

HEALTH CARE SERVICES AND FINANCIAL MANAGEMENT IN INDIA

Dr.M.Padmaja*

Vishnu Tej Bondu Muni**

Introduction:

Health means a state of 'complete physical, mental and social well-being and not merely the absence of disease and infirmity'. The present paper is based on secondary data. The paper deals with health care services and financial management in India. We have talked of health care and its provision. The question now arises: what is the best mode of the provision of health care? Does the government do a better job of provision or does the private sector do it better? Should there be a mix of the two? If health care is to be provided by the private sector, should the government regulate the private sector? And, then, to what extent? Self-interest is important both for private and public sector. Here in the public sector and between government rights and duties are correlated. According to Adam Smith, who may be regarded as the founding father of economics, people's self-interest often makes them work towards an end which was no part of their original intention. Suppose, I am a banker. I look after my self-interest, and want to earn money by selling bread. I do not take your interest explicitly into consideration. However, you enjoy your breakfast with my bread, which, of course, was not part of my intention. Smith calls this the principle of the invisible hand in his book, "An Enquiry into the Nature and Cause of the Wealth of Nations", published in 1776. since we are talking of health, a word on the nature of the commodity, health.

The question is, what kind of a things is a health? Here, we might point out that health is not commodity, but health care is. Health has only use-value, but no exchange value. You cannot

* **Assistant Professor, UGC Centre for Southeast Asian & Pacific Studies, Sri Venkateswara University, Tirupati,**

** **MS (MBA) United States University Chula Vista California**

buy or sell health: you can exchange health care or medical care. Right, so, is health care private or public? Your benefit from your doctor is a private affairs (the doctor's services), but public health programmes like disease-control sanitation, etc. are public goods. Sometimes, a single service can be both private and public at the same time. For instance, if our doctor vaccinates you, that single shot is a private service but it leads to reducing the level of risk for everyone, and is, hence, a public service. Thus, we see that health care is a complex kind of commodity.

The traditional role of the State has been seen to be the provision of public goods and correcting the externalities. The State has to provide the public health programme, sanitation, clean drinking water, nutrition, etc. particularly for the poor. Another traditional role of the State in health stems from the argument that health should be treated as a basic right of people, much like justice and freedom, and must; like these, be provided by the State. But the question is, huge amount of resources being necessary is health care really a right.

Objectives of the study:

1. To provide health care services like water supply, sanitation, Nutrition and medical care
2. To explain the financial out lay plan for health both in state and central levels.
3. To create awareness about health assurance and health insurance.

Water Supply:

Water is the universal solvent. H₂O is the chemical formula of water. Drinking water is next only to air and food in importance. Without good drinking water, people cannot lead a healthy life. People are badly suffering for want of potable water within easy reach. The Technology Mission on Drinking water has reported to have spent over Rs. 10,000 crore and had a further outlay of Rs 18,000 crore for providing drinking water to all habitations. Despite setting –up of Technology Missions to tackle the problems of water quality by removing excessive iron, salt, fluorides, nitrates, guinea worm etc., the position still remains grim (Rau, 1997). The incidence of intestinal or liver infections are increasingly affecting the society mainly due to non-potable water usage. Hepatitis B& C and jaundice, gastro-enteritis etc. have assumed menacing proportions in the recent past due to water contamination.

Of the 16 states for which survey reports were available, in 58,325 habitations, water contained excessive iron content, it was brackish water in 55,739 habitations, 37,760 had water with excess nitrate, 27,895 contained too much of fluoride while 1086 habitations in West Bengal, the water was with arsenic material. From these figures, it is discernible that in over 1, 80,805 habitations the water was not safe and hence people using it were susceptible to health risk (Rau, 1997). According to Human Development Report, (UNDP: HRD 2001), 88% of people had access to safe water in 1999. Thus, about 12 crore people do not have such an access to the basic necessity which is not a good sign of progress. Depleting underground water table is posing threatening problems to those depending on bore wells as most of them have dried-up. People need 70 litres of per capita water per day for drinking, cleaning and other purposes. Modi government in 2015-2016 provided a separate budget for safe drinking water both in urban and rural areas. We have to observe practically is this reach 100% to the peoples safely the safe water.

Sanitation:

As per the HDR 2001, (UNDP 2001), only 5% of rural people had access to sanitation facility. Thus, most people living in rural areas are living without this essential facility, due to which, they are exposed to diseases like malaria, tuberculosis, cholera, plague, diarrhea and other health hazards. Despite pathetic and compelling rural situations, sanitation has not received adequate attention of India policy makers and the State. This sector needs large investment. It is suggested that an entire plan period of five years must focus mainly to initiate sanitation programmes on a war footing. Necessary measures to spread proper awareness to involve the community in the creation of sanitary facilities are needed. Community toilets must be built in every slum area at appropriate locality with water facility and effective arrangement to maintain them properly. Every household must be encouraged to have a good toilet. Besides, every village must be provided with storm water drainage facility. The sewerage drain should be separated from open water drains. It is all the more important that people's psychology towards hygiene and sanitation is changed. Modi's government actively participating in Swaha Bharat Programme. Its main aim is to improve sanitation in India.

Nutrition:

Undernourishment results in under-weight, curtailed development of body, stunted growth and causes blindness, diarrhea, birth disorders, impairment of digestive processes, child or maternal

mortality, goiters, neurological disorders, diminishing learning ability, etc. Incidence of high mortality rate, morbidity rate, anemia of pregnant women, etc. imply pervasive under nourishment, which is sapping human resources. Purchasing power of masses and health services need to be improved significantly. By improving nutritional level, the country's productive capacity in industry and agriculture could be substantially improved. High inflation, spiraling prices of essential commodities and other expenditures are the other causes for the nutritional decline.

Medical Care:

In the primary health care services the poor and needy people can fulfill their health emergency care services like deliveries, polio vaccines and better treatment for Malaria, fever, stomachache, snakebites and dog bites. The health visitors supply free medical care services to the poor and needy. They health visitor are on field and investigate whether there are any chikengunia cases, dengue, diarrhea, and hepatitis-B cases and gives treatment. The health visitors ICDS provide nutritional care for pregnant mother, feeding mother and below 5 years children

Health Plans and Outlays:

In terms of expenditure, health includes medical and public health expenditure. Health-related expenditures include family welfare, nutrition, etc. Health in India is primarily the concern of the State Government: family welfare, however, is looked after by the Central Government.

The Ministry of Health and Family Welfare, Labour and the Department of Social Welfare are the agencies at the Centre primarily concerned with health. Other specific programmes like the Minimum Needs Programme, which has nutrition as a component, also have a bearing on the health policies.

Table.1 - Selected Indicators of Human Development for Major States

State	Life expectanc	Literacy Rate - 2001	IMR	Deat h	Birth Rate
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		Age at birth (years) 1986-90				Rate		
			Total Percent	Male Percent	Female Percent	(Prov. Est. of the SRS-1998) (Per thousands)		
	1	2	3	4	5	6	7	8
1	Andhra Pradesh	59.1	44.09	71	51	66	8.4	22.4
2	Assam	53.6	52.89	72	56	78	10.2	27.9
3	Bihar	54.9	38.48	62	35	67	10.6	31.1
4	Gujarat	57.7	61.29	80	59	64	8.1	25.5
5	Haryana	62.2	55.85	79	56	69	7.8	27.6
6	Karnataka	61.1	56.04	76	56	58	8.0	22.0
7	Kerala	69.5	89.81	94	88	16	6.0	18.3
8	Madhya Pradesh	53.0	44.20	77	51	97	12.6	30.7
9	Maharashtra	62.6	64.87	86	68	49	7.2	22.5
10	Orissa	54.4	49.09	76	51	98	12.2	25.7
11	Punjab	65.2	58.51	76	64	54	7.9	22.4
12	Rajasthan	55.2	38.55	76	44	83	9.0	31.6
13	Tamil Nadu	60.5	62.66	82	65	53	8.0	19.2
14	Uttar Pradesh	53.4	41.60	71	44	85	11.4	32.4
15	West Bengal	60.8	57.70	78	60	53	7.3	21.3
	All India	57.7	52.21	76	54		9.2	

State & Central Government's Role in Health Planning

At the Centre:

The Official "organs" of the health system at the national level consist of : (1) The Ministry of Health and Family Welfare; (2) The Directorate General of Health Services; and (3) The Central

Council of Health and Family Welfare. Modis government improving science and technology internet, healthy hospital facilities both in urban and rural areas.

At State Level:

The State Ministry of Health is headed by a Minister of Health and Family Welfare and a Deputy Minister of Health and Family Welfare. The Health Secretariat is the official organ of the state ministry of health and is headed by Deputy Secretaries.

The vast differences in the ability to provide health care is the main reason for the Central Government directly intervening in some nationally important disease control programmes, immunization programmes and in the construction of the rural-health facilities. The poor states would not have been in a position to spend adequate amount on all the activities in which the Centre is directly involved. Further, unlike many less developed countries, the impact of foreign aid on the states spending on health care has been insignificant.

Table. 2 Financial outlay for Health Plan Outlay 2015-2016

	Actual 2013-14	Budget Estimates 2014-2015	Revised Estimates 2014-2015	Budget Estimates 2015-2016
Budgetary support for Central Plan	340478.77	236591.51	189765.80	260493.03
Internal and Extra Budgetary Resources of Public Enterprises	263094.64	247940.94	237045.20	317888.64
Central Plan Outlay	603573.41	484532.45	426811.00	578381.67
Central Assistance for State and Union Territory Plans	112848.58	338408.49	278167.83	204784.01

Allocations for the year:

Finance minister Arun Jaitley's budgetary allocation for healthcare took many industry leaders by surprise. While the total outlay of Rs 3,150 crore for the sector is similar to the allocation in

previous budgets it does not seem sufficient to run the various schemes of the government. Besides, the allocated amount does not translate to the much anticipated increase of GDP spend from 1.2 per cent to two per cent, which was projected as the government intent before and after the elections. “This budget for healthcare is the lowest since 2012-2013. This does not send the right message at all, at a time when we are talking about proportionality increasing the budget in terms of GDP”, said Ameer Shah, MD and CEO, Metropolis healthcare. In addition, India has had a history of underutilizing the health budget and the finance minister has failed to address this, “Allocation of funds is an issue but the larger issue is that there is no proper system to make sure that the budget is used in the right arena,”, added Shah.

As per economic Survey 2014-15, the expenditure by the Government (Central and State Government combined) on health as percentage of Gross Domestic Product (GDP) for 2014-15 (BE) is 1.2 per cent. As per 12th Five Year Plan document, the total public funding by the Centre and States, plan and non-plan, on core health is envisaged to increase to 1.87 per cent of GDP by the end of the 12th Plan. When viewed in the perspective of the broader health sector, the total government expenditure as a proportion of GDP is envisaged to increase to 2.5 per cent by the end of the 12th Plan.

National Health Assurance Mission:

The much touted national health assurance mission which was to be the governments’ flagship differentiators has not yet taken off because it was too expensive to apply. Experts believe that the government would have to shell out an estimated \$11.4 billion annually on the project which would take about 10 years to cover the 1.2 billion people in India.

“The unfortunate fiscal fact is that India may not be able to have anything like doubly universal health coverage-that all people can have all medically effective treatments for all diseases,” writes Harvard scholar Lant Pritchett and Gulzar Natarajan in an article “The typical European country with doubly universal health coverage spends around \$4,000 per person per year to do so-higher than the total Indian GDP per capita.

Indians currently spend about \$ 120 per capita (PPP) on healthcare each year, of which only a quarter comes from the government. Mexico, whose Seguro Popular universal insurance scheme is regarded as a model for upper middle income countries, spends nearly \$1,000 per capita, with half coming from the government. Even the Mexican levels of government spending would require 80 per cent of all Indian taxes to be devoted to health-leaving almost nothing for anything else-infrastructure, police, education, defence, etc,” Pritchett explains.

The National Health Assurance Mission’s (NHAM) objective is to reduce out-of-pocket spending on healthcare by the common citizen. For the proposed programme, Indian government was to provide all citizens with free medications and diagnostic treatment, as well as insurance cover to cure serious ailments.

Health Insurance

Taking a cue on healthcare financing from the US, the Narendra Modi government has linked healthcare firmly to the private insurance sector. the finance minister proposed to increase the limit of deduction under section 80D of the income tax Act from Rs 15,000 to Rs 25,000 on health insurance premium. In case of senior citizens, the limit of deductions has been increased form Rs 20,000 to Rs 30,000.

“In recognition of health inflation the enhanced tax exemption on health insurance premiums from Rs 15,000 to Rs 25,000, and Rs 20,000 to Rs30,000 for senior citizens, will provide the much needed impetus for adoption while also encouraging people to invest appropriately in their health insurance which can adequately service their healthcare needs,” says Anuj Gulati, CEO, Religare Health Insurance. ESI or Health Insurance product recognized by the IRDA.

Proposed Free Services at Government Hospitals:

- a. Universal Immunization of children against seven diseases,
- b. Pulse polio immunization
- c. Family planning services,
- d. Maternal and reproductive health services
- e. Child health services that include both home based and facility based new born care,

- f. Adolescent Reproductive and Sexual Health (ARSH) services,
- g. Investigation and treatment for malaria, kalaazar, filarial, dengue, JE and chikungunya,
- h. Detection and treatment for tuberculosis including MDR-TB,
- i. Detection and treatment for leprosy,
- j. Detection, treatment and counseling for HIV/AIDS,
- k. Non-communicable diseases services
- l. Cataract surgery for blindness control-over six million free cataract surgeries done every year,, cornea transplant, glaucoma/diabetic retinopathy, spectacles to poor children.

Conclusion:

Better health induces positive attitudes conducive to economic growth and modernization. The people with good health are generally enthusiastic and try to achieve higher and higher goals in life. Health is wealth for nation. Health assurance and health insurance are important. Modis government allocated health plan budget mainly on medical services, health care and sanitation and health information e-technology. Good health increases intelligence, Better health is generally associated with better capability and leadership. Healthy people generates healthy progeny to future generations. A nations health is its strategic asset and it is the nations wealth.

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