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CHANGING PATTERN OF CATASTROPHE IN PAYING FOR HEALTH CARE IN INDIA: A DISAGGREGATED ANALYSIS

Abstract:

The future of any society depends on the present quality of life of people. One can imagine the future of a society which has one of the poorest health records in the world and government spends only one percent of its gross domestic product (GDP) on public health for a population of more than one billion. All economic growth indexes are moving forward but the wellness index is dipping in the country. India is Asia's third-largest economy but ranked 171 out of the 175 countries in the world in public health spending. Low spending by the government, Resource-poor settings and low insurance availability force people to divert their resources from minimum necessities to ailments and health care which imposes high regressive cost burdens and pushes them into poverty. This study aims to access the economic costs and consequences of illness for households in India. It is based on Consumer Expenditure Survey data from the National Sample Survey Origination (NSSO) conducted in 1993-94, 2004-05 and 2011-12. Household spending on health as the percentage of their consumption expenditure has been calculated separately for rural and urban areas for each state of the country. The number of individuals below the state specific rural and urban poverty lines in all states, with and without health spending at different thresholds has been calculated. Results of this study shows that both intensity and incidence of catastrophic payment on health care has increased over the period of time (1993-94 to 2004-05 and 2011-12) at all threshold level and there is a large variation in health spending among Indian states.

Keywords:

India, household, health, catastrophe, threshold.

JEL Classification: I15, I14, I15