

Health Investment Priorities in India: A New Methodology-based Analysis of State Budgets

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Abstract

Classification and measurement issues—especially definitions and estimates of primary, secondary and tertiary care—are the major impediments to an informed discussion around type and quality of health spending in India. One area of concern worldwide has been the level of investment in primary care. This article reviews different definitions of primary, secondary and tertiary care, and applies a new methodology on sub-national budget data for classifying and estimating these aggregates. Government spending on health by five states of India is grouped into primary, secondary, tertiary, medical education, social security for health and administration applying the new methodology. The Detailed Demand for Grants of each state for 2014–2015, 2015–2016 and 2016–2017 was used for classifying budget items. Each line item is assigned to one of the six types of spending, with additional algorithms and assumptions, wherever a straightforward classification was not possible. The results indicate a lack of uniformity in spending across these six aggregates. However, states are spending a significant part of their health resources on primary care. The results and the methodology can pave the way for a much needed discussion around standardisation of definitions and formats for data collection on budget aggregates to track types of health spending.

Keywords: Levels of health care, primary care, health financing, health care definitions, budget