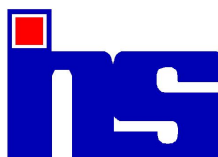


Trends and Analysis of Government Health Expenditure in Madhya Pradesh

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I. Background

In the year 2004, the total household health expenditure on curative and maternal and child health services in Madhya Pradesh was estimated to be around Rs. 3663 crores¹, which amounts to 3.55% of the GSDP. Household health expenditure is about 4 times the State government health expenditure in the same period. While some of this health expenditure may be reimbursed to the households vide private insurance and/or employers, such reimbursement is not expected to form a significant part of the household expenditure. At the all India level, it is estimated that insurance and employer contribution accounts provides partial coverage for about 10% of the population and less than 3% of the household health expenditure² Given that MP is a comparatively less developed State, such coverage is likely to be lower than the national averages. The National Macroeconomic Commission for Health estimates that 83.4% of the total health expenditure in the State was financed by the households, which is higher than the national average of 73.5%³. Thus the major financial burden of ill health falls on the households and this has a significant impact on poverty levels in the State. Results of a recent study indicate that ‘out of pocket’ expenditure by households on health is responsible for impoverishment of the population, particularly in the rural areas of the State. The study estimates that about 2.7 million people joins the ranks of poor as a result of ‘out of pocket’ expenditure on health care⁴.

A key health policy goal of the government is to alleviate the heavy financial burden on households due to ill health. Government’s ability to achieve equity, provide public goods type of services and handle market failures is linked to the quantum and composition of its health sector expenditure. In thinking about new strategies to address health policy goals, it is therefore crucial to know where funds for health care by the government are coming from and how they are being utilized. The Government of

¹ Estimated from NSSO 62nd Round

² Charu Garg and Anup Karan. Health and Millennium Development Goal 1: Reducing out-of-pocket expenditures to reduce income poverty - Evidence from India, EQUITAP Project: Working Paper #15

³ Report of the National Macroeconomic Commission for Health, Government of India, 2005

⁴ Charu Garg and Anup Karan. Health and Millennium Development Goal 1: Reducing out-of-pocket expenditures to reduce income poverty - Evidence from India, EQUITAP Project: Working Paper #15

Madhya Pradesh (GoMP) has taken a decision to develop a medium term health strategy, intended to serve the State for next five years. The strategy would enable the Government to better respond to the health needs of the population, in particular the poorest in the state.

This paper contributes to the development of the Medium Term Health Expenditure Framework for the Government of Madhya Pradesh by assessing the sources and uses of funds for provision of health care by its agencies. The remainder of the paper undertakes the following main tasks. Section II outlines the conceptual framework and methods used for health expenditure analysis. Section III provides an overview of the structure of the GoMP health services. Section IV examines the main trends in aggregate spending by the GoMP health departments and its distribution. The section also provides a preliminary discussion of the way spending of health departments has been financed in recent years. Section V analyzes the sources and uses of funds by other health care agencies of the State government

II. Conceptual Framework for Health Expenditure Analysis

A Defining Health Expenditure

The World Health Organization (WHO) makes a distinction between health services and health related services⁵. “Health services” mainly consist of public health services, hospital services, education and training for health services and alternate systems of medicine. “Health related services” include education, water supply, sewerage and sanitation, housing for poor, community development, nutritional and other welfare programmes which could have a bearing on health status. Health expenditure has been defined to include expenditure on health services as well as the health related services.⁶ However in health accounting, only expenditure on activities whose ‘primary purpose’ is improving health are included in total estimates of health spending⁷. Therefore expenditure on health related services which have multiple objectives, are excluded from our analysis. Hence nutritional and other welfare programmes which could have a bearing on health status, but are primarily anti poverty measures, are excluded from the analysis. However, we have included expenditure on ICDS programme, as the primary

⁵ World Health Organization, Development of indicators for monitoring progress towards health for all by the year 2000, Geneva, 1981

⁶ Mahapatra Prasanta. Government expenditure on health in Andhra Pradesh since the eighties: Has it been appropriate? IHS Working Paper 09/1994, Institute of Health Systems, Hyderabad, 1994

⁷ World Health Organization. Guide to producing national health accounts- with special applications for low income and middle income countries, 2003, Geneva

objective of the programme is promotion of health of mothers and children. While education is a health related service and hence not included within the health accounts boundary, expenditure on medical education and training is considered as health expenditure.

For the purpose of the study we have defined health expenditure as all expenditures for activities whose primary purpose is health improvement for the State during a period of one year (April to March). Health expenditure includes spending on primary care, secondary care, tertiary care, administration of health services and programmes, medical education, training and research and capital investment for health purpose.

B National Health Accounts Framework

We use a National health accounts (NHA) framework for Health Expenditure Analysis. NHA is an internationally accepted tool for summarizing, describing and analyzing health care financing and expenditure within a particular health system. Health expenditure consists of financial outlays that service the health system. NHA trace the flow of resources invested and consumed in the production of health and answers questions such as:

- Who in the country pays for health care? How much do they spend and on what types of services?
- Who manages and organizes funds for health care?
- Who are the recipients of health care funds?
- How are funds distributed across different health services?
- Who benefits from health expenditures?

The NHA framework adopts its basic principles of health accounting from the System of Health Accounts (SHA) of the Organization for Economic Cooperation and Development (OECD). The SHA provides the International Classification for Health Accounts (ICHA), which classifies health care entities and categorizes each type of health expenditure. Based on health policy requirements and form in which data available in the country, the classification of health accounts have been modified by the Government of India⁸. The National Health Accounts framework identifies four principal

⁸ National Health Accounts India 2001-02, Ministry of Health and Family Welfare, Government of India, 2006

entities within a health system:

1. Financing Sources

Sources refer to the entities from which financial resources are generated for health. Health spending by sources answer the question “who pays for health care?” In the Madhya Pradesh context, sources include: governments (state, central and local), quasi government organizations, public sector enterprises, private sector enterprises, NGOs, households and external assistance.

2. Financing Agents

Financing Agents are institutions or entities that channel funds provided by financing sources and use the funds to pay for, or purchase, the activities inside the health accounts boundary. Examples are State and Central Ministries for Health, local governments, households, NGOs, social and private insurance, private and public enterprises etc. This category sheds light on the question "who manages and organizes funds for health care?"

3. Providers of Care

They are the end users or final recipients of health care funds. They are the entities which deliver health services. They include hospitals and dispensaries under State Departments of Health, local bodies, social insurance, quasi government bodies, private sector and NGOs; private doctors; traditional care providers; Trained Birth Attendants; drug outlets; diagnostic centers; medical education and training institutions; research and development institutions; providers of collective health services such as public health and RCH programs; general health administrators and health insurance administration. This category provides information on the question "To whom does the money go?"

4. Functions of Care

Functions refer to the services or activities that providers deliver with their funds. Information at this level answers the question "what type of service product or activity was actually produced?" Functions include: primary care, secondary care, tertiary care, disease control programmes, RCH programmes, health administration, medical education, training and research and capital formation.

C Materials and Methods

Government Health Expenditure includes that on:

1. Department of Public Health and Family Welfare
2. Department of Medical Education

3. In-kind transfer of materials and supplies from MoHFW
4. Other line departments of the state government such as the Labour, Women and Child Welfare and Public Health Engineering.
5. Government organized Societies for Disease Control and Family Welfare
6. Reimbursements for health care of its employees

In the current analysis we focus on expenditure by departments and societies. Data for analysis is from budget documents of respective departments and income and expenditure statements of respective societies. Data was analyzed up to “detailed head” level of the budgets of departments using National Health Accounts framework adopted by the Government of India⁹ to understand trends in public health spending.

Analysis of health expenditure of GoMP departments includes (a) entire expenditure of Department of Public Health & family Welfare and Medical Education (b) expenditure on ESIS by Department of Labor (c) expenditure on Public Health Laboratories by the Department of Public Health Engineering. (d) expenditure on ICDS by Department of Women Welfare and Child Welfare. Expenditure of these departments are included in the Social Services Sector. The corresponding major heads under which expenditure is recorded is given in Table-1

Table -1:

Classification of Health Expenditure in Budget

Department	Major Heads		
	Plan	Non Plan	
Department of Public Health & Family Welfare	2210	2210	2071 Pension and Retirement Benefits
	2211	2071	2210 Medical and Public Health
	4210	2211	2211 Health and Family Welfare
		3630	3630 Relief Materials
Department of Medical Education	2210	2210	2235 Social Security and Welfare
	4210	4210	
Department of Public Health Engineering	4210	2210	
Department of Labor	2210	2210	
Department of Women and Child Welfare	2235		

III. Structure of Health Care Delivery System in MP

Health care delivery options in the State are available in the public sector and the

⁹ National Health Accounts India 2001-02, Ministry of Health and Family Welfare, Government of India, 2006

private sector. These include Allopathic and Indian Systems of Medicine and Homoeopathy. However Allopathy is the dominant system of medicine in both the sectors.

D Public Sector

Public Sector health care delivery is primarily through the State government health departments. In addition, health care is provided by the ESI hospitals and dispensaries under the Department of Labour, ICDS programme of Women and Child Welfare Department and the Public Health Engineering Department.

1. Organization of Health Services at the State Level

Under the Minister for health there are two departments; namely Department for Public Health and Family Welfare (DPHFW) and the Department for Medical Education, each headed by a Principal Secretary. The Principal Secretary (PHFW) heads the Secretariat and has the following officers report to him/her.

- Health Commissioner who is also the Mission Director of the NRHM
- Mission Director, Rajiv Gandhi Mission for Health¹⁰
- Controller, Food and Drug Administration
- Project Director, State AIDS Control Society

The Health Commissioner heads the Directorate of Health Services and is supported by 4 Directors

- Director, Public Health
- Director, Medical Services
- Director, IEC Bureau
- Director, State Institute of Health Management and Communication

Director, Public Health is responsible for primary care services including family welfare. Director, Medical Services is responsible for secondary care services, disease control and administration of the health care system at district, block, sector and village level. Various joint and deputy directors and other staff assist the Director of Public health and family welfare and the Director Medical services. The Directorate has about 32 sections that carry out health and curative medical services. The functions of the

¹⁰ Currently the Health Commissioner holds charge of Director of Rajiv Gandhi Mission

directorates include:

- Assistance to the minister regarding legislative matters, especially replies to Vidhan Sabha questions
- Formulation of policies
- Budgeting and finance: allocation to districts
- Approvals and sanctions for proposals and schemes.
- Procurement /distribution of medical equipments
- Workforce management: assistance in promotions, transfers, disciplinary action
- Monitoring of implementation of central/other schemes.
- Management of training.
- Donor coordination¹¹.

There are two Directorates under the Principal Secretary (Medical Education)- Directorate of Medical Education and the Directorate of Indian System of Medicine and Homoeopathy. Directorate of Medical Education is responsible for tertiary care services and allopathic medical, nursing and paramedical education. The Directorate of Indian System of Medicine and Homoeopathy is responsible for provision of services and medical education in AYUSH systems of medicine.

2. Organization of Health Services at the District Level

Administratively, the state health services are divided into seven administrative divisions, each division comprising of five to seven districts. Each division is headed by a Joint Director, who reports to DMS and DPH at the headquarters. Each Joint Director is responsible for supervision and control of field operations and management of health and medical programs in his/her region and is responsible for personnel and establishment.

The field organization (including units at district, block, primary health centers (PHC) and sub health centers (SHC) levels is the foundation for the health services. All the programs under DMS and DPH are implemented in the field at the district, PHC, sub-center and village levels. The Chief Medical and Health Officer (CMHO) head the district health service delivery. The CMHO has jurisdiction over CHCs, PHCs and SHCs. Five to six SHCs constitute a Sector. Each Sector has one PHC with MOs. A CHC has five doctors consisting of four specialists and one block medical officer. The civil surgeons has jurisdiction over the district hospitals and civil hospitals in urban areas. District hospitals are available where specialists are available. A civil hospital has four to

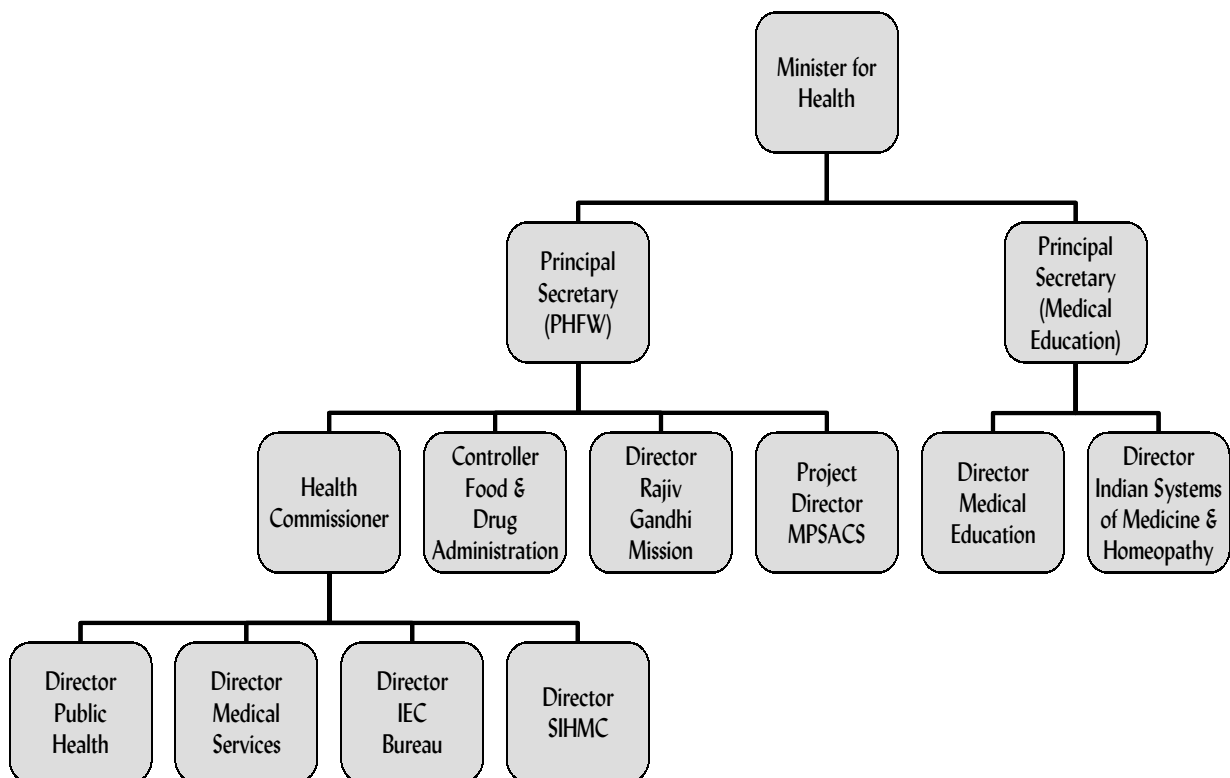
¹¹ Sunderaraman, Madhya Pradesh Draft Health Sector Reform Strategy, Draft document, August 2006

five specialists in addition to all facilities of CHC.

At the district level, program officers who are responsible for specific health program areas assist the CMHOs. There are district training centers in about 31 districts and is staffed by a District training officer, health educator and supporting staff. Although the district programme officers for vertical programs report to CMHOs, many of the programmes functions through state and district level societies. These are registered non-profit organizations set up by the government primarily to serve as a conduit for an easy transfer of new funds directly to entities related to vertical programs. State and district societies exist for RCH, tuberculosis, leprosy, malaria and blindness. AIDS control programme is implemented by the State AIDS Control Society. Under the NRHM, all societies except the State AIDS Control Society have been merged into the State Health Society at the State level. Similarly, at the district level all societies have been merged into the District Health Society.

Figure -1

Organogram of the MP State Health Departments



3. Reach of Public Health Care Facilities

The reach of public sector health facilities in MP is poor compared to GoI norms and other states in India. MP has established only 53% of CHCs required in accordance with GoI norms. For SHC and PHC, the corresponding figure is 84 and 71 percent respectively. Average number of villages and rural area covered by a SHC in MP is 5.99 and 36.46 km², the corresponding all India average being 4.27 and 22.81 km² respectively. Health workers cover on an average six villages and have to cover a radial distance of 3.3 kilometres for delivery of primary health care services¹². A key factor having implications on the reach of the public health sector is the inadequacy of staff in the public health care institutions. About 31% and 14% of the sanctioned posts of specialists and medical officers respectively are currently vacant. 18% of ANM, 28% of Health Assistant (Female) and 24% of Health Assistant (Male) posts are also lying vacant.¹³

Table -2

Government Health Care Institutions in MP and their Bed Strength

Health Institutions	Number	Bed Strength
Institutions Under Public Health and Family Welfare Department		
District Hospital	47	7700
Civil Hospital	56	2700
Community Health Centre (CHC)	265	6900
Primary Health Centre (PHC)	1152	2400
Sub Health Centre (SHC)	8835	
Urban Family Welfare Centre	16	
Urban Health Posts	160	
Civil Dispensaries	93	
Other Institutions	32	600
Institutions Under Medical Education		
Government Medical Colleges	5	5600
Government Dental College	1	
Government Nursing College	1	
Nursing Schools under Nursing College	5	
Nursing Schools under District Hospitals	6	
Institutions Under AYUSH		
Government Ayurveda Colleges	7	
Government Homoeo College	1	1000
Government Unani College	1	

¹² Department of Public Health & Family Welfare, GoMP (2006). Medium Term Health Strategy for MP

¹³ Sunderaraman, Madhya Pradesh Draft Health Sector Reform Strategy, Draft document, August 2006

District Level 30 bedded Ayurvedic Hospitals	16
Block Level AYUSH Health Centers	60
AYUSH Dispensaries in Remote Areas	1471
Total Beds in Public Sector	26900

B. Private Sector

Data on health care practitioners and establishments in the private sector is very limited. A survey conducted in 2002, estimates that there are approximately 180000 health care practitioners and over 3000 health care establishments in the private sector. It is estimated that there are about 25000 qualified medical practitioners in the private sector. Of these, about 5000 are government doctors who do private practice. The remainder comprises of about 12000 allopathic and 8000 ISM practitioners. In addition there are approximately 50000 unqualified practitioners or RMPs and another 50000 dais, in the State. The State also has about 50000 nurses and paramedics working in its private health sector.

Table -3

Estimates of Private Health Care Practitioners and Establishments in MP (2002)

Type of Provider	Estimates
Private Health Care Practitioners	
Qualified Private Practitioner	Appox.25,000
Allopathic	12,000
Indian Systems of Medicine	ISM8,000
Government Doctors practicing Privately	Approx. 5000
RMPs/Unqualified Practitioners	Over 50,000
Traditional Practitioners (including herbalists)	Less than 5000
Dais (trained and untrained)	Over 50,000
Nurses Technicians and Paramedics	Appox 50,000
Total Private Health Care Practitioners	Appox. 180,000
Private Health Care Establishments	
Private Nursing Homes and Hospitals	Appox.1000
Private Tertiary Health Care Establishments	Over 10
Private Health Care Training Institutes	Appox.100
Pathologic Laboratories/Diagnostic Centers	Appox.2000
Total Private Health Care Establishments	Appox.3110

IV. Expenditure of State Health Departments (Public Health & Family Welfare and Medical Education)

1. Total Health Department Spending

Table-4 provides details of total health care spending by the Department of Public Health & Family Welfare and Medical Education since the reorganization of the State. For the years 2005-06 and 2006-07, the expenditure figures are based on revised estimates and budget estimates respectively. For all other years, figures are based on actual expenditure reported in the Demand for Grants of the Government of Madhya Pradesh. The data indicate that overall spending of both the departments has been increasing at an average of about 12% in terms of current prices. The general trend of an increase has held consistent throughout the period, except for a dip in 2003-04. Department of Public Health & Family Welfare accounts for about 78% of the health spending.

Table -4:

Total Expenditure of Health Departments (2001-02 to 2006-07)

Year	Departments (Rs. Crore)			% Share	
	PH & FW	ME	Total	PH & FW	ME
2001-02	497.93	135.73	633.66	78.58	21.42
2002-03	579.48	154.42	733.91	78.96	21.04
2003-04	561.41	127.10	688.51	81.54	18.46
2004-05	673.99	188.94	862.93	78.10	21.90
2005-06 (RE)	817.06	197.92	1014.97	80.50	19.50
2006-07 (BE)	865.27	239.34	1104.62	78.33	21.67
Average Growth Rate	12%	12.03%	12.03%		

PH&FW- Public Health & Family Welfare, ME- Medical Education

Source: Demand for Grants of Respective Departments

Table -5:

Total Expenditure of Health Departments of Madhya Pradesh Per Capita and as Percentage of GSDP & Public Expenditure (2001-02 to 2006-07)

Fiscal Indicators	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	Growth Rate %
GSDP (Rs. Crore)							
Current Prices	84689	81536	98124	103057	109055	126003	8.66
Constant Prices	53606	50214	58332	60324	61494	68449	5.47
Public Expenditure (Rs. Crore)							
Current Prices	16438	17495	21648	26288	28909	28398	13.51

Constant Prices	10405	10775	12869	15388	16301	15427	10.17
Health Expenditure (Rs. Crore)							
Current Prices	633.66	733.92	688.51	862.93	1014.97	1104.62	12.03
Constant Prices	401.09	451.99	409.30	505.12	572.32	600.07	8.74
As % of GSDP	0.75%	0.90%	0.70%	0.84%	0.93%	0.88%	
As % of PE	3.85%	4.19%	3.18%	3.28%	3.51%	3.89%	
Per Capita Health Expenditure (Rs)							
Current Prices	105.00	119.18	109.64	134.82	155.67	166.38	9.92
Constant Prices	66.46	73.40	65.18	78.92	87.78	90.39	6.69
Source: GSDP (Department of Finance) Public Expenditure and Health Expenditure (Budget Documents) Population Projections (RGI)							

The average annual growth rate of GoMP health department spending between 2001-02 and 2006-07 is about 12% and 8.74% in current and constant prices respectively. Real health spending increased at a higher rate than the GSDP which was around 5.47, but at a rate lower than the total public expenditure which grew at around 10.17% in the corresponding period. Health expenditure as percentage of the GSDP (0.7%) and public expenditure (3.18%) dipped in 2003-04 from a peak of 0.9% and 4.19% respectively in the previous year. Since then, it has been increasing steadily to current levels of 0.88% of the GSDP and 3.89% of the total public expenditure. This suggests that in recent years, health has been accorded some priority in terms of amounts allocated to it, relative to other activities of the government.

2. Plan and Non-Plan Expenditure

The Budget is organized in terms of Plan and Non Plan Expenditure. Non-plan expenditure reflects expenditure of the government on maintaining the current level of services. In other words, it reflects the administrative expenses of the government. On the other hand, plan expenditure of the government refers to the expenses incurred by the government towards the projects that are planned as part of the Five-Year Plans of the state.

Table 6 presents the Plan and Non Plan Expenditure of Public Health and Family Welfare and Medical Education Departments of Madhya Pradesh for the years 2001-02 to 2006-07. In recent years, Non Plan expenditure of the two departments put together has increased from around 61% in 2001-02 to about 67.32% in 2006-07. This has been mainly on account of the relative increase in Non-Plan spending by the Department of PH&FW. Non-Plan spending which was about 51.44% of the total spending of the Department 2001-02, has now increased to 61.42 %. The converse is true for the Medical

Education Department. Relative share of Non Plan expenditure declined from 96.46% to about 88.7% of the total spending between 2001-02 and 2006-07.

Non Plan Spending of the two departments put together has grown at a faster rate of 13.37%, compared to an annual growth of 9.62% in Plan spending between 2001-02 and 2006-07. The annual growth rate of Non Plan spending (14.78%) of the Department of PH&FW was significantly higher than that of Plan spending (8.58%). However in the case of the Department of Medical Education, annual growth rate of Plan spending at 35.67% was significantly higher than that of Non-Plan spending at 10.36%.

Table -6:

Plan and Non Plan Expenditure of Public Health and Family Welfare and Medical Education Departments of Madhya Pradesh, 2001-02 to 2006-07

Year	Amount (Rs. Crore)			% of Total	
	Non Plan	Plan	Total	Non Plan	Plan
Public Health and Family Welfare Department					
2001-02	256.14	241.79	497.93	51.44	48.56
2002-03	306.28	273.20	579.48	52.85	47.15
2003-04	326.22	235.20	561.41	58.11	41.89
2004-05	353.01	320.98	673.99	52.38	47.62
2005-06 (RE)	441.37	375.69	817.06	54.02	45.98
2006-07 (BE)	531.41	333.86	865.27	61.42	38.58
Growth Rate (%)	14.78	8.58	12.03		
Medical Education and AYUSH Department					
2001-02	130.93	4.81	135.73	96.46	3.54
2002-03	139.99	14.44	154.42	90.65	9.35
2003-04	108.22	18.88	127.10	85.15	14.85
2004-05	163.80	25.14	188.94	86.69	13.31
2005-06 (RE)	172.11	25.81	197.92	86.96	13.04
2006-07 (BE)	212.25	27.09	239.34	88.68	11.32
Growth Rate (%)	10.36	35.67	12.03		
Total Expenditure					
2001-02	387.06	246.60	633.66	61.08	38.92
2002-03	446.27	287.64	733.91	60.81	39.19
2003-04	434.44	254.07	688.51	63.10	36.90
2004-05	516.81	346.12	862.93	59.89	40.11
2005-06 (RE)	613.47	401.50	1014.97	60.44	39.56
2006-07 (BE)	743.67	360.95	1104.62	67.32	32.68
Growth Rate (%)	13.37	9.62	12.03		

Source: Demand for Grants

3. Expenditure by Resource Categories

Table-7 provides distribution of Revenue and Capital Expenditure of Public Health and Family Welfare and Medical Education Departments, 2001-02 to 2006-07. Share of capital expenditure in total expenditure of both departments put together has been steadily increasing in recent years from about 0.17% in 2001-02 to about 9.6 % in 2006-07. Share of capital expenditure in PH&FW Department spending has increased

from 0.22% in 2001-02 to about 11.8% in 2006-07. In the corresponding period, share of capital expenditure in Medical Education Department spending increased from zero to 1.61%.

Table -7:

Distribution of Revenue and Capital Expenditure of Public Health and Family Welfare and Medical Education Departments, 2001-02 to 2006-07

Department	Health Expenditure (Rs. Crore)			% Share	
	Revenue	Capital	Total	Revenue	Capital
Public Health & Family Welfare					
2001 - 2002	496.85	1.07	497.93	99.78	0.22
2002 - 2003	563.80	15.68	579.48	97.29	2.71
2003 - 2004	533.87	27.55	561.41	95.09	4.91
2004 - 2005	636.63	37.36	673.99	94.46	5.54
2005 - 2006	745.58	71.48	817.06	91.25	8.75
2006-07 (BE)	763.23	102.05	865.27	88.21	11.79
Medical Education					
2001 - 2002	135.73	0.00	135.73	100.00	0.00
2002 - 2003	154.37	0.06	154.42	99.96	0.04
2003 - 2004	126.15	0.95	127.10	99.25	0.75
2004 - 2005	185.94	3.00	188.94	98.41	1.59
2005 - 2006	195.91	2.01	197.92	98.98	1.02
2006-07 (BE)	235.49	3.85	239.34	98.39	1.61
Total					
2001 - 2002	632.59	1.07	633.66	99.83	0.17
2002 - 2003	718.16	15.74	733.91	97.85	2.15
2003 - 2004	660.01	28.50	688.51	95.86	4.14
2004 - 2005	822.57	40.36	862.93	95.32	4.68
2005 - 2006	941.48	73.49	1014.97	92.76	7.24
2006-07 (BE)	998.72	105.90	1104.62	90.41	9.59

Source: Demand for Grants, Respective Years

Annex-1.1 to 1.3 presents information about the composition of expenditures of PH&FW and ME departments, both plan and non-plan, by major resource categories for the years 2004-05 to 2006-07. Percentage share of resource categories in plan and non-plan expenditures of both the departments are given in Table-8.

The data indicate that wage and salary expenditures constitute a substantial chunk of spending of both departments. Wage and salary component includes expenditure on pay, allowances, wages and salary grants. It is possible that a part of the expenditures under the “grants” category, currently included under operations & administration may also constitute wage and salary expenses so that the actual proportion going to establishment charges may be even higher than indicated in the Annex-1.

Share of wage and salary in total expenditure ranged from about 68% in 2004-05 to 61.79% in 2006-07. In recent years, wage and salary constituted between 72% and 82% of the total non-plan health expenditure. Given that these are establishment charges which are potentially committed expenditures, there is very little flexibility for changes in allocation of health spending. Share of wages and salary in plan expenditure is lower, between 34% and 47% of the latter, suggesting a greater degree of flexibility in planning for changes in allocation of health spending, relative to non-plan spending. However this may not be readily feasible as about 70 percent of all plan expenditures, is on specific programmes supported by external funding and centrally sponsored schemes of the Government of India.

Table-8:

Percent Share of Major Resource Categories in Plan and Non-Plan Expenditure of Public Health and Family Welfare and Medical Education Departments, 2004-05 to 2006-07

Resource Categories	2004-05 (%)			2005-06 (%)			2006-07(%)		
	Non Plan	Plan	Total	Non Plan	Plan	Total	Non Plan	Plan	Total
Salaries & Wages	82.66	46.65	68.22	75.18	33.85	58.83	72.09	40.57	61.79
Operations & Administration	4.84	22.37	11.87	10.98	35.67	20.75	11.14	13.29	11.84
Drugs, Materials & Supplies	8.80	13.32	10.62	9.95	8.02	9.19	12.37	9.39	11.39
Scholarships & Stipend	3.33	2.09	2.83	3.15	2.05	2.71	3.18	2.11	2.83
Maintenance & Minor Works	0.36	3.90	1.78	0.74	2.06	1.26	1.22	0.01	2.56
Major Works	0.00	11.66	4.68	0.00	18.36	7.26	0.00	29.34	9.59

Source: Demand for Grants, Respective Years

Drugs and the expenditure head “materials and supplies” constitute a second major source of spending. The share of drugs, materials and supplies was between 9.19% and 11.39 % of the total expenditure. A third area of major expenditures is “operations and administration” accounting for about 12-20% of the total health spending. Expenditures in this category include “other grants in aid”, as well as expenses associated with office travel, miscellaneous office expenses, rent payment, fuel and publications, and contractual expenses. In addition to the above, small portions of health spending (between 2-3 percent) are allocated for stipend and scholarship support and maintenance and minor works relating to buildings and equipment.

4. Expenditure by Functions of Care

Expenditure on different functions has been estimated on the basis of allocation to sub heads. Details of sub heads included under each function is provided in Annex 3. Expenditure has been disaggregated in terms of functional areas such as provision of primary, secondary and tertiary care services; direction and administration; medical education, training and research; and quality control of food, water and drugs. While expenditure on direction and administration on specific health programmes, training and capital formation are normally taken separately in the health accounts framework, from a policy perspective these are expenditures incurred for provision of services. Accordingly these expenditures have been included in respective services. For the same reason, expenditure on pensioners health care is shown as a separate function.

Table-9:

Expenditure of Public Health and Family Welfare and Medical Education Departments, by Functions of Care 2001-02 to 2006-07

Functions (Rs. Crore)	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Primary Care Services						
General Primary Health Services	215.28	223.58	253.04	271.00	282.58	307.80
Communicable Disease Control	65.27	76.45	52.10	91.86	97.20	100.89
Non Communicable Disease Control	5.85	7.47	8.90	9.96	9.26	9.81
Family Welfare	103.71	123.88	97.81	140.70	184.31	162.77
Water, Food and Drug Quality	3.66	3.93	3.58	3.99	5.44	5.73
AYUSH	51.91	49.80	54.47	67.41	60.36	64.88
Total Primary Care	445.68	485.11	469.91	584.91	639.14	651.87
Secondary Care Services	90.27	128.15	133.53	139.12	215.46	248.72
Tertiary Care Services	36.42	52.31	51.90	55.35	58.81	89.53
Education, Training and Research	46.68	52.21	19.79	67.52	80.74	88.59
Pensioners Health Care	2.10	4.14	2.89	3.35	4.25	6.25
General Direction & Administration	12.51	12.00	10.49	12.68	16.57	19.67
Total	633.66	733.92	688.51	862.93	1014.97	1104.62
% Share						
Primary Care Services						
General Primary Health Services	33.97	30.46	36.75	31.40	27.84	27.86
Communicable Disease Control	10.30	10.42	7.57	10.65	9.58	9.13
Non Communicable Disease Control	0.92	1.02	1.29	1.15	0.91	0.89
Family Welfare	16.37	16.88	14.21	16.30	18.16	14.74
Water, Food and Drug Quality	0.58	0.54	0.52	0.46	0.54	0.52

AYUSH	8.19	6.79	7.91	7.81	5.95	5.87
Total Primary Care	70.33	66.10	68.25	67.78	62.97	59.01
Secondary Care Services	14.25	17.46	19.39	16.12	21.23	22.52
Tertiary Care Services	5.75	7.13	7.54	6.41	5.79	8.10
Education, Training and Research	7.37	7.11	2.87	7.82	7.95	8.02
Pensioners Health Care	0.33	0.56	0.42	0.39	0.42	0.57
General Direction & Administration	1.97	1.63	1.52	1.47	1.63	1.78
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Demand for Grants. Figures for 2005/06 are Revised Estimates and that of 2006/07 are Budget Estimates

Expenditure on primary care includes that on provision of services through PHCs, sub centers, maternal and child health centers, AYUSH dispensaries and hospitals, Department of PH&FW dispensaries and societies. It also includes expenditure on disease control programmes, family welfare programmes, and quality control of water, food and drugs. Between 2001-02 and 2006-07, the expenditure on primary care services increased at an average annual rate of 8.79%, which is lower than the growth rate of total expenditure of about 12%. As a result share of primary health care in the total expenditure has been steadily declining from about 70.33% in 2001-02 to 59% in 2006-07. On an average, expenditure on primary care was about 0.52% of the GSDP.

Secondary care expenditure includes that on provision of services through district hospitals, community health centres, AYUSH teaching hospitals and other secondary care institutions of the Department of Health. Between 2001-02 and 2006-07, the expenditure on secondary care services increased at an average annual rate of 20.98%, which is significantly higher than that of the total expenditure. As a result share of secondary health care in the total expenditure has been steadily increasing from about 14.25% in 2001-02 to 22.52% in 2006-07.

Expenditure on tertiary care services have increased from about 5.75% of total expenditure in 2001-02 to about 8.1% in 2006-07, at an average growth rate of about 15%. About 1-2% of the total budget is spent on providing assistance to specialized tertiary care institutions for mental health, cancer care etc. The remainder is spent on provision of tertiary care services through allopathic teaching hospitals under the medical university. About 14.5% of the budget is currently allocated to tertiary care providers. However only about 55% of this allocation is spent on provision of treatment, the rest of the spending is on provision of education and related services.

About 7-8% of the total expenditure is on medical education and research. This

includes expenditure of the medical and paramedical universities, provision of education through medical, AYUSH, nursing and paramedical colleges and training institutions, and research schemes. On an average about 1.5% of the total budget has been spent on in-service training. This has not been included under 'medical education, training and research' function, but under provision of respective services.

Expenditure on general Direction and Administration (about 1.5-2% of the budget) and provision of medical care for pensioners (about 0.5% of the budget) accounts for remainder of the health expenditures.

5. Expenditure by Providers

Annex-2 provides details of expenditure by Providers of Care in recent years. Expenditure on different providers has been estimated on the basis of allocation to sub heads.

Table-10:

Expenditure of Public Health and Family Welfare and Medical Education Departments, by Providers of Care 2001-02 to 2006-07

Providers	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Primary Care Providers						
Village Health Guide	0.13	0.004	0.00	0.00	0.00	0.00
Sub Centres	4.63	4.57	7.30	10.87	11.73	12.45
Dispensaries	7.20	6.66	6.97	5.61	3.11	2.08
Rural/Urban Health Posts	0.74	0.82	0.66	0.60	0.02	0.00
Primary Health Centre	18.31	15.73	20.83	17.76	11.53	18.87
Family Welfare Centre	0.14	0.12	0.15	0.16	0.70	0.16
ICDS	0.43	0.44	0.49	0.45	0.49	0.23
Non Profit Organizations	0.00	0.02	0.02	0.02	0.01	0.01
Drug Control Administration	0.25	0.23	0.24	0.20	0.29	0.27
Public Health Laboratories	0.33	0.31	0.28	0.26	0.24	0.24
Rajiv Gandhi Mission	0.00	0.00	2.19	1.18	8.76	1.81
AYUSH Hospitals	8.19	6.79	7.93	7.86	6.00	5.94
Collective Health Services	27.09	27.84	19.31	21.03	18.33	14.78
Total	67.44	63.53	66.37	65.99	61.22	56.85
Secondary Care Providers						
CHC	1.02	1.30	2.39	1.34	3.39	4.03
District Hospitals	11.15	12.15	11.31	10.76	12.02	12.93
Other Secondary Care Providers	3.24	4.97	5.76	4.02	5.97	6.14
AYUSH Teaching Hospitals	0.78	0.68	1.12	1.25	1.32	1.17
Total	16.20	19.10	20.58	17.37	22.70	24.27
Tertiary Care Providers						
Medical University and Associated Hospitals	11.28	10.82	6.48	10.96	10.74	13.22

Other Tertiary Care Providers	0.59	2.24	2.47	1.52	1.31	1.36
Total	11.87	13.06	8.95	12.47	12.05	14.58
Education and Training						
Nursing/Paramedical Colleges	0.08	0.08	0.08	0.08	0.07	0.08
Government Research and Training Institutions	0.25	0.24	0.09	0.21	0.21	0.21
Total	0.33	0.32	0.17	0.29	0.28	0.29
Government Administrators	4.16	3.94	3.87	3.75	3.75	4.01
Provider Not Specified	0.01	0.06	0.06	0.13	0.01	0.01
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Respective Demand for Grants: Figures for 2005-06 are Revised Estimates and that of 2006-07 are Budget Estimates

Primary Care providers include subcentres, PHCs, dispensaries, family welfare centres, rural and urban health posts, AYUSH dispensaries and hospitals, ICDS, drug control administration, public health providers and providers of collective services. Collective health services are expenditure on disease control programs and family welfare services provided through these institutions for which provider wise break up is not available. They together currently account for about 57% of the budget, down from about 67.5% in 2001-02. However share of allocation to subcentres have significantly increased during this period, up from about 4.63% of the budget in 2001-02 to current levels of 12.45%. There has been a marginal increase in share of allocation to the PHCs also.

Secondary Care providers include district hospitals, community health centres, AYUSH teaching hospitals and other secondary care institutions such as civil hospitals, chest hospitals, eye hospitals etc. Secondary care providers currently account for 24.27% of the budget, up from 16.2% in 2001-02. Share of allocation to CHCs increased by four times and that of other secondary care providers doubled during this period. There has been an increase in share of allocation to tertiary care institutions from about 11.87% of the budget in 2001-02 to 14.58% in 2006-07. This includes expenditure on both treatment and education. Other training and education institutions account for about 0.3% of the budget. Expenditure on Government Administrators include that on Secretariat and State and district headquarters of sub-departments. They account for about 4% of the budget.

6. Expenditure by Sources of Fund

Table 11 provides details of contribution of various sources to the health expenditure in recent years. GoMP contribution currently accounts for about 75% of the total funds. Relative contribution of GoMP has been increasing in recent years due to a decline in central government funding. Government of India contribution is provided

under the centrally sponsored programs, finance commission grants and PMGY. GOI contributions have declined as a proportion of the budget from 29.69% in 2001-02 to about 20% at present. Share of external aid varied between 0-7% of total funds. Share of loans for financing health care has been increasing in recent years and currently accounts for about 3.86% of the total funds.

Table-11:

Source of Funds of Public Health and Family Welfare and Medical Education Departments, by 2001-02 to 2006-07

Sources	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
GoMP	445.50	549.15	542.08	637.17	649.18	827.15
GoI	188.16	182.80	113.99	209.62	267.46	220.81
External Aid	0.00	1.96	32.44	10.71	71.73	14.01
Loan	0.00	0.00	0.00	5.43	26.60	42.65
Total	633.66	733.92	688.51	862.93	1014.97	1104.62
% Share						
GoMP	70.31	74.82	78.73	73.84	63.96	74.88
GoI	29.69	24.91	16.56	24.29	26.35	19.99
External Aid	0.00	0.27	4.71	1.24	7.07	1.27
Loan	0.00	0.00	0.00	0.63	2.62	3.86
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Respective Demand for Grants: Figures for 2005-06 are Revised Estimates and that of 2006-07 are Budget Estimates

7. Public Health & Family Welfare Expenditure at the District Level

There is substantial variation across districts in economic and human development achievement. Annex- 4 provides information on select socioeconomic and demographic indicators of Madhya Pradesh districts and highlights the inter-district differences. There is substantial inter-district variation especially with regard to income per capita, the proportion of population living below the poverty line and indicators of human development achievement, such infant mortality and the adult literacy rate.

Details of district-wise per capita spending by the Public Health and Family Welfare Department is also provided in Annex-5. There is significant inter-district variation in per capita health spending, ranging from Rs.43.56 in Sheopur to Rs. 116.7 in Mandla, excluding Bhopal which obviously has a much higher health spending being the State capital. Ceteris paribus, it is assumed that more needy districts would receive a higher allocation of health spending. Figures 2 and 3 plot district level public health and family welfare expenditures per capita to estimates of infant mortality rates and per capita income, respectively. It is seen that that public health and family welfare expenditures per

capita have a weak inverse correlation with higher infant mortality districts (-0.11) and income per capita (-0.07). This suggests that health spending may not be associated with need. Whether this calls for a reallocation of resources towards more needy districts and regions merits further study

Figure -2

District Spending Patterns 2005-06: Public Health & Family Welfare Spending and Infant Mortality Rate

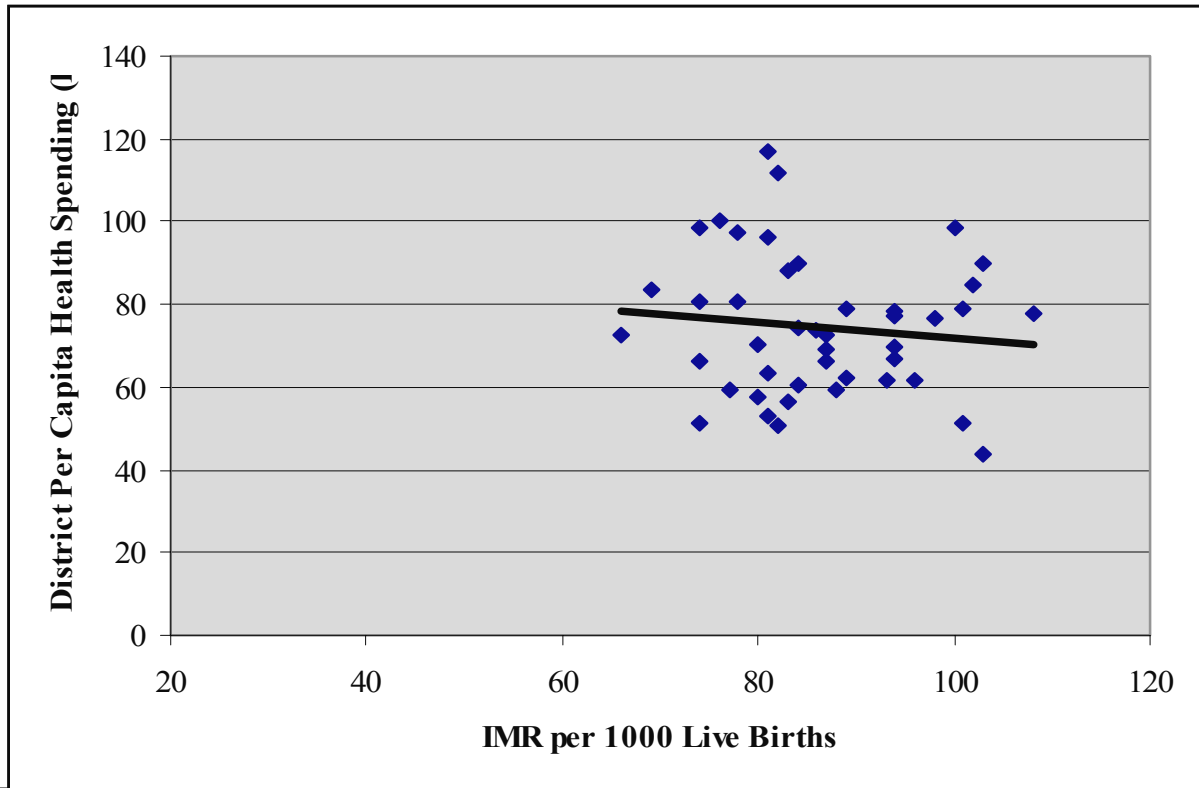
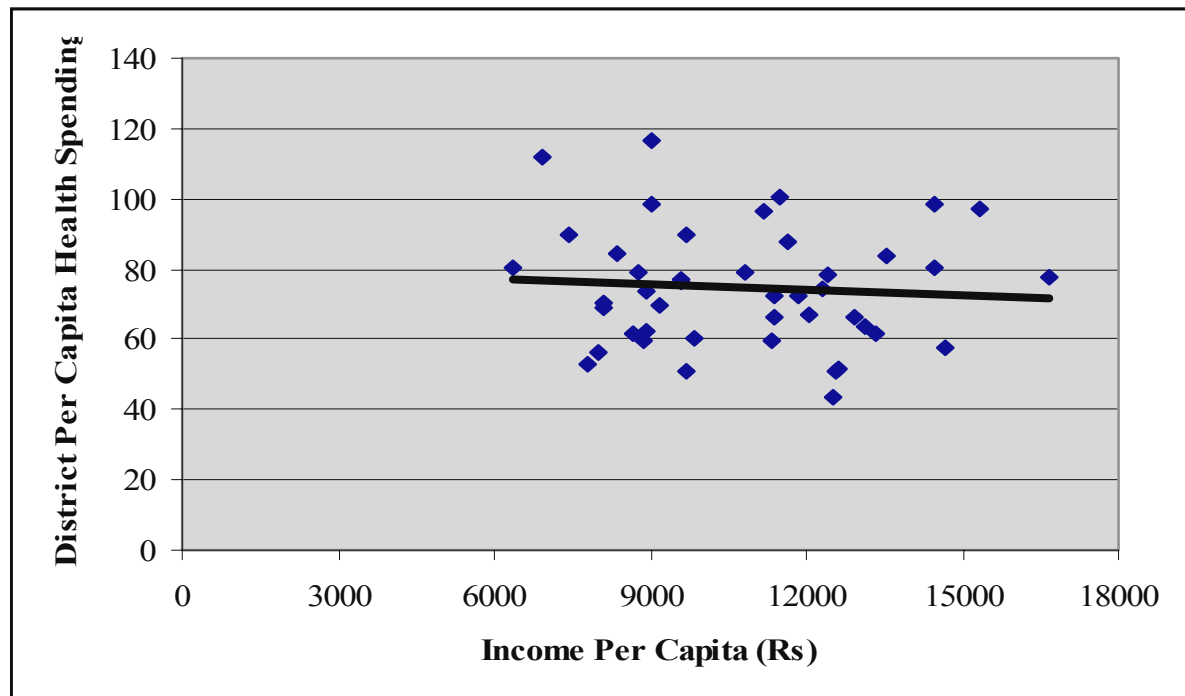


Figure -3

District Spending Patterns 2005-06: Public Health & Family Welfare Spending and



Primary Health Spending and Income Per Capita

V. Health Expenditure by Other GoMP Agencies

A Health Expenditure by Societies

These are expenditures that would ordinarily be classified as being under Department of Public Health and Family Welfare auspices, were it not for the fact that the funds supporting such expenditures are directly provided to the concerned implementing agencies in a form that leads to their being excluded in the accounting under the Demand for Grants. They include expenditures by “societies” such as the Madhya Pradesh State AIDS Control Society (MPSACS) and the State Society for Health and Family Welfare. Similar societies exist for tuberculosis, leprosy, malaria and blindness. Because of the way these non-profit organizations are registered, most funds received by them are not recorded under the demand for grants. Indeed the purpose of these societies appears primarily to serve as a conduit for an easy transfer of new funds directly to entities related to vertical programs. The societies are primarily funded by GOI. It may be noted that funding of some of the programmes have an externally aided component. In 2005-06, these societies together had an expenditure of about Rs. 67.2 crores, about 6% of the health departments budget. The relative share of Societies in State health expenditure will significantly increase in the next five years on account of the NRHM and scaling up of the NACP programmes.

A second category of expenditures that goes unrecorded in the state budget is that of the Rogi Kalyan Samithis (RKS). These are the registered societies constituted in the hospitals as mechanism to involve the peoples representatives in the management of the hospital. The functioning of these bodies are supported by user charge revenues. In 2005-06, income of the RKS in the State was about Rs. 11.5 crores and expenditure around Rs.9.16 crores

Table-12

Health Expenditure of Societies, 2001-02 to 2005-06 (Rs. Crores)

Year	Disease Control & Family Welfare	Rogi Kalyan Samithis	Total
2001-02	12.72	9.21	21.93
2002-03	17.02	6.41	23.43
2003-04	23.61	4.91	28.52
2004-05	19.63	11.35	30.98
2005-06	67.20	9.18	76.38

Source: Department of Public Health & Family Welfare

B Health Expenditure by Other Line Departments

Health expenditure by other line departments include (a) expenditure on ESIS by Department of Labour (b) expenditure on ICDS by Department of Women Welfare and Child Welfare (c) expenditure on Public Health Laboratories by the Department of Public Health Engineering Department. While expenditure on Insurance Medical Services is considered as secondary care expenditure, expenditure on Public Health Laboratories and ICDS is considered as primary health care expenditure.

Table-13

Health Expenditure of Other Line Departments, 2004-05 to 2006-07

Departments	2004-05	2005-06 (RE)	2006-07 (BE)
Labour	30.59	32.53	29.90
Public Health Engineering	0.28	2.76	0.00
Women & Child Welfare	155.62	212.12	240.40
Total (Rs. Crore)	186.49	247.42	270.30

Source: Demand for Grants, GoMP

C Total Health Expenditure by GoMP Departments and Societies

1. Health Expenditure of GoMP Departments and Societies by Sources of Funds

The total health expenditure of GoMP departments and societies for the year 2005-06, by sources of funds is provided in Table-14. The share of GoMP in expenditure of health departments in 2005-06 was about 64% . Its relative share declines to about 59.5% when expenditure of societies are taken into accounts. GoMP share further declines to about 50% when we consider the total health expenditure of its health care agencies. This is mainly on account of greater contribution of GoI funds in the expenditure of Societies and other line departments. In 2005-06, share of GoI in expenditure of health departments was around 26.5%. This increases to about 41% when we take into account the total health expenditure of all the GoMP health care agencies. The contribution of external aid to the total health expenditure of GoMP agencies was about 5.36% in 2005-06. The actual share of external sources will be higher, given that GoI funding to RCH and AIDS Control Societies is financed through an external aid component.

Table-14

Health Expenditure of GoMP Departments and Societies by Source of Funds, 2005-06

Departments	GoMP	GoI	Ext. Aid	Loans	House-holds	Firms	Total	% Share
PH&FW	451.60	267.13	71.73	26.60			817.06	61.03
Medical Education	197.58	0.33	0.00	0.00			197.92	14.78
Societies		67.20			9.18		76.38	5.71
Total Health Departments & Societies	649.18	334.66	71.73	26.60	9.18	0.00	1091.35	81.52
% Share	59.48	30.66	6.57	2.44	0.84	0.00	100.00	
Labour	14.73	1.06			4.51	12.23	32.53	2.43
Public Health Engineering	2.76						2.76	0.21
Women & Child Welfare		212.12					212.12	15.84
Grand Total	666.67	547.84	71.73	26.60	13.69	12.23	1338.76	100
% Share	49.80	40.92	5.36	1.99	1.02	0.91	100.00	

Source: Departments- Demand for Grants, Societies-DPH&FW.

Note:

1. Funds flowing to Societies from Central Government has an Externally Aided Component.

2. Funds flowing the Labour Department for the ESI scheme includes a contribution from the ESIC. Since funds of ESIC is composed of employee and employer contribution in the ratio 1.75:4.75, ESIC contribution is distributed between households and firms accordingly.

2. Health Expenditure of GoMP Departments and Societies by Functions

The total health expenditure of GoMP departments and societies for the year 2005-06, by functions of care is provided in Table-15. The share of primary health care in expenditure of GoMP health departments was about 63% in 2005-07 . Its relative share increased to about 65% when expenditure of societies are taken into accounts. Share of primary care further increased to about 69% when we consider the total health expenditure GoMP departments and societies.

Table-15

Health Expenditure of GoMP Departments and Societies by Functions of Care, 2005-06

Departments	Primary Care	Secondary Care	Tertiary Care	Medical Education & Research	Direction & Administration	Pensioners Health Care	Total
PH&FW	578.21	215.46	3.07	2.13	13.94	4.25	817.06
Medical Education	60.93		55.74	78.61	2.63		197.91
Societies	67.20	4.59	4.59				76.38
Total Health Departments & Societies	706.34	220.05	63.40	80.74	16.57	4.25	1091.35
% Share	64.72	20.16	5.81	7.40	1.52	0.39	100
Labour		32.53					32.53
Public Health Engineering	2.76						2.76
Women & Child Welfare	212.12						212.12
Grand Total	921.22	252.58	63.40	80.74	16.57	4.25	1338.76
% Share	68.81	18.87	4.74	6.03	1.24	0.32	100.00

Source: Departments- Demand for Grants, Societies-DPH&FW.

Note: Rogi Kalyan Samithi expenditure has been divided equally among secondary and tertiary care

3. Health Expenditure of GoMP Departments and Societies by Providers

The total health expenditure of GoMP departments and societies for the year 2005-06, by providers is provided in Table-16. Primary health care providers account for about 67.5% of the total health care expenditure. Secondary Care providers and Tertiary Care providers account for 20% and 9.5% of the total health expenditure, respectively. Expenditure on Government Administrators at the Secretariat and State and district headquarters of sub-departments, account for about 3% of the total expenditure. Around 0.21 % of the total expenditure is on educational and research institutions, excluding medical colleges whose expenditure is accounted as part of tertiary care providers.

Table-16

Health Expenditure of GoMP Departments and Societies by Providers, 2005-06

Providers	Health Depts. & Societies			Other GoMP Depts.			Total	% Share
	PHFW	ME	Societies	Labor	PHE	WCW		
Primary Care Providers								
Sub Centres	119.09						119.09	8.90
Dispensaries	31.60						31.60	2.36
Rural/Urban Health Posts	0.16						0.16	0.01
Primary Health Centre	117.04						117.04	8.74
Family Welfare Centre	7.09						7.09	0.53
ICDS	4.96					212.12	217.08	16.21
NGOs	0.15						0.15	0.01
DCA	2.96						2.96	0.22
Public Health Laboratories	2.43				2.76		5.19	0.39
Rajiv Gandhi Mission	88.89						88.89	6.64
AYUSH Hospitals		60.94					60.94	4.55
Collective Health Services	186.05		67.20				253.25	18.92
Total	560.40	60.94	67.20		2.76	212.12	903.42	67.48
Secondary Care Providers								
CHC	34.39						34.39	2.57
District Hospitals	121.96						121.96	9.11
Other Secondary Providers	60.56						60.56	4.52
AYUSH Colleges		13.45					13.45	1.00
ESI Hospitals				32.53			32.53	2.43
Rogi Kalyan Samithi			4.59				4.59	0.34
Total	216.92	13.45	4.59	32.53			267.48	19.98
Tertiary Care Providers								
Medical University and Associated Hospitals	3.07	105.95					109.02	8.14
Other Tertiary Providers		13.29					13.29	0.99
Rogi Kalyan Samithi			4.59				4.59	0.34
Total	3.07	119.24	4.59				126.90	9.48
Education and Training								
Nursing/Paramedical Colleges		0.71					0.71	0.05
Other Govt. Research & Training Institutions	2.13						2.13	0.16
Total	2.13	0.71					2.84	0.21
Govt. Administrators	34.43	3.58					38.02	2.84
Provider Not Specified	0.10						0.10	0.01
Total	817.06	197.92	76.38	32.53	2.76	212.12	1338.7	100

**Annex 1.1: Share of Major Resource Categories in Plan and Non-Plan
Expenditure of Public Health and Family Welfare and Medical
Education Departments, 2004-05**

Resource Categories	Sub-Detailed Heads	Amount (Rs. Crores)			% Share		
		Non Plan	Plan	Total	Non Plan	Plan	Total
Public Health & Family Welfare							
Salaries and Wages	11, 12	312.65	156.98	469.63	88.57	48.91	69.68
Operations & Administration	14,21, 22, 24, 26, 31, 33, 35, 42, 43, 51, 53, 74	8.19	69.51	77.70	2.32	21.66	11.53
Materials and Supplies	34	30.11	45.12	75.23	8.53	14.06	11.16
Scholarships & Stipend	41	1.99	1.71	3.70	0.56	0.53	0.55
Maintenance&Minor Works	63	0.08	10.30	10.38	0.02	3.21	1.54
Major Works	64	0.00	37.36	37.36	0.00	11.64	5.54
Total		353.01	320.98	673.99	100.00	100.00	100.00
Medical Education							
Salaries and Wages	11, 12	114.55	4.48	119.03	69.93	17.84	63.00
Operations & Administration	14,21, 22, 24, 26, 31, 33, 35, 42, 43, 51, 53, 74	16.83	7.92	24.76	10.28	31.50	13.10
Materials and Supplies	34	15.40	0.99	16.39	9.40	3.93	8.67
Scholarships & Stipend	41	15.22	5.54	20.76	9.29	22.05	10.99
Maintenance&Minor Works	63	1.80	3.20	5.00	1.10	12.74	2.65
Major Works	64	0.00	3.00	3.00	0.00	11.93	1.59
Total		163.80	25.14	188.94	100.00	100.00	100.00
Total Expenditure (PHFW+ ME)							
Salaries and Wages	11, 12	427.20	161.46	588.66	82.66	46.65	68.22
Operations & Administration	14,21, 22, 24, 26, 31, 33, 35, 42, 43, 51, 53, 74	25.02	77.43	102.45	4.84	22.37	11.87
Materials and Supplies	34	45.50	46.11	91.61	8.80	13.32	10.62
Scholarships & Stipend	41	17.21	7.25	24.46	3.33	2.09	2.83
Maintenance&Minor Works	63	1.88	13.50	15.38	0.36	3.90	1.78
Major Works	64	0.00	40.36	40.36	0.00	11.66	4.68

Total	516.81	346.12	862.93	100.00	100.00	100.00
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Source: Demand for Grants, DPH&FW and ME, GoMP

Annex 1.2: Share of Major Resource Categories in Plan and Non-Plan Expenditure of Public Health and Family Welfare and Medical Education Departments, 2005-06

Resource Categories	Sub-Detailed Heads	Amount (Rs. Crores)			% Share		
		Non Plan	Plan	Total	Non Plan	Plan	Total
Public Health & Family Welfare							
Salaries and Wages	11, 12	346.34	130.22	476.56	78.47	34.66	58.33
Operations and Administration	14,21, 22, 24, 26, 31, 33, 35, 42, 43, 51, 53, 74	44.26	132.79	177.05	10.03	35.35	21.67
Materials and Supplies	34	44.84	30.91	75.75	10.16	8.23	9.27
Scholarships & Stipend	41	1.78	2.06	3.84	0.40	0.55	0.47
Maintenance &Minor Works	63	4.14	8.22	12.37	0.94	2.19	1.51
Major Works	64	0.00	71.48	71.48	0.00	19.03	8.75
Total		441.37	375.69	817.06	100.00	100.00	100.00
Medical Education							
Salaries and Wages	11, 12	114.88	5.68	120.56	66.75	22.02	60.92
Operations and Administration	14,21, 22, 24, 26, 31, 33, 35, 42, 43, 51, 53, 74	23.11	10.41	33.51	13.43	40.31	16.93
Materials and Supplies	34	16.20	1.29	17.49	9.41	5.01	8.84
Scholarships & Stipend	41	17.55	6.16	23.71	10.20	23.87	11.98
Maintenance &Minor Works	63	0.37	0.04	0.41	0.22	0.16	0.21
Major Works	64	0.00	2.23	2.23	0.00	8.64	1.13
Total		172.11	25.81	197.92	100.00	100.00	100.00
Total Expenditure (PHFW+ ME)							
Salaries and Wages	11, 12	461.22	135.90	597.13	75.18	33.85	58.83
Operations and Administration	14,21, 22, 24, 26, 31, 33, 35, 42, 43, 51, 53, 74	67.37	143.20	210.57	10.98	35.67	20.75

Salaries and Wages	11, 12	536.11	146.42	682.53	72.09	40.57	61.79
Operations and Administration	14,21, 22, 24, 26, 31, 33, 35, 42, 43, 51, 53, 74	82.83	47.97	130.80	11.14	13.29	11.84
Materials and Supplies	34	91.98	33.88	125.86	12.37	9.39	11.39
Scholarships & Stipend	41	23.65	7.63	31.28	3.18	2.11	2.83
Maintenance & Minor Works	63	9.10	19.16	28.26	1.22	5.31	2.56
Major Works	64	0.00	105.90	105.90	0.00	29.34	9.59
Total		743.67	360.95	1104.62	100.00	100.00	100.00

Source: Demand for Grants, DPH&FW and ME, GoMP

Annex-2.1: Health Expenditure of Department of Public Health & Family Welfare By Providers (2001-02 to 2006-07)

Providers	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Primary Care Providers						
Village Health Guide	0.84	0.03	0.00	0.00	0.00	0.00
Sub Centres	29.34	33.54	50.28	93.80	119.09	137.55
Dispensaries	45.64	48.87	47.96	48.40	31.60	22.94
Rural/Urban Health Posts	4.69	6.05	4.56	5.18	0.16	0.00
Primary Health Centre	116.01	115.44	143.41	153.23	117.04	208.44
Family Welfare Centre	0.88	0.91	1.03	1.35	7.09	1.75
ICDS	2.73	3.20	3.39	3.84	4.96	2.56
Non Profit Organizations	0.00	0.15	0.14	0.14	0.15	0.15
Drug Control Administration	1.55	1.67	1.68	1.72	2.96	3.03
Public Health Laboratories	2.10	2.26	1.90	2.26	2.43	2.69
Rajiv Gandhi Mission	0.00	0.00	15.05	10.19	88.89	20.00
AYUSH Hospitals	0.00	0.00	0.00	0.00	0.00	0.00
Collective Health Services	171.64	204.29	132.95	181.51	186.05	163.29
Total	375.43	416.41	402.34	501.64	560.40	562.38
Secondary Care Providers						
CHC	6.48	9.54	16.47	11.55	34.39	44.46
District Hospitals	70.68	89.15	77.86	92.88	121.96	142.87
Other Secondary Care Providers	20.54	36.45	39.66	34.67	60.56	67.83
AYUSH Teaching Hospitals	0.00	0.00	0.00	0.00	0.00	0.00
Total	97.69	135.13	133.99	139.10	216.92	255.16
Tertiary Care Providers						
Medical University and Associated Hospitals	0.00	0.01	0.41	1.94	3.07	5.00

Other Tertiary Care Providers	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.01	0.41	1.94	3.07	5.00
Education and Training						
Nursing and Paramedical Colleges	0.00	0.00	0.00	0.00	0.00	0.00
Government Research and Training Hospitals	1.60	1.76	0.60	1.78	2.13	2.28
Total	1.60	1.76	0.61	1.78	2.13	2.28
Government Administrators	23.17	25.75	23.65	28.42	34.43	40.35
Provider Not Specified	0.03	0.42	0.41	1.11	0.10	0.10
Total	497.93	579.48	561.41	673.99	817.06	865.27

Source: Respective Demand for Grants: Figures for 2005-06 are Revised Estimates and that of 2006-07 are Budget Estimates

Annex-2.2: Health Expenditure of Department of Medical Education By Providers (2001-02 to 2006-07)

Providers	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Primary Care Providers						
Village Health Guide	0.00	0.00	0.00	0.00	0.00	0.00
Sub Centres	0.00	0.00	0.00	0.00	0.00	0.00
Dispensaries	0.00	0.00	0.00	0.00	0.00	0.00
Rural/Urban Health Posts	0.00	0.00	0.00	0.00	0.00	0.00
Primary Health Centre	0.00	0.00	0.00	0.00	0.00	0.00
Family Welfare Centre	0.00	0.00	0.00	0.00	0.00	0.00
ICDS	0.00	0.00	0.00	0.00	0.00	0.00
Non Profit Organizations	0.00	0.00	0.00	0.00	0.00	0.00
Drug Control Administration	0.00	0.00	0.00	0.00	0.00	0.00
Public Health Laboratories	0.00	0.00	0.00	0.00	0.00	0.00
Rajiv Gandhi Mission	0.00	0.00	0.00	0.00	0.00	0.00
AYUSH Hospitals	51.91	49.80	54.63	67.80	60.94	65.56
Collective Health Services	0.00	0.01	0.01	0.00	0.00	0.00
Total	51.91	49.82	54.64	67.79	60.94	65.56
Secondary Care Providers						
CHC	0.00	0.00	0.00	0.00	0.00	0.00
District Hospitals	0.00	0.00	0.00	0.00	0.00	0.00
Other Secondary Care Providers	0.00	0.00	0.00	0.00	0.00	0.00

AYUSH Teaching Hospitals	4.94	5.02	7.68	10.75	13.45	12.92
Total	4.94	5.02	7.68	10.75	13.44	12.92
Tertiary Care Providers						
Medical University and Associated Hospitals	71.51	79.36	44.21	92.62	105.95	141.07
Other Tertiary Care Providers	3.71	16.46	17.00	13.09	13.29	15.03
Total	75.21	95.83	61.20	105.71	119.24	156.10
Education and Training						
Nursing and Paramedical Colleges	0.51	0.58	0.55	0.70	0.71	0.87
Government Research and Training Hospitals	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.51	0.59	0.54	0.70	0.71	0.87
Government Administrators	3.17	3.20	3.02	3.98	3.59	3.90
Provider Not Specified	0.00	0.00	0.00	0.00	0.00	0.00
Total	135.73	154.44	127.10	188.94	197.91	239.35

Source: Respective Demand for Grants: Figures for 2005-06 are Revised Estimates and that of 2006-07 are Budget Estimates

Annex-3: District Socioeconomic and PH&FW Health Expenditure Profile

District	Population	Per Capita Income (Rs)	PHFW Expenditure		IMR	Poverty Rates (%)
			Total Rs.Lakh	PerCapita (Rs)		
Balaghat	1445760	11409.17	958.24	66.28	87	45.30
Barwani	1081039	6900.60	1208.29	111.77	82	
Betul	1394421	9601.80	1075.48	77.13	94	65.60
Bhind	1426951	8910.03	885.43	62.05	89	21.50
Bhopal	1836784	13145.82	18128.54			36.50
Chhatarpur	1474633	8360.53	1245.96	84.49	102	24.90
Chhindwara	1848882	11633.16	1626.80	87.99	83	31.20
Damoh	1081909	13312.45	668.81	61.82	96	55.30
Datia	627818	9167.25	439.17	69.95	94	17.50
Dewas	1306617	12927.09	863.07	66.05	74	26.50
Dhar	1740577	11184.40	1673.96	96.17	81	21.80
Dindori	579312	9015.17	572.28	98.79	100	
Guna	1665503	8888.71	992.06	59.57	88	18.10
Gwalior	1629881	11503.83	1632.51	100.16	76	24.20
Harda	474174	12549.78	242.29	51.10	101	
Hoshangabad	1085011	12422.78	849.24	78.27	94	39.70

Indore	2585321	13533.64	2157.08	83.44	69	32.80
Jabalpur	2167469	9714.28	1946.72	89.82	103	42.20
Jhabua	1396677	6340.26	1124.06	80.48	74	31.20
Katni	1063689	9820.96	644.54	60.59	84	
Khandwa	1708170	11347.08	1017.65	59.58	77	50.00
Khargone	1529954	7414.87	1371.32	89.63	84	75.60
Mandla	893908	9007.48	1043.81	116.77	81	53.70
Mandsaur	1183369	14440.36	954.39	80.65	78	23.90
Morena	1587264	7780.35	842.98	53.11	81	20.50
Narsimhapur	957399	12299.19	709.76	74.13	84	22.80
Neemuch	725457	14687.58	419.18	57.78	80	
Panna	854235	8121.10	592.21	69.33	87	23.80
Raisen	1120159	16661.52	873.83	78.01	108	34.10
Rajgarh	1253246	10814.44	986.74	78.73	89	28.70
Ratlam	1214536	15348.61	1182.40	97.35	78	19.10
Rewa	1972333	8001.92	1116.21	56.59	83	29.40
Sagar	2021783	12029.30	1349.09	66.73	94	51.70
Satna	1868648	8937.57	1379.53	73.83	86	28.80
Sehore	1078769	11846.69	781.01	72.40	87	34.00
Seoni	1165893	8758.02	920.54	78.96	101	36.80
Shahdol	1572748	9599.82	1203.17	76.50	98	33.40
Shajapur	1290230	13110.25	818.93	63.47	81	21.30
Sheopur	559715	12512.55	243.62	43.53	103	
Shivpuri	1440666	9668.36	731.63	50.78	82	16.10
Sidhi	1830553	12610.19	940.23	51.36	74	36.40
Tikamgarh	1203160	8646.42	738.29	61.36	93	21.30
Ujjain	1709885	14479.50	1685.93	98.60	74	20.10
Umaria	515851	8101.27	363.59	70.48	80	
Vidisha	1214759	11382.66	879.05	72.36	66	34.30

Source: Population (RGI), Per Capita Income (CSO), Health Expenditure (Dept of PH&FW), IMR (M.P. Family Welfare Evaluation 2003, SPRC, Academy of Administration, Bhopal)