***Abstract***

*The combination of low incomes and low healthcare expenditure have been obstacles to improving health status, and an overall impact on the socio economic development of many developing nations. The rich contribution of rising income through healthcare expenditure on health status must be complemented by a similar effort to better understand the mechanisms through which improved health outcome contribute to economic growth and development. The main aim of this paper is to review and attempt to synthesis the relevant literature on first, the economic growth (GDP)/income - healthcare expenditure - heath outcome nexus and , second, the reverse causality linking improved initial health status to economic growth and healthcare expenditure. A successful national healthcare policy must be context specific and take into consideration the initial health status of each country.*