

**GOVERNMENT OF INDIA  
HEALTH AND FAMILY WELFARE  
LOK SABHA**

UNSTARRED QUESTION NO:2245

ANSWERED ON:06.05.2016

Spending on Health Treatment

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**Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:**

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether the Government is aware that a large section of the population in the country spends about 60 per cent of their annual income in out patient healthcare treatment due to skewed primary care system, if so, the details thereof; and
- (b) whether Government has taken note that better OPD covers can prevent 44% hospitalisation, if so, the details thereof; and
- (c) whether the Government spends less than one and a half per cent of Gross Domestic Product (GDP) on health care which is far below comparable to international standards, if so, the details thereof and the reasons therefor; and
- (d) the corrective steps taken by the Government in this regard including increasing the health spending to five per cent of the GDP?

**Answer**

THE MINISTER OF HEALTH AND FAMILY WELFARE

(SHRI JAGAT PRAKASH NADDA)

(a): The Federation of Indian Chambers of Commerce & Industry (FICCI) in their report titled "A Guiding Framework for OPD & Preventive Health Insurance in India" have stated that "about 66% of healthcare spend is on OPD treatment". It has further been stated that "Primary healthcare in India is still largely unorganised and private sector healthcare supply is disproportionately skewed to urban over rural segments".

(b): Hospitalisation of a patient is correlated to the seriousness of the ailment. As per the publication titled "Health in India - NSS 71st Round (January-June 2014) brought out by the National Sample Survey Office(NSSO), Ministry of Statistics and Programme Implementation, 21-29% of treatment are accounted for by the private hospitals and about 40-41% of hospitalised cases belong to the broad ailment categories of infections, eye, ear and gastric intestinal.

Whether OPD covers, can prevent hospitalisation is dependent, inter alia, on the seriousness of the ailments, OPD coverage benefits offered, sum insured, and the procedures covered.

(c): As per Economic Survey 2015-16, the expenditure by Government (Central and State Governments combined) on health as percentage of Gross Domestic Product (GDP) for 2015-16 (BE), is 1.3 per cent. International Standards have not been prescribed by World Health Organisation (WHO). The WHO has never formally adopted/recommended a target size for the health sector as a share of GDP.

(d): Public Health is a State subject. The flagship Programme of National Health Mission (NHM) is aimed to support the States mainly to strengthen their primary healthcare network. Support is provided to State/UTs for setting up new facilities or renovation of existing facilities, health human resource on contractual basis, drugs, equipment, diagnostics, Ambulances, Mobile Medical Units etc based on the requirement posed by the States/UTs in their Programme Implementation Plans (PIPs). The Government has already taken steps towards provision of free services for maternal health, child health, adolescent health, family planning, universal immunization programme, and for major diseases such as TB, vector borne diseases such as Malaria, Dengue and Kala Azar, leprosy etc. Other major initiatives for which states are being supported include Janani Shishu Suraksha Karyakram (JSSK), Rashtriya Bal Swasthya Karyakram (RBSK), Rashtriya Kishor Swasthya Karyakram (RKSK), implementation of National Health Mission Free Drugs Service Initiative and National Health Mission Free Diagnostics Service Initiative, Strengthening District Hospitals and implementation of National Quality Assurance Framework.

Support is also being made available to States for making primary care comprehensive. Additionally, the enhanced tax devolution to States, of 42 per cent of Union's net tax receipts, as per the recommendations of XIVth Finance Commission, will allow States greater autonomy in financing and designing of schemes as per their needs.

As per the 12th Five Year Plan document, total publicly funded by the Centre and States, plan and non-plan, on core health is envisaged to increase to 1.87 per cent of GDP by the end of the Twelfth Plan. The Draft National Health Policy 2015 envisages raising public health expenditure to 2.5% of the GDP in a phased manner.