**5. HEALTH**

**Highlights**

* Action plan to eliminate Kala-Azar and Filariasis by 2017, Leprosy by 2018, Measles by 2020, and tuberculosis by 2025
* Action plan has been announced to reduce Infant Mortality Rate from 39 in 2014 to 28 by 2019 and Maternal Mortality Rate from 167 in 2011-13 to 100 by 2018-2020
* 1.5 lakh Health Sub Centres will be transformed into Health and Wellness Centres
* Two new All India Institutes of Medical Sciences will be set up in Jharkhand and Gujarat
* Substantial allocation for “Human Resources for Health and Medical Education”, specifically for upgrading District Hospitals

The fourth budget of the present government is a first in many ways. The health sector too witnesses a few changes. In a departure from the previous years, the overall allocation for the health sector in 2017-18 budget (including Ministry of Health and Family Welfare and Ministry of AYUSH) has increased by 27 percent over 2016-17 BE. It is expected that this upward trend in the health budget continues in the coming years.

Table 5.1: Health Sector - Allocations across different Departments/Ministries (Rs. crore)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Ministry/Department | 2012-13 (A) | 2013-14 (A) | 2014-15 (A) | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| Department of Health & Family Welfare (including Department of AIDS control)@ | 26449.0  (82%) | 28618.4 (82%) | 30626.4 (83%) | 33121.4 (107%) | 37061.5 | 38343.3 | 47352.5 |
| Department of Health Research | 720.0 | 874.1 | 910.8 | 992.8 | 1144.8 | 1344.8 | 1500.0 |
| Total Ministry of Health & Family Welfare | 27169.0 | 29492.5 | 31537.2 | 34114.2 | 38206.3 | 39688.1 | 48852.5 |
| Ministry of AYUSH | 715.0 | 642.4 | 616.8 | 1075.3 | 1326.2 | 1307.4 | 1428.6 |

*Source:* Compiled by CBGA from Union Budget documents, various years.

*Note:* @ the figures in parentheses indicate the actual expenditures as percent of the budgeted (BE) figures

In terms of utilisation, which can be assessed by taking the actual expenditures as percent of budgetary allocations (BE), the trend for the Department of Health and Family Welfare (including Department of AIDS control), shows that in 2015-16 utilisation is more than 100 percent which earlier hovered around 82 percent.

The Union Government allocations for health sector as a proportion of GDP also see a marginal increase to 0.30 percent in 2017-18 (BE) from 0.26 percent in 2016-17 (BE). However, this falls short of meeting the long standing demand (articulated in the Draft National Health Policy, 2015 as well as in the 12th FYP) of increasing the total allocation for health sector to at least 2.5 percent of GDP (Centre and States combined). Further, the NRHM framework document had recommended that the contribution of the Centre should be 50 percent; but the current allocation falls short of this target.

Fig. 5.1 Allocations for MoHFW as % of GDP and Allocations for NHM as % of MoHFW Budget

*Notes:* GDP figures are current GDP at market prices; MoHFW allocations are in Rs. Crore

*Source:* Compiled by CBGA from Union Budget documents, various years.

Within the health sector, National Health Mission (NHM), which accounts for around 50 percent of the total health budget, has seen a decline in 2017-18 (BE) as compared to 2012-13 (A).

Table 5.2: Allocations across select Schemes in the Health Sector (Rs. crore)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Schemes | 2012-13 (A) | 2013-14 (A) | 2014-15 (A) | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| National Health Mission (NHM)\* | 18046.7 | 18633.8 | 19751.4 | 20213.2 | 20762 | 22597.9 | 27131.2 |
| *Pradhan Mantri Swasthya Suraksha Yojana* (PMSSY)\*\* | 989.0 | 1273.2 | 822.0 | 1577.85 | 2450.0 | 1953.2 | 3975.0 |
| Rashtriya Swasthya Bima Yojana (RSBY)\*\*\* | 1001.7 | 887.5 | 550.6 | - | - | - | - |
| National Health Protection Scheme\*\*\* (erstwhile RSSY) |  |  |  | NA | 1500.0@ | 724.0 | 1000.0 |
| *Jan Aushadhi Scheme*# | 1.7 | 15.2 | NA | 16.9 | 35.0 | 49.7 | 74.6 |

*Note:* The figures include the North East Region (NER) component

\*the figures from 2015-16 onwards include all components under the NHM umbrella programme “NHM including AYUSH NACO and Medical Research” as mentioned in the NITI Aayog report. Thus, figures include “Human Resources in Health & Medical Education”, “National Mission on AYUSH including Mission on Medicinal Plants” and “National AIDS & STD Control Programme”

\*\*PMSSY is the scheme for “establishment of AIIMS type super-speciality hospitals-cum-teaching institutions and upgrading of State Government hospitals”

\*\*\*the figures include the allocations for RSBY under both the Ministry of Health & Family Welfare and Ministry of Labour & Employment. Since 2015-16, RSBY has been divided into two distinct components - Social Security for the unorganised workers and provision for health services. The card would be provided by Ministry of Labour and Employment and the health services would be provided by Ministry of Health & Family Welfare. The RSBY was renamed RSSY in 2016-17 and NHPS in 2017-18

@The allocation, mentioned under RSSY for 2016-17 (BE) in the last budget documents was Rs. 1641.5 crore. This year’s document gives the figure for NHPS (erstwhile RSSY) as Rs. 1500 crore for 2016-17 (BE)

# the Jan Aushadhi scheme is under the Department of Pharmaceuticals, Ministry of Chemicals & Fertilisers

*Source:* Compiled by CBGA from Union Budget documents, various years.

The allocation for PMSSY, which is a central scheme for establishment of AIIMS like institutions, also got more than doubled from 2016-17 (RE) to 2017-18 (BE). There has also been an announcement regarding setting up of two AIIMS in Gujarat and Jharkhand.

The National Health Protection Scheme (NHPS), announced in the last budget, was supposed to provide health cover up to Rs.1 lakh per family for poor and economically weak families. However, it is not clear whether the erstwhile RSSY (RSBY) has merely been renamed as NHPS, without any change in the entitlement under the scheme. The 2017-18 budget does not give any evidence of this increase.

There has also been no concrete announcement for ensuring the availability of free generic medicines. This is a critical area of concern as the NSSO data tells that nearly 70 percent of the out-of-pocket (OOP) burden is due to expenditure on medicines. Making free medicines available in all public health facilities will substantially impact the credibility of the public health system and strengthen utilisation.

In the Union Budget 2017-18, there is a proposal for amending the Drugs and Cosmetic Rules, highlighting the intent of the government to ensure availability of drugs at reasonable prices and promoting use of generic medicines. However, this alone may not substantially impact reduction of OOP expenditures. The *Jan Aushadhi* Scheme was introduced in 2008 for ensuring enhanced availability of medicines at affordable prices to all, especially the poorer sections. The allocation for this scheme remains low, though it has been more than doubled in this budget from 2016-17 BE. *Jan Aushadhi* Scheme has now been renamed as "Pradhan Mantri Bhartiya Janaushadhi Pariyojana" (PMBJP). So far, 683 PMBJKs have been opened in the country whereas the commitment in 2016-17 budget was to open 3000 *Jan Aushadhi* stores across the country.

The two sub-missions under the NHM are National Rural Health Mission (NRHM) and National Urban Health Mission (NUHM). While NRHM allocation does see an increase, showing a continued emphasis on health in rural India, allocation for NUHM has decreased from Rs. 950 crore in 2016-17 BE to Rs. 752 crore in 2017-18 BE. NUHM envisages meeting health care needs of the urban population with a focus on urban poor, by making available primary health care services and reducing their OOP expenses. As urbanisation increases with migration of labour from rural areas to cities, the health needs of the urban population, especially the poor, require attention. The reduction in allocations for NUHM raises concern as, on one hand, the government is pushing for the development of smart cities but, on the other, does not seem to be preparing for the challenges posed by increase in population of urban poor.

One of the most important components under NHM is the Reproductive and Child Health (RCH). This is a critical area of intervention for the maternal and child health. Given the commitment towards Sustainable Development Goals (SDGs), the government does target reducing the MMR from 167 in 2011-13 to 100 by 2018-2020. However, the allocations for the RCH Flexi pool (including Routine Immunisation, Pulse Polio Immunisation, NIDDCP, etc.) witness a decline from Rs. 7,775 crore in 2016 (BE) to Rs. 5,966 crore in 2017-18 (BE).

Table 5.3: Allocations under the RCH Flexi Pool (Rs. crore)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| RCH Flexi Pool (incl. RI, PPI, NIDDCP, etc.) | 6489.8 | 7774.9 | 7884.9 | 5966.6 |

*Source:* Compiled by CBGA from Union Budget 2017-18.

Given that large number of maternal deaths and high rates of infant mortality are still prevalent, there needs to be a sharper focus on components under RCH Flexi pool. There is a crucial need for the state to step up investment for reproductive and child health. The decline under RCH Flexi pool, thus, needs to be analysed in a disaggregated manner to assess under which components the cuts have been made.

Some of the sub-components under NHM which have received substantially higher allocations than previous year include “Health System Strengthening under NRHM” and “Human Resources for Health and Medical Education”. For health system strengthening, the allocation have increased from Rs. 5,226 crore in 2016-17 (BE) to Rs. 8,383 crore in 2017-18 (BE). The bulk of the increase under “Human Resources for Health and Medical Education” is for upgrading District Hospitals, allocation for which increases from Rs. 445 crore in 2016-17 (BE) to Rs. 3,300 crore in 2017-18 (BE). The Parliamentary Standing Committee on Health and Family Welfare also brought to the fore the issue of shortages in human resources in the health sector which have affected the delivery of services adversely. This seems to have been followed up by the government with earnest. The increase under these heads would help improve the quality of healthcare delivery.

Thus, the increase in the overall allocations for the health budget and emphasis on dealing with the shortages pertaining to human resources and infrastructure are steps in the right direction. These need to be augmented and strengthened. The less than adequate focus on availability of generic medicines and reproductive and child healthcare is a cause of concern. There need to be more concerted efforts in order to ensure public provisioning of universal and affordable healthcare for all.