



BUDGET BRIEFS

Vol 12/ Issue 6

National Health Mission (NHM)

GoI, 2020-21

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:

- GoI allocations and releases;
- Incentives and penalties to states under conditionality framework;
- Component-wise approvals and expenditures; and
- Outputs and outcomes

Cost share and implementation:

Funds are shared between GoI and the states in a 60:40 ratio. For North Eastern Region (NER) states and Himalayan states, the ratio is 90:10. The analysis does not include Union Territories (UTs), except UTs of Jammu and Kashmir and Ladakh, which are included as a single entity of Jammu and Kashmir, for comparability over time.

Allocations do not include National AYUSH Mission and Senior Citizen Health Insurance Scheme. Expenditure data is available up to FY 2018-19.

HIGHLIGHTS

₹ 67,112 cr

GoI allocations for Ministry of Health and Family Welfare (MoHFW) in FY 2020-21

₹ 33,400 cr

GoI allocations for NHM in FY 2020-21, excluding the National AYUSH Mission and Senior Citizen Health Insurance Scheme

SUMMARY & ANALYSIS

- Allocations for MoHFW increased by 4 per cent from ₹64,609 crore in Financial Year (FY) 2019-20 Revised Estimates (REs) to ₹67,112 crore in FY 2020-21 Budget Estimates (BEs). In FY 2020-21, GoI allocated ₹33,400 crore to NHM, a decrease by one per cent from the previous year. This does not include ₹705 crore under the National AYUSH Mission and ₹10 crore under the Senior Citizen Health Insurance Scheme.
- In FY 2013-14, GoI introduced incentives as a proportion of approved NHM budgets, tied to states meeting certain conditionalities. Six states (Punjab, Chhattisgarh, Tamil Nadu, Kerala, Karnataka, and Uttar Pradesh) earned net incentives across all three years between FY 2016-17 and FY 2018-19.
- In FY 2018-19, almost half the High Focus states earned net incentives ranging between ₹5 crore to ₹129 crore, while the other half were penalised in the range of ₹3 crore to ₹156 crore to be implemented in FY 2019-20.
- Utilisation of funds under NHM remains low. In FY 2016-17, 57 per cent of total available budget was spent. This increased to 59 per cent in FY 2017-18 and FY 2018-19.
- The capacity of healthcare facilities in rural areas has been poor. The average population served per government hospital bed in rural areas was 3,143, implying availability of less than 0.3 beds per 1,000 people.

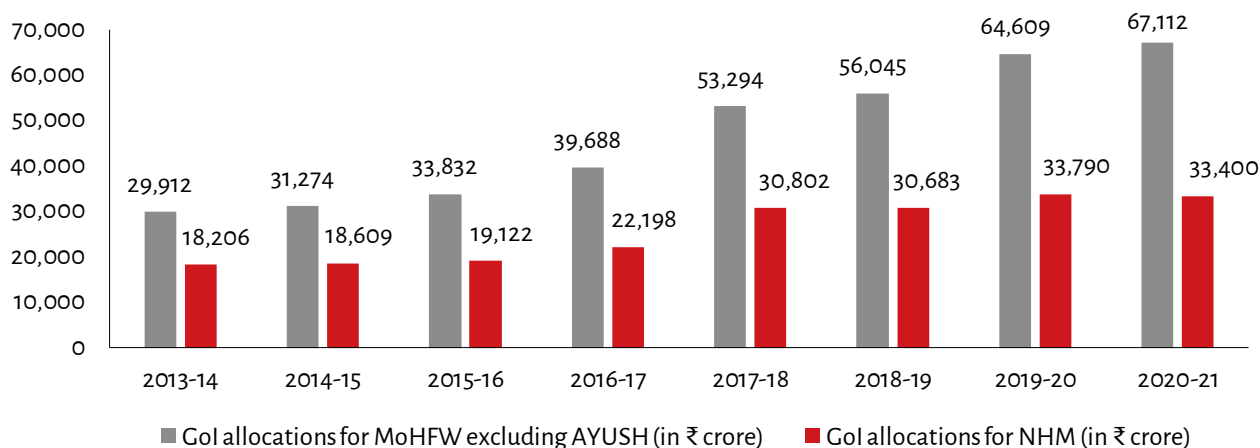
TRENDS IN GOI ALLOCATIONS AND RELEASES

- 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), separately under MoHFW by subsuming the erstwhile Rashtriya Swasthya Bima Yojana (RSBY).
- GoI allocations under Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH) for National AYUSH Mission (NAM) and allocations for the Senior Citizen Health Insurance Scheme (SCHIS) have not been included under NHM for comparability of analysis across allocations, approvals, and expenditures.

Allocations

- Allocations for the Ministry of Health and Family Welfare (MoHFW) increased by 4 per cent from ₹64,609 crore in FY 2019-20 Revised Estimates (REs) to ₹67,112 crore in FY 2020-21 Budget Estimates (BEs).
- In FY 2020-21 BEs, GoI allocated ₹33,400 crore to NHM, a one per cent decrease from the previous year's REs. Including the NAM and SCHIS, total NHM allocations stand at ₹34,115 crore.

GOI ALLOCATIONS FOR NHM DECREASED BY 1% FROM 2019-20 TO 2020-21



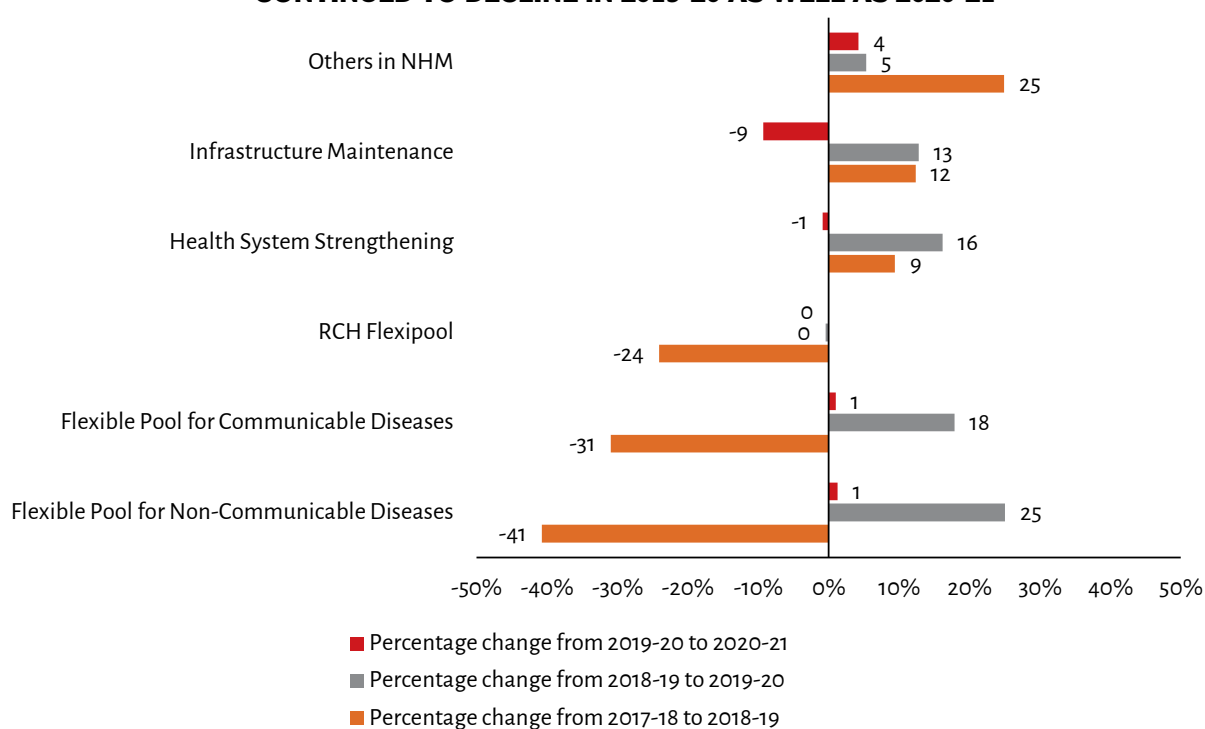
Source: Union Expenditure Budget, Vol 2, Ministry of Health and Family Welfare. Available online at: <http://indiabudget.nic.in>. Last accessed on 1 February 2020.

Note: Figures are in Rupees crore and are Revised Estimates (REs), except for FY 2020-21, which are Budget Estimates (BEs). GoI allocations for MoHFW do not include allocations for Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH). Similarly, allocations for NHM do not include National AYUSH Mission (NAM) and allocations for the Senior Citizen Health Insurance Scheme (SCHIS)

- There are significant year-on-year variations in the composition of GoI allocations for NHM. In FY 2018-19, with the introduction of Ayushman Bharat, GoI allocated ₹1,200 crore for the HWCs component within NHM.
- Between FY 2017-18 and FY 2018-19, GoI allocations also increased significantly for Health System Strengthening (by ₹792 crore or 9 per cent) and Infrastructure Maintenance, a part of NRHM (by ₹683 crore or 12 per cent).

- In contrast, during the same period, allocations for RCH Flexipool fell by ₹1,817 crore (24 per cent). Gol allocations also decreased significantly for Non-Communicable Diseases (NCD) Flexipool (by ₹819 crore or 31 per cent) and for Communicable Diseases (CD) Flexipool (by ₹389 crore or 41 per cent).
- The decline in Gol allocations for RCH Flexipool continued in FY 2019-20. Compared to the already decreased allocations in FY 2018-19, allocations further fell by another ₹25 crore in FY 2019-20.
- On the other hand, in FY 2019-20, the allocations for Health System Strengthening under NHM continued to show a significant increase (by ₹1,489 crore or 16 per cent), followed by allocations for HWCs (by ₹400 crore or 33 per cent).
- In FY 2020-21, in addition to the decline in Gol allocations for RCH Flexipool (by about half a crore), the Health System Strengthening under NHM also declined (by ₹91 crore, or 1 per cent). Similarly, Gol allocations for Infrastructure Maintenance declined by ₹650 crore, or 9 per cent.

ALLOCATIONS FOR RCH FLEXIPOOL FELL BY 24% FROM 2017-18 TO 2018-19, AND CONTINUED TO DECLINE IN 2019-20 AS WELL AS 2020-21



Source: Union Expenditure Budget, Vol 2, Department of Health and Family Welfare. Available online at: <http://indiabudget.nic.in>. Last accessed on 1 February 2020.

Note: Figures are in Rupees crore and are REs, except for FY 2020-21, which are BEs. Allocations for NHM do not include National AYUSH Mission (NAM) and allocations for the Senior Citizen Health Insurance Scheme (SCHIS)

Releases

- Releases by Gol out of total allocations have been decreasing. In FY 2014-15, 98 per cent of total Gol allocations were released to states. This decreased to 94 per cent in FY 2015-16 and 83 per cent in the subsequent two years. In FY 2018-19, 81 per cent of Gol allocations had been released. In FY 2019-20 (till the first quarter), only 17 per cent of allocations had been released.
- To address regional imbalances in health outcomes, NHM identified a set of 18 'High Focus' (HF) states with the poorest health indicators. These states received 58 per cent of the total Gol releases in FY 2018-19 down from 60 per cent in FY 2017-18.

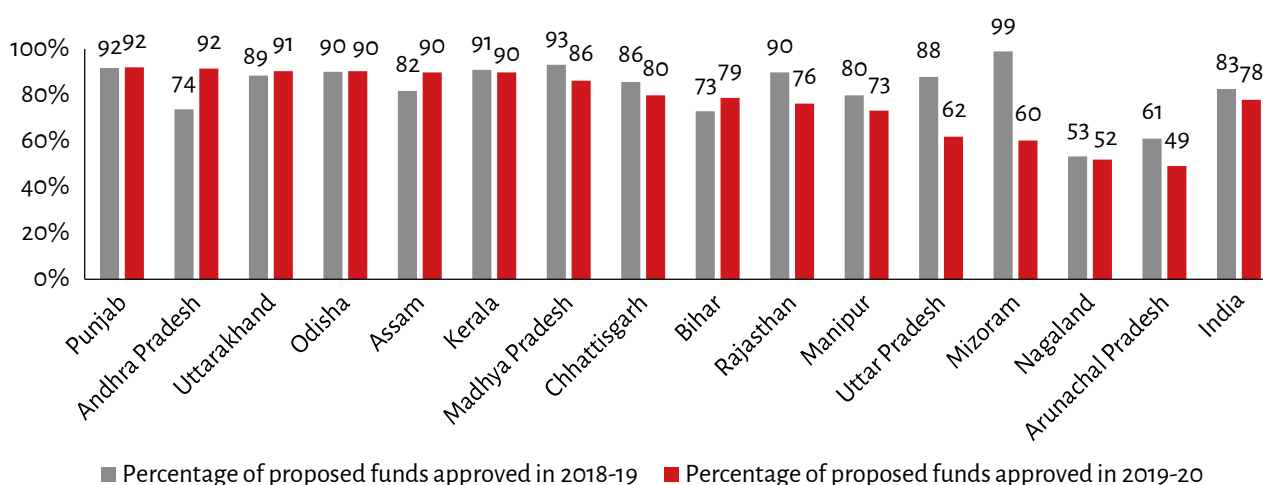
TRENDS IN STATE APPROVALS AND EXPEDITURES

- Since FY 2013-14, in order to incentivise performance, a proportion of the NHM resource envelope (excluding Infrastructure Maintenance) was kept aside as an 'Incentive Pool' to be distributed to states based on the fulfilment of certain conditionalities. The Conditionality Framework is shared with states prior to the planning process.
- Total approvals under NHM are based on Project Implementation Plans (PIPs) submitted by state governments and approved by GoI. These approved budgets are called Records of Proceedings (ROPs). The final budget comprises the total available resource envelope, which is calculated on the basis of GoI'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 Project Implementation Plans (SPIPs), the approvals of which are called Supplementary Records of Proceedings (SROPs).
- Post approvals, funds are shared between GoI and state governments in a 60:40 ratio for all states except North Eastern Region (NER) states and Himalayan states where the ratio is 90:10.

Proposals and Approvals

- There are differences in the budgets proposed by states and those approved by the GoI (including supplementary budgets approved). In FY 2018-19, more than 83 per cent of the total state proposals were approved. In FY 2019-20, this decreased to 78 per cent of the total state proposals of ₹58,341 crore including supplementaries accessed till 10 January 2020.
- There are state differences. The proportion of state proposals approved in FY 2018-19, was above 80 per cent for most states. States with the lowest share of funds approved were Arunachal Pradesh (61 per cent) and Nagaland (53 per cent). Other states which had a relatively low share of proposed funds approved included Bihar (73 per cent) and Andhra Pradesh (74 per cent).
- The trend continues in FY 2019-20. Like the previous year, states with the lowest share of approved budgets included Arunachal Pradesh (49 per cent) and Nagaland (52 per cent). Approvals were also less than 70 per cent in Uttar Pradesh (62 per cent) and Mizoram (60 per cent).
- In contrast, over 90 per cent of the proposed budgets were approved in Punjab (92 per cent), Andhra Pradesh (92 per cent), Uttarakhand (91 per cent), Odisha (90 per cent), Assam (90 per cent), and Kerala (90 per cent).

IN 2019-20, THE PERCENTAGE OF APPROVED OUT OF PROPOSED BUDGET WERE LOWEST IN ARUNACHAL PRADESH AND NAGALAND



Source: NHM, Record of Proceedings (ROPs) and Supplementary ROPs in FY 2018-19 and FY 2019-20 of all states. Available online at: <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=449&lid=53>. Last accessed on 10 January 2020.

GoI approvals – Results based Financing

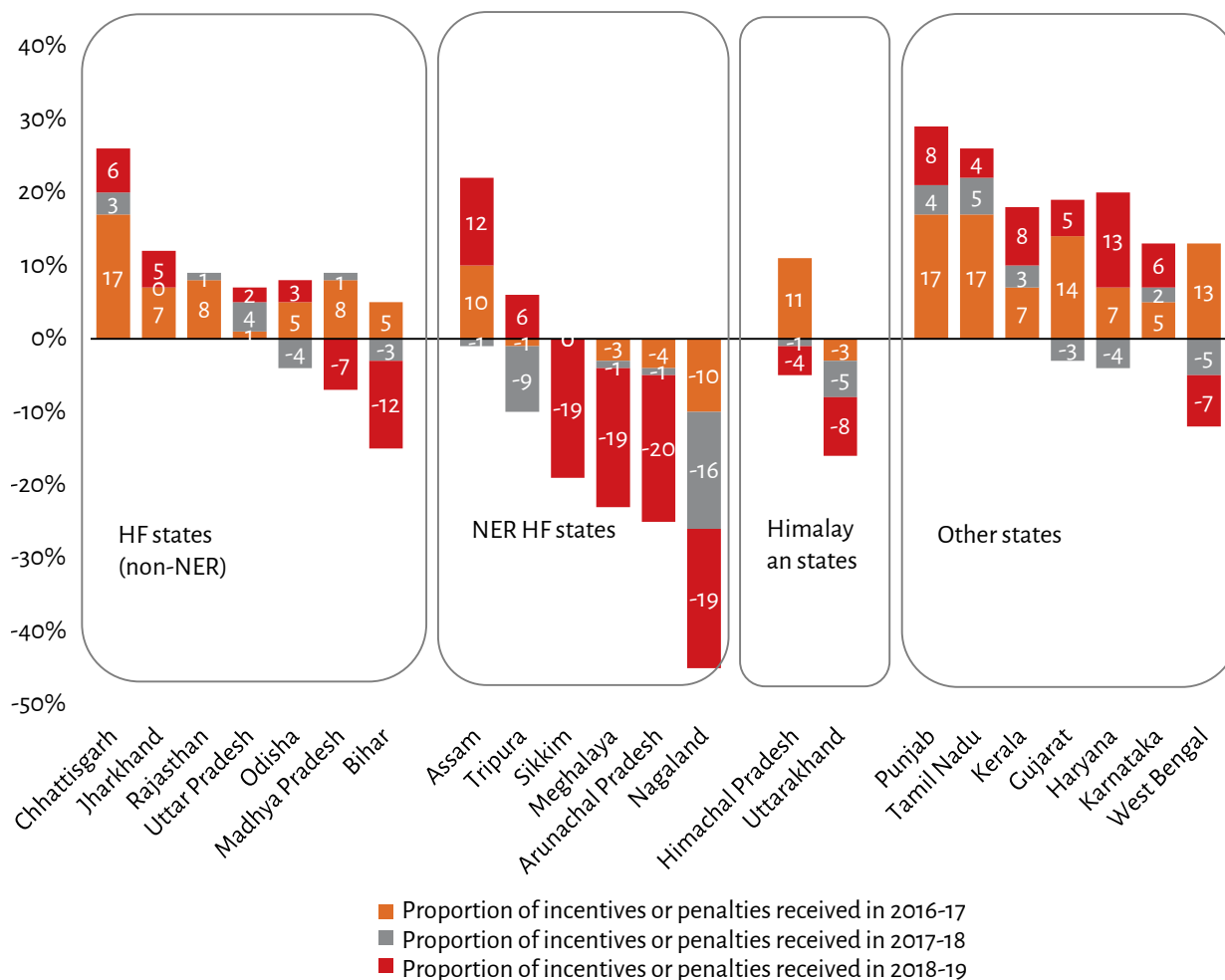
- Since FY 2013-14, the Conditionality Frameworks governing the Incentive Pool have changed over years. The Conditionality Frameworks include conditions such as the reduction in Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR), full immunisation coverage, functionality of First Referral Units, and governance indicators, etc.
- On 25 September 2017, the proportion of NHM funds (excluding Infrastructure Maintenance) earmarked as incentive grants was increased from 10 per cent to 20 per cent. In other words, 20 per cent of the resource envelope approved for a state was kept aside and its distribution would depend on the state's performance on agreed conditionalities. In case of failure to fulfil the set criteria, a state could lose up to 20 per cent of its NHM funding.
- A total of seven criteria, including NITI Aayog's ranking of states on 'Performance on Health Outcomes' were defined as conditionalities.

Conditionality	Source of Verification	Percentage of Incentive/ Penalty
NITI Aayog ranking of states on 'Performance on Health Outcomes'	NITI Aayog report	+40 to -40
Grading of district hospitals (DH) in terms of input and service delivery	Health Management Information System (HMIS), NITI Aayog DH ranking	+10 to -10
Operationalisation of HWCs	State report, NHSRC report	+20 to -20
Percentage of districts covered under Mental Health program and providing services as per framework	Report from Mental Health Division MoHFW	+5 to -5
Percentage of 30 plus population screened for Non-Communicable Diseases (NCD)	Report from NCD division MoHFW and state reports, Any survey data available	+5 to -5
HRIS implementation	HRIS (state) and HMIS	+15 to -15
Grading of Primary Health Centres (PHC) (urban and rural) based on inputs and provision of the service package agreed	HMIS	+5 to -5

- For FY 2018-19, the share of 'Full Immunisation Coverage' (FIC) was added as a qualifying criterion for being eligible for conditionality assessment.
- In order to ensure that better performing states do not capture the funds earmarked as incentives at the cost of HF states, five categories of states were created within the Incentive Pool. These are: non HF states; the Empowered Action Group (EAG) or HF states; NER states, Himalayan states, and UTs. While the eligibility for conditionality assessment was 80 per cent FIC rate for the non HF states, for the others it was fixed at 75 per cent.
- Based on the fulfilment of the criteria, states in each pool are either incentivised or penalised. Once the net incentives and net penalties are accounted for, the funds left in each category's Incentive Pool are to be redistributed among the states within that category, as per the budget distribution formula under NHM .

- While the conditionalities vary across years, a look at the year-wise proportion of incentives or penalties received by states indicates that between FY 2016-17 and FY 2018-19, six states, namely, Punjab, Chhattisgarh, Tamil Nadu, Kerala, Karnataka, and Uttar Pradesh had earned net incentives across all three years. In contrast, four states received net penalties across all three years, namely Nagaland, Arunachal Pradesh, Meghalaya, and Uttarakhand.
- In FY 2016-17, seven states had received net penalties and nine states had qualified for more than a 10 per cent net incentive. In FY 2017-18, the number of states receiving net penalties increased to 15 and not a single state had achieved a 10 per cent net incentive.
- In FY 2018-19, 16 states were able to earn net incentives (with two states achieving net incentives of over 10 per cent), one state received neither incentive nor penalty, while remaining states received net penalties. Four states, namely Arunachal Pradesh, Meghalaya, Nagaland, and Sikkim were ineligible for assessment due to their failure to meet the qualifying criterion of 75 per cent FIC. As a result, they were given net penalties of 19 per cent to 20 per cent.

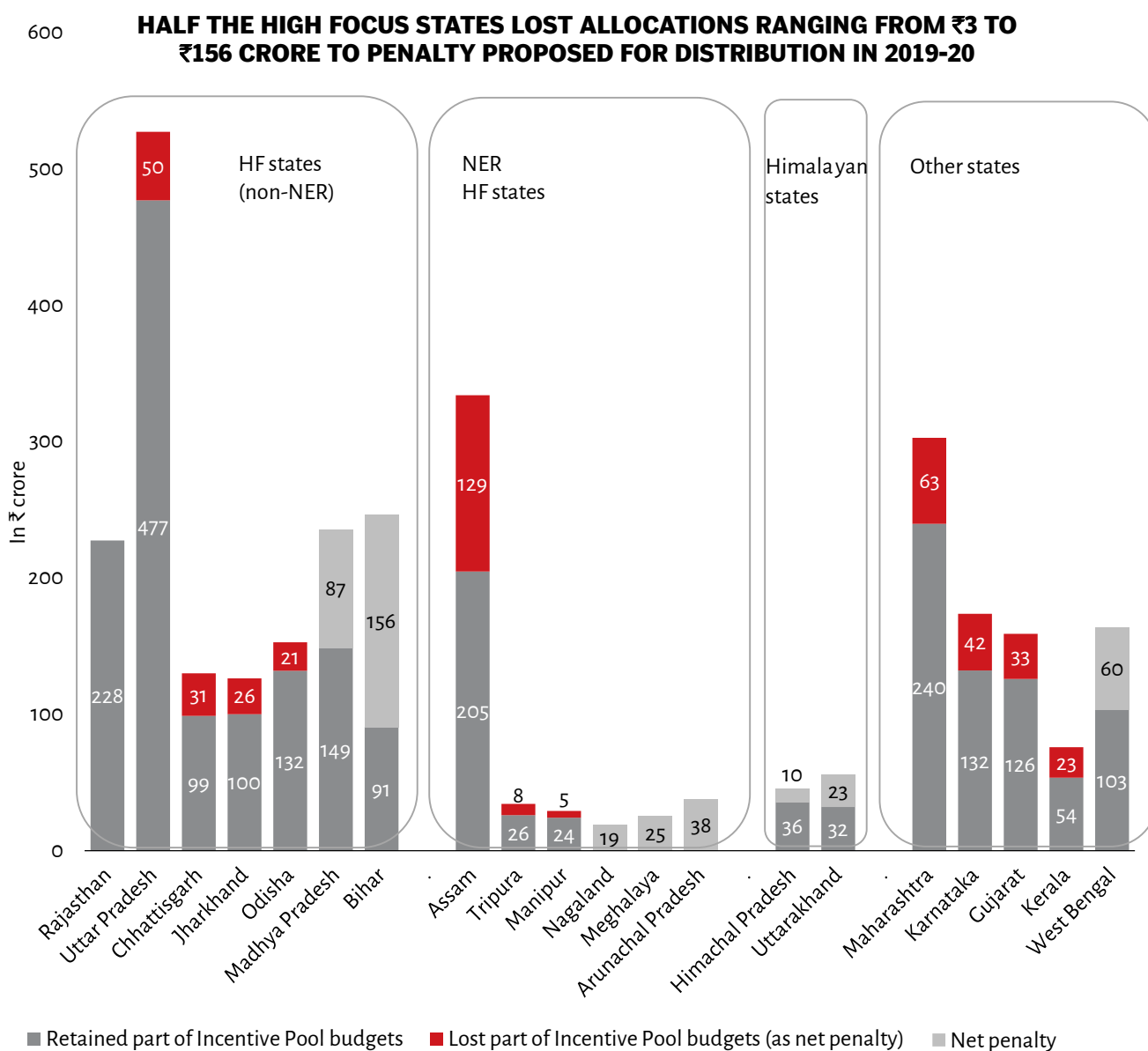
6 STATES QUALIFIED FOR AN INCENTIVE THROUGHOUT 2016-17 TO 2018-19



Source: (1) Health System Strengthening - Conditionally Report of States 2018-19, NHRSC, MoHFW. Available online at: <https://nhm.gov.in/showfile.php?id=714>. Last accessed on 25 November 2019. (2) RTI response received from MoHFW, NHM Finance Division, dated 3 January 2020.

- In FY 2019-20, ₹3,265 crore has been provisioned as the Incentive Pool. After excluding Infrastructure Maintenance, this amounts to 19 per cent of the total approved budgets of the year.

- The 'Health System Strengthening - Conditionally Report of States 2018-19, NHSRC, MoHFW' mentioned the net incentive/penalty amounts, that were proposed for implementation in FY 2019-20.
- Among HF states (non-NER), the maximum net penalty was ₹156 crore (12 per cent of the total budget) for Bihar, deducted from the state's ₹247 crore budget that was earmarked as the Incentive Pool (about 19 per cent of the total budget). Thus, after deductions, Bihar retained ₹91 crore of its earmarked Incentive Pool.
- The other state receiving a net penalty in this category was Madhya Pradesh, with ₹87 crore deducted from the ₹236 crore budget earmarked earlier under the Incentive Pool.
- In contrast, Uttar Pradesh was eligible to receive ₹50 crore as incentive, in addition to its ₹477 crore budget that were earmarked as the Incentive Pool. The other HF (non-NER) states receiving net incentives were Chhattisgarh (₹31 crore in addition to ₹99 crore), Jharkhand (₹26 crore in addition to ₹100 crore), and Odisha (₹21 crore in addition to ₹132 crore budget). Rajasthan earned neither any incentive or any penalty, and thus retained its budget earmarked under Incentive Pool.



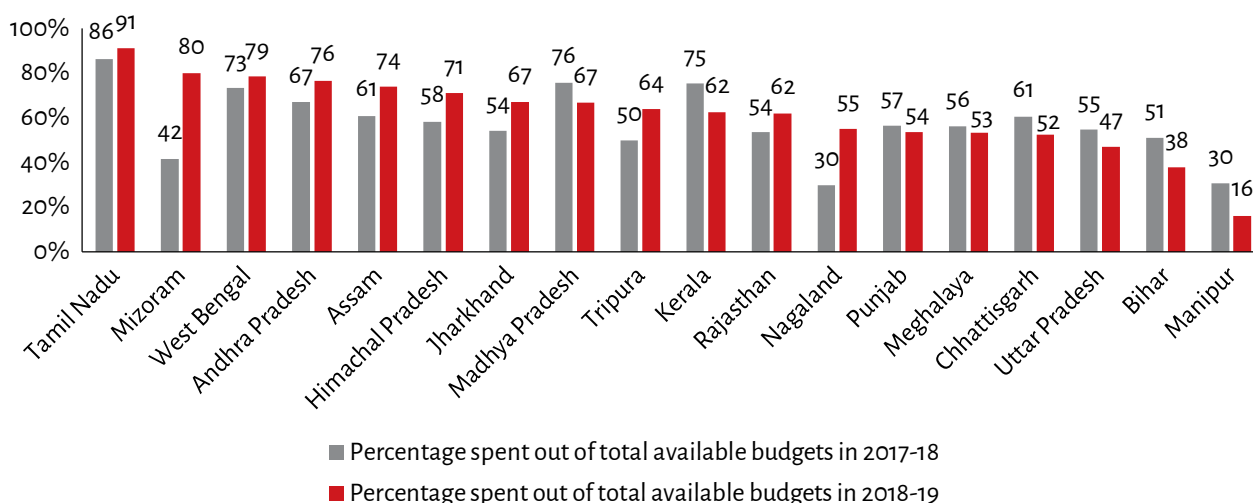
Source: Health System Strengthening - Conditionally Report of States 2018-19, NHSRC, MoHFW, Annexure II available at <https://nhm.gov.in/showfile.php?id=714>. Last accessed on 25 November 2019.

- Within the category of HF NER states, Assam earned the maximum net incentive (₹129 crore), in addition to ₹205 crore of its budget earmarked under Incentive Pool. The other two states to earn incentives in this category were Tripura (₹8 crore in addition to ₹26 crore), and Manipur (₹5 crore in addition to ₹24 crore).
- As the progress made by four HF NER states was not considered for assessment (due to non-fulfillment of the qualifying FIC criterion), full amounts of the earmarked Incentive Pool were deducted for all the four states. Thus, Arunachal Pradesh had a deduction of ₹38 crore, Meghalaya lost ₹25 crore, and Nagaland lost ₹19 crore, as the deduction of its Incentive Pool.
- All three Himalayan states received net penalties, the maximum amount being ₹23 crore in the case of Uttarakhand.
- For non-HF states, most earned net incentives in the range of ₹21 crore to ₹63 crore. The highest incentive in this category was earned by Maharashtra (at ₹63 crore). Other states earning net incentives included Karnataka (₹42 crore), Andhra Pradesh (₹41 crore), Haryana (₹34 crore), Gujarat (₹33 crore), Tamil Nadu (₹28 crore), as well as Punjab and Kerala (at ₹23 crore each), among others.
- In contrast, Goa had a net penalty of ₹1 crore being deducted from its ₹4 crore Incentive Pool. The maximum penalty in this category of states was found in the case of West Bengal, with ₹60 crore being deducted from ₹164 crore earmarked under its Incentive Pool.

Expenditures

- Expenditures as a proportion of total available budgets (total approvals and committed unspent balances) has been low, and have remained less than 60 per cent throughout FY 2016-17 to FY 2018-19.
- In FY 2016-17, 57 per cent of the total available budget was spent. This increased to 59 per cent in FY 2017-18 for all states, and remained at 59 per cent in FY 2018-19. Uttarakhand and Arunachal Pradesh were not included in analysis in FY 2018-19 due to incomplete expenditure data.
- There are, however, significant state variations. States spending over three-fourths of their budget in FY 2018-19 include Tamil Nadu (91 per cent), Mizoram (80 per cent), West Bengal (79 per cent), and Andhra Pradesh (76 per cent).

EXPENDITURE AS A PERCENTAGE OF AVAILABLE BUDGETS REMAINED AT AN AVERAGE OF 59% DURING BOTH 2017-18 AND 2018-19



Source: Financial Management Reports (FMRs) of FY 2017-18 and FY 2018-19 received through RTI responses from MoHFW dated 21 January 2019 and 16 January 2020, respectively.

- In contrast, less than half of the available budget was spent in states such as Uttar Pradesh (47 per cent), Bihar (38 per cent), and Manipur (16 per cent).
- While most states improved their expenditure performance from FY 2017-18 to FY 2018-19, 10 states showed a decline in utilisation of available budgets, including Manipur, Bihar, Kerala, Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Meghalaya, and Punjab. For instance, while Manipur spent 30 per cent of its available budget in FY 2017-18, it spent only 16 per cent in FY 2018-19. Similarly, utilisation by Bihar decreased from 51 per cent in FY 2017-18 to 38 per cent in FY 2018-19.
- Due to low expenditures, unspent balances under NHM continued to remain high. For FY 2016-17, unspent balances amounted to ₹10,595 crore (as on 1 April 2016). This increased for FY 2017-18 to ₹12,431 crore (as on 1 April 2017), and further to ₹12,594 crore for FY 2018-19 (as on 1 April 2018). Unspent balances were not mentioned in ROPs of FY 2019-20 as on 1 April 2019.

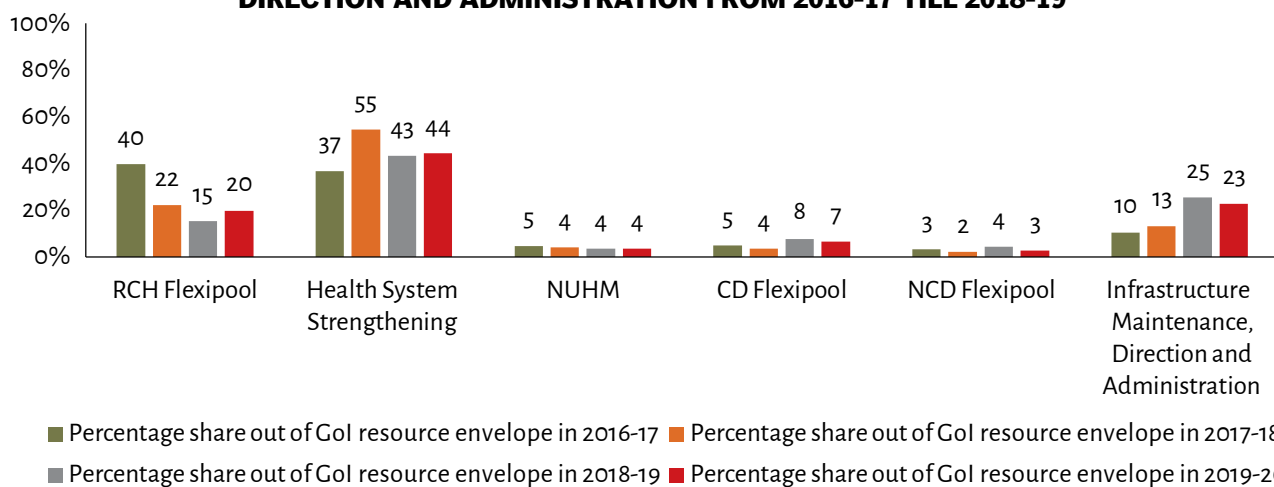
TRENDS IN COMPONENT-WISE APPROVALS

- NHM consists of the following six major financing components:
 - The RCH Flexipool to fund maternal and child health, family planning, and the Janani Suraksha Yojana (JSY). This now also includes the erstwhile 'Immunisation' Flexipool for financing 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.
 - The NUHM Flexipool addresses the healthcare needs of the urban poor with a special focus on vulnerable sections.
 - The 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).
 - The 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) and, National Mental Health Programme (NMHP).
 - Direction and Administration funds (formerly known as Infrastructure Maintenance), which are allotted across various programmatic divisions of NHM.

Component-wise Share of Approvals

- The composition of NHM resource envelope has seen a marked shift over the last four years. The share of RCH Flexipool in GoI share of the resource envelope declined significantly from 40 per cent in FY 2016-17 to only 20 per cent in FY 2019-20.
- In contrast, the share of Infrastructure Maintenance and Direction and Administration funds has increased from 10 per cent to 23 per cent in the same period.
- The share of CD funds out of GoI share of the resource envelope marginally increased from 5 per cent to 7 per cent, while NCD funds and NUHM funds remain around 3 per cent to 4 per cent, respectively.

SHARE OF GOI'S RESOURCE ENVELOPE FELL FOR RCH FLEXIPOOL BUT INCREASED FOR DIRECTION AND ADMINISTRATION FROM 2016-17 TILL 2018-19



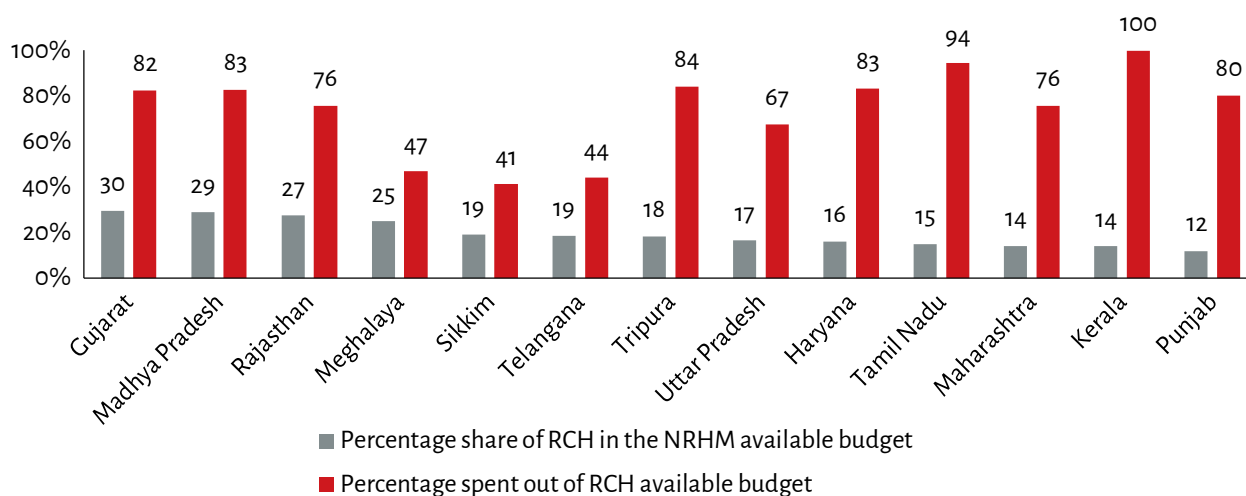
Source: NHM, Record of Proceedings and) and Supplementary ROPs in FY 2016-17, FY 2017-18, FY 2018-19, and FY 2019-20 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state/stateprogram-implementation-plans-pips.html>. Last accessed on 10 January 2020.

COMPONENT-WISE EXPENDITURE

Reproductive and Child Health

- Funds for Reproductive and Child Health (a sub-set of the NRHM-RCH Flexipool) constitutes a large portion of the total NRHM budget. It includes expenditure on maternal and child health, funds for family planning, Rashtriya Kishore Swasthya Karyakram (RKSK), Rashtriya Bal Swasthya Karyakram (RBSK), Tribal RCH, Pre-Natal Diagnostic Techniques (PNDT) activities, human resources, and training.
- Utilisation of RCH funds was among the highest and has been increasing. In FY 2016-17, 67 per cent of the RCH available budget was spent. This increased to 70 per cent in FY 2017-18, and 75 per cent in FY 2018-19. Falling RCH budget within NRHM have in part contributed to the higher utilisation of funds in FY 2018-19.
- In FY 2018-19, states with the highest share of RCH in the total available budget for NRHM were Gujarat (30 per cent), Madhya Pradesh (29 per cent), and Rajasthan (27 per cent). Utilisation of the available budget for RCH was also high at 82 per cent in Gujarat, 83 per cent in Madhya Pradesh, and 76 per cent in Rajasthan.
- While the share of RCH in the available budget of NRHM was lowest in Kerala (14 per cent), Maharashtra (14 per cent), and Punjab (12 per cent), utilisation was high in Kerala (100 per cent), Maharashtra (76 per cent), and Punjab (80 per cent).
- In contrast, Sikkim (at 41 per cent), Telangana (at 44 per cent), and Meghalaya (at 47 per cent) were among the states with low utilisation of available budgets under RCH.
- The two most significant sub components of RCH are Maternal Health and Child Health. Between FY 2016-17 and FY 2018-19, the total available budget for Maternal Health decreased by 22 per cent from ₹4,460 crore to ₹3,478 crore.

THE SHARE OF RCH IN THE NRHM AVAILABLE BUDGET OF NRHM RANGED FROM 12% TO 30%, WHILE UTILISATION RANGED FROM 41% TO 100%



Source: Financial Management Reports (FMRs) of FY 2017-18 and FY 2018-19 received through RTI responses from MoHFW dated 21 January 2019 and 16 January 2020, respectively.

Maternal Health

- In FY 2018-19, states such as Kerala (with 140 per cent utilisation) and Haryana (with 130 per cent) spent in excess of their allocated budgets for Maternal Health, which also contributed to the overall high utilisation of the available budgets for RCH.
- While the share of Maternal Health in the total available budget of NRHM was highest in Bihar (56 per cent) and Uttar Pradesh (48 per cent), the utilisation of Maternal Health funds was less than 80 per cent in both states.
- In contrast, the share of Maternal Health in the total available budget of NRHM was low in Manipur (15 per cent), Gujarat (15 per cent), and Haryana (17 per cent).

Child Health

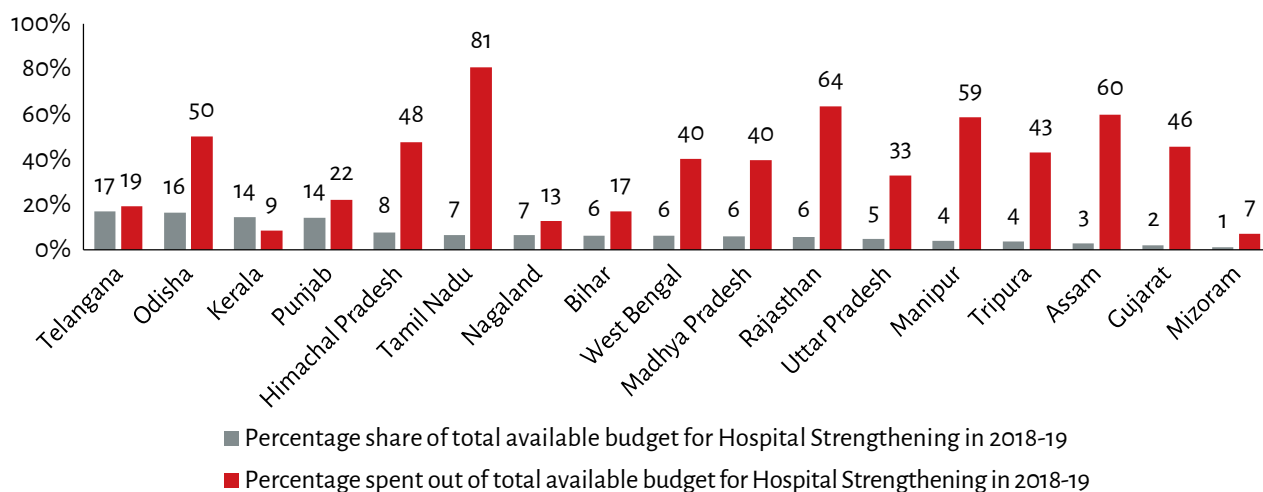
- The total available budget for Child Health decreased by 15 per cent from ₹398 crore in FY 2015-16 to ₹338 crore in FY 2017-18 before increasing by 9 per cent in FY 2018-19 to ₹370 crore.
- In FY 2018-19, states with the highest share of Child Health in the total available budget of NRHM were Andhra Pradesh (13 per cent), and Tripura (12 per cent). Utilisation was also high in these states, with Andhra Pradesh spending 86 per cent of its available budget of NRHM and Tripura spending 105 per cent.
- In contrast, the share of Child Health in the total budget of NRHM was low in Bihar (1 per cent) and Uttar Pradesh (1 per cent).

Hospital Strengthening

- Hospital Strengthening involves expenditure on new construction of health facilities and major upgradations of existing facilities.
- Between FY 2015-16 and FY 2018-19, the total available budget for Hospital Strengthening decreased by 30 per cent from ₹3,850 crore to ₹2,872 crore.
- Utilisation of funds under this component also remained low. In FY 2015-16, 46 per cent of the total available budget was utilised. In FY 2018-19, utilisation was even lower at 38 per cent.

- There are state-wise differences. In FY 2018-19, states with the highest share of Hospital Strengthening in the total available budget of NRHM were Telangana (17 per cent), Odisha (16 per cent), Kerala (14 per cent), and Punjab (14 per cent). Utilisation, however, remained low. While Odisha utilised 50 per cent of the available budget for Hospital Strengthening, utilisation was 22 per cent in Punjab, and only 9 per cent in Kerala.
- States with high utilisation included Tamil Nadu (81 per cent) and Rajasthan (64 per cent).
- While the share of Hospital Strengthening in the total available budget of NRHM was low in Bihar (6 per cent) and Uttar Pradesh (5 per cent), utilisation was even lower. Bihar spent only 17 per cent of its available budgets for Hospital Strengthening and Uttar Pradesh spent 33 per cent.

IN 2018-19, 38% OF HOSPITAL STRENGTHENING FUNDS WERE SPENT



Source: Financial Management Reports (FMRs) of FY 2017-18 and FY 2018-19 received through RTI responses from MoHFW on 21 January 2019 and 16 January 2020 respectively.

Reclassified budget heads within total approval

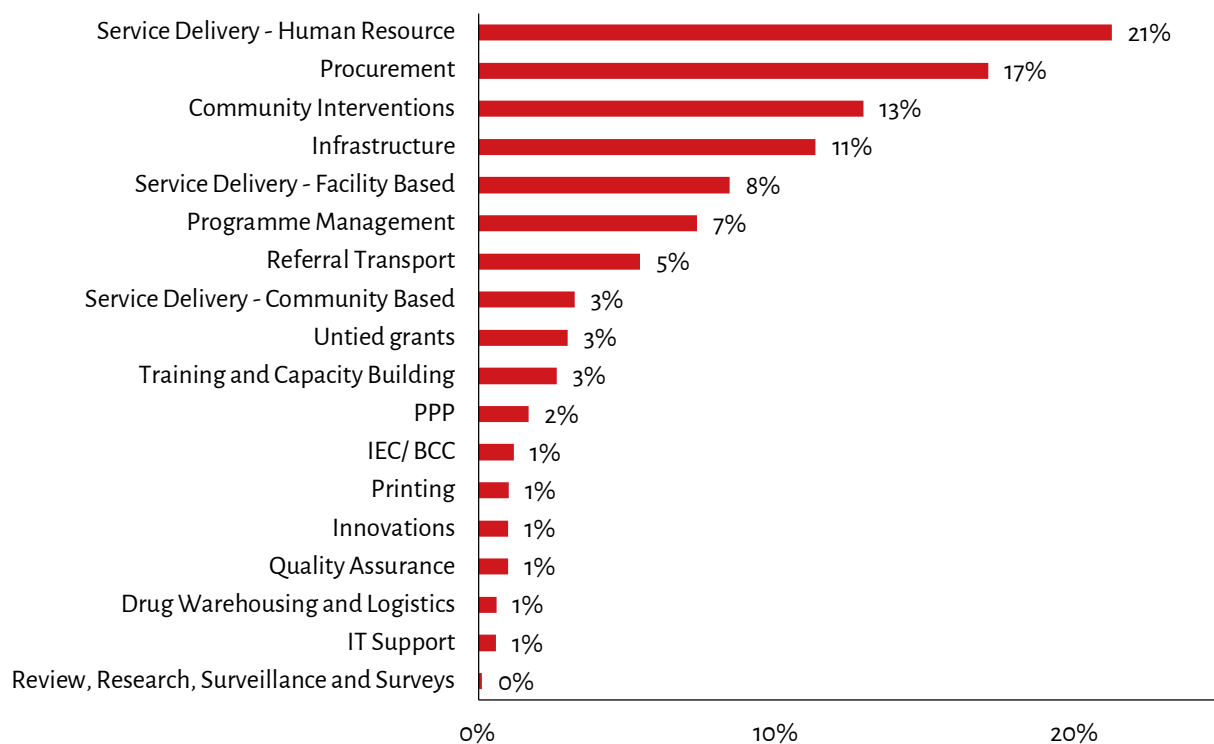
- In FY 2018-19, NHM simplified its reporting format by reclassifying existing budget line items into 18 major budget heads along functional domains. These reorganised budget heads were continued in FY 2019-20 and were as follows:

- | | |
|--|---|
| 1. Service Delivery – Facility Based | 11. Information, Education, Communication/ Behaviour Change Communication (IEC/BCC) |
| 2. Service Delivery – Community-based | 12. Printing |
| 3. Community Interventions | 13. Quality Assurance |
| 4. Untied Grants | 14. Drug Warehousing and Logistics |
| 5. Infrastructure | 15. Public-Private Partnerships (PPP) |
| 6. Procurement | 16. Programme Management |
| 7. Referral Transport | 17. IT Initiatives for Strengthening Service Delivery |
| 8. Service Delivery – Human Resource | 18. Innovations |
| 9. Training and Capacity Building | |
| 10. Review, Research, Surveillance and Surveys | |

- In FY 2019-20, 21 per cent of the total approved budget was for ‘Service Delivery – Human Resources’ including costs for all human resources. This was followed by Procurement (17 per cent), Community Interventions including incentives, honorariums, selection and training of ASHAs, the training and sensitisation of members of Panchayati Raj Institutions (PRIs), other community interventions (13 per cent), and Infrastructure (11 per cent).

- In contrast, share of budget going for Service Delivery – Facility-based which includes referral or approval services that beneficiaries claim at healthcare facilities, beneficiary incentives and operational costs of healthcare facilities accounted for 8 per cent, followed by Programme Management costs (7 per cent) and Referral Transport (5 per cent).

HUMAN RESOURCES AND PROCUREMENT ACCOUNT FOR 38% OF APPROVALS



■ Percentage share of approvals out of total approved funds in 2019-20

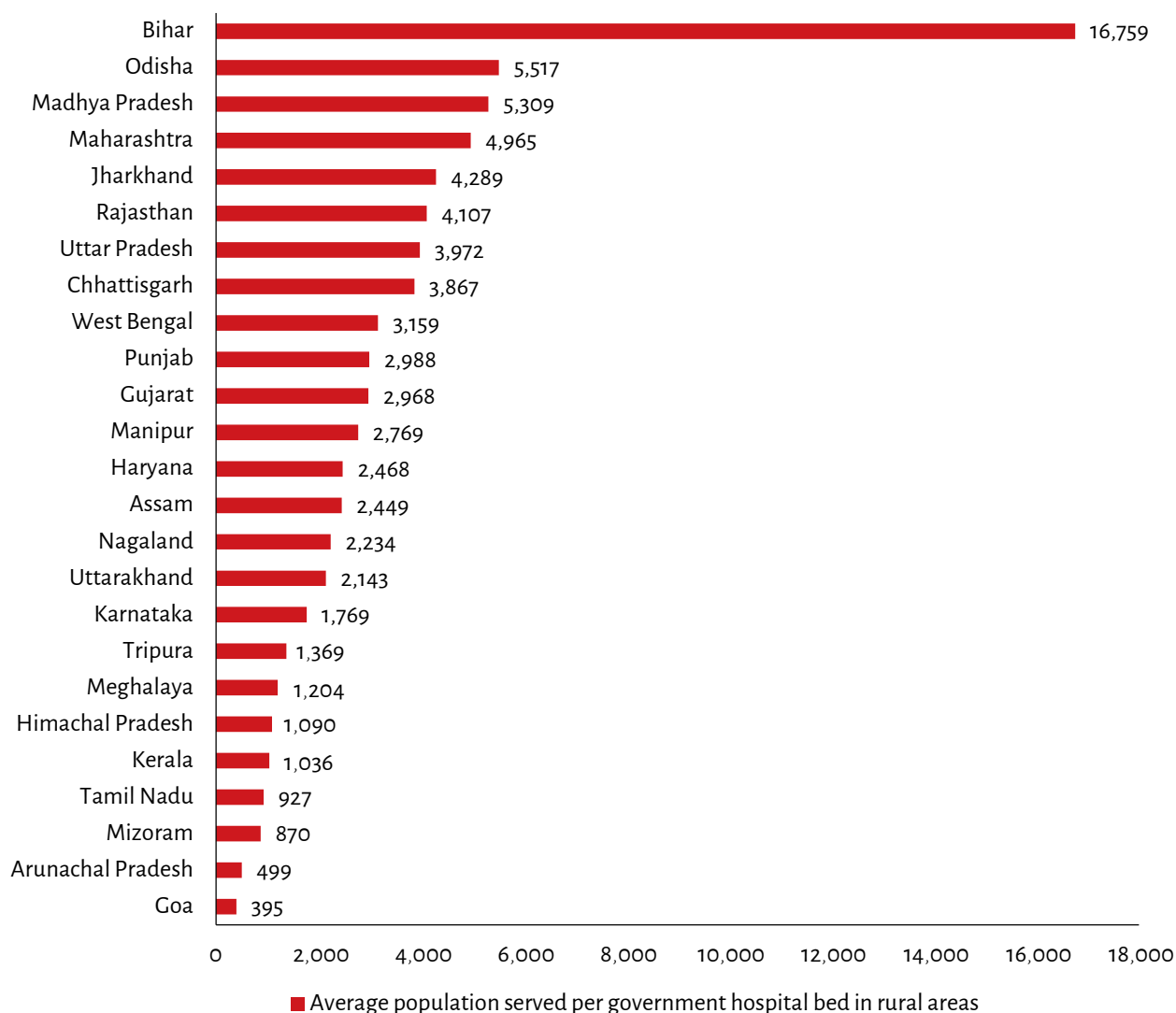
Source: NHM, Record of Proceedings (RoPs) and Supplementary RoPs (SROPs) for FY 2019-20 of all states. Available online at: <https://nhm.gov.in/index4.php?lang=1&level=0&linkid=449&lid=53>. Last accessed on 10 January 2020.

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).
- As on 31 March 2018 (latest data available at the time of preparing brief), there were 1,58,417 SCs, 25,743 PHCs, and 5,624 CHCs in India.
- The existing health facilities are significantly overburdened, particularly in rural areas. As per data on hospital beds in government facilities included in the National Health Profile 2019, the average population served per government hospital bed in rural areas was 3,143 (the reference period for various states ranged from 1 January 2014 to 31 December 2018). This implies an availability of less than 0.3 beds per 1,000 people in rural areas.
- Bihar has the poorest bed to population ratio with 16,759 people being served per government hospital bed in rural areas. Tripura, Meghalaya, Himachal Pradesh, Kerala, Tamil Nadu, Mizoram, Arunachal Pradesh, and Goa, on the other hand, had a lower population to bed ratio.

INDIA HAS 1 HOSPITAL BED PER 3,143 PEOPLE IN RURAL AREAS

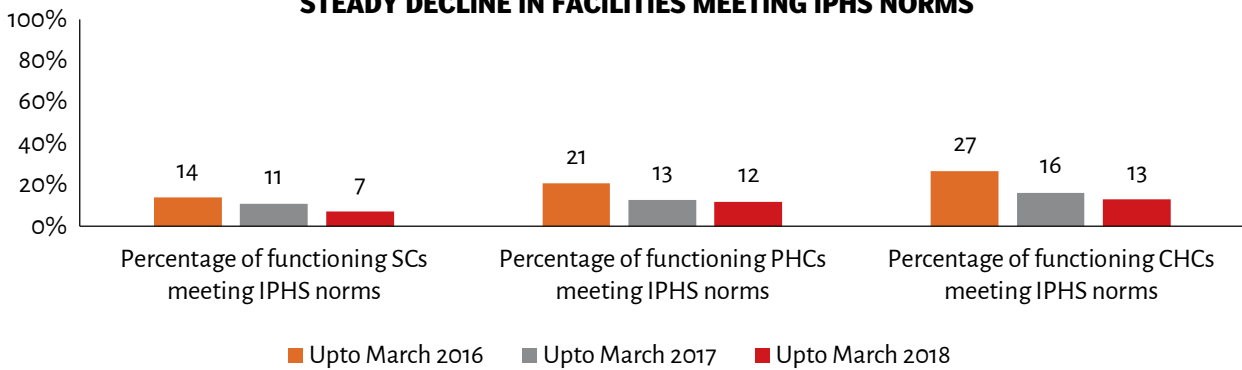


Source: 1) National Health Profile 2019. Available online at: <https://www.cbhidghs.nic.in/showfile.php?lid=1147>. Last accessed on 10 January 2020. 2) Census 2011 population data.

Note: The reference period for various states ranged from 1 January 2014 to 31 December 2018.

- The quality of health infrastructure under NHM also shows gaps. The Indian Public Health Standards (IPHS) set measures for the quality of health infrastructure in all PHCs, CHCs, and government hospitals. There are expected to be the primary benchmarks for assessing the improvement of quality and functioning status of health facilities.
- The proportion of functioning facilities that met IPHS norms has been declining steadily over the last three years. As of 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. There are 15 states which reported no SCs, PHCs, and CHCs functioning as per IPHS norms.

STEADY DECLINE IN FACILITIES MEETING IPHS NORMS

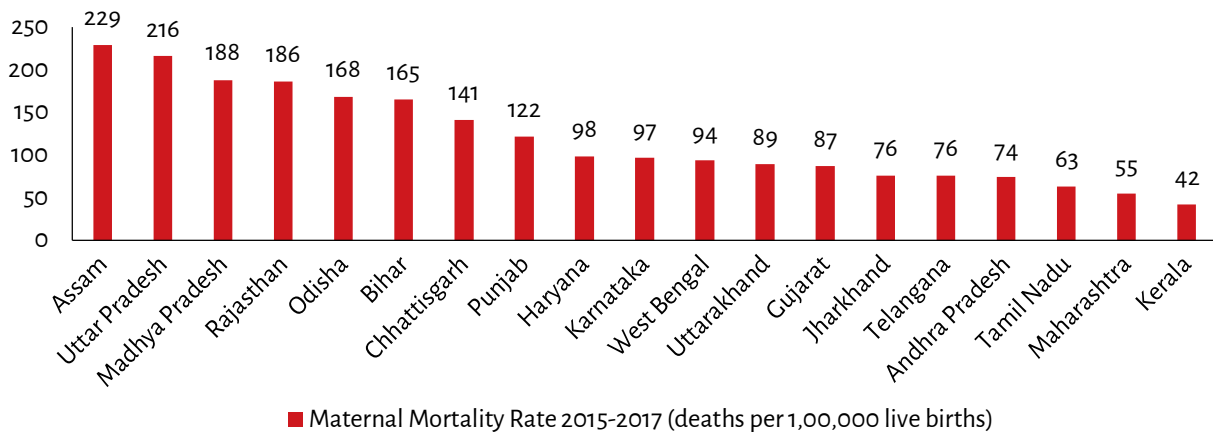


Source: Rural Health Statistics 2018. Available online at: <https://nrhm-mis.nic.in/SitePages/HMIS-Publications.aspx>. Last accessed on 10 January 2020

TRENDS IN OUTCOMES

- There have been improvements in the Maternal Mortality Ratio (MMR) – measured as proportion of maternal deaths per 1,00,000 live births. In the reference period 2011-2013, across India, the MMR stood at 167. This decreased to 130 in 2014-2016, and further to 122 in 2015-17.
- There are, however, significant state variations. MMR was the highest in Assam (229) and Uttar Pradesh (216). Other states with higher-than-average MMR included Madhya Pradesh (188), Rajasthan (186), Odisha (168), Bihar (165), and Chhattisgarh (141). In contrast, MMR was low in Maharashtra (55) and Kerala (42).

OVERALL MMR REDUCED TO 122 MATERNAL DEATHS PER 1,00,000 LIVE BIRTHS



Source: Special Bulletin on Maternal Mortality in India 2015-17, Sample Registration Bulletin, Census of India. Available online at: http://www.censusindia.gov.in/vital_statistics/SRS_Bulletins/MMR_Bulletin-2015-17.pdf. Last accessed on 20 January 2020.

- The pattern of maternal mortality among various age groups reveals that more than 2 out of every 3 maternal deaths took place while the women were in their twenties. About 34 per cent of the maternal deaths were in the age group of 20 to 24 years (young adults), while a similar proportion, or 1 in every 3 maternal deaths occurred when women were 25 to 29 years of age.
- More than 1 in every 4 maternal deaths (about 24 per cent) were in the thirties age group (30-39 years), with bulk of it (16 per cent) concentrated in the age group of 30-34 years.
- The youngest group of adolescent mothers (aged 15 to 19 years), accounted for about 1 in every 25 maternal deaths (or four per cent of maternal deaths), in the reference period of 2015-17.