Developing Health Accounts: Underpinning for Maharashtra State

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Abstract

The health system of a country is one of the major indicators of human development. Though, India has achieved significant success as regards the general growth rate over the last decades, her health system is still at cross roads. Though the government has taken great initiative to improve the public health facilities, much remains to be done. The major challenge in this area for the researchers and the policy makers is the assessment of the performance of health sector. In this background the present study has been undertaken to develop methodologically robust state level health account, to contribute to the institutionalisation of health accounts and generation of health accounts and generation of health accounts metrics for Maharashtra.

Keywords: *Health accounts, Health Sector, Health System*

Introduction

Health is one of the crucial components of human development indicator. Health and other socio-economic development indicators are mutually dependent on each other and hence, it is impossible to achieve one without the other. While India has witnessed a significant momentum as regards growth rate over the last decade, her health system is still at crossroads. It may be noted that, more often than not, health systems of developed countries also are prohibitively expensive. As regards India, Government initiatives in public health have recorded some noteworthy successes over the years. However, much remains to be done, as the Indian health system was ranked 118

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among 191 WHO[1] member countries on overall health performance. Building health systems that are responsive to community needs, particularly for the poor, require politically difficult and administratively demanding choices. The targets regarding health, *inter alia*, have been announced by the United Nations as a part of Millennium Development Goals (MDGs) to be achieved by the year 2015[2]. These goals have been incorporated in the National health policy of 2002 that has been already adopted by the Indian Parliament. India has been spending its resources for the provision of public health. However, the assessment of the performance of health sector remains a major challenge for the researchers and policy makers. The major lacunae in assessing health sector performance in India are: (i) non-availability of useful data; and, (ii) the non-use of available data. These problems have not gone unnoticed by the policy makers. The National Health Policy (GoI, 2002)[3] states, "The absence of a systematic and scientific health statistics data-base is a major deficiency in the current scenario. The health statistics collected are not the product of a rigorous methodology. Statistics available from different parts of the country, in respect of major diseases, are often not obtained in a manner which makes aggregation possible or meaningful." In such a context, health sector accounting is visualized as a tool for efficient governance.

In the above background, the overall objectives of the proposed study were to develop methodologically robust state-level health account as a policy tool for better health sector governance in India; to contribute to the institutionalisation of health accounts; and generation of health accounts matrices for Maharashtra. The ultimate objective of preparation of health accounts is to address the core issues related to transparency and efficiency of the government expenditure incurred on the health sector. The approach adopted here is the 'bottoms-up approach', *i.e*., the national health accounts should

1. http://www.who.int/whr/2000/en/whr00_en.pdf

2. (http://unstats.un.org/ unsd/mdg/Resources/Static/Products/ Progress2006/ MDGReport2006.pdf)

3.(National Health Policy -2002 declared by Ministry of Health and Family Welfare, Government of India)

be prepared after collection of data at sub-national levels. In a parallel move, the Ministry of Health and Family Welfare, (GoI 2005)[4] also initiated preparation of 'National Health Accounts'.

Health Accounts

The term 'Health Account', in simple, refers to the statement of resource flows from financing sources to agents reflected in actual expenditures made by different actors or entities in the health sector. In a health accounting system, the transactions made by different entities on various health services or health care functions are presented in the form of matrices so as to enable identification of the role of each entity in health care and the extent of inflow and outflow of resources for the provision of different services. The present exercise is one of the pioneering attempts made to present the health accounts for the state of Maharashtra for the year 2004-05. The methodology adopted for developing health accounts for Maharashtra is presented in detail below. The health accounts developed for the state of Maharashtra relate to fiscal or the financial year 2004-05 as the budgetary information i.e. the latest actual government expenditure data (during the time of our study) was available only for this year.

The mapping exercise taken up before plunging into collection of primary or secondary data helped in identifying the role of different entities in the provision of health care and health care programmes and facilities that are available to the population in Maharashtra. Based on this exercise we developed the sampling frame for undertaking survey of households, providers, NGO and firms and, collection of secondary data from government departments the details of which are provided in section three.

Classification of Health System Entities:

The emphasis in National Health Accounts (NHA) is to describe in an integrated way who pays, how much and for what, separating who from what. This helps us to understand the sources of funding in a health care system. This information is absolutely essential for

4. National Health Accounts: India 2004-05, National Health Accounts Cell, Ministry of Health and Family Welfare, GoI, New Delhi)

policymaking process. Following are the major entities, which are part of NHA.

- Entities, which act as ultimate sources of funds.
- Entities, which transfer the resources between the funding entities and the actual providers of services (also known as Financing Agents).
- Providers of services.

Sources of funds are grouped into the following major categories.

1. Public Sector – Government ministries and administrative departments.
2. Public sector – other government agencies.
3. Private Sector – firms and enterprises.
4. Private Sector – Non-governmental organizations (NGOs).
5. Households.
6. Foreign sector – Government and non-government sources.

Insurers appear as an additional category in the above classification, and are treated as financing intermediaries. Capital expenditures purchase inputs that contribute to production well beyond the period in which they are purchased. Recurrent expenditures purchase inputs for current production only, and so must 'receive' in every period. NHA counts all current period capital expenditure depending on the availability of data in a given economy. Health care goods and services provided by government and non-governmental providers at no cost to the users (non-market output) are valued at the cost of production. Those sold to the consumers are valued on the basis of price paid. In situation where health services are subsidized to the consumers, the imputed cost of production would be considered taking into account the prevailing market prices.

Methodology of Estimating National Health Accounts:

The concept of Health care used in the design of International Classification of Health Accounts as stated in the OECD methodology covers the following broad activities, which have a bearing on health status of the community.

- Promoting health and preventing disease.
- Curing illness and reducing premature mortality.
- Caring for persons affected by chronic illness who require nursing care.
- Caring for persons with health related impairment, disability and handicaps who require nursing care.
- Assisting patients to die with dignity.
- Providing and administering public health.
- Providing and administering health programmes, health insurance and other funding arrangements.

Functional Boundaries of total expenditure on Health

HC1-HC4	Personal Health Care Services.
HC5	Medical goods dispensed to out- patients
7PHE	Total Personal expenditure on Health.
HC6	Services of prevention and public health.
HC7	Health Programme administration and health insurance
TCH	Total current expenditures on Health (sum of HC1 to Hc7)
HCRI	Gross capital formation in health care industries
THE	Total expenditure on health (=TCHE+HCR1)

The OECD methodology broadly concentrates on the following components viz,

- Ø Health Financing
- Ø Health Providers
- Ø Health Care Function

In the financing component various levels of government are taken separately as well as various other private sources of financing and households. Health care providers include various providers including drug production, hospitals and others. Financing of health care include preventive, promotive, curative and rehabilitative care. Thus the OECD methodology tries to evolve the health accounts in a tri axial format. Although the data to match these requirements are not easily available for Maharashtra, an attempt is made to use the

conceptual framework of the OECD methodology and the Producers Manual for National Health Accounts developed by World Bank, WHO and USAID to suit the needs of the developing countries.

Maharashtra State: A Profile

Maharashtra state is located on the west coast adjoining the Arabian Sea. As per the Census 2001, its population is 96.8 million or 9.42 percent of the Indian population. It is the second largest State/Union Territories of India in terms of population and the third largest in terms of area. It is located in the Western Plateau and Hill Regions, one of the 15 such zones into which India is divided on the basis of the agro-climatic features. Topography of Maharashtra is diverse. It has been classified into five broad regions that have historically evolved as socio-cultural units. These are: (i) Greater Mumbai; (ii) Western Maharashtra; (iii) Marathawada; (iv)Konkan; and, (v)Vidarbha. Mumbai is of crucial importance to the national economy, being the country's prime metropolis

The extent of urbanization is much higher in Maharashtra in comparison to India. Maharashtra accounts for about 14.4 percent of India's urban population, whereas, the respective figure for rural population is just about 7.5 per cent. It accounted for about 13 percent of India's GDP in 2005-06. Industrial sector and service sectors have been the driving force for the State's economy in the recent years. The share of primary sector has been consistently declining over the years and this has been picked up by service sector rather than by the industrial sector.

As per 2001 Census, the state had about 42 and 58 percent of the population of the state residing in urban and rural areas, respectively. Mumbai (including suburban Mumbai) which accounts for about 12 percent of the state population has cent per cent urban population. Other highly urbanized districts of the state are Thane, Nagpur and Pune. Thus, the concentration on health facilities for urban population is needed in these districts, whereas, in the areas, such as, Gondiya, Ratnagiri, Sindhudurg and Gadchiroli, it is the rural areas which deserve more attention as regards health facilities.

Health Sector in Maharashtra

Maharashtra has been at the forefront of healthcare development in India. It was one of the first states to achieve the norms mandated for primary health centres, sub-centres and rural hospitals, under the Minimum Needs Programme. The State also has the largest private health sector in India whose reach is quite extensive. Although Maharashtra is one of the affluent states in India with the highest per capita income and has one of the largest industrial economies, in terms of the social infrastructure (schools, health care facilities, water supply, housing etc.) it no longer occupies the singular place of pride country. There are two areas of concern which plague Maharashtra: one is food availability (rather access) which is the cause of unacceptable levels of malnourishment, and the other, the declining sex-ratio, especially in the 0-6 year age-group, which has clear linkages with sex-selective abortions linked to sex-determination.

Health Accounts in Maharashtra: Methodology

Boundary of MHA (Maharashtra Health Accounts) and Classifications

In case of Health accounts the boundaries need to be defined clearly as one may not be in a position to include all the peripheral expenditures of health care and health care related activities into the domain of health care within a stipulated period of time. Only the expenditure that go directly to health care services are included under health care services. Since the boundaries for the three selected states are almost similar we have not explained in detail the boundaries here. The fiscal year of 2004-05 is used for the estimation of health accounts. Figure 1 depicts the boundaries of health for estimating the health accounts of Maharashtra state.

Data Sources, Surveys and Secondary sources

The study has used both primary and secondary data for the purpose of estimating the health accounts for the state of Maharashtra. Public expenditure data used in the study is based on the fiscal year from 1st April, 2004 to 31st March, 2005 at current prices collected from Civil Budget Estimates, Government of Maharashtra. Health related data were taken from various secondary sources viz. Health Monitors,

Figure No. 1:Boundaries of Health Account

		Comments
Expenditure Excluded in Health Accounting	* Health Tourism International * Noon meal programme * Water supply and Sanitation * Health enhancing drugs/product (without prescription) like Chavanapravsh, anti dandruff, pimples, vitamin tablets, etc. * Other Food security related (Public Distribution System) * Environmental Health	There are arguments that expenditure on health enhancing drugs, drinks and vitamins should be included in health related expenditure.
Expenditure Included in Health Accounting	**HEALTH RELATED EXP.** * Medical education and training (public) * Nutritional Supplementation Programme of the govt. * Medical research (public) * Health Education * School Health Programme falls under health related expenditure, but not included in Maharashtra health accounts as information on this aspect was collected	Scholarships to medical students, stipends to medical apprentice, materials and supplies, salaries and office expenses, professional and special services, diet charges Livestock (HCR4 Food, Hygiene and Drinking water)
	HEALTH EXPENDITURE * Salaries, Drugs, Equipment, Indian System of Medicine & Homeopathy, Health administration & insurance, * Disease Control programme & FW Programme, * Pathological services, Prevention and public health, * Out of pocket expenditure by households, Home Care, Day care, Non qualified practitioners * Medical benefits to employee and dependent in public/private sector * Capital expenditure in medical	Since ISM and Homoeopathy are not coded under ICHA, we have extended the codes for classifying these services under relevant heads. Expenditure made by households, firms and NGOs mainly related to current expenditure (2004-05)
	NOT SPECIFIED BY KIND	Other expenditure (grant-in-aid, other charges/ miscellaneous items) constitutes major component of government health expenditure, but is not made explicit in the budget documents.

Statistical abstracts, NFHS–1 and 2, NSSO 42nd and 52nd round, Man power Profile, Economic Surveys, Government of Maharashtra, Maharashtra Human Development Report, Sample Registration survey (S.R.S.), Directorate of Health and Family welfare Government of Maharashtra, etc.

The private expenditure data on health care services used in the study are collected from households, NGOs and corporate sector/firms, charitable trusts, private practitioners, insurance companies etc., For estimating private expenditure of health care services through a sample survey carried out during the same period keeping in view the fiscal year of 2004-05. The expenditure on health care incurred by different NGOs, was collected through a field survey.

Household Survey

Sampling Design for Maharashtra

Three stages were involved in sampling of households. In the first stage, the three districts were selected, based on the criterion of per capita real income. In order to get a representative sample, one district each from high, medium and low income strata were selected. In the second stage, from one of the districts, viz., Mumbai, 4 clusters representing urban population of the State was selected and the sample consisted from Mumbai consisted of 36 percent of the total sample size of 1500 households. The remaining two districts, viz., Nasik and Nanded were supposed to represent the rural population of the State. Hence, only rural locales were considered. Thus in the second stage of sampling, two talukas from each of these two States were randomly selected. In the third stage, four villages from each of these talukas selected. Two villages from each taluka were supposed to have high proportion of SC/ST population and the remaining two were to represent low SC/ST population.

In Mumbai, one can find the coexistence of clusters of high-rise buildings occupied by economically better-off sections of with slums in close proximity. Hence, clusters from these wards were selected keeping in view the fact that slums of the city also need to be represented. From each of these clusters, the households were randomly selected. From each of these wards 135 respondents were

selected. As mentioned earlier, the rural sample of 480 households was drawn from Nasik from Sinnar and Trimbakeshwar taluks. The two talukas selected randomly from Nanded District turned out to be Ardhapur and Dharmabad with a sample of 120 households. From each taluka, two villages had low SC/ST population and the other two had high SC/ST population. This information is provided in Table No. 28.

- ***Household's out of pocket expenditure on health***

The data on health care expenditure by financing sources, financing agents, providers by functional classification was collected from rural and urban areas in three districts of Maharashtra. In order to arrive at the total household expenditure on health for the state we adopted the following procedure.

The average expenditure on health care incurred by the households was estimated on the basis of data collected through the sample survey for the selected villages. Health expenditure for households was blown up for the state taking in to account average expenditure for the sample population and then propelling it for the sample village, sample district and finally for the state population.

- ***Expenditure on health by the NGOs***

On the basis of our sample survey we collected the expenditure incurred by the NGOs for providing health care services. We estimated the expenditure per NGO and multiplied the average expenditure by the total number of NGOs providing health care services in Maharashtra.

- ***Expenditure on Health Care by the Firms***

Following the sample survey conducted by CMDR for the firms, contribution of firms was estimated by taking the average health expenditure per employee and then multiplying it with the total number of employees in the firms in Maharashtra state.

We estimated the total health expenditure for Maharashtra state by summing up the expenditure incurred by households, NGOs, firms, and government.

Provider Survey

The sampling procedure followed for provider survey is given in Table No. 1 below. Totally we covered 50 providers of health care including 25 private and 25 public providers. We could cover 22 providers from rural areas and 28 providers from urban area. For urban Maharashtra all the samples are from Mumbai. For rural Maharashtra the sample was 12 in Nasik and 9 in Nanded.

Table No. 1: Health care Provider -Maharashtra

Public	Rural	Urban	Private	Rural	Urban

Employer Survey

Employer survey includes firms, which provide health care to their employees. We randomly selected 10 firms from the list of firms available for the state of Maharashtra. In case of the selected firm not providing any health care then we opted for the next firm in the list, which provided health care. This was the procedure followed also in the case of firms not willing to provide information.

NGO Survey

For NGO survey we followed purposive sampling by selecting those NGOs, which mentioned health care as one of their activities. We could collect information from 10 NGOs located in different parts of Maharashtra.

Estimation Procedures

Following the ICHA classification WHO guidebook (2003), codes were assigned to sources and agents of financing and to providers and health care functions. Wherever, the agents, providers or

functions differed from ICHA or were not found in ICHA classification the codes have been extended under the same codes by putting additional numbers. Codes have been extended in the case of expenditure on traditional birth attendants, ISM & H, livestock in health care facility, stipends and scholarship in educational institutions, etc. The expenditure on health by the households, firms and NGOs was estimated on the basis of field survey. Information on public expenditure was gathered mainly from government budget and other documents.

Socio-economic and health profile of selected households

In this section we discuss in detail the socio-economic profile of households as well the health status of the sample population followed by description of the resource flows and health expenditure according to sources, agents, providers and health care functions (services). Distribution of households according to religion and social groups is presented in Table No. 2 and No. 3 below. Majority of the households belong to Hindu followed by Buddhist and Muslim. This is in contrast to other selected states where the percentage of Muslims is higher next to Hindu religion. Among the social groups the sample is represented mainly by other backward castes (41 percent) followed by general categories. One percent of the households have not responded to the query on social group.

Table No. 2: Distribution of household according religion (in percent)

District	Hindu	Muslim	Christian	Sikh	Buddhist	Jain	Others	Total

Table No. 3: Distribution of households according Social Group (in percent)

District	SC	ST	OBC	General	No Response	Total

Though Nanded is considered to be the backward district among the selected districts, the percentage of households Below Poverty Line (BPL) is very high in Nasik district as shown in Table 4 below. This could be because the percentage of ST population is higher in rural areas of Nasik district. As indicated by the figures in Table No. 4 the economic status of majority of the households in Mumbai appears to be better than the households in other districts.

Table No. 4: Distribution of households according BPL card holder (in percent)

[redacted]

APL: Above Poverty Line

Source : *Primary data*

Table No. 5: Age –wise and Sex-wise reporting of illness by household members [in percent]

[redacted]

Probability of sickness for the three selected districts is 0.50 and 0.52 in Nanded district, which is backward among the selected districts. The reporting of illness as presented in Table No. 5 is higher among the middle aged followed by the youth, children and aged (i.e. 60 and above) accordingly.

Reporting of communicable diseases was found to be higher in Nanded district both for male and female (see Table No. 6). Since Nanded is one of the backward districts in Maharashtra the higher reporting of communicable diseases calls for state intervention because in the private sector treatment available for such type of

Table No. 6: Sex-wise distribution of household members according to reporting of illness [in percent]

District	Male							Female							
	Common diseases	Communicationable	Non Communicationable	Accidents	Others	the reproductive	Total	Common diseases	Communicationable	Non Communicationable	Accidents	Gyneological problems	Others	HIV	Total
Nanded	5.01	82.71	11.26	0.91	0.11	0.00	100.00	3.02	89.51	6.18	0.57	0.43	0.29	0.00	100.00
Mumbai	68.99	6.47	20.44	2.04	2.04	1.53	100.00	62.02	4.50	26.51	0.47	4.50	1.86	0.16	100.00
Nasik	66.30	7.80	21.68	2.18	2.03	1.87	100.00	58.99	7.37	25.35	1.08	4.15	3.07	0.00	100.00
Total	41.48	38.68	16.99	1.61	1.24	1.00	100.00	40.41	35.14	19.03	0.70	2.96	1.71	0.05	100.00

Source : *Primary data*

diseases would be costlier as compared to treatment in public facility. Though Maharashtra state records the highest incidence of HIV in India accounting for about 50 percent of the cases in the country (Govt. of Maharashtra 2002), the reporting of HIV/AIDS was almost nil during the household survey. Only one female case (0.05 percent) was reported in Mumbai, which has highest incidence of HIV/AIDS in the state. The incidence of communicable diseases was higher in Mumbai and Nasik

Table No. 7: Persons seeking medical treatment (in percent)

There appears to be increasing awareness about health among the public as 97 percent of those who reported illness during the reference period (2006) have consulted doctor for treatment (Table No. 7). NSS(National Sample Survey) 52nd round results revealed that 83 percent in rural areas and 91 percent in urban areas of the country consulted medical facility for treatment of their illness during 1995-96

.**Table No. 8: Use of health care facility (in percent)**

Availability of public facilities appears to be lower in the backward district of Nanded (Table No. 8) as only 5 percent of the households have used public health facility. However it is encouraging to know that among those who used public facility the percentage of patients who received free medicine (see Table No. 9) is higher in Nanded (63 percent) as compared to Mumbai (31percent) and Nasik (37 percent).

Table No. 9: Availability of free medicine in public health

On an average 97 percent of the households required transportation facility (Table No. 10) to visit health care facility centres. But, the percentage of households depending on transport and those who travel more than 10 kms is higher in the backward district of Nanded.

Table No. 10: Use of transportation to approach health facility

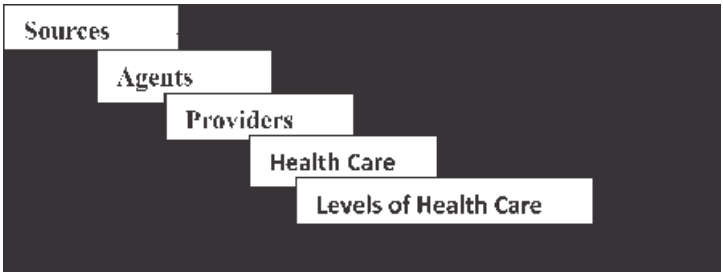
Utilisation of health facility according to levels of health care given in Table No.11, indicates that majority of the households have used primary health facility. When both public and private facilities are taken into consideration, the preferences are in the order of primary (60 percent), secondary (24 percent) and tertiary care (16 percent), which is generally the observed pattern in the country. But, if we take only public sector facilities there is a change in the preferences. Utilisation of public facilities for tertiary care is higher (47 percent), whereas it is 42 percent for primary and 11percent for secondary care. Since tertiary care is costly in private sector, poor prefer public facility for inpatient and referral services. This is indicated by the results of 42nd and 52nd rounds of National Sample Survey (NSS) also.

Table No. 11: Utilisation of health facility according to levels of health care

Description of resource flow and expenditures

Resource flow to health care and subsequent health expenditure include different entities in the provision of funds, agents who facilitate movement of funds for supply of services, providers of services and final beneficiaries who get the health care services with or without making financial transactions (free or paid service).

Figure No. 2: Description of resource flow and expenditures



In this section we present health expenditure for Maharashtra state based on household survey and budgetary expenditure taking in to account actual expenditure for 2004-05. The details of health expenditure are presented as follows.

- Total health expenditure estimated for the state (public+private)
- Household expenditure (actual for the sample)
- Household expenditure (estimated for the state)
- Public Expenditure (actual)
- Flows and expenditures according to sources and agents of finance, providers of service and health care levels and health care functions

Total Health Expenditure [THE] [Public +Private]

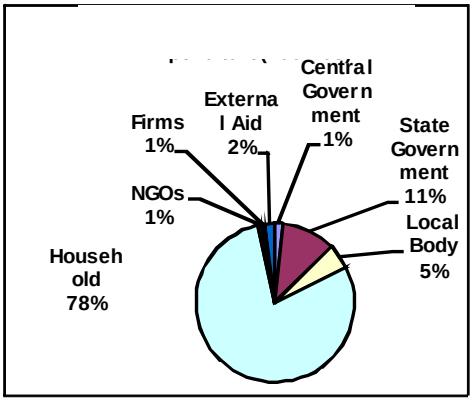
The overall source-wise expenditure presented in Table No. 12 for Maharashtra state indicates the significant and increasing use of private sector in health care provision. If we compare the Central Statistical Organisation's (CSO) estimates for 2001-02, there is decline in the share of public expenditure both in terms of per capita expenditure and its share in total health expenditure (see Table No. 12). The Maharashtra State Human Development Report (2002) specifies that there is decline in the share of public expenditure in the

revenue expenditure during 1980 to 1999. CMDR estimates also indicate that there is a decline in the share of public expenditure in healthcare in Maharashtra.

Table No. 12: Source-wise Per capita Health Expenditure-Comparison

The total overall expenditure on health care incurred by all public and private sources in Maharashtra state is estimated to be Rs.76482.58 million during the year 2004-05 (current expenditure). Figure 3 shown below indicates that in the private sector out- of- pocket expenditure by households is the major financing source in meeting health expenditure accounting for about 79 percent. Among public sources, state government has a major role to play as around 11 percent of the expenditure is met from state government finance. The share would be higher if we consider local government financing because the Zilla Panchayats(ZPs) and municipal bodies get financial assistance from state government. But, we consider local government as a source and agent in expenditure on health care functions for which funds are routed through local government bodies. The 73rd and 74th Amendments to the Constitution have enabled transfer of many activities including health to local bodies. This is evident from the share of local government in health expenditure for Maharashtra (see matrices Table 32 (FS X FA). However, the total health expenditure as share of State Domestic Product (SDP) 2004-05 at current prices is very low at 2.06 percent. The studies of CSO (2005) and NHA (2001-02) reveal total health expenditure to be more than 4 percent of Gross Domestic Product for the country.

Figure No. 3 : Sourcewise Health Expenditure (2004-05)



The estimates developed by National Health Accounts (2001-02), National Commission on Macro Economics and Health (NCMH), and CSO in comparison to present (CMDR) study for different periods for the country and for 2004-05 for Maharashtra are provided in TableNo. 13.

Table No. 13: Total Health Expenditure of Maharashtra: Comparison with other Estimates (in percent)

Sources of Funds	NHA (2001-02) India	NCMH (2005) India	CSO (2005) India	CMDR (2004-05) Maharashtra

Source : *Compiled from different sources*

Table No. 13 shows that there is decline in public health expenditure over the years. It can be noted from the Table that the share of local government expenditure is increasing.

Household Expenditure

Table No. 14 provides average treatment expenditure per sickness episode according to religion of the reporting sick person. Average expenditure incurred by sick persons belonging to Hindu religion is very high among sample households. And among Hindus it is higher for Scheduled Castes (Scs).

Table No. 14: Expenditure per sickness episode by Religion

Religion	Expenditure per case (Rs.)

Though the share of health expenditure in total household expenditure (given in Table No. 15) for the reference period is lower in the backward district of Nanded, the expenditure per sickness episode according to social groups indicates that expenditure for SCs (household survey) is higher in Nanded as compared to other two districts. Health expenditure constitutes a major item of household expenditure in Mumbai, which is one of the metropolitan cities in India. But, the per capita health expenditure is higher in Nasik district, which has higher percentage of ST population and very high percentage of BPL households (75 percent). The per capita income and per capita expenditure is also very low in rural Nasik (see Table No. 15). The burden of health expenditure for the household can be

felt from the share of per capita health expenditure in per capita household income, which is 3 percent in Mumbai, but 5 percent in Nanded and 15 percent in Nasik.

Table No. 15: District-wise Household Health Expenditure

District	HH Health expd. as percentage to total income	HH Health expd. as percentage to total expenditure	Health Expenditure per sick case (Rs.)	Per capita HH income (Rs.)	Per capita HH Expenditure (Rs.)	Per capita HH Health Expenditure (Rs.)
Nanded	21.44	4.45	1284.92	12480.70	2587.57	582.06
Mumbai	29.47	20.34	1267.35	20650.72	14250.88	700.88
Nasik	6.56	4.43	888.31	4935.91	3337.59	752.89
Total	18.60	9.48	1183.50	12525.42	6381.87	673.53

Source : Compiled from different sources

Household Expenditure by Type of Health Care

Table No. 16 gives the details of sick cases according to the type of consultation opted by the reporting sick person. Outpatient constitutes 74 percent (59 percent +15 percent) including ISM & H, which is generally consulted for outpatient treatment. Outpatient treatment in ISM & H system is costlier compared to allopathic system. The cost of inpatient care is very high as it includes hospital rent, surgical treatment, diagnostic tests and medicines.

Table No. 16: Percentage of Sick Cases according to type of Consultation

District	Outpatient		Inpatient		Day Care		ISM & H		Total	
	percentage to total cases	Per case cost (Rs.)	percentage to total cases	Per case cost (Rs.)	percentage to total cases	Per case cost (Rs.)	percentage to total cases	Per case cost (Rs.)	percentage to total cases	Per case cost (Rs.)

Source : *Compiled from different sources*

Households incur major part of the health expenditure i.e. around 59 percent on availing medicines and ancillary services (see Table No. 17). They spend 28 percent on inpatient care and negligible amount on health insurance (0.08 percent). Though outpatients constitute 74 percent (including ISM & H) (see Table No. 16 above) of the total reported cases, the expenditure incurred for outpatient care is 11 percent of total household health expenditure because it includes mainly consultation charges, which are lower compared to inpatient treatment cost.

Table No. 17: House hold Expenditure on Health in Maharashtra 2004-05 (Rs in Million)

Health Care	Rs in Million	Percentage

Source: *Household Survey, CMDR*

Outpatient care

Expenditure on general medical services constitutes major part of outpatient expenditure (See Table No. 17). ISM&H appears to be gaining popularity in rural Maharashtra as 18 percent and 27 percent of the sick in Nasik and Nanded respectively have opted for treatment under these systems. But, the treatment is costly as 39 percent of the outpatient expenditure is incurred on these facilities. Since public referral services are generally cheaper, the expenditure on such facilities is less than 2 percent (1.9 percent) in outpatient expenditure.

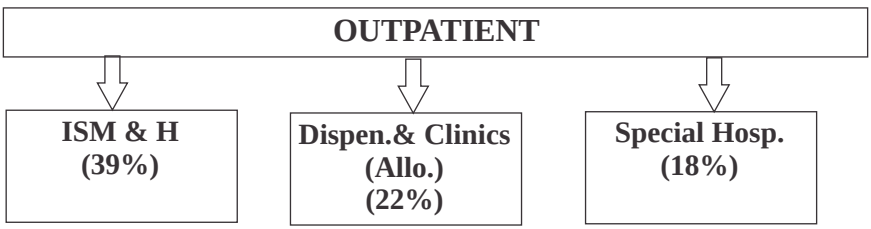


Table No. 18: Percentage of Household Out Patient Expenditure By Health Care and Health Provider

ICHA Code	Providers	HC1.3	HC1.3.2	HC1.3.4	HC1.3.5	HC6.1	HC6.1.1	HC6.4	Hcnsk	Total
		General Medical	**Dental Services**	**ENT Services**	**Eye Care Services**	**MCH Services**	**Delivery at Home**	**Immuniz ation**	**Any other**	
HP1.1.1	General hospitals (allopathic) of Central Government ministries/ Departments	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
HP1.1.2.1	PHC/PHU Rural	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
HP1.1.2.2	PHC Urban	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27
HP1.1.2.3	CHC/Taluk Hospital	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.26
HP1.1.2.4	District Hospital	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
HP1.1.2.5	State Government's Department Hospital	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
HP1.1.3	General Hospital owned by Local Government	0..31	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.34
HP1.1.4	Dispensaries / Clinic / Hospitals run by Corporate sector	0.00	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.26
HP1.1.1.5	Private General Hospital (Allopathic)	16.33	0.04	0.15	0.74	0.47	0.05	0.11	0.08	17.97
HP1.1.1.7	Dispensaries / Clinic / Hospitals run by co-operatives	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01

Continued...

ICHA Code	Providers	HC1.3	HC1.3.2	HC1.3.4	HC1.3.5	HC6.1	HC6.1.1	HC6.4	Hcnsk	Total
		General Medical	**Dental Services**	**ENT Services**	**Eye Care Services**	**MCH Services**	**Delivery at Home**	**Immunization**	**Any other**	
HP1.3	Specialty hospitals (allopathic)	15.83	0.18	0.79	1.14	0.25	0.02	0.00	0.00	18.20
HP3.3.13	Traditional Birth Attendant	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.11
HP3.4.1	Family planning welfare centres / ANM centres	0.03	0.00	0.00	0.00	0.49	0.00	0.00	0.00	0.0.52
HP3.4.5	Dispensaries and clinic (allopathic)	19.46	0.76	0.08	0.32	0.54	0.05	0.15	0.04	21.42
HP3.4.5 (ISM)	Dispensaries and clinic (ISM & H)	38.67	0.00	0.00	0.00	0.00	0.09	0.00	0.00	38.77
HP.3.4.9	All other outpatient multi speciality centres	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
HP3.4.5.4	RMP/Quacks	0.44	0.00	0.01	0.00	0.03	0.00	0.00	0.00	0.45
HC8.2.1.5	Private Teaching Hospital	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
Hpnsk	Not Specified by kind	0.05	0.00	0.00	0.04	0.00	0.01	0.00	0.00	0.10
	Total	92.98	1.25	1.04	2.24	1.79	0.33	0.26	0.12	100.00

Source: *CMDR Survey 2006*

Inpatient care

Major part of the expenditure on inpatient care shown in Table 19 is on surgical treatment (44 percent) followed by consultancy charges (10 percent). Dependence seems to be higher on charitable hospitals as 44 percent of the expenditure is incurred on services from these hospitals. This could be due to cheaper and quality service that is available in charitable hospitals, particularly in Mumbai.

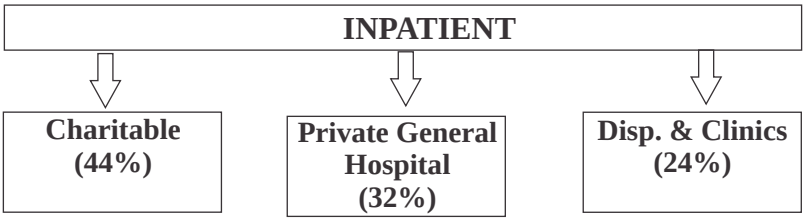


Table No. 19: Percentage of Household Inpatient Expenditure By Health Care and Health Provider

ICHA Code	Providers	HC1.1	HC1.1.1	HC6.1.1	Hcnsk	Total
		Consultancy	**Surgical Treatement**	**Maternal Health**	**Any other**	
HP1.1.1	General hospitals (allopathic) of Central Government ministries/ Departments	0.005	0.000	0.000	0.000	0.005
HP1.1.2.1	PHC/PHU Rural	0.001	0.000	0.000	0.000	0.001
HP1.1.2.2	PHC Urban	0.004	0.000	0.000	0.021	0.26
HP1.1.2.3	CHC/Taluk Hospital	0.005	0.079	0.000	0.060	0.144
HP1.1.2.4	District Hospital	0.003	0.000	0.000	0.005	0.008
HP1.1.2.5	State Government's Department Hospital	0.049	0.000	0.000	0.000	0.049
HP1.1.3	ESIS Hospital	0.000	0.000	0.000	0.007	0.007
HP1.1.3	General Hospital owned by Local Government	0.090	0.653	0.235	0.250	1.228
HP1.1.1.5	Private General Hospital (Allopathic)	4.945	16.911	2.124	0.000	23.980

Continued...

ICHA Code	**Providers**	HC1.1	HC1.1.1	HC6.1.1	Hcnsk	**Total**
		Consu ltancy	**Surgical Treatement**	**Maternal Health**	**Any other**	
HP1.1.1.6	Charitable hospital	0.000	43.755	0.00	0.000	43.755
HP1.1.1.7	Dispensaries / Clinic / Hospitals run by co-operatives	3.096	0.000	1.483	0.301	4.880
HP1.3	Specialty hospitals (allopathic)	0.142	0.000	0.000	0.000	0.142
HP3.4.1	ANM centres	0.008	0.000	0.000	0.000	0.008
HP3.4.9	All other outpatient multi speciality centres	0.391	0.070	0.000	0.009	0.470
HP3.4.5	Dispensaries and clinic (allopathic)	0.791	22.550	0.000	0.880	24.220
HP3.4.5 (ISM)	Dispensaries and clinic (ISM & H)	0.000	0.070	0.000	0.014	0.083
HP3.4.5.4	RMP/Quacks	0.233	0.000	0.000	0.000	0.233
HP7.2	Providers of home health care services	0.422	0.140	0.119	0.055	0.735
H8.2.1.5	Private Teaching Hospital	0.007	0.016	0.000	0.000	0.023
Hpnsk		10.192	84.245	3.962	1.602	100.000

Source : *CMDR Survey 2006*

Ancillary services

Drugs constitute 80 percent of the cost on ancillary services (see Table No. 20) of which 70 percent of the cost is on retail purchase. Out of this expenditure households incur 10 percent on supplies made by doctors or private clinics. The increasing use of diagnostic services is indicated by its substantial share, which is 12 percent in total expenditure on ancillary services.

Table No. 20: Percentage of Household Ancillary Services Expenditure by Health Care and Health Provider

ICHA Code	Providers	Total

Table No. 21: Percentage of Household Day Care Expenditure By Health Care and Health Provider

ICHA Code	Providers	HC1.2 Curative care	HC1.2.9 Other treatment	Total

Source : CMDR Survey 2006

Daycare Service

Daycare services include admission of sick patients in to the hospital usually for prolonged hours of stay required on account of diagnostic tests, administration of saline, observation, etc. Household expenditure on day care is generally incurred on curative care (95 percent), while around 5 percent is spent on diet, travel, etc. (see Table No. 21). Admission to day care treatment appears to be higher in private general hospitals, private clinics and specialty hospitals as around 75 percent of the day care expenditure is spent on services provided by these hospitals.

Household Expenditure by Provider of Service

Table No. 22 shows that households spend mainly on purchase of drugs and medical goods from retailers (49 percent) and on services provided by hospitals (27 percent). The other main expenditure is on ambulatory care. Around 23 percent of the expenditure on ambulatory care indicates three possibilities. One people can afford the cost of ambulatory care. Second the use of ambulances has become common due to its reduced cost on account of competition or social service. Thirdly, it indicates the need of emergency health services for the households, which could be on account of increasing cases of cardiac failure, acute diseases of circulatory system and accidents.

Table No. 22: Household Expenditure by Provider

(Rs in Millions)

Sl No	ICHA Code	Providers	Total HH Exp	Percentage

Household Expenditure by Health Care Function

Household spending according to health care functions presented in Table No. 23 indicates that it is mainly on curative care. Expenditure on medical goods, which is 49 percent of health expenditure is also part of the curative care

Table No. 23: HH Expenditure by Health Care Functions (Rs in Million)

Sl No	ICHA CODE	Function Description	IIIIs	Percentage

Source : Compiled from different sources

Household Expenditure by Levels of Health Care

Excluding the cost of medicines and ancillary services, which account for more than half of the health expenditure, households spend 17 percent of the expenditure on tertiary care (see Table No. 24).

Table No. 24: HH Expenditure on Health by Level of Health Care during 2004-05

Level of Health Care	Rs in Million	Percentage

Public Expenditure

Public expenditure generally includes curative care (hospitals and dispensaries), preventive care such as control of diseases, promotive care including family welfare (maternal and child health), immunization, medical education, social security (ESIS), food and drug administration, capital expenditure on infrastructure and supplies, etc. Central, State and Local governments are the main sources of public expenditure. State government is a major source of public expenditure (see Table No. 25). But, it meets more than 70 percent of the public expenditure on health if we include its contribution in local government fund and ESIS. The share of local government expenditure in total budget, which is 27 percent, indicates that Maharashtra government is involving local government in the provision of health care services. External funding is an important source of public expenditure in Maharashtra as it accounts for more than 10 percent of total budget expenditure (see Table No. 25).

Table No. 25: Source wise Budget Expenditure on Health during 2004-05

Sources	Rs in Million	Percentage

Table No. 26: Summary of Budgetary Expenditure by Major Heads 2004-05

The major budgetary heads of expenditure and their respective share in total health expenditure are presented in Table No. 26.

Medical and Public Health [2210]

Medical and public health is a major item of expenditure under state government budgetary heads. Its major component is public health constituting 59 percent of its expenditure heads (see Table No. 27). Public health includes disease control programmes covering mainly rural areas. Urban health services under allopathy receive 40 percent of the expenditure on medical and public health. Here the expenditure is mainly on hospitals and dispensaries. Since Maharashtra is an industrial state around 24 percent of the medical and public health expenditure on urban health services (i.e. Rs. 1139 millions) is spent on ESIS.

Table No. 27: Budget Expenditure on Medical and public health (2210)

Sub Heads	Description	Rs in Million Percentage

Sub Heads	Description	Rs in Million Percentage

Family Welfare (FW) [2211]

Major component of FW budgetary expenditure is on direction and administration accounting for 32 percent. Other major head of expenditure amounting to 22 percent is on maternal and child health (MCH) -22 percent.

Table No. 28: Budget Expenditure on Family Welfare (2211)

Sub Heads	Description	Rs in Million	Percentage

Expenditure by levels of health care presented in Table No. 29 indicates that major component of government expenditure is incurred on secondary care, which includes hospitals and referral services at block level. Primary care is one-fourth of health expenditure. Prevention of diseases and family welfare are other major two components of budgetary expenditure. Expenditure on tertiary care is very low being only 5 percent of budgetary expenditure.

Table No. 29: Budget Expenditure on Health by Level of Health Care during 2004-05

Level of Health Care	Rs in Million	Percentage

Public hospitals are the main providers of health services (Table No. 30) receiving budgetary support accounting for about 45 percent of budgetary expenditure. Expenditure not specified by kind (NSK) is very high (27 percent) when we classify expenditure according to

provider of services. Due to gaps in accounting system of government budget public is denied of the information on who is the provider of services for expenditure amounting to Rs.3879 million, which is more than one-fourth of total budget expenditure.

Table No. 30: Provider wise Budget Expenditure on Health During 2004-05

ICHA Code	Description	Rs in Million	Percentage

Source: Compiled from different sources

Table No. 31: Health Care wise Budget Expenditure during 2004-05

ICHA Code	Description	Total	Percentage

Source: Compiled from Civil Budget Estimates 2006-07 Govt of Maharashtra

Table No. 31 indicates that not specified by kind amounts to 42 percent of total budget expenditure presented according to health care activities. Since the state budget does not provide details of these expenditures, which are classified as 'other expenditure' all such

expenditures are clubbed against not specified by kind. This expenditure includes grants given to ZPs. As the link documents for ZPs were not available for Maharashtra we could not trace final expenditure under these heads. Expenditure not specified by kind probably indicates the discretionary power given to ZPs for making health expenditure. Curative services and capital expenditure are the major items of government expenditure on health.

Health Matrices

To present the inflow and outflow of resources from source to agents, agents to providers and from providers to beneficiaries the health expenditure for Maharashtra has been presented in the form of following five matrices.

- Source of Finance and Financing Agents (FS X FA)
- Source of Finance and Provider of Service (FS X HP)
- Source of Finance and Health Care Functions (FS X HC)
- Source of Finance and Level of Health Care Functions (FSX F)
- Health Providers and Health Care Functions (HP X HC)

Matrices on source-wise resource flow to financing agents in health care given in Table No. 32 (FSXFA) bring out clearly the fact that households are the major source as well the agent in financing total health expenditure, which is routed through out-of –pocket expenditure. In the public sector, Health and Family Welfare Department (H&FW) is the major source of financing health care. Though the finances to different departments flow from Centre, State and Local government, the departments are considered as sources in the matrices (FSXFA) and in health accounting, as they are the ultimate sources of expenditures for providing different health care services. While NGOs and firms account for about 2 percent of financing source and agent, insurance including ESIS accounts for less than 1.5 percent. In an industrial state like Maharashtra the coverage of ESIS appears to be low if we consider the overall health expenditure**.** As ESIS is a social security scheme and is subsidized by the government, private contribution to ESIS is negligible. With the decentralization of governance local bodies have a significant role in

public health expenditure as indicated in Table No. 32, which shows around 8 percent (when local governments are considered as financing agent) of expenditure to be routed through local government bodies. World Bank and German Aid are the two external sources of funding accounting for about 2 percent of total expenditure in Maharashtra.

Table No. 32: Percentage of Health Expenditure by Source of Finance and Financing Agents to Total Expenditure, in Maharashtra, 2004-05 (FS X FA)

Sl No	ICHA Code	Financing Agents (FA)	Financing Source (FS)								Total
			MoHFW	H & FW Dept	ESIS	Other Departments	HHs (Rs)	NGO	Firms	External Aid	
			FS1.1.1	FS1.1.2.1	FS1.1.2.3	FS1.1.2.2	FS2.2	FS2.3	FS2.1	FS3	
[redacted]											

Source : *Compiled from Civil Budget Estimates 2006-07 Govt of Maharashtra and Household Survey done by CMDR*

As discussed earlier households and H&FW department is the major source of expenditure on health care (see Table No. 33). Out-of-pocket expenditure incurred by households is incurred mainly on the purchase of drugs and medical goods from retail shops where they spend around 39 percent of the total expenditure. 22 percent and 18 percent respectively is spent on the provision of services from hospitals and on ambulatory care. NGOs and firms together meet around 2 percent of the health expenditure. But, we do not know who ultimately provides the services under the finance from NGOs and firms, as provider-wise information is not available for these two sources.

Table No. 33: Percentage of Health Expenditure to Total Expenditure by Source of Finance and Provider, Maharashtra 2004-05, (FS X HP)

Sl No	ICHA Code	Providers	Sources of Finance							
			Public		Total HH Exp		Total NGO	Total Firms	External Agencies	Grand Total
			H & FW Dept	Other depts	Out Of Pocket	Insurance Premium				
			FS1.1.2.1	FS1.1.2.2	FS2.2	FS2.2.1	FS2.3	FS2.1	FS3	
1	HP1	Hospitals	6.44	0.01	21.45				1.92	29.82
2	HP3	Providers of Ambulatory health care	1.35		18.18					19.54
3	HP4	Retail Sale and Other Providers of Medical Goods			38.78					38.79
4	HP5	Provision & Administration of Public Health Programmes	2.21						0.07	2.28
5	HP6	General Health Administration & Insurance	0.99							0.99
6	HP7	Providers of Home Health Care Services			0.05					0.05
7	HP8	Teaching Hospital	0.61	0.31	0.20					1.12
8	HPnsk	Not Specified by Kind	5.07	0.68	0.01					5.77
	Provider information not available				0.00	0.06	0.89	0.69		1.64
9	Total		16.68	1.00	78.68	0.06	0.89	0.69	1.99	100.00

Source: *Compiled from Civil Budget Estimates 2006-07 Govt of Maharashtra and Household Survey done by CMDR*

Matrices on health expenditure by financing sources and health care functions (FSXHC) given in Table No. 34 also indicates that major expenditure is by households, which is spent on medicines made available to outpatients, followed by curative services. Health expenditure not specified by kind is more than 8 percent and these functions are met through state government departments. This amounts to Rs.6796 millions and we cannot trace where ultimately the money is spent and on what services under other expenditure.

The financing sources for capital expenditure are state government and external agencies. Capital expenditure accounts for 3 percent of total expenditure. Table No. 34 shows that external agencies have financed mainly the capital expenditure, which is towards the provision of machinery and equipment and materials and supplies.

Table No. 34: Percentage of Health Expenditure by Financing Sources and Health Care Functions (FS X HC) to Total in Maharashtra during 2004-05

ICHA CODE	Function Description	Financing Source							Total
		H & FW Dept	Other Departments	HHs		NGO Sector	Corporate Sector	External Agencies	
				Out of Pocket	Insurance Premium				
		FS1.1.2.1	FS1.1.2.2	FS2.2	FS2.2.1	FS2.3	FS2.1	FS3	
HC1	Services of curative care	4.31	0.01	30.57					34.88
HC4	Ancillary services to medical care	0.21		8.00				0.01	8.21
HC5	Medical good dispensed to outpatients			38.65					38.65
HC6	Prevention and public health services	1.64						0.05	1.68
HC7	Health Administration	1.47		1.12				0.29	2.88
HC9	HC Expenditure not specified by Kind	7.36	0.68	0.35				0.49	8.89
HCR1	Capital Expenditure	1.46	0.31					1.16	2.93
HCR2	Education and Training of Health Personnel	0.10							0.10
HCR3	Research and Development in Health	0.02							0.02
HCR4	Food, hygiene and drinking water control	0.11							0.11
Function information not available					0.06	0.89	0.69		1.64
Total		16.68	1.00	78.68	0.06	0.89	0.69	1.99	100.00

Source: *Compiled from Civil Budget Estimates 2006-07 Govt of Maharashtra and Household Survey done by CMDR*

Household and budgetary health expenditures were codified according to the levels of health care on which the expenditures were made to know the flow of resources in to different levels of health care viz. primary, secondary and tertiary care. Since expenditure pattern does not reveal the utilization pattern or the extent of need for different levels of health care an attempt was made to find out utilization pattern from the household data to link it to total expenditure. The specific data on use of dispensaries, clinics, PHCs, general and specialty hospitals, private doctors and the nature of illness facilitated their coding according to levels of health care. Matrices (4.36) on health expenditure by financing sources and levels of health care indicate that public sector spending is more (6.85 percent) on secondary care, which includes hospitals and referral services. Less than 1 percent is spent on tertiary care in Maharashtra. But, the household pattern shows that the use of public facilities in tertiary care is 47 percent and the household expenditure on tertiary care is more than the expenditure on primary and secondary care.

This is obvious as the cost of tertiary care generally includes inpatient treatment, surgical cost, intensive and emergency care. But, utilization pattern indicates the preference of the public for tertiary care as well the need for it.

Table No. 35: Percentage of Health Expenditure by Financing Sources and Level of Health Care Functions (FS X F) to Total in Maharashtra during 2004-05

Function Description	Financing Source (FS)						Total
	H & FW Dept	Other Departments	HHs		NGO Sector	Corporate Sector	
			Out of Pocket	Insurance Premium			
	FS1.1.2.1	FS1.1.2.2	FS2.2	FS2.2.1	FS2.3	FS2.1	FS3
Primary	4.75		8.88				13.63
Secondary	6.85		8.04				14.89
Tertiary	0.99		13.45				14.45
Public Administration	1.02						1.02
Prevention & Control of Diseases	2.12						2.12
Family welfare	1.89		0.06				1.95
Social security and welfare	0.07						0.07
Secretariat social services	0.03						0.03
capital outlay on medical and public health	0.95						0.95
Medicines & Ancillary Services			45.00				45.00
Patient Travel Cost			3.26				3.26
Function information not available		1.00		0.06	0.89	0.69	2.64
Total	18.68	1.00	78.68	0.06	0.89	0.69	100.00

Source: *Compiled from Civil Budget Estimates 2006-07 Govt of Maharashtra and Household Survey done by CMDR*

Purchase of medicines from retailers is the major component of health expenditure (see Table No. 36). The provider and health care function-wise health care expenditure indicates that hospitals are the main providers of health services where the expenditure is incurred on curative care. 20 percent of the expenditure is made on provision of ambulatory care and around 8 percent is spent on ancillary services, which include medical equipments, diagnostics, etc.

Table No. 36: Percentage of Health Expenditure for Health Providers and Health Care Functions (HP X HC) to Total expenditure in Maharashtra during 2004-05

HP / HC	HP1	HP3	HP4	HP5	HP6	HP7	HP8	HPnsk	Other Dept.	Insurance Premium by HHs	NGO	Firm	Total
HC1	24.62	9.94	0.09			0.05	0.16	0.01					34.88
HC4	0.06	8.12		0.02									8.21
HC5			38.65										38.65
HC6	0.99	0.17	0.04	1.54			0.06						2.81
HC7	1.08	0.02		0.05	0.61								1.76
HC9	0.97	1.01		0.45	0.24		0.46	5.07					8.20
HCR1	1.99	0.28		0.21	0.14		0.01						2.62
HCR2							0.10						0.10
HCR3							0.02						0.02
HCR4	0.11												0.11
Function information not available									1.00	0.06	0.89	0.69	2.64
	29.81	19.54	38.79	2.28	0.99	0.05	0.81	5.08	1.00	0.06	0.89	0.69	100.00

Source : *Compiled from different sources*

Conclusion

Health accounts for Maharashtra compiled for the period 2004-05 reveal that households are the major sources of financing health care expenditure followed by state government. Due to Constitutional Amendments, local governments have emerged as one of the main agents financing health services. Though the share of external agencies is lower in overall expenditure (1.99 percent), there contribution in government spending is significant amounting to 11 percent. The study reveals that households spend mainly on purchase of medicines and on curative services. Government also spends major part on curative services. Household expenditure and use of facility is higher in tertiary care, while government expenditure is more on secondary care. House hold utilization of Public facilities for MCH is also higher, where as government expenditure on MCH is just 2 percent of Family Welfare Expenditure. So it can be assume that mismatch between public need and public expenditure.

The backward district of Nanded has lower utilization of public facility, higher percentage of households traveling more than 10 kms to reach health facility, higher reporting of communicable diseases,

higher probability of sickness and high per case treatment cost as compared to other sample districts. This suggests that there is uneven distribution of health care facility in Maharashtra state indicating the need for increasing public health expenditure in rural and backward districts of the states.

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