

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. Even developed countries are facing major challenges in preventing and treating this dreadful disease. In view of unavailability of effective vaccine and healthcare facilities, the burden of this disease is growing day by day. An important concern among the people living in these countries is the **Out of Pocket Expenditure**, which is 'an expenditures borne directly by a patient, where insurance does not cover the full cost of the health goods 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 neighbouring countries like Nepal and Sri Lanka. Hence it is high time that Government of India focuses on strengthening the primary healthcare system, community participation and Public private partnership so that disparity in healthcare needs is addressed and OOPE is reduced.

Key words: Out of pocket expenditure, COVID 19 Pandemic

Introduction:

COVID-19, an emerging viral illness has caused a threat in people's mind across both developed and developing countries 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 leading a new normal life. Worldwide, almost all countries have been witnessing cases of COVID 19 and the fact is that even developed countries have their own difficulties in preventing and treating this disease. India being a developing country, has additional burden because of its vast population and minimal healthcare facilities. In view of unavailability of effective vaccine and healthcare facilities to cover large group of people being affected, this disease has turned out to be a nightmare.

An important concern among the people is Out of Pocket Expenditure 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 expenditures paid directly by private households¹. 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 countries². 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 crisis³. Pandemics are usually triggered by extreme poverty and social inequalities, which is still prevailing in various remote areas in India, especially the **Empowered Action Group (EAG) states**.

'COVID19' has magnified health outcome among certain vulnerable population because of the possible connection between socio-economic indices like income, social class, occupational background, and educational achievement⁴. Moreover presence of co-morbidities in elderly population has resulted in increase in mortality rate⁵. 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 health⁶. 62.6% of total health expenditure in India (2.4% of GDP, 2394rs per capita) by household is out of pocket expenditure for health related events⁷.

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 neighbouring countries like Nepal and Sri Lanka as of 2014 data⁸. People have no access to any form of health insurance scheme and are being forced to make OOPE for illness like 'COVID 19'⁷. Hence it is important that Government of India focuses on strengthening the primary healthcare system so that disparity in healthcare needs is addressed, apart from this community participation and Public private partnership would have a major impact on reducing the OOPE among people and reducing their financialburden.

Ethical Approval:

As per international standard or university standard ethical approval has been collected and preserved by the authors.

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