

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:421

ANSWERED ON:23.11.2011

SPECIAL TASK FORCE FOR UNIVERSAL HEALTH

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Will the Minister of PLANNING be pleased to state:

(a) whether the Special Task Force constituted by the Planning Commission in its report on Universal Health Coverage has suggested for imposition of new cess to ensure health insurance to all citizens;

(b) if so, the details thereof and the features of the proposed insurance scheme alongwith the time by which it is likely to be implemented;

(c) the percentage of GDP being spent on health services and the likely percentage on implementing the proposed insurance scheme; and

(d) the comparative percentage expenditure on health services in India with developed countries?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) & (b): A High Level Expert Group (HLEG) on Universal Health Coverage (UHC) was constituted by the Planning Commission. The relevant recommendation (page 12) of the High Level Expert Group (HLEG) reads as under:

Recommendation 3.1.3: Use general taxation as the principal source of health care Financing - complemented by additional mandatory deductions for health care from salaried individuals and tax payers, either as a proportion of taxable income or as a proportion of salary.

HLEG has stated that that general taxation is the most viable option for mobilizing resources to achieve the target of increasing public spending on health and creating mechanisms for financial protection.

HLEG has further mentioned that the potential for additional revenue mobilisation from taxation is high given the projected rates of economic growth, the anticipated improvements in the efficiency of tax collections, and expected increases in both the organised sector base and the tax-payer base.

HLEG has further mentioned that it would be appropriate to complement general taxation with a specific surcharge on salaries or taxable income to pay for UHC and offer cashless health care to all sections of the society. While improving the tax-to-GDP ratio is necessary, it is equally important to increase the share of overall public spending devoted to health.

The report of the HLEG is under examination and recommendations approved by the Government would be implemented in the 12th Five Year Plan.

(c): As per National Health Accounts, India, 2004-05, total health expenditure during 2004-05 was 4.25% of the GDP. The implementation of the proposed scheme will increase the public expenditure on health from the current level of 1.2% of GDP to 2.5% by the end of the 12th plan.

(d): As per the report of WHO Health Statistics, 2011 the comparative percentage of expenditure on health services in India with developed countries is as follows :

Name of the Country Total expenditure on health
as % of GDP (year 2008)

India 4.2

USA 15.2

United Kingdom 8.7

China 43

Japan 8.3

France 11.2

Australia 8.5

Russia 4.8

Canada 9.8

source: WHO Health statistics, 2011