

User Fees in India's Health Sector: Can the Poor Hope for Any Respite?

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The study aims to document, review and analyse the usefulness of user fees for healthcare, with emphasis on its implementation in different states of India. Four states were selected where user fees are in force for the last three years prior to July 2005. Both qualitative and quantitative methods were used to collect the data. The denial for subsidy is quite high for the poor patients. The awareness about exemption policy among users is quite low. The management structure is not uniform across the selected states. It is important to ensure that there is coordination between the state, district and hospital level societies. The exemption policy should take care of the interests of the poor patients.

I Background

Financing of health care services has been a major policy concern across the globe. In the past few decades, attempts have been made to find new ways for generating financial resources for spending on health care in the public sector. In particular, World Bank and other multilateral institutions have strongly advocated the imposition of user-fees in the public health institutions to diversify the health financing mechanism and to achieve the goals of increasing efficiency, equity, quality, sustainability and effectiveness in the health sector. The argument for introduction of user-charges in the public health sector has typically been made on the basis that they have the potential to mobilize resources in the wake of falling public spending on health and to deter frivolous demand for healthcare services. User-fees can raise resources for health by charging for services provided in government-run facilities.

As per this "user-fees" policy, the public healthcare system needs to implement a pricing policy that improves health and redistributes subsidies towards the poor. So, it can theoretically be viewed as a progressive financing policy as it charges those who make most use of the services and who are able to

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