



National Health Accounts Estimates for India



OCTOBER 2017

National Health Accounts Technical Secretariat
National Health Systems Resource Centre
Ministry of Health and Family Welfare, Government of India

NATIONAL HEALTH ACCOUNTS

Estimates for India

2014-15

October 2017

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Details related to publication

This report provides healthcare expenditures in India based on National Health Accounts Guidelines for India, 2016 (with refinements where required) that adhere to System of Health Accounts 2011 (SHA 2011), a global standard framework for producing health accounts. NHA estimates for India is a result of an institutionalised process wherein, the boundaries, data sources, classification codes and estimation methodology have all been standardised in consultation with national and international experts under the guidance of NHA Expert Group for India.

If readers and stakeholders require clarification or observe that the estimates presented in this report could be further improved, they are welcome to contact NHA team with relevant information. We are glad to clarify and make amends wherever possible in our future publications. Difference in estimates could arise due to use of various data sources, non-availability of data at disaggregated level, timeliness of reporting and mismatch between definitions/interpretation used as per SHA 2011.

This report does not present the policy implications of healthcare expenditures. Policy makers, academicians, researchers and program managers are free to draw inferences within the purview of NHA Guidelines for India 2016 and System of Health Accounts 2011 (SHA 2011) including all refinements mentioned in this report.

Readers are advised to refer to the latest online version for the most up to date reports to abridge themselves with change in estimates due to improvements. Reports are available at www.nhsrindia.org or www.mohfw.nic.in

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FOREWORD

As set out in the National Health Policy 2017 and Sustainable Development Goals one of the priorities of the Union and State Governments is to bridge the equity gap in access and availability of health services. National Health Accounts (NHA) is an important tool to monitor if these priorities are being addressed with respect to allocations for health by the Governments and other stakeholders in the health system. Regular annual NHA estimates allow monitoring expenditures on various health activities and their comparison across countries.

NHA estimates for India 2013-14 was critical in reporting changes in health expenditures in Indian health system since NHA estimates 2004-05. NHA estimates 2014-15 establish continuity for tracking expenditures on health as envisaged in the National Health Policy 2017.

I am pleased that the NHATS technical team has produced NHA estimates 2014-15 and would continue their endeavour to produce regular annual health accounts estimates.


(C.K. Mishra)



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Dated the 16th October, 2017

MESSAGE

Data on financing of the health sector is essential for informed policy decisions in the health sector. An analysis of health care financing data begins with sound estimates of national health expenditures. National Health Accounts (NHA) is an important tool to demonstrate how health resources are spent, on what services, and who pays for them. It provides a holistic picture of our health sector, showing the actual emphasis of spending and the shares of different payers.

NHA provides a consistent framework for modelling healthcare financing reforms and for monitoring the effects of changes in financing and provision of healthcare services. I am indeed glad that this second round of NHA estimates is our next step towards institutionalisation of NHA in India, as envisaged while establishing the National Health Accounts Technical Secretariat (NHATS). These regular NHA rounds will help us in monitoring health expenditure patterns in India, using which we can re-orient our existing policies.

I would also like to take this opportunity to urge the states to undertake this exercise at state level with handholding from NHATS and MoHFW.

I appreciate the efforts of the NHA team for consistently improving the NHA estimates and meticulously updating the estimates of previous rounds for maintaining comparability between different rounds of NHA and also for global comparisons.


(Manoj Jhalani)



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Preface

National Health Accounts is an important tool to track financial resource flows in the country's health system. NHA 2013-14 estimates report for India released in 2016 has been well received. It has provided baseline indicators for all stakeholders in the health sector to plan for better resource allocation for health and to achieve better health outcomes.

It is a pleasure to continue a tradition of publishing NHA estimates year on year, as envisaged in the National Health Policy 2017. NHA estimates 2014-15 report provides health expenditures for India including key financing indicators. Evidence from regular health accounts estimates allows policy makers to take notice of the current resource allocations and plan for improving government spending on health, make healthcare services more affordable and reduce out of pocket health expenditures.

I appreciate the NHATS for producing these important estimates and constantly working towards presenting these at most disaggregate level possible. I hope these estimates are used by all stakeholders to identify priority areas for health care spending, monitor health financing indicators for National Health Policy, Universal Health Coverage and Sustainable Development Goals.

I thank the members of NHA Steering Committee, Expert Group for their inputs and encouragement, NHA core team at NHSRC and the NHA Cell at MoHFW for their effort to bring out these annual estimates.

Preeti
(Preeti Nath)

Message

NHA provides key indicators to understand financing of health system in the country and allows for comparison with other countries. The National Health Policy 2017 sets out several goals related to healthcare financing and emphasizes the need to track expenditures on health through a robust system of National Health Accounts. Production of annual NHA estimates builds a database for tracking trends in allocations for health by union/state governments and estimate the burden of out of pocket payments.

Regular reporting of the NHA indicators supports government in monitoring financial flows allowing for effective planning, management of resources, and strengthening the health financing system to achieve the goals and targets set in the National Health Policy 2017.

I thank Preeti Nath, Economic Advisor, MoHFW and J. Rajesh Kumar, Director Bureau of Planning, MoHFW for extending support and working closely with us on National Health Accounts. I appreciate the efforts of NHA team at NHSRC and NHA cell for NHA estimates 2014-15 while they continue to work on improving the methodology within the preview of System of Health Accounts 2011 (SHA 2011) framework and present estimates at most disaggregate level as possible.

These estimates are useful to policy makers, researchers and academic institutions to understand resource allocation and can serve as a tool to facilitate in reprioritisation and management of health care resources in the right direction.

Rajani R. Ved

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Member Secretary - National Health Accounts Steering Committee

Acknowledgement

National Health Accounts Estimates for 2014-15 are output of National Health Accounts Technical Secretariat (NHATS) with the guidance from NHA Steering Committee and the NHA Expert Group for India. NHA team acknowledges the inputs received from Government Ministries/Departments, organisations, individual international/national experts and every stakeholder who participated/contributed in producing the health accounts estimates.

We acknowledge the contribution of Dr. Sheela Prasad, (former Economic Advisor, DoHFW) and Dr. Charu C. Garg (former Advisor Healthcare Financing, NHSRC) who were initially involved with production of these estimates. Dr. Shaktivel Selvaraj, Dr. Indranil Mukhopadhyay, Dr. Sandeep Sharma, Dr. Pritam Datta, Dr. Nimai Das at Public Health Foundation of India (PHFI) for estimates on urban local bodies, enterprises and non-profit institutions; NHSRC consultants Dr. J. Pratheeba, Dr. Maneeta Jain and Dakshu Jindal for support on this round of NHA estimates.

We gratefully acknowledge continuous guidance received from Dr. Bandana Sen (NSSO, MOSPI), SIS Naqvi (NAD, MOSPI), Dr. Anup Karan (PHFI), Dr. Indrani Gupta (IEG) and Dr. Mita Chowdhury (NIPFP). We are thankful to Soma Roy Burman, Joint CGA for providing expenditure data on medical allowances/reimbursements for all Union Ministries and K.S.J. Reddy, Head - Health vertical, Insurance Information Bureau of India for private health insurance expenditures. We also thank all state officials in charge of insurance schemes for providing details on expenditures.

NHA TEAM

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
RSBY	Rashtriya Swasthya Bima Yojana
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

National Health Accounts Technical Secretariat

Institutionalizing National Health Accounts for India was envisaged in National Health Policy, 2002 and the National Health Accounts Cell (NHA Cell) was established in the Ministry of Health and Family Welfare, Government of India. NHA Cell produced health accounts estimates for FY 2001-02 and FY 2004-05. National Health Systems Resource Centre (NHSRC) was designated the National Health Accounts Technical Secretariat (NHATS) in August 2014 by Ministry of Health and Family Welfare with a mandate to institutionalize Health Accounts in India. As set out in the National Health Policy 2017, NHATS works towards regular reporting of health expenditures in India through robust, systematic and institutionalised health accounts.

The work and plans of NHATS since establishment:

- ▶ Established NHA core technical team that collects data from primary and secondary sources, conducts data validation, analysis, tabulation using standardized format of NHA tables and reports health accounts estimates for the country.
- ▶ Established NHA Steering Committee for India (represented by high level Officials of the Union and State Ministries/Departments related to Health Expenditures) and NHA Expert Group for India (Healthcare Financing and NHA experts) to guide the process of institutionalizing NHA and generate periodic reports.
- ▶ Developed the National Health Accounts Guidelines for India in 2016 adapted to Indian health system context, adhering to SHA 2011 framework and comparable to the global NHA framework. This will be revised in due time to incorporate refinements based on availability of relevant disaggregated data/ information, estimation methodology or revisions in the system of health accounts methods/framework and stakeholder feedback.
- ▶ Developed National Health Accounts estimates for India, for FY 2013-14 and FY 2014-15 and will continue to produce annual estimates.
- ▶ Developed a strong network of institutions and organizations at state level; across the country, for periodic conduct of NHA and update health expenditure data at state and national level.
- ▶ NHATS has a mandate to support states to institutionalize State Health Accounts and produce regular estimates. In 2016-17, State nodal officers have been appointed and workshops have been conducted to train health accounts teams from 27 states on the processes, framework, methods and tools to produce health accounts at the state level.

Introduction to the Report

This report presents National Health Accounts (NHA) Estimates for India for Financial Year 2014-15.

National Health Accounts is a tool to describe health expenditures and flow of funds in both government and private sector in the country. These estimates are derived within the framework of National Health Accounts Guidelines for India, 2016 (with refinements where required) and adhere to System of Health Accounts 2011 (SHA 2011), a global standard framework for producing health accounts.

NHA guidelines/ methodology and estimates are continuously updated, as Indian health system is dynamic and NHA estimates should reflect the changing policy/programmatic and health system context. Also there is always potential for improvement related to availability of data/ information or estimation methodology or revisions in the system of health accounts methods/framework or stakeholder feedback. These updates are a result of thorough examination by the NHA team and the NHA Expert Group in consultation with competent authorities in this regard.

NHA estimates 2014-15 report incorporates refinements from NHA estimates 2013-14 and details of these are mentioned in the methodology and relevant sections. Accordingly wherever necessary the revised estimates for NHA 2013-14 are presented to ensure comparability.

NHA estimates 2014-15 is the second round of estimates for India presented according to System of Health Accounts 2011 (SHA2011). NHA team is continuously working towards improving the data availability and methodology used for producing estimates. It usually takes about 3-4 rounds of health accounts to stabilize country estimates.

Policy implications of healthcare expenditure estimates are not discussed in this report. However, policy makers, academicians and researchers are free to draw inferences from this report within the purview of NHA framework/methodology described in this report, NHA Guidelines for India 2016 and System of Health Accounts 2011 (SHA 2011) including all refinements mentioned in the methodology section and elsewhere in this report.

To maintain comparability with earlier NHA rounds, health expenditure estimates for India over time should be made based on this report, rather than on the earlier published reports.

Highlights

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 India. 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 utilised. 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.

What are the Key Health Expenditure Estimates for India?

Total Health Expenditure (THE) for India is estimated at Rs. 4,83,259 crores (3.89% of GDP and Rs. 3,826 per capita) for the year 2014-15. THE constitutes current and capital expenditures incurred by Government and Private Sources including External/Donor funds. Current Health Expenditure (CHE) is Rs. 4,51,286 crores (93.4% of THE) and capital expenditures is Rs. 31,973 crores (6.6% of THE).

Government Health Expenditure (GHE) including capital expenditure is Rs. 1, 39,949 crores (29 % of THE, 1.13% GDP and Rs. 1,108 per capita) for the year 2014-15. This amounts to about 3.94% of General Government Expenditure in 2014-15. Of the GHE, Union Government share is 37% and State Government share is 63%. Union Government Expenditure on National Health Mission is Rs. 20,199 crores, Defence Medical Services Rs. 6,695 crores, Railway Health Services is Rs. 2,111 crores, Central Government Health Scheme (CGHS) is Rs. 2,300 crores and Ex Servicemen Contributory Health Scheme (ECHS) is Rs. 2,243 crores.

Out of Pocket Expenditure (OOPE) on health by households is Rs. 3,02,425 crores (62.6% of THE, 2.4% of GDP, Rs. 2,394 per capita) for the year 2014-15. Private Health Insurance expenditure is Rs. 17,755 crores (3.7% of THE) for the year 2014-15.

Who Contributes to Current Health Expenditures?

Of the Current Health Expenditure, Union Government share is Rs. 37,221 crores (8.2%) and the State Government's share Rs. 59,978 crores (13.3%). Local bodies' share is Rs. 2,960 crores (0.7%), Households share (including insurance contributions) about Rs. 3,20,262 crores (71%, OOPE being 67%). Contribution by enterprises (including insurance contributions) is Rs. 20,069 crores (4.4%) and NGOs is Rs. 7,422 crores (1.6%). External/donor funding contributes to about Rs. 3,374 crores (0.7%).

Who Provides Health Care Services?

Current Health Expenditure attributed to Government Hospitals is Rs. 64,685 crores (14.3%) and Private Hospitals Rs. 1, 16,943 (25.9%). Expenditures incurred on other Government Providers (incl. PHC, Dispensaries and Family Planning Centres) is Rs. 27,782 crores (6.2%), Other Private Providers (incl. private clinics) is Rs. 23,795 crores (5.3%), Providers of Patient Transport and Emergency Rescue is Rs. 20,627 crores (4.6%), Medical and Diagnostic laboratories is Rs. 21,058 crores (4.7%)¹, Pharmacies is Rs. 1, 30, 451 crores (28.9%)², Other Retailers is Rs. 559 crores (0.1%), Providers of Preventive care is Rs. 23,817 crores (5.3%), and Other Providers is Rs. 9,985 crores (2.2%). About Rs. 11,584 crores (2.6%) is attributed to Providers of Health System Administration and Financing.

What Services are Consumed?

Current health expenditure attributed to Inpatient Curative Care is Rs. 1,58,334 crores (35.1%), Outpatient curative care is Rs. 73,059 crores (16.2%), Patient Transportation is Rs. 20,627 crores (4.6%), Laboratory and Imaging services is Rs. 21,058 crores (4.7%)³, Prescribed Medicines is Rs. 1,28,887 crores (28.6%)⁴, Over The Counter (OTC) Medicines is Rs. 1564 crores (0.3%)⁵, Therapeutic Appliances and Medical Goods is Rs. 559 crores (0.1%), Preventive Care is Rs. 30,420 crores (6.7%), and others is Rs. 5,194 crores (1.2%). About Rs. 11,584 crores (2.6%) is attributed to Governance and Health System Administration.

Total Pharmaceutical Expenditure is 37.9% 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 16% of CHE.

Current Health Expenditure attributed to Primary Care is 45.1%, Secondary Care is 35.6%, Tertiary care is 15.6% and governance and supervision is 2.6%. When this is disaggregated; Government expenditure on Primary Care is 51.3%, Secondary Care is 21.9% and Tertiary Care is 14%. Private expenditure on Primary Care is 43.1%, Secondary Care is 39.9% and Tertiary Care is 16.1%.

1 Medical & Diagnostic Laboratories for 2013-14 is Rs. 19346 Crore, 4.6%. Details of revision in Methodology Section.

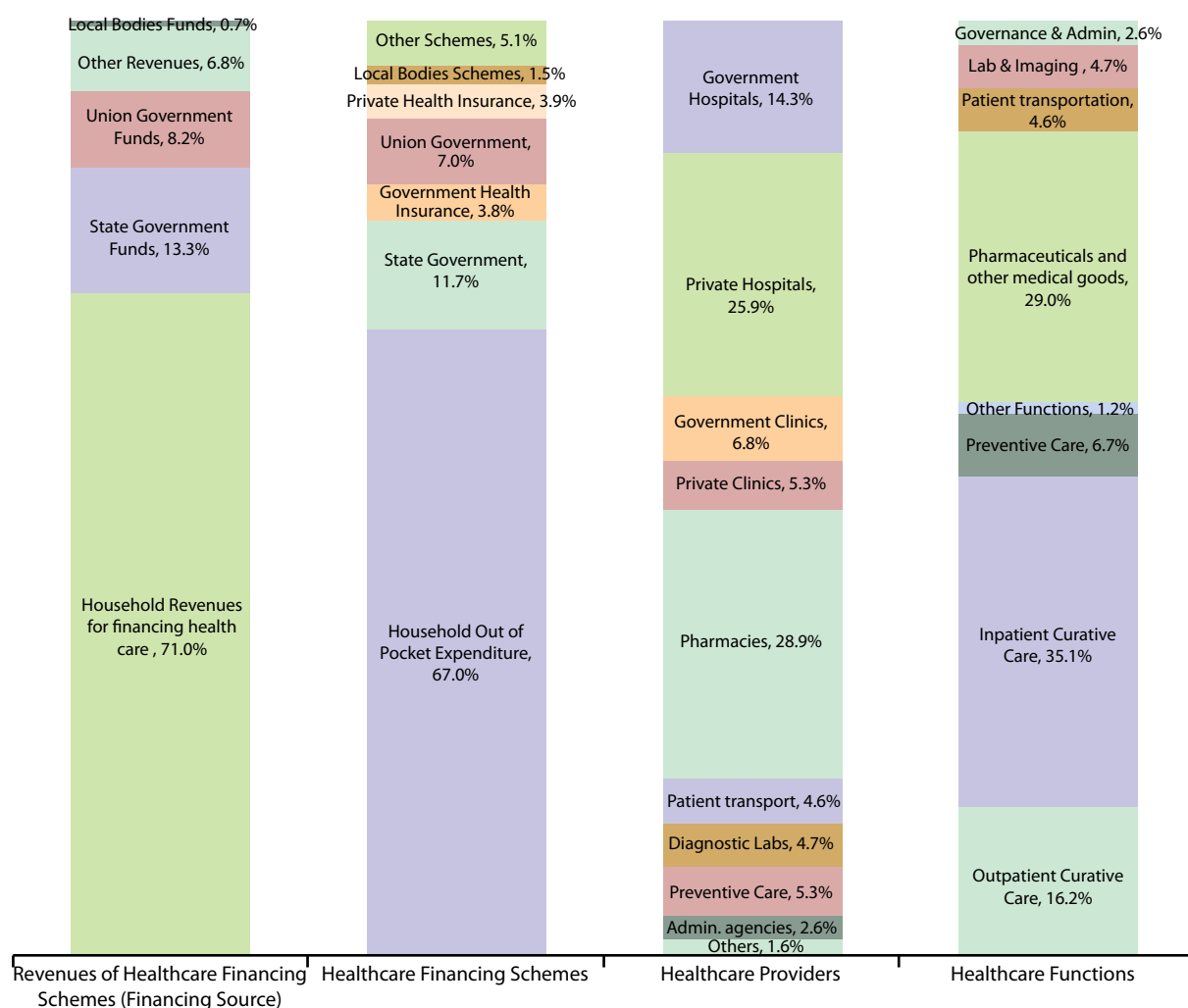
2 Pharmacies for 2013-14 are 127988 Crore, 30.4%. Details of revision in Methodology Section.

3 Lab & Imaging Services for 2013-14 is Rs.19346 Crore, 4.6%; For Revisions on all disaggregate HC categories for 2013-14 refer Methodology Section.

4 Prescribed Medicines for 2013-14 is Rs. 126453 Crore, 30%.

5 Over The Counter medicines is Rs.1534 Crore, 0.4%.

Figure 1: Distribution of Current Health Expenditure (2014-15) by Healthcare Financing Schemes, Revenues of Healthcare Financing Schemes, Healthcare Providers and Healthcare Functions (%)



Note:

1. Other Revenues include Transfers distributed by Union and State Government from foreign origin (0.3% and 0.1%); Social insurance contributions from employers (1%); Voluntary prepayment from employers (0.5%); other revenues from corporation's n.e.c (3%) and NPISH n.e.c. (1.6%) and all direct foreign financial transfers (0.4%).
2. Government Health Insurance include Social insurance schemes like ESIC, CGHS and Government-based voluntary insurance schemes like RSBY (2.8%), state specific government health insurance schemes etc. (1%).
3. Local bodies Schemes include urban (0.9%) and rural local bodies (0.7%).
4. Other schemes include: Non Profit Institutions Serving Households (NPISH) (1.9%) and Enterprises financing schemes (2.9%).
5. Private Clinics includes ambulatory centres like Offices of general medical practitioners (5.3%); medical specialists (<0.1%).
6. Government Clinics include ambulatory centres like Sub-Centres/ANM, ASHA, Anganwadi Centres & VHNSCs (0.6%); Primary Health Centres (PHC), Govt. dispensaries including AYUSH, CGHS and ESIS, Railway Polyclinics (5%) and Family planning centres (1.2%). Administrative agencies include Govt. health admin (2%); Social health insurance (admin) (0.4%); Private health insurance admin (0.1%) and other administration agencies (0.1%). Other providers include Retail sellers and other suppliers of durable medical goods and appliances (0.1%) and other health care providers (1.6%).
7. Pharmaceuticals and other medical goods include prescribed medicines (28.6%), Over-the-counter medicines (0.3%); all therapeutic appliances and other medical goods (0.1%).
8. Preventive care include programmes on Information, education and counselling (IEC) (0.7%); Immunization (0.8%); Early disease detection (0.1%); Healthy condition monitoring (3.1%); Epidemiological surveillance, risk and disease control (1.9%); Preparing for disaster and emergency response (0.01%) and unspecified preventive care not elsewhere classified (0.2%).
9. Other functions include All rehabilitative care (0.05%); All long-term care (<0.01%) and other health care services not elsewhere classified (1.1%).

1. NHA Estimates for India: 2014-15

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 per cent 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) per cent 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 channelled 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 per cent 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 per cent 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 per cent 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 in India.

AYUSH as % of THE: AYUSH stands for Ayurveda, Yoga, Naturopathy, Unani, Siddha, and Homeopathy. It includes all the expenditure on non-allopathic care that comprises a range of long-standing and still-evolving practices based on diverse beliefs and theories. This indicates the share of expenditures under AYUSH system of medicines in the total health expenditure.

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 presents key indicators for India from NHA estimates 2014-15 with the last two NHA rounds. It is important to note that only select indicators that are comparable across the three rounds of NHA are presented here. NHA estimates 2004-05 are based on System of Health Accounts 1.0 (SHA 1.0) framework which differs in the definitions, classification codes and boundaries of health expenditures in comparison with NHA estimates 2013-14 and 2014-15 that are based on SHA 2011 framework.

Table 2 presents key health financing indicators for India for NHA estimates 2014-15.

Table 1: Key Health Financing Indicators for India across NHA Rounds

Sl. No.	Indicator	NHA 2014-15	NHA 2013-14	NHA 2004-05
1	Total Health Expenditure (THE) as per cent of GDP	3.9	4	4.2
2	Total Health Expenditure (THE) Per capita (Rs.)	3826	3638	1201
3	Current Health Expenditures (CHE) as per cent of THE	93.4	93	98.9
4	Government Health Expenditure (GHE) per cent of THE	29	28.6	22.5
5	Out of Pocket Expenditures (OOPE) as per cent of THE	62.6	64.2	69.4
6	Social Security Expenditure on health as per cent of THE	5.7	6	4.2
7	Private Health Insurance Expenditures as per cent of THE	3.7	3.4	1.6
8	External/ Donor Funding for health as per cent of THE	0.7	0.3	2.3

Table 2: Key Health Financing Indicators for India: NHA Estimates 2014-15

Sl. No.	Indicator	NHA 2014-15
1	Total Health Expenditure (THE) as % GDP ⁶	3.9
2	THE per capita (Rs.) ⁷	3826
3	Current Health Expenditure (CHE) as % of THE	93.4
4	Government Health Expenditures (GHE) as % of THE	29.0
5	GHE as % of GDP	1.1
6	GHE as % of General Government Expenditure (GGE) ⁸	3.9
7	Per capita Government Health Expenditure (Rs.)	1108
8	Current Government Health Expenditure (CGHE) as % of GHE	77.2
9	Union Government Health Expenditure as % of GHE	37.0
10	State Government Health Expenditure as % of GHE	63.0
11	Government based Voluntary Health Insurance as % of GHE	3.3
12	Household Health Expenditure (incl. insurance contributions) as % of THE	66.3
13	OOPE as % of THE	62.58
14	OOPE as % of GDP	2.43
15	Per capita OOPE (Rs.)	2394
16	External/Donor Funding as % of THE	0.7
17	AYUSH as % of THE	14.9
18	Pharmaceutical expenditures as % of CHE	37.9

6 GDP value for FY 2014-15 (Rs. 1,24,33,749 crores) - Statement 2: Second Advance Estimates of National Income and Expenditures on GDP, 2016-17; Press Information Bureau Government of India Ministry of Statistics & Programme Implementation; 28-February-2017.

7 The population for 2014 is projected by National Health Systems Resource Centre using census population estimates-2011 published by Office of the Registrar General & Census Commissioner, India.

8 GGE value for FY 2014-15 (Rs 35,55,332 crores) Table 114 : Receipts and Disbursements of Central and State Governments, Page no. 180, Handbook of Statistics on Indian Economy, 2016, Reserve Bank of India.

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 2014-15, Rs. 4,51,286 crores into healthcare financing schemes, revenues of health care financing schemes (source of financing), healthcare providers and healthcare functions.

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 3** shows the distribution of expenditures by healthcare financing schemes, followed by the description of all financing schemes relevant in Indian context. Detailed description of these schemes is provided in the “National Health Accounts Guidelines for India”, 2016.

Figure 2: Current Health Expenditures (2014-15) by Financing Schemes (%)

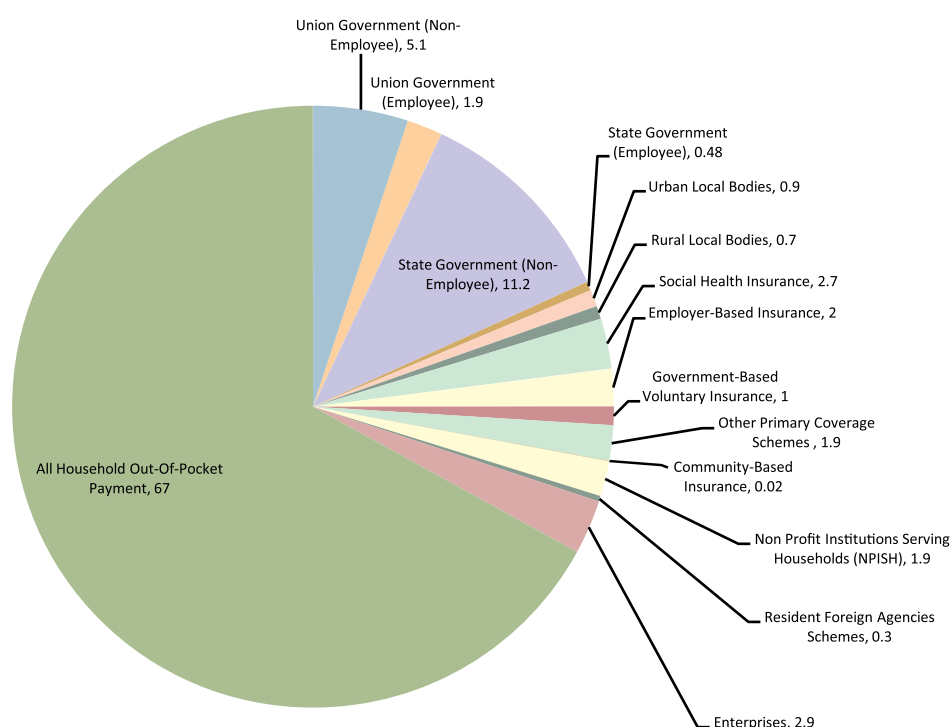


Table 3: Current Health Expenditures (2014-15) by Healthcare Financing Schemes

NHA Code	Financing schemes	Rs. Crores	%
HF.1.1.1.1	Union Government (Non-Employee)	22836	5.1
HF.1.1.1.2	Union Government (Employee) ⁹	8533	1.9
HF.1.1.2.1.1	State Government (Non-Employee)	50686	11.2
HF.1.1.2.1.2	State Government (Employee) ¹⁰	1985	0.48
HF.1.1.2.2.1	Urban Local Bodies	3988	0.9
HF.1.1.2.2.2	Rural Local Bodies	2962	0.7
HF.1.2.1	Social Health Insurance ¹¹	12395	2.7
HF.2.1.1.1	Employer-Based Insurance (Private Group Health Insurance)	8899	2
HF.2.1.1.2	Government-Based Voluntary Insurance ¹² (Government Financed Health Insurance)	4590	1
HF.2.1.1.3	Other Primary Coverage Schemes (Private Individual Health insurance)	8772	1.9
HF.2.1.2.1	Community-Based Insurance	84	0.02
HF.2.2.1	Non Profit Institutions Serving Households (NPISH)	8588	1.9
HF.2.2.2	Resident Foreign Agencies Schemes	1441	0.3
HF.2.3.1.2	Enterprises	13102	2.9
HF.3.3	All Household Out-Of-Pocket Payment	302425	67
	Total	451286	100

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. It also includes expenditures through other Union Ministries and Departments under the Labour Welfare Scheme, Maulana Azad Medical Aid Scheme, National Institute of Sports Science and Sports Medicine, etc. (Refer NHA Guidelines for India, 2016 for details).

9 Current expenditures on Defence Medical Services (Rs. 6372 Crores), Railway Health Services (Rs. 2111 Crores) and the rest is any reimbursements made by Union Government Departments through CSMA.

10 Incl. expenditures on employees through Medical allowance/reimbursements by State Government Departments.

11 Incl. Central Government Health Scheme (CGHS), Ex-servicemen Contributory Health Scheme (ECHS) and Employee State Insurance Scheme (ESIS).

12 Incl. expenditures on Rashtriya Swasthya Bima Yojana and State specific health insurance schemes.

HF.1.1.1.2 Union Government Schemes (Employee)

Expenditure by Ministry of Health and Family Welfare and other Union Ministries and Departments for providing healthcare services to their employees and their dependents are classified here. It includes expenditures by Ministry of Defence, Ministry of Railways, Department of Posts and Department of Atomic Energy, etc. for providing healthcare services to their employees and reimbursements under Central Services Medical Attendance (CSMA) Rules.

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 governments 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 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 Central Government Health Scheme (CGHS), Employees' State Insurance Scheme (ESIS), Ex-servicemen Contributory Health Scheme (ECHS) are classified here. Even though Contributory Health Services Scheme (CHSS) of Department of Atomic Energy and Retired Employees' Liberalized Health Scheme (RELHS) of Ministry of Railways are Social Health Insurance, due to non-availability of disaggregated financial data their expenditures have been included under Union Government Employee Schemes. Social Health Insurance are financed by the contributions of employees (household's prepayments), employers (enterprises), union and state government grants/ contributions.

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.2.1.1.2 Government Based Voluntary Health Insurance (Government Financed Health Insurance) Schemes

This includes expenditure under all health insurance schemes implemented by union and state governments in 2014-15. These are Rashtriya Swasthya Bima Yojana and other state specific government health insurance schemes that are enumerated under the section on health insurance expenditures of this report. These schemes are financed by union and state government through specific grants or contributions to a private or public insurance company. Some schemes also have a component of token contributions from households.

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.2.1.2.1 Community based Health Insurance Schemes

Expenditure of insurance schemes operated/organized purely by communities themselves/NGOs/cooperative societies/workers unions etc. Many of community schemes since 2006 use private/public insurers for risk pooling and these products are registered as Micro Health Insurance Products under the IRDAI. Expenditures from both these categories are included. 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 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 (eg. 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 4** 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 Indian context. Detailed description of these schemes is provided in the “National Health Accounts Guidelines for India”, 2016.

Figure 3: Current Health Expenditures (2014-15) by Revenues of Healthcare Financing Schemes (%)

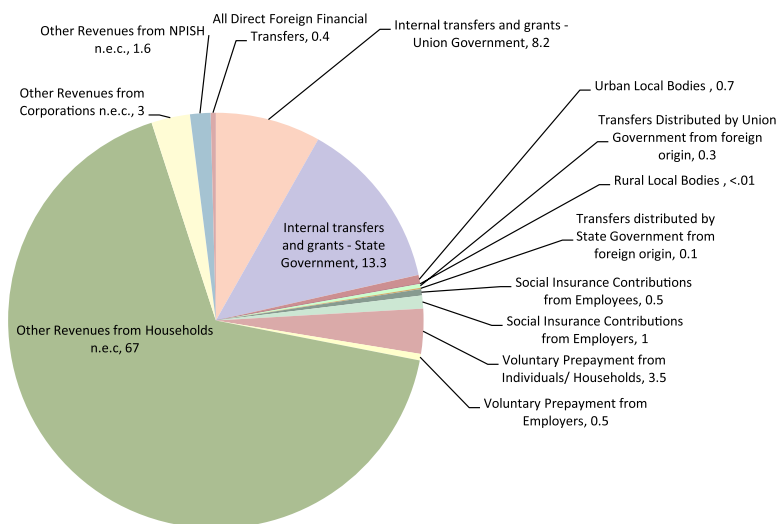


Table 4: Current Health Expenditures (2014-15) by Revenues of Healthcare Financing Schemes¹³

NHA Code	Revenues of Financing Schemes	Rs. Crores	%
FS.1.1.1	Internal transfers and grants - Union Government	37221	8.2
FS.1.1.2	Internal transfers and grants - State Government	59978	13.3
FS.1.1.3.1	Urban Local Bodies	2934	0.7
FS.1.1.3.2	Rural Local Bodies	27	<0.01
FS.2.1	Transfers Distributed by Union Government from foreign origin	1233	0.3
FS.2.2	Transfers distributed by State Government from foreign origin	424	0.1
FS.3.1	Social Insurance Contributions from Employees	2107	0.5
FS.3.2	Social Insurance Contributions from Employers	4525	1.0
FS.5.1	Voluntary Prepayment from Individuals/ Households	15729	3.5
FS.5.2	Voluntary Prepayment from Employers	2225	0.5
FS.6.1	Other Revenues from Households n.e.c	302425	67
FS.6.2	Other Revenues from Corporations n.e.c.	13319	3.0
FS.6.3	Other Revenues from NPISH n.e.c.	7422	1.6
FS.7.1.4	All Direct Foreign Financial Transfers	1717	0.4
Total		451286	100

¹³ To compare with 2013-14 estimates the aggregate value for Household Revenues for Financing Healthcare (FS.3.1+ FS 5.1+ FS 6.1) in 2014-15 is Rs.320262 Crore and it occupies 71% of CHE.

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 divided 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. 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.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 5** presents distribution of current health care expenditures by providers of healthcare, followed by the description of all healthcare providers relevant in Indian context.

Figure 4: Current Health Expenditures (2014-15) by Providers of Healthcare (%)

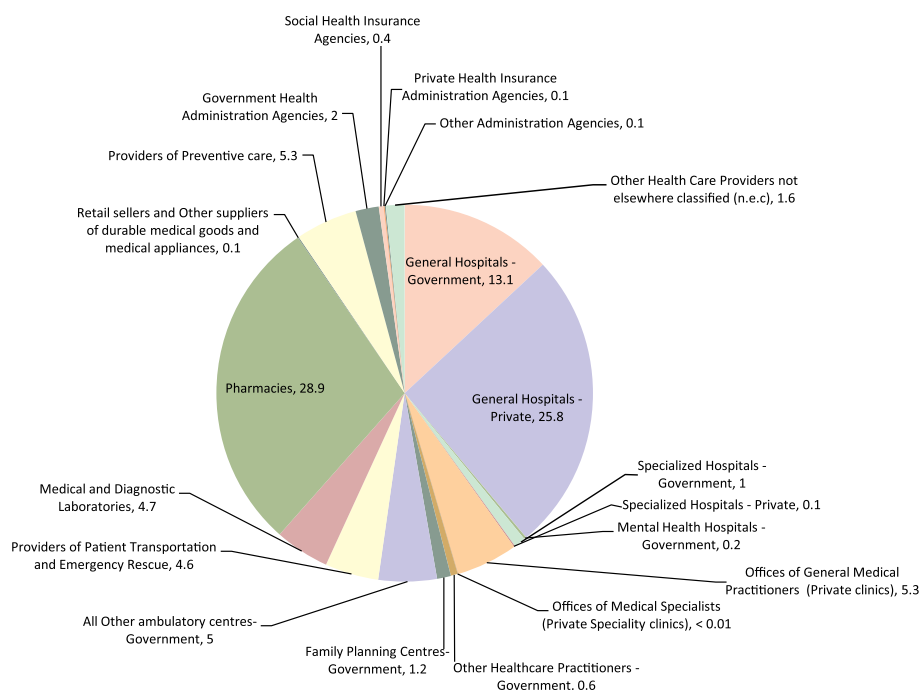


Table 5: Current Health Expenditures (2014-15) by Healthcare Providers

NHA Codes	Healthcare Providers	Rs. Crores	%
HP.1.1.1	General Hospitals - Government	59273	13.1
HP.1.1.2	General Hospitals - Private	116472	25.8
HP.1.2.1	Mental Health Hospitals - Government	881	0.2
HP.1.3.1	Specialized Hospitals - Government	4531	1.0
HP.1.3.2	Specialized Hospitals - Private	471	0.1
HP.3.1.1	Offices of General Medical Practitioners (Private clinics)	23793	5.3
HP.3.1.3	Offices of Medical Specialists (Private Speciality clinics)	2	<0.01
HP.3.3	Other Healthcare Practitioners ¹⁴ - Government	2751	0.6
HP.3.4.1	Family Planning Centres- Government	5191	1.2
HP.3.4.9	All Other ambulatory centres ¹⁵ - Government	22591	5.0
HP.4.1	Providers of Patient Transportation and Emergency Rescue	20627	4.6
HP.4.2	Medical and Diagnostic Laboratories	21058	4.7
HP.5.1	Pharmacies	130451	28.9
HP.5.2	Retail sellers & Other suppliers of durable medical goods & appliances	559	0.1
HP.6	Providers of Preventive care	23817	5.3
HP.7.1	Government Health Administration Agencies	9062	2.0
HP.7.2	Social Health Insurance Agencies	1587	0.4
HP.7.3	Private Health Insurance Administration Agencies	419	0.1
HP.7.9	Other Administration Agencies	517	0.1
HP.10	Other Health Care Providers not elsewhere classified (n.e.c)	7233	1.6
Total		451286	100

14 Expenditures on Sub Centers/ANM , ASHA, Anganwadi Centers etc.

15 Expenditures on Primary Health Centers and Dispensaries incl. of AYUSH, CGHS, ESIS, and Railway Polyclinics.

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 Centres (CHC).

HP.1.1.2 General Hospitals – Private

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

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 Centres. 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-centres/ANM, ASHA, Village Health and Nutrition Sanitation Committees (VHNSC).

HP.3.4 Ambulatory Health Care Centres

These centres are classified into HP.3.4.1 Family Planning Centres and HP.3.4.9 All Other Ambulatory Centres [Government run - Primary Health Centres, 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 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. **Table 6** presents the distribution of current health expenditures by health care functions, followed by the description of all healthcare functions relevant in Indian context. Detailed description of these schemes are provided in the “National Health Accounts Guidelines for India”, 2016.

Figure 5: Current Health Expenditures (2014-15) by Healthcare Functions (%)

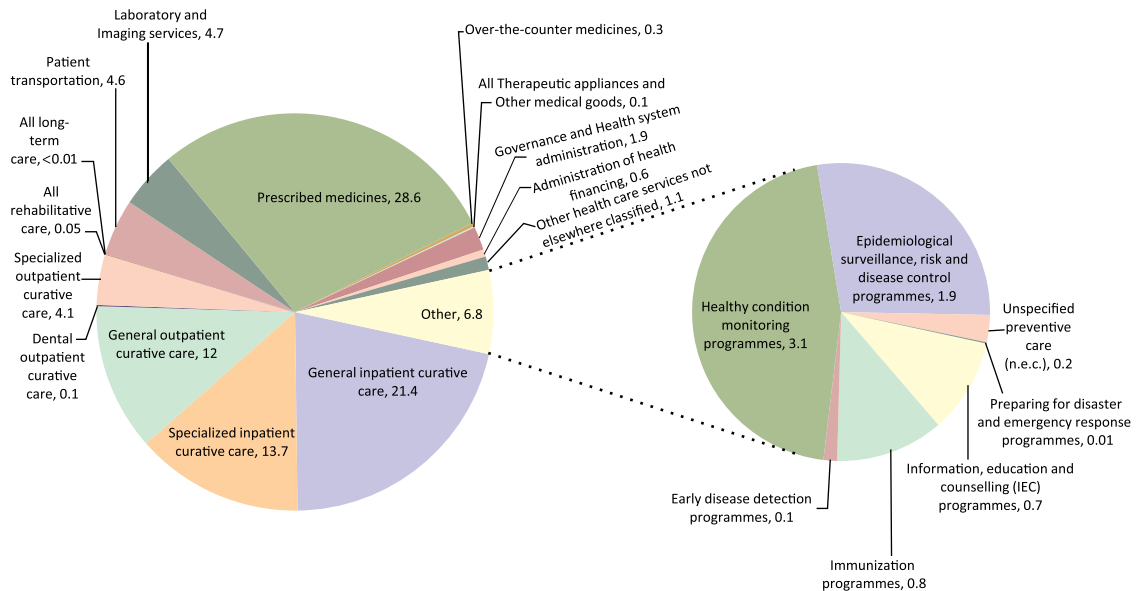


Table 6: Current Health Expenditures(2014-15) by Healthcare Functions

NHA Codes	Healthcare Functions	Rs. Crores	%
HC.1.1.1	General inpatient curative care	96623	21.4
HC.1.1.2	Specialized inpatient curative care	61711	13.7
HC.1.3.1	General outpatient curative care	54108	12.0
HC.1.3.2	Dental outpatient curative care	315	0.1
HC.1.3.3	Specialized outpatient curative care	18636	4.1
HC.2	All rehabilitative care	213	0.05
HC.3	All long-term care	6	<0.01
HC.4.3	Patient transportation	20627	4.6
HC.4.4	Laboratory and Imaging services	21058	4.7
HC.5.1.1	Prescribed medicines	128887	28.6
HC.5.1.2	Over-the-counter medicines	1564	0.3
HC.5.2.4	All Therapeutic appliances and Other medical goods	559	0.1
HC.6.1	Information, education and counselling (IEC) programmes	3065	0.7
HC.6.2	Immunization programmes	3526	0.8
HC.6.3	Early disease detection programmes	295	0.1
HC.6.4	Healthy condition monitoring programmes	14081	3.1
HC.6.5	Epidemiological surveillance, risk and disease control programmes	8543	1.9
HC.6.6	Preparing for disaster and emergency response programmes	40	0.01
HC.6.nec	Unspecified preventive care (n.e.c.)	869	0.2
HC.7.1	Governance and Health system administration	8780	1.9
HC.7.2	Administration of health financing	2804	0.6
HC.9	Other health care services not elsewhere classified	4976	1.1
Total		451286	100
HC.RI.1	Total Pharmaceuticals Expenditure (TPE)	171025	37.9
HC.RI.2	Traditional, Complementary and Alternative Medicines (TCAM)	71995	16

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 centres 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 India, 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 Indian 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, orthopaedic 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 programmes such as National Disease Control Programmes, etc. The sub categories under this are: HC.6.1 Information, education and counselling (IEC) programmes, HC.6.2 Immunization programmes, HC.6.3 Early disease detection programmes, HC.6.4 Healthy condition monitoring programmes, HC.6.5 Epidemiological surveillance, risk and disease control programmes, HC.6.6 Preparing for disaster and emergency response programmes. 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):

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 Indian 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.

1.3 Expenditure Estimates by Primary, Secondary and Tertiary Care

It is important to present the NHA estimates according to primary, secondary and tertiary care for policy relevance in India. 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 from NHA India 2014-15 is presented for government, private and combined allocations in **Table 7**. Expenditures regarded as Governance and Supervision and those not elsewhere classified are also mentioned. Note these expenditures are comparable only to NHA Estimates 2013-14 and not NHA Estimates 2004-05. The reason for the same and particular differences could be explored in NHA Estimates for India 2013-14 report (page. No 27).

Table 7: Current Health Expenditures (2014-15) by Primary, Secondary and Tertiary Care (%)

Category	Description of Expenditures Included	Govt.	Pvt.	Combined
Primary	Expenditures under preventive care under all healthcare providers. All expenditures at Sub Centers, Family planning centers, 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 where ever 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 centers including expenditures related to childbirth at Sub Centers. Expenditures under rehabilitative care at offices of general medical practitioners. Expenditures under all long term care and Expenditures under patient transportation.	51.3	43.1	45.1
Secondary	Expenditures under general inpatient curative care at hospitals including related diagnostic and pharmaceutical expenditures apportioned from where ever 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 where ever relevant.	21.9	39.9	35.6
Tertiary	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.	14.0	16.1	15.6
Governance and supervision	All expenditures where both providers and functions are healthcare systems governance and administration of finances.	10.1	0.2	2.6
Not Classified elsewhere	Expenditures that could not be classified under any of the above categories.	2.8	0.6	1.1

1.4 Health Insurance Expenditures

Health Insurance constitutes health-financing schemes financed by contributions/premiums collected from individuals or governments and pooled to actively purchase services from healthcare providers either by government (health department or government governed corporation/trust/society) and/or insurance company. For the purpose of National Health Accounts for India, expenditures of the following five types of health financing schemes are considered health insurance expenditures¹⁶. Definitions of these schemes are given on Page no.14 and 15 of this report. The expenditures under these for year 2014-15 are presented in **Table 8**:

1. Social health Insurance (Central Government Health Scheme, Employees' State Insurance Scheme and Ex Servicemen Contributory Health Scheme).
2. Government based voluntary insurance (Government Financed Health Insurance Schemes of Union and State Governments).
3. Employer based insurance - other than enterprises schemes (Private Group Health Insurance).
4. Other primary coverage schemes (Private Individual Health Insurance).
5. Community based health insurance.

It is important to note, insurance expenditures do not include (1) medical reimbursements to union government employees reported under Central Services Medical Attendance (CSMA), expenditures on healthcare services provided by Defence and Railways (2) state government reimbursement of medical bills to its employees (3) union and state governments' medical relief or medical emergency funds released on specific individual requests to below poverty line and vulnerable population for secondary and tertiary care. As per SHA 2011 and NHA Guidelines for India 2016, expenditures under (1) & (2) are included under Union and State government employee schemes and expenditures under (3) are included under Union and State government non-employee schemes.

Health insurance estimates reflect only current health expenditure. Capital expenditure have been mentioned separately only for Social Health Insurance Schemes in Table 8. Cash benefits for sickness, maternity, disablement, and death due to employment injury to workers and dependents to cover for wage loss or other means are not included within the boundary of NHA for India. Interest paid on revenues, dividends, reserves of the insurer (after claims are paid including administrative overheads) are also outside the health insurance expenditures boundary and are not accounted here. For more details on boundaries for health insurance expenditures, NHA guidelines for India, 2016 may be referred.

¹⁶ Expenditures of all the insurance schemes might not be presented here due to discontinuation of the scheme, nascent stage of the scheme or delays in implementation or expenditures might not fall under the financial year for which NHA estimates are being produced. At times expenditures for a particular scheme are unavailable or it might not be possible to disaggregate them from a particular data source.

Table 8: Health Insurance Expenditure (2014-15) under Different Schemes

Sl. No.	Health Insurance Scheme	Rs. Crores
1	Social Health Insurance (Incl. Capital Expenditure)	12530.38
1.1	Central Government Health Scheme (Incl. Capital Expenditure of 18.40 Cr)	2299.88
1.2	Ex Servicemen Contributory Health Scheme (Incl. Capital Expenditure of 6.61 Cr)	2242.79
1.3	Employees' State Insurance Scheme (Incl. Capital Expenditure of 109.52 Cr)	7987.71
2	Government Based Voluntary Insurance (Govt. Financed Health Insurance)	4589.84
2.1	RSBY Expenditure (All States Not Specified Elsewhere)	1137.60
2.2	Handloom Weavers And Artisans Health Insurance Scheme Expenditures	5.48
2.3	Aarogyasri Scheme, Telangana	431.32
2.4	Dr. NTR Vaidya Seva, Andhra Pradesh	622.60
2.5	Vajpayee Aarogyashree Scheme, Karnataka	179.95
2.6	Yeshasvini Cooperative Farmers Health Insurance , Karnataka	158.04
2.7	Mukhyamantri Amrutam Yojana, Gujarat (Excl. RSBY Component)	93.02
2.8	Chief Minister's Comprehensive Health Insurance Scheme, Tamil Nadu	758.33
2.9	Rajiv Gandhi Jeevodayee Aarogya Yojana, Maharashtra	887.71
2.10	Comprehensive Health Insurance Scheme, Kerala (Excl. RSBY Component)	128.49
2.11	Megha Health Insurance Scheme, Meghalaya (Incl. RSBY)	13.82
2.12	Mukhyamantri Swasthya Bima Yojana, Chhattisgarh (Excl. RSBY Component)	88
2.13	Goa Mediclaim Scheme (Swarna Jayanti Arogya Bima Yojana)	13.61
2.14	Sanjeevani Swasthya Bima Yojana, Dadra and Nagar Haveli& and Daman & Diu	3.88
2.15	Chief Minister's Health Insurance Scheme, Arunachal Pradesh	17.13
2.16	Pondicherry Medical Relief Society for poor - Financial Assistance	3.70
2.17	Biju Krushak Kalyan Yojana, Odisha	30.98
2.18	Mizoram State Health Care Scheme (Excl. RSBY Component)	10.35
2.19	Bhagat Puran Singh Health Insurance Scheme, Punjab	5.83
3	Private Health Insurance	17755.31
3.1	Employer Based Insurance schemes (Private Group Health Insurance)	8899
3.2	Other Primary Coverage Schemes (Private Individual Health Insurance)	8772
3.3	Community Based Insurance schemes	84.31

2. NHA Methodology

2.1 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 good 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.

2.2 Health Accounts Production Tool

NHA estimates for India 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 customising 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 India 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.

2.3 Defining Healthcare Expenditures Boundaries for India

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 India) are included. NHA 2014-15 estimates for India takes into account the 'actual expenditures' made during the Financial Year 1st April 2014 to March 31st 2015. Health expenditures made by residents of the country and those incurred by Indian residents who live abroad temporarily or who travels abroad to seek treatment are included. Health care goods and services consumed by foreign nationals in India 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.

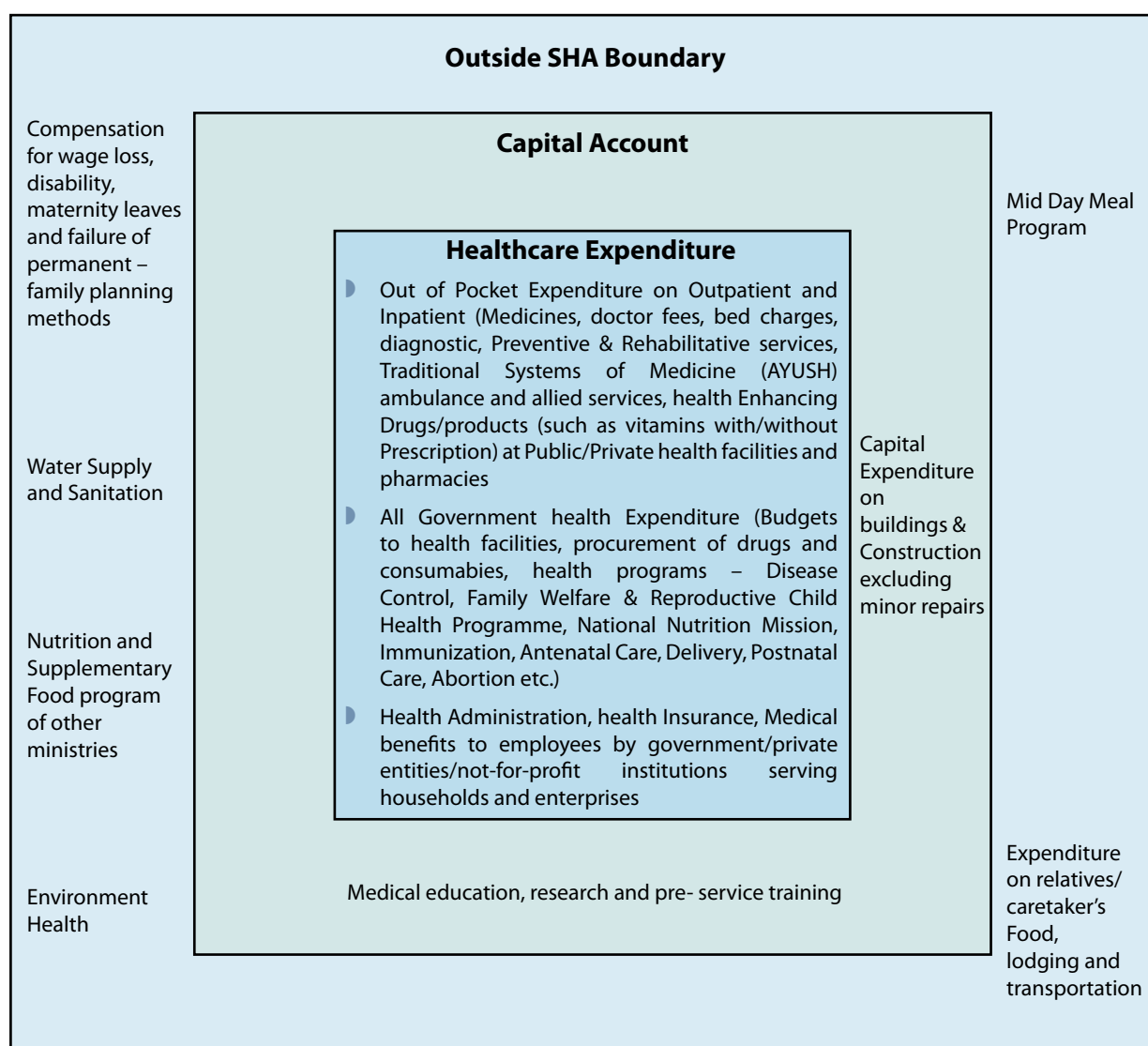
There are also certain health related activities which are provided by various government departments other than the Department of Health and Family Welfare. These activities include provision of long-term social care, enhancing integration of disabled persons, enforcement of standards of food hygiene, 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 6: Description of Healthcare Expenditure Boundaries for India



2.4 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.

- Detailed Demand for Grants - Ministry of Health and Family Welfare and all Union Ministries/ Departments including Ministry of Railways and Ministry of Defence, 2016-17 for actual expenditures of FY 2014-15.
- State-wise expenditures under National Health Mission (NHM) - Financial Monitoring Reports (FMR) for 2014-15- Financial Management Group (FMG), National Health Mission, MoHFW.
- Detailed Demand for Grants - State Department of Health and Family Welfare and all Other State Departments, 2016-17, for actual expenditures of FY 2014-15.
- Office of Controller General of Accounts (CGA) -medical reimbursements to Union Government employees and contributions towards social health insurance for 2014-15.
- Expenditure statements/Annual Reports of Municipal Corporations and Office of Municipal Administration at state level for FY 2014-15.
- Study of the Urban Local Bodies Expenditures 2013-14, Public Health Foundation of India.
- Study of Expenditures of Rural Local Bodies using 14th Finance Commission data, National Institute of Public Finance and Policy.
- Annual Reports of Central Government Health Scheme (CGHS) for FY 2014-15.
- Annual Reports of Employees' State Insurance Corporation (ESIC) for FY 2014-15.
- Official Communication(s) from Government Financed Health Insurance Schemes and Scheme Websites for details of reimbursements made for FY 2014-15.
- NSSO 71st Round Survey Data - Social Consumption: Health, 2014 (January - June).
- NSSO 68th Round: Consumer Expenditure Survey, 2011-12.
- Intercontinental Marketing Services (IMS) data on Retail Pharmaceutical Sales, 2014-15.
- Annual report of Insurance Regulatory Development Authority of India (IRDAI) for 2014.
- Anonymised health insurance claims from Insurance Information Bureau (IIB), IRDAI for 2014.
- Study on Health Expenditures by Indian Enterprises and Non-Government Organizations, for 2013-14, Public Health Foundation of India.
- Health expenditures by Development partners (external funding) - OECD Creditor Reporting System (CRS) Development Assistance Committee database (DAC) for FY 2014-15.
- Advance Estimates of National Income and Expenditures by CSO for FY 2014-15.
- Handbook of Statistics on Indian Economy 2016, RBI.
- Population Census of India, 2011, published by Office of the Registrar General & Census Commissioner, India. The population for 2014 is projected using census population estimates-2011 by National Health Systems Resource Centre (NHSRC).
- Health Management Information System (HMIS), National Health Mission, MoHFW - utilisation data for 2014.

2.5 Refinements over earlier National Health Accounts Estimates

There is a constant effort to use better information/data sources and improved estimation methods year on year to produce robust health expenditure estimates. NHA guidelines/methodology and estimates are updated also to incorporate stakeholder feedback and reflect changes in the Indian health system. Refinements incorporated in NHA estimates 2014-15 over previous NHA estimates are presented in section (2.5.1 & 2.5.2). For comparability, revisions are made to NHA Estimates 2013-14 and are also presented in section (2.5.3).

2.5.1 Refinements over NHA Estimates 2004-05

NHA 2004-05 was based on System of Health Accounts 2001 (SHA 1.0) framework and the World Health Organization Guide to Producing National Health Accounts. NHA 2014-15 and NHA 2013-14 estimates are based on System of Health Accounts (SHA 2011) framework. The basic difference in NHA estimates 2004-05 and NHA estimates 2013-14/ 2014-15 is the disaggregated presentation of current health expenditure (CHE) and capital formation (HK); treating medical education, research and development, training as capital formation; and introduction of a new expenditure classification by Healthcare Financing Schemes (HF).

Refinements made in the process of transition from SHA 1.0 to SHA 2011 are incorporated in the NHA estimates 2014-15, including improved interpretations of methodology/descriptions given in SHA 2011 Manual within the preview of Indian Health System context and NHA Guidelines for India 2016. A detailed description of all refinements over NHA Estimates 2004-05 can be referred to in the National Health Accounts Estimates for India (2013-14) Report.

2.5.2 Refinements over NHA Estimates 2013-14

Refinements in NHA estimates 2014-15 over NHA estimates 2013-14 are based on improved classification of expenditure items due to availability of better information/data and interpretation of the classification descriptions mentioned in SHA 2011 Manual in discussion with NHA experts. These and are presented below:

1. Due to availability of disaggregated expenditures for HF.1.2.1 Social health Insurance Schemes (under Employee State Insurance Scheme - ESIS), HF.2.3.1.2 Enterprises Financing Schemes, HF.2.2.1 NPISH Financing schemes and HF.2.2.2 Resident Foreign Agencies Schemes, the estimates for respective financing schemes and related financing sources are improved.
2. Classification of household out of pocket expenditures by Healthcare Providers is improved due to better interpretation of the classification descriptions mentioned in SHA 2011 manual and the 71st NSSO Health and Morbidity Survey results. Aggregate expenditure as reported under HP 5.1 Pharmacies and HP.4.2 Medical and Diagnostic laboratories in the NHA estimates 2013-14 is now disaggregated. Expenditures reported during a hospitalization episode on medicines and diagnostics for inpatient care are now classified under category HP1.1 General Hospitals and HP.3.4.9 All other Ambulatory Centres. (Refer classification descriptions for further details).

3. Classification of household out of pocket expenditures by Healthcare Functions is improved due to better interpretation of classification descriptions mentioned in SHA 2011 manual under HC.4 Ancillary Services (non-specified by function) for HC.4.4 Laboratory & imaging Services, HC.5 Medical Goods (not specified by function) for HC.5.1 Pharmaceuticals & other non-durable goods. Also we chose to introduce classification HC.5.1.1 Prescribed Medicines and HC.5.1.2 Over-the-counter drugs (OTC). This has resulted in classifying expenditures related to medicines under HC.1.3 Out Patient Curative care and HC.6.4 Healthy Condition Monitoring Programs to HC.5.1.1 and expenditures on related diagnostics to HC.4.4. However, medicines and diagnostic expenditure under inpatient care continue to remain under HC.1.1 inpatient curative care. The newly introduced HC.5.1.2 exclusively reports Over-the-counter medicines/drugs (OTC) that have been purchased without a health system contact or prescription. (Refer classification descriptions for further details).
4. A new classification and code "HC.6.nec Unspecified Preventive care not elsewhere classified", under HC.6 Preventive care has been introduced. This mainly captures expenditures related to non-specified on job training to health-workers.

2.5.3 Revisions in NHA Estimates 2013-14

An attempt is made to summarise the revisions in NHA estimates 2013-14 to make them comparable to NHA estimates 2014-15. Therefore, when comparing NHA estimates 2014-15 with 2013-14, it is important that these estimates for 2013-14 are used. It is important to note at the outset that the refinements made in NHA estimates 2014-15 have no impact on the overall estimates for 2013-14, i.e. the aggregates for total health expenditure; current health expenditure and healthcare financing schemes (HF) remain unchanged. The changes are only at disaggregate level and thus impact the estimates under codes of respective financing sources (FS), providers (HP), functions (HC) and it is not appropriate to draw inferences between these two rounds of NHA estimates by comparing each cell in the matrices HF X FS, HF X HP, HF X HC, HP X HC. The following are the revisions in NHA estimates 2013-14 as a result of refinements in NHA Estimates 2014-15 mentioned in 2.6.2:

1. Expenditure classification by "Revenues of Healthcare Financing Schemes (FS)" for 2013-14 for the given classification codes is revised as - FS.1.1.2 (13%), FS.3.1 (0.5%) and FS.3.2 (1.2%). Percentage values of other codes under this classification category remain same as in NHA Estimates 2013-14 Report.
2. Expenditure classification by Healthcare Providers for 2013-14 for these classification codes is revised as HP.1.1.1 (11.3%), HP.1.1.2 (26.9%), HP.3.4.9 (4%), HP.4.2 (4.6%), HP.5.1 (30.4%). Percentage values of other codes under this classification category remain same as in NHA Estimates 2013-14 Report.

Expenditure classification by Healthcare Functions for 2013-14 for these classification codes is revised as - HC.1.1.1 (20.3%), HC.1.1.2 (14.6%), HP.1.3.1 (10.2%), HC.1.3.2 (0.1%), HC.1.3.3 (4.1%), HC.4.4 (4.6%), HC.5.1.1 (30.0%), HC.5.1.2 (0.4%) and HC.6.4 (3.9%). Percentage values of other codes under this classification category remain same as in NHA Estimates 2013-14 Report.

2.6 Limitations

- ▶ List of health care providers and related capital expenditures especially in the private sector, is not exhaustive due to non-availability of disaggregate data. Further, expenditures on healthcare 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.
- ▶ Expenditure information on dental care, long term care and rehabilitative care in the government/private sector is 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 Indian context for the same have been defined in this report and NHA guidelines for India 2016.
- ▶ NHA estimates 2014-15 for Urban Local Bodies, Rural Local Bodies, Non-Government Institutions Serving Households (NPISH), Enterprises/ Firms are extrapolated from NHA estimates 2013-14. These were obtained through independent surveys for each of the categories in 2013-14.

Annexure

A.1 NHA 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 India in 2014-15 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 (2014-15) by source of funding and revenues of healthcare finance (HF X FS matrix)
- ▶ Table A.2: Current health expenditure (2014-15) by provider and source of funding (HP X HF matrix)
- ▶ Table A.3: Current health expenditure (2014-15) by healthcare function and source of funding (HC X HF matrix)
- ▶ Table A.4: Current health expenditure (2014-15) by healthcare function and healthcare provider (HC X HP matrix)
- ▶ Table A.5: Current health expenditure (2014-15) by Primary, Secondary and Tertiary healthcare Categorization (HC X HP matrix)

Table A.1: Current health expenditures (2014-15) by healthcare financing schemes and revenues of healthcare financing schemes (HF X FS matrix)

		Revenues of Healthcare Financing Schemes										Expenditure (INR crores)											
		Revenues from government domestic revenue (allocated to health purposes)										FS.2 Transfers distributed by government from foreign origin		FS.3 Social insurance contributions		FS.5 Voluntary prepayment		FS.6 Other domestic revenues n.e.c.				All FS	
NHA Codes	Healthcare Financing Schemes	FS.1.1.1 Internal transfers and grants - Union Government			FS.1.1.2 Internal transfers and grants - State Government			FS.1.1.3.1 Urban Local Bodies		FS.1.1.3.2 Rural Local Bodies		FS.2.1 Transfers distributed by Union Government from foreign origin	FS.2.2 Transfers distributed by State Government from foreign origin	FS.3.1 Social insurance contributions from employees	FS.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.6.2 Other revenues from corporations n.e.c.	FS.6.3 Other revenues from NPSH n.e.c.	FS.7.1.4 All direct foreign financial transfers	Total	
		HF.1 Government and compulsory contributory health care financing schemes	HF.1.1.1.1	17999	3604				1233														
HF.1.1.1.2	8533																					8533	
HF.1.1.2.1.1	5667		44670				348															50686	
HF.1.1.2.1.2			1985																			1985	
HF.1.1.2.2.1	105		949	2934																		3988	
HF.1.1.2.2.2	234		2702		27																	2962	
HF.1.2.1	3945		1818								2107	4525											12395
HF.2.1.1															6674	2225							8899
HF.2.1.1.2	560		3803										29		199								4590
HF.2 Voluntary health care payment schemes	HF.2.1.1.3															8772							8772
	HF.2.1.2.1														84							84	
	HF.2.2.1	180	447									47						217	7422		276	8588	
	HF.2.2.2																				1441	1441	
	HF.2.3.1.2																13102					13102	
HF.3 Household OOP	HF.3																302425					302425	
All HF	Total	37221	59978	2934	27	1233	424	2107	4525	15729	2225	302425	13319	7422	1717							451286	

Table A.2: Current health expenditures (2014-15) by healthcare providers and healthcare financing schemes (HP X HF matrix)

NHA Codes	Healthcare Financing Schemes	HF.1 Government and compulsory contributory health care financing schemes										HF.2 Voluntary health care payment schemes					Expenditure (INR crores)										
		HF.1.1.1.1 Schemes (Non-Employee)	HF.1.1.1.1 Union Government Schemes (Employee)	HF.1.1.1.2 State Government Schemes (Employee)	HF.1.1.2.1 State Government Schemes (Non-Employee)	HF.1.1.2.1 State Government Schemes (Employee)	HF.1.1.2.1.1 State Government Schemes (Non-Employee)	HF.1.1.2.1.1 State Government Schemes (Employee)	HF.1.1.2.1.2 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.1.1.2.2.2 Rural Local Bodies Schemes	HF.1.2.1 Social health insurance schemes	HF.1.2.1.1 Employer-based insurance (Other than enterprises schemes)	HF.1.2.1.1 Government-based voluntary insurance	HF.1.2.1.1.2 Other primary coverage schemes	HF.1.2.1.1.3 Community-based insurance	HF.2.2.1 NPSH financing schemes (excluding HF.2.2)	HF.2.2.2 Resident foreign agencies schemes	HF.2.3.1.2 Private enterprises (except health care providers) financing schemes	HF.3 Household out-of-pocket payment	All HF Total					
HP.1 Hospitals	HP.1.1 Health care Providers	5921	4555	4555	20722	86	941	941	330	2541	1610	2362	8597	82	137	3406	458	4508	22429	59273	116472	881	4531	471	23793		
	HP.1.1.1 Schemes (Non-Employee)	5921	4555	4555	20722	86	941	941	330	2541	1610	2362	8597	82	137	3406	458	4508	22429	59273	116472	881	4531	471	23793		
	HP.1.1.1.1 Schemes (Non-Employee)	5921	4555	4555	20722	86	941	941	330	2541	1610	2362	8597	82	137	3406	458	4508	22429	59273	116472	881	4531	471	23793		
	HP.1.1.1.1 Union Government Schemes (Employee)	98			45					2007	2362	8597								86189							
	HP.1.1.1.2 State Government Schemes (Employee)	85			796																						
	HP.1.1.2 State Government Schemes (Non-Employee)	1201			3232			1	44																		
	HP.1.2 Specialised hospitals (Other than mental health hospitals) Government																										
	HP.1.3 Specialised hospitals (Other than mental health hospitals) Private																										
	HP.3 Providers of ambulatory health care	HP.3.1 Offices of general medical practitioners				9					50									15760	6390	6390				2	2
		HP.3.1.1 Offices of general medical practitioners				9					50									15760	6390	6390				2	2
	HP.3.1.3 Offices of medical specialists (Other than mental medical specialists)																										
	HP.3.3 Other health care practitioners	341			1585		2	409											412						2751		
	HP.3.4.1 Family planning centres				4905		85	5													100				5191		
	HP.3.4.9 All Other ambulatory centres	1259	2543	2543	9288		1720	1432	4682										1645						22591		
HP.4 Providers of ancillary services	HP.4.1 Providers of patient transportation and emergency rescue	1358			139														18934	1					20627		
	HP.4.2 Medical and diagnostic laboratories																		20610						21058		

		Expenditure (INR crores)															
NHA Codes	Healthcare Financing Schemes	HF.1 Government and compulsory contributory health care financing schemes												HF.2 Voluntary health care payment schemes		All HF	
		HF.1.1.1.1	HF.1.1.1.2	HF.1.1.2.1.1	HF.1.1.2.1.2	HF.1.1.2.2.1	HF.1.1.2.2.2	HF.1.2.1	HF.1.2.2	HF.1.2.1.1	HF.1.2.1.2	HF.1.2.1.3	HF.2.1.2.1	HF.2.1.2.2	HF.2.3.1.2		HF.3
	Health care Providers	Union Government Schemes (Non-Employe)	Union Government Schemes (Employe)	State Government Schemes (Non-Employe)	State Government Schemes (Employe)	Urban Local Bodies Schemes	Rural Local Bodies Schemes	Social health insurance schemes	Employer-based insurance (Other than enterprises schemes)	Government-based voluntary insurance	Other primary coverage schemes	Community-based insurance	NPSH financing schemes (excluding HF.2.2)	Resident foreign agencies schemes	Private enterprises (except health care providers) financing schemes	Household out-of-pocket payment	Total
HP5 Retailers and Other providers of medical goods	HP5.1 Pharmacies															130451	130451
	HP5.2 Retail sellers and Other suppliers of durable medical goods and medical appliances															559	559
	HP6 Providers of preventive care	9916	17	5707	2	829	198						2254	247	423	4225	23817
	HP7.1 Government health administration agencies	2187	1391	4161	1	409	545	1		254			86	27			9062
	HP7.2 Social health insurance agencies							1587									1587
	HP7.3 Private health insurance administration agencies								178	63						2	419
	HP7.9 Other administration agencies									295			216	5			517
	HP.10 Other health care providers not elsewhere classified (n.e.c)	470	28	97	1896			1528		5			227		1773	1210	7234
	All HP	22836	8533	50686	1985	3988	2962	12395	8899	4590	8772	84	8588	1441	13102	302425	451286

Table A.3: Current health expenditures (2014-15) by healthcare functions and healthcare financing schemes (HC X HF matrix)

NHA Codes	Healthcare Financing Schemes	HF.1 Government and compulsory contributory health care financing schemes										HF.2 Voluntary health care payment schemes						Expenditure (INR crores)	
		HF.1.1.1.1 Union Government (Non-Employee)	HF.1.1.1.2 Union Government (Employee)	HF.1.1.2.1.1 State Government (Non-Employee)	HF.1.1.2.1.2 State Government (Employee)	HF.1.1.2.2.1 Urban Local Bodies schemes	HF.1.1.2.2.2 Rural Local Bodies schemes	HF.1.1.2.1 Social health insurance schemes	HF.1.1.1.1 Employer-based insurance (Other than enterprises schemes)	HF.1.1.1.2 Government-based voluntary insurance	HF.1.1.1.2 Other primary coverage schemes	HF.2.1.1.3 Community-based insurance	HF.2.1.2.1 NPISH financing schemes (excluding HF.2.2)	HF.2.2.1 Resident foreign agencies schemes	HF.2.2.2 Private enterprises (except health care providers) financing schemes	HF.2.3.1.2 Household out-of-pocket payment	HF.3 All HF		
HC.1 Curative care	HC.1.1.1	3180	3402	9509	86	942	249	3597	6319	2687	4815	69	3582	410	4509	53267	96623		
	HC.1.1.2	2594		9491				1602	1291	1564	2	240			1	43693	61711		
	HC.1.3.1	2820	3695	14865		1720	1557	5031	1034	1610	8	1977	652	6392	12747	54108			
	HC.1.3.2			120												196	315		
	HC.1.3.3			37					93	608	3	14			3	17742	18636		
	HC.2.nec	17		34									162				213		
	HC.3.nec			6													6		
	HC.4.3	1358		139									195		1	18934	20627		
	HC.4.4												448			20610	21058		
	HC.5.1.1															128887	128887		
HC.5.1.2															1564	1564			
HC.5.2.4															559	559			

		Expenditure (INR crores)																					
NHA Codes	Healthcare Financing Schemes	HF.1 Government and compulsory contributory health care financing schemes											HF.2 Voluntary health care payment schemes										
		HF.1.1.1.1	HF.1.1.1.2	HF.1.1.2.1.1	HF.1.1.2.1.2	HF.1.1.2.2.1	HF.1.1.2.2.2	HF.1.2.2.2	HF.1.2.1.1	HF.2.1.1.1	HF.2.1.1.2	HF.2.1.1.3	HF.2.1.2.1	HF.2.2.1	HF.2.2.2	HF.2.3.1.2	HF.3	All HF					
	NHA Code Descriptions	Union Government (Non-Employee)	Union Government (Employee)	State Government (Non-Employee)	State Government (Employee)	Urban Local Bodies schemes	Rural Local Bodies schemes	Social health insurance schemes	Employer-based insurance (Other than enterprises schemes)	Government-based voluntary insurance	Other primary coverage schemes	Community-based insurance	NPSH financing schemes (excluding HF.2.2)	Resident foreign agencies schemes	Private enterprises (except health care providers) financing schemes	Household out-of-pocket payment	Total						
HC.6 Preventive care	HC.6.1.nec	2271	10	153									206	3	423		3065						
	HC.6.2	1279		253			24						196			1775	3526						
	HC.6.3	3		22			0						270				295						
	HC.6.4	3279	6	6714		590	369						524	148		2450	14081						
	HC.6.5.nec	2483		5076	2	326	218						242	197			8543						
HC.6.6	Preparing for disaster and emergency response programmes	30		9													40						
HC.6.nec	Unspecified preventive care (n.e.c.)	866											2				869						
HC.7 Governance, and health system and financing administration	HC.7.1.nec	2114	1391	4161	1	409	545						127	32			8780						
	HC.7.2	73						1588	178	612	175	3	175				2804						
HC.9	Other health care services not elsewhere classified (n.e.c.)	470	28	96	1896			485					227		1773		4975						
All HC	Total	22836	8533	50686	1985	3988	2962	12395	8899	4590	8772	84	8588	1441	13102	302425	451286						

		Expenditure (INR crores)																					
NHA Codes	Healthcare Functions	Health care Providers				HP3 Providers of ambulatory health care							HP4 Providers of ancillary services		HP5 Retailers and Other providers of medical goods			HP7 Providers of health care system administration and financing					All HP
		HP1.1.1	HP1.1.2	HP1.2.1	HP1.3.1	HP1.3.2	HP3.1.1	HP3.1.3	HP3.3	HP3.4.1	HP3.4.9	HP4.1	HP4.2	HP5.1	HP5.2	HP6	HP7.1	HP7.2	HP7.3	HP7.9	HP10		
	NHA Code Descriptions	General hospitals - Government	General hospitals - Private	Mental Health hospitals - Government	Specialised hospitals (Other than mental health hospitals) Government	Specialised hospitals (Other than mental health hospitals) Private	Offices of general medical practitioners	Offices of medical specialists (Other than mental medical specialists)	Other health care practitioners	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 goods and medical appliances	Providers of preventive care	Government health administration agencies	Social health insurance agencies	Private health insurance agencies	Other administration agencies	Other health care providers not elsewhere classified (n.e.c)	Total	
HC6 Preventive care	HC.6.1.nec	Other and unspecified IEC programmes (n.e.c.)								12					3053							3065	
	HC.6.2	Immunisation programmes	4					136	8						3379							3526	
	HC.6.3	Early disease detection programmes													295							295	
	HC.6.4	Healthy condition monitoring programmes	61					1916	5116	4					6984							14081	
	HC.6.5.nec	Unspecified epidemiological surveillance and risk and disease control programmes (n.e.c.)	7					228	24						8284							8543	
	HC.6.6	Preparing for disaster and emergency response programmes													40							40	
	HC.6.nec	Unspecified preventive care (n.e.c.)													869							869	
	HC.7.1.nec	Other governance and Health system administration (n.e.c.)															8733			46		8780	
	HC.7.2	Administration of health financing															328	1587	419	471		2804	
	HC.9	Other health care services not elsewhere classified (n.e.c.)															1				4975	4975	
All HC	Total	59273	116472	881	4531	471	23793	2	2751	5191	22591	20627	21058	130451	559	23817	9062	1587	419	517	7234	451286	

NHA Codes	Expenditure (INR crores)														Total									
	Healthcare Providers NHA Code Descriptions	HP1.1.1	HP1.1.2	HP1.2.1	HP1.3.1	HP1.3.2	HP3.1.1	HP3.1.3	HP3.3	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	
Healthcare functions	General hospitals – Government	General hospitals - Private	Mental Health hospitals – Government	Specialised hospitals (Other than mental health hospitals) Government	Specialised hospitals (Other than mental health hospitals) Private	Offices of general medical practitioners	Offices of medical specialists (Other than mental medical specialists)	Other health care practitioners	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 goods & 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.6.6	Preparing for disaster and emergency response programmes													40	40								40	
HC.6.nec	Unspecified preventive care (n.e.c)													869	869								869	
HC.7.1.nec	Other governance and Health system administration (n.e.c.)															8733			46				8780	
HC.7.2	Administration of health financing															328	1587	419	471				2804	
HC.9	Other health care services not elsewhere classified (n.e.c.)															1						4975	4975	
All HC	Total	59273	116472	881	4531	471	23793	2	2751	5191	22591	20627	21058	130451	559	23817	9062	1587	419	517	7234	451286		
Colour Codes		Primary Care	Secondary Care	Tertiary Care	Administration	NEC	Apporntioned to PST																	

A.2 Key Health Financing Indicators for Select States

Table A.6: Key Health Financing Indicators for select States: NHA Estimates 2014-15

Sl. No.	State	Total Health Expenditure (THE)			Government Health Expenditure (GHE)			Out of Pocket Expenditure (OOPE)			Denominator value (in crores)				
		In Rs. Crore	Per Capita in Rs.	% GSDP	In Rs. Crore	Per Capita in Rs.	% THE	% GSDP	% GGE	In Rs. Crore	Per Capita in Rs.	% GSDP	% THE	Population	General Govt. Expenditure (GGE)
1	Assam	6556	2049	3.3	1927	602	29.4	4.5	4139	1293	2.1	63.1	3.2	42990	198098
2	Andhra Pradesh	23064	3720	4.3	3551	573	15.4	2.8	17988	2901	3.4	78.0	6.2	126271	532922
3	Bihar	22317	2047	6.0	3689	338	16.5	4.1	18364	1685	4.9	82.3	10.9	90720	373920
4	Chhattisgarh	8509	3151	3.6	2376	880	27.9	5.2	4963	1838	2.1	58.3	2.7	46118	236318
5	Gujarat	18970	3060	2.1	6446	1040	34.0	0.7	10081	1626	1.1	53.1	6.2	110809	895927
6	Haryana	9878	3799	2.2	2410	927	24.4	0.5	6177	2376	1.4	62.5	2.6	52833	441864
7	Himachal Pradesh	3183	4547	3.0	1411	2016	44.3	1.4	1592	2274	1.5	50.0	0.7	22260	104369
8	Jammu & Kashmir	4219	3245	4.1	1461	1124	34.6	1.4	2562	1971	2.5	60.7	1.3	34463	102681
9	Jharkhand	6813	2004	3.1	1631	480	23.9	0.8	4884	1436	2.2	71.7	3.4	37338	217107
10	Karnataka	27995	4374	3.0	6011	939	21.5	0.7	14603	2282	1.6	52.2	6.4	123237	920061
11	Kerala	23805	6801	4.5	4229	1208	17.8	0.8	17581	5023	3.3	73.9	3.5	76001	526774
12	Madhya Pradesh	18829	2511	3.9	4799	640	25.5	1.0	13560	1808	2.8	72.0	7.5	94251	484538
13	Maharashtra	53122	4502	3.0	9009	763	17.0	0.5	31675	2684	1.8	59.6	11.8	197077	1792122
14	Odisha	15052	3421	4.9	3233	735	21.5	1.0	11077	2518	3.6	73.6	4.4	62210	309807
15	Punjab	15138	5220	4.1	2578	889	17.0	0.7	12001	4138	3.3	79.3	2.9	49732	368011
16	Rajasthan	21188	2943	3.5	6511	904	30.7	1.1	12529	1740	2.0	59.1	7.2	110645	612194
17	Tamil Nadu	30761	4101	2.8	7696	1026	25.0	0.7	20432	2724	1.9	66.4	7.5	146631	1092564
18	Uttar Pradesh	64256	3060	6.2	12209	581	19.0	1.2	50322	2396	4.8	78.3	21	224325	1043371
19	Uttarakhand	4233	4233	2.6	1534	1534	36.2	0.9	2545	2545	1.6	60.1	1	26103	161985
20	Telangana	11868	4565	2.3	2650	1019	22.3	0.5	7368	2834	1.4	62.1	2.6	59046	522001

All values in this table are rounded off.

Gross Domestic State Product (GSDP): GSDP at current prices is sourced from SI.No. 1-33 - Directorate of Economics & Statistics of respective State Governments, and for All-India -- Central Statistics Office which presents estimates with base year 2011-12. **General Government Expenditure (GGE):** State wise GGE is sourced from RBI State Finances: a Study of budgets (2017), appendix II: revenue expenditure of States and union Territories with legislature and appendix IV: Capital expenditure of States and union Territories with legislature accessed on 20.07.2017.

Total Health Expenditure (THE) of a state/UT includes health expenditure by all government agencies (Union/State/Local Bodies including quasi-governmental organizations and donors in case funds are channelled through government organizations), all household health expenditures, all expenditures by Enterprises, Not for Profit Institutions, Serving Households (NPISH/NGO) and external donors.

For a particular State, **Per capita value for THE** is arrived by dividing total health expenditure by the population for respective state, **Per capita value for GHE** is arrived by dividing total government health expenditure by the population for respective state and **Per capita value for OOPE** is arrived by dividing total OOPE by the population for respective state.

Table A.6 presents key health financing indicators for select states for NHA estimates 2014-15. The indicators for States are important to understand financing of health systems in the different States. This supports policy makers to identify States where funding can be augmented through alternate sources of financing or advocate for improved resource allocations for specific health schemes.

In the Table A.6 above, Indicators are given only for select states as the expenditure data for some expenditure components of health accounts is collected through sample surveys (71st round Health and Morbidity Survey by National Sample Survey office (January-June 2014)) for computing out of pocket expenditures (OOPE), survey on Health expenditure (2013-14) by Enterprises, Not for Profit Institutions Serving Households (NPISH/NGO), urban local bodies conducted by Public Health Foundation of India). Expenditures computed from these surveys are used for arriving at health accounts estimates at National level. However, when computing health accounts estimates/ Indicators at sub national level especially for Union Territories, Small States and North Eastern states, the values are not significant due to small sample size adopted in the survey for these regions.

A.3 Glossary

Ambulatory Healthcare Centres: 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.¹⁷ 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.

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

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* sub-class 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 India context this relates to the AYUSH system – Ayurveda Yoga Naturopathy Unani Siddha and Homeopathy, in both private and public sector.

A.4 List of Members of Steering Committee

1	Secretary Department of Health and Family Welfare	Chairperson
2	Secretary Department of AIDS Control Ministry of Health and Family Welfare	Member
3	Secretary Department of AYUSH Ministry of Health and Family Welfare IRCS Building Annex, 1, Red Cross Road, New Delhi – 110001	Member
4	Secretary Department of Health Research Ministry of Health and Family Welfare V. Ramalingaswami Bhawan Ansari Nagar, New Delhi – 110029	Member
5	Director General of Health Services Ministry of Health and Family Welfare Nirman Bhawan New Delhi – 110011	Member
6	Additional Secretary & Mission Director (NHM) Ministry of Health and Family Welfare Nirman Bhawan New Delhi – 110011	Member
7	Additional Secretary & Financial Adviser Ministry of Health and Family Welfare Nirman Bhawan New Delhi - 110011	Member
8	Additional Secretary (Health) Ministry of Health and Family Welfare	Member
9	Additional Director General Central Statistical Organization Sardar Patel Bhawan, Parliament Street New Delhi – 110001	Member

10	Adviser (Health) NITI Aayog Government of India Yojana Bhawan, Sansad Marg New Delhi – 110001	Member
11	Director General Employees State Insurance Corporation Comrade Inderjeet Gupta (CIG) Marg New Delhi – 110002	Member
12	Director General & CEO National Sample Survey Organization Ministry of Statistics and Programme Implementation Sardar Patel Bhawan, Parliament Street, New Delhi – 110001	Member
13	Chairman Insurance Regulatory and Development Authority of India 3 rd Floor, Parisrama Bhawan Basheer Bagh, Hyderabad – 500004 Andhra Pradesh	
14	Economic Adviser Ministry of Health and Family Welfare Nirman Bhawan New Delhi – 110011	Member
15	Joint Secretary (Fund Bank) Department of Economic Affairs North Block New Delhi – 110001	Member
16	WHO Representative to India Nirman Bhawan Maulana Azad Road New Delhi – 110011	Member
17	Joint Secretary / Director General (Labour Welfare) Ministry of Labour and Employment Shram Shakti Bhawan Rafi Marg, New Delhi – 110001	Member
18	Joint Secretary (Foreigners Division) Ministry of Home Affairs, NDCC Building New Delhi – 110001	Member
19	Controller of Aid Accounts & Audit Department of Economic Affairs Janpath Bhawan, B Wing, 5 th Floor	Member
20	Controller General of Accounts Department of Expenditure Ministry of Finance Lok Nayak Bhawan New Delhi	Member
21	Principal Secretary (Health) Government of Karnataka	Member
22	Principal Secretary (Health) Government of Tamil Nadu	Member
23	Principal Secretary (Health) Government of Gujarat	Member
24	Executive Director National Health Systems Resource Centre NIHFW Campus Baba Gangnath Marg Munirka, New Delhi – 110067	Member Secretary

A.5 List of Members of NHA Expert Group

1	Economic Adviser Department of Health and Family Welfare	Chairperson
2	Deputy Director General National Accounts Division, Central Statistical Office	Member
3	Deputy Director General National Sample Survey Office (In charge of 71 st round of Socio-Economic Survey on health and education)	Member
4	Director (NAD), CSO Ministry of Statistics & Programme Implementation	Member
5	Dr. Mita Choudhary Representative of National Institute of Public Finance & Policy (NIPFP, New Delhi)	Member
6	Representative Health Policy Research Unit, Institute of Economic Growth, New Delhi	Member
7	Representative of Health Division NITI Aayog	Member
8	Director Bureau of Planning, DoHFW	Member
9	Dr. Sakhtivel Selvaraj Senior Public Health Specialist (Health Economics), PHFI, New Delhi	Member
10	Representative Institute of Health Management Research, Jaipur	Member
11	Representative Ministry of Drinking Water Supply and Sanitation, New Delhi – 110003	Member
12	Representative National Council of Applied Economic Research (NCAER) New Delhi	Member
13	Representative Foreigners Division, Ministry of Home Affairs, NDCC Building, New Delhi – 110001	Member
14	Representative WHO, New Delhi	Member
15	Representative National Health Accounts Technical Secretariat (NHATS) NHSRC	Member Secretary



National Health Accounts Technical Secretariat
National Health Systems Resource Centre
Ministry of Health and Family Welfare, Government of India