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4. National Health Accounts 2022-23 - Economy

The Union Health Ministry has released the National Health Accounts (NHA) estimates for India 2022-23, providing comprehensive data on health expenditure across government and private sectors. The data reveals continued progress in government health spending while highlighting persistent challenges in public healthcare infrastructure and out-of-pocket expenditure burdens. These estimates form the foundation for evidence-based health policy and resource allocation decisions aligned with Universal Health Coverage objectives.

1.About National Health Accounts (NHA)

Definition and Purpose

1. The National Health Account is a tool to describe health expenditures and the flow of funds in both the Government and Private sectors of the country.
2. NHA enables systematic tracking of health financing, identifying funding gaps, and analysing sector efficiency.
3. Preparation of NHA estimates was institutionalized at National Health Systems Resource Centre (NHSRC) in 2014, establishing a permanent mechanism for health financial tracking.

Institutional Framework

1. Published by - NHSRC, Ministry of Health and Family Welfare, ensuring independent and credible analysis.
2. As of now, 9 NHA estimates (2013-14 to 2021-22) have been prepared, establishing a decade-long dataset for trend analysis.
3. Methodology followed - System of Health Accounts, 2011 (SHA 2011), a global standard framework for producing health accounts ensuring international comparability.

2.Major Highlights of NHA 2022-23

Total Health Expenditure

1. The Total Health Expenditure (THE) for India is estimated at 3.37% of GDP and Rs 6,373 per capita.
2. This constitutes current and capital expenditures incurred by Government and Private Sources, including External/Donor funds.
3. The per capita figure masks significant disparities with wealthy households spending substantially more than economically weaker sections.

Increase in Government Expenditure

1. The share of Government Health Expenditure (GHE) in the country's Gross Domestic Product has risen from 1.15% in 2013-14 to 1.43% in 2022-23.
2. As per the new GDP series with base year 2022-23, Government Health Expenditure stands at 1.48% of GDP.
3. This upward trend reflects increased government commitment to health sector financing.

GHE's Share in General Government Expenditure

1. GHE's share in General Government Expenditure (GGE) has increased from 3.78% to 4.89% over the same period.
2. This indicates health's rising priority within overall government budgeting.

Per Capita Government Health Expenditure Growth

1. In per capita terms, GHE has increased nearly 2.7 times, from Rs. 1,042 to Rs. 2,786 between 2013-14 and 2022-23.
2. This substantial increase reflects both population growth and increased per-person government health investment.

Out-of-Pocket Expenditure (OOPE) Analysis

1. The report's international comparison of out-of-pocket expenditure showed India's per capita spending from personal pockets stood at 121 international dollars (PPP) in 2022, placing the country at rank 64 globally.
2. The figures highlight that despite the expansion of public healthcare schemes and insurance coverage, households in India continue to bear a substantial share of treatment costs themselves.
3. Among neighbouring countries, the OOPE burden stood at 85 international dollars in Pakistan, 180 in Nepal, 130 in Bangladesh, and 246 in Sri Lanka.
4. India's OOPE burden, while lower than some neighbours, remains substantial relative to per capita income, creating catastrophic health expenditure risks.

Private Sector Dominance in Current Health Expenditure

1. Private hospitals take the largest share of all current health expenditure at 30.83%, followed by government hospitals at 16.73%.
2. Private sector's dominance reflects lack of adequate public hospital capacity and quality concerns driving people toward private facilities.

Preventive Care Spending Deficit

1. Preventive care forms only 8.88% of the Current Health Expenditure (CHE) spending, representing severe underfunding of disease prevention.
2. Inpatient and outpatient curative care together claim over 56% as the biggest spending head.
3. Pharmaceutical expenditure is also high, suggesting reactive treatment dominates over preventive approaches.

3.Concerns with Low Public Expenditure on Healthcare

Inadequate Health Infrastructure

1. Low public spending has resulted in inadequate health infrastructure including human resources, and slow improvement in key health indicators.
2. Shortage of doctors, nurses, and paramedics in public sector facilities compromises service quality.
3. Inadequate diagnostic equipment and medicines limit treatment effectiveness.

Limited Access to Healthcare Services

1. Low public spending hampers accessibility to healthcare services, particularly in rural and remote areas where infrastructure is already lacking.
2. This exacerbates health disparities between urban and rural populations.
3. Many villages lack primary health centres or qualified healthcare providers.

Neglected Preventive and Primary Care

1. A large portion of healthcare spending in India is directed toward tertiary care, neglecting preventive and primary healthcare services.
2. This inverts the ideal public health pyramid where primary care forms the foundation.
3. Preventable diseases continue to cause unnecessary mortality and morbidity.

Higher Disease Burden

1. Low public spending on healthcare contributes to higher burden of preventable diseases such as communicable diseases, malnutrition, and maternal and child health issues.
2. India continues to bear disproportionate burden of tuberculosis, malaria, and diarrheal diseases.

Increased Out-of-Pocket Expenditure

1. The lack of public healthcare infrastructure has led people to use private health services more, and that has increased the financial burden on citizens.
2. Catastrophic health expenditure forces families into poverty when facing serious illness.

4.Recent Government Steps for Strengthening Healthcare Sector

National Health Policy 2017

1. Outlines the government's vision to achieve the highest possible level of health and well-being for all and emphasizes preventive and promotive healthcare.
2. Equal treatment for modern medicine and traditional systems (Ayurveda, Yoga, Unani, Siddha, Homeopathy).
3. All India Institute of Medical Research now promotes research on traditional medical systems with a comprehensive approach.

Ayushman Arogya Mandirs

1. 1.75 lakh health centres functioning with 369 crore visits, providing grassroots health screening.
2. Focus on screening hypertension, blood pressure, and diabetes for people over 30 years preventing complication progression.

National Digital Health Mission (NDHM)

1. Launched in 2020, NDHM aims to create a digital health ecosystem, including health IDs for citizens and the establishment of a national digital health infrastructure.
2. Digital records enable coordinated care and better health outcomes.

Health and Wellness Centres (HWCs)

1. The government is working toward transforming primary health centres into HWCs to provide comprehensive primary healthcare services, including preventive and promotive care.
2. HWCs provide maternal health, family planning, communicable disease management, and non-communicable disease screening.

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

1. PMSSY aims to enhance tertiary care capacities and strengthen medical education in the country by setting up new AIIMS institutions and upgrading existing government medical colleges.
2. Expansion of tertiary care capacity addresses specialist care gaps.

Research and Development Initiatives

1. The government has been encouraging research and development in healthcare, including support for the development of vaccines, drugs, and medical technologies.
2. Indigenous vaccine and drug development reduces import dependence and improves affordability.

National Medical Commission (NMC) Act

1. The NMC Act, passed in 2019, aims to bring reforms in medical education and practice by replacing the Medical Council of India and promoting transparency and accountability.
2. Reforms improve medical education quality and professional standards.

Jan Aushadhi Scheme

1. The Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) aims to provide quality generic medicines at affordable prices through Jan Aushadhi Kendras.

2. Generic medicine availability addresses medication affordability challenges.

5.Way Forward

1. **Increase Public Health Investment** - The COVID-19 pandemic demonstrated the cracks in India's health system, highlighting the urgent need for increased public investment in healthcare beyond the current 1.48% of GDP target toward 2.5% as per National Health Policy.
2. **Strengthen Primary Healthcare Infrastructure** - Invest in building and upgrading primary health centers with adequate staffing, equipment, and essential medicines to enable early disease detection and treatment.
3. **Expand Preventive Care Programs** - Shift spending focus from curative to preventive care through population-level screening programs, vaccination drives, and health education campaigns.
4. **Reduce Out-of-Pocket Expenditure** - Enhance Ayushman Bharat and other insurance schemes to cover a broader population, reduce co-payments, and include outpatient services preventing catastrophic health expenses.
5. **Build Healthcare Workforce** - Increase recruitment and training of doctors, nurses, and paramedics, particularly for rural areas through incentive programs and compulsory rural service requirements.
6. **Digital Health Integration** - Accelerate NDHM implementation enabling seamless health information exchange and improving care coordination across public and private providers.
7. **Address Health Inequities** - Implement targeted programs for disadvantaged populations including tribal communities, urban poor, and marginalized groups with specific health vulnerabilities.

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