

## Out of Pocket Expenditure associated with COVID 19 pandemic in India

### Abstract:

Corona virus 2019, popularly known as COVID-19 is a viral illness which has caused a threat in the minds of people across the world in recent times. Worldwide, almost all countries have been witnessing cases of COVID 19, It has become a challenge for even developed countries to prevent and treat this disease in view of unavailability of effective vaccine and healthcare facilities. An important concern among the people living in these countries is OOPE which is defined as 'expenditures borne directly by a patient where insurance does not cover the full cost of the health good or service'. As of 2014 data, Public expenditure on health in India has remained at 1% of GDP, very low compared to emerging BRICS (Brazil, the Russian Federation, India, China and South Africa) economies and even below neighboring countries like Nepal and Sri Lanka. Hence it is high time that Government of India focuses on strengthening the primary healthcare system so that disparity in healthcare needs is addressed, community participation is equally important to not only treat but to prevent the spread of disease and Public private partnership would have a major impact on reducing OOPE among people and reduce their burden.

**Key words:** Out of pocket expenditure, COVID 19 Pandemic

### Introduction:

Corona virus 2019, popularly known as COVID-19 is a viral illness which has caused a threat in the minds of people across the world in recent times. Many people have lost their near and dear ones to this dreadful disease. It has turned into a giant wave, difficult to be controlled and people have started to live with the disease and lead a new normal life. Worldwide, almost all countries have been witnessing cases of COVID 19, It has become a challenge for even developed countries to prevent and treat this disease in view of unavailability of effective vaccine and healthcare facilities to cover large group of people being affected by this dreadful disease. India being a developing country, has additional burden because of its vast population and minimal healthcare facilities.

An important concern among the people living in these countries is OOPE which is defined as 'expenditures borne directly by a patient where insurance does not cover the full cost of the health good or service'. They include cost-sharing, self-medication and other expenditure paid directly by private households.<sup>1</sup> Ziad El-Khatib et al in their study on association between OOPE and COVID 19 mortality matched different datasets, through steps such as matching the mortality by country with Growth Domestic Product (GDP), combining data of the Gini index of net income inequality within countries and linking the data for each country health expenditure through out-of- pocket payments per capita in international dollars at purchasing power parity. The result of this showed a statistically significant relationship between out-of- pocket expenditure and mortality only in middle-income countries.<sup>2</sup> Similar to other infectious diseases like HIV, malaria and Tuberculosis, the COVID-19 is also a disease of social inequalities as it exposes the growing gap between the rich and the rest more profoundly than any other crisis.<sup>3</sup> Pandemics are usually triggered by extreme poverty and social inequalities, which is still prevailing in various remote areas in the India, especially the EAG states.

COVID 19 has magnified health outcome among certain vulnerable population because of the possible connection between socioeconomic indices like income, social class, occupational background, and educational achievement.<sup>4</sup> Moreover presence of co-morbidities in elderly population has resulted in increase in mortality rate.<sup>5</sup> The total health expenditure comprises of all expenditures incurred on health either directly or indirectly. In-order to get a reasonable health quality, a country should be spending at least 5% of its GDP on health. India is spending only 0.9% to 1.2% of its GDP on health from the beginning and sometimes water and sanitation is also included in this as they have health outcomes and a total of 1.4% is shown as GDP spent on health.<sup>6</sup> 62.6% of total health expenditure in India (2.4% of GDP, Rs. 2394 per capita) by household is out of pocket expenditure for health related events.<sup>7</sup>

As of 2014 data, Public expenditure on health in India has remained at 1% of GDP, very low

compared to emerging BRICS (Brazil, the Russian Federation, India, China and South Africa) economies and even below neighboring countries like Nepal and Sri Lanka.<sup>8</sup> People have no access to any form of health insurance scheme and are being forced to make OOPE for illness like COVID 19.<sup>7</sup> Hence it is high time that Government of India focuses on strengthening the primary healthcare system so that disparity in healthcare needs is addressed, community participation is equally important to not only treat but to prevent the spread of disease and Public private partnership would have a major impact on reducing OOPE among people and reduce their burden.

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