ANALYSING INPATIENT TREATMENT IN HARYANA: AN OVERVIEW FROM THE 71ST AND 75TH NSSO ROUNDS

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ABSTRACT

Haryana, a state in India that is characterised by its relatively higher economic status and ongoing development, exhibits the lowest allocation of government funds towards healthcare among other states. This paper presents a comprehensive analysis of inpatient healthcare facility utilization in the state of Haryana, India. Drawing upon data from the 71st and 75th NSSO (National Sample Survey Office) rounds, the study aims to ascertain current utilization trends of healthcare facilities and subsequent treatment costs incurred. The hospitalisation rate in Haryana has had a recent decline of 17.81 percent; nevertheless, this positive trend has been accompanied by a rise in the use of distress finance as a means of healthcare payment. As a result, households bear an overwhelming burden of more than 80 percent of healthcare costs, far exceeding the national average of 60 percent. The research highlights a consistent and predominant preference for private hospitalization over public options, shedding light on the factors influencing this decision-making process. Henceforth, the paper will provide a comprehensive understanding of the significant issues in Haryana's inpatient healthcare treatment that would be essential for policy formation.

INTRODUCTION

Over the past 75 years, India has witnessed remarkable progress and has integrated into a global world economy. Following Independence, it has transitioned from an underdeveloped country to a developing country and now into one of the fastest-growing economies in the world. Today when the entire world is going through a slump, India is growing and gaining international prominence. On the economic front, India has come a long way. While having witnessed tremendous economic growth, the country still lags behind in one of the most crucial sector pertinent to overall development of the country – the health sector. It has been very well documented that health plays an important role in the development and growth of a country. Therefore, the country has pledged to achieve Universal Health Coverage for all during 2015 agenda of Sustainable development goals.

Available evidence reveals that India has paid the cost of US $9 billion dollar for three major NCDS- heart diseases, stroke, and diabetes in 2005. This cost of NCDs over the period of 2012-2030 has been predicted to be around 3.5 trillion dollars.[3] In fact, the country is battling with the outbreak of triple illness burden, continued load of communicable diseases and rising non-communicable diseases and injuries.[10] A plethora of research has proved the linkage between the economic growth of the country and health of its citizens.[2,7,19] Yet the government's share in the health sector as a percentage of GDP has been merely increased from 1.15 percent in 2013-14 and tweaked to 1.35 percent in 2017-18, falling short of the promised share of 2.5 percent of GDP as per National Health Policy 2017.[12] The ripple effects of this low health spending are inaccessible, inequitable and poor quality of public health facilities. Thus, increasing the cost of healthcare and encouraging the use of private healthcare facilities. Physiological burden of disease coupled with cost of health care has amounted to the economic burden of household in the form of rising quality health care costs. The average hospitalization cost in India surged more than five times in nearly two decades (22 years), from INR 3921 in 1995–1996 to INR 20135 in 2017–18.[13,15] Concurrently, with relatively low public health spending more than 50 percent of the treatment cost has to be self-financed i.e paid out of one's own pocket. The world average of OOPE is 18 percent whereas in India it is 54 percent, thrice of the world's average.[22] This high share of out of pocket expenditure has catastrophic impact on household's financial condition and has forced people to resort to borrowing, selling assets, taking contributions from friends and family and other desperate measures ensuing distress financing by the households.

This rickety health financing system of India is pushing millions and millions of household into poverty trap. Health being the state subject, it is important to study disease burden level and its treatment trends at sub national level. The paper tries to provide a comprehensive overview of using inpatient healthcare facility in Haryana.

Haryana is one of the progressive states with high per capita income yet the state is one of the lowest spenders on health sector, it shares only 0.6 percent of GSDP on health sector.[4,12] This low level of government health spending has not been able to generate basic quality health resources for its population. As the result, households bear overwhelming burden of approximately 50 percent of the health care costs. This heavy reliance of self-financing health expenditure has increased poverty headcount in the state by almost 12 percent.[20]

The present study is designed to discuss the potential cost and consequences of using inpatient treatment facility in Haryana. The study also attempts to determine how many households are resorting to distress finance for inpatient treatment costs. The data source and methods utilized are described in Section 2. The findings of the analysis are presented in Section 3; the conclusion, suggestions and limitations are stated in Section 4.

2. METHODOLOGY

Unit level data from the two most recent rounds of the National Sample Survey (NSS)—the 75th round, which was done in 2018, and the 71st round, which was conducted in 2014—was extracted in order to analyse the change in the healthcare scenario in Haryana healthcare institutions. This multi stage stratified survey conducted by the Government of India elicits information on demographic details, morbidity details, healthcare facility details, health expenditure and financing details, maternity details , condition of the aged , immunization etc. at the household and individual level.

Hospitalisation data from the 71st and 75th rounds of NSS data were compared to examine the change in the scenario of inpatient treatment in Haryana. An overnight stay in a medical facility is referred to as hospitalisation or inpatient treatment. Both medical and non-medical expenses are included in hospitalisation costs. Medical expenses include doctor fees, medications, diagnostics, bed charges, and additional costs for physiotherapy, blood, oxygen, etc. Whereas transportation costs, food costs, caretaker accommodation costs, etc. are considered non-medical expenses .Since the study focuses on cost of illness, childbirth is excluded from the study. While factoring components of expenditure, package component which incorporates cost of medicines, bed charges etc. has been included in estimation of hospitalisation components. STATA software tool was employed to analyse treatment costs, percentage share of self-funded expenditure, and other descriptive statistics.

3. RESULTS/FINDINGS

The results of the NSSO's 75th round (2018) and 71st round (2014) are displayed below in contrast to one another to provide a clear picture of the areas that have improved, remained unchanged, or deterred and require attention.

3.1 Rate of ailment and treatment facility used

Individuals seeking treatment in a health facility will reflect the disease's prevalence. Table 1 outlines the rate of disease per 100000 populations vis-a-vis the treatment facility sought in Haryana in 2014 and 2018.

Table 1: Hospitalisation rate per 100000 population by type of health facility used in Haryana , 2014-18

	2014	2018	Percent change
Public	933	885	-5.1
Private	2523	1911	-24.3
All	3456	2841	-17.81

Overall, a decline of 17.81 percent has been observed in the hospitalisation rate of Haryana from 2014 to 2018. As per NSSO 71st round, overall hospitalisation rate was 3456 per 100000 population. The hospitalisation rate in private facility (2523) was almost thrice than in public facility (933) of Haryana. While in 2018, state wide, there were 2841 hospitalised cases per 100000 people of which 67 percent treated in the private sector and 33 percent in the public sector. This clearly demonstrates the continued preference for private healthcare facility over public healthcare facility for inpatient treatment.

Reason for predominance of private health facility over public health facility

For inpatient treatment, the main factors driving nearly two times as many patients to choose private hospitals over public ones are the dissatisfactory quality of healthcare services (41 percent) and lack of access of physicians in public hospitals. This can be ascribed to the Haryana government's poor investment in health sector, which has led to reduced facilitation of medical resources in public health facilities. Long waiting time (24 percent) and preference for a trusted doctor (19 percent) were cited as another key deterrent to using public health facility. The least important reason for avoiding use of government hospital was financial limitations (Figure 1).

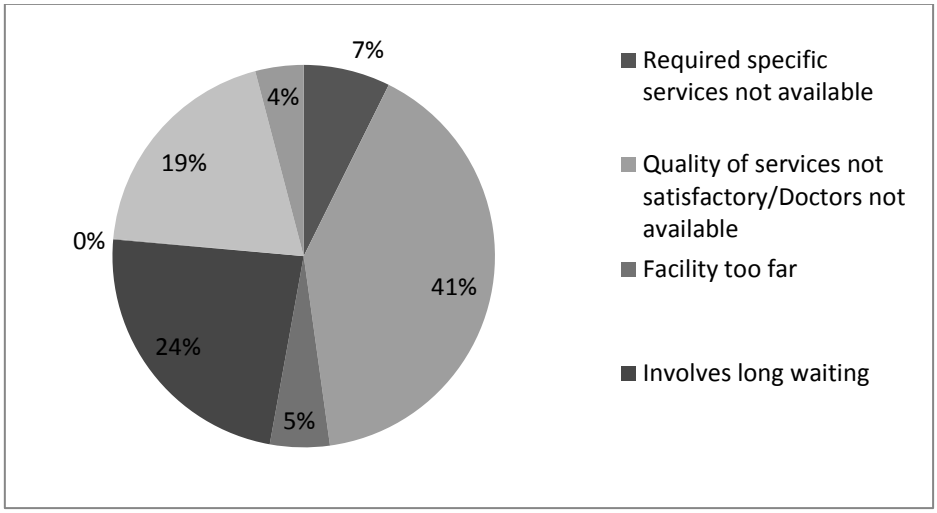

Figure 1: Reason for non-preference of public health facility for inpatient treatment.

3.2 Average inpatient treatment cost and share of expenditure components in Haryana's healthcare facility.

The average cost of expenditure incurred while using hospitalisation facility for all diseases except childbirth in Haryana was INR 26918 and reduced by 6 percentage points to INR 25300 in 2018 .The average share of these expenditure self-funded by the patient was 88 percent in 2014 and dropped to 84.34 percent in 2018. While a drop has been observed but the aforementioned statistics clearly demonstrate the large share of treatment's financial burden falls onto the patient itself due to lack of health insurance, inflationary cost of treatment and lack of quality services in public health facility enforcing households' preference for private health care facility wherein the inpatient treatment cost is thrice than public health facility.

In order to disentangle the drivers of high health costs it is important to calculate the extent to which components of medical expenditure contribute to treatment cost. The components of medical expenditure are medicines, user fees, bed charges, diagnostics and other medical expenditure such as physiotherapy, blood etc. Hospitals now provide packages for certain ailments that cover the costs of all the aforementioned components. Therefore, while evaluating the proportionate share of medical components in inpatient treatment cost, package component is also taken into account.

There has been a growing tendency of package components when utilising hospitalisation services in Haryana. Apart from that, medicines hold the highest share in all health facilities in both years.it was found that the share of user fees and bed charges is higher in private health facility than in public health facility. Expenditure share of medicines, diagnostic tests and other medical expenses is more in public than in private health facility in case of hospitalisation.

3.3 Source of financing hospitalisation treatment cost in Haryana

Household income has consistently been the main and most popular way to pay for healthcare expenses, followed by borrowing and contributions from friends and family as the third most popular way to pay for healthcare expenditure. Even though a decline has been observed in average treatment cost over the years, but a rise has been observed in distress ways of financing their health expenditure.

Distress financing is the process of paying for medical expenses through borrowed money, the sale of physical possessions, and contributions from friends and relatives. In 2018, 39.12 percent of all hospitalization cases in Haryana were paid through distressed finance methods, up from 33.69 percent in 2014. These distress ways of financing healthcare treatment has put a strain on household's finances.

4. Conclusion

The Indian government promised to spend 2.5 percent of its GDP on health to achieve Universal Health Coverage for all, but it only spends 1.2 percent of its GDP on health care, forcing people to rely on private healthcare services, which are used twice as much as public healthcare for inpatient care. As a result, healthcare research is vital because it may assist in identifying the major areas that increase healthcare costs so that relevant policies and programs can be devised and appropriate measures can be made in that direction. As health is a state matter, our research focuses on inpatient treatment in the state of Haryana, which is one of the lowest spenders on healthcare. This article attempted to highlight the economic burden of inpatient healthcare suffered by households in Haryana households using standard cost approach.

The study's findings also indicated that Haryana's inpatient healthcare costs substantially above the national average of INR 20124 in 2018. While the average treatment cost in Haryana has decreased somewhat over the previous four years from INR 26918 to INR 25300, but the treatment cost for non-communicable diseases such as cancer, cardiovascular, musculoskeletal, blood, gastro intestinal disorders, and traumas has grown.

Another observation from the survey is the growing trend of employing package components not only in private but also in state hospitals while using an inpatient treatment facility in Haryana. Aside from package components, medications and user fees are the primary drivers of healthcare prices .The likely cause for this high pharmaceuticals share might be due to lack of availability of medicines in public healthcare facilities, steering people to purchase from private pharmacies, who are encouraged by profit motives to sell at higher costs. Because the private sector is a profit-driven industry, the percentage share of user fees and bed charges are also comparably quite high in private healthcare facilities as compared to public healthcare facilities.

According to the NHA, the Haryana government has spent only 0.6 percent of its GSDP on health in 2017-18, one of the lowest in the country. As a consequence, the percentage of self- funded expenditure in Haryana is 84 percent in 2017-18, much higher than the national average of 54 percent. Contradictory to this, the households using distress financing methods has climbed by 18 percentage points. This increase in incidence of distress financing by households can be ascribed to high healthcare costs, decreased financial ability to pay and lack of health insurance or social security.

The data and graphics presented in the study have a few limitations. The first and most significant difficulty is that the data is self-reported and subject to human perspective. Furthermore, the data is collected over a 365-day period and hence cannot be correctly recalled. There is a possibility of over reported information and recall bias by the individual, giving skewed results. Due to the lack of a system for cross-checking reported data, this biasedness cannot be ruled out. Secondly, the patients who did not seek treatment for the disease are excluded from the study and hence, can lead to underestimation of disease prevalence in the state.

The study's findings plainly indicate that we have a long way to go before reaching the goal of universal health coverage for all. In public hospitals medicines are the major driving factor of high healthcare costs while in private hospitals user fees and bed charges accommodate the highest share of inpatient healthcare cost. In this context, the state and central government need to formulate policy and planning that are more inclusive and less exclusive. The findings have significant implications for healthcare policy and resource allocation, emphasizing the need for targeted interventions to improve public healthcare facilities and address the underlying reasons driving the prevailing trend of private hospitalization.

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