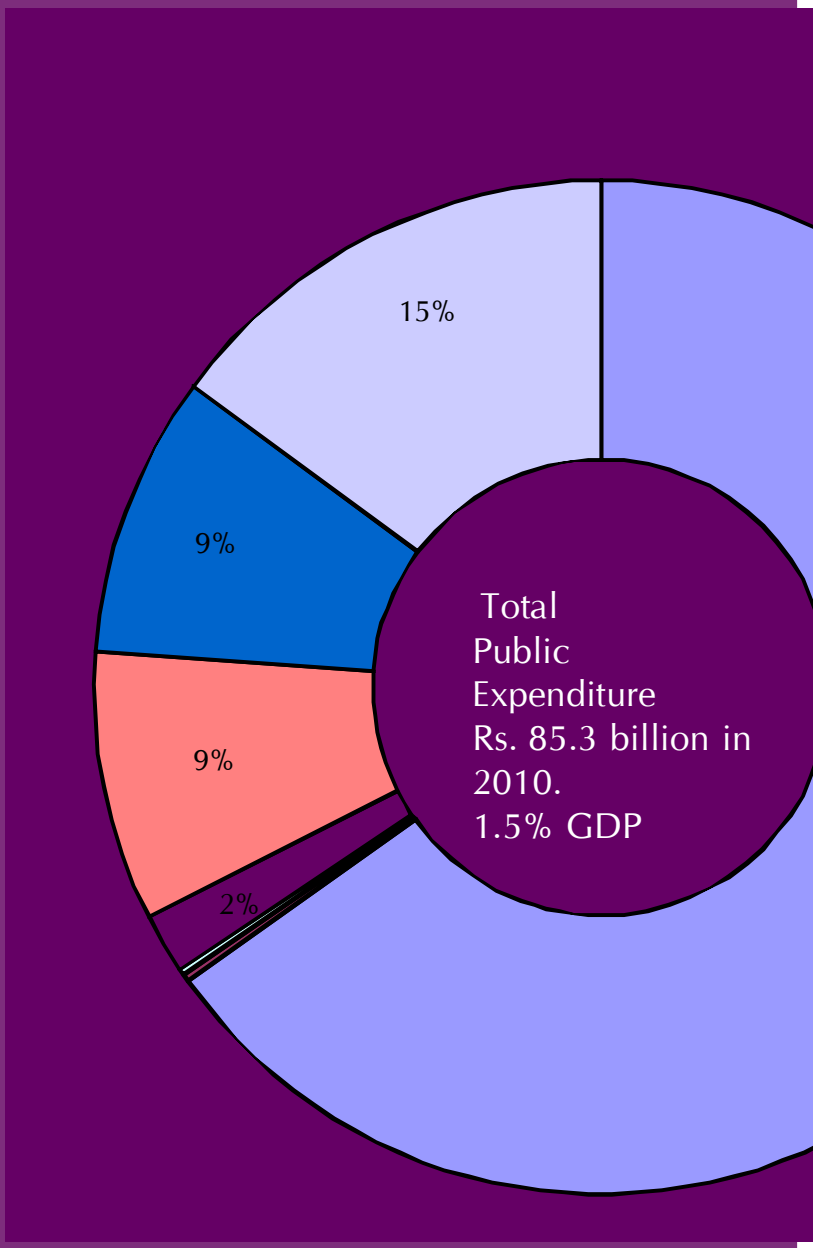
SRI LANKA
NATIONAL HEALTH ACCOUNTS
2010 - 2011



Institute of Policy Studies of Sri Lanka

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Acronyms

CFS	Consumer Finance Survey
CPCEH	Census of Private, Co-operative and Estate Hospitals
DCS	Department of Census and Statistics
ETF	Employees' Trust Fund
HIES	Household Income and Expenditure Survey
ICHA	International Classification of Health Account
IPS	Institute of Policy Studies of Sri Lanka
MOH	Ministry of Health
NGO	Non-Government Organization
NHA	National Health Account
OECD	Organization of Economic Co-operation and Development
OOP	Out-of-Pocket Expenditure
PDHS	Provincial Director of Health Services
PHCE	Per Capita Health Expenditure
PPP	Purchasing Power Parity
SHA	System of Health Account
TCE	Total Current Expenditure of Health
TEH	Total Expenditure for Health
USD	United States Dollar

Preface

This report presents the estimates of Sri Lanka National Health Account (SLNHA) for the period 2010-2011. Being the pioneer in the preparation of Sri Lanka National Health Accounts, this is the fifth of the series of SLNHA produced by the Institute of Policy Studies of Sri Lanka (IPS). The first of the series covered the period 1990-1999 and was followed by the succeeding periods 2000-2002, 2003-2004 and 2005-2009.

In this endeavour, the IPS maintains a record of more than ten years of country experience in health accounting and publishing five series of SLNHA reports. The first estimates which was published in 2002 was the first non-OECD country estimate compatible with SHA 1.0 standard.

System of Health Account (SHA) which was published by OECD in 2000 provided the foundation for producing health expenditure estimates supported by WHO to use SHA (named as SHA version 1.0) by all economies as it provides the necessary standard for reporting health account estimates. In 2011, this system was revised and updated to rectify some of the shortcomings of SHA 1.0 and also provided an opportunity to accommodate into the account some of the new developments in health care systems. As in the OECD and other regional economies, Sri Lanka too was faced with challenges in identifying new expenditure data sources. In this context one of the major areas of concern is the gap in reporting of expenditure on Long Term Nursing Care because the data sources and methods have not been developed so far in many countries, including Sri Lanka.

Health care systems in the country continue to evolve in response to changing demographics and disease patterns, rapid technological advances and more complex financing and delivery mechanisms, through private and public providers. In this context, equity, efficiency and effectiveness of delivery depends on "how much do we spend on health ? What are health expenditure being spent on". These are the key questions that need to be answered in policy making and health accounts estimates provides measured answers to the issues in a comparable way. As an example, the SHA Tables in the Annexure of this report provides a cross analysis of Expenditure by Provider Industry and Source of Funding, Expenditure by Function of Care and Source of Funding and Expenditure by Function of Care and Provider Industry.

The health expenditure information provided in this report represent the assessment trends and levels of health spending in the country by source of funding, by provider and by functions, which are key determinants to assess the performance of the national health system, and health related policies. The expenditure analysis indicates that the expenditure on Prevention and Public Health Service accounts only for 5 per cent of total health expenditure which needs serious attention of the policy makers in the background of the challenge of an ageing population, Chronic Kidney Disease, Child Malnutrition and continuous Dengue epidemic.

Saman Kelegama
Executive Director
Institute of Policy Studies Sri Lanka
August 2014

Acknowledgements

The Institute of Policy Studies of Sri Lanka (IPS) would like to express its gratitude to the numerous organizations in the public and private sector which provided requested information for the production of this study.

Special thanks go to Dr. Saman Kelegama, Executive Director, IPS for the continuous encouragement provided in the preparation of SLNHA reports since its first report in the year 2000.

The task of preparation of SLNHA would not have been a success if not for the support extended by Mr. Ariyaratne Hewage, Chairman, The Finance Commission,and the staff

Helpful comments and editorial support of Mr. D.D. M.Waidyasekara (Editor IPS, and Former Commissioner, Department of Inland Revenue and Secretary, Presidential Commission on Taxation 1990) is deeply appreciated.

Assistance provided by Mr. Sahan Jayawardana (Research Assistant, IPS) by collecting expenditure data from government and private organizations and co-ordinating with the Finance Commission was invaluable.

Finally, the author thanks Ayoni Rangala for her assistance in formatting the paper for publication.

G.D. Dayaratne
August 2014

Executive Summary

Introduction

The National Health Accounts (NHA) framework is an internationally accepted methodology that provides a comprehensive estimate of all national health expenditures, whether from donors or from domestic public and private sources. Health accounts are expected to provide inputs into improved analytical tools to monitor and assess health system performance.[1]

The Sri Lanka National Health Account project was launched by the Institute of Policy Studies of Sri Lanka (IPS) with the collaboration of the Ministry of Health, IDA and WB, and it collected data for the years 1990 -1999 for the first NHA report published in June 2002. Since then the IPS has been engaged in constructing NHA and this report is the 5th in the series.

Sri Lanka NHA 2010-2011 provides estimates of National Health Expenditure by source of funds, by function and by provider for the period 2010-2011.The previous report provided the estimates for 2005-2009. As in previous reports, this reports provides details of financial flows by whom, for what and the amount spent for the given period.

The Total Expenditure for Health (TEH) was estimated at 3.1 per cent of GDP in 2010 and reached 2.9 per cent in 2011. In 2010,TEH accounted for Rs. 173.4 billion while the GDP was Rs.5,604 billion. In 2011,TEH was at Rs.183.4 billion while GDP was accounted at Rs.6,544 billion. Since the inception of IPS National Health Account in 1990, TEH has progressively increased from Rs. 21.7 billion in 1990 to Rs.183.4 billion in 2011.

[1] OECD, Eurostat, WHO (2011), *A System of Health Accounts*, OECD Publishing. *doi: 10.1787/9789264116016- en*

Table 1.1: Total Expenditure on Health 2005-2011

	Total Expenditure on Health (at Current Prices)						
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
TEH (Rs. Million)	96,303	118,322	132,983	154,281	165,460	173,459	183,411
Annual Increase in TEH (%)	14.2	22.8	12.3	16.0	7.2	4.8	5.7
TEH (Rs.Million) at constant prices 2002 =100	76,235	84,173	82,965	82,742	84,201	81,900	80,260
Annual increase in TEH (%) at constant prices	3.2	10.4	-1.4	-0,2	1.2	-2.7	-2.0
GDP (Rs. Million)	2,452,782	2,938,680	3,578,688	4,410,682	4,835,293	5,604,104	6,544,009
Annual increase of GDP (%)	16.9	19.8	21	18.8	9.6	15.9	16.8
Health as a proportion of GDP (%) at current market prices	3.9	4.0	3.7	3.5	3.4	3.1	2.8
GDP (Rs. Million) at constant prices 2002=100	1,941,671	2,090,564	2,238,656	2,365,500	2,449,214	2,645,542	2,863,715
Annual increase in GDP (%) at constant prices	6.2	7.6	7.0	5.6	3.5	8.0	8.2
GDP per capita Rs.	124,709	147,776	178,845	218,167	236,445	271,346	313,576
Annual increase in GDP per capita (%) at constant prices	16	18.5	21	21.9	8.3	14.8	15.6
TEH per capita at current market prices	4,923	5,966	6,667	7,633	8,090	8,399	8,799
Annual changes in TEH per capita (%) at current market prices	11.6	21.1	11.7	14.5	6	3.8	4.6
TEH per capita at constant 2002 prices Rs.	3,897	4,244	4,159	4,093	4,146	3,965	3,846
Annual changes in TEH per capita(%) at constant 2002 prices.	1.1	8.9	-2	-1.5	1.3	-4.4	-3.0
TEH per capita US$ at current prices	48.2	55.3	61.3	67.5	70.7	74.3	79.5
TEH per capita US$ at constant price 2002	48.7	53.01	51.9	51.1	51.8	41.4	40.2

Source: National Health Accounts Data Base,IPS.

1. Health Financing

The classification of NHA by sources shows the following: Revenues generated by government through taxation; payments made by other organizations and institutions working with government, and private employers in terms of premiums and direct payments for care; household payments of premiums and direct purchase of care; grants, loans, and direct operations of non-governmental organizations and rest-of-the-world organizations; and other financing sources external to the total health system.[2]

In Sri Lanka, public and private sources provided funding for the health expenditure like many other countries the world over. Since the elevation of Sri Lanka as a middle income country, the donor funding for the health sector has become not much significant. In 2010, out of the TEH, 49.1 per cent which was equivalent to Rs.85.3 billion was financed by the public sector while the remaining 50.9 per cent which was equivalent to Rs. 88.4 billion has come through the private sector. Public expenditures are financed almost exclusively from the Central Government revenue. In addition, the revenue earned by EPF and Provincial Councils revenue are also contributory factors although they are small. Private sources are mostly dominated by the household out-of- pocket (OOP) expenditure. In 2010, household OOP expenditure accounted for 42.2 per cent equivalent to Rs.73.3 billion of TEH while it accounted for 82.9 per cent of the total private health expenditures. In 2011, household OOP expenditure accounted for 41.7 per cent which was equivalent to Rs.80.3 billion of TEH while it was 83.5 per cent of the total private health expenditures. When one looks at the historical data pertaining to OOP expenditure, in 1990, it was recorded at Rs. 5.1 billion which was 46 per cent of TEH of Rs. 11.1 billion. The OOP during the 10 year period up to 2010 amounts to at around a fifteen fold increase.

In addition to the OOP, private expenditures was also covered by the Employers Own Funds with 7.6 and 7.2 per cent respectively, in 2010 and 2011, while voluntary private insurance contributed 5.4 per cent in each year.

2. Health Expenditure

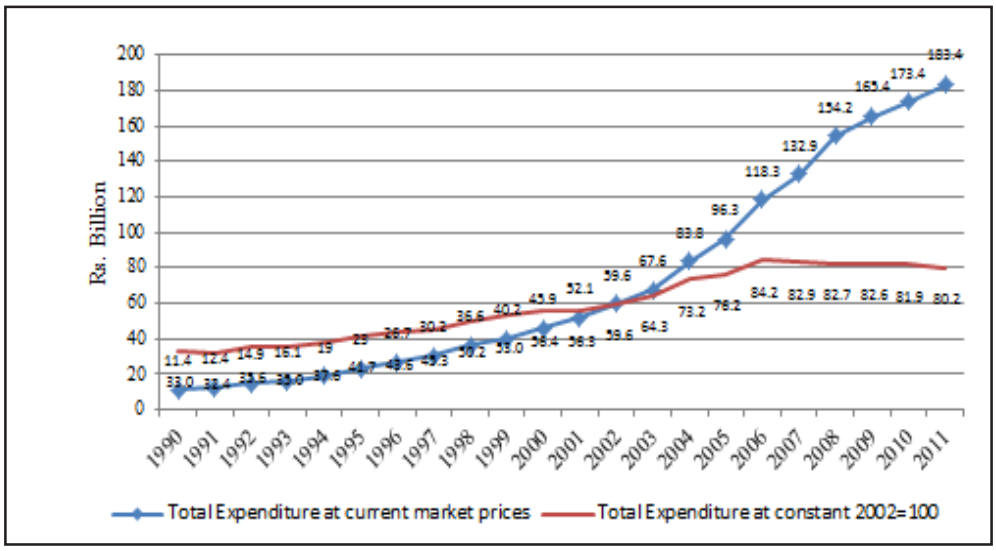
2.1 Trend in Total Health Expenditure

Health expenditure flows reflect the growth of the health system. Trend in health expenditure over the years provide an aggregate picture of the strength of the health care delivery that prevails during the period under discussion.

Total Expenditure of Health as reported in the Sri Lanka National Health Accounts 2005-2009, stood at Rs.96.3 billion in 2005 and reached Rs.165.5 billion in 2009. Estimates for 2010 and 2011 were accounted at Rs. 173.4 billion and Rs. 183.4 billion, respectively. At constant 2002 prices, TEH in 2010 was Rs. 81.9 billion, and in 2011 it was Rs.80.2 billion. Figure 2.1 below depicts the trend in TEH at market prices and constant 2002 prices since 1990 to 2011.

[2] World Health Organization 2003.*"Guide to Produce National Health Account."*

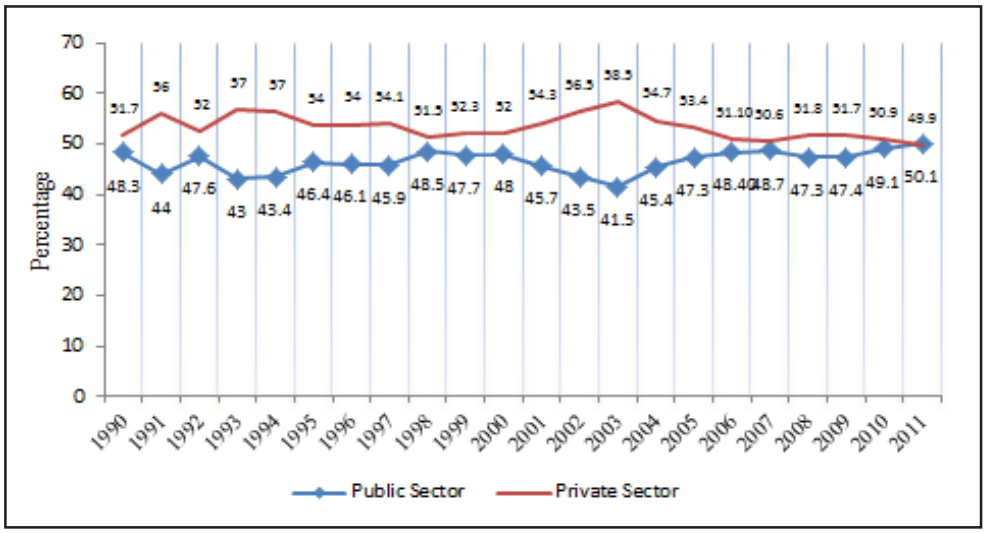
2.1: Trend In Total Expenditure on Health : 1990-2011 at Current Market Price and Constant 2002 Price



Source: National Health Accounts Data Base, IPS.

Public and private expenditure has been on average equally shared right throughout. In general, private expenditure has been higher than public expenditure by a few percentag epoints. In 2011, public expenditure at 50.1 - per cent has surpassed the private expenditure of 49.9 per cent. Figure 2.2 below provides the share of public and private expenditure on health from 1990 to 2011.

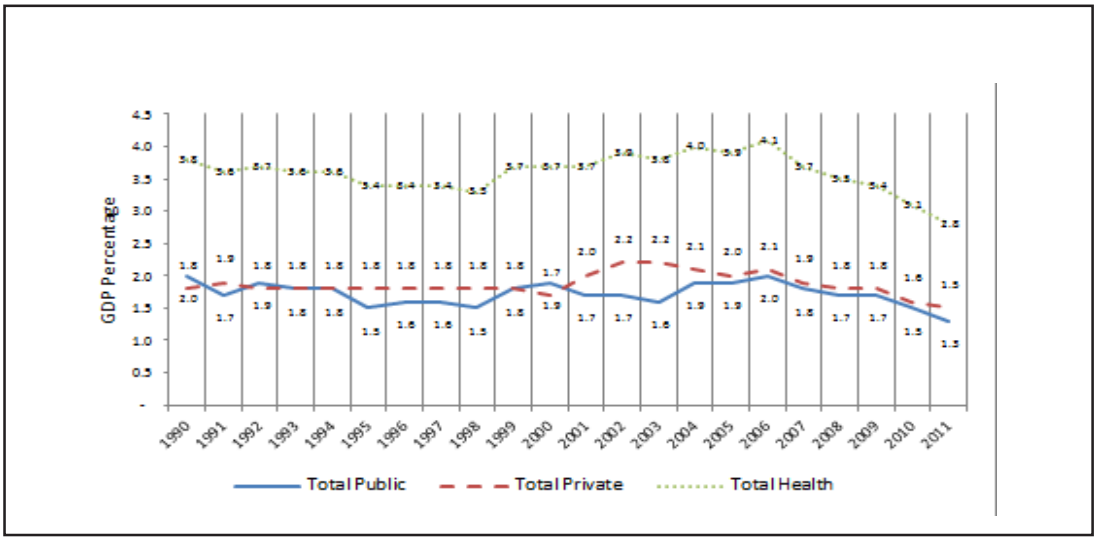
2.2: Public, and Private Share of Health Expenditure :1990 -2011



Source: National Health Accounts Data Base,IPS.

In 2010, public expenditure on personal health care recorded a 28 per cent increase over 2009 and it recorded a lower increase of 5.7 per cent in 2011 over 2010 expenditure. The higher increase in personal health care in 2010 could be attributed to the high expenditure for in-patient services in government hospitals as the war ended in 2009.

2.3: Trend in Expenditure on Health as a Percentage of GDP :1990-2011



Accordingly, household expenditure on personal health care reduced by 4 per cent in 2010 against the 2009 expenditure but it increased by 9 per cent in 2011 over the 2010 expenditure. As far as the private sector is concerned, the same has increased by 10 per cent in 2010 and again a 6 per cent increase was seen in 2011. The increase in private expenditure in personal health care could be attributed to the increase in household expenditure.

TEH in terms of GDP which recorded 3.4 per cent in 2009 declined to 3.1 per cent in 2010 and 2.8 per cent in 2011. The ratio has been declining as the GDP is increasing since the end of the war situation in 2009 (Figure 2.3).

In terms of per capita health expenditure (PCHE) in 2010, PCHE reached Rs. 8,399 and increased to Rs.8,799 in 2011.At constant prices of 2002, PHCE stands at Rs. 3,965 in 2010 and Rs. 3,846 in 2011 (Table 1.1).

In 2010, public expenditure on health increased by 9 per cent over the 2009 expenditure and in 2011 it increased further by 10.9 per cent over that of 2010. Private expenditure on health increased by 3.6 per cent in 2010 over 2009 expenditure. In 2011, it recorded an increase of 8.7 per cent against 2010 expenditure.

Table 2.1: Per Capita Health Expenditure 2005-2011 at Market Price, Constant 2002 Price, and in US Dollar Terms

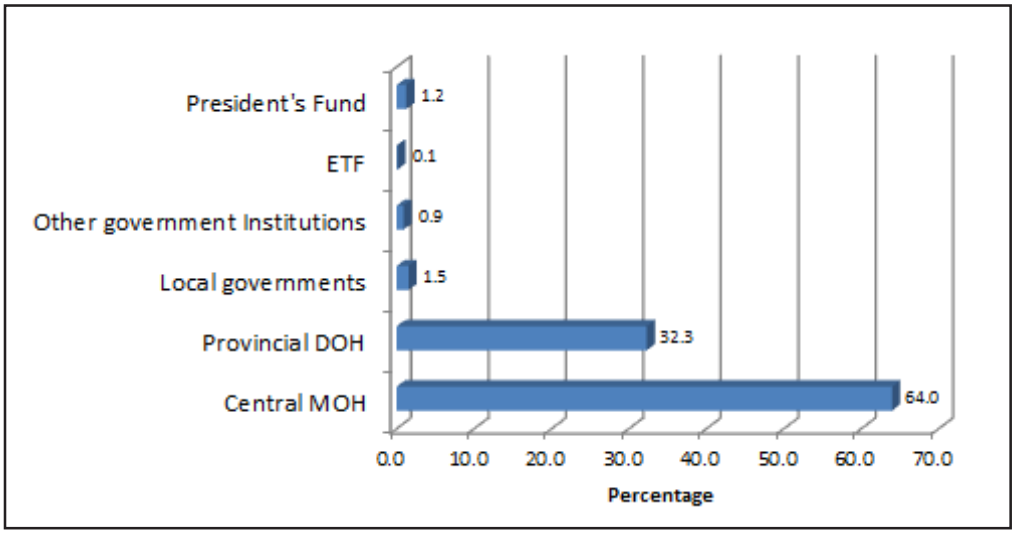
	2005	2006	2007	2008	2009	2010	2011
Per Capita Health Expenditure at Market Price Rs.	4,923	5,966	6,667	7,633	8,090	8,399	8,799
Per Capita Health Expenditure at Constant 2000 Price Rs.	3,897	4,244	4,159	4,093	4,146	3,965	3,846
Per Capita Health Expenditure at Market Price US$	48.2	55.3	61.3	67.5	70.7	74.4	79.5

3. Flow of Funds

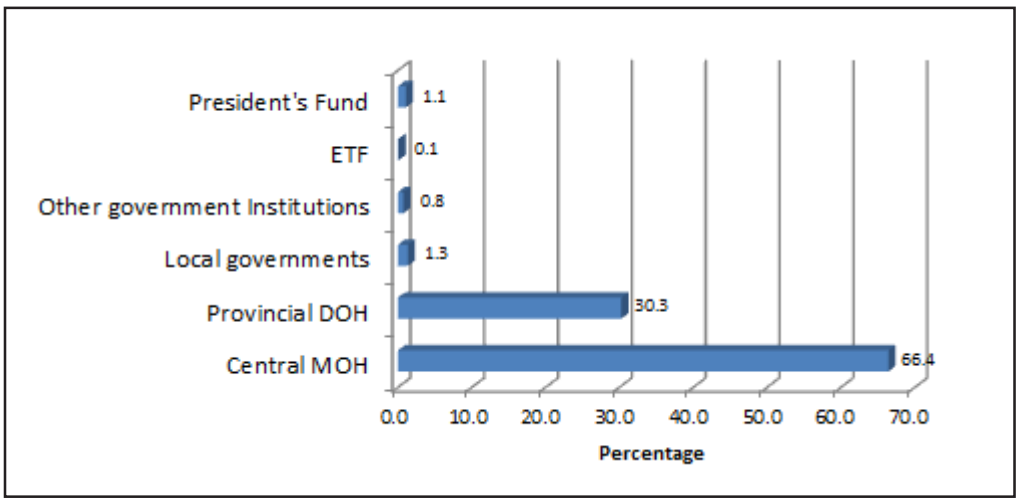
3.1 Expenditure by Source of Funds

Financial flows for public sector expenditure consisted mainly of central government revenue and donor assisted external resources. Other public sources were the Employees' Trust Fund (ETF), President's Fund and the Provincial Council revenues which are insignificant. The Ministry of Health together with the Ministry of Indigenous Medicine and The Provincial - Ministry of Health are the two major financing agents of government expenditure. In addition, other government institutions, Employees' Provident Fund and the President's Fund and Local Government Bodies are the other sources of funding. Figures 3.1 and 3.2 below provide details of sources of public expenditure for 2010 and 2011.

3.1: Source of Funds: Public Expenditure on Health 2010 (Percentage)

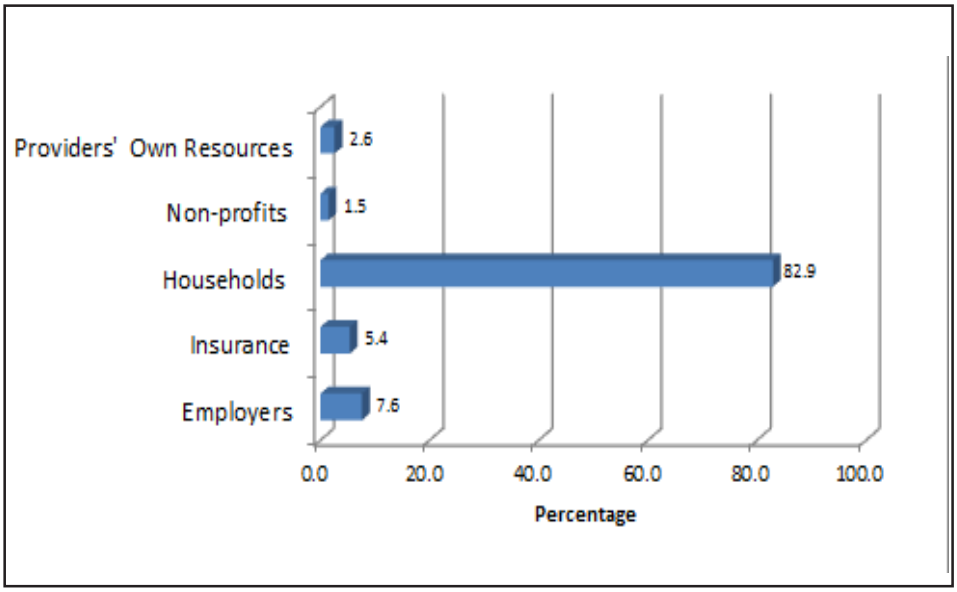


3.2: Source of Funds: Public Expenditure on Health 2011 (Percentage)



Private household OOP expenditure is the major source of funds in private expenditure in addition to voluntary private health insurance, private sector employers' health expenditure reimbursement initiatives and Non-Government Organizations' own sources of funding. Percentage share of these funding sources for 2010 and 2011 are illustrated in Figures 3.3 and 3.4 below.

3.3: Source of Funds: Private Expenditure on Health 2010 (Percentage)



3.4: Source of Funds: Private Expenditure on Health 2011 (Percentage)

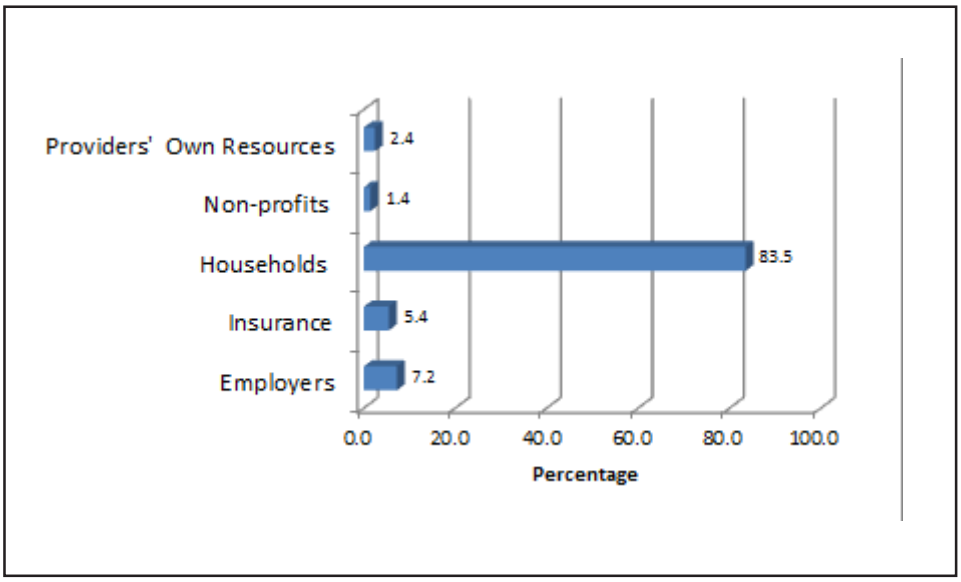


Table 3.1: Total Health Expenditure by Source of Funds: 2005-2011							
Public Expenditure %	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Central MOH	29.1	30.6	32.4	30.4	29.7	31.3	33.3
Provincial DOH	14.5	15.3	14.4	15.5	15.9	15.9	15.2
Local Governments	1.0	0.7	0.7	0.6	0.6	0.7	0.7
Other Governments	0.7	0.7	0.7	1.1	1.0	0.4	0.4
President's Fund	0.9	0.7	0.7	0.6	0.6	0.6	0.6
EPF	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Private Expenditure %							
Employers	4.0	3.7	4.2	4.3	4.2	3.9	3.6
Insurance	0.8	1.7	1.7	2.6	2.9	2.7	2.7
Household	45.8	42.6	42.8	42.3	43.1	42.2	41.6
Non-Profit (NGO)	1.5	1.1	1.2	1.4	1.3	0.8	0.7
Provider's Own resources	1.5	1.1	1.2	1.4	1.3	1.3	1.1
Total	100	100	100	100	100	100	100
TEH Rs. Billion	96.3	118.3	132.9	154.2	165.1	173.4	183.4

4. Expenditure by Activity

4.1 Current Health Expenditure by Function

The major analytical benefits of health accounts lie in their ability to show how expenditures were used. Expenditure by function provides details of functional distribution of expenditure. Expenditure by function falls in the categories ICHA codes HC1-HC7, and the HC1 to HC 5 grouped the personal Health Care Service and Medical Goods Dispensed as per NHA classifications. Right throughout, services of curative care accounted for the largest spending followed by Medical Goods Dispensed to Out-Patients (SHATable 1Annexure). In 2010, 91.8 per cent accounted for personal care out of the current expenditure of Rs.173.4 billion. Out of the total of personal health care services, 38.2 per cent attributed to the government spending and the balance has been from the private sector. In 2011 (SHA Table 4), 92 per cent of total current expenditure of Rs.183.4 billion by function, accounted for personal care of which 38 per cent was funded by the public sector. Major share of this category is attributed to private expenditure due to the reason that private household expenditure on medical goods accounted for around 83 per cent of total expenditure of medical goods dispensed in both years.

In-patient Services and Out-patient Services under HC1-HC3 are the major sub-categories

of personal health care services in Sri Lanka's National Health Expenditure by Function. In 2010, 57.9 per cent equivalent to Rs. 100.4 billion of expenditure on personal health care services accounted for HC1-HC3 consisting of In-patient and Out- patient services (SHA Table 1). Of the total expenditure on HC1-HC3, 58.4 per cent has been accounted for by general government spending. Major portion of government spending has been for In-patient services which accounted for 76.2 per cent of total spending on In-patient care in 2010 while the balance 23.7 per cent was accounted by the private sector. Private sector share is dominant in expenditure on Out -patient care which amount to 72 per cent of Rs. 37 billion of total expenditure on Out-patient Care.

In 2011, an amount of Rs.106.7 billion expenditure was recorded for HC1-HC3, in which general government attributed to 58.4 per cent. The general government share in spending for In-patient services accounted for 76 per cent of total spending of Rs. 67 billion. The total expenditure on Out-patient care under the functional categories HC1-HC3 amounts to Rs.39 billion in 2011 with the private sector sharing 71.8 per cent.

Table 4.1 below provides the percentage distribution of functional categories HC1-HC7 for the period of 1990-2011 including capital formation.

Table 4.1: Total Expenditure by Function 1990 - 2011 (Percentage) HC1-HC7

Function / Year	Services of Curative Care	In- Patient Care	Ambulatory Care	Services of rehabilitative care	Ancillary services to medical care	Medical goods dispensed to out -patient	Preventive and public health services	Health Program adminis-tration and Insurance	Capital information
1990	41	19	22	0	5	26	11	2	15
1991	44	20	24	0	5	28	10	2	10
1992	42	19	23	0	5	28	9	2	14
1993	45	20	25	0	5	28	8	2	8
1994	48	23	26	0	5	28	8	2	10
1995	49	24	25	0	5	27	7	2	10
1996	50	24	26	0	5	25	7	2	12
1997	51	25	26	0	5	25	6	2	10
1998	47	23	24	0	5	24	6	2	17
1999	47	23	24	0	5	26	6	2	13
2000	48	27	22	0	5	25	5	4	13
2001	50	27	23	0	5	25	5	4	11
2002	51	28	23	0	5	26	4	4	10
2003	49	28	21	0	5	26	5	4	11
2004	48	29	19	0	5	25	5	5	12
2005	53	33	20	0	6	23	5	3	10
2006	51	32	19	0	7	25	5	2	10
2007	52	33	19	0	8	23	5	2	10
2008	52	32	20	0	8	23	5	2	10
2009	53	34	21	0	8	24	5	2	9
2010	53	33	20	0	8	23	5	2	9
2011	54	33	21	0	8	23	5	2	8

Source: SLNHA data base IPS.

4.2 Current Health Expenditure by Provider

The largest share of Total Current Expenditure (TCE) in 2011 was spent by hospitals (47.3 %) with providers of the ambulatory health care accounting for 25.3 per cent. Out of the total hospital providers accounts,79.2 per cent was provided by the Government Hospital facilities which are key institutions that provide health care to the bulk of the population. As for the expenditure by providers of ambulatory care, private providers accounted for 88 per cent of total expenditure by total ambulatory care providers. Pharmacies and other providers of medical goods accounted for the next largest share by 21 per cent of TCE. Providers of administration of public health service and general health administration accounted for 2.8 and 2.3 per cent respectively,of TEC for 2011 (SHA Table 6).

4.3 Capital Formation of Health Care Provider Institutions

An average of 8 per cent of total health expenditure account for capital formation, and the bulk of this expenditure goes through the Ministry of Health as capital expenditure for hospital development programmes. With the elevation of the country's status as an emerging middle income country, the donor contribution for capital formation has gradually significantly declined. Capital formation for hospital infrastructure has been more concentrated in war affected areas. In recent years, the country's rapid economic growth has led to the infusion of capital spending for unprecedented growth in the private health sector with a significant increase in number of private hospitals and private clinics in the country. Long waiting time, intermittent shortages of essential drugs and other facilities in government hospitals has been the major causative factors among others. Consequently, Sri Lanka's health system is changing from a largely public sector –provided system financed by general revenue to a more balanced system with increasingly demanded private sector services financed through fee-for-service arrangement.

4.4 Current Health Expenditure by Function and Provider

In 2011,expenditure on in-patient curative and rehabilitative care has been Rs. 65 Billion (35.7 % of TCE). This is predominantly accounted for by hospitals (87.9 % of total In-Patient care) with all other industries contributing the remainder (12.1 % of total in-patient care) out of the expenditure on in-patient care by hospitals. Expenditure on out- patient curative and rehabilitative care consist of Rs.41 billion (22.4 % of TCE) (SHA Table 5), out of which 60.2 per cent has been by providers of ambulatory care. Among the ambulatory care providers, the sub-categories of providers of offices of physician (HP3.1) accounted for 94.7 per cent and the rest is by offices of dentist (HP 3.2), offices of other health practitioners (HP 3.3) and out-patient care centres (HP3.4).

In 2011, expenditure on ancillary services to health care was Rs.15.6 billion (8.5 % of TCE) of which 72.1 per cent was paid to providers of ambulatory health care while the remaining was paid to the hospitals.

Expenditure on medical goods has been Rs. 46.4 billion (25.2 % of TCE) of which 83.3 per cent was paid to the retail sales and other providers of medical goods,14.6 per cent to the hospitals and the remaining for the providers of ambulatory health care.

Services provided by hospitals included in-patient and out-patient care that collectively accounted for Rs.73.6 billion in 2011. The distribution of this expenditure by health care function was 68 per cent (in-patient care) and 19 per cent (out-patient care) of total hospital expenditure by provider (SHA Table 5).

4.5 Current Health Expenditure by Provider and Source of Funding

In 2011, general government expenditure on health amounted to Rs. 83.5 billion (45.5%) of total current expenditure whereby Rs.83.4 billion came from general government excluding social security. Private sector expenditure on health in 2011 was Rs. 99.3 billion (54.4% of TCE) of which Rs.83.1 billion was funded by private household OOP expenditure, and Rs. 9.5 billion (5.4% of TCE)mainly by private social insurance among other sources.

Funding by general government (excluding social security) sector amounted to Rs. 83.4 billion (45.4% of TCE) of which 82.3 per cent was incurred at hospitals, 6.4 per cent was incurred at providers of ambulatory care, 6.1 per cent related to the administration of public health service, 4.8 per cent for the general health administration and insurance,and 0.4 per cent related to all other industries.

Private sector expenditure on health amounted to Rs. 99.3 billion (54.4% of TCE) of which 83.6 per cent (Rs.83.1 billion ,equivalent of 45.3 % of TCE) was from OOP payments by households, Rs. 9.5 billion (5.1 per cent of TCE) from private social insurance and Rs.5 billion (2.7% of TCE) from other private insurance, mainly from employers. Remaining 1.3 per cent was from non-profit organizations, providers of own resources and by the rest of the world which was barely minimal.

Expenditure funded from OOP payments Rs.83.1 billion (45.3% of TCE) comprised of spending to providers of retail sales and other providers of medical goods amounting to 43.8 per cent, ambulatory care 41.4 per cent and hospitals 14.7 per cent of private expenditure.

4.6 How Different Providers were Financed in 2011

Of the Rs. 86.7 billion spent on hospitals care, 79.2 per cent was funded by the general government sector and 20.8 per cent by the private sector.

Providers of ambulatory care had a wide mix of financing sources including private household OOP (73.9%), general government (excluding social security funds) funding (11.5%), private social insurance (11.6%) and by other private insurance (2.8%), out of the total spending of ambulatory care by provider.

Out of the total funding for retail sales and other providers of medical goods, the highest was financed (94.5%) by private household OOP payment. The remaining funds were from private social insurance (5.4%).

4.7 Current Health Expenditure by Function and Source of Funding: 2011

Functional Structure of Spending by Financing Agents

Both public and private spending predominantly focus on personal health care services with different distributional pattern. Public expenditure on personal health care services (75.6% of total general government expenditure) are aimed at in-patient services (62.2%) and out-patients (13.4%). The remainder of public funding was mostly distributed to prevention of public health (10.2%), medical goods dispensed to out-patients (9.3%), health administration and health insurance (4.1%) and to ancillary service to health care (0.5%)[3]. By comparison, private spending on personael

[3] Ancillary Service to Health Care involved clinical laboratory services, diagnostic imaging, patient transport and emergency rescue and all other miscellaneous services related to health care.

health care services (43.5%) of total private sector expenditure) was split between in – patient care (15.7%), out-patient care (27.8%), ancillary services to health care (15.1%), and medical goods dispensed to out-patient (38.3%), out of which 77.5 per cent went for pharmaceuticals and therapeutic appliances . Other medical durables account for (8.6%) while health administration, and health insurance, prevention and public health service (1.5 and 1.4 per cent respectively, of total private expenditure) were the other categories outside personal medical services and goods.

5. Provincial Health Expenditure

Although provincial expenditure on health is shown separately in this report, in a true sense the provincial governments do not generate their own funds except for approved revenue directly earned from the province. Provincial government funds mainly consisted of central government funds transferred to provincial governments under various grants and by revenue transfers. The Ninth Schedule of the Thirteenth Amendments to the Constitution, demarcated the country into nine provinces and certain functions were devolved to the provinces under the provincial Act while retaining the major tax base. Accordingly, in 2010 total revenue of Provincial Councils(PCs) accounted for Rs.36.8 billion which included Rs.31.0 billion as tax revenue. During the same year, total expenditure of PCs accounted for Rs. 145.5 billion with Rs.119.1 billion as current expenditure and Rs.26.3 billion as capital expenditure. Central Government transfers to the PCs in 2010 amounted to Rs. 107.0 billion. The revenue structure of the PCs was changed from January 2011.The turnover tax which was imposed on wholesale and retail trade and collected by PCs, was abolished and the coverage of the Nation Building Tax was widened to cover those activities.[4]

In 2011, total revenue of PCs was recorded at Rs. 40.9 billion with Rs.34.5 billion as tax revenue.Total expenditure of PCs was recorded as Rs.157.3 billion which includes Rs.129.6 billion as current expenditure and another Rs.27.7 billion as capital expenditure. The central government transfers to the PCs during the same year has been Rs.116 billion under various grants. As far as the capital expenditure is concerned, in 2011,Rs. 8.0 billion has been spent on foreign funded projects which include health sector development projects.

The common feature of the recurrent expenditure of PCs is that the expenditure on personal emoluments stand at around 80 per cent, with salaries and wages of the health and education sector accounting for a large proportion of this expenditure.

Out of the total public expenditure on health, provincial governments' share has been 37 per cent in 2005, 31 per cent in 2006, 34 per cent in 2007, 28 per cent in 2008 , 27 per cent in 2009, 28.3 per cent in 2010 and 28.4 per cent in 2011. Approximately 85 per cent of public health expenditure is spread through the provinces to all districts excluding all-island health services and national collective services.

The regional growth disparities at provincial level has been the main factor from the inception of the provincial council system. Table 5.1 above depicts that the Western Province controls around 50 per cent of National GDP, while the GDP growth of the rest of the provinces have been stagnating right through. Provincial disparities have been spread through socio-economic well-being of the cross-section which includes poverty eradication, education attainment and the health well-being of the population. These disparities could be further analyzed by looking at the per capita health spending by the respective provinces.

[4] Transfers to PCs , 1/3 of Nation Building Tax, 70% of Stamp Duty, 100% transfer of Motor Vehicle Registration fee.

Table 5.1: GDP Share (%) by Province 2005 - 2011							
Province	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Western	50.8	50.1	46.5	45.4	45.1	44.8	44.4
Central	8.5	8.8	9.6	9.8	9.6	10.0	9.8
Southern	8.9	10.0	10.5	10.5	10.2	10.7	11.1
North Western	8.9	9.1	9.6	9.9	10.3	9.5	10.0
North Central	4,3	4.0	4.0	4.7	4.8	4.8	4.6
Uva	4.5	4.3	4.9	4.5	4.6	4.5	4.5
Sabaragamuwa	6.4	6.1	6.4	6.4	6.3	6.3	6.2
Eastern	4.7	4.9	5.2	5.6	5.8	6.0	5.7
Northern	3.0	2.8	2.9	3.2	3.3	3.4	3.7
GDP Rs. Billion	**2,098.0**	**2938.6**	**3,578.6**	**4,410.6**	**4,835.2**	**5,604.1**	**6,544.0**

Source: Central Bank Annual Reports various years.

Table 5.2: Total Health Expenditure by Province : 2010 and 2011 (Rs. Million)		
Province	**2010**	**2011**
Western	79,708	76,345
Central	17,992	20,088
Southern	16,179	18,115
Northern	6,119	6,966
Eastern	10,088	11,850
North Western	14,691	16,278
North Central	8,094	9,195
Uva	8,796	10,957
Sabaragamuwa	11,892	13,617
Total	**173,559**	**183,411**

Source: National Health Account data base IPS.

Table 5.3: Provincial Distribution of Health Expenditure by Source of Funds (%): 2010 and 2011

Province	2010		2011	
	Public	Private	Public	Private
Western	32.5	67.5	37.6	62.4
Central	57.5	42.5	61.5	38.5
Southern	50.3	49.7	54.5	45.5
Northern	65.0	35.0	67.8	32.2
Eastern	51.3	48.7	61.7	38.3
North Western	50.2	49.8	53.7	46.3
North Central	52.8	47.2	57.7	42.3
Uva	59.9	40.1	58.5	41.5
Sabaragamuwa	54.8	45.2	59.3	40.7

Source: National Health Account data base IPS.

Figure 5.3 above illustrates the distribution of health expenditure by source of finance, and it clearly reflects the disparities between the Western Province and other provinces. Spending of private sources is dominated by the Western Province mainly due to capital formation by private health care providers, private household expenditure on medical goods consumption by out-patient and private voluntary health insurance .

Provincial disparities in socio-economic well-being is more visible when one looks at the poverty headcount (PHC) ratio. During 2010/ 2011 period, it recorded a national average of 8.9 per cent ratio, while at provincial level the

Table 5.4: Per Capita Health Expenditure in Provinces by Source of Funds: 2010and 2011 (Rs)

Province	Public	Private	Public	Private
	2010		2011	
Western	4,376	9,088	5,146	8,554
Central	3,862	2,860	4,359	2,723
Southern	3,275	3,237	3,732	3,110
Northern	3,351	1,806	3,787	1,801
Eastern	3,325	3,163	4,429	2,744
North Western	3,159	3,138	3,509	3,031
North Central	3,463	3,090	4,037	2,958
Uva	3,994	2,672	4,565	3,237
Sabaragamuwa	3,437	2,836	3,935	2,702

Source: National Health Account data base IPS.

Western Province recorded 4.5 per cent, while it recorded at more than 10 per cent in the Eastern, North Western, Uva and Sabaragamuwa provinces. Similarly, where health spending is concerned, per capita health expenditure provides more evidence for this regional disparities.

The Western Province accounts for the higher per capita health expenditure of all provinces mainly due to the higher per capita expenditure of private sources. The major reason that contributes for higher per capita health expenditure in the Western Province is that out of the total population in the country, WP consisted of 28 per cent while all the other 8 provinces each accounted for half or less than half of the WP population. Further, household expenditure accounted for 83 per cent of the total private expenditure and the bulk of these expenditure is incurred by the households in the WP. See Table 5.4 above.

6. International Comparison

Analysis of health expenditure data by various countries provides a picture of health funding, per capita expenditure and private public partnership in health financing. This report presents Sri Lanka's position among selected countries in Asia, Pacific and European Countries.

NHA are increasingly produced all over the world and many countries are now at different stages in implementing the System of Health Accounts. Some countries especially OECD countries and a few countries in the Asia Pacific region have institutionalized SHA based National Health Accounts,i.e.,SHA 1.0 and SHA 2011.

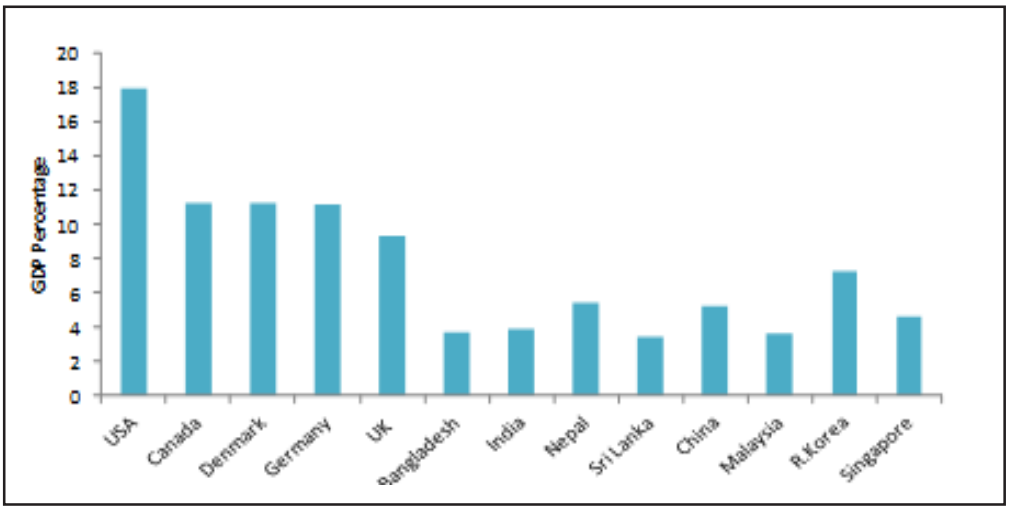
In general, SHA based health accounts provide room for comparative analysis of health expenditure across countries, role of public and private spending, functional pattern of existing health expenditure, and the role of different countries. It has been observed that there is a limited comparability of total health expenditure by way of related indicators such as the ratio of health expenditure to GDP due to the different boundaries of definition, coverage, institutional settings that exist within and across countries.

Per capita expenditure shows overall level of consumption of health care by the population, and health spending to GDP ratio reflects a macroeconomic approach comparing the share of Gross National Product provided for health. Per capita health spending across countries ranges anywhere between 1 per cent to well over 10 per cent of national income. Health outcomes across countries are not strongly related to the level of spending on health services once other factors and other kinds of spending are considered. International health policy debates frequently referred to the WHO recommendation (1981) that countries should spend 5 per cent of GDP on health. Public spending dominates such a large share in OECD countries, while in most low-and middle income countries including Sri Lanka in the South Asian Region, private spending is either larger or have an equal share of total health spending.

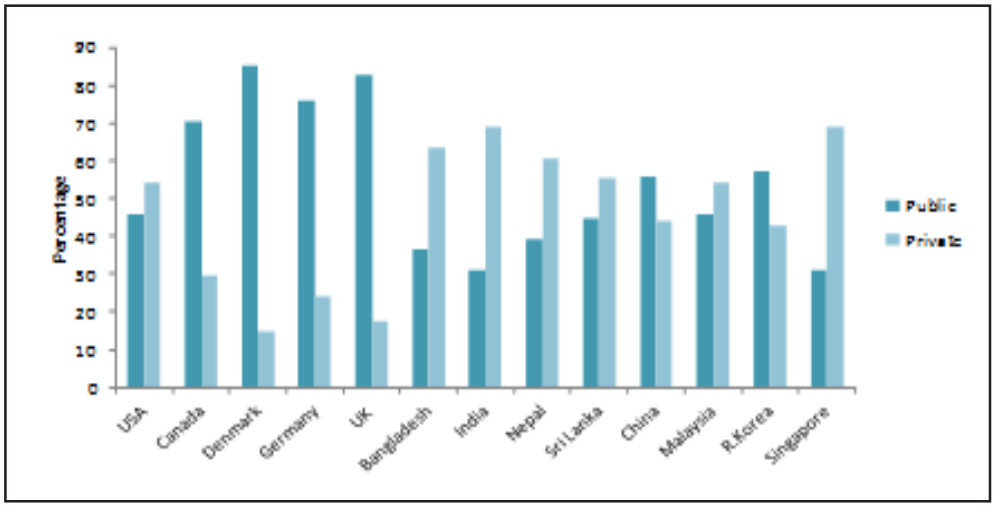
Purchasing Power Parities (PPP) provide a means of comparing spending between countries based on the conversion that equalize the cost of a given basket of goods and services in different countries.

Sri Lanka National Health Accounts 2010-2011 provides below Sri Lanka's position in international comparison in per capita health, public private share in health spending (source of funds), comparison of PPP across countries, and private household expenditure across countries for the year 2011.

6.1: Health Expenditure as a Percentage of GDP 2011

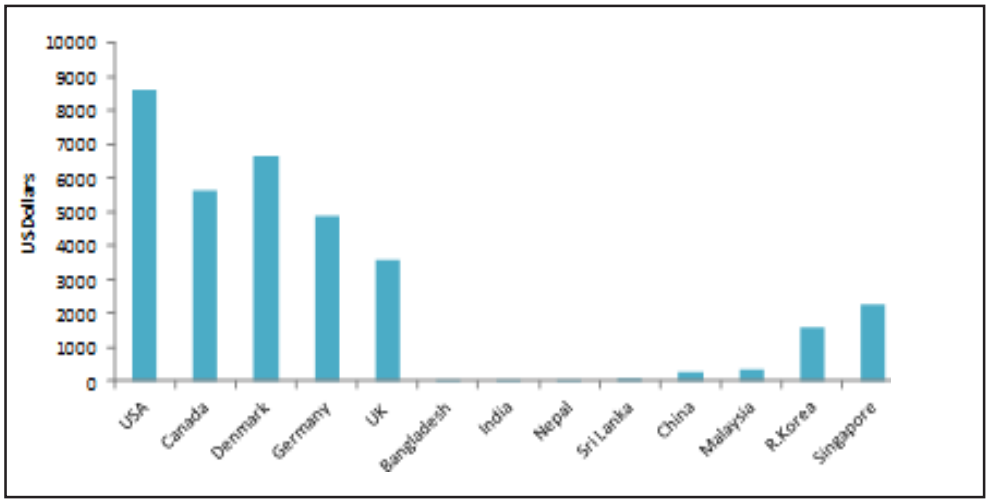


6.2: Public and Private Share in Total Expenditure on Health in Selected Countries 2011

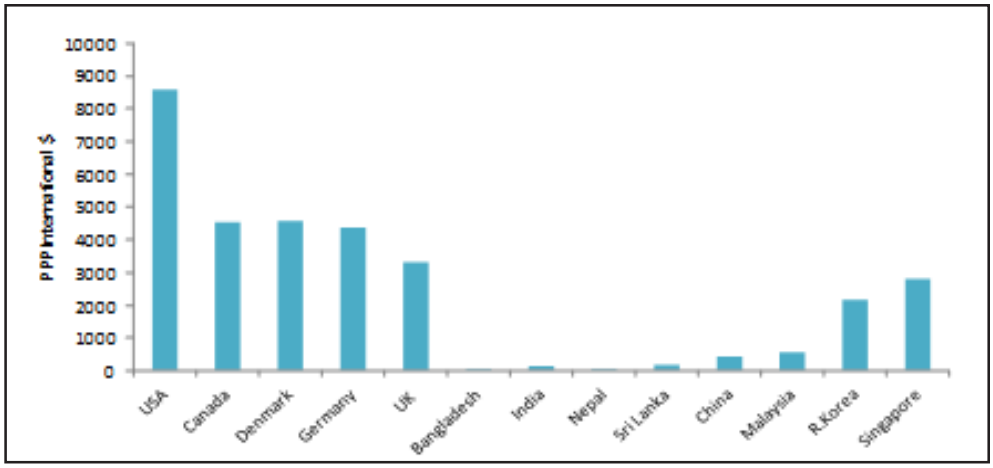


Sri Lanka's experience is most comparable to the Malaysian health expenditure system in terms of health expenditure as a percentage to GDP and public and private share in total expenditure of health. Malaysia's health care system is generally efficient and widespread. Malaysia has an universal health care system with the public and private system co-existing.

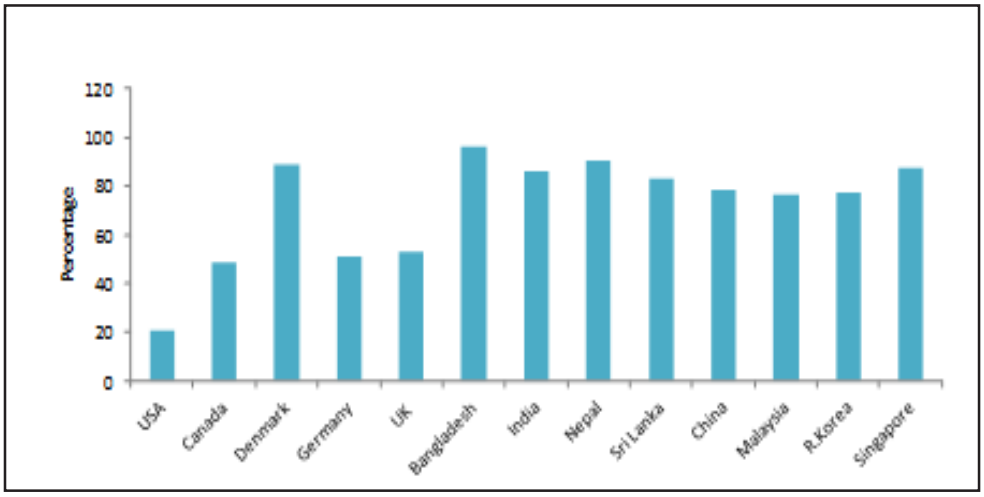
6.3: Health Expenditure Per Capita (at current US $) in Selected Countries 2011



6.4: Health Expenditure Per Capita PPP in Selected Countries 2011



6.5: Out-of-Pocket Expenditure as Percentage of Total Private Health Expenditure 2011



7. Conclusion and Summary of Findings

In terms of level of expenditure, Sri Lanka's spending on health is comparable with that of other lower middle income economies. In recent times,Total Expenditure on Health has declined below 4.0 per cent of GDP. One of the reasons is that since the end of the war, GDP has been increasing at a faster rate than the pre-war period before 2009. There had been a 16 fold increase in the total health expenditure during the period from 1990-2011. In 1990 estimated health expenditure which had been Rs.11.1 billion (IPS SlNHA, 2002) reached Rs.183.4 billion in 2011. In terms of per capita health expenditure, in 2011 it stands at Rs.8,789 which was a progressive increase since 1990, in which per capita health expenditure stood at Rs.659. Converted to US Dollars it was USD 16 in 1990 and reached US Dollars 80 in 2011.

Most noteworthy of the TEH is the significant growth in private household OOP expenditure which dominate at 44 per cent while in total private health expenditure it accounted for 84 per cent. One of the fundamental reasons for the high spending of OOP is demand generated from the increased number of private facilities that have been set up in metropolitan areas and the tendency of some patients to purchase ancillary services from those facilities to expedite treatment at the public hospitals.

The cost sharing between the public and private sector was approximately equal but since the war, private expenditure has edged out the public sector by 1 to 2 per cent. In 2011,public private share in TEH accounted as 49.1 and 49.8 per cent respectively, while donor financing accounted for 0.1 per cent.

As far as public spending is concerned, direct government spending flows through the Ministry of Health and through the Provincial Director of Health Services. Average budgetary provision for the Ministry of Health is around 2.6 per cent of the total government expenditure.

Public sector sources of funding and provision dominate expenditure on in-patient care whilst private sector sources predominantly finance out-patient care. Private sector also dominates the funding of medical goods dispensed to out-patients. Preventive and public health service remains at 5 per cent like in previous years as government budgetary allocation for same remains stagnating over the years with budget allocation for health remaining relatively constant.

Appendix 1

Definitions and Classifications

Conceptual Framework

Institute of Policy Studies continuously used the OECD System of Health Accounts since1990. In the preparation of this report, revisions made for OECD SHA 1.0 in SHA 2011was followed up with a locally adopted classification system. The revisions reflected a desire to further enhance cross-country comparability of health expenditure and finance data, and to make SHA more adaptable to the rapidly evolving health system around the world. To make it easier for international comparability, SLNHA presents a mapping of basic data sources to ICHA.

SHA 2011 consist of a refined set of common concept definition and classification, together with a set of interrelated tables depicting health expenditure and financing. As introduced in SHA 0.1, it classifies all health spending under the tri-axial system of International Classification for Health Account(ICHA). That is, by function (ICHA-HC), by health care service provider industry (ICHA-HP), and by sources of funding (ICHA-HF).

SLNHA System Definitions

National Health Accounts (NHA) constitute the detailed monitoring of resource flows in a country's health system for a given period. It reflects the main functions of health care financing: resource mobilization and allocation, pooling and insurance, purchasing of care, and the distribution of benefits.

NHA includes all expenditures for activities with the primary purpose or objective of improving health for the nation and for individuals or a group of individuals during a given period of time while providing details of resource flows, purchase of goods and services, and also provides what services and inputs are used in providing services.

Health related expenditures include expenditures on health related functions such as medical education, training and research. Also, it includes expenditures for goods and services delivered by traditional and unregistered or illegal providers.

Total Health Expenditure

Total health expenditure on health includes all direct health expenditures by the final use of resident units of health care goods and services plus gross capital formation in health care provider industries. It is an aggregate of Total Current Expenditure on Health (TCEH) plus health-related investment called capital formation or capital expenditure by health care provider institutions. It excludes the expenditures on environmental health, water and sanitation.

Period of Coverage

Data has been presented to cover the period for 2010-2011.

Accounting Basis: Space and Time

The expenditure data used to produce tables are produced in calendar year basis. Accounting basis used is cash basis to the greatest extent possible on actual basis and includes spending on health care by individuals or persons who are residents within the national borders of Sri Lanka. The bulk of the expenditure by government is based on the actual expenditure stated in the annual estimates of the Ministry of

Finance. In estimating expenditure, a cash disbursement method was used as government expenditures are reported on a cash basis. Household survey data also correspond to expenditures measured on a cash basis. The same principle was applied in estimating expenditures of Provincial Governments.

Entities

Entities are the financing agents that channel funds and provide funds by financing sources to use or purchase health care. SLNHA expenditures are measured on the basis of entities that pay for or purchase health care. They can consist of individuals, group of individuals, institutions, enterprises, government agencies and NGOs/non-profit institutions. Entities can consist of institutions, enterprises, state owned agencies, not-for-profit institutions or individuals. These entities are classified under two categories namely, as providers and financing sources.

Financing Sources

Financing sources are the entities that directly finance health expenditures by providing funds or transferring the same for final use. Financing sources are classified under two broad categories such as Public Funds, and Private Funds as given below.

Public Funds

- Government (Central government, Provincial Councils, Local Government, ETF).

Private Funds

- Not-for-profit institutions, for-profit institutions (employers, other private sources such as insurance), households or individuals.

In Sri lanka there are four major mutually exclusive categories of financing sources such as;

- Central government, provincial government, and local government bodies.
- Households.
- Employers and other private sources (for –profit enterprises).
- Not-for-profit organizations (NGOs).

Providers

- Government owned hospitals including Ayurvedic hospitals, nursing homes and residential care facilities, non-hospital medical facilities, public health or community health programme facilities, health administration institutions.
- Academic and training and research institutions.
- Not-for-profit institutions/NGO hospitals, nursing homes and residential care facilities, other non-profit providers.
- Enterprises owned services.
- For- profit providers. Private medical and dental providers, diagnostic service providers, private Ayurvedic and other traditional system practitioners, retail sale and other providers of medical goods.
- Foreign providers.

Functions

Functions are defined as the types of goods and services produced by health care providers and by institutions and actors engaged in activities related to health care. Functional classification would enable to separate functions within the provider organizations, in particular within hospitals. In SLNHA, expenditures by functions consist of two broad categories:

1. Core functions of medical care.
2. Health -related functions.

Sub-categories of the two major functions are:

Functions of Medical Care

HC 1-HC 3. Personal Health Care Serivces.
- Services of in-patient Care
- Services of out-patient Care

HC 4. Ancillary Service to health care.
HC 5. Medical goods dispensed to out-patients.
HC 6. Prevention and public health services.
HC 7. Health programme administration and health insurance.

Excluded in SLNHA are the expenditures of certain government departments which provide support to other government entities producing health care services, namely, Government Analyst Department, Government Printer, Ceylon Electricity Board, and the National Water Supply and Drainage Board.

Expenditures in Real Terms

SLNHA estimates are presented in both nominal (current market prices) and real terms (constant at 2002 Rupees).

Appendix 11

Methodology

Health Expenditures include the type of expenditures for which the primary objective is to improve or sustenance of health status of the country. This task involves in spending on curative health care, rehabilitation, disease prevention, health promotion, special and emergency programme, reproductive and child health programmes and other health related functions such as health education, training and research and capital investment for these purposes. Structure of SLNHA total expenditure closely follows the SHA definition of Total Health Expenditure which includes the total recurrent expenditure of the final use of resident units of health care goods and services plus personal plus gross capital formation by provider industries.

Public Sector: Central government, Provincial government, Local government (Municipal Councils, Urban Councils, Pradeshiya Sabhas).
Government statutory institutions:
President's Fund
Employees' Trust Fund

Private Sector:
Employers
Other private institutions
Non-profit private institutions
Households
Private insurance

Central Government Expenditures

The main source of data for Central Government expenditure was the State Accounts reported in the Budget Estimate for each year, which contains the audited actual account on government entities i.e., ministries and departments. Annual estimates provide the recurrent and capital actual expenditures for the previous year of government entities including the Ministry of Healthcare and Nutrition.Estimation of public sector health spending requires more than counting expenditures by the Ministry of Health.

Sri Lanka's public health services are significantly funded through the general population by tax payments. The Ministry of Finance collects general taxes (as direct and indirect taxes) to finance the public expenditures including health care.

MOH Allocations for Provincial Councils

State accounts estimates for the Ministry of Health provides actual total expenditure breakdown for recurrent and capital expenditure for previous years under the category of "Provincial Councils".

Provincial health expenditures were obtained from three different sources. IPS routinely collects the recurrent and capital expenditures

disaggregated by programmes from the Provincial Directors of Health Services and are cross-checked with actual expenditure data provided in the respective provincial budget along with State accounts published.

The Finance Commission provides coordination between the Provincial Ministry of Health and the IPS. Provincial Councils' expenditures come almost exclusively from Central Government transfers to Provincial Councils and a small amount funded by Provincial Councils' own revenues which were however insignificant.

Other Government Ministries, Departments and Agencies

Proportion of expenditures attributed directly to health in the other government ministries, departments and agencies are also estimates based on the expenditure provided in state accounts for relevant entities. Health related expenditures are directly obtained from the following entities.

Medical Training & Research Institutions

- Institute of Fundamental Studies
- National Science Foundation
- President's Fund
- Employees' Trust Fund. (A fair percentage of contribution by the employees contributing to the Trust Fund can be withdrawn for reimbursement of health care expenditure)
- Plantation Trust Fund

Local Government

Direct to IPS from all Municipal Councils, Urban Councils and other local bodies.

Estimation of Private Expenditure on Health

Private expenditure on health consist of health related expenditure by households, and non-profit institutions serving households. Private expenditures of health is the aggregate of - expenditures by households, for-profit private enterprises, private employers and non-profit institutions.

The private expenditures consist of:

- Expenditures at private hospitals
- Household expenditures on user fees and other health expenditures
- Private employer expenditure
- Insurance expenditures
- Other expenditure if any.

Estimation of Household Expenditure on Health

The bulk of private expenditure consist of expenditures by households in the form of out-of- pocket payment.

Since there was no direct source for private household OOP expenditure data, an indirect approach was conducted to estimate the household OOP component.

The policy makers and other stakeholders have frequently turned to two major household surveys namely, Consumer Finance Survey (CFS) of the Central Bank and Household Income and Expenditure Survey (HIES) of the Department of Census and Statistics to obtain reliable data on a range of demographic and socio-economic characteristics of the various populations. The most common and important sources of information about households out-of-pocket expenditures are the above mentioned two surveys carried out separately by the Central Bank and the Department of Census and Statistics. CFS and HIES used to provide a continuous series of key socio-economic indicators for development in the country.

HIES series of DCS has been conducted at regular intervals of 5years since 1980 and has a larger sample size. HIES of 2012 surveyed 25,000 household units. Two methods were used in estimating health expenditures of

households. The constant ratio method helps to derive estimates of health expenditure by applying it to estimated private consumption in the National Income Account, on the assumption that the ratio of reported health expenditures to surveyed total household expenditures are correct. Although there are insignificant non-sampling errors due to recall bias, and the reporting of different types of health expenditures varies, one can assume that the per capita health expenditures reported in these surveys are correct and unbiased. By using the given per capita expenditure on health into the estimated national population, one can derive the household out-of-pocket expenditure at national level. On that basis IPS arrived in estimating the following:

- Household expenditures of services of private practitioners of western medicine.
- Household expenditures of services of private practitioners of indigenous medicine.
- Household expenditures on purchases of western pharmaceuticals and medicines.
- Household expenditures for services of medical laboratories and diagnostic facilities.
- Household expenditures for spectacles, wheel chairs, artificial limbs etc.
- Household direct expenditure for other medical goods such as mosquito nets, mosquito coils.

Household Expenditures on User Fees at Government Hospitals

User fees are levied in a few government hospitals where special facilities have been provided for in-patients wishing to receive paid facilities. IPS directly communicated with Treasury Department to obtain such revenue data as it was not reported in Annual State Accounts.

Expenditure at Private Hospitals

· Expenditures at private hospitals were estimated using data collected by the IPS/MOH Private Hospital Surveys i.e., First Census of Private, Co-operative and Estate Hospitals Survey (CPCEH) in 2002, Second CPCEH Survey in 2004, third in 2006 and the fourth was conducted in 2009. The last census was conducted in 2012. All known private and co-operative hospitals and a sample of Estate Hospitals were surveyed by the CPCEHs.

Information was collected in three stages, firstly by mailing the questionnaire to all facilities, following up non-respondents by telephone at the second stage and utilizing field staff for enumeration of the last batch of non-respondent at the third stage.

The data containing private employer health spending was obtained directly from the employers entities. Responses and feedback in this exercise took time and required many follow-ups.

- Annual Report of listed private hospitals companies.

Expenditure on Medical Goods

Sources:

- Pharmaceutical Chamber of Sri Lanka.
- Pharmaceutical Importers Association.
- IMS Health Sri Lanka data.
- Sri Lanka Customs.

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Table 1: Current Expenditure on Health by Function of Care and Source of Funding (Rs.Million) 2010

				HF1.1	HF 1.2		HF 2.1	HF 2.2	HF 2.3	HF 2.4	HF 2.5	HF 2.9	HF 3
ICHA-HC CODE		Total current expenditure on health	General government	General government (excl.Social Security)	Social security funds	Private Sector	Private social insurance scheme	Other private insurance Scheme	Private household out-of-pocket payment	Non-profit institutions (other than social insurance)	Corporations (other than health insurance)	Provider Own Resources	Rest of the world
HC.1-HC.3	Personal health care services	100,416	58,746	58,696	50	41,670	5,271	4,426	31,617	140	-	215	-
	In-patient services	63,393	48,335	48,284	50	15,058	1,685	4,201	9,003	-	-	169	-
	Day care services	-											
	Out-patient services	37,023	10,413	10,413	-	26,610	3,588	225	22,612	140	-	46	-
	Home care services	-											
HC.4	Ancillary services to health care	14,918	459	459	-	14,458	1,186	-	13,272	-	-	-	-
HC.5	Medical goods dispensed to out-patients	43,937	7,280	7,219	61	36,658	1,572	112	34,929	44	-	-	-
HC.5.1	Pharmaceuticals and other medical non-durables	35,695	7,279	7,219	61	28,415	1,572	112	26,687	44	-	-	-
HC.5.2	Therapeutic appliances and other medical Durables	8,243	-	-	-	8,243	-	-	8,243	-	-	-	-
HC.6	Prevention and public health services	9,471	7,979	7,979	-	1,417	-	-	-	1,417	-	-	75
HC.7	Health administration and health insurance	4,718	3,212	3,212	-	1,439	27	1,386	26	-	-	-	67
	Total current health expenditure	**173,460**	**77,676**	**77,565**	**111**	**95,642**	**8,057**	**5,925**	**79,844**	**1,600**	**-**	**215**	**142**

Table 2: Current Expenditure on Health by function of Care and Provider Industry (Rs.Million) 2010.

ICHA-HC Code		Total Current Expenditure on Health	HP 1	HP 2	HP3	HP 3.1	HP 3.2	HP.3.3	HP 3.4	HP.3.5
			Hospitals	Nursing and Residential Care Facilities	Providers of Ambulatory Health Care	Office of Physician	Office of Dentist	Office of Other Health Practitioners	Out Patient care centres	Medical Diagnostic Laboratories
	In-patient care									
H C . 1 . 1 ,2	Curative and rehabilitative care	61,919	54,431	122	7,300	7,300	-	-	-	-
		-								
		-								
	Out-patient care	-								
		-								
H C . 1 . 3 ,2	Out-patient curative and rehabilitative care services	38,981	15,186	25	23,494	22,262	1,008	-	224	-
		-								
		-								
HC. 4	Ancillary services to health care	14,779	4,040	-	10,680	-	-	-	-	9,364
		-								
HC. 5	Medical goods dispensed to out-patients	43,926	6,270	-	1,077	-	-	-	-	-
		-								
HC. 6	Prevention and public health services	9,326	9	-	4,014	-	-	-	4,014	-
		-								
HC ..7	Health administration and health insurance	4,529	-	-	-	-	-	-	-	-
		-			-					
	Total Current Expenditure on health care	**173,460**	**79,936**	**147**	**46,566**	**28,938**	**1,066**	**0**	**4,341**	**9,900**

Table 2: (Contd/-.....)

ICHA-HC Code		Providers of Home Health care services HP.3.6	All other providers of Ambulatory Care HP 3.9	Retail Sales and other providers of medical goods HP4	Dispensing Chemists HP 4.1	All Other Sales of Medical goods HP4.2-4.5	Provision and administration of public health programme HP 5	General Health administration and insurance HP6	State Health administration HP 6.1	Social Security Fund HP 6.2	Other Social Insurance HP 6.3	Other (private) Insurance HP6.4	All other Health administration HP 6.9	All Other Industries HP 7	Rest of The World HP 9
	In-patient care														
H C . 1 . 1	Curative and rehabilitative care	-	-	-	-	-	20	-	-	-	-	-	-	-	46
	Out-patient care														
H C . 1 . 3	Out-patient curative and rehabilitative care services	-	-	-	-	-	-	-	-	-	-	-	-	269	7
HC. 4	Ancillary services to health care	-	1,317	-	-	-	-	-	-	-	-	-	-	-	58
HC. 5	Medical goods dispensed to out-patients	-	1,077	32,472	25,200	7,272	-	-	-	-	-	-	-	11	-
HC. 6	Prevention and public health services	-	-	-	-	-	4,174	25	25	-	-	-	-	765	340
HC .7	Health administration and health insurance	-	-	-	-	-	-	3,827	2,134	-	-	1,693	-	642	61
				-				-							
	Total Current Expenditure on health care	**0**	**2,321**	**32,472**	**25,200**	**7,272**	**4,194**	**3,852**	**2,159**	**0**	**0**	**1,693**	**0**	**1,687**	**512**

Table 3: Current Expenditure on Health by Provider Industry and Source of Funding (Rs. Million) 2010

			HF1	HF1.1	HF1.2	HF2	HF2.1	HF2.2	HF2.3	HF2.4	HF2.5	HF2.9	HF3
	Health Care goods and services by provider Industry	Total Current Expenditure on Health	General Government	General Govt. Excluding Social Security	Social security Funds	Private Sector	Private social Insurance	Other Private Insurance	Private House hold OOP payments	Non profit organizatio n other than social insurance	Corporatio n other than health insurance	Provider Own Resources	Rest of the World
HP 1	Hospitals	82,047	65,052	65,001	50	16,995	1,890	3,375	11,607	0	0	123	0
HP2	Nursing and Residential Care Facilities	139	137	137	0	0	0	0	0	0	0	0	2
HP3	Providers Ambulatory Health Care	44,041	5,088	5,088	0	38,953	5,129	1,275	32,549	0	0	0	0
HP4	Retail Sale and other providers of medical goods	36,427	0	0	0	36,427	1,958	49	34,420	0	0	0	0
HP5	Provision and Administration of Public Health Sevice	4,857	4,857	4,857	0	0	0	0	0	0	0	0	0
HP6	General Health administration and Insurance	3,955	3,801	3,801	0	154	27	99	28	0	0	0	0
HP7	Other Industries(Rest of The Economy)	1,700	48	48	0	1,411	0	0	0	1,411	0	0	240
HP9	Rest Of the World	295	17	17	0	0	0	0	0	0	0	0	278
	Total Current Expenditure on Health	**173,460**	**79,005**	**78,955**	**50**	**93,946**	**9,003**	**4,798**	**78,599**	**1,416**	**0**	**123**	**516**

Table 4: Current Expenditure on Health by Function of Care and Source of Funding (Rs.Million) 2011

ICHA-HC CODE		Total current expenditure on health	General government	HF1.1 General government (excl.Social Security)	HF 1.2 Social security funds	Private Sector	HF 2.1 Private social insurance scheme	HF 2.2 Other private insurance Scheme	HF 2.3 Private household out-of-pocket payment	HF 2.4 Non-profit institutions (other than social insurance)	HF 2.5 Corporations (other than health insurance)	HF 2.9 Provider Own Resources	HF 3 Rest of the world
HC.1-HC.3	Personal health care services	106,177	62,117	62,063	53	44,061	5,574	4,680	33,431	148	-	228	-
	In-patient services	67,030	51,108	51,054	53	15,922	1,781	4,442	9,519	-	-	179	-
	Day care services	-											
	Out-patient services	39,148	11,010	11,010	-	28,137	3,793	238	23,909	148	-	49	-
	Home care services	-											
HC.4	Ancillary services to health care	15,773	486	486	-	15,288	1,254	-	14,033	-	-	-	-
HC.5	Medical goods dispensed to out-patients	46,458	7,697	7,633	64	38,761	1,662	119	36,933	47	-	-	-
HC.5.1	Pharmaceuticals and other medical non-durables	37,743	7,697	7,633	64	30,046	1,662	119	28,218	47	-	-	-
HC.5.2	Therapeutic appliances and other medical Durables	8,716	-	-	-	8,716	-	-	8,716	-	-	-	-
HC.6	Prevention and public health services	10,014	8,436	8,436	-	1,499	-	-	-	1,499	-	-	79
HC.7	Health administration and health insurance	4,989	3,396	3,396	-	1,522	29	1,465	27	-	-	-	71
	Total current health expenditure	**183,412**	**82,132**	**82,015**	**117**	**101,129**	**8,519**	**6,265**	**84,425**	**1,692**	**-**	**228**	**151**

Table 5: Current Expenditure on Health by Function of Care and Provider Industry (Rs.Million) 2011

ICHA-HC Code		Total Current Expenditure on Health	HP 1 Hospitals	HP 2 Nursing and Residential Care Facilities	HP3 Providers of Ambulatory Health Care	HP 3.1 Office of Physician	HP 3.2 Office of Dentist	HP.3.3 Office of Other Health Practitioners	HP 3.4 Out Patient care centres	HP.3.5 Medical Diagnostic Laboratories	HP.3.6 Providers of Home Health care services	HP 3.9 All other providers of Ambulatory Care	HP4 Retail Sales and other providers of medical goods
	In-patient care												
H C . 1 . 1	Curative and rehabilitative care	65,471	57,554	129	7,718	7,718	-	-	-	-	-	-	-
	Out-patient care												
H C . 1 . 3	Out-patient curative and rehabilitative care services	41,218	16,057	27	24,842	23,539	1,066	-	237	-	-	-	-
HC. 4	Ancillary services to health care	15,627	4,272	-	11,293	-	-	-	-	9,901	-	1,392	-
HC. 5	Medical goods dispensed to out-patients	46,446	6,630	-	1,139	-	-	-	-	-	-	1,139	32,472
HC. 6	Prevention and public health services	9,861	9	-	4,244	-	-	-	4,244	-	-	-	-
HC. 7	Health administration and health insurance	4,789	-	-	-	-	-	-	-	-	-	-	-
	Total Current Expenditure on health care	**183,412**	**84,522**	**155**	**49,237**	**30,598**	**1,127**	**0**	**4,590**	**10,468**	**0**	**2,454**	**32,472**

Table 5: (Contd/-.....)

ICHA-HC Code		Dispensing Chemists HP 4.1	All Other Sales of Medical goods Hp4.2-4.9	Provision and administration of public health programme HP 5	General Health administration and insurance HP6	State Health administration HP 6.1	Social Security Find HP 6.2	Other Social Insurance HP 6.3	Other (private) Insurance HP6.4	All other Health administration HP 6.9	All Other Industries HP 7	Rest of The World HP 9
	In-patient care											
H C . 1 . 1 ;	Curative and rehabilitative care	-	-	21	-	-	-	-	-	-	-	49
	Out-patient care											
H C . 1 . 3 ,	Out-patient curative and rehabilitative care services	-	-	-	-	-	-	-	-	-	285	7
HC. 4	Ancillary services to health care	-	-	-	-	-	-	-	-	-	-	62
HC. 5	Medical goods dispensed to out-patients	25,200	7,272	-	-	-	-	-	-	-	12	-
HC. 6	Prevention and public health services	-	-	4,413	27	27	-	-	-	-	809	359
HC. 7	Health administration and health insurance	-	-	-	4,046 -	2,257	-	-	1,790	-	678	64
	Total Current Expenditure on health care	**25,200**	**7,272**	**4,434**	**4,073**	**2,283**	**0**	**0**	**1,790**	**0**	**1,784**	**541**

Table 6: Current Expenditure on Health by Provider Industry and Source of Funding (Rs. Million) 2011

			HF1	HF1.1	HF1.2	HF2	HF2.1	HF2.2	HF2.3	HF2.4	HF2.5	HF2.9	HF3
	Health Care goods and services by provider Industry	Total Current Expenditure on Health	General Government	General Govt. Excluding Social Security	Social security Funds	Private Sector	Private social Insurance	Other Private Insurance	Private House hold OOP payments	Non profit organization other than social insurance	Corporation other than health insurance	Provider Own Resources	Rest of the World
HP 1	Hospitals	86,754	68,784	68,731	53	17,970	1,998	3,568	12,273	0	0	130	0
HP2	Nursing and Residential Care Facilities	147	144	144	0	0	0	0	0	0	0	0	2
HP3	Providers Ambulatory Health Care	46,568	5,380	5,380	0	41,188	5,423	1,349	34,416	0	0	0	0
HP4	Retail Sale and other providers of medical goods	38,517	0	0	0	38,517	2,070	52	36,394	0	0	0	0
HP5	Provision and Administration of Public Health Sevice	5,136	5,136	5,136	0	0	0	0	0	0	0	0	0
HP6	General Health administration and Insurance	4,182	4,019	4,019	0	162	28	105	30	0	0	0	0
HP7	Other Industries(Rest of The Economy)	1,797	51	51	0	1,492	0	0	0	1,492	0	0	254
HP9	Rest Of the World	312	18	18	0	0	0	0	0	0	0	0	294
	Total Current Expenditure on Health	**183,412**	**83,538**	**83,485**	**53**	**99,336**	**9,519**	**5,074**	**83,108**	**1,497**	**0**	**130**	**545**

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