

REVIEWER'S REPORT

Manuscript No.: IJAR-55488

Title: Impact of Determinants of Healthcare Expenditure in India: The ARDL Bound Testing Approach

Recommendation:

Accept as it is

Accept after minor revision.....

Accept after major revision

Do not accept (*Reasons below*)

Rating	Excel.	Good	Fair	Poor
Originality		✓		
Techn. Quality		✓		
Clarity		✓		
Significance		✓		

Reviewer Name: Dr.M.Devaki

Detailed Reviewer's Report

1. Overall Evaluation

The manuscript provides an empirical examination of the determinants of healthcare expenditure in India, focusing on both per capita total healthcare expenditure and per capita out-of-pocket healthcare expenditure over the period 1991–2023. The study employs the ARDL bounds testing approach to analyse both long-run and short-run relationships among economic, demographic, and healthcare infrastructure variables.

The topic is highly relevant to India's development and public health policy landscape, particularly in view of persistent challenges related to inadequate public healthcare financing and the heavy reliance on out-of-pocket spending by households. The empirical framework is well chosen, the econometric procedures are correctly applied, and the findings are meaningful and policy relevant. The results provide useful insights into the interaction between public health spending and private out-of-pocket expenditure. While the overall quality of the manuscript is satisfactory, some improvements in clarity, presentation, and interpretation are required. These issues are largely minor in nature and do not undermine the core contribution of the study.

2. Strengths of the Study

Strong Relevance and Practical Importance

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The manuscript addresses a critical issue in healthcare economics—rising healthcare costs and the burden of out-of-pocket expenditure in a developing country context. The findings have direct implications for public health policy and financial risk protection in India.

Clear Contribution to Literature

By modelling both per capita total healthcare expenditure and per capita out-of-pocket expenditure simultaneously, the study adds a valuable perspective that extends beyond single-equation health expenditure models commonly found in the literature.

Appropriate and Rigorous Methodology

The ARDL bounds testing approach is well suited to the mixed order of integration of the variables. The inclusion of short-run dynamics through the error correction model improves the explanatory power of the analysis.

Robustness and Validation

The use of alternative cointegration estimators (FMOLS, DOLS, and CCR) reinforces the robustness of the long-run results and increases confidence in the empirical findings.

Comprehensive Variable Selection

The study includes a broad set of explanatory variables capturing income, inflation, education, urbanization, life expectancy, and healthcare infrastructure, providing a holistic understanding of healthcare expenditure dynamics.

Policy-Relevant Findings

The observed substitution effect between public healthcare expenditure and out-of-pocket spending is particularly important and contributes to ongoing policy debates on public health financing reforms in India.

3. Minor Issues and Suggestions for Improvement

Language and Presentation

The manuscript would benefit from a careful proofreading to correct minor grammatical errors and improve sentence flow. Some sections can be slightly streamlined to enhance readability without reducing analytical content.

Conceptual Clarity

The theoretical discussion can be marginally strengthened by explicitly linking key explanatory variables to expected outcomes based on health economics theory. Clearly stating the main objectives or hypotheses in a concise manner would improve structural clarity.

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Variable Definition and Consistency

The term *per capita total healthcare expenditure* should be clearly defined and used consistently throughout the manuscript to avoid ambiguity. Units of measurement (such as constant prices or current prices) should be specified for all monetary variables.

Interpretation of Empirical Results

The discussion of certain coefficients, such as the impact of life expectancy and income on healthcare expenditure, could be briefly expanded to provide clearer economic intuition. The substitution relationship between public and out-of-pocket healthcare expenditure deserves a slightly more detailed discussion in both the results and policy sections.

Policy Implications

The policy implications section could be strengthened by more directly linking empirical findings to specific policy measures, such as increased public health investment or financial protection mechanisms. A brief mention of how the findings relate to recent health initiatives in India would enhance policy relevance.

Tables and Figures

Ensure that all tables and figures are clearly referenced and discussed in the text. Minor formatting improvements may be made for better clarity and presentation.