Relationship Between Health Expenditures and Life expectancy

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PIDE POLCY VIEW POINT

RELATIONSHIP BETWEEN HEALTH EXPENDITURES AND LIFE EXPECTANCY IN PAKISTAN

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Life expectancy at birth measures how long on average a newborn can expect to live, if current death rates do not change. However, the actual age-specific death rate of any particular birth cohort cannot be known in advance. The average period that a person may expect to live is life [4]expectancy. Life expectancy is measure of the average time of people is expected to live based on the year of its birth. Its current age and other demographic factor including gender. The most commonly used measure of life expectancy is at birth. Which can identify two way selected causes of health and population dynamic for Pakistan including life expectancy by age and history. Health expenditures are defined on the basis of their primary or predominant purpose of improving health. Regardless of primary function or activity of entity providing or paying for the associated health services. (OECD, 2019).

Life expectancy at birth, widely used as an indicator of overall development of a country, has increased over the last ten years in most of the countries of the world. This has a particular indication for the developing world since they are striving earnestly for achieving socio-economic progress through investing significantly on social sectors like health, education, sanitation,

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environmental management and sustainability, and social safety nets. Per capita income of the developing countries has increased and translated into higher level of expenditure on medical care and composite commodities. Improvements in incidence of poverty, nutrition, adult literacy, access to safe drinking water, burden of diseases, and sanitation have also been remarkable over the years that would have impacted positively on life expectancy (Kabir, 2008).

Over the past few years the determinants of health expenditure have been an attractive topic for health economists. Inspiring by the numerous studies in this context this study attempts to study the effects of economic and population indicators on health expenditure for the emerging country Pakistan. In Pakistan health care is one of the most important issues of the country, but unfortunately the percentage of GDP invested in this particular problem is alarming. The special attention should be given to financing system of Pakistan towards health sector. Out of the five methods of financing the health care system, Pakistan only utilizes general tax revenue and out of pocket payments. According to WHO Pakistan ranks at high number among the highest out of pocket expenditure as percentage of private expenditure on health. Life expectancy rate can be determined from crude birth rate which is average births per 1000 in a year and crude death rate is average deaths per 1000 in a year. Life expectancy is the average number of years an individual life from the day of his birth. The year of an individual's life can be increased and can be made better off by providing better medication and by providing better vaccination to protect the individual against diseases. in OECD countries, life expectancy at age 65 has increased significantly for both men and women during the past 50 years. Some of the factors explaining the gains in life expectancy at age 65 include advances in medical care combined with greater access to health care, healthier life styles and improved living conditions before and after people reach age 65 (Sghari *et al.*, 2016).

However, the evidence for a causal link between health care expenditure and health outcomes remains elusive as problems emerge from 'the difficulty of isolating the contribution of the health service "input" as a determinant of health status "output" which frustrates attempts to measure the overall effectiveness and efficiency of health care (Nixon *& Ulmann*, 2006). Health care expenditure accrues on the basis of health care services utilization and illness. According to WHO, Out of pocket payments are those payments which are paid by the household directly to the doctors, pharmaceuticals and other medical personals. The basic aim of the Out of pocket Payments health

payments is seeking health care at the time of need and restore the household health (bajwa & cheema, 2019).

Policy Recommendations

this study find the relationship between health expenditures and life expectancy in the country. Its measures how investment in health expenditures is change life expectancy. Government is aware that adequate, responsive and efficient health financing is the cornerstone of a country's well-functioning health systems. The spending on health will be advocated as "investment" with the line ministries, finance departments and international development partner. Priorities for health allocations will be revisited, and a higher share for essential health service delivery, preventive programs, communication, capacity building of frontline health workers, and governance will be ensured. This research will be interest to Ministries of Health, Ministry of Planning and Development, Pakistan Bureau of Statistics, Development Partners, Health Financing Practitioners, and Researcher; the Secretariat in the Parliament and Sustainable Development Goals SDGs.

In this research secondary method is use to accessing the variables relationship between the life expectancy and health expenditures. Role of health expenditures to provides better health facilities to public health sectors.

This study made to use of bound test cointegration approach developed within the framework of the autoregressive distributed lag ARDL econometric procedure to determine the long run relationship between health expenditure and life expectancy in Pakistan.

Flowing naturally from this, are the policy recommendation which include:

i. Government of Pakistan should Increase and reorganize the   public expenditure allocation to health sector in order to provide health facilities and also, adequate management of funds and development of health services should be greatly pursued.

ii. Lastly, government should introduce programs that will give awareness concerning the effect of life expectancy and public health expenditures on individual health and should also advise people and health ministry to appropriate measure to be taken for proper public health policy, to avoid any kind of hazard about health care.

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