

# Public Health Equity in India

Posted at: 26/06/2025

## Public Health Equity in India: Understanding Benefit Incidence of Public Health Expenditure

**Context :** A recent study titled “**Benefit Incidence of Public Health Expenditure in India: Urban-Rural Equity Matters for Universal Health Coverage**” has been published in the *Journal of Health Management*. It provides critical insights into how public health spending is distributed across different economic and geographic groups in India. The findings are crucial in the context of India’s pursuit of **Universal Health Coverage (UHC)** and improving the inclusiveness of health services.

---

What is Benefit Incidence Analysis (BIA)?

- **Benefit Incidence Analysis (BIA)** is a statistical tool used to assess how **healthcare benefits from public spending** are distributed among various **socio-economic groups**.
  - It helps understand whether the benefits are **pro-poor** (favoring the poor) or **pro-rich** (favoring the rich).
  - The study was led by researchers from the **Indian Council of Medical Research (ICMR)** and **M.S. Ramaiah University of Applied Sciences**, Bengaluru.
- 

Data Used and Methodology

- The study used secondary data from the **75th round of the National Sample Survey (NSS)** conducted between **July 2017 and June 2018**.
- This round focused on **social consumption related to health**.
- The analysis included parameters such as:

- **Disease burden**
  - **Out-of-pocket health expenditure**
  - **Non-utilisation of public health services**
  - **Inpatient and outpatient care usage**
- 

#### Importance of Benefit Incidence Analysis

- Helps evaluate the **equity and efficiency** of public health spending in reaching the intended beneficiaries.
  - Reveals whether the **government's investments in healthcare** are effectively supporting **vulnerable populations**.
  - Offers data-driven insights to **policymakers** to design inclusive health policies for achieving **Universal Health Coverage (UHC)**.
- 

#### Status of Public Health Spending in India

- In **2016-2017**, the total public health expenditure was **₹11,900.39 million**.
  - The share of **public spending** was **26.6%**, while **private spending** accounted for **73.4%**.
  - Of the public health expenditure:
    - **66%** was on **inpatient care**
    - **34%** was on **outpatient care**
- 

#### Equity in Public Health Spending

- **Inpatient care spending** is more **pro-poor**, meaning the **economically weaker sections**

benefit more from government spending in this area.

- **Outpatient care spending** is more **pro-rich**, indicating that **wealthier individuals** tend to use public outpatient services more.
  - When **both inpatient and outpatient care** are considered together, the distribution becomes **more equitable**.
- 

#### Urban-Rural Disparities in Health Spending

- At the **national level**, there is an **unequal distribution** of public health spending between **urban and rural populations**.
  - In **rural areas**, public spending on health is **more pro-poor** for both outpatient and inpatient services.
  - In **urban areas**, public spending tends to be **more pro-rich**.
  - Overall, **non-poor sections** are the **main users** of public health facilities for both types of care.
- 

#### Reasons Behind Inequity in Public Health System

- **Low Public Health Expenditure:** Only **1.28% of India's GDP**, or approximately **₹1.58 trillion**, is allocated to public health. This is among the **lowest globally**.
- **Skewed Investment Pattern:** Urban areas receive a **larger share** of health infrastructure investment, while **rural areas remain underfunded**.
- **Quality of Services:** Poor service quality deters people from using public health facilities for **inpatient care**.
- **Reliability Concerns:** Many urban and rural residents avoid public hospitals for **outpatient care** due to **lack of trust** in service reliability.
- **Human Resource Gaps:** Problems include **staff absenteeism**, **lack of trained personnel**, and **inefficient administration**, particularly in rural regions.

- **Influence of Private Sector:** Wealthier individuals in metropolitan areas prefer **private care** due to **better service quality** and **limited health insurance coverage**, even though it incurs **high out-of-pocket expenses**.
- 

#### Way Forward

- **Increase public health investment** and ensure it is **equitably allocated** between urban and rural regions.
- Policymakers must use **data from Benefit Incidence Analysis** to **identify gaps** and **better target** the underprivileged.
- Regularly **monitor trends and patterns** in government health spending to align with the goals of **Universal Health Coverage (UHC)**.
- Focus on improving **infrastructure, human resources**, and **quality of care** in rural and underserved regions to reduce disparities.

