

## **External Evaluation of User Fee Scheme in Government Hospitals in Maharashtra, India**

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*The user fee has been recommended as a financing mechanism to achieve the goals of increasing efficiency, equity, quality, sustainability and effectiveness in the health sector. The user fee was introduced in Public hospitals in Maharashtra State in India during 1988. The purpose of the study was to determine whether the poor are really subsidized and reasons for the denial and leakage of subsidy. The study was carried out in Secondary Health System. The sample size was 1377. The denial of subsidy is found in 55.3 per cent cases, whereas leakage of subsidy is in 27.7 per cent cases. The user fee mechanisms were not visibly available and accessible to users and were quite inadequate in tackling the grievances. Denial of subsidy to poor is more serious than the leakage of subsidy to rich. Targeting efficiency can be improved through better management of hospitals and orientation of staff for active screening of poor patients.*

### **Introduction**

Health is a very important subject for the Central, as well as, the State Governments in India. In the public health care system in India, though the state and the central government both participate in a complementary way, the state government takes the major responsibility as far as community health is concerned. Improvement in the performance of the health care system can make a tremendous impact on the overall development of the nation.

Government healthcare consists of several functions. One of the major functions of the healthcare systems is the financing of it. Financing of health care includes collection of revenue, mobilising financial resources, and ensuring effective and efficient utilisation of the resources

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This study was funded by the World Bank assisted Maharashtra Health Systems Development Project (MHSDP) in Maharashtra State of India.