



## BUDGET BRIEFS

Vol 11/ Issue 8

# National Health Mission (NHM) GoI, 2019-20 (Pre-Budget)

The **National Health Mission (NHM)** is Government of India's (GoI's) largest public health programme. It consists of two sub-missions:

- National Rural Health Mission (NRHM), and
- National Urban Health Mission (NUHM).

Using government data, this brief reports on:

- Allocations and expenditures for NHM.
- NHM approvals as per programmatic components.
- NHM approvals as per constituent activities.

### Cost share and implementation:

Since FY 2015-16, the funding pattern between GoI and the states is in the ratio of 60:40 for all states except the Northeastern and three Himalayan states which is 90:10. The analysis does not include Union Territories (UTs).

Complete expenditure data is available up to FY 2017-18. Data on approved budgets is available up to FY 2018-19.

## HIGHLIGHTS

**₹ 54,600 cr**

GoI allocations for Ministry of Health and Family Welfare (MoHFW) in FY 2018-19

**₹ 30,130 cr**

GoI allocations for NHM in FY 2018-19

## SUMMARY & ANALYSIS

- Allocations for MoHFW increased by 2 per cent from ₹53,294 crore in Financial Year (FY) 2017-18 to ₹54,600 crore in FY 2018-19. In FY 2018-19, GoI allocated ₹30,130 crore to NHM, a decrease of 2 per cent from the previous year.
- The share of funds for the Reproductive Child Health (RCH) flexipool out of the total approved funds for NHM has declined significantly over the last two years, from 40 per cent in FY 2016-17 to only 15 per cent in FY 2018-19.
- A break-up of the total NHM approved funds along functional budget heads reveals a 15 per cent share going towards community-based healthcare interventions and service delivery initiatives in FY 2018-19.
- The share of health facilities meeting Indian Public Health Standards out of the total functioning health facilities in the country has continued to decline. As of March 2018, only 7 per cent of functioning Sub-Centres, 12 per cent of Primary Health Centres and 13 per cent of Community Health Centres met IPHS norms.
- The shortfall of specialists in Community Health Centres continues to be high. As of March 2018, there was an 82 per cent shortfall in the total specialists required.

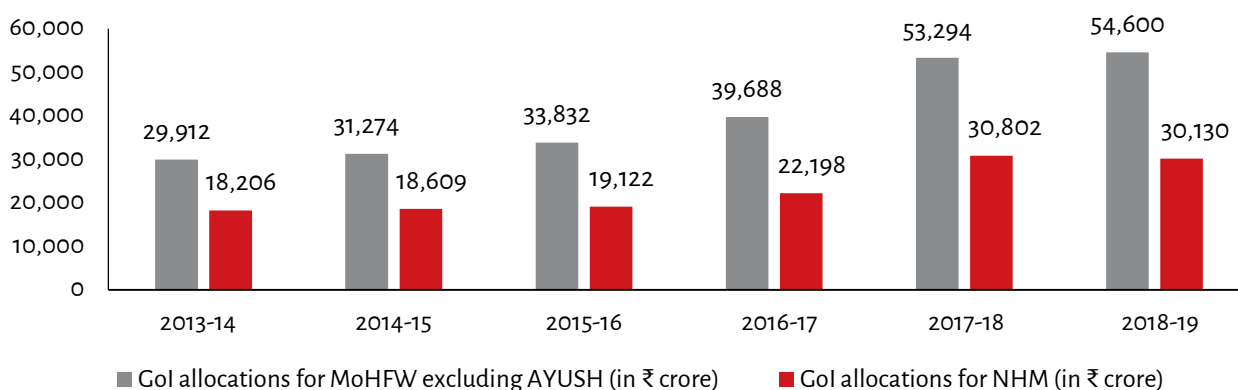
## TRENDS IN GOI ALLOCATIONS AND RELEASES

- In May 2013, GoI launched the National Health Mission (NHM), aimed at achieving universal access to health care by strengthening health systems, institutions and capabilities. NHM consists of two sub-missions: a) the National Rural Health Mission (NRHM) launched in 2005 to provide accessible, affordable and quality health care in rural India; and b) the National Urban Health Mission (NUHM), a sub-mission launched in 2013 for urban health. The mission period of NHM has been extended to 31 March 2020 by the Cabinet.
- On 1 February 2018, GoI announced the launch of the Ayushman Bharat scheme. The scheme has two main components: a) the creation of Health and Wellness Centres (HWCs) through the upgradation of existing infrastructure under NHM, and b) the launch of the Pradhan Mantri Jan Aarogya Yojana (PMJAY) providing a benefit cover of ₹5 lakhs to 10 crore families by subsuming the erstwhile Rashtriya Swasthya Bima Yojana (RSBY) and the Senior Citizen Health Insurance Scheme (SCHIS).

### Allocations

- Allocations for the Ministry of Health and Family Welfare (MoHFW) increased by 2 per cent from ₹53,294 crore in FY 2017-18 to ₹54,600 crore in FY 2018-19.
- With the renewed push for health insurance, allocations for RSBY saw a jump of 325 per cent from ₹471 crore in 2017-18 Revised Estimates (RE) to ₹2,000 crore in 2018-19 Budget Estimates (BE). Similarly, allocations for Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) increased by 20 per cent from ₹3,175 crore in 2017-18 (RE) to ₹3,825 crore in 2018-19 (BE).
- During the same period, however, allocations for NHM declined by 2 per cent from ₹30,802 crore to ₹30,130 crore. Consequently, the share of NHM in total MoHFW allocations declined from 58 per cent to 55 per cent. A break up of the total NHM budget indicates that this decrease is primarily driven by a decrease in allocations for Reproductive Child Health (RCH) Flexipool and Flexipool for Communicable Diseases (CD) by 30 per cent and 27 per cent, respectively. NUHM budget, however, saw a 34 per cent increase from ₹652 crore to ₹875 crore. In contrast, allocations for NRHM has fallen by 5 per cent from ₹25,459 crore to ₹24,280 crore.

### GOI ALLOCATIONS FOR NHM FELL BY 2% FROM 2017-18 TO 2018-19



**Source:** India Expenditure Budget, Vol 2, Ministry of Health and Family Welfare. Available online at: <http://indiabudget.nic.in>.

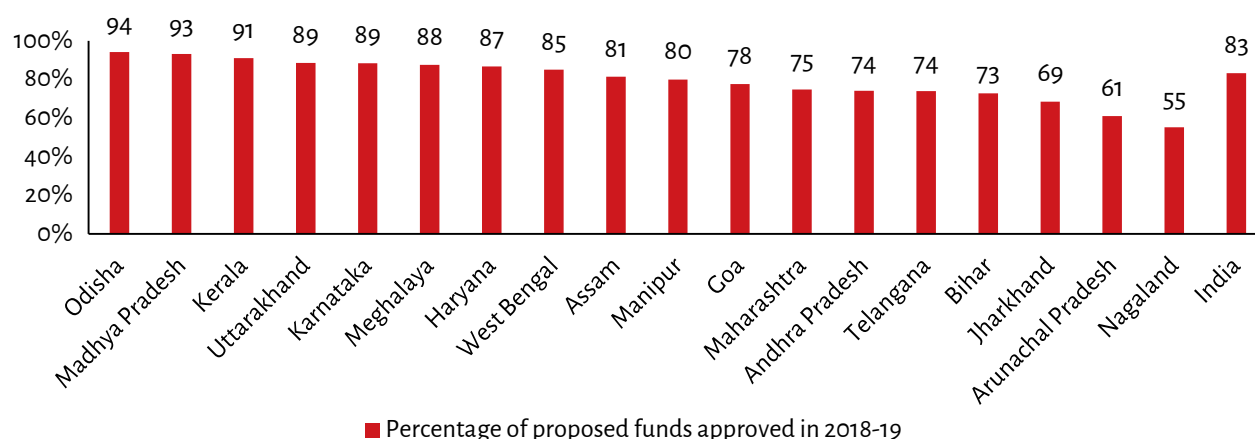
**Note:** Figures are in Rupees crore and are REs, except for FY 2018-19 which are BEs. GoI allocations for MoHFW do not include allocations for Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH). Last accessed on 1 February 2018.

# TRENDS IN STATE-WISE APPROVALS AND EXPENDITURES

## Proposals and Approvals

- Total approvals under NHM are based on Project Implementation Plans (PIPs) submitted by state governments and approved by Gol. These approved allocations are called Records of Proceedings (ROPs). The final budget comprises the total available resource envelope, which is calculated on the basis of Gol's own funds, the proportional share of state contributions, and unspent balances available with the states. Further, states may request additional funds through the submission of supplementary proposals.
- There were differences in the budgets proposed by states and those approved by the Gol (including supplementary budgets approved). In FY 2018-19, 83 per cent of the total state proposal of ₹47,007 crore was approved.
- Proportion of state proposals approved in FY 2018-19, was above 80 per cent for most states. Nagaland had the lowest funds approved at 55 per cent followed by Arunachal Pradesh at 61 per cent. Other states which had a relatively low share of proposed funds approved were Jharkhand (69 per cent), Bihar (73 per cent), Andhra Pradesh (74 per cent), and Maharashtra (75 per cent).

### NAGALAND GOT THE LOWEST APPROVAL OUT OF ITS PROPOSED BUDGET IN 2018-19

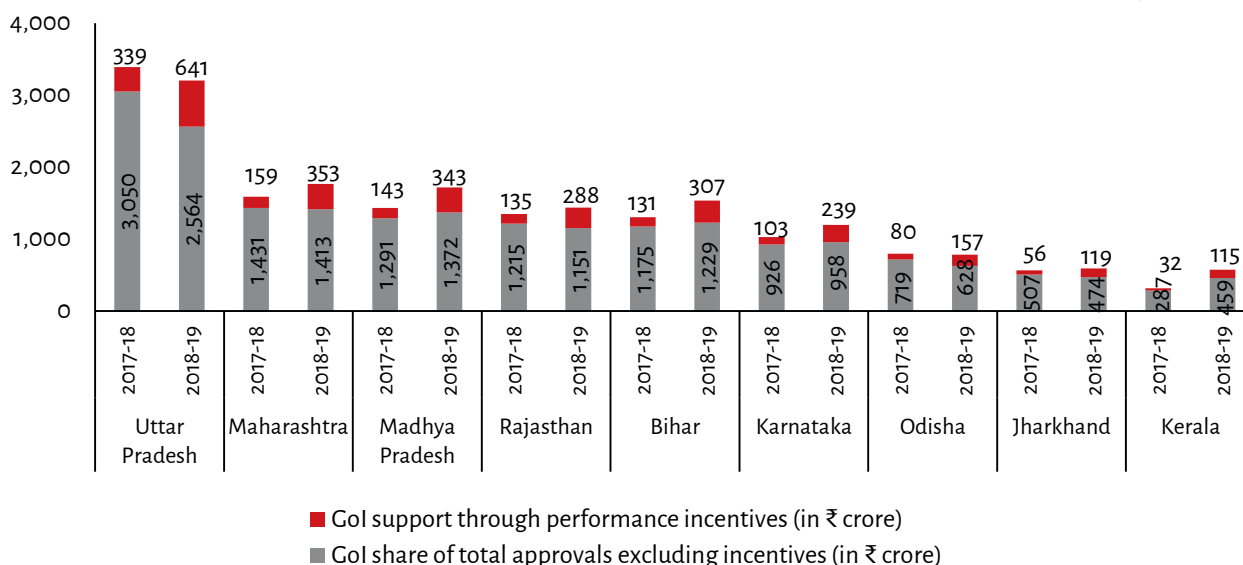


**Source:** NHM, Record of Proceedings (ROPs) and Supplementary ROPs in FY 2017-18 and FY 2018-19 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 5 January 2019.

## State-wise Gol Approvals

- Till FY 2014-15, Gol provided 75 per cent of the funds for NHM and states provided 25 per cent. In October 2015, the fund sharing ratio was changed to 60:40.
- Gol's total share for NHM is divided into two components. First is the core Gol share based on approved budgets of states. Second, is a performance incentive to be released to states based on health outcomes. Till FY 2017-18, the performance incentive accounted for 10 per cent of the total Gol support. This increased in FY 2018-19, to 20 per cent.
- Between FY 2017-18 and FY 2018-19, total Gol share increased by 24 per cent from ₹19,995 crore to ₹22,181 crore. This increase, however, was driven by the enhancement of the performance incentive which grew over 2-fold from ₹2,000 crore to ₹4,436 crore. In fact, Gol's share excluding the conditional performance incentive declined by 1 per cent.
- From FY 2017-18 to FY 2018-19, 14 states recorded a decrease in core Gol share (excluding incentives). For instance, excluding the performance incentive, Gol share in Uttar Pradesh decreased by 16 per cent from ₹3,050 crore to ₹2,564 crore. Similarly, Odisha saw a 13 per cent decrease in Gol share (excluding incentives) during the same period. These states are now more dependent on meeting performance outcomes in order to access Gol funds.

## 14 STATES RECORDED A DECLINE IN GOI SUPPORT (EXCLUDING INCENTIVES)

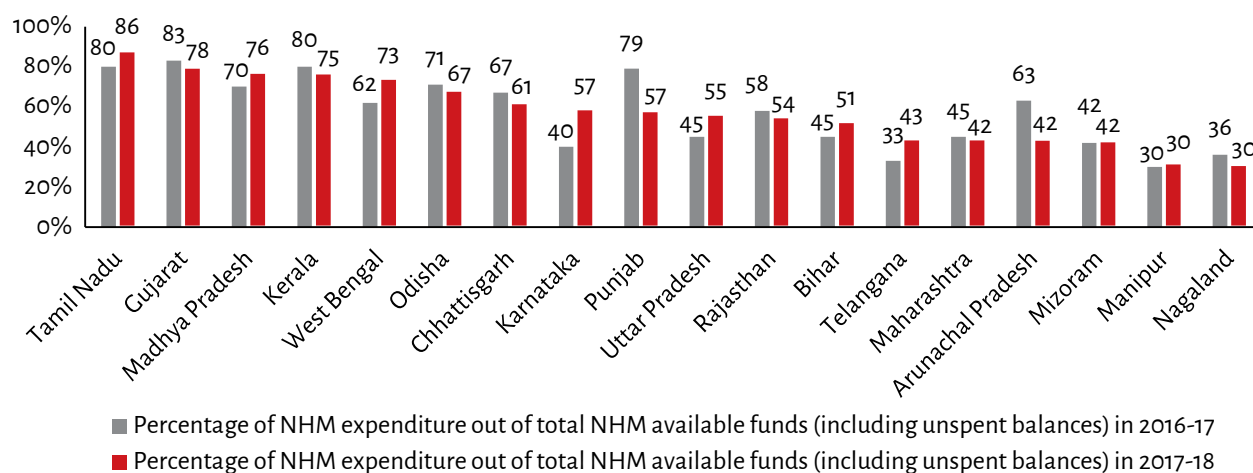


**Source:** Record of Proceedings (ROPs) and Supplementary ROPs for FY 2017-18 and FY 2018-19. Available online at: <http://nhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 5 January 2019.

## Expenditures

- Expenditure can be measured in two ways: (a) as a proportion of the approved budget or ROPs, and (b) as a proportion of the total available budget which takes into account the unspent balances from previous year.
- In FY 2016-17, expenditure as a proportion of the total available budget (including committed liabilities) was only 57 per cent. This increased to 59 per cent in FY 2017-18.
- There are, however, state variations. In FY 2017-18, expenditure as a proportion of available budget was over 75 per cent in Tamil Nadu, Gujarat, Madhya Pradesh, and Kerala. In contrast, less than half the available budget was spent in Telangana (43 per cent), Maharashtra (42 per cent), Arunachal Pradesh (42 per cent), Mizoram (42 per cent), Goa (38 per cent), Manipur (30 per cent), and Nagaland (30 per cent).
- West Bengal, Karnataka, Meghalaya, Uttar Pradesh, Bihar, and Telangana recorded an increase in expenditure out of their total available budget in FY 2017-18 as compared to FY 2016-17.

## PUNJAB'S EXPENDITURE FELL BY 22% FROM 2016-17 TO 2017-18

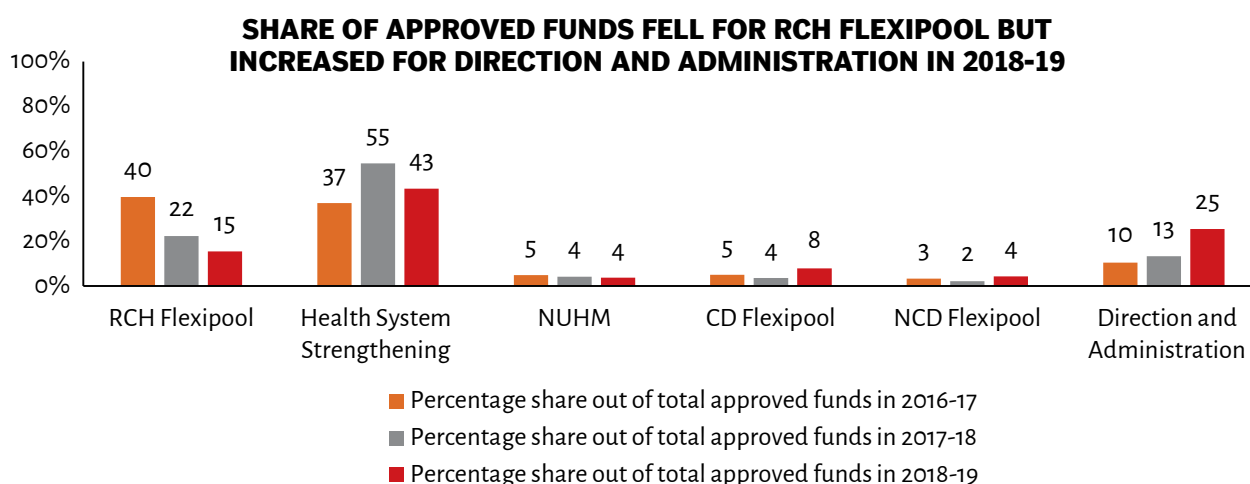


**Source:** Financial Management Reports 2016-17 and 2017-18 received through RTI response from MoHFW on 21 January 2019.

- Despite improvements in expenditure, unspent balances under NHM continue to remain high. In FY 2016-17, unspent balances amounted to ₹10,595 crore. This increased in FY 2017-18 to ₹12,431 crore and further to ₹12,594 crore in FY 2018-19.

## TRENDS IN COMPONENT-WISE APPROVALS

- NHM consists of the following six major financing components:
  - RCH Flexipool to fund maternal and child health, family planning, and the Janani Suraksha Yojana (JSY). This now also includes the erstwhile 'Immunisation' Flexipool constituting financing for routine Immunisation and pulse polio immunisation, as well as, the National Iodine Deficiency Disorders Control Programme (NIDDCP).
  - The Health Strengthening System (HSS)/NRHM Mission Flexipool (MFP) which finances untied funds, annual maintenance grants, and hospital strengthening.
  - NUHM Flexipool to address the healthcare needs of the urban poor with a special focus on the vulnerable sections.
  - Communicable Diseases (CD) Flexipool for financing the National Disease Control Programme (NDCP). This includes programmes such as the Revised National Tuberculosis Control Programme (RNTCP), National Vector Borne Disease Control Programme (NVBDCP), Integrated Disease Surveillance Programme (IDSP), and National Leprosy Eradication Programme (NLEP).
  - Non-Communicable Diseases (NCD) Flexipool for financing programmes such as the National Programme for Control of Blindness (NPCB), National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS), National Tobacco Control Programme (NTCP), National Programme for the Healthcare of the Elderly (NPHCE), National Mental Health Programme (NMHP).
  - Direction and Administration funds (formerly known as Infrastructure Maintenance), which are allotted across various programmatic divisions of NHM.
- The composition of NHM funding has seen a marked shift over the last three years. The share of RCH Flexipool in total NHM approved fund has declined significantly from 40 per cent in FY 2016-17 to only 15 per cent in FY 2018-19. In contrast, the share of Direction and Administration funds has increased from 10 per cent to 25 per cent in the same period.
- The share of CD and NCD funds out of total approved funds has marginally increased from 5 per cent to 8 per cent and 3 per cent to 4 per cent, respectively.

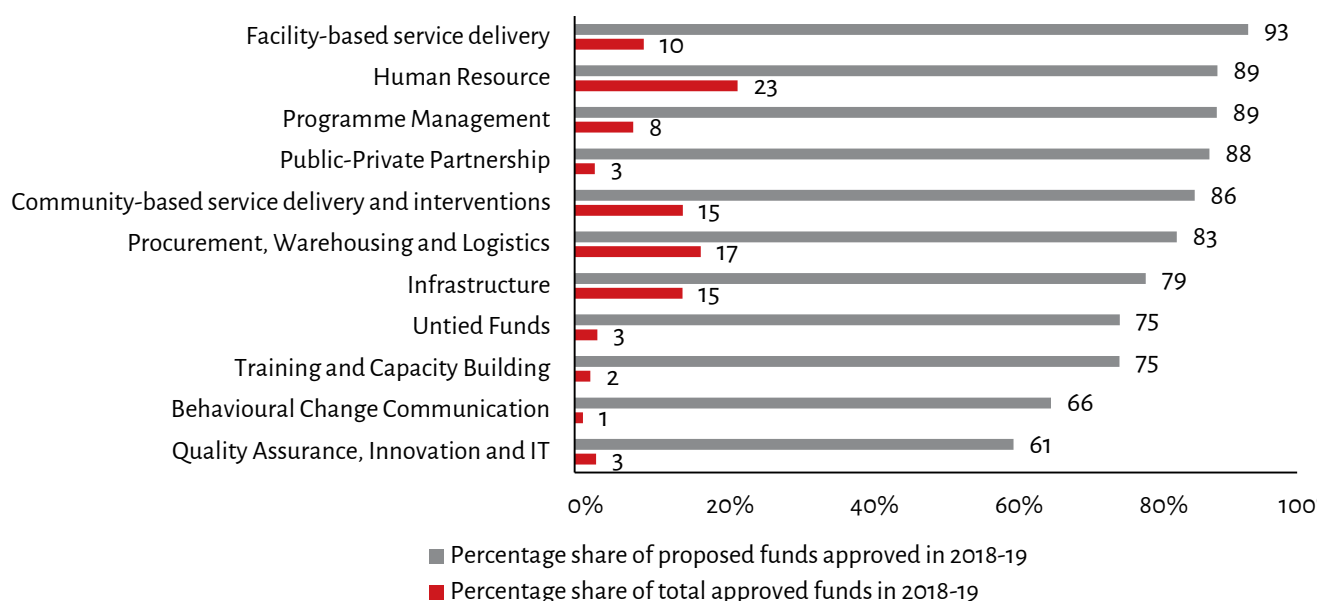


**Source:** NHM, Record of Proceedings in FY 2016-17, FY 2017-18 and FY 2018-19 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 5 January 2019.

- In FY 2018-19, NHM simplified its reporting format by reclassifying existing budget line items into 18 major budget heads. NHM is moving towards a simplification of the budget process in phases. Although there is now a new format for PIPs, it will continue to retain requisite details to facilitate implementation and review of the programmes.
- The 18 reorganised budget heads reclassify programmatic expenditures along functional domains, allowing for a comprehensive view of cross-cutting components under different NHM programmes. The reorganised budget heads are as follows –
 

<ol style="list-style-type: none"> <li>1. Service Delivery – Facility Based</li> <li>2. Service Delivery – Community Based</li> <li>3. Community Interventions</li> <li>4. Untied Grants</li> <li>5. Infrastructure</li> <li>6. Procurement</li> <li>7. Referral Transport</li> <li>8. Service Delivery – Human Resource</li> <li>9. Training and Capacity Building</li> <li>10. Review, Research, Surveillance and Surveys</li> </ol>	<ol style="list-style-type: none"> <li>11. Information, Education, Communication/ Behaviour Change Communication (IEC/BCC)</li> <li>12. Printing</li> <li>13. Quality Assurance</li> <li>14. Drug Warehousing and Logistics</li> <li>15. Public-Private Partnerships (PPP)</li> <li>16. Programme Management</li> <li>17. IT Initiatives for Strengthening Service Delivery</li> <li>18. Innovations</li> </ol>
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- The ‘Service Delivery – Facility Based’ budget head largely includes the following: a) allocations towards services that beneficiaries claim at health care facilities under various NHM programmes, such as medical tests and screenings, blood transfusions, dialysis, sterilisation procedures etc; b) beneficiary compensation and allowances for various schemes such as the Janani Suraksha Yojana (JSY), and family planning initiatives; and c) operational costs for healthcare facilities including rent, electricity, office expenses, maintenance of clinical and diagnostic equipment etc.
- The ‘Service Delivery – Community-Based’ budget head includes allocations towards: a) efforts to provide mobile healthcare services in communities, including the initiative for National Mobile Medical Units and Vans; b) recurring costs such as support for mobile health teams and immunisation efforts; and c) outreach activities such as the monthly Village Health and Nutrition Days, screenings and sensitisation efforts in schools and colleges etc. The ‘Community Interventions’ component includes allocations for all costs towards incentives, honorariums, selection and training of Accredited Social Health Activists (ASHAs), the training and sensitisation of members of Panchayati Raj Institutions (PRIs), and other community interventions. For the purpose of analysis, this brief has combined these two budget heads into one category, ‘Community-based service delivery and interventions’.
- A break-up of the share of different activities in the total NHM approval for FY 2018-19 indicates that ‘Human Resources’ and ‘Programme Management’ together account for the largest share, at 31 per cent. This is followed by the category ‘Procurement, Warehousing and Logistics’ at 17 per cent (this combines the budget heads ‘Procurement’, ‘Printing’, and ‘Drug Warehousing and Logistics’).
- The share of approvals for ‘Community-based Service Delivery and Interventions’ was 15 per cent; ‘Infrastructure’ (which also includes the budget head ‘Referral Transport’) was 15 per cent; and ‘Facility-based Service Delivery’ was 10 per cent.
- As previously mentioned, funds are approved based on proposals submitted by states and after negotiation with GoI. A look at the share of proposed funds approved gives a sense of GoI priorities.
- In FY 2018-19, approvals out of proposed funds were high for ‘Facility-based Service Delivery’, ‘Human Resources’, and ‘Programme Management’. In contrast, the spending categories that received the lowest approvals were ‘Quality Assurance, Innovation and IT’ (which is a combination of the budgets heads ‘Innovations’, ‘IT Initiatives for Strengthening Service Delivery’, and ‘Quality Assurance’) at 61 per cent, and IEC/BCC at 66 per cent.

## LARGEST SHARE OF APPROVED FUNDS WENT TOWARDS HUMAN RESOURCES IN 2018-19



**Source:** NHM, Record of Proceedings (ROPs) in FY 2016-17, FY 2017-18 and FY 2018-19 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 5 January 2019.

- There are, however, variations in priorities across states. For instance, while the proposed funds for Community-based Service Delivery and Interventions accounted for 19 per cent of the total proposed funds for Bihar, the corresponding figure for Tamil Nadu and Kerala was only 7 per cent. Similarly, the proposed funds for Infrastructure (excluding Referral Transport) accounted for 44 per cent of the total proposed funds for Nagaland. However, this figure was only 1 per cent for Gujarat and 2 per cent for Mizoram and Goa in FY 2018-19.

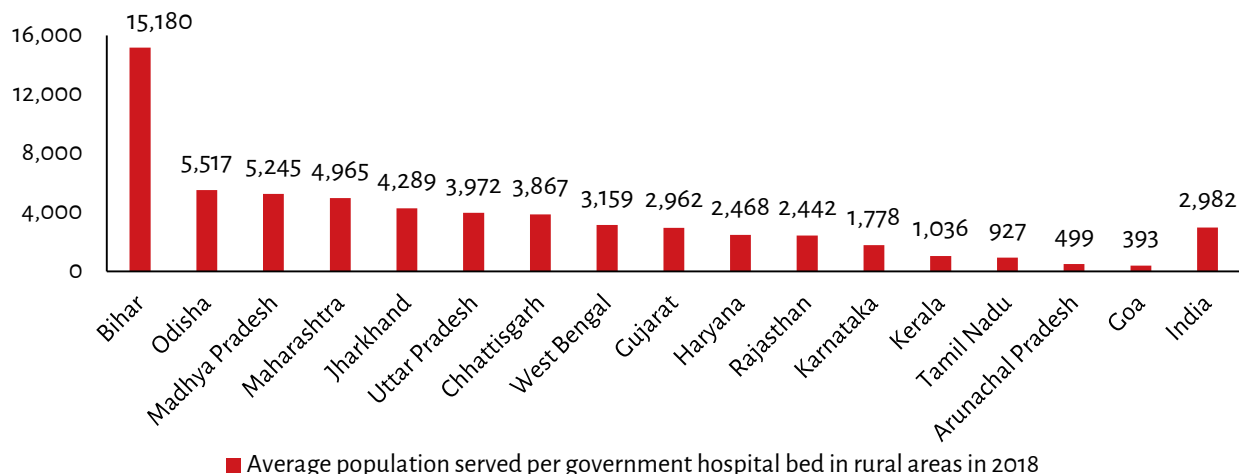
## TRENDS IN OUTPUTS

### Physical Infrastructure

- The rural healthcare system in India has three tiers: (a) Sub-Centres (SCs), (b) Primary Health Centres (PHCs), and (c) Community Health Centres (CHCs).
- SCs are the focal point between the community and the primary health care system. According to the guidelines, one SC has to cater to 5,000 residents in the plains and 3,000 residents in hilly regions. The PHC is the first point of contact with access to a qualified doctor in rural areas. PHCs also provide pharmaceutical and laboratory services. Each PHC is meant to serve 30,000 residents in the plains, and 20,000 residents in hilly, tribal, or difficult areas. CHCs are larger referral centres for patients from PHCs requiring specialised medical services such as surgery, gynaecology, or paediatric services. There must be one CHC for a population of 1,00,000 residents in the plains, and one for 80,000 residents in tribal and desert areas.
- In 2018, GoI announced the creation of 1,50,000 Health and Wellness Centres (HWCs) for the provision of comprehensive primary health care as part of Ayushman Bharat by 31 December 2022. This initiative relies heavily on existing NHM infrastructure as the HWCs are to be created largely by transforming existing SCs and PHCs operating through NHM. As on March 2018, there were 1,58,417 SCs, 25,743 PHCs, and 5,624 CHCs operating in the country.
- GoI set a target of operationalising 15,000 HWCs by 31 March 2019. Till 15 December 2018, less than one third (4,503 HWCs) had been operationalised.

- It is important to note, however, that existing health facilities are significantly overburdened, particularly in rural areas. As per the data on hospital beds in government facilities included in the National Health Profile 2018, the average population served per government hospital bed in rural areas was 2,982. This implies an availability of 0.3 beds per 1,000 people in rural areas.
- Bihar has the poorest bed to population ratio with 15,180 people being served per government hospital bed in rural areas. Tamil Nadu, Arunachal Pradesh, and Goa, on the other hand, have a lower population to bed ratio.

### BIHAR HAS THE POOREST BED TO POPULATION RATIO BY A LARGE MARGIN

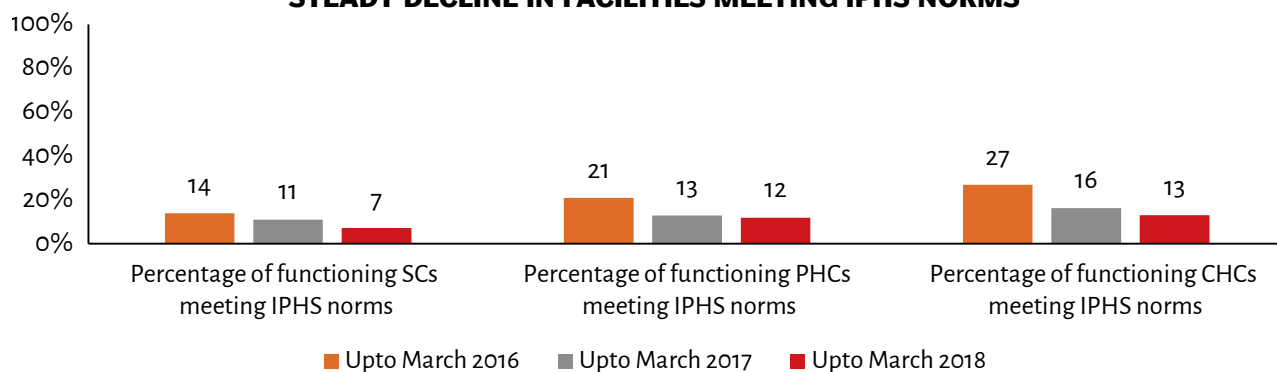


■ Average population served per government hospital bed in rural areas in 2018

**Source:** 1) National Health Profile 2018. Available online at: <https://www.cbhidghs.nic.in/index1.php?lang=1&level=2&sublinkid=88&lid=1138>. Last accessed on 24 January 2019. 2) Census 2011 population data.

- There are also significant gaps in the quality of health infrastructure under NHM. The Indian Public Health Standards (IPHS) set measures for the quality of health infrastructure in all PHCs, CHCs, and government hospitals, and are expected to be the primary benchmarks for assessing the improvement of quality and functioning status of health facilities.
- There has been a steady decline in the proportion of functioning facilities that meet IPHS norms over the last three years. As on March 2018, there were only 7 per cent SCs, 12 per cent PHCs, and 13 per cent CHCs functioning as per IPHS norms.
- Haryana, Maharashtra, Nagaland, and Uttarakhand were the only states to register an increase in the number of CHCs functioning as per IPHS norms, while there was a significant drop for West Bengal and Tripura. Strikingly, there are 15 states which reported zero SCs, PHCs and CHCs functioning as per IPHS norms.

### STEADY DECLINE IN FACILITIES MEETING IPHS NORMS

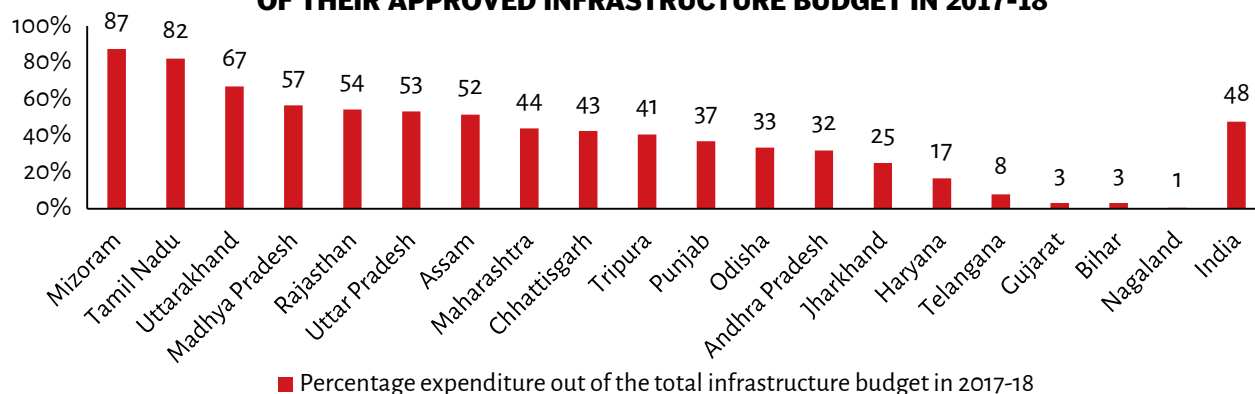


**Source:** Rural Health Statistics 2018. Available online at: <https://nrhm-mis.nic.in/SitePages/HMIS-Publications.aspx>. Last accessed 16 January 2019.



- Despite this overburdening and decline in quality, expenditure on infrastructure out of the total available infrastructure budget has been low. In FY 2017-18, only 48 per cent of the total available budget for infrastructure was spent across all states.
- For instance, while Odisha, Jharkhand, and Telangana were among the states to have reported zero health centres functioning as per IPHS norms over the last three years. Expenditure on infrastructure as a proportion of their total available infrastructure budget, however, remained low at 33, 25 and 8 per cent, respectively.
- Expenditure was also low in Bihar (3 per cent), Gujarat (3 per cent), and Nagaland (1 per cent).

### GUJARAT, BIHAR AND NAGALAND SPENT LESS THAN 5% OF THEIR APPROVED INFRASTRUCTURE BUDGET IN 2017-18



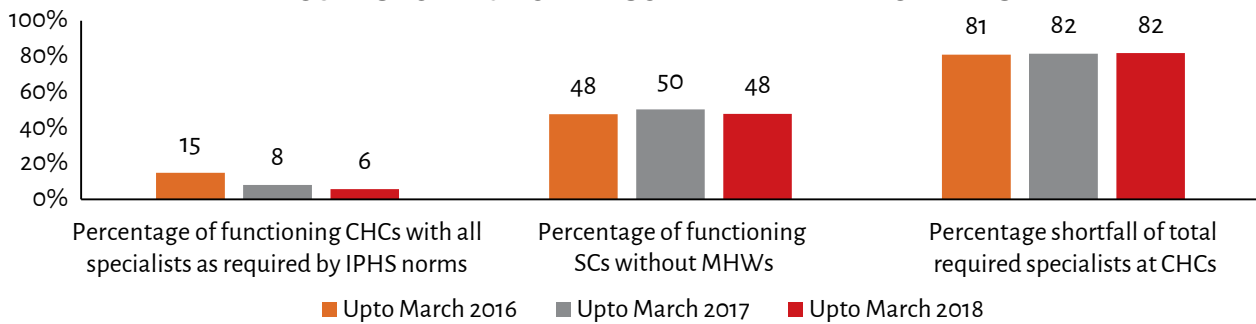
■ Percentage expenditure out of the total infrastructure budget in 2017-18

Source: Financial Management Report 2017-18 received through RTI response from MoHFW on 21 January 2019.

### Human Resources

- The IPHS norms stipulate personnel requirements for each of the three levels of health care centres in keeping with the functions they are expected to perform and the catchment areas they serve. SCs are required to be staffed by 1 full-time female health worker known as the Auxiliary Nurse Mid-Wife (ANM) and 1 full-time Male Health Worker (MHW) at the minimum.
- PHCs have a minimum requirement of 11 medical practitioners of various capacities including a doctor, pharmacists, nurses, lab technicians and male and female health workers and assistants. CHCs have a total staff requirement of 46 members, including a minimum of 5 specialists, namely a General Surgeon, a Physician, an Obstetrician & Gynaecologist, a Paediatrician and an Anaesthetist.
- The transformation of SCs and PHCs to HWCs under Ayushman Bharat involves expanding the staff present in these facilities to include male and female multi-purpose health workers, ASHAs, and mid-level health providers.
- Data on personnel by the Rural Health Statistics has consistently reported an acute shortage of specialists at the CHC level. As of March 2018, out of a requirement of 5,624 surgeons in CHCs across the country, there was a reported shortfall of 4,757 surgeons (85 per cent of the total requirement). Similarly, there was a 75 per cent shortfall in the total requirement of 5,624 obstetricians and gynaecologists, 86 per cent shortfall of physicians, and 83 per cent for paediatricians.
- The percentage of functioning CHCs with all specialists as stipulated by the IPHS norms has been declining in the last three years. It fell from an already low 15 per cent in 2016 to 6 per cent as of March 2018. The decline has been driven largely by the sharp drop in sufficiently staffed CHCs in the states of Maharashtra, Andhra Pradesh, Uttar Pradesh, and West Bengal.
- Of the 2 essential staff members SCs are required to have, nearly half the functioning SCs did not have MHWs as of March 2018.

## ACUTE SHORTAGE OF PERSONNEL IN HEALTH CENTRES



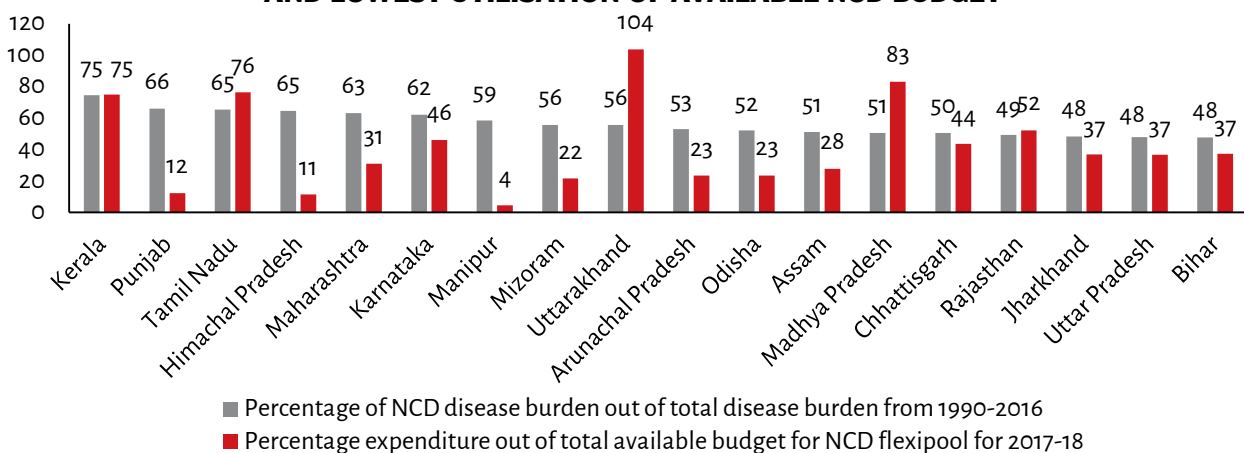
**Source:** Rural Health Statistics 2016, 2017, 2018. Available online at: <https://nrhm-mis.nic.in/SitePages/HMIS-Publications.aspx> Last accessed 16 January 2019.

## TRENDS IN OUTCOMES

### Transitional Shift in Disease Burden

- In the last two decades, India has seen a transitional shift in disease patterns. While mortality due to communicable, maternal, neonatal, and nutritional diseases has dropped, the contribution of Non-Communicable Diseases (NCDs) to health loss has doubled. Recognising this challenge, the National Health Policy of 2017 calls for an integrated approach to solving the healthcare crisis by screening for most prevalent NCDs to reduce preventable mortality.
- According to the 'India: Health of the Nation's States' Report, all states demonstrate a higher burden of NCDs and injuries than Communicable Diseases (CD), as of 2016. However, the extent of the disease burden transition from CDs to NCDs varies across states. This transitional shift in disease patterns has been most sharply observed in Kerala, Tamil Nadu, Punjab, and Himachal Pradesh.
- NCDs contribute to over 48 per cent of the disease burden in all states. Utilisation of available NCD budgets, however, is uneven across states. Punjab and Himachal Pradesh have the third and fifth highest NCD disease burden respectively, but have the lowest expenditures out of the total available NCD budget at 12 and 11 per cent, respectively. Manipur is the only state with lower fund utilisation at 4 per cent expenditure out of available budget.
- While the share of approved funds for the NCD flexipool out of the total approved funds for NHM has doubled overall from FY 2017-18 to FY 2018-19, it is lower than the share of approved funds for the CD flexipool in all states in FY 2018-19, except for Rajasthan and Jammu and Kashmir.

### PUNJAB AND HIMACHAL PRADESH HAVE AMONG THE HIGHEST NCD BURDEN AND LOWEST UTILISATION OF AVAILABLE NCD BUDGET



**Source:** 1) Financial Management Report 2017-18 received through RTI response from MoHFW on 21 January 2019. 2) IHME Report 'India: Health of the Nation's States'. Available online at: <http://www.healthdata.org/policy-report/india-health-nation%E2%80%99s-states>.