by the Government towards payment of premiums for Union and State Government financed health insurance schemes (RSBY and other State specific health insurance schemes), employee benefit schemes or any reimbursements made to Government employees for healthcare purposes and Social Health Insurance scheme expenditures. This indicates extent of pooled funds available for specific categories of population.

Private Health Insurance Expenditures as percent of THE: Private health insurance expenditures constitute spending through health insurance companies where in households

or employers pay premium to be covered under a specific health plan. This indicates the extent to which there are voluntary prepayments plans to provide financial protection.

External/ Donor Funding for health as percent of THE: This constitutes all funding available to the country by assistance from donors

GHE as % of General Government Expenditure (GGE): This is a proportion of share of Government expenditures towards healthcare in the General Government Expenditures and indicates Government's priority towards healthcare.

Household Health Expenditure as % of THE: Household health expenditures constitute both direct expenditures (OOPE) and indirect expenditures (prepayments as health insurance contributions or premiums). This indicates the dependence of households on their own income/savings to meet healthcare expenditures.

Union and State Government Health Expenditure as % of GHE: The Union Government Health Expenditures includes the funds allocated by different Ministries and Departments of Union Government towards healthcare of general population and its employees (including funds allocated to local bodies). Similarly the State Government Health Expenditure includes the funds allocated by different Departments under all the State Governments towards healthcare of general population and its employees (including funds allocated to Local bodies and also the funds allocated for health by Local Bodies from their own resources). This indicates the share of the Union Government and State Governments in the Government Health Expenditure which is an important indicator in a federal structure of Sikkim.

Pharmaceutical Expenditures as % of CHE: This includes spending on prescription medicines during a health system contact and self-medication (often referred to as over-the-counter products) and the expenditure on pharmaceuticals as part of inpatient and outpatient care from prescribing physicians. This indicates the share of pharmaceuticals expenditures in the current health Expenditure.

Table 1.1: Key health financing indicators for Sikkim: SHA Estimates 2017-18

	Sikkim	India
Total Health Expenditure (THE) as percent of GSDP	2.4	3.3
Total Health Expenditure (THE) Per capita (Rs.)	8457	4297
Government Health Expenditure (GHE) percent of THE	84.55	40.8
Government Health Expenditure (GHE) percent of GSDP	2	1.35
Government expenditure per capita (Rs.)	7151	1753
Per Capita OOPE	1221	2097
Out of Pocket Expenditures (OOPE) as percent of THE	14.4	48.8
Out of Pocket Expenditures (OOPE) as percent of CHE	25.8	55.1
Social Security Expenditure on health as percent of THE	1.2	9
Private Health Insurance Expenditures as percent of THE	0.9	5.8

1.2 Expenditure Estimates by National Health Accounts Classifications

This section describes distribution of current health care expenditures by National Health Accounts classification categories. Prescribed by the System of Health Accounts 2011 (SHA 2011) these have been adapted to suit the Indian health system context. The description of each of the classifications is provided under each Section of this report and the “National Health Accounts Guidelines for India” 2016. Given below is the distribution of current health care expenditures for 2017-18, (Rs. crores) into healthcare financing schemes, revenues of health care financing schemes (source of financing), healthcare providers healthcare functions and factors of provision.

1.2.1 Expenditure Estimates by Healthcare Financing Schemes

Healthcare financing schemes are the structural components of the healthcare financing systems. They are financing arrangements through which funds flow from source for provision of healthcare services to the population. **Table 2** shows the distribution of expenditures by healthcare financing schemes, followed by the description of all financing schemes relevant in Sikkim context. Detailed description of these schemes is provided in the “National Health Accounts Guidelines for India”, 2016.

Figure 1.1: Current Health Expenditures (2017-18) by Financing Schemes (%)

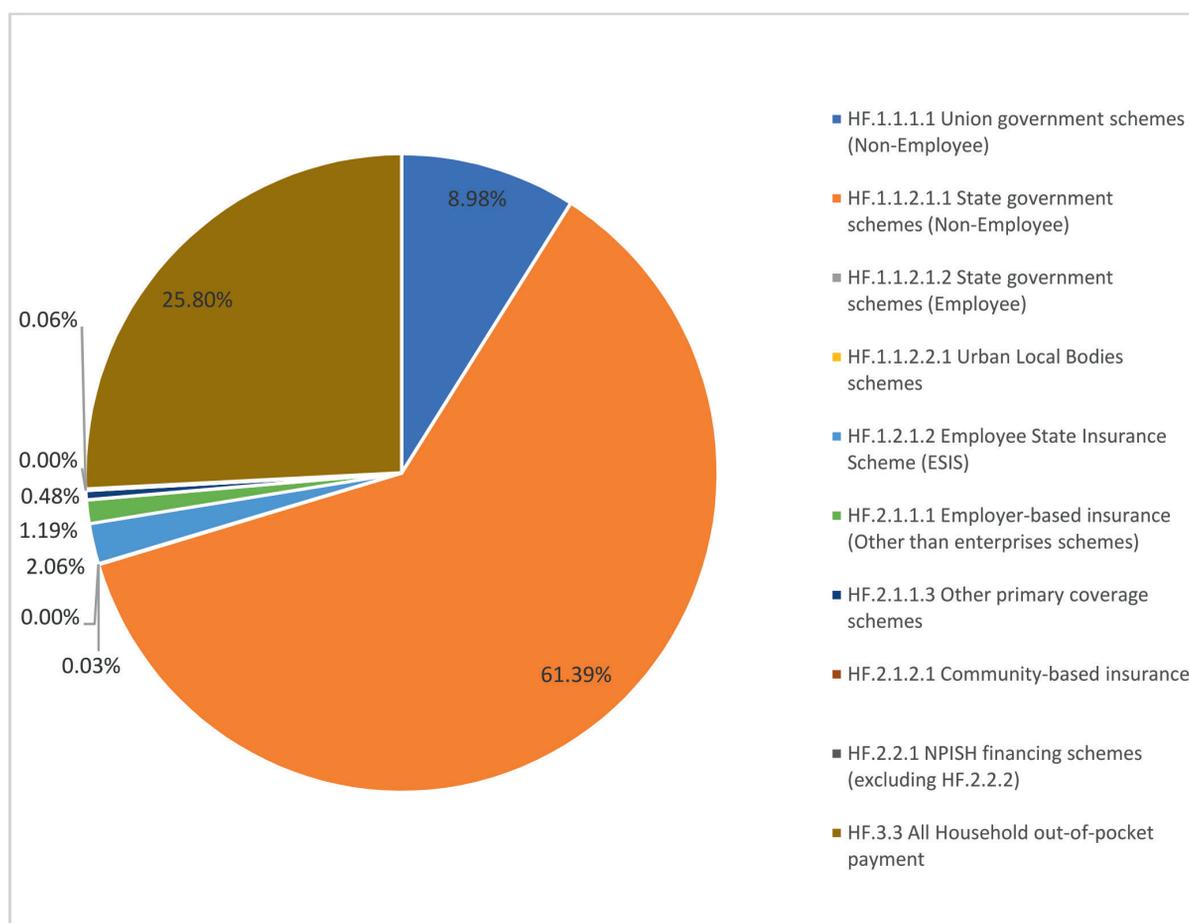


Table 1.2: Current Health Expenditures (2017-18) by Healthcare Financing Schemes:

NHA Codes	Financing schemes	Indian Rupee (INR), Cr.	%
HF.1.1.1.1	Union government schemes (Non-Employee)	27.9	8.98
HF.1.1.2.1.1	State government schemes (Non-Employee)	190.8	61.39
HF.1.1.2.1.2	State government schemes (Employee)	0.1	0.03
HF.1.1.2.2.1	Urban Local Bodies schemes	0.0	0.00
HF.1.2.1.2	Employee State Insurance Scheme (ESIS)	6.4	2.06
HF.2.1.1.1	Employer-based insurance (Other than enterprises schemes)	3.7	1.19
HF.2.1.1.3	Other primary coverage schemes	1.5	0.48
HF.2.1.2.1	Community-based insurance	0.00	0.00
HF.2.2.1	NPISH financing schemes (excluding HF.2.2.2)	0.2	0.06
HF.3.3	All Household out-of-pocket payment	80.2	25.80
All HF		310.8	100.00

HF.1. Government Schemes and Compulsory contributory healthcare financing schemes

All expenditures through the Government (Union, State & Local Governments) and Social Health Insurance agencies for providing healthcare services to general population as well as to Government employees are classified under this broad category which is divided into two sub categories HF.1.1 Government Schemes and HF.1.2 Compulsory Contributory Insurance Schemes.

Government Schemes are further divided into HF.1.1.1 Union Government schemes and HF.1.1.2 State/ regional/ local Government schemes (further divided into HF.1.1.2.1 State Government Schemes and HF.1.1.2.2 Local Government Schemes). HF.1.2.1 Social Health Insurance Schemes falls under HF.1.2 Compulsory Contributory Insurance Scheme. Brief descriptions of all lowest level classification categories under these are given below:

HF.1.1.1.1 Union Government Schemes (Non-Employee)

Expenditure through Ministry of Health and Family Welfare, other Union Ministries & Departments for providing healthcare services to general population are classified here. Includes expenditures under National Health Mission, National Family Welfare Programmes; National AIDS Control Program IEC programmes, partnership with NGOs, etc.

HF.1.1.2.1.1 State Government Schemes (Non-Employee)

Expenditure by Department of Health and Family Welfare and other Departments of the various State Government of Sikkim for providing healthcare services to the general population are classified here. This includes expenditures under Urban and Rural Health services- Allopathy and Other Systems of Medicine, Public Health, Family Welfare, Health Statistics & Evaluation, etc. It also includes healthcare related programs by other departments like by department of Labour, Art and Culture, Social Security, Welfare and Nutrition, Welfare Of SC/ST and OBC, etc. (Refer NHA Guidelines for India, 2016 for details)

HF.1.1.2.1.2 State Government Schemes (Employee)

Expenditure by Department of Health and Family Welfare and other Departments of the various State Governments for providing healthcare services to their own employees are classified under this scheme. This includes medical reimbursements to State Government Employees and their dependents by all State departments.

HF.1.1.2.2.1 and HF.1.1.2.2.2 Local Bodies Scheme

Expenditure by Urban Local Bodies on healthcare services to the general population and Rural Local Bodies on healthcare services to the general population, through the programmes and/facilities run by the local bodies.

HF.1.2.1 Social Health Insurance

Expenditure of Employees' State Insurance Scheme (ESIS) is classified here. Social Health Insurance are financed by the contributions of employees (household's prepayments), employers (enterprises), Union and State Government grants/ contributions.

HF.1.2.1.4 Government Financed Health Insurance schemes

This includes expenditure under all health insurance schemes implemented by Union and State Governments in 2017-18. In Sikkim at present there are two insurance schemes running, RSBY for the BPL families and Sikkim State Health Care Scheme for the APL families.

HF.2 Voluntary Healthcare Payment Schemes

Expenditure through all the voluntary healthcare payment schemes are classified here. This is divided into three sub categories – HF.2.1 Voluntary Health Insurance Schemes, HF.2.2 Non- Profit Institutions Serving Households (NPISH) Schemes and HF.2.3 Enterprise Financing Schemes. Brief descriptions of all the lowest level classification categories under these are given below:

HF.2.1.1.1 Employer Based Insurance Schemes (Private Group Health Insurance)

This includes expenditure under the Group Health Insurance (Non-Government) category defined by the Insurance Regulatory and Development Authority of India (IRDAI) net of the Micro Health Insurance. Micro Health Insurance is considered as Community based insurance with maximum annual coverage of Rs 30,000 per annum. Group Health Insurance are financed by the contributions of employees (households') prepayments, employers (enterprises) in the form of premiums paid to public/ private insurance company.

HF.2.1.1.3 Other Primary Coverage Schemes (Private Individual Health insurance)

This includes expenditures under Individual insurance category defined by the Insurance Regulatory and Development Authority of India (IRDAI) net of the Micro Health Insurance. These are financed by household prepayments.

HF.2.2.1 Non- Profit Institutions Serving Households (NPISH) Schemes

These are institutions established and operated purely on a philanthropic funding or by receiving foreign aid. They may have a network of their own healthcare facilities and/ or deliver healthcare services through single hospital or clinic. Healthcare services are generally provided free or at subsidised cost. Revenue is from the donations of general public, aid through Government budgets, contributions from philanthropists, corporations, foreign aid, user fees, etc.

HF.2.2.2 Resident Foreign Agencies Schemes

Resident Foreign Agencies Schemes are NPISH schemes directly run through resident foreign Government Development agencies.

HF.2.3.1.2 Enterprises

Expenditure of large firms/corporations both in the public and private sector with their own network of health facilities that provide healthcare services to the employees and their dependents are classified under this. These healthcare facilities are financed through the enterprises themselves. In case they do not have their own facility, the enterprise may reimburse the medical bills of the employee or pay a lump sum payment towards healthcare expenditures.

HF.3.3 All Household Out-Of-Pocket Payment

This is a sub category under HF.3 Household out-of-pocket payment. The expenditure in this category is paid by the household/ individuals at point of receiving healthcare services. These are net of reimbursements of any nature (insurance/philanthropic donations etc.) and include all expenditures on inpatient care, outpatient care, child birth, antenatal care (ANC), postnatal care (PNC), family planning devices, therapeutic appliances, expenditure on patient's transportation, immunization, over the counter drugs and other medical expenditures (e.g., blood, oxygen etc.).

1.2.2 Expenditure Estimates by Revenues of Healthcare Financing Schemes

Revenues of Healthcare Financing Schemes are sources of financing from where the schemes draw their revenues. **Table 3** presents distribution of expenditures with regard to revenues of health care financing schemes (sources of financing) followed by the description of all revenues of healthcare financing schemes relevant in Sikkim context. Detailed description of these schemes is provided in the "National Health Accounts Guidelines for India", 2016.

Figure 1.2: Current Health Expenditures (2017-18) by Revenues of Healthcare Financing Schemes (%)

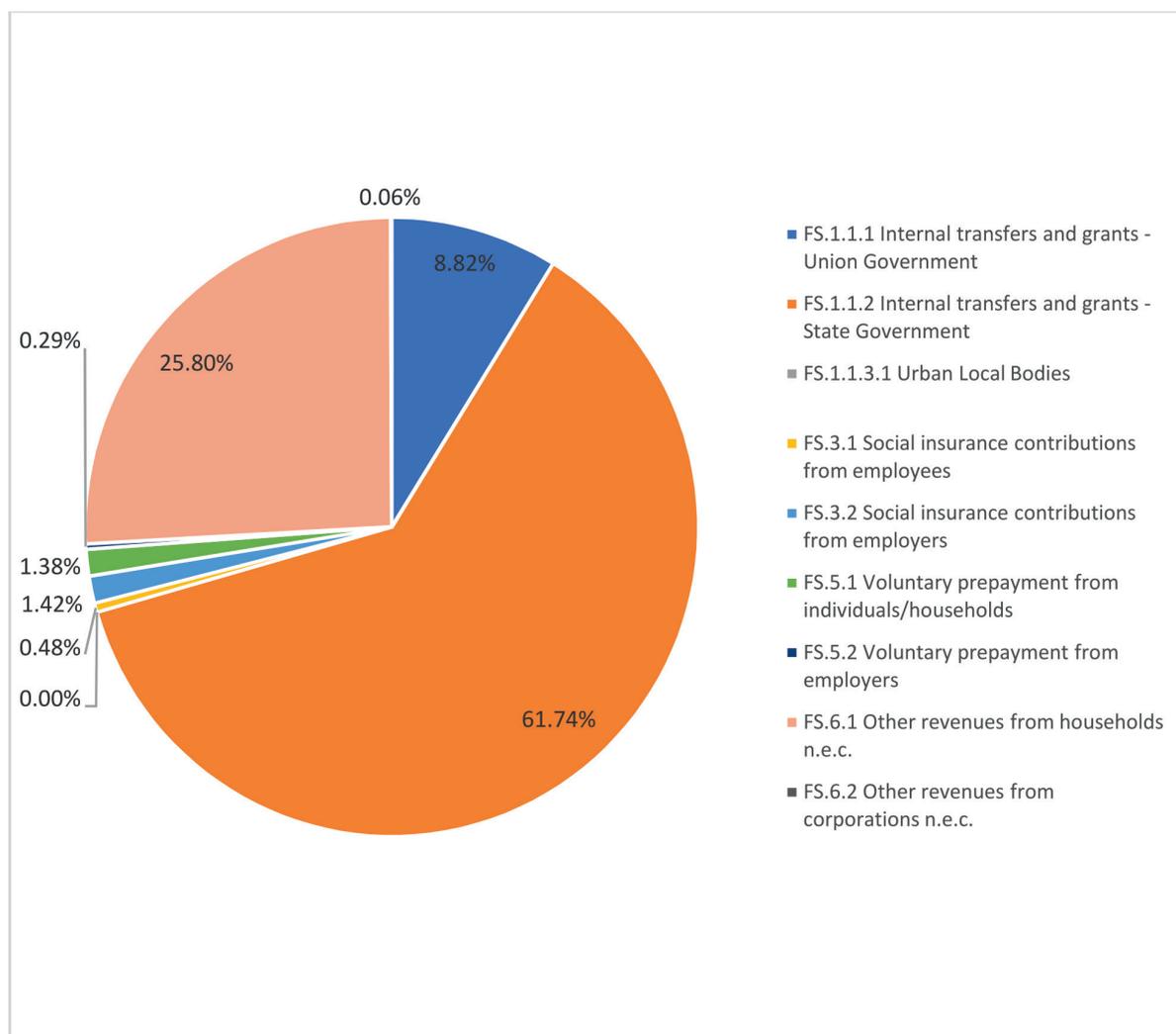


Table 1.3: Current Health Expenditures (2017-18) by Revenues of Healthcare Financing Schemes

NHA Codes	Revenues of health care financing schemes	Indian Rupee (INR), Cr.	%
FS.1.1.1	Internal transfers and grants - Union Government	27.4	8.82
FS.1.1.2	Internal transfers and grants - State Government	191.9	61.74
FS.1.1.3.1	Urban Local Bodies	0.0	0.00
FS.3.1	Social insurance contributions from employees	1.5	0.48
FS.3.2	Social insurance contributions from employers	4.4	1.42
FS.5.1	Voluntary prepayment from individuals/households	4.3	1.38

FS.5.2	Voluntary prepayment from employers	0.9	0.29
FS.6.1	Other revenues from households n.e.c.	80.2	25.80
FS.6.2	Other revenues from corporations n.e.c.	0.2	0.06
All FS		310.8	100.0

FS.1 Transfers and grants from Government domestic revenue (allocated to health purposes)

These are funds allocated from Government domestic revenues (raised at different levels of the Government) for health purposes. The sub category FS.1.1 Internal Transfers and Grants is further divided into three broad categories based on the level of Government: FS.1.1.1 Internal Transfers and Grants - Union Government, FS.1.1.2 Internal Transfers and Grants - State Government and FS.1.1.3 Internal Transfers and Grants - Local Government (further divided into FS.1.1.3.1 Urban Local Bodies and FS.1.1.3.2 Rural Local Bodies).

FS.2 Transfers distributed by Government from foreign origin

Transfers originating abroad (bilateral, multilateral or other types of foreign funding) that are distributed through the general Government are classified under this. According to the level of Government receiving these, it is categorised into FS.2.1 Transfers Distributed by Union Government from foreign origin and FS.2.2 Transfers Distributed by State Government from foreign origin.

FS.3 Social insurance contributions

Social Health Insurance contributions are regular compulsory payments from employers or from employees that mandate entitlement to social health insurance benefits. Sub-categories of social insurance contributions are FS.3.1 Social Insurance Contributions from Employees and FS.3.2 Social Insurance Contributions from Employers and FS.3.4 Other Social Health Insurance Contributions. It is important to note that Government contributions towards any type of employee/ specific population groups are excluded here and are accounted under Government internal transfers). For example, under the Employee State Insurance Scheme only the contributions by employees and employers are considered as Social Insurance Contributions; whereas the contributions by State Governments are considered under Government internal transfers. FS.3.4 is introduced in NHA 2015-16 to attribute expenditures made by individuals/ households for enrolment into the Government Health Financed Insurance Schemes.

FS.5 Voluntary prepayment

This category refers to voluntary health insurance premiums received from the insured (individual or household) or employer on behalf of the insured that secure entitlement to

benefits of the voluntary health insurance schemes. It is further divided into FS.5.1 Voluntary Prepayment from Individuals/Households and FS.5.2 Voluntary Prepayment from Employers.

FS.6 Other domestic revenues n.e.c

This category refers to expenditures by households, corporations and NPISH from own revenues used for health purposes. It is further divided into FS.6.1 Other Revenues from Households n.e.c (which are households' out of pocket payments), FS.6.2 Other Revenues from Corporations n.e.c and FS.6.3 Other Revenues from NPISH n.e.c.

FS.7 Direct foreign transfers

This category refers to transfers where revenues from foreign entities directly received by health financing schemes as - Direct foreign financial revenues or goods/services earmarked for health. These revenues are usually grants by international agencies or foreign Governments, or voluntary transfers (donations) by foreign NGOs or individuals that contribute directly to the funding of domestic healthcare financing schemes; and Direct foreign aid in kind (health care goods and services). These funds are classified under the sub category FS.7.1.4 All Direct Foreign Financial Transfers.

1.2.3 Expenditure Estimates by Healthcare Providers

Health care providers are the organizations or actors that provide healthcare services or goods as their primary activity or as one among others. **Table 4** presents distribution of current health care expenditures by providers of healthcare, followed by the description of all healthcare providers relevant in Sikkim context. Detailed description of these schemes is provided in the "National Health Accounts Guidelines for India", 2016.

Figure 1.3: Current Health Expenditures (2017-18) by Healthcare Providers (%)

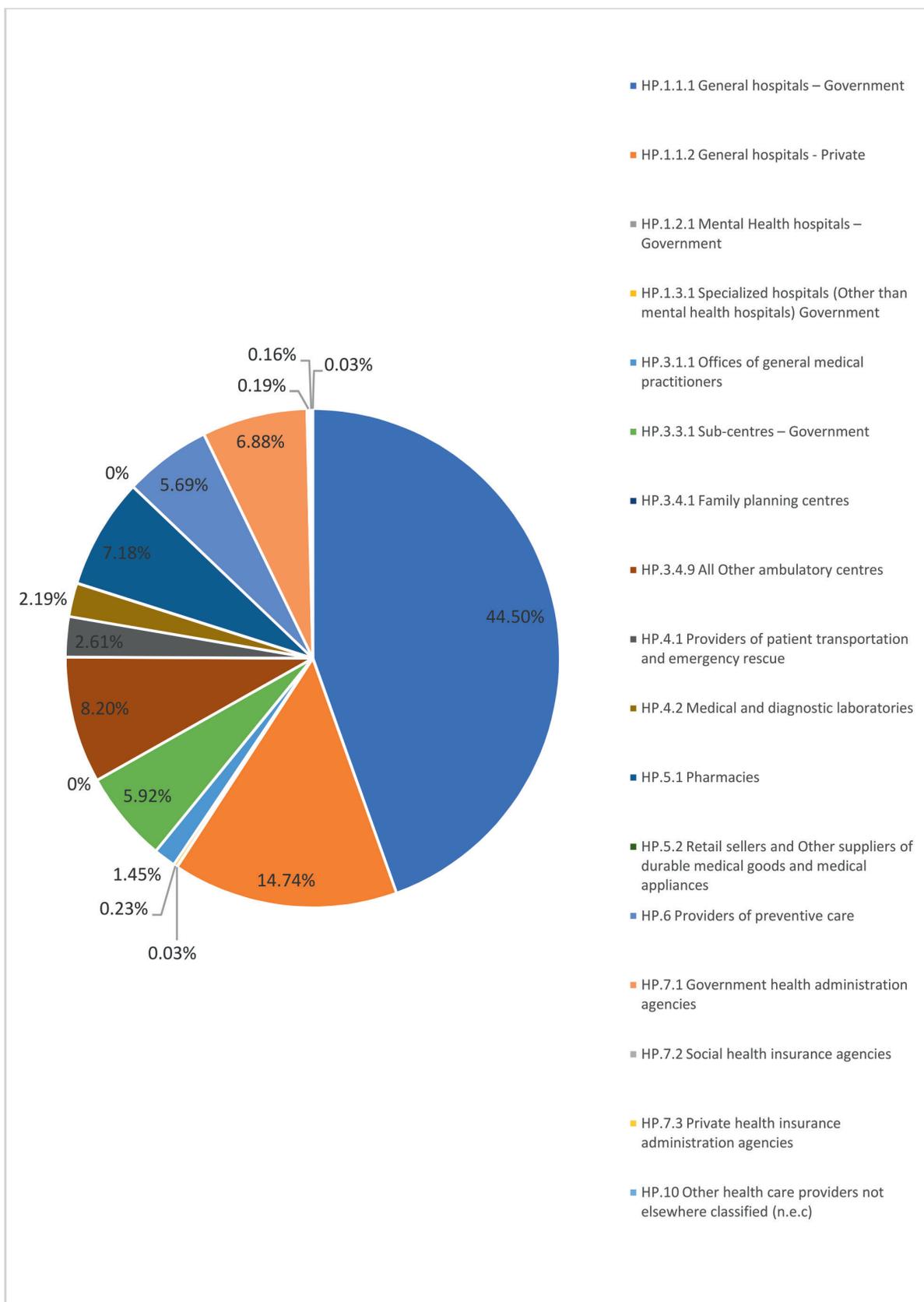


Table 1.4: Current Health Expenditures (2017-18) by Healthcare Providers

NHA Codes	Health care providers	Indian Rupee (INR), Cr.	%
HP.1.1.1	General hospitals – Government	138.3	44.50
HP.1.1.2	General hospitals - Private	45.8	14.74
HP.1.2.1	Mental Health hospitals – Government	0.1	0.03
HP.1.3.1	Specialized hospitals (Other than mental health hospitals) Government	0.7	0.23
HP.3.1.1	Offices of general medical practitioners	4.5	1.45
HP.3.3.1	Sub-centers – Government	18.4	5.92
HP.3.4.1	Family planning centers	0.0	0.00
HP.3.4.9	All Other ambulatory centers	25.5	8.20
HP.4.1	Providers of patient transportation and emergency rescue	8.1	2.61
HP. 4.2	Medical and diagnostic laboratories	6.8	2.19
HP.5.1	Pharmacies	22.3	7.18
HP.5.2	Retail sellers and Other suppliers of durable medical goods and medical appliances	0.0	0.00
HP.6	Providers of preventive care	17.7	5.69
HP.7.1	Government health administration agencies	21.4	6.88
HP.7.2	Social health insurance agencies	0.6	0.19
HP.7.3	Private health insurance administration agencies	0.5	0.16
HP.10	Other health care providers not elsewhere classified (n.e.c)	0.1	0.03
	All HP	310.8	100.00

HP.1 Hospitals

Hospitals are licensed establishments that are primarily engaged in providing inpatient and outpatient health services that include physician, nursing, diagnostic and other allied health services. Though outpatient and day care services are provided, majority of procedures require admission and are delivered only by using specialized facilities, professional knowledge, advanced medical technology and equipment, which form a significant and integral part of the provision process. A brief description of all the lowest level classification categories under these is given below:

HP.1.1.1 General Hospitals – Government

This category Includes establishments like Government General Hospitals, Government medical college hospitals, District Hospitals, Sub District/Sub-divisional Hospitals and Community Health Centers (CHC).

HP.1.1.2.1 General Hospitals – Private

This includes all establishments like private general hospitals, private nursing homes, etc.

HP.1.1.2.2 General Hospitals – NPISH

This includes all establishments like general hospitals, nursing homes, etc. which are run by NPISH.

HP.1.2.1 Mental Health Hospitals – Government

This category comprises of Government Mental Hospitals that are primarily engaged in providing medical treatment and diagnostic services to inpatients/outpatients suffering from severe mental illness or substance abuse disorders.

HP.1.3 Specialized hospital (other than mental hospitals)

A specialized hospital is primarily engaged in providing services for a specific type of disease or medical condition or for specific group of people. These include specialty hospitals for cancer, TB and lung diseases, cardiology, neurology, etc. AYUSH hospitals, and other hospitals exclusively providing maternal and child health are also included in this category. This is further divided into HP.1.3.1 Specialized Hospital - Government and HP.1.3.2 Specialized Hospitals - Private.

HP.3 Providers of Ambulatory Healthcare

Providers of ambulatory care (outpatient care) are categorized into HP.3.1 Medical Practices, HP.3.3 Other Healthcare Practitioners and HP.3.4 Ambulatory Healthcare Centers. Brief descriptions of all the lowest level classification categories under these are given below:

HP.3.1 Medical practices

This includes private healthcare facilities. It is further divided into HP.3.1.1 Office of General Medical Practitioners (Private Clinics) and HP.3.1.3 Offices of Medical Specialists (Private Specialty Clinics).

HP.3.3 Other Healthcare practitioners

This includes Sub-centers/ANM, ASHA, Village Health and Nutrition Sanitation Committees (VHNSC).

HP.3.4 Ambulatory health care centers

These centers are classified into HP.3.4.1 Family Planning Centers and HP.3.4.9 All Other Ambulatory Centers [Government run - Primary Health Centers, Dispensaries (CGHS, AYUSH and General) and Polyclinics (ECHS and Railways)].

HP.4 Providers of ancillary services

Providers of ancillary services are classified into HP.4.1 Providers of Patient Transportation and Emergency Rescue (which includes expenditure on patient's transportation) and HP.4.2 Medical and Diagnostic Laboratories (a brief description is given below)

HP.4.2 Medical and Diagnostic Laboratories

Establishments primarily engaged in providing analytic or diagnostic services, including body fluid analysis or genetic testing, directly to outpatients with or without referral from health care practitioners. These include diagnostic imaging centers; pathology laboratories; Medical forensic laboratories; etc. It is important to note that expenditures incurred at any provider of diagnostic services situated/integrated within a hospital as part of care/ treatment during hospitalization for that particular health system contact are considered part of that hospital (HP.1).

HP.5 Retailers and other providers of medical goods

This category includes HP.5.1 Pharmacies and HP.5.2 Retail sellers and other suppliers of durable medical goods and medical appliances.

HP.5.1 Pharmacies

This subcategory comprises establishments that are primarily engaged in the retail sale of pharmaceuticals (including both manufactured products and those sold by online pharmacists) to the population for prescribed and non-prescribed medicines. Pharmacies operate under strict jurisdiction/licenses of national pharmaceutical supervision. Usually, either the owner of a pharmacy or its employees are registered pharmacist, chemist or pharmacy doctor. These include dispensing chemists; Community pharmacies; Independent pharmacies in supermarkets; and Pharmacies in hospitals that mainly serve outpatients.

It is important to note that expenditures in pharmacies integrated in hospitals that mainly serve inpatients are part of establishments classified under HP.1 General Hospitals. Also expenditures in specialized dispensaries where the continuous monitoring of compliance and treatment plays an important role are classified under HP.3.4 Ambulatory health care centers. Dispensed medicines in doctors' offices that require supervision are under HP.3.1 Medical practices.

HP.5.2 Retail sellers and other suppliers of durable medical goods and medical appliances

This item comprises establishments that are primarily engaged in the retail sale of durable medical goods and medical appliances such as family planning devices and therapeutic appliances.

HP.6 Providers of Preventive Care

This category includes healthcare providers primarily providing care under collective preventive programs/ public health programs either at a healthcare facility or under campaigns for specific groups of individuals or the population at large.

HP.7 Providers of Health Care Administration and Financing

This category includes HP.7.1 Government Health Administration Agencies, H.P.7.2 Social Health Insurance Agencies, HP.7.3 Private Health Insurance Administration Agencies and HP.7.9 Other Administration Agencies. Brief descriptions of all the lowest level classification categories under these are given below.

HP.7.1 Government Health Administration Agencies

Government administration agencies are primarily engaged in formulation and administration of Government health policy, health financing, setting and enforcement of standards for medical and paramedical personnel and for hospitals, clinics etc., and regulation and licensing of providers of health services.

HP.7.2 Social Health Insurance Agencies

Agencies handling administration of social health insurance schemes Examples are Directorate of Central Government Health Scheme, Employees' State Insurance Corporation, etc.

HP.7.3 Private Health Insurance Administration Agencies

Insurance corporations that manage health insurance plans and related finances

HP.7.9 Other Administration Agencies

This category comprises of the agencies that manage Government financed health insurance schemes (Government trust and societies), agencies managing NPISH/Enterprise schemes and others that are not covered by the other health provider categories given above.

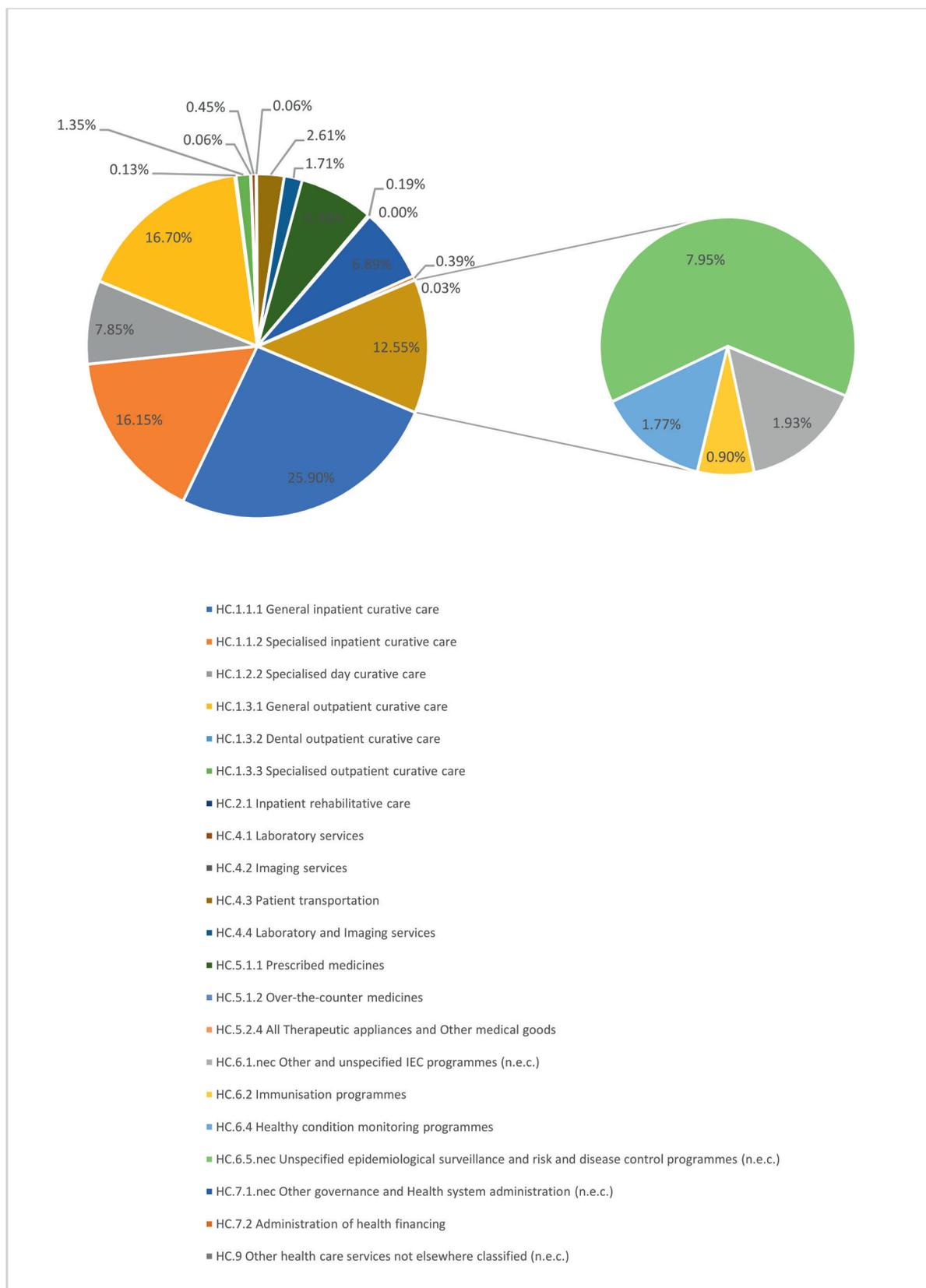
HP. 10 Other Healthcare Providers not elsewhere classified (n.e.c)

This category includes providers that could not be classified in the above mentioned categories due to non-availability of information to identify healthcare provider for particular expenditure line item.

1.2.4 Expenditure Estimates by Healthcare Functions

Healthcare functions refer to health care goods and services consumed by final users with a specific health purpose.

Figure 1.4: Current Health Expenditures (2017-18) by Healthcare Functions (%)⁴



⁴ Total may not add to 100% as small items < 1 % is omitted in the figure

Table 1.5: Current Health Expenditures (2017-18) by Healthcare Functions

NHA Codes	Health care functions	Indian Rupee (INR), Cr.	%
HC.1.1.1	General inpatient curative care	80.5	25.90
HC.1.1.2	Specialised inpatient curative care	50.2	16.15
HC.1.2.2	Specialised day curative care	24.4	7.85
HC.1.3.1	General outpatient curative care	51.9	16.70
HC.1.3.2	Dental outpatient curative care	0.4	0.13
HC.1.3.3	Specialised outpatient curative care	4.2	1.35
HC.2.1	Inpatient rehabilitative care	0.2	0.06
HC.4.1	Laboratory services	1.4	0.45
HC.4.2	Imaging services	0.2	0.06
HC.4.3	Patient transportation	8.1	2.61
HC.4.4	Laboratory and Imaging services	5.3	1.71
HC.5.1.1	Prescribed medicines	21.7	6.98
HC.5.1.2	Over-the-counter medicines	0.6	0.19
HC.5.2.4	All Therapeutic appliances and Other medical goods	0.0	0.00
HC.6.1.nec	Other and unspecified IEC programmes (n.e.c.)	6.0	1.93
HC.6.2	Immunisation programmes	2.8	0.90
HC.6.4	Healthy condition monitoring programmes	5.5	1.77
HC.6.5.nec	Unspecified epidemiological surveillance and risk and disease control programmes (n.e.c.)	24.7	7.95
HC.7.1.nec	Other governance and Health system administration (n.e.c.)	21.4	6.89
HC.7.2	Administration of health financing	1.2	0.39
HC.9	Other health care services not elsewhere classified (n.e.c.)	0.1	0.03
	All HC	310.8	100.00

Table 5 presents the distribution of current health expenditures by health care functions, followed by the description of all healthcare functions relevant in Sikkim context. Detailed description of these schemes are provided in the “National Health Accounts Guidelines for India”, 2016.

HC.1 Curative Care

Curative care comprises healthcare contacts during which the principal intent is to relieve symptoms of illness or injury, to reduce the severity of an illness or injury, or to protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal

body function. Based on the mode of provision, curative care is divided into inpatient and outpatient curative care. In all cases the main purpose of curative care remains the same, but the technology and place of provision change: in the case of an overnight stay in a health care facility the mode of provision is inpatient. When a patient is admitted for planned care or treatment involving specific organizational arrangements but does not involve an overnight stay then this is day care, otherwise it is an outpatient contact. The sub categories under this are HC.1.1.1 General Inpatient curative care, HC.1.1.2 Specialized inpatient curative care, HC.1.3.1 General Outpatient curative care, HC.1.3.2 Dental outpatient curative care and HC.1.3.3 Specialized outpatient curative care.

HC.2 All rehabilitative care

Expenditure incurred on providing/ availing rehabilitative care is aimed at reaching, restoring and/or maintaining optimal physical, sensory, intellectual, psychological and social functional levels, for e.g., Physiotherapy, Occupational Therapy, Speech therapy, etc.

HC.3 All long-term care

Expenditure incurred on palliative care (mainly found from the budget documents of a few States) is classified here.

HC.4 Ancillary Services (non-specified by function)

Ancillary services are frequently an integral part of a package of services whose purpose is related to diagnosis and monitoring. Ancillary services do not, therefore, have a purpose in themselves. Therefore, only a part of the total consumption of ancillary services is made explicit by reporting the consumption of such services in the “non-specified by function” category, such as when the patient consumes the service directly, in particular during an independent contact with the health system. Ancillary services related to patient transportation and emergency rescue is HC.4.3 (i.e., ambulance service) provided by both Government and private sector. HC.4.4 Laboratory and imaging services is reported collectively and refers to those that are not a part of the treatment package and services that are availed from stand-alone diagnostic centers and laboratories.

HC.5.1 Pharmaceuticals and other non-durable goods

This is categorized under HC.5 Medical Goods (non-specified by function) and includes all consumption of medical goods where the function and mode of provision is not specified, i.e. medical goods acquired by the beneficiary either as a result of prescription following a health system contact or as a result of self-prescription. This excludes medical goods consumed or delivered during a health care contact that are prescribed by a health professional. This class is further divided into the following sub-classes: HC.5.1.1 prescribed medicines comprises all

pharmaceuticals, including branded and generic pharmaceutical products, which are provided in response to a prescription issued by a licensed medical practitioner or pharmacist. HC.5.1.2 Over-the-counter drugs (OTC): comprises all pharmaceuticals, including branded and generic pharmaceutical products which may or may not be available without prescription but have been purchased independently. Inclusions on this category should be linked to the health purpose.

Important: Adhering to the descriptions of HC.4.4 and HC.5.1 given above for purposes of National Health Accounts for Sikkim, only diagnostic services and medicines as part of an outpatient contact or over the counter are categorized under HC.4.4 and HC.5.1 respectively. Medicines and diagnostic services provided as part of inpatient care are classified as part of Inpatient Curative Care HC.1.1 and respective provider classification under HP.1. Because in the Sikkim context, majority of health expenditures are out of pocket expenditures (OOPE) and this data on OOPE is sourced from the Health and Morbidity Survey conducted by National Sample Survey Office (NSSO). The NSSO survey reports expenditures on healthcare in a disaggregate manner on consultation/ service fees, drugs, diagnostics, patient transportation and others according to the facility where treatment was undertaken for both hospitalization and non-hospitalization contact separately. However, it is not clear from the survey if the expenditures reported for diagnostic services and medicines especially during a hospitalization episode were delivered/consumed as part of the treatment package or purchased/acquired from pharmacy or diagnostic center within the same facility/establishment or outside the establishment from retail pharmacies or standalone diagnostic centers. Thus, the expenditures related to these are assumed to be delivered/ consumed with directions of the health professional and provided by the health facility as part of the treatment package allowing them to be classified part of inpatient care provided and the respective provider.

Expenditures on all pharmaceuticals within the health system (both private and Government sector) in a given year is reported under Total Pharmaceutical Expenditures (TPE) (HC.RI.1), a reporting item that includes all pharmaceutical expenditures reported under HC.5.1.1 Prescribed medicines, HC.5.1.2 Over-the-counter drugs (OTC), pharmaceuticals consumed as part of the interaction within the contact for all Curative Care (HC.1).

HC.5.2.4 All Therapeutic appliances and other medical goods

Under the broad category HC.5.2 Therapeutic appliances and other medical goods under HC.5 Medical Goods (non-specified by function), this comprises a wide range of medical durable goods, such as: Orthotic devices, corrective eye-glasses and contact lenses, hearing aids, orthopedic appliances, family planning devices and all other medical durables including medical technical devices.

HC.6 Preventive Care

Preventive care is based on a health promotion strategy that involves a process to enable people to improve their health through the control over some of its immediate determinants. This includes all the Government funded national health programs such as National Disease Control Programs, etc. The sub categories under this are: HC.6.1 Information, Education and Counselling (IEC) programs, HC.6.2 Immunization programs, HC.6.3 Early disease detection programs, HC.6.4: Healthy condition monitoring programs, HC.6.5 Epidemiological surveillance, risk and disease control programs, HC.6.6 Preparing for disaster and emergency response programs. Expenditures not classified under any of the above are categorized under HC.6.nec Unspecified preventive care (n.e.c.) (majority of it is non-specified on job training to health-workers).

HC.7 Governance and Health System and Financing Administration

Expenditure to direct and support health system functioning and to maintain and increase its effectiveness and efficiency are categorized here. It excludes the administration and management at the provider's level like any overhead expenses to be included in the expenditures by service consumed. This is further categorized into HC.7.1 Governance and Health system administration and HC.7.2 Administration of health financing (includes specific expenditure on administration of insurance companies and establishments managing health insurance schemes).

HC.9 Other health care services not elsewhere classified (n.e.c.)

The expenditure that could not be classified to any other services or functions as per the System of Health Accounts (SHA) 2011 guidelines and "National Health Accounts Guidelines for India" are included here.

HC.RI.1 Total Pharmaceuticals Expenditure (TPE)

Total Pharmaceuticals Expenditure (TPE) includes spending on prescription medicines during a health system contact and self-medication (often referred to as over-the-counter products) and the expenditure on pharmaceuticals as part of inpatient and outpatient care from prescribing physicians.

HC.RI.2 Traditional, Complementary and Alternative Medicines (TCAM)

This category is a reporting item and provides expenditure related to TCAM due to its emerging policy relevance and a long standing tradition of using AYUSH in Sikkim health system. It includes all the expenditure on non-allopathic care (AYUSH - Ayurveda, Yoga, Naturopathy, Unani, Siddha, and Homeopathy) from both private and public sector. Expenditures are sourced from health and morbidity survey, detail demand for grants of Ministry of AYUSH/ other Union and State departments.

Government Health Expenditure (GHE) in Sikkim

Government Health expenditure on health in Sikkim includes expenditure incurred by the State Government, the Central Government, the local bodies and contribution to social insurance programs run by the government. This chapter provides detail of Government health expenditure in the state in terms of source of revenue of different government health schemes, what kind of health care is provided by the government and who are the health care providers using the SHA (2011) framework. In addition, this chapter also provides a detail account of factors of provision of the current Government health expenditure in the state.

2.1. Health Services delivery:

Delivery of health services in Sikkim is through a network of health facilities that are linked to each other. The total number of health facilities in the state as per Rural Health Statistics is⁵:

- * State Referral Hospital/STNM Hospital
- * 4 District Hospitals (DH).
- * 2 Community Health Centers (CHC)
- * 25 Primary Health Centers (PHC)
- * 148 Sub-Centers (SC)
- * 5 District Tuberculosis center, Namchi
- * 1 Centre Referral Hospital Manipal Tadong (PPP.)

The state (public sector) has remained a major player in the delivery of health services and financing of the health system. According to the report of the 75th round of National Sample Survey (NSS) - Reliance on public health facility is much higher in the state as compared to the all India average. Within the state private provider have made inroad mostly in the urban areas.

Table 2.1: Utilisation of Public Facilities in Sikkim and India

	Sikkim		India	
	Rural	Urban	Rural	Urban
Non-hospitalized cases using public facility	56	45	33	26
Hospitalized cases using public facility	82	70	46	35
Women who gave birth in a public facility	90	70	68	48

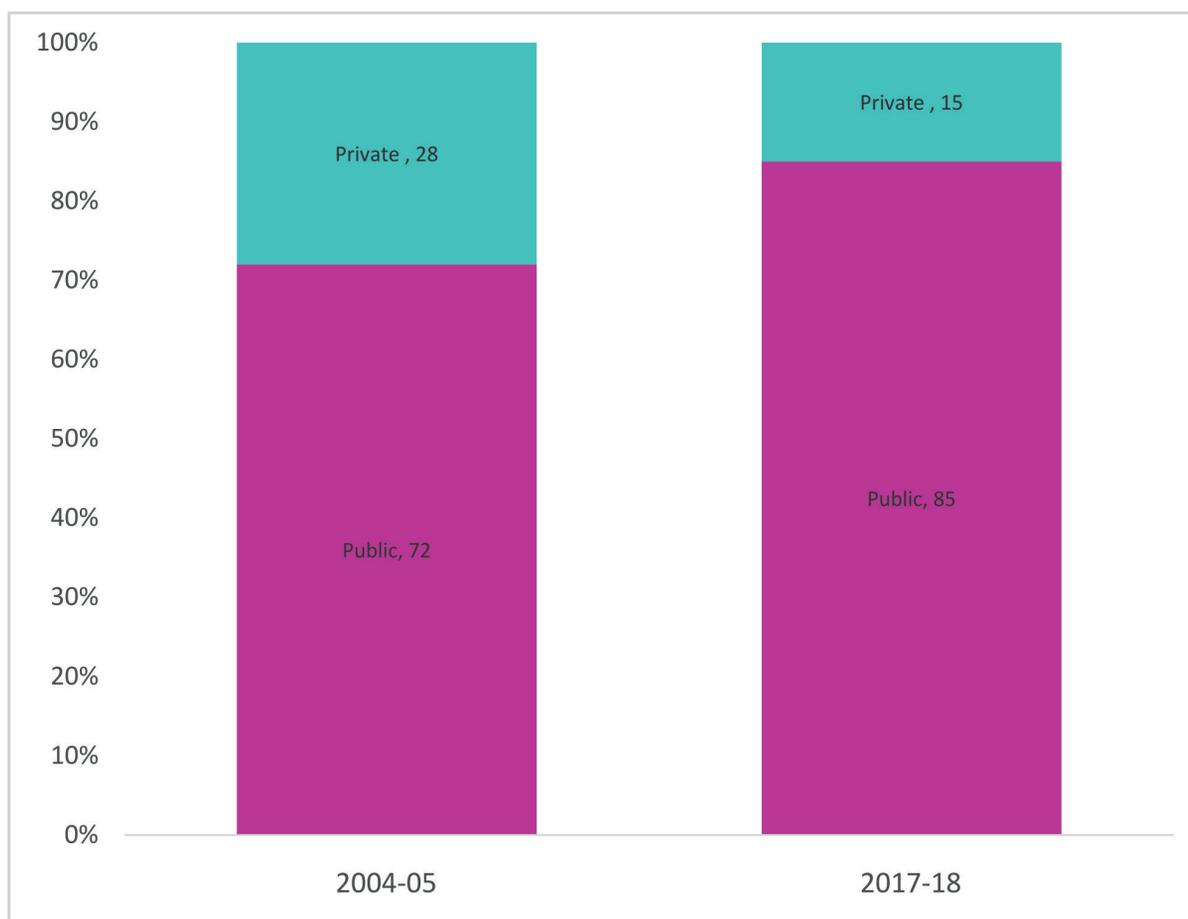
Source: NSS 75th round (2017-18)

⁵Rural Health Statistics 2018-19, Government of India Ministry of Health and Family Welfare Statistics Division

Government Health Expenditure (GHE) in Sikkim

High reliance on public health facilities is reflected in the financing pattern in the state. Sikkim has relatively lower per capita out of pocket expenditure than that of the national average. Sikkim is also among the better performing states in terms of the per capita government spending on health as highlighted in the table 1. Overtime the share of public expenditure on health in the state has increased considerable. In 2004-05, public expenditure accounts for 72% which has increased to 85% in 2017-18.”

Figure 2.1: Public and Private Health Expenditure in Sikkim in years 2004-05 and 2017-18



2.2 Total Government Health Expenditure in Sikkim

Total Government Health Expenditure comprise of current and capital expenditure. The capital expenditure which includes investment in capital goods, infrastructure and medical education accounts for 52.08% of Total Government Health Expenditure. Around 92.89% of capital expenditure is done by state government (Table 8). Figure 7 provides the find flow of current government health expenditure based on NHA framework of revenue of health scheme (FS), health scheme (HF), health provider (HP) and health function (HF).

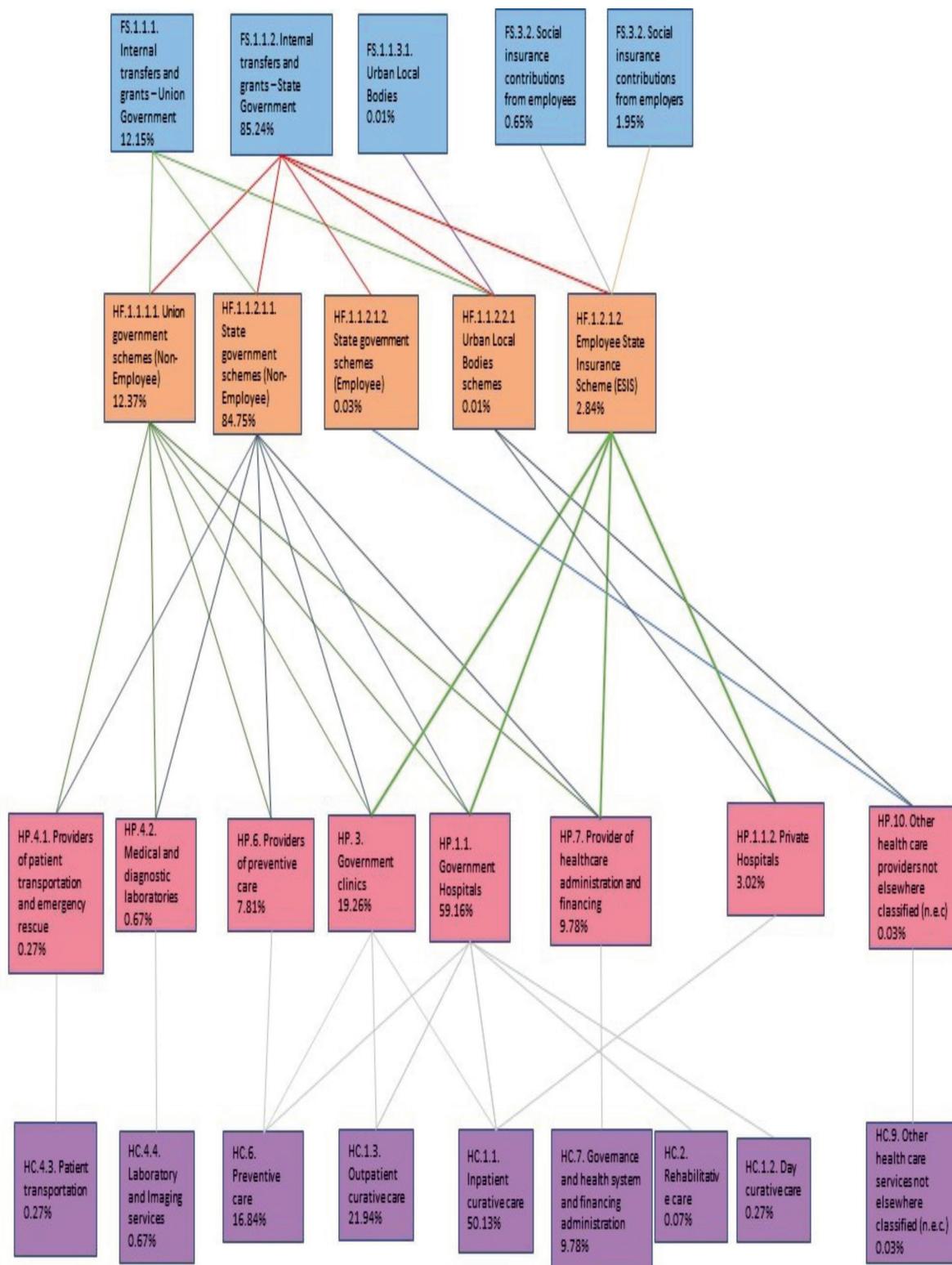
Table 2.2: Total Government Health Expenditure in Sikkim

Indicator	Value
Government Current Health Expenditure (INR, Crores)	225.1
Government Capital Expenditure (INR, Crores)	244.7
Total Government Health Expenditure (TGHE) (INR, Crores)	469.8
TGHE as a share of GSDP %	2
TGHE as a share of GGE %	8.3
Total Government Health Expenditure (TGHE) percent of THE %	84.55
Total Government Health Expenditure per capita (INR)	7151

Table 2.3: Capital Expenditure by Government in Sikkim

Institutional units providing revenues to financing schemes	Indian Rupee (INR), Crores	%
UNION	17.4	7.11
STATE	227.3	92.89
TOTAL	244.7	100

Figure 2.2 Government Fund Flow in Sikkim



2.3 Current Government Health Expenditure in NHA framework

In terms of health financing schemes state government manages around 85.21% of the total fund followed by the union government with share of 12.17%. The social insurance contribution from employees is around 0.67% and employers around 1.95%.

Table 2.4: GHE (Current) by Revenues of Healthcare Schemes

NHA Codes	Revenues of health care financing schemes	Indian Rupee (INR), Crores	%
FS.1.1.1	Internal transfers and grants - Union Government	27.4	12.17
FS.1.1.2	Internal transfers and grants - State Government	191.9	85.21
FS.1.1.3.1	Urban Local Bodies	0.0	0.00
FS.3.1	Social insurance contributions from employees	1.5	0.67
FS.3.2	Social insurance contributions from employers	4.4	1.95
All FS		225.2	100.0

Table 2.5: GHE(Current) by Financing Schemes

NHA Codes	Financing schemes	Indian Rupee (INR), Crores	%
HF.1.1.1.1	Union government schemes (Non-Employee)	27.9	12.39
HF.1.1.2.1.1	State government schemes (Non-Employee)	190.8	84.73
HF.1.1.2.1.2	State government schemes (Employee)	0.1	0.04
HF.1.1.2.2.1	Urban Local Bodies schemes	0.0	0.00
HF.1.2.1.2	Employee State Insurance Scheme (ESIS)	6.4	2.8
All HF		225.2	100.00

Around 58.84% of total health services is provided by the general government hospitals in Sikkim. Approximately 27% of government health expenditure is done through the primary care providers (Primary Health Centers, Sub-Centers, Family planning centers and the Providers of Preventive care). Other health care services/Providers not elsewhere classified is the provider and function of Medical reimbursement.

Table 2.6: GHE(Current) by Revenues of Healthcare Providers

NHA Codes	Health care providers	Indian Rupee (INR), Crores	%
HP.1.1.1	General hospitals – Government	132.5	58.84
HP.1.1.2	General hospitals - Private	6.8	3.02

Government Health Expenditure (GHE) in Sikkim

HP.1.2.1	Mental Health hospitals – Government	0.1	0.04
HP.1.3.1	Specialised hospitals (Other than mental health hospitals) Government	0.7	0.31
HP.3.3	Sub-Centres	18.3	8.13
HP.3.4.9	All Other ambulatory centres	25.0	11.10
HP.4.1	Providers of patient transportation and emergency rescue	0.6	0.27
HP.4.2	Medical and diagnostic laboratories	1.5	0.67
HP.6	Providers of preventive care	17.6	7.82
HP.7.1	Government health administration agencies	21.4	9.50
HP.7.2	Social health insurance agencies	0.6	0.27
HP.10	Other health care providers not elsewhere classified (n.e.c)	0.1	0.04
All HP		225.2	100.00

In case of healthcare functions the general inpatient curative care comprises around 30.15% of government health expenditure followed by general outpatients curative care as 21.45% and specialised inpatient curative care which is around 19.94%. The government health expenditure is higher on curative care as compared to preventive care. The lower share of other health care services not elsewhere classified (n.e.c.) of 0.04% is mostly due to low share of reimbursement in government health expenditure.

Table 2.7: GHE(Current) by Healthcare Functions

NHA Codes	Health care functions	Indian Rupee (INR), Crores	%
HC.1.1.1	General inpatient curative care	67.9	30.15
HC.1.1.2	Specialised inpatient curative care	44.9	19.94
HC.1.2.2	Specialised day curative care	0.6	0.27
HC.1.3.1	General outpatient curative care	48.3	21.45
HC.1.3.2	Dental outpatient curative care	0.5	0.22
HC.1.3.3	Specialised outpatient curative care	0.7	0.31
HC.2.1	Inpatient rehabilitative care	0.2	0.09
HC.4.4	Laboratory and Imaging services	1.5	0.67
HC.4.3	Patient transportation	0.6	0.27
HC.6.1.nec	Other and unspecified IEC programmes (n.e.c.)	6.0	2.66
HC.6.2	Immunisation programmes	2.8	1.24
HC.6.4	Healthy condition monitoring programmes	4.4	1.95
HC.6.5.nec	Unspecified epidemiological surveillance and risk and disease control programmes (n.e.c.)	24.7	10.97
HC.7.1.nec	Other governance and Health system administration (n.e.c.)	21.4	9.50

HC.7.2	Administration of health financing	0.6	0.27
HC.9	Other health care services not elsewhere classified (n.e.c.)	0.1	0.04
All HC		225.2	100.0

2.4 Factors of provision of Government Health Expenditure in Sikkim

Factors of provision are defined in SHA (2011) as the valued inputs used in the process of provision of health care. Provision involves a mix of factors of production – labour, capital and materials and external services- both health and non-health specific inputs- – to provide health care goods and services. To be able to function, providers also have to cover other expenditure on inputs, such as the payment of taxes (e.g. VAT). In case of Government health expenditure different factors of provisions in the state of Sikkim and their definition as outlined in NHA guideline is provided below.

FP.1 Compensation of employees

The compensation of employees refers to the total remuneration, in cash or in kind, paid by an enterprise to an employee in return for work performed by the latter during the accounting period. It measures the remuneration of all persons employed by providers of health care in public and private sector, irrespective of whether they are health professionals or not. It includes wages and salaries and all forms of social benefits, payments for overtime or night work, bonuses, allowances, incentives as well as the value of in-kind payments such as the provision of uniforms for medical staff.

FP.1.1 Wages and salaries of employees

The wages and salaries of employees include remuneration, both in-cash and in-kind, either as regular interval payments or as pay for piecework, overtime, night work, work on weekends or other unsocial hours, allowances for working away from home or in disagreeable or hazardous circumstances, as allowances linked to housing, travel or sickness benefits, ad hoc bonuses, commissions, gratuities, incentives and in-kind provision of goods and services such as meals and drinks, uniforms and transportation required to carry out the work. It excludes social security paid by the employer. Salaries of medical interns, residents or trainee nurses are also included here.

FP.1.3 All other costs related to employees

Specific incentives in monetary terms and in kind to ensure service delivery by health personnel under hard conditions; specific geography and disease conditions; and with extreme weather conditions, low salaries, etc. can be recorded here. ASHA incentives for providing outreach services will fall under this category. Expenditure incurred for training of personnel already operational in patient care is included here.

Fringe benefits are also to be recorded here, such as the provision of a car to employees, or the provision of benefits so that the employee obtains a car with a major discount.

FP.3 Materials and services used

This category consists of the total value of goods and services used for the provision of health care goods and services (not produced in-house) bought in from other providers and other industries of the economy. All the materials and services are to be fully consumed during the production activity period.

Materials refer to all the health care and non-health care inputs required for the multiple production activities to be carried out in the health system. They rank from highly specific ones, such as pharmaceuticals and inputs for clinical laboratory examinations, to those with a more universal purpose, such as paper and pens. Materials deteriorated, lost, accidentally damaged or pilfered are included. Materials used over more than one production period are classified as capital (equipment and the like) and are thus excluded from this classification. Usually, materials are cheaper than capital goods such as machinery and equipment. From a policy perspective, one of the most important types of materials is pharmaceuticals, for which a subcategory has been specifically created.

FP.3.1 Health care services

One reason that health care services delivery is so complex is that it may involve a considerable amount of subcontracting of health care services, such as diagnosis and monitoring services as imaging and laboratory services, or direct provision of health care by specialised personnel, such as rehabilitation, long-term care (health), renal dialysis, some cancer therapy and patient transportation.

This class includes health care services purchased by a provider to complement the package of services offered by that health provider that can be offered within the same unit or in a different one. Services used involve the purchase of services produced by another agent. Services consumed usually refer to general services provided by non-health industries, such as security, and payments for the rental of buildings and equipment as well as their maintenance, and cleaning.

FP.3.2 Expenditure on health care goods

The pharmaceuticals and medical goods provided to patients are included here. The services supplied to hospital patients using medicaments, prostheses, medical appliances and equipment and other health-related products should also be detailed here.

FP.3.2.1 Expenditure on pharmaceuticals;

All expenditure on drugs and pharmaceutical products such as vaccines and serum should be included here. All goods acquired to increase stocks should not be included, such as medicines to be stored for future use.

FP.3.2.2 Expenditure on other health care goods

Donations of materials and supplies should be treated to reflect purchaser values, so the amounts recorded should be at market prices and net of subsidies minus indirect taxes. When a donation of material or supplies lacks a purchaser price because there is no availability in the local market, the price to be used is the one paid by the entity that has offered the donation.

Includes: Other expenditures on consumable goods such as cotton, wound dressings and tools used exclusively or mainly at work, for example, clothing or footwear worn exclusively or mainly at work (such as protective clothes and uniforms) are included here. Excluded are also equipment and tools to be repeatedly used, which are part of capital.

FP.3.3 Non-health care services

Non-health care services such as services for infrastructure (e.g. maintenance of buildings and equipment); any services purchased, such as staff training, operational research, transport, housing, meals and drinks, and payment for the rental of equipment and buildings, are included here. Services used as employees' compensation are excluded. Outsourced ordinary and regular maintenance and repair of fixed assets used in production constitutes cost and is recorded as expenditures here. For in-house regular maintenance, bill for human resources are recorded under FP.1 and any materials used under FP.3.4. Major renovations, reconstructions, or enlargements of fixed assets are to be considered as capital formation and not recorded here.

FP.3.4 Non-health care goods

This class involve general goods used for health care production, but which are not of a specifically health nature. Examples of non-health care goods include office supplies; hospital kitchen supplies (if they are not outsourced services), transport (e.g. fuel and tools to operate vehicles), electricity, water and the like.

FP.4 Consumption of fixed capital

The consumption of fixed capital is a cost of production. It may be defined in general terms as the cost, in the accounting period, of the decline in the current value of the producer's stock of fixed assets as a result of physical deterioration, foreseen obsolescence or normal or accidental damage. It excludes losses associated with damage caused by war or natural disasters. In accounting, the consumption of fixed capital is an economic construct that should

Government Health Expenditure (GHE) in Sikkim

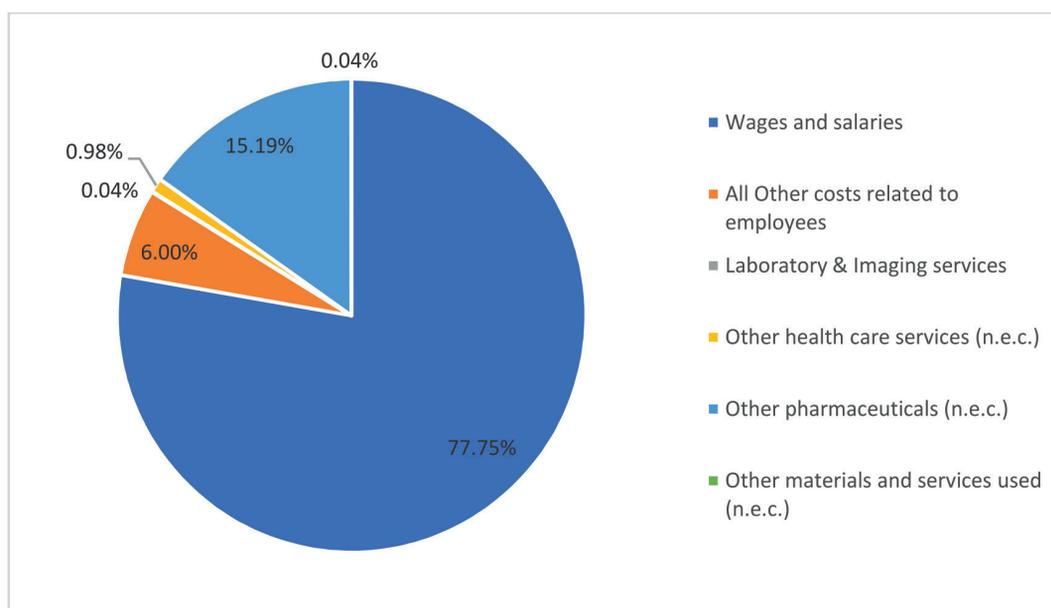
be distinguished from depreciation, which is a legal construct. In many cases the two constructs lead to different results. The consumption of fixed capital should reflect underlying capital use as a factor of production at the time the production takes place. Included are estimates on the use of buildings, equipment and other capital goods such as vehicles. Excluded are rentals paid on the use of equipment or buildings, fees, commissions, royalties, etc., payable under licensing arrangements. The latter are included as the purchase of services.

Approximately 77.75% percent of expenditure is related to the wages and salaries. The expenditure on medicines is at second place with the share of 15.19%. All other cost related to the government employee comes around 6%. The expenditure on diagnostics services is quiet low in the state.

Table 2.8: Factors of Provision in Sikkim

NHA Codes	Factors of health care provision	Transfers from government domestic revenue (allocated to health purposes) Indian Rupee (INR), Crores	%
FP.1.1	Wages and salaries	175.1	77.75
FP.1.3	All Other costs related to employees	13.5	6.00
FP.3.1.1	Laboratory & Imaging services	0.1	0.04
FP.3.1.nec	Other health care services (n.e.c.)	2.2	0.98
FP.3.2.1.nec	Other pharmaceuticals (n.e.c.)	34.2	15.19
FP.3.nec	Other materials and services used (n.e.c.)	0.1	0.04
	ALL FP	225.2	100.00

Figure 2.3: GHE by factors of Provision (%)



2.5 Expenditure Estimates by Primary, Secondary and Tertiary Care of Current Government Health Expenditure

It is important to present the SHA estimates according to primary, secondary, and tertiary care for policy relevance in Sikkim. An attempt is made to arrive at these expenditure categories using the healthcare functions vs. healthcare provider matrix (HC X HP). The categorization of health care expenditures into Primary, Secondary and Tertiary care is presented for Government allocations in **Table 14**. Expenditures regarded as Governance and Supervision and those not elsewhere classified are also mentioned.

Table 2.9: Government Current Health Expenditures (2017-18) by Primary, Secondary and Tertiary Care (%)

Category	Description of Expenditures Included	Sikkim	India
Primary	<ul style="list-style-type: none"> • Expenditures under preventive care under all healthcare providers. • All expenditures at sub-centres, Family planning centres, PHC, dispensaries (CGHS, ESIS, etc., private clinics) except for those incurred for specialized outpatient care and dental care. • Expenditures for general outpatient curative care at all healthcare providers including related diagnostic and pharmaceutical expenditures apportioned from wherever relevant. • Expenditures under all pharmaceuticals and other medical non-durable goods, therapeutic appliances, and other medical goods purchased directly by the households • Expenditures for inpatient curative care at all ambulatory centres including expenditures related to childbirth at sub-centres. • Expenditures under rehabilitative care at offices of general medical practitioners. • Expenditures under all long-term care and Expenditures under patient transportation 	39	54.7

Government Health Expenditure (GHE) in Sikkim

Secondary	<ul style="list-style-type: none"> Expenditures under general inpatient curative care at hospitals including related diagnostic and pharmaceutical expenditures apportioned from wherever relevant. 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 laboratory and imaging services and pharmaceutical expenditures under specialized outpatient curative care as apportioned from wherever relevant. 	36	31.5
Tertiary	<ul 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 	18	6.4
Governance and supervision	<ul style="list-style-type: none"> All expenditures where both providers and functions are healthcare systems governance and administration of finances 	7	5.8
Not Classified elsewhere	<ul style="list-style-type: none"> Expenditures that could not be classified under any of the above categories 	0	1.6

National Health Accounts Methodology

3.1 System of Health Accounts 2011 Framework (SHA 2011)

National Health Accounts estimates for India are based on SHA 2011 framework and NHA Guidelines for India, 2016 including refinements that adhere to basic principles from SHA 2011 manual. States may also adhere to this while preparing State Health Accounts to ensure consistency and reliable estimates of health accounts at the national and sub-national level.

SHA 2011 defines health accounts as a systematic description of the financial flows related to consumption of healthcare goods and services and a standard for classifying health expenditures according to the three axes - consumption, provision and financing. All health expenditures are included regardless of how or by whom the service or goods is funded or purchased, or how and by whom it has been provided. It provides standard classification and codes for health financing schemes (HF), revenues of health financing schemes (FS), healthcare providers (HP) and healthcare functions (HC). These codes are used to measure the financial flows and also to report health expenditure estimates for cross country comparisons.

A major change in the classification of health expenditures from SHA 1.0 to SHA 2011 is that the SHA 1.0 used the Total Health Expenditures (THE) to estimate health accounts while the SHA 2011 disaggregates expenditures into Current Health Expenditures (CHE) and Capital Formation for health (HK). Total Health Expenditures include both recurrent and capital expenditures for health. SHA 2011 defines Current Health Expenditures as the final consumption expenditure of resident units on healthcare goods and services. Gross capital formation in the healthcare system is measured by the total value of assets that providers of health services have acquired during the accounting period (less the value of disposals of assets of same type) and that are used repeatedly or for more than one year in the provision of health services.

3.2 Health Accounts Production Tool

NHA estimates for Sikkim are derived from output tables in the form of two-way matrices generated from the Health Accounts Production Tool (HAPT). It is a standardized tool that helps to arrive at NHA estimates with well-defined procedure and methodology for streamlining data and simplifying the estimation process. It enhances the data quality by checking for double counting and errors in classification codes; provides consistent estimates as it gives provisions for customizing the NHA codes and store past estimations; easy to manage large

data sets thereby reducing the burden of editing, sharing, and keeping track of multiple files of expenditure data; reduces the time to generate output tables and; gives multiple options to import and export health expenditure data sets. Using HAPT helps not only arrive at but present the flow of funds in the health system in pictorials. The following steps are involved in producing estimates: (i) Setting up the HAPT to use Sikkim specific time and space boundary and classification codes (ii) Define the NHA classification codes and classify health expenditures in the data sources (iii) Process raw data into HAPT ready formats (iv) Import data into the HAPT (v) Mapping the data with classification codes in HAPT and (vi) Generating Health Accounts Matrices.

3.3 Defining Healthcare Expenditures Boundaries for Sikkim

System of Health Accounts 2011 framework (SHA 2011) sets the boundary for health expenditures. There are time, spatial and functional boundaries.

Health expenditures incurred for consumption of health care goods and services during a given fiscal year (for Sikkim) are included. NHA 2017-18 estimates for Sikkim takes into account the 'actual expenditures' made during the Financial Year 1st April 2016 to March 31st 2017. Health expenditures made by residents of the country and those incurred by Sikkim residents who live abroad temporarily or who travels abroad to seek treatment are included. Health care goods and services consumed by foreign nationals in Sikkim are considered out of the boundary of health accounts.

Under the functional dimension, expenditures on all activities are included whose primary purpose is to restore, improve, maintain and prevent the deterioration of health status of the population and mitigating the consequences of ill-health through the application of qualified health knowledge - medical, paramedical and nursing knowledge, including technology and traditional, complementary and alternative medicine (TCAM). While the basis for inclusion of health expenditures is based on the above mentioned activities, there is a distinction between current and capital expenditures. Current health expenditures include activities for current consumption of services to promote, develop and maintain health status and are included in the boundary of NHA. Capital expenditures include capital formation that is created for future health care provision such as construction of buildings, purchase of equipment, research and development, medical education and training of health personnel are accounted separately in SHA 2011 and do not come into the boundary of current health expenditures. Therefore, for the purpose of estimation of NHA, current health expenditures on following activities fall under the purview of NHA include expenditures for:

- * Health promotion and prevention
- * Diagnosis, treatment, cure and rehabilitation of illness
- * Care for persons affected by chronic illness

- * Care for persons with health-related impairment and disability
- * Palliative care
- * Provision of community health programs
- * Governance and administration of the health system

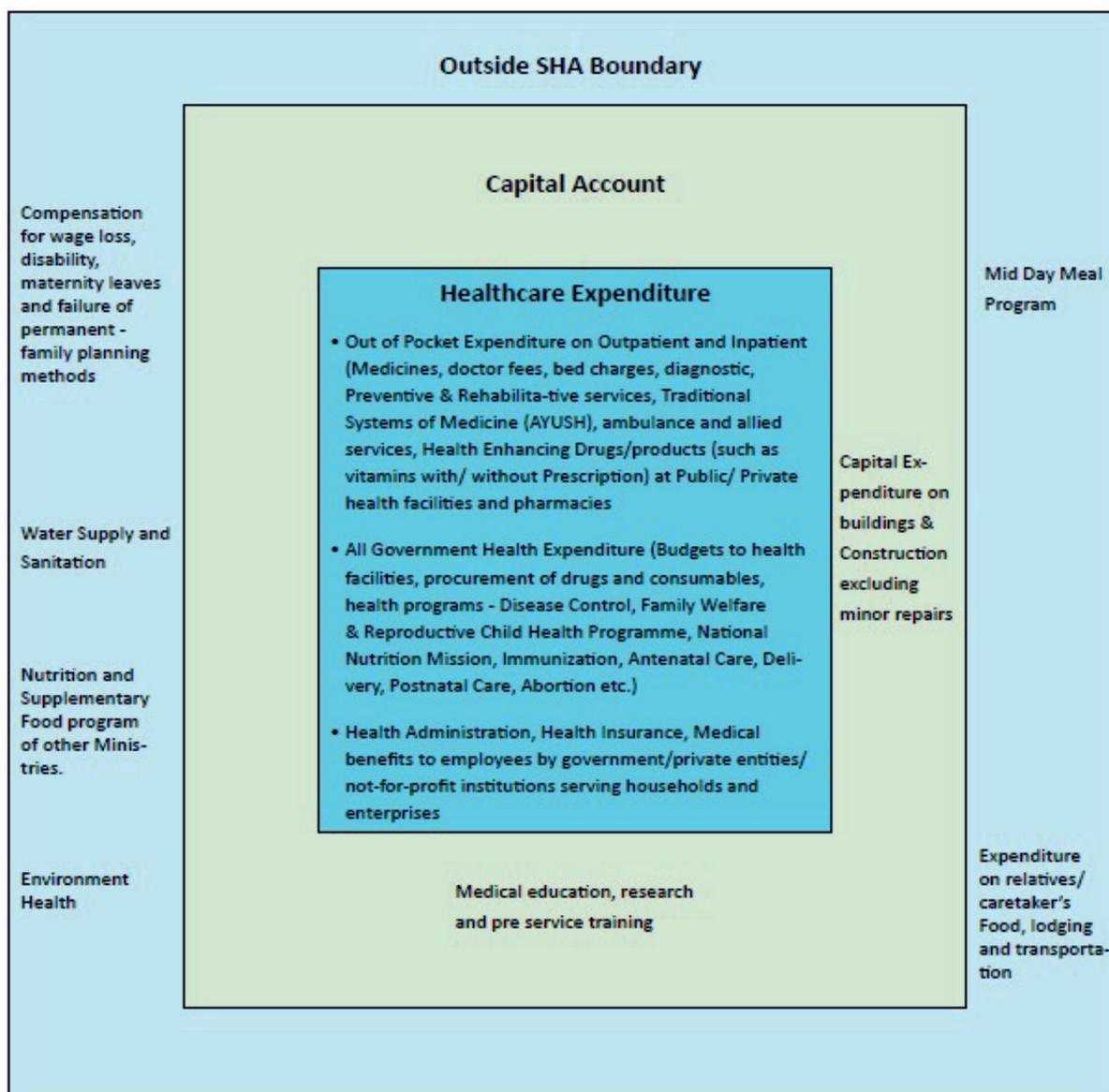
Medicines/ Ancillary services that are purchased/ availed independently without prescription from health professional like self-prescriptions/self-diagnosis which involves over the counter medicines are also included as health expenditures.

There are also certain health related activities which are provided by various Government departments other than the Department of Health and Family Welfare. These activities include provision of long-term social care, enhancing integration of disabled persons, enforcement of standards of food hygiene, provision of drinking water, environmental protection, sanitation and other multi-sector promotion of health lifestyles. Though these activities have a health enhancing component in them, the primary purpose of implementing these programs is either for provision of social services or to improve the overall status of the population and hence these expenditures are excluded from the boundary of NHA. However, care should be taken while excluding these expenditures. For instance, if a department allocates money to provide targeted supplementary nutrition to prevent anaemia, then it should be within the boundary, whereas a supplementary nutrition program whose aim is to provide nutrition education and counselling should be excluded from the boundary of NHA.

The NHA estimates for India do not include the following activities:

- * Compensation/ benefits for wage loss, for failure of sterilization, maternity benefits (salaries of staff on maternity leave), loss of household income due to sickness, disablement and death due to employment injury to workers and dependents.
- * Expenditures related to purification, testing and supply of potable water, sanitation services, cremation and animal care, disposal of wastes, nutrition programs like mid-day meal, any other programs that compliment but directly do not impact health.
- * Other miscellaneous expenditures incurred by the relatives or friends who accompany the patient like transport cost, food expenditures, lodging charges and loss of wage/labour.
- * Interest paid on revenues, dividends, reserves of the insurer (after claims are paid including administrative overheads) are not accounted.

Figure 3.1: Description of Healthcare Expenditure Boundaries for Sikkim



3.4 Data Sources

To capture healthcare expenditures in both public and private sectors, following data sources have been used. Data is obtained from more than one source, triangulated to validate and adequate measures are taken to avoid double counting.

- * State-wise expenditures under National Health Mission (NHM) - Financial Monitoring Reports (FMR) for 2017-18 – Financial Management Group (FMG), National Health Mission, MoHFW,.
- * Detailed Demand for Grants - State Department of Health and Family Welfare and all Other State Departments, 2018-19, for actual expenditures of FY 2017-18.

- * Expenditure Statements/ Annual Reports of Municipal Corporations and Office of Municipal Administration at State level for FY 2018-19 or the respective years that present actual expenditures for FY 2017-18.
- * Official Communication(s) from Government Financed Health Insurance Schemes and Scheme Websites for details of reimbursements made for FY 2017-18.
- * National Sample Survey Office 75th Round Survey Data - Social Consumption: Health, 2017 (January - December), Ministry of Statistics and Program Implementation⁶.
- * National Sample Survey Office 68th Round: Consumer Expenditure Survey, 2011-12 , Ministry of Statistics and Program Implementation.
- * Annual report of Insurance Regulatory Development Authority of India (IRDAI) for 2017-18
- * Anonymised health insurance claims from Insurance Information Bureau (IIB), IRDAI for 2017-18
- * Study on Health Expenditures by Indian Enterprises and Non-Government Organizations, for 2017-18,
- * Advance Estimates of National Income and Expenditures by CSO for FY 2017-18
- * Handbook of Statistics on Indian Economy 2018, RBI
- * Population Census of India, 2011, published by Office of the Registrar General & Census Commissioner, India.
- * Health Management Information System (HMIS), National Health Mission, MoHFW - utilisation data for 2017-18.

3.5 Limitations

List of health care providers and related capital expenditures especially in the private sector, is not exhaustive due to non-availability of disaggregated data. Further, expenditures on health care by Universities/ Academic Institutions/ autonomous bodies on welfare of students and on their own employees; health expenditures through Members of Parliament Local Area Development Scheme (MPLADS); expenditures related to import/export of health services and goods are inadequately captured. NHA team is working towards capturing this information in future by conducting primary surveys or obtaining information from relevant Government departments/ private institutions or agencies.

⁷NSSO Data were extrapolated to arrive at OOP Expenditure for the year 2015-16. This extrapolation is based on State-wise population and inflation rate.

Expenditure information on dental care, long term care and rehabilitative care in the Government/ private sector has improved since 2013-14 but is still limited due to inability of existing data sources to capture this information in a disaggregate manner; therefore the estimates could be an underestimate.

Due to the dynamic nature of Indian health system, especially the evolving medical assistance and Government health insurance schemes, some of these do not exactly adhere to existing SHA 2011 classifications and codes for health financing schemes. The exact descriptions for Sikkim context for the same have been defined in this report and NHA guidelines for India 2016. However they have been updated where ever possible according to the SHA 2011 Manual Revised Edition, 2017.

Annexure

Sikkim Health Accounts 2017-18 Matrices

Expenditure incurred by different entities in the health system is captured through two dimensional tables that tracks the financial flows from financing sources to financing schemes, financing schemes to health care providers and to health care functions and also from health care providers to health care functions. The NHA estimates presented in this report are derived from the following matrices The flow of health expenditures for Sikkim in 2017-18 is quantified through two-way tables in the form of matrices that present the expenditure distribution from sources to schemes (FS X HF), schemes to providers (HF X HP), schemes to functions (HF X HC) and providers to functions (HP X HC).

Table A.1: Current health expenditure (2017-18) by source of funding and revenues of healthcare finance (HF x FS matrix)

Table A.2: Current health expenditure (2017-18) by provider and source of funding (HP x HF matrix)

Table A.3: Current health expenditure (2017-18) by healthcare function and source of funding (HC x HF matrix)

Table A.4: Current health expenditure (2017-18) by healthcare function and healthcare provider (HC x HP matrix).

Table A.1: Current health expenditure (2017-18) by source of funding and revenues of healthcare finance (HFxFs matrix)

Indian Rupee (INR), '000	Revenues of health care financing schemes	FS.1.1.1.1 Internal transfers and grants - Union Government	FS.1.1.1.2 Internal transfers and grants - State Government	FS.1.1.3.1 Urban Local Bodies	F.3.1 Social insurance contribution from employee	F.3.2 Social insurance contributions from employers	FS.5.1 Voluntary prepayment from individuals/households	FS.5.2 Voluntary prepayment from employers	FS.6.1 Other revenues from households n.e.c	FS.6.3 Other revenues from NPISH n.e.c.	FS.7.1.4 All direct foreign financial transfers	All FS
HF.1.1.1.1	Union government schemes (Non-Employee)	2,46,909.39	31,541.61									2,78,451.00
HF.1.1.2.1.1	State government schemes (Non-Employee)	26,588.50	18,81,658.50									19,08,247.00
HF.1.1.2.1.2	State government schemes (Employee)		660.00									660.00
HF.1.1.2.2.1	Urban Local Bodies schemes	94.45	68.40	162.85								325.70
HF.1.2.1.2	Employee State Insurance scheme		5,534.00		14617.25	43,851.76						64,003.02
HF.2.1.1.1	Employer-based insurance (Other than enterprises schemes)						27,917.81	9,305.94				37,223.75
HF.2.1.1.3	Other primary coverage schemes						15,109.86					15,109.86
HF.2.1.2.1	Community-based insurance						49.68					49.68
HF.2.2.1	NPISH financing schemes (excluding HF.2.2.2)									2,400.00		2,400.00
HF.3.3	All Household out-of-pocket payment								8,02,160.47			8,02,160.47
All HF		2,73,592.34	19,19,462.51	162.85	14617.25	43851.76	43077.35	9,305.94	8,02,160.47	2,400.00		31,08,630.48

Table A.2: Current health expenditure (2017-18) by provider and source of funding (HPxHF matrix)

Indian Rupee (INR), '000	Financing schemes	HF.1.1.1.1.1	HF.1.1.2.1.1.1	HF.1.1.2.1.2	HF.1.1.2.2.1	HF.1.2.1.4.15	HF.2.1.1.1.1	HF.2.1.1.1.3	HF.2.1.2.1	HF.2.2.1	HF.3.3	All HF
		Union government schemes (Non-Employee)	State government schemes (Non-Employee)	State government schemes (Employee)	Urban Local Bodies schemes	Employee State Insurance Scheme (ESIS)	Employer-based insurance (Other than enterprises schemes)	Other primary coverage schemes	Community-based Insurance	NPSH financing schemes (excluding HF.2.2)	All Household out-of-pocket payment	
HP.1.1.1	General hospitals – Government	1,23,026.00	11,47,155.51			54,276.89			48.19		57,952.72	1382459.29
HP.1.1.2.1	PRIVATE											
HP.1.2.1	Mental Health hospitals – Government		66,726.82		231.30	1217.48	33,501.38	13,598.87			3,43,432.74	458477.29
HP.1.3.1	Specialised hospitals (Other than mental health hospitals) Government	7,122.00										7,122.00
HP.3.1.1	Offices of general medical practitioners											
HP.3.3.1	SUB-CENTRES-GOVT.	26,237.51	157,174.13							2400.00	42,683.08	45,083.08
HP.3.4.1	Family planning centres	27.13	2.88								94.39	1,83,506.02
												30.01

Indian Rupee (INR), '000	Financing schemes	HF.1.1.1.1.1 (Non-Employee)	HF.1.1.2.1.1.1 (Non-Employee)	HF.1.1.2.1.2 (Employee)	HF.1.1.2.2.1 Urban Local Bodies schemes	HF.1.2.1.4.15 Employee State Insurance Scheme (ESIS)	HF.2.1.1.1 (Other than enterprises schemes)	HF.2.1.1.3 Other primary coverage schemes	HF.2.1.2.1 Community-based Insurance	HF.2.2.1 NPSH financing schemes (excluding HF.2.2)	HF.3.3 All Household out-of-pocket payment	All HF
HP.3.4.9	All Other ambulatory centres	18,993.03	229,017.60			2,213.60					5128.14	2,55,352.37
HP.4.1	Providers of patient transportation and emergency rescue	5562.24	589.38								74,993.96	81,145.57
HP.4.2	Medical and diagnostic laboratories	13,669.56	1448.43								52,973.29	68,091.27
HP.5.1	Pharmacies										223,270.05	2,23,270.05
HP.5.2	Retail sellers and Other suppliers of durable medical goods and medical appliances										447.74	447.74
HP.6	Providers of preventive care	50,141.60	125,679.70								1,184.38	1,77,005.68
HP.7.1	Government health administration agencies	33,671.93	180,183.88									2,13,855.80
HP.7.2	Social health insurance					6,295.05						6,295.05

Indian Rupee (/NR), '000	Financing schemes	HF.1.1.1.1 Union government schemes (Non-Employee)	HF.1.1.2.1.1 State government schemes (Non-Employee)	HF.1.1.2.1.2 State government schemes (Employee)	HF.1.1.2.2.1 Urban Local Bodies schemes	HF.1.2.1.4.15 Employee State Insurance Scheme (ESIS)	HF.2.1.1.1 Employer-based insurance (Other than enterprises schemes)	HF.2.1.1.3 Other primary coverage schemes	HF.2.1.2.1 Community-based Insurance	HF.2.2.1 NPSH financing schemes (excluding HF.2.2)	HF.3.3 All Household out-of-pocket payment	All HF
HP.7.3	Private health insurance administration agencies						3,722.38	1,510.99	0.99			5,234.35
HP.7.9	Other administration								0.50			0.50
HP.10	Other health care providers not elsewhere classified (n.e.c)			660.00	94.40							754.40
All HP		2,78,451.00	19,08,907.00	660.00	325.70	64,003.02	37,223.75	15,109.86	49.68	24,00.00	8,02,160.47	31,08,630.48

Table A.3: Current health expenditures (2017-18) by healthcare functions and healthcare financing schemes (HC X HF matrix)

Indian Rupee (INR), '000	Financing schemes	Healthcare financing functions (HC X HF matrix)										All HF
		HF.1.1.1.1 Union government schemes (Non- Employee)	HF.1.1.1.1.1 State government schemes (Non- Employee)	HF.1.1.1.1.2 State government schemes (Employee)	HF.1.1.1.2.1 Urban Local Bodies schemes	HF.1.1.1.2 Employee State Insurance Scheme (ESIS)	HF.2.1.1.1 Employer- based insurance (Other than enterprises schemes)	HF.2.1.1.3 Other primary coverage schemes	HF.2.1.2.1 Community- based insurance	HF.2.2.1 NPSH financing schemes (excluding HF.2.2)	HF.3.3 All Household out-of-pocket payment	
HC.1.1.1	General inpatient curative care	60,146.04	565,007.47		231.30	54,232.61	28,811.18	5711.53	23.13		91,427.62	8,05,590.89
HC.1.1.2	Specialised inpatient curative care	11,050.53	436,826.53			1261.75	3350.14	2447.80	0.48		47,418.38	5,02,355.60
HC.1.2.2	Specialised day curative care	5467.82	579.37								237,582.37	2,43,629.57
HC.1.3.1	General outpatient curative care	50,317.96	430,454.04			2,213.60	670.03	3,807.68	21.68	2400	29,823.14	5,19,708.14
HC.1.3.2	Dental outpatient curative care	4100.87	434.53						2.89			4,538.29
HC.1.3.3	Specialised outpatient curative care	5792.64	661.00				670.03	1631.86			33,323.51	42,079.05
HC.2.2	Inpatient rehabilitative care	1366.96	144.84									1,511.80
HC.4.1	Laboratory services	12,302.60	1,303.58									13,606.18
HC.4.2	Imaging services	1,366.96	144.84									1,511.80
HC.4.3	Patient transportation	5,562.24	589.38								74,993.96	81,145.57
HC.4.4	Laboratory and imaging services											52,973.29
HC.5.1.1	Prescribed medicines											2,17,182.55
HC.5.1.2	Over-the-counter medicines										6,087.50	6,087.50

Indian Rupee (INR), '000	Financing schemes	Health care functions										All HF									
		HF.1.1.1.1 Union government schemes (Non- Employee)	HF.1.1.2.1.1 State government schemes (Non- Employee)	HF.1.1.2.1.2 State government schemes (Employee)	HF.1.1.2.2.1 Urban Local Bodies schemes	HF.1.2.1.2 Employee State Insurance Scheme (ESIS)	HF.2.1.1.1 Employer- based insurance (Other than enterprises schemes)	HF.2.1.1.3 Other primary coverage schemes	HF.2.1.2.1 Community- based insurance	HF.2.2.1 NPSH financing schemes (excluding HF.2.2)	HF.3.3 All Household out-of-pocket payment										
HC.5.2.4	All Therapeutic appliances and Other medical goods															447.74				447.74	
HC.6.1.nec	Other and unspecified IEC programmes (n.e.c.)	16,949.92	43,145.04																		60,094.96
HC.6.2	Immunisation programmes	21,207.62	6,286.86																		27,990.86
HC.6.4	Healthy condition monitoring programmes	15,050.62	29,389.81																		54,844.45
HC.6.5.nec	Unspecified epidemiological surveillance and risk and disease control programmes (n.e.c.)	34,096.29	2,13,095.84																		2,47,192.13
HC.7.1.nec	Other governance and Health system administration (n.e.c.)	33,671.93	1,80,183.88																		2,13,855.80
HC.7.2	Administration of health financing											1,510.99	1.49								11,529.90
HC.9	Other health care services not elsewhere classified (n.e.c.)			660.00	94.40																754.40
All HC		2,78,451.00	19,08,247.00	660.00	325.70	64,003.02	37,223.75	15,109.86	49.68	2,400.00	8,02,160.47	31,08,630.48									

Table A.4: Current health expenditures (2017-18) by healthcare functions and healthcare providers (HC X HP matrix)

Indian Rupee (INR), '000	Health care providers	Health care functions														All HP				
		HP.1.1.1 General hospitals – Government	HP.1.1.2 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.3.3.1 SUB-CENTRES-GOVT.	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.4.2 Medical and diagnostic laboratories	HP.5.1 Pharmacies	HP.5.2 Retail sellers and Other suppliers of durable medical goods and medical appliances	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 health care providers not elsewhere classified (n.e.c.)
HC.1.1.1	General inpatient curative care	6,81,689.19	97,968.90						25,932.79											8,05,590.89
HC.1.1.2	Specialised inpatient curative care	4,01,952.19	97,554.61		2,848.80															5,02,355.60
HC.1.2.2	Specialised day curative care	6,047.19	2,37,582.37																	2,43,629.57
HC.1.3.1	General outpatient curative care	2,69,509.98	4,512.29						2,14,070.43											5,19,708.14
HC.1.3.2	Dental outpatient curative care	4,538.29																		4,538.29
HC.1.3.3	Specialised outpatient curative care	4,262.61	18,689.66	500.00	4,273.20	12,315.65	83.80		1,954.13											42,079.05
HC.2.1	Inpatient rehabilitative care (n.e.c.)	1,511.80																		1,511.80
HC.4.1	Laboratory services																			13,606.18
																				13,606.18

Annexure

Indian Rupee (INR), '000		Health care providers	HP1.1.1.1	HP1.1.1.2.1	HP1.1.2.1	HP1.3.1	HP3.1.1	HP3.3.1	HP3.4.1	HP3.4.9	HP4.1	HP4.2	HP5.1	HP5.2	HP6	HP7.1	HP7.2	HP7.3	HP7.9	HP10	All HP
Health care functions		General hospitals – Government	PRIVATE	Mental Health hospitals – Government	Specialised hospitals (Other than mental health hospitals)	Offices of general medical practitioners	SUB-CENTRES-GOVT.	Family planning centres	All Other ambulatory centres	Providers of patient transportation and emergency rescue	Medical and diagnostic laboratories	Pharmacies	Retail sellers and Other suppliers of durable medical appliances	Providers of preventive care	Government health administration agencies	Social health insurance agencies	Private health insurance administration agencies	Other administration agencies	Other health care providers not elsewhere classified (n.e.c.)		
HC.6.5.nec	Unspecified epidemiological surveillance and risk and disease control programmes (n.e.c.)						1,54,394.00								92,798.13						2,47,192.13
HC.7.1.nec	Other governance and health system administration (n.e.c.)															2,13,855.80					2,13,855.80
HC.7.2	Administration of health financing																6,295.05	5,234.35	0.50		11,529.90
HC.9	Other health care services not elsewhere classified (n.e.c.)																			754.40	754.40
All HC		13,82,459.29	4,58,477.29	500.00	7,122.00	45,083.08	1,83,506.02	30.01	2,55,352.37	81,145.57	68,091.27	2,23,270.05	447.74	1,77,005.68	2,13,855.80	6,295.05	5,234.35	0.50	754.40	754.40	31,08,630.48

Annexure B: Classification as per NHA Guidelines 2016

Annexe B1: Classification of Financing Schemes (HF) for NHA Sikkim⁷

Description	SHA Codes
Government schemes and compulsory contributory health care financing schemes	HF.1
Government schemes	HF.1.1
Union government schemes	HF.1.1.1
Union government schemes (Non-Employee)	HF.1.1.1.1
Union government schemes (Employee)	HF.1.1.1.2
State/regional/local government schemes	HF.1.1.2
State government schemes	HF.1.1.2.1
State government schemes (Non-Employee)	HF.1.1.2.1.1
State government schemes (Employee)	HF.1.1.2.1.2
Local government schemes	HF.1.1.2.2
Urban Local Bodies schemes	HF.1.1.2.2.1
Rural Local Bodies schemes	HF.1.1.2.2.2
Compulsory contributory health insurance schemes	HF.1.2
Social health insurance schemes	HF.1.2.1
Government Financed Health Insurance schemes	HF.1.2.1.4
Voluntary health care payment schemes	HF.2
Voluntary health insurance schemes	HF.2.1
Primary/substitutory Voluntary health insurance schemes	HF.2.1.1
Employer-based insurance (Other than enterprises schemes)	HF.2.1.1.1
Other primary coverage schemes	HF.2.1.1.3
Complementary/supplementary insurance schemes	HF.2.1.2
Community-based insurance	HF.2.1.2.1
NPISH financing schemes	HF.2.2
NPISH financing schemes (excluding HF.2.2.2)	HF.2.2.1
Resident foreign government development agencies schemes	HF.2.2.2
Enterprise financing schemes	HF.2.3
Enterprises (except health care providers) financing schemes	HF.2.3.1
Public enterprises (except health care providers) financing schemes	HF.2.3.1.1
Private enterprises (except health care providers) financing schemes	HF.2.3.1.2
Household out-of-pocket payment	HF.3
All Household out-of-pocket payment	HF.3.3

⁸Table 1 includes all those classification codes for healthcare financing schemes that are relevant in the Indian context. To refer to the entire list of classification codes for healthcare financing schemes kindly refer to page number 165 of SHA 2011 manual.

Annexe B2: Classification of Revenues of Financing Schemes (FS) for NHA Sikkim⁸

Description	Code
Transfers from government domestic revenue (allocated to health purposes)	FS.1
Internal transfers and grants	FS.1.1
Internal transfers and grants - Union Government	FS.1.1.1
Internal transfers and grants - State Government	FS.1.1.2
Internal transfers and grants - Local government	FS.1.1.3
Urban Local Bodies	FS.1.1.3.1
Rural Local Bodies	FS.1.1.3.2
Transfers distributed by government from foreign origin	FS.2
Transfers distributed by Union Government from foreign origin	FS.2.1
Transfers distributed by State Government from foreign origin	FS.2.2
Social insurance contributions	FS.3
Social insurance contributions from employees	FS.3.1
Social insurance contributions from employers	FS.3.2
Voluntary prepayment	FS.5
Voluntary prepayment from individuals/households	FS.5.1
Voluntary prepayment from employers	FS.5.2
Other domestic revenues n.e.c.	FS.6
Other revenues from households n.e.c.	FS.6.1
Other revenues from corporations n.e.c.	FS.6.2
Other revenues from NPISH n.e.c.	FS.6.3
Direct foreign transfers	FS.7
Direct foreign financial transfers	FS.7.1
All direct foreign financial transfers	FS.7.1.4
Direct foreign aid in kind	FS.7.2
Direct foreign aid in goods	FS.7.2.1
All direct foreign aid in goods*	FS.7.2.1.4
Direct foreign aid in kind: services (including TA ⁹)	FS.7.2.2

⁹ Table 2 includes only those classification codes for sources of healthcare financing schemes that are relevant in the Indian context. To refer to the entire list of classification codes for sources of healthcare financing schemes kindly refer to page number 199 of SHA 2011 manual.

¹⁰TA= Technical Assistance

Annexe B3: Classification for Healthcare provision (HP) in Sikkim¹⁰

Description	Code
Hospitals	HP.1
General hospitals	HP.1.1
General hospitals – Government	HP.1.1.1
General hospitals – Private	HP.1.1.2
Mental Health Hospital	HP.1.2
Mental Health hospitals – Government	HP.1.2.1
Mental Health hospitals - Private	HP.1.2.2
Specialised hospitals (Other than mental health hospitals)	HP.1.3
Specialised hospitals (Other than mental health hospitals) Government	HP.1.3.1
Specialised hospitals (Other than mental health hospitals) Private	HP.1.3.2
Providers of ambulatory health care	HP.3
Medical practices	HP.3.1
Offices of general medical practitioners (Private)	HP.3.1.1
Offices of mental medical specialists (Private)	HP.3.1.2
Offices of medical specialists (Other than mental medical specialists) (Private)	HP.3.1.3
Other health care practitioners (Government)	HP.3.3
Ambulatory health care centers	HP.3.4
Family planning centers (Government)	HP.3.4.1
Ambulatory mental health and substance abuse centers (Government)	HP.3.4.2
All other ambulatory centers (Government)	HP.3.4.9
Providers of ancillary services	HP.4
Providers of patient transportation and emergency rescue	HP.4.1
Medical and diagnostic laboratories	HP.4.2
Other providers of ancillary services	HP.4.9
Retailers and Other providers of medical goods	HP.5
Pharmacies	HP.5.1
Retail sellers and Other suppliers of durable medical goods and medical appliances	HP.5.2
All Other miscellaneous sellers and Other suppliers of pharmaceuticals and medical goods	HP.5.9
Providers of preventive care	HP.6
Providers of health care system administration and financing	HP.7
Government health administration agencies	HP.7.1
Social health insurance agencies	HP.7.2
Private health insurance administration agencies	HP.7.3
Other administration agencies	HP.7.9
Other healthcare providers not elsewhere classified (n.e.c)	HP.10.nec

¹⁰Table 3 includes all those classification codes for healthcare providers that are relevant in the Indian context. To refer to the entire list of classification codes for healthcare providers kindly refer to page number 130 of SHA 2011 manual.

Annexe B4: Classification for functions of health care (HC) in Sikkim¹¹

Description	Code
Curative care	HC.1
Inpatient curative care	HC.1.1
General inpatient curative care	HC.1.1.1
Specialised inpatient curative care	HC.1.1.2
Outpatient curative care	HC.1.3
General outpatient curative care	HC.1.3.1
Dental outpatient curative care	HC.1.3.2
Specialised outpatient curative care	HC.1.3.3
Unspecified outpatient curative care (n.e.c.)	HC.1.3.nec
Home-based curative care	HC.1.4
Rehabilitative care	HC.2
All rehabilitative care	HC.2.nec
Long-term care (health)	HC.3
All long-term care	HC.3.nec
Ancillary services (non-specified by function)	HC.4
Patient transportation	HC.4.3
Laboratory and Imaging services	HC.4.4
Medical goods (non-specified by function)	HC.5
Pharmaceuticals and Other medical non-durable goods	HC.5.1
All Pharmaceuticals and Other medical non-durable goods	HC.5.1.4
Therapeutic appliances and Other medical goods	HC.5.2
All Therapeutic appliances and Other medical goods	HC.5.2.4
Preventive care	HC.6
Information, education and counselling (IEC) programmes	HC.6.1
Information, education and counselling (IEC) programmes not elsewhere classified (n.e.c.)	HC.6.1.nec
Immunisation programmes	HC.6.2
Early disease detection programmes	HC.6.3
Healthy condition monitoring programmes	HC.6.4
Epidemiological surveillance and risk and disease control programmes	HC.6.5
Epidemiological surveillance and risk and disease control programmes not elsewhere classified (n.e.c.)	HC.6.5.nec
Preparing for disaster and emergency response programmes	HC.6.6
Governance, and health system and financing administration	HC.7
Governance and Health system administration	HC.7.1
Governance and Health system administration not elsewhere classified (n.e.c.)	HC.7.1.nec
Administration of health financing	HC.7.2
Unspecified governance, and health system and financing administration not elsewhere classified (n.e.c.)	HC.7.nec
Other health care services not elsewhere classified (n.e.c.)	HC.9
Total Pharmaceutical expenditure	HC.RI.1
Traditional Complementary and Alternative Medicine (TCAM)	HC.RI.2

¹¹Table 4 includes all those classification codes for healthcare functions that are relevant in the Indian context. To refer to the entire list of classification codes for healthcare functions kindly refer to page number 83 of SHA 2011 manual.

Classification of factors of health care provision

Description	Code
Compensation of employees	FP.1
Wages and Salaries	FP.1.1
Social contribution	FP.1.2
All other costs related to employees	FP.1.3
Medical Reimbursements	FP.1.4
Self-employed professional remuneration	FP.2
Material and supplies	FP.3
Health care services	FP.3.1
Health care goods	FP.3.2
Pharmaceuticals	FP.3.2.1
Other health care goods	FP.3.2.2
Non-health care services	FP.3.3
Non-health care goods	FP.3.4
Consumption of fixed capital	FP.4
Other items of spending on inputs	FP.5
Taxes	FP.5.1
Other items of spending	FP.5.2

Glossary

Ambulatory Healthcare Centers: It comprises establishments that are engaged in providing a wide range of outpatient services by a team of medical and paramedical staff, often along with support staff, that usually bring together several specialties and/or serve specific functions of primary and secondary care. For e.g. PHCs, Dispensaries, etc.

Capital Expenditure: Capital expenditures include 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, etc.

Current Health Expenditure: It is defined as final consumption expenditure of resident units on healthcare goods and services net capital expenditures.¹² Current Government Health Expenditure is Government health expenditure net of capital expenditure.

Enterprises: Enterprises are defined as those who usually finance and provide healthcare services to their employees and their dependents. They do this either by reimbursing the medical bills of the employees and dependents; they directly provide healthcare services through their own clinics and hospitals; purchase group insurance on behalf of the employees through an insurance company; or just pay annual lump sum monetary benefit to employees as part of their salary package regarded as a medical benefit.

External Funds for Health: It includes transfers originating abroad (bilateral, multilateral or other types of foreign funding) that are distributed through the general Government and transfers where revenues from foreign entities directly received by health financing schemes as - Direct foreign financial revenues or goods/ services earmarked for health.

Government Health Expenditure: It includes expenditures from Union Government, State Governments, Rural and Urban Local Bodies including quasi-Governmental organizations and donors in case funds are channelled through Government organizations.

Government Transfers: It includes funds allocated from Government domestic revenues for health purposes. Fund is allocated through internal transfers and grants.

Gross Domestic Product: The total money value of all final goods and services produced in an economy over a period of one year.

¹²A System of Health Accounts 2011 Edition

General Government Hospital: It includes medical college hospitals, district hospitals, sub district hospitals and community health centers.

Household Health Expenditure: Household health expenditures are either direct expenditures (out of pocket payments) or indirect expenditures (prepayments as health insurance contributions or premiums).

Non-Profit Institutions Serving Households (NPISH): NPISH are a special type of non-profit organization. NPISH consist of non-profit institutions that provide financial assistance, goods or services to households free or at prices that are not economically significant.

Out-of-Pocket Spending: Out-of-pocket spending (OOP) show the direct burden of medical costs that households bear at the time of availing healthcare service.

Preventive Care: It is defined as having the primary purpose of risk avoidance, of acquiring diseases or suffering injuries, which can frequently involve a direct and active interaction of the consumer with the healthcare system.

Retailers and other providers of medical goods - Pharmacies: This comprises expenditures at the establishments that are primarily engaged in the retail sale of pharmaceuticals (including both manufactured products and those prepared by on-site pharmacists) to the population for prescribed and non-prescribed medicines including vitamins and minerals. Pharmacies operate under strict jurisdiction/licences of national pharmaceutical supervision. Illustrative examples includes dispensing chemists, community pharmacies, independent pharmacies in supermarkets, pharmacies in hospitals that mainly serve outpatients and sometimes also inpatients not getting medicines as part of the package treatment component.

Total Health Expenditure (THE): Total health expenditure is the sum of current health expenditure and capital health expenditure during the same year.

Total Pharmaceuticals Expenditure (TPE): includes spending on prescription medicines during a health system contact and self-medication (often referred to as over-the-counter products) and the expenditure on pharmaceuticals as part of inpatient and outpatient care from prescribing physicians.

Traditional, Complementary and Alternative Medicines (TCAM): TCAM has been internationally identified as policy relevant in many countries due to its cultural importance or its high growth rate. Due to the mix of purposes and practices and financing profiles, TCAM systems, therapies and disciplines (including the related medical goods) are a *de facto* subclass of hospitals, ambulatory care services and retailers. As defined by WHO, "Traditional medicine" is an amorphous concept that comprises a range of long-standing and still-evolving practices based on diverse beliefs and theories. These services involve medical knowledge

systems, developed over centuries within various societies before or during the development of modern medicine. “Complementary and alternative” services are those that are used together with or instead of allopathic health care but which are not yet incorporated into the established international medical system, even when at national level they are extensively used. In the Sikkim context this relates to the AYUSH system – Ayurveda Yoga Naturopathy Unani Siddha and Homeopathy, in both private and public sector.



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