

India: Developing the Health System in Karnataka State



Innovative Health Financing Backs Reforms and Drives Better Health Results in a Middle-Income State in India

Overview

The project makes a significant contribution to the Karnataka government's reform and development program for the health sector by supporting policy and legislative reform, innovations in health financing, public-private partnerships, and evaluations of impact. It has contributed to the government's efforts to improve maternal health care, and the proportion of births in health facilities has risen from 65% in 2005-06 to 86% in 2009. It has also reduced the health and financial burdens on poor households due to serious illness, financing a health insurance scheme that has covered tertiary care for over 8,000 patients suffering from cancer, cardiac disease and other conditions. Additional financing for the project will support other pilots and innovations in the areas of non-communicable disease control, road safety, and next-generation information systems.

Challenge

In the 1990s, the Indian state of Karnataka had poor health indicators. Although state-wide averages in Karnataka were often close to all-India averages, they masked significant disparities between urban and rural areas. Moreover, while health outcomes in southern Karnataka were comparable with developed countries, those in northern Karnataka were similar to India's poorest states. Government health spending was low - around US\$4 per capita in 2004-05. People often relied on the private sector for health care provision, imposing a high financial burden on poor households.

Approach

The project has been implemented in conjunction with significant increases in government spending on health, notably on a national rural health care program. This is in line with India's dramatic economic growth that has put it into the ranks of middle-income countries. The project not only fills gaps in the government's investment program but also leverages increased domestic funding through its demonstrated successes, its reform agenda, improvements in management capacity, and

MULTIMEDIA

MORE

- [Agriculture in India](#)
- [Water in India](#)

More Results



78%

of children were immunized by

Results

- Policy change supported by the project has included development of public health legislation, procurement reform and monitoring and evaluation.
- Investments in maternal and child health care provision have contributed to state-wide increases in institutional deliveries (from 65% in 2005-06 to 86% in 2009) and full immunization (increasing from 55% of children in 2005-06 to 78% in 2009).
- 307 primary level health facilities, drug warehouses and training centers have been upgraded.
- A quality assurance program is being implemented in primary health care centers across the state. 400 health administrators and 18,000 paramedic staff have been trained.
- The project has fostered government capacity for public-private contracting, as 97 mobile health clinics run by NGOs bring health care to remote communities, 44 NGOs are implementing public health programs at the grassroots level, and 16 NGOs support community health committees.
- A pilot health insurance scheme has provided tertiary care to over 8,000 poor patients suffering from cancer, cardiac disease and other serious ailments.
- The project has undertaken evaluations of these activities that inform government decisions on scaling-up using domestic funding.

18,000

paramedics have been trained

MORE INFORMATION

- » [Project Documents](#)
- » [Innovation Note: Improving Services for Tribal Populations](#)
- » [India Country Site](#)
- » [End Poverty in South Asia Blog](#)
- » [Connect with us on Facebook](#)
- » [Talk to us on Twitter](#)

Voices

“The project introduced mobile health clinics to bring basic health services to tribal populations in underserved parts of the state, and contracted NGOs to run them.”

—Patrick Mullen, Project Lead

Bank Contribution

The IDA credit of US\$141.8 million joins US\$ 64.7 million in domestic financing for project activities over a five-year period.

Partners

The Karnataka State Department of Health and Family Welfare implements the project. The project has also leveraged other funding for a variety of innovations, pilots and evaluations. This includes funding from the Health Results Innovation Trust Fund (several impact evaluations), the Governance Partnership Facility (a next-generation ICT system for beneficiary verification and feedback), and the Japan Social Development Fund (for a multi-sectoral nutrition pilot).

Toward the Future

Additional financing of US\$70 million (over three years) is being prepared to support work on maternal health care, non-communicable diseases, road safety, and health insurance. The state government has committed US\$30 million to this next phase.