

Household Health Spending in India: A Comparative Study of Demographically Advanced and Transitive States

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Using the unit data from 61st and 66th rounds of consumption expenditure surveys carried out by National Sample Survey Organisation, this paper examines the change in household health spending of demographically advanced and transitive states of India. Descriptive and multivariate analyses are used to understand the differentials and change in health spending. Results suggest that during 2004-2010 the household health expenditure at constant prices has increased by 25 per cent in India, 32 per cent in Kerala, 33 per cent in Maharashtra and eight per cent in Uttar Pradesh. The institutional health spending in India has increased by 53 per cent compared with 15 per cent for non-institutional health spending. The increase in household health spending is higher among the poor, less educated, labourer households and among elderly households. Results of multivariate analyses suggest that households with elderly members are more likely to incur catastrophic health expenditure compared with households without any elderly member. Based on the findings, the paper suggests an increase in public spending on health to protect the poor, marginalised and elderly households from catastrophic health spending.

I Introduction

Health financing is a critical issue in the 21st century both for developing and developed countries. Mobilising resources for the social security system in the wake of shrinking labour force and reduced economic growth is the main

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