

State wise Out of Pocket Expenditures in Urban Areas

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What is Out of pocket Expenditure?

Out-of-Pocket Expenditures on Healthcare (OOPE) are payments made by an individual at the point of receiving healthcare services or goods. For example, if an individual falls ill and visits a doctor's clinic, he/she pays for consultation fee and for other services (injection, wound dressing etc.) provided by the doctor at the clinic. Similarly, he/she also pays separately for medicines at pharmacy, diagnostic tests (X-ray, Blood test etc.) at the laboratory. All these payments made at point of receiving a health service are considered as OOPE.

OOPE is usually incurred when an individual's visit to healthcare provider (clinic/ hospital/ pharmacy/ laboratory etc.) is not provided for 'free' through a government health facility or a facility run by a not-for-profit organization or if this individual is not covered under a government/ private health insurance or social protection scheme.

How does OOPE impact households?

OOPE are a burden to all households as they are incurred during a health event when the household is already in distress. The impact of OOPE is much higher when the household income is low or the OOPE incurred is huge especially in events of inpatient care or critical illnesses. OOPE especially among low income households reduces their spending on other essential and basic needs such as food, shelter, clothing, education etc. It also forces households to borrow or loan money from friends/ relatives/ money lenders, which further pushes the household into debt. Household's OOPE usually higher than than 10% of total household consumption expenditure is catastrophic and it might push the household below the poverty line leading to impoverishment. According to Consumer Expenditure Survey by National Sample Survey Office (NSSO) in 2011-12, 18% of households in India faced catastrophic health expenditures.

How can we reduce OOPE?

India's National Health Policy 2017 envisages significant reduction in OOPE leading to decrease in proportion of households facing catastrophic health expenditure from the current levels by 25%, by 2025. To reduce OOPE, it is very important that Governments consider OOPE as an important indicator of performance of their health system. Governments have to realize that as necessary it is to provide quality health services, medicines and diagnostics, it is also important to provide all these services for 'free' at point of service. 'Free' care at point of service should be provided to the vulnerable and low income households if not to the entire population. Other ways to reduce OOPE is to (1) regulate the health sector to provide quality services at affordable cost (2) provide comprehensive health insurance coverage to the vulnerable and poor population groups without any premiums/contribution made by them and to the middle and high income groups at an affordable premium/contribution according to their ability to pay.

How to monitor OOPE?

Out of pocket expenditures in India are derived from a health and morbidity survey conducted by the NSSO at a five year interval. The NSSO publishes the results of this survey and organizations such as National Health Systems Resource Centre provide state level estimates for various health indicators. States can benefit from these published estimates to monitor their OOPE. States could also depend on their own state level health and morbidity surveys or analysis to monitor the OOPE.

What is the OOPE in urban areas state wise in 2014?

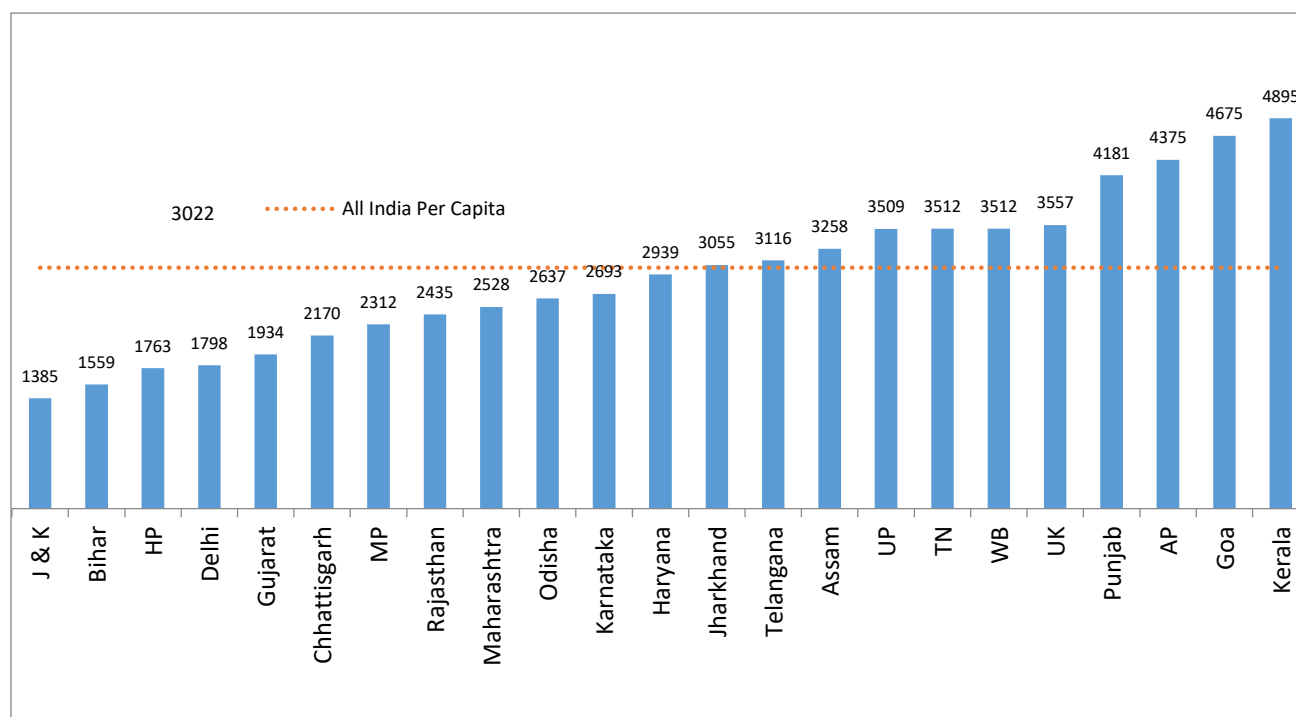
National Health Systems Resource Centre has done a state level analysis of the data from 71st round of NSSO Health and Morbidity survey. Results are presented below for various OOPE indicators for urban areas. Medical OOPE takes into account payment made for doctor’s consultation/ surgery fee/ nursing fee, drugs, diagnostics, bed charges and other allied treatments (blood, physiotherapy and oxygen etc.).

What is the medical OOPE per person in urban areas state wise in 2014? (Figure 1)

Medical OOPE is sum of all payments made towards inpatient care, outpatient care and during pregnancy/child birth all together in the last 365 days.

A low value for overall OOPE along with high utilization of healthcare services in both public and private sector is indicative of well-functioning government health system and/or health insurance or social health protection scheme.

Figure 1: Medical OOPE per person in urban areas state wise in 2014

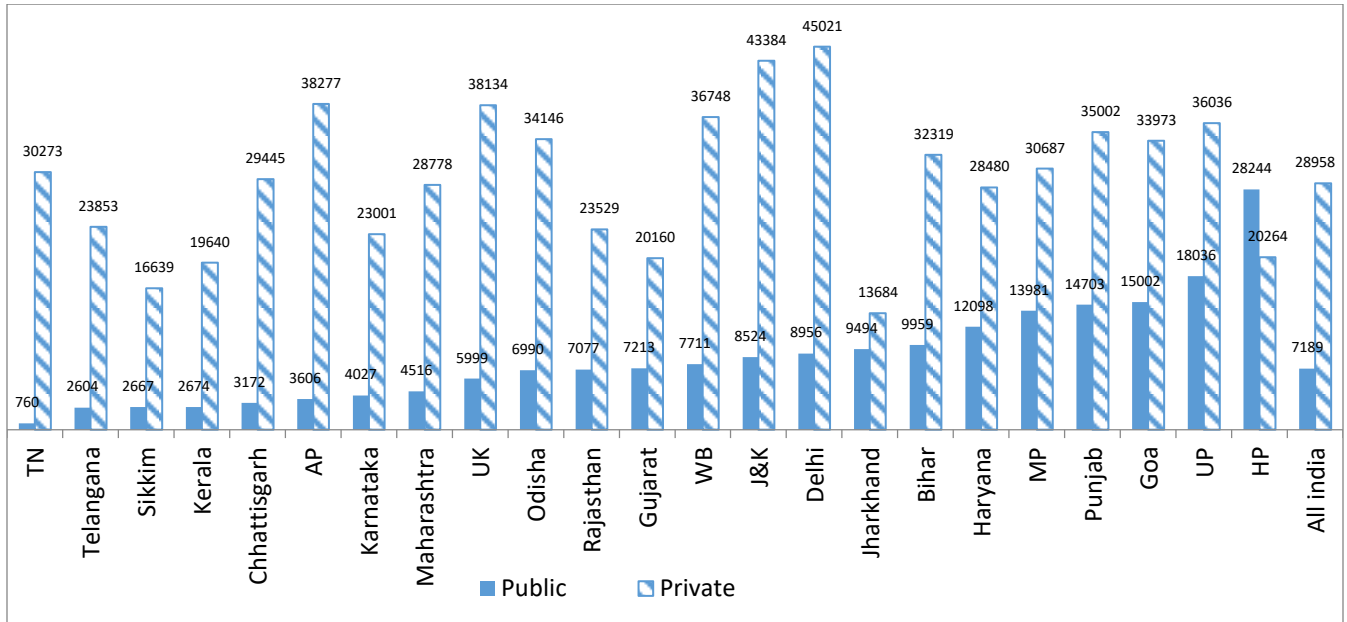


What is the average medical OOPE for inpatient care in urban areas state wise in 2014? (Figure 2)

Average medical OOPE for inpatient care takes into account all payments made towards treatment of a person during all episodes of hospitalization in the last 365 days at public or private facility.

A low OOPE value here along with high utilization rate in government/ public facility means the government health system in your state is performing well. However, a considerably high OOPE in private facility means the health services are unaffordable to majority of the population and the social protection/ health insurance schemes are not functioning to their optimum.

Figure 2: Average medical OOEPE for inpatient care in urban areas state wise in 2014

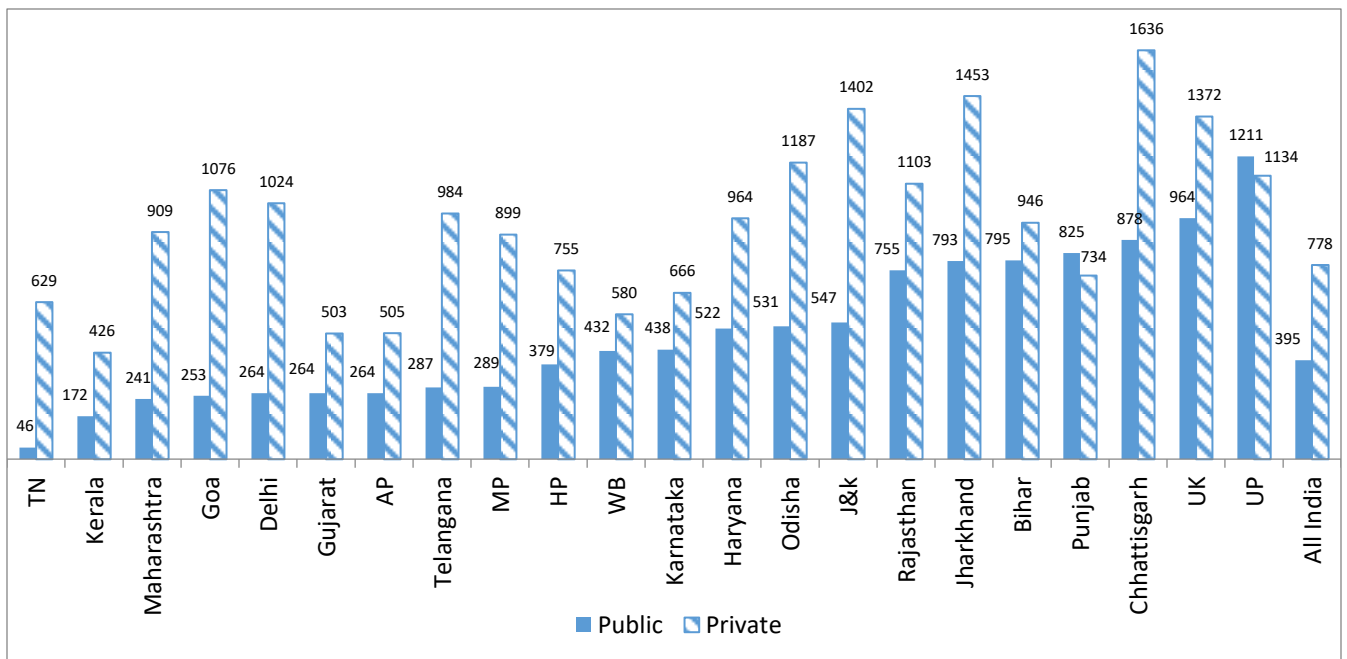


What is the average medical OOEPE for outpatient care in urban areas state wise in 2014? (Figure 3)

Average medical OOEPE for outpatient care takes into account all payments made towards outpatient treatment of a person during the last 15 days at public or private facility.

A low OOEPE for outpatient care does not always mean that the performance of your state is better. This might also be a result of lack of availability or access to health services both in public and private sector or majority of households do not seek care due to their inability to afford healthcare services. Thus when there is low OOEPE, it is important to consider percentage of ill persons accessing treatment. If the percentage of ill persons accessing treatment is low, the performance of your state is not optimum.

Figure 3: Average medical OOEPE for outpatient care in urban areas state wise in 2014



What is the average medical OOPE for child birth in urban areas state wise in 2014? (Figure 4)

Average medical OOPE for childbirth takes into account all payments made towards childbirth at public or private facility.

A low OOPE value here along with high utilization rate in government/ public facility means the government health schemes for maternal and child health (JSSY/JSSK etc) in your state are functioning well. However, a considerably high OOPE in private facility is a concern.

Figure 4: Average medical OOPE for child birth in urban areas state wise in 2014

