

## Public health expenditure

Tahmina Sultana | Updated at 11:00pm on April 24, 2019



— Global Health Governance

FROM the very beginning of our childhood, we all have heard the proverb ‘health is wealth’. We have learnt that good health is the key to success. Nothing is important in life than good health. Health is more significant for a person than wealth, etc. A vital relationship exists between health and economic growth of any country as healthcare performance is strongly dependent on the economy as well as on the health system.

Every country devotes a huge amount of public fund to healthcare provision believing that this would improve the health of the population and thus they can contribute meaningfully to economic growth and development. Therefore, the provision of health is seen as a key element of a policy to promote broad-based economic growth, which should be inclusive in that it does not leave millions of people behind.

However, in the current days, we all really experience this harsh truth that people are becoming economically vulnerable in order to maintain the high financial burden of healthcare expenditure as medical expenses to take medical advice from medical practitioners by providing consultation fees, the cost of medicine and the cost of various diagnostic tests as well as conveyance and time. Millions of people have to arrange their health care support by curtailing various daily expenses such as healthy and nutritious food, education, and clothing from their own pocket.

The Bangladesh National Health Account 1997–2015 report show that 67 per cent of the total health care expenditure is arranged by the individuals, 23 per cent by the public sector and the rest 10 per cent by other sectors. Whereas Achieving the universal health coverage has become a dominant global health policy concern over the past decade, advocating ambitious healthcare coverage goals, increase in health funding and financial pooling mechanisms for social protection.

The universal health coverage means that every people has access to quality health services whenever they need without any financial hardship. According to Lancet (2010), the universal health coverage refers to the organised healthcare systems where all people have access to essential health services without the financial hardship associated with payment. All people who need health services should receive them without undue financial sufferings and should have 100 per cent financial protection from out-of-pocket payments by 2032. Additionally, achieving the universal health coverage is among the core objectives of the health-related

Sustainable Development Goals and making health care affordable to everyone so that no one is left behind. Thus, an increase in budgetary allocation for social services is highly desirable in a developing country like Bangladesh.

The government has already designed a healthcare financing strategy for 2012–2032 to move towards the long-term objective of the universal health coverage. Bangladesh has a strong base of primary health care system, both in rural and urban areas, but we are yet to ensure the universal health coverage.

Public spending on health is central to the universal health coverage, but there is no clear trend of increased government priority for health in Bangladesh. The country spends less on health care than other countries in South Asia do and, indeed, less than most countries in the world do. Health expenditure per capita was around \$95 in 2013 compared with \$215 in India, \$126 in Pakistan and \$304 in Sri Lanka. The figures of the budgetary allocation of the total government expenditure and government health expenditure from 1975 to 2016 show that there is a sharp increasing pattern for total expenditure in the budget but the portion of health expenditure is very meagre in terms of the total expenditure.

Therefore, a study conducted by Bangladesh Institute of Governance and Management to see the impact of health expenditure and GDP growth on some select health outcomes found that health expenditure as percentage of the GDP has significant impact on reducing infant mortality (-1.2112), increasing life expectancy (0.124) and decreasing adolescent fertility rate (-0.638) by using autoregressive distributive lag technique. These models are stable in diagnostic tests and residuals are also normally distributed. Here, the data of selected health outcomes and per capita GDP has been taken from the World Development Indicators and the total health expenditure data have been taken from Bangladesh National Health Account for the period of 1990–2016. This is a time-series data analysis and the WDI data are available throughout the period. However, the health account data are available from 1997 to 2015; some extrapolation of data is, therefore, required for getting health expenditure data.

The results suggest that elasticities of infant mortality, life expectancy and adolescent fertility with respect to total health spending as a share of the GDP are -1.21, 0.12 and -0.64 which means that a 1 per cent increase in total health spending as a share of the GDP is associated with 1.2 per cent reduction in infant mortality, 0.12 per cent increase in life expectancy and 0.64 per cent decrease in adolescent fertility. So, we can draw attention to the importance of government health expenditure that the higher the government health expenditure, the lower the infant mortality and adolescent fertility, and higher the life expectancy.

But if we want to increase government investment in health care sector, two things should be taken into account — our low status of revenue collection as well as budget deficit status. Therefore, if we all want better health systems, we may need to find cuts elsewhere in the economic system. Our challenge is to harmonise health and economic policies to improve health outcomes, but also to minimise any negative impact while promoting synergies wherever possible.

Investments in health and the design of health financing policies should be addressed in terms of the interaction between health and the economy. It will also smoothen our ways to achieve the status of developed nations by 2041 by making a vow, in celebrating World Health Day on April 7, for health for all to ensure universal health coverage by 2032.

**Tahmina Sultana is deputy director (research) at the Bangladesh Institute of Governance and Management.**

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Editor: **Nurul Kabir**, Published by the Chairman, Editorial Board ASM Shahidullah Khan on behalf of Media New Age Ltd.  
30 Tejgaon Industrial Area, Dhaka-1208 Phone: 880-2-8170450-56 (PABX), Fax: 880-2-8170457