



Estimate of Public Expenditure on the Health in Jharkhand and Bihar

Vikash Tiwari, Research Scholar

PG Dept. of Economics

Vinoba Bhave University

Hazaribag - 825301

Abstract

Monitoring the progress towards achieving the target level of public spending on the health has been difficult, due to ambivalence in the definition of health spending used, and the corresponding figures reported by different government Organization. Health Programs is an important pillar of human welfare programs. Given the high degree of externality, the State has to play a outstanding role in health and healthcare provision. Unfortunately, Proofs shows that public spending on healthcare in India is low and out of pocket spending by people is more than four times the government spending. While in the low level of public spending on health is a known fact, reliable data is on the actual public payments on health and its trend over time is not easily accessible. The National Health Accounts, the most authoritative and comprehensive source of health expenditure information in India, is highly in frequent. The increasing use of partial data sets available on public health spendings leads to flawed policymaking and less than desirable public health outcomes.

Keyword: Public Expenditure, Health, Jharkhand, Bihar, Healthcare, Annual Health

Introduction

The Jharkhand health sector has had only limited success in delivering equitable, accessible and quality health care services to its citizens, as evidenced by the state's weak health outcomes in comparison to other Indian states. The political challenges in Jharkhand further exacerbate the inadequacy of the health care delivery system in delivering the necessary services. The system is impaired by unequal access to health care, high inequity, poor quality health care services, insufficient institutional capacity and human resources, and deficient public health spending associated with high out-of-pocket expenditures. The ratio of private spending on health care relative to public spending is second highest in India, and considering that one-third of Jharkhand citizen is below the poverty line, the burden of out of pocket payments is catastrophic on those already below the poverty line and those on the brink of it .Empowered Action Group (EAG) state, Jharkhand qualifies for additional central subsidies to strengthen its weak health outcomes and infrastructure. Unfortunately, the increased funding has not yet changed the picture Jharkhand, one of the lowest performing states among its EAG peers.

Budget Highlights

- The **Gross State Domestic Product** of Jharkhand for 2017-18 (at current prices) is projected to be Rs 3,83,233 crore. This is 11.9% higher than the revised estimates for 2017-18 . GSDP for 2016-17 (at current prices) is estimated to be 24% higher than that in 2015-16.
- **Total expenditure** for 2017-18 is estimated to be Rs 86,370 crore, a 1.7% increase over the revised estimates of 2016-17. In 2017-19, total expenditure is estimated to decrease by 0.6% (Rs 515 crore) from the budget estimates.

- **Total receipts (excluding borrowings)** for 2017-19 are estimated to be Rs 75,370 crore, an increase of 3.5% as compared to the revised estimates.
- Rs 1,992 crore or 0.53% of the Gross State Domestic Product (GSDP). Revenue surplus were estimated to decline by 69% over the revised estimates of the previous year (Rs 6,541 crore). **Fiscal deficit** is targeted at Rs 8,242 crore (2.25% of GSDP).
- In 2016-17, the highest increase in allocations was observed in Health and Family Welfare (27%), Education (16%), and Welfare of SC/ST/OBC and Minorities (13%) sectors over the revised estimates of the previous year. Significant decrease in allocation was observed in the sectors of Irrigation (34%) and Transport (22%).

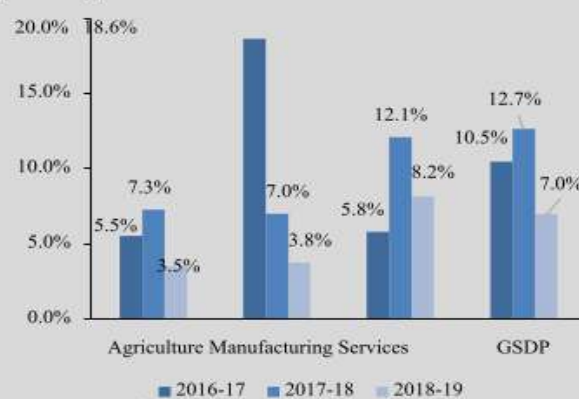
Policy Highlights

- **Debt relief to farmers:** A new schemes named Alpkaleen Krishi Rin Rahat Yojana will be launched to provide debt relief to farmers. In 2016-17, Rs 2,100 crore has been allocated to this scheme. Jharkhand State Farmers' Relief Fund will be established after incorporating changes in the PradhanMantri Fasal Beema Yojana.
- **Healthcare:** 101 mohalla clinics will be opened in many slum areas in urban centres. Under the pilot project/ programs, healthcare services will be provided through mobile clinics in many rural areas of districts with a significant tribal citizen aeras . Special doctors, employed in remote areas, will be provided with financial benefits worth Rs 45,000 and Rs 26,000 per month respectively.
- **Energy and transport:** Free electricity up to 101 units will be provided to domestic consumers with usage of up to 301 units. Jharkhand Mukhyamantri Grameen Parivahan Yojana 2019 will be launched to provide transport facilities in rural areas at subsidised prices.

Jharkhand's Economy

- **GSDP:** The growth rate of Jharkhand's GSDP (at constant prices) was 7% in 2018-19. In comparison, GSDP grow up at 12.7% in 2017-18.
- **Sector:** 2018-19, agriculture, manufacturing, and services contributed to 25%, 30% and 46% to the economy.
- **Per capita GSDP:** The per capita GSDP of Jharkhand state in 2018-19 (at current prices) was Rs 81,430, 9.5% higher than the corresponding figure in 2017-18.
- **Unemployment:** According to Periodic Labour Force Survey (July 2017- June 2018), the unemployment rate in Jharkhand was 7.7%, which is higher than that at the all-India level (6.1%).

Figure 1: Growth in GSDP & sectors in Jharkhand at constant (2011-12) prices



Public Expenditure

Public Expenditure data has been sourced from the State Budget documents, Detailed Demand for Grants of MoHFW and other Central Ministries/Departments. This document



provides actual expenditure, Budget and Revised Estimates (BE & RE) under the different schemes/programmes in the health sector. Budgetary accounting presents these data under different Heads-Major, Sub-Major and Minor Heads representing functions, sub-functions and the programmes.

For the year 2015-16, Public Expenditure figures have been taken from the Demand for Grants of 2017-18 for State and Central Ministries and these figures have been validated with the figures provided in the respective Annual Financial Statements. Under public expenditure are the expenditure incurred under Major Heads 2210, 2211, 4210 and 4211 irrespective of the Department through which these resources are channelized. It also includes all other expenditure heads appearing under Ministry of Health & Family Welfare, the

Table Public Expenditure in Health by States & Union Territories			
A- States	2015-16 (Actual)	2016-17 (RE)	2017-18 (BE)
Andhra Pradesh	53470483	61550039	74299271
Arunachal Pradesh	5357577	7762079	11199034
Assam	28643237	49576860	53770407
Bihar	46528287	79080770	66685781
Chhattisgarh	27543544	42005179	44871975
Delhi	37594067	45961230	59027640
Goa	5750373	8338680	9601472
Gujarat	71993325	80404487	88164653
Haryana	27058044	37957112	43849236
Himachal Pradesh	15330549	22722310	20544690
Jammu & Kashmir	19539174	29804690	35454949
Jharkhand	21822461	29922341	31292593
Karnataka	60153923	70717466	72295591
Kerala	47715032	58979697	68824749
Madhya Pradesh	55229521	63731378	80651222
Maharashtra	100521782	127807762	122250772
Manipur	4856580	6743438	6045568
Meghalaya	6438624	7679394	7639627
Mizoram	4506119	6810560	5558640
Nagaland	4649643	6495454	6164974
Odisha	37435595	49095011	57514627
Puducherry	4876530	5119388	5269367
Punjab	28005392	33596066	36378787
Rajasthan	78183293	103367837	98143384
Sikkim	2618237	3143926	3636621
Tamil Nadu	85248545	90412777	99761913
Telangana	39476048	59863964	63914252
Tripura	6104618	9785895	7364735
Uttar Pradesh	137962248	172280920	189671521
Uttarakhand	14962656	15373472	22471783
West Bengal	79762114	84846308	79211955



TOTAL A	1159337621	1470936490	1571531789
B- Union Territories (UTs)			
Andaman & Nicobar Islands	3151506	3334318	3407106
Chandigarh	3744305	4162884	4225950
Dadra & Nagar Haveli	1005015	1219985	1349973
Daman & Diu	637255	577190	643050
Lakshadweep	581140	682660	791300
TOTAL B	9119221	9977037	10417379
Total of States & UTs (A+B)	1168456842	1480913527	1581949168

Demand for Grants of Health and Family Welfare departments of State Governments and the expenditure on medical reimbursement or treatment of employees of the Central and State Governments. Additionally for the Central Government, medical expenditure incurred by the Ministries of Defence, Posts, Railways, Science & Technology, Mines and Labour & Employment have been covered as these Ministries contribute a significant proportion towards health spending.

Figures for the year 2016-17 (Revised Estimates) and 2017-18 (Budget Estimates) are Provisional.

Figures for Manipur are taken from Annual Financial Statements. Does not include reimbursement figures.

Table: Public Health Expenditure 2015-16 (Actual (Rs. in 000))							
States-A	Revenue		Capital		Total Revenue & Capital	Others ⁽¹⁾	Total
	Medical & Public Health	Family Welfare	Medical & Public Health	Family Welfare			
Andhra Pradesh	35,912,849	13,540,707	2,619,489	-	52,073,045	1,397,438	53,470,483
Arunachal Pradesh	4,639,300	251,600	260,293	-	5,151,193	206,384	5,357,577
Assam	26,319,190	2,238,722	63,158	-	28,621,070	22,167	28,643,237
Bihar	31,155,441	3,650,284	10,907,455	-	45,713,180	815,107	46,528,287
Chhattisgarh	22,379,475	1,814,755	2,898,182	-	27,092,412	451,132	27,543,544
Delhi	31,846,989	639,203	3,856,635	-	36,342,827	1,251,240	37,594,067
Goa	5,311,509	119,460	311,138	-	5,742,107	8,266	5,750,373
Gujarat	43,901,607	8,389,310	18,797,357	162,749	71,251,023	742,302	71,993,325
Haryana	23,484,586	1,412,415	352,009	-	25,249,010	1,809,034	27,058,044
Himachal Pradesh	10,122,240	2,879,427	1,172,269	-	14,173,936	1,156,613	15,330,549
Jammu & Kashmir	18,627,484	599,482	-	-	19,226,966	312,208	19,539,174
Jharkhand	17,579,244	754,591	3,398,698	-	21,732,533	89,928	21,822,461
Karnataka	43,729,183	6,368,273	8,197,126	-	58,294,582	1,859,341	60,153,923
Kerala	41,159,209	4,356,542	2,196,678	-	47,712,429	2,603	47,715,032
Madhya Pradesh	48,471,697	3,808,509	2,260,596	-	54,540,802	688,719	55,229,521
Maharashtra	87,122,877	6,450,987	6,506,441	-	100,080,305	441,477	100,521,782
Manipur	4,264,993	164,252	427,335	-	4,856,580	-	4,856,580



Meghalaya	4,692,072	435,667	920,910	-	6,048,649	389,975	6,438,624
Mizoram	3,353,903	318,355	111,923	-	3,784,181	721,938	4,506,119
Nagaland	4,331,662	238,769	79,212	-	4,649,643	-	4,649,643
Odisha	29,885,712	1,659,948	5,259,869	-	36,805,529	630,066	37,435,595
Puducherry	4,719,574	70,601	83,039	-	4,873,214	3,316	4,876,530
Punjab	24,075,270	1,966,598	20,909	-	26,062,777	1,942,615	28,005,392
Rajasthan	47,396,975	24,425,245	5,755,754	-	77,577,974	605,319	78,183,293
Sikkim	1,767,648	176,922	661,809	-	2,606,379	11,858	2,618,237
Tamilnadu	59,030,651	18,620,101	3,305,028	2,494,251	83,450,031	1,798,514	85,248,545
Telangana	30,803,906	5,747,322	1,036,843	-	37,588,071	1,887,977	39,476,048
Tripura	3,481,878	1,502,340	973,582	145,479	6,103,279	1,339	6,104,618
Uttar Pradesh	67,302,637	44,649,491	22,560,070	-	134,512,198	3,450,050	137,962,248
Uttarakhand	12,160,683	1,073,872	1,406,640	5,000	14,646,195	316,461	14,962,656
West Bengal	53,955,948	6,242,799	18,389,007	-	78,587,754	1,174,360	79,762,114
Total A	842,986,392	164,566,549	124,789,454	2,807,479	1,135,149,874	24,187,747	1,159,337,621
UTs- B							
Andaman & Nicobar Islands	2,776,310	-	244,978	-	3,021,288	130,218	3,151,506
Chandigarh	2,676,167	-	906,921	-	3,583,088	161,217	3,744,305
Dadra & Nagar Haveli	723,995	-	278,999	-	1,002,994	2,021	1,005,015

Health Sector Outputs and Performance in Bihar

The most recent Annual Health Survey highlights that Bihar has the lowest usage of any method of family planning (41.2 percent) amongst Indian states. Full antenatal checkup, though not the lowest, is only 7.8 percent in Bihar as compared to 27.8 percent in Odisha. Institutional delivery in Bihar is 55.4 percent compared to a high of 82.6 percent in Madhya Pradesh. Only 40.9 percent of the pregnant women in Bihar received financial benefits under the *Janani Suraksha Yojana (JSY)*, the flagship scheme of the Government of India in contrast to 72.9 percent in Madhya Pradesh. The percentage of newborns checked within 24 hours of birth (61.9 percent) and the percentage of children breastfed within 1 hour of birth (37 percent) is the lowest observed among all EAG states. Between 2010- 11 and 2015-16, institutional deliveries declined by 9 percent and male sterilizations by 74 percent. Bihar has an average IMR (49) and NNMR (32) but the highest MMR (274) among the EAG states. See Table

Table : Performance of select health indicators in EAG States: a comparative overview

No.	Indicators	Bihar	Chhatisgarh	Jharkhand	Madhya Pradesh	Odisha	Rajasthan	UP	Uttarakhand
1	HEALTH INDICATORS Total Fertility Rate	3.5	2.7	2.7	3	2.2	2.9	3.3	2.1
2	Current usage of any method of family planning	41.2	60.7	57.5	63.2	62.4	70.2	59	62.7
	Share of sterilization in any modern method of family								



3	Female	84.1%	86.5%	76.7%	82%	70.8%	76%	48.9%	50.8%
	Male	0.8%	1.9%	1.1%	2%	0.6%	1%	0.8%	2.4%
4	Women receiving full antenatal check-up	7.8%	22.5%	13.6%	16.2%	27.8%	9.5%	6.8%	17.1%
5	Institutional delivery	55.4%	39.5%	46.2%	82.6%	80.8%	78%	56.7%	58.3%
6	Mothers who availed financial assistance under JSY	40.9%	34%	23.9%	72.9%	70.3%	59.5%	36.4%	33.8%
7	Pregnancy resulting in abortion	4.5%	1.4%	5.4%	3.2%	6.7%	3.3%	7.1%	6.5%
8	Mothers not receiving any post natal care	19.4%	22%	26.1%	14.1%	12.1%	16.8%	17.9%	30.1%
9	Percentage of new born checked within 24 hours of birth	61.9%	65.9%	64.8%	79.1%	81.7%	76.3%	77.7%	62.9%
10	Fully immunized children (12-23 months)	69.9%	74.9%	69.9%	66.4%	68.8%	74.2%	52.7%	79.6%
11	Children (6-35 months) given Vitamin A dose	56.2%	68.3%	58.6%	58.1%	68.6%	74.2%	40.8%	57.1%
12	Percentage of children breastfed within 1 hour of birth	37%	66.3%	43.3%	66.8%	78.7%	54.1%	39.4%	65.1%
13	Crude Birth Rate	26.1	23.2	23	24.5	19.6	24.1	24.8	18
14	Crude Death Rate	6.8	7.3	5.7	7.7	8.1	6.4	8.3	6.4
15	Under-5 Mortality Rate	70	60	51	83	75	74	90	48
16	Maternal Mortality Ratio	274	244	245	227	230	208	258	165
17	Infant Mortality Rate	49	46	36	62	56	55	68	40
18	Neo-natal Mortality Rate	32	32	23	42	37	37	49	28
ECONOMIC INDICATORS									
19	Gross State Domestic Product (GSDP) in million Rs	2,936,159	1,656,412	1,516,547	3,612,703	2,512,205	4,701,784	7,803,986	1,082,498
20	GSDP per capita	29,652	67,374	47,534	49,256	61,116	68,248	38,208	107,348

Conclusion

Bihar continues to be one of India's poorest states, and its health indicators are close to the bottom of all states. Despite a rapid expansion of the economy, health spending remains low and has not kept up with the growth in GSDP. Although it doubled, the health budget as a share of GSDP has declined in the last two years. The per capita TGHE remains one of the lowest in the country at Rs. 339. Following the 14th Finance Commission recommendation, which puts greater focus on states to set their own priorities, allocation to social sectors in Bihar has declined from 49 to 42 percent of its total state budget. A Parliamentary Committee in May 2016 expressed concern over this move to give states more autonomy in health spending by increasing their share of the tax pool, which appears to have had some unintended effects in the first year such as more bureaucratic delays in the allocation of funds. As an EAG state, Bihar depends heavily on central allocations for health through NHM. The center's contribution to TGHE increased 4 times, whereas the state's own contribution grew only by 1.7 percent, and the pace of the state's spending on health is slowing down. The per capita government spending on pharmaceutical expenditure is Rs 19, again one of the lowest in the country, and resulting in high out of pocket expenditures for basic medicines. The BMSIC is fraught with organizational and capacity problems and is yet to fully implement electronic record keeping, limiting the ability to accurately forecast and distribute pharmaceuticals and medical supplies causing drug stock outs in the public



system.

Bibliography

1. Anicca A. (2016) Bihar's Health System Is Only Making People Sicker. Available at: <http://www.huffingtonpost.in/abhishek-anicca/bihars-health-system-is-only-making-people-sicker/>.
2. Berman P and Ravishankar A. (2013) Strengthening Spending for Primary Care Delivery In India: A Rapid Assessment Report On Resource Tracking and Management. *Harvard School of Public Health, Boston, MA*.
3. Bose A. (2015) Many paths to better access: The national picture Available at: <http://www.healthissuesindia.com/access-to-medicines/case-studies/access-to-medicines-in-india/>.
4. BTAST. (2016) Quality improvement efforts in public health facilities of Bihar - Some general findings, Sector Wide Approach to Strengthening Health (SWASTH) in Bihar, *Government of Bihar Initiative Supported by Department for International Development (DFID), UK*.
5. Census. (2011) *Government of India Ministry of Home Affairs*.
6. Chokshi M, Farooqui HH, Selvaraj S, et al. (2015) A cross-sectional survey of the models in Bihar and Tamil Nadu, India for pooled procurement of medicines.
7. Deolalikar AB, Jamison DT, Jha P, et al. (2008) Financing health improvements in India. *Health Affairs* 27: 978-990.
8. Duflo E, Dupas P and Kremer M. (2015) School governance, teacher incentives, and pupil-teacher ratios: Experimental evidence from Kenyan primary schools. *Journal of Public Economics* 123: 92-110.
9. GoB. (2012) Medium Term Expenditure Framework: 2013-16. GoB. (2016) Economic Survey 2015-16. In: *Finance Do (ed). Patna*.
10. GoI. (2005) Report of the National Commission on Macroeconomics and Health.
11. GoI. (2007) Bihar Road Map for Development of Health Sector – A report of the special task force on Bihar.
12. GoI. (2015) Rural Health Statistics. Available at: [https://nrhm-mis.nic.in/RURAL_HEALTH_STATISTICS/\(A\)RHS-2015/RuralHealthInfrastructure.pdf](https://nrhm-mis.nic.in/RURAL_HEALTH_STATISTICS/(A)RHS-2015/RuralHealthInfrastructure.pdf).
13. GOI. (2016) 93rd Report of the Department Related Parliamentary Standing Committee on Health & Family Welfare (Demand 42) laid on the table of the Lok Sabha on 27 April 2016. New Delhi: Rajya Sabha Secretariat.
14. Green A, Ali B, Naeem A, et al. (2000) Resource allocation and budgetary mechanisms for decentralized health systems: experiences from Balochistan, Pakistan. *Bulletin of the World Health Organization* 78: 1024-1035.
15. Kapur A and Srinivas V. (2016) The state of social sector spending in 2015-16. *Live Mint. Mumbai*.
16. McKinsey. (2014) India Pharma 2020: Propelling access and acceptance, realizing true potential. MoHFW G. (2016) National Health Accounts Estimates 2013-14.
16. Nandan D. (2010) National rural health mission: turning into reality. *Indian Journal of Community Medicine* 35: 453. NHM. (2013) 7th Common Review Mission - Vit Report, Bihar.