

Costing of Health and Wellness Centres: A Case Study of Gujarat

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Abstract

The National Health Policy 2017 recommended the establishment of health and wellness centres (HWC) as the primary platform to deliver comprehensive primary health care in India and emphasised that about two-thirds of the health budget of the government should be invested on primary care. In February 2018, the government announced its plan to create 150,000 HWCs under the Ayushman Bharat initiative by transforming the already existing sub-centres (SCs), primary health centres (PHCs) and urban PHCs as HWCs by 2022. The operationalisation of HWCs has been planned in a phased manner. However, for scaling up and replicability, it is imperative for the government to know how much to budget for this initiative, so that there are no interruptions in the smooth flow of services. Taking Gujarat as a case study, the study took a sample of eight HWCs for estimating the total and per-unit costs for each type of HWC. OPD footfalls were taken as an indicator for measuring output. The incremental unit costs were estimated by calculating the difference between the pre and post-conversion unit costs, in order to understand the cost implications of the conversion. The study also estimated the possible total costs in relation to the health budget of the state to understand the financial implications of scaling up HWCs. The results indicated that though the costs have gone up after conversion, outpatient department (OPD) footfalls have also increased at all facilities, but most significantly for the SCs, resulting in costs per OPD footfalls coming down significantly. For nearly all the centres, there has been a fall in the incremental costs per OPD visits indicating that the conversion to HWC has been quite economical. It was estimated that a total of about ₹7.13 billion will be spent on running 1,500 HWCs in the year 2020–2021, though, the incremental costs of scaling up would be significantly less at about ₹940 million. If, however, the entire gamut of services envisaged to be a part of the HWC initiative are added, the costs are likely to increase. More research with additional data points would be required to confirm these tentative findings, but the results could be used as a baseline for future such studies.

Keywords: health and wellness centres, costing, health financing, Gujarat, scaling up, HWCs

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