

National Health Account Estimates 2019-20

Why in news?

There has been a consistent increase in government spending, coupled with declining out-of-pocket expenditure by people on their healthcare needs, shows the National Health Account Estimates 2019-20.

What is the National Health Account (NHA) estimates about?

- It is released by the Ministry of Health and Family Welfare.
- It describes the country's total expenditure on healthcare, whether by the government, private sector, NGOs, or individuals, and the flow of these funds.
- It answers questions such as what are the sources of healthcare expenditures, who manages the expenditures, who provides health care services, and which services are utilised.

What were the main findings of the report?

- **Government spending on healthcare** - The government spending has been on the rise.
- Even this small percentage increase in the government's health kitty has translated into nearly double the money spent on each person.
- **Money spent by people** - Money spent by people from their own pocket on healthcare has been going down.
- The aim is to bring this down as low as possible by investing in public health and insurance among others so that people don't have to shell out the money when they are sick.

Out-of-pocket expenses are costs that an individual is responsible for paying that may or may not be reimbursed later.

- **Primary sector** - The major chunk of the government's health spend was in the primary sector.
- To compare, the government spent 51.3% in primary care, 21.9% in secondary care, and 14% on tertiary care in FY 2015.
- **Social security expenditure** - There has been a consistent increase in social security expenditure by the government, which increased from 5.7% FY 2015 to 9.3% in FY 2020.

Social expenditures are a measure of the extent to which countries assume

responsibility for supporting the standard of living of disadvantaged or vulnerable groups.

Why does the decline in out-of-pocket expenditure bother experts?

- **Capital spending** - The increase in government health expenditure as a percentage of GDP also takes into account capital spending.

Capital spending is the money spent on developing infrastructure.

- India is in 164th place out of 184 countries in terms of government health spending.
- **Shrinking economy** - Also, the marginal increase in percentage could be a factor of a shrinking economy, GDP growth was slow in FY 2020.

What is the reason for steadily dropping out-of-pocket expenditure?

- **Decline in consumption** - There is a decline in consumption of healthcare services and decline in hospitalisations and out-patient services.
- **Ayushman Bharat** - Health and Wellness Centres ensuring preventive care and Ayushman Bharat insurance scheme offering free treatment is also the reason.
- **Procurement** - The out-of-pocket expenditure can also be reduced by improvement in procurement of medicines and improving services in the public sector hospitals too.

Has there been an increase in spending on insurance?

- **Private insurances** - Privately purchased health insurance made up for only 3.9% of the total health expenditure in FY 2015, which increased to 7.72% in FY 2020.
- **Government insurances** - The government financed health insurance spending also went up from 3.8% of the total money spent on healthcare in FY 2015 to 6.37% in FY 2020 as per the report.

Has health spending by states gone up?

- Only 2 big states and 3 of the smaller ones have crossed the 8% target in FY 2020.
- Delhi (18.7%), Kerala (8%), Puducherry (10.5%), Meghalaya (8.9%), and Goa (8.7%) are the states.

What is the way forward?

- **State subject** - With health being a state subject, much of the government spending comes from the states.
- There is a need for the Centre to provide more support to states that demand it.
- Rajasthan is trying to implement the right to health bill, the Centre should encourage such efforts and give them additional funds.

References

1. [The Indian Express | National Health Account figures say about India's healthcare](#)

sector

2. [PIB | National Health Accounts Estimates for India \(2019-20\) released](#)

