Government Health Spending Triples, Households' Out-of-Pocket Expenditure Share Falls Sharply: National Health Accounts 2023–24

India Makes Major Strides Towards Affordable Healthcare as Out-of-Pocket Expenditure (OOPE) Share Declines by 21.5 Percentage Points, from 64.2% in 2013-14 to 42.7% in 2023–24

Government Health Expenditure More Than Triples from ₹1.30 Lakh Crore in 2013–14 to ₹4.14 Lakh Crore in 2023–24, Reflecting Sustained Expansion of Public Investment in Healthcare Over a Decade

Per Capita Government Health Expenditure Rises from ₹1,042 in 2013-14 into ₹2,959 in 2023-24, Reflecting Increased Public Spending on Healthcare for Every Citizen

Social Security Expenditure on Health Nearly Doubles as a Share of Total Health Expenditure, rising from 6% in 2013-14 to 11% in 2023-24, Strengthening Financial Protection

Government Investment in Primary Healthcare reaches ₹1.53 Lakh Crore, Reinforcing the Focus on Affordable and Accessible Healthcare at the Grassroots

Ayushman Bharat, Free Drugs and Diagnostics, Jan Aushadhi and Other Flagship Initiatives Support India's Progress Towards Universal Health Coverage

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India has registered substantial progress towards making healthcare more affordable and reducing the financial burden on households, with Government Health Expenditure tripling and the share of Out-of-Pocket Expenditure borne directly by families declining sharply over the past ten years.

The **National Health Accounts (NHA) Estimates for India 2023–24**, released by the Union Ministry of Health and Family Welfare, highlight a significant transformation in India's healthcare financing landscape. Between 2013-14 and 2023–24, Government Health Expenditure increased from approximately ₹1.30 lakh crore to ₹4.14 lakh crore, while Out-of-Pocket Expenditure as a share of Total Health Expenditure declined from 64.2% to 42.7%.

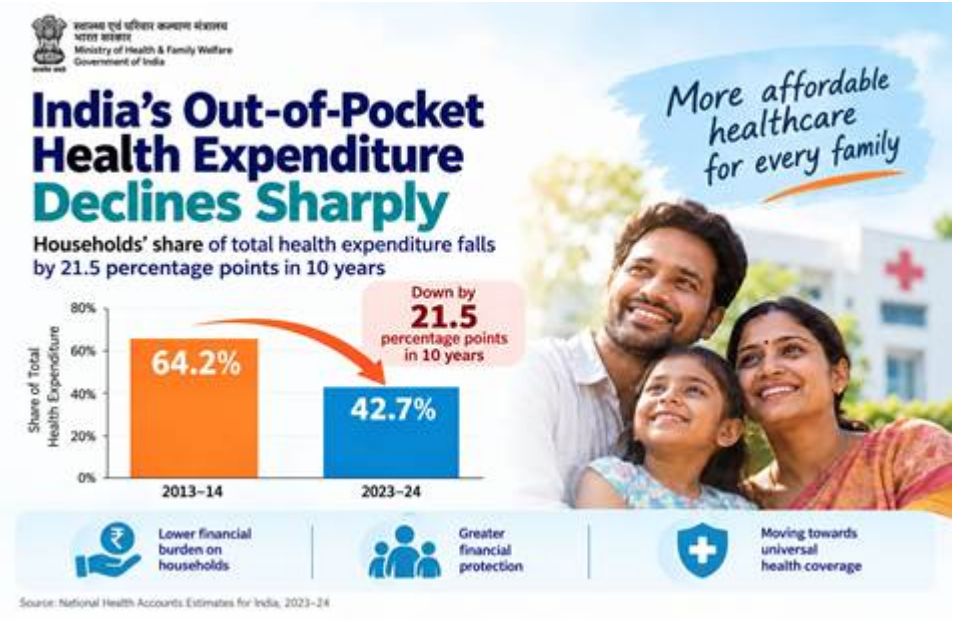
The simultaneous increase in public healthcare financing and decline in the proportion of spending borne directly by households reflects India's progress towards a more accessible, affordable and financially protective healthcare system.

The findings also underscore the Government's sustained efforts, under the leadership of Prime Minister Shri Narendra Modi, to strengthen public healthcare, provide comprehensive primary healthcare, expand financial protection, improve access to essential medicines and diagnostics, and bring quality healthcare services closer to communities.

Households' Out-of-Pocket Expenditure (OOPE) Falls by 21.5 Percentage Points

One of the most significant findings of NHA 2023–24 is the substantial reduction in Out-of-Pocket Expenditure as a share of India's total healthcare spending.

OOPE declined from **64.2% in 2013-14 to 42.7% in 2023–24**, marking a reduction of 21.5 percentage points.



This represents an important structural shift in healthcare financing, with a substantially lower proportion of total healthcare expenditure being financed through direct payments by households.

The decline has continued in the latest year, with OOPE reducing from 43.4% in 2022–23 to 42.7% in 2023–24.

The sustained downward trend reflects the expanding role of government-supported healthcare services and financial protection mechanisms. Initiatives aimed at improving access to free and affordable treatment, medicines, diagnostics and hospital services are supporting efforts to reduce dependence on direct household spending.

Government Health Expenditure Triples, Reaching ₹4.14 Lakh Crore

India's public investment in healthcare has witnessed substantial expansion over the period.

Government Health Expenditure rose from **₹1,29,778 crore in 2013-14 to ₹4,14,196 crore in 2023–24**, representing a threefold increase.

Over the decade from 2013–14 to 2023–24, the Government's share in Total Health Expenditure (THE) increased by nearly 52%, registering an increase of 14.9 percentage points.

This growing contribution signifies a major shift in the country's healthcare financing pattern, with public resources playing a considerably larger role in meeting healthcare expenditure.

The increase in Government Health Expenditure has been accompanied by a corresponding reduction in the share of household out-of-pocket payments, reinforcing the importance of sustained public investment in improving healthcare affordability.

Public Healthcare Spending Per Person Increases Nearly Threefold

The NHA estimates also point to a substantial increase in public healthcare expenditure on a per capita basis.

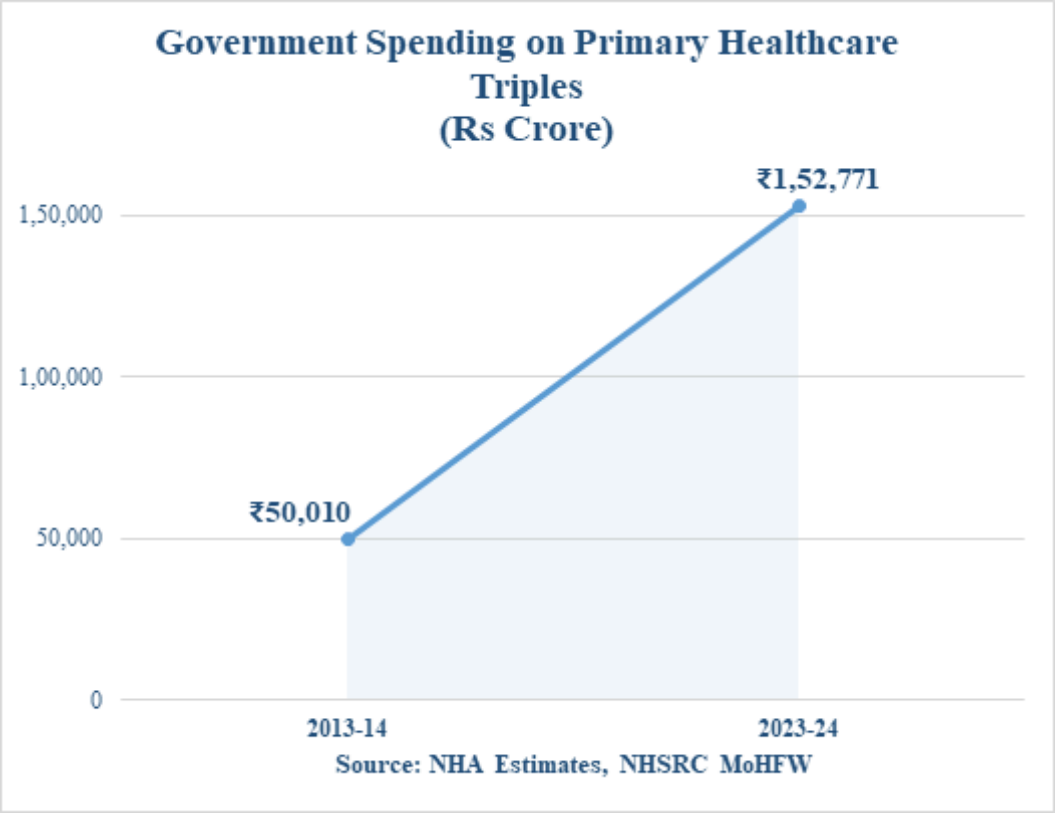
Per capita Government Health Expenditure increased from **₹1,042 in 2013-14 to ₹2,959 in 2023–24**, representing an increase of approximately 2.8 times.

This increase highlights the significantly higher level of government expenditure on healthcare per person and reflects the expansion of public healthcare financing over the years.

Primary Healthcare Receives Major Boost; Government Spending Reaches ₹1.53 Lakh Crore

Strengthening primary healthcare has remained a central priority of India's healthcare reforms.

The NHA 2023–24 estimates show that Government expenditure on primary healthcare reached approximately **₹1.53 lakh crore**, reflecting the substantial scale of public investment in essential and community-level healthcare services.



This investment is particularly significant in the context of the expansion of Ayushman Arogya Mandirs, which are bringing comprehensive primary healthcare services closer to communities.

These facilities provide services relating to preventive and promotive healthcare, screening for non-communicable diseases, essential medicines, diagnostics and other primary healthcare interventions.

The emphasis on strengthening primary healthcare is helping build a more comprehensive healthcare system, with greater focus on early detection, disease prevention and accessible care at the grassroots.

Social Security Financing Strengthens; Share Rises to 11%

The NHA estimates also highlight substantial growth in social security financing for healthcare, an important component of financial protection.

Social Security Expenditure on Health increased from **6% of Total Health Expenditure in 2013-14 to 11% in 2023–24**, an increase of 5 percentage points.

This growing share reflects the expanding contribution of organised financial protection arrangements, including Government-financed health insurance schemes such as Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB PM-JAY), State-specific health insurance schemes, social health insurance and medical expenditure for government employees.

The increase in social security financing is particularly significant as it strengthens mechanisms designed to protect individuals and families against financial risks associated with medical treatment.

Private Health Insurance Expenditure also increased from 3.4% of Total Health Expenditure in 2013-14 to 10.2% in 2023–24 which reflects deepening of health insurance penetration across the country. This coupled with the increase in GHE provides enhanced financial

protection to the public at large.

Flagship Government Initiatives Expanding Access to Affordable Healthcare

India's progress in healthcare financing has been accompanied by a series of major initiatives aimed at making healthcare more accessible, affordable and inclusive.

The Free Drugs and Diagnostics Initiatives, Pradhan Mantri National Dialysis Programme, Pradhan Mantri Bhartiya Janaushadhi Pariyojana and Affordable Medicines and Reliable Implants for Treatment (AMRIT) pharmacies are supporting access to essential healthcare services, medicines and medical products at affordable costs.

Ayushman Arogya Mandirs are expanding comprehensive primary healthcare services closer to people's homes, while Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana is strengthening financial protection for eligible beneficiaries through cashless hospitalisation benefits.

These efforts are complemented by pharmaceutical price regulation undertaken by the National Pharmaceutical Pricing Authority.

Together, these initiatives reflect a comprehensive approach combining stronger public investment, affordable medical treatment, primary healthcare expansion and financial protection.

A Decade of Transformation in India's Healthcare Financing

The National Health Accounts 2023–24 estimates bring out an encouraging picture of India's changing healthcare financing landscape.

Compared with 2013-14, the country has witnessed threefold growth in Government Health Expenditure, a substantial increase in the Government's share of Total Health Expenditure, a sharp reduction in the share of direct household spending and significant expansion in social security financing.

The most important development is the changing balance between public and household contributions to healthcare expenditure. A larger share of total healthcare spending is now being financed through government resources, while a considerably smaller share is being borne directly by households.

These trends represent important progress towards Universal Health Coverage and demonstrate the Government's continued commitment to building an affordable, equitable and accessible healthcare system.

About National Health Accounts 2023–24

The National Health Accounts Estimates for India 2023–24 constitute the eleventh round of estimates prepared by the National Health Accounts Technical Secretariat (NHATS) at the National Health Systems Resource Centre (NHSRC), Ministry of Health and Family Welfare.

The estimates are prepared using the internationally recognised System of Health Accounts 2011 framework.

The NHA Estimates 2023–24 may be accessed at: https://nhsrcindia.org/national-health-accounts-records

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