



BUDGET BRIEFS

Vol 10/ Issue 6

National Health Mission (NHM) Gol, 2018-19

The **National Health Mission (NHM)** is Government of India's (Gol) 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, releases and expenditures for NHM
- NHM component-wise approvals and expenditures
- Outputs: Infrastructure and human resources
- Outcomes: maternal and child health and Non-Communicable Disease (NCD) burden

Cost share and implementation:

For FY 2017-18, the funding pattern between Gol 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 for FY 2016-17.

HIGHLIGHTS

₹ 54,600 cr

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

₹ 30,130 cr

Gol allocations for NHM in FY 2018-19

SUMMARY & ANALYSIS

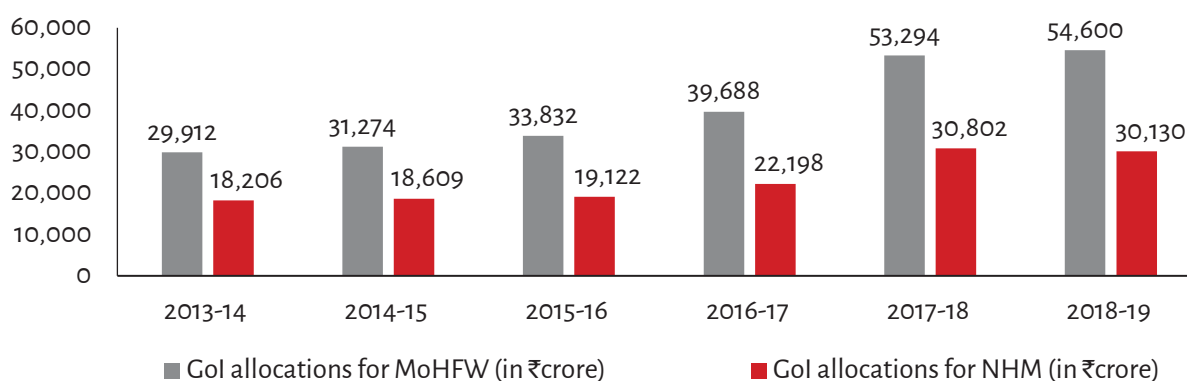
- Allocations for MoHFW increased by 2 per cent from ₹53,294 crore in Financial Year (FY) 2017-18 to ₹54,600 crore in FY 2018-19. In FY 2018-19, Gol allocated ₹30,130 crore to NHM, a decrease of 2 per cent from the previous year.
- Fund for NHM are released by Gol to state treasuries who further release it to State Health Societies (SHSs). There are significant delays in the release of funds from the treasury to SHSs. In FY 2016-17, release of funds from the treasury to SHS took around 5 months in Karnataka and Maharashtra.
- Expenditure as a proportion of total budget available (including unspent balances from the previous year) was low. In FY 2016-17, only 57 per cent of total available budget was spent.
- There are significant shortfalls in specialists in Community Health Centres (CHCs). As on March 2017, there was an 82 per cent shortfall in the number of specialists required across CHCs and 65 per cent of the sanctioned posts were vacant.
- India has made progress in maternal and child health. As on September 2017, the Infant Mortality Rate (IMR) stood at 34 deaths per 1,000 live births. There are, however, state differences. Among larger states, Madhya Pradesh, Odisha, Assam, Uttar Pradesh and Rajasthan records the highest number of child deaths in the country.

TRENDS IN GOI ALLOCATIONS AND RELEASES

Allocations

- In May 2013, Gol 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.
- 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. During the same period, however, share of NHM in total MoHFW allocations declined from 58 per cent to 55 per cent.
- In FY 2018-19, Gol allocated ₹30,130 crore to NHM, a decrease of 2 per cent from the previous year. 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 by 30 per cent and 27 per cent, respectively. NUHM budget, however, saw a 34 per cent increase from ₹652 crore to ₹875 crore during this same time period. In contrast, allocations for NRHM has fallen by 5 per cent from ₹25,459 crore to ₹24,280 crore.

GOI ALLOCATIONS FOR NHM FALLS 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 Revised Estimates (RE), except for FY 2018-19 which are Budget Estimates (BE). 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.

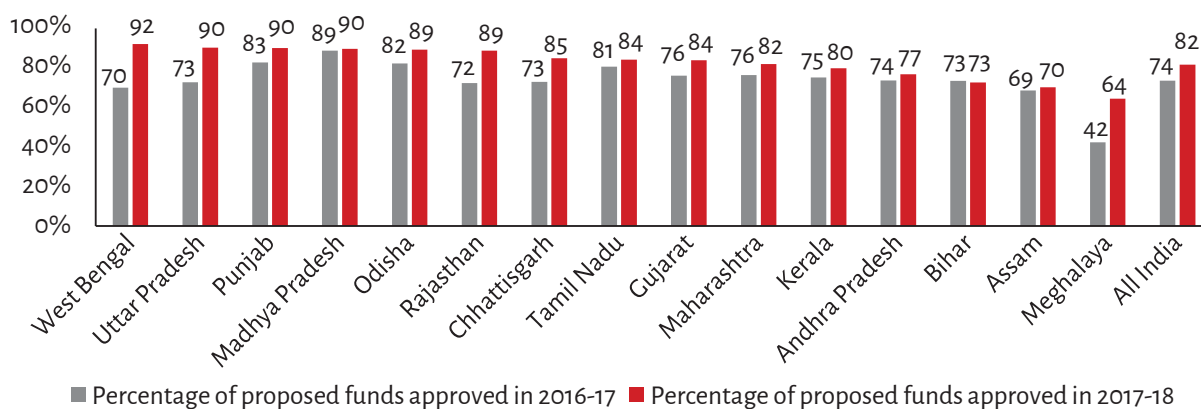
TRENDS IN STATE-WISE APPROVALS, RELEASES, AND EXPENDITURES

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 the Record of Proceedings (ROPs). The final budget includes the total available resource envelope calculated on the basis of Gol's own funds, the proportional share of state releases, 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 GoI (including supplementary budgets approved), though the gap is reducing. In FY 2016-17, on average 74 per cent of the total proposed budget of ₹42,733 crore (excluding UTs) was approved by GoI. This increased in FY 2017-18, when 82 per cent of the total state proposal of ₹46,607 crore was approved. It is, however, important to note that supplementaries for all states for FY 2017-18 were not publicly available at the time of preparation of this brief.
- There are state differences. For instance, in FY 2017-18, 92 per cent and 90 per cent of the total budget proposed by West Bengal and Uttar Pradesh, respectively was approved, up from 70 per cent and 73 per cent in the previous year.
- In contrast, despite an increase in the proportion of proposed budgets approved in Meghalaya by 22 percentage points, it still remains amongst the lowest at 64 per cent in FY 2017-18. Approvals were also low in Bihar in FY 2017-18 at 73 per cent, the same as in FY 2016-17.

MOST STATES RECORDED AN INCREASE IN APPROVALS IN 2017-18

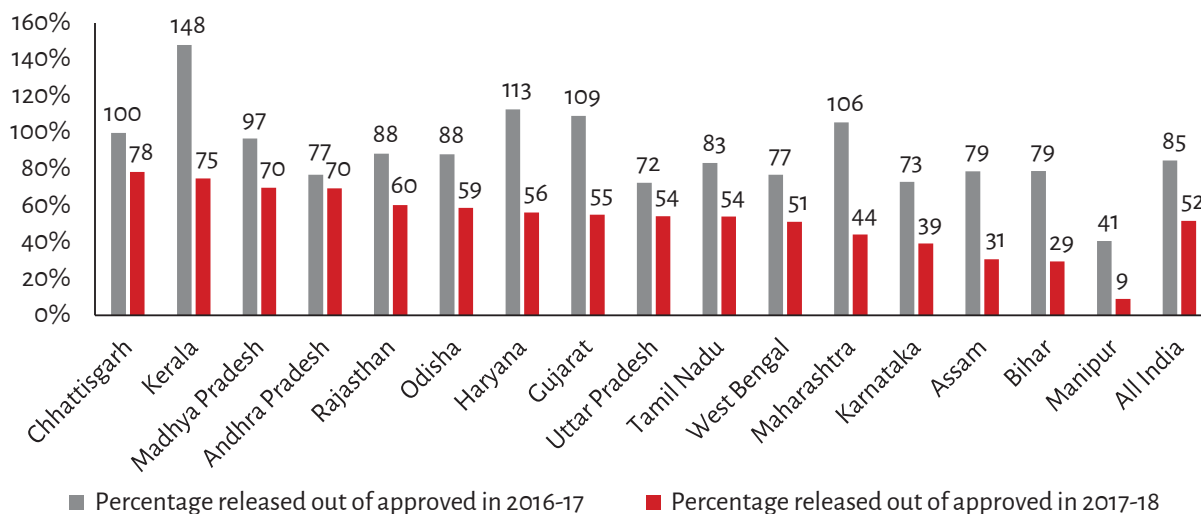


Source: NHM, Record of Proceedings (ROPs) and Supplementary ROPs in FY 2016-17 and FY 2017-18 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state.html>. Last accessed on 12 January 2018.

Releases

- Since FY 2014-15, funds are first released by GoI to the State Treasury. Money is subsequently routed to autonomous societies known as the State Health Societies (SHSs). Till FY 2014-15, GoI provided 75 per cent of the funds and states provided 25 per cent. In October 2015, the fund sharing ratio was changed to 60:40.
- Not all funds approved are released by GoI and states. In FY 2016-17, 85 per cent of the total approved funds (including supplementaries) were released. In FY 2017-18, till 5 December 2017, 52 per cent of the total approved funds had been released by GoI and states.
- There are variations across states in overall NHM releases. In FY 2016-17, funds released to Kerala, Haryana, and Gujarat were higher than their approved budgets. In contrast, in the same year only 41 per cent of the approved budget for Manipur was released.
- The proportion of approved budgets released in FY 2017-18 has been variable. In FY 2017-18, as on 5 December 2017, Chhattisgarh, Kerala, Madhya Pradesh, and Andhra Pradesh had already released funds amounting to at least 70 per cent of their total approved budgets. In contrast, less than 50 per cent of the approved budgets had been released for Maharashtra, Assam, and Bihar.
- Release of funds was the lowest for Manipur. In FY 2017-18, till 5 December 2017, it had received only 9 per cent of its approved funds.

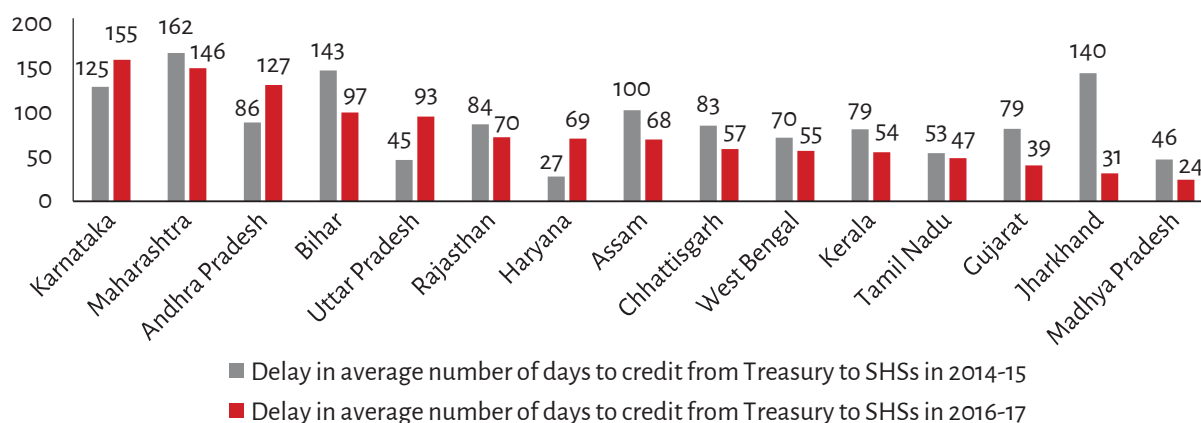
IN 2017-18, STATES HAD RECEIVED ONLY 50% OF THEIR APPROVED BUDGETS BY THE 3RD QUARTER OF THE FINANCIAL YEAR



Source: (1) NHM, Record of Proceedings (ROPs) and Supplementary ROPs for FY 2016-17 and FY 2017-18 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state.html>. Last accessed on 12 January 2018. (2) RTI response from MoHFW. Release data for FY 2017-18 is available as on 5 December 2017.

- Data on timing of release of funds by Gol are only available for NRHM. According to the NRHM-Management Information System (MIS), there have been improvements in the pace of funds released by Gol for NRHM. In FY 2015-16, 41 per cent of Gol's allocations were released in the first quarter and 59 per cent in the last quarter of the financial year. This improved in FY 2016-17 as Gol released 65 per cent of its total allocations in the first two quarters of the financial year and only 20 per cent in the last quarter.
- According to the NHM guidelines, upon receipt of funds by Gol, treasuries are meant to release funds to SHSs who in turn release funds to the districts within 15 days. There are, however, significant delays in the release of funds from the treasuries to the SHSs. In FY 2016-17, for instance, it took on average 146 days in Maharashtra and 155 days in Karnataka to transfer funds to their respective SHSs. In contrast, the fund release process was smoother in Gujarat and Madhya Pradesh. On average it took 39 and 24 days, respectively, for the treasuries to transfer funds to the SHSs.

IN 2016-17, RELEASE OF FUNDS FROM TREASURY TO SHS TOOK AROUND 5 MONTHS IN KARNATAKA AND MAHARASHTRA



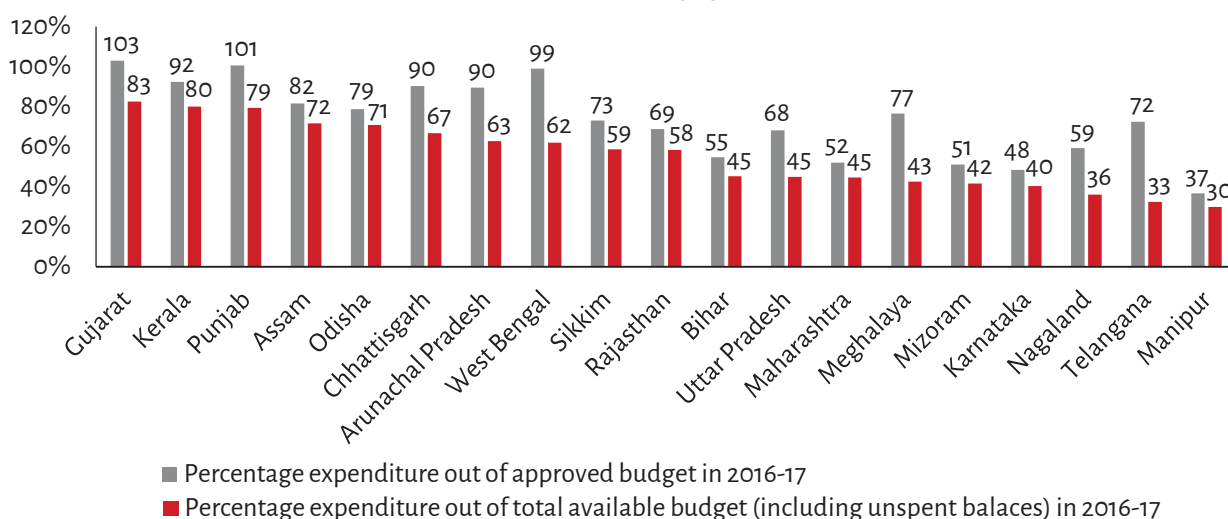
Source: RTI response from MoHFW. Data is as on 5 December 2017.

- There have, however, been improvements in most states (with the exception of Karnataka, Andhra Pradesh, Uttar Pradesh, and Haryana) in the fund release process from treasury to SHSs compared to previous years. For instance, in FY 2014-15, on average it took 143 days for money to be credited from the treasury to the SHS in Bihar. This, however, decreased in FY 2016-17 to 97 days. Similarly, the average number of days in crediting funds to the SHS decreased significantly in Jharkhand from 140 days to 31 days.

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.
- There are, however, state variations. In FY 2016-17, Gujarat, Kerala, and Tamil Nadu spent more than 80 per cent of their available budget. In contrast, expenditure was low in Telangana, Bihar, Uttar Pradesh, Nagaland, and Meghalaya at less than 50 per cent of the available budget.

EXPENDITURE AS A PERCENTAGE OF AVAILABLE BUDGET WAS THE HIGHEST IN GUJARAT AND KERALA IN 2016-17

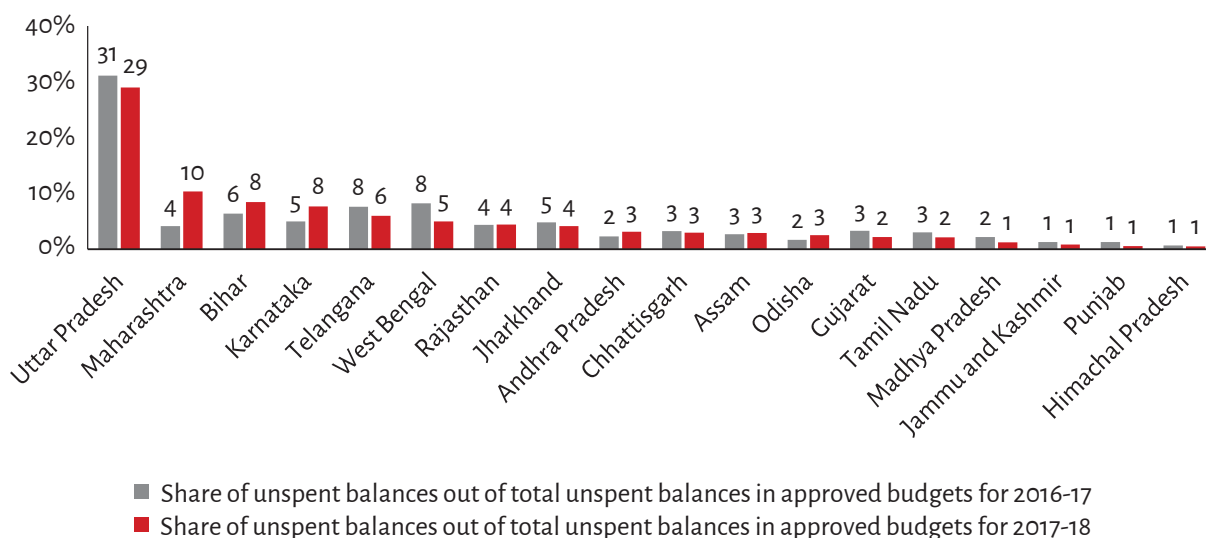


Source: Financial Management Report (FMR) for FY 2016-17. Available online at: <http://nhm.gov.in/nrhm-components/nhm-finance.html?layout=edit&id=544>. Last accessed on 12 January 2018.

Unspent Balance

- Non-utilization of funds accumulate at the end of the financial year as unspent balances. These unspent balances are accounted for as committed and uncommitted liabilities for the next financial year during the approval process. According to the Comptroller and Auditor General (CAG) report on Reproductive and Child Health under NRHM, unspent balances with SHSs including interest earned increased from ₹7,375 crore in FY 2011-12 to ₹9,509 crore in FY 2015-16.
- There have, however, been some improvements in recent years. While unspent balances from previous year in the total resource envelope increased in absolute terms from ₹10,595 crore in FY 2016-17 to ₹12,431 crore in FY 2017-18, their share in the total resource envelope has fallen from 35 per cent in FY 2015-16 to 28 per cent in FY 2017-18.
- A look at the state-wise distribution of the share of unspent balances in the total resource envelopes for FY 2017-18 indicate that Uttar Pradesh constitutes the largest share of unspent balances in FY 2017-18, at 29 per cent. This is followed by Maharashtra (10 per cent), Bihar (8 per cent), Karnataka (8 per cent), Telangana (6 per cent), and West Bengal (5 per cent).

UTTAR PRADESH ACCOUNTED FOR 29% OF ALL INDIA UNSPENT BALANCES IN APPROVED BUDGETS FOR 2017-18



Source: NHM, ROPs and Supplementary ROPs for FY 2016-17 and FY 2017-18 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state.html>. Last accessed on 12 January 2018.

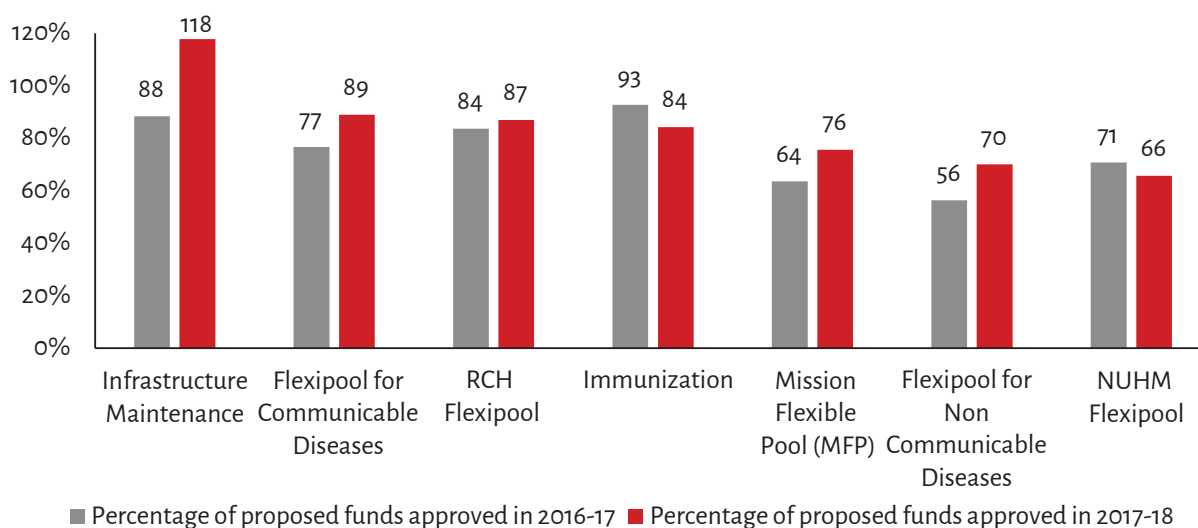
TRENDS IN COMPONENT-WISE APPROVALS AND EXPENDITURES

- NHM consists of the following six major financing components:
 - NRHM-Reproductive Child Health Flexipool (NRHM-RCH Flexipool) which has two sub-categories: (i) RCH Flexipool to fund maternal and child health, family planning, and the Janani Suraksha Yojana (JSY), and (ii) NRHM Mission Flexipool (MFP) funds untied funds, annual maintenance grants, and hospital strengthening.
 - Immunization including routine immunization and pulse polio immunization.
 - NUHM Flexipool to address the healthcare needs of the urban poor with a special focus on the vulnerable sections.
 - Flexipool for Communicable Diseases (CD) includes programmes such as Revised National Tuberculosis Control Program (RNTCP), National Vector Borne Disease Control Programme (NVBDCP), Integrated Disease Surveillance Programme (IDSP), and National Leprosy Eradication Programme (NLEP).
 - Flexipool for Non-Communicable Diseases (NCD) includes 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), and National Iodine Deficiency Disorders Control Programme (NIDDCP).
 - Infrastructure Maintenance funds are allotted across various programmatic divisions of NHM.
- NRHM-RCH Flexipool holds the largest share of the total approved budget, accounting to 74 per cent of the total approved budget. Within this, the share of the approved budget for MFP increased significantly from 37 per cent in FY 2016-17 to 55 per cent in FY 2017-18. On the other hand, the share of RCH Flexipool declined from 36 per cent in FY 2016-17 to only 19 per cent in FY 2017-18.

Proposals Approved

- A comparison of budgets proposed by states and final approval by Gol across components gives an indication of Gol priorities. Excluding UTs, in FY 2016-17, 84 per cent of budgets proposed under RCH Flexipool were approved. This increased to 87 per cent in FY 2017-18. Similarly, for MFP, the approval rate in FY 2017-18 had gone up from 64 per cent in FY 2016-17 to 76 per cent in FY 2017-18.
- Approvals were highest for Infrastructure Maintenance in FY 2017-18 at 118 per cent, up from FY 2016-17, when only 88 per cent of total funds proposed were approved.
- Interestingly, funds approved out of proposed budgets increased significantly for both Flexible Pools for CD and NCD by 12 percentage points and 14 percentage points, respectively, between FY 2016-17 and FY 2017-18. However, their share of the total funds approved fell by 1 percentage point during the same period.

EXCEPT FOR IMMUNIZATION AND NUHM, ALL OTHER COMPONENTS RECEIVED A HIGHER APPROVAL IN 2017-18 COMPARED TO THE PREVIOUS YEAR

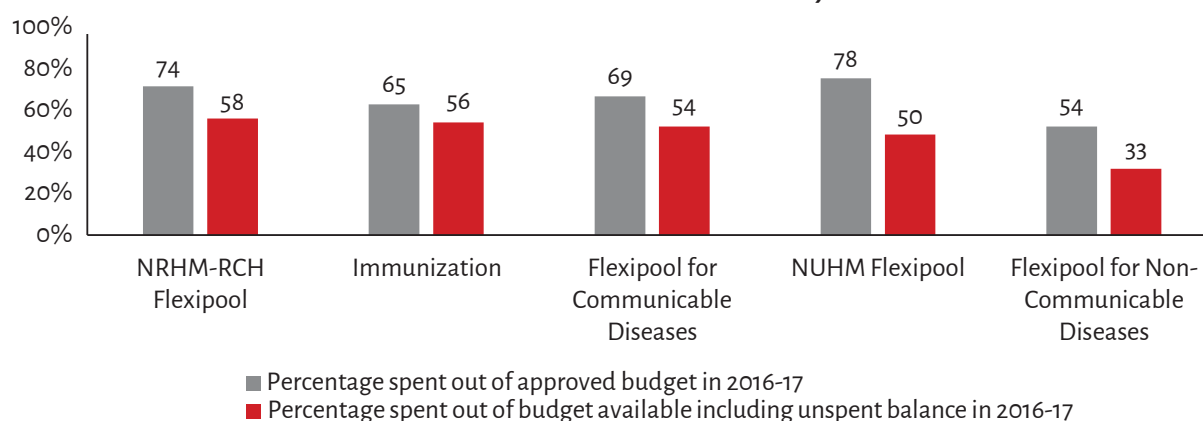


Source: NHM, ROPs and Supplementary ROPs for FY 2016-17 and FY 2017-18 of all states. Available online at: <http://nhm.gov.in/nrhm-in-state.html>. Last accessed on 12 January 2018.

Expenditures

- The percentage spent out of the available budget was less than 60 per cent for all components. NRHM-RCH Flexipool had the highest utilization at 58 per cent in FY 2016-17, followed by Immunization and Flexipool for CD at 56 per cent and 54 per cent, respectively. Expenditure as a proportion of available budgets was the lowest for the Flexipool for NCD at 33 per cent.

LOW EXPENDITURES ACROSS COMPONENTS, LOWEST FOR NCD



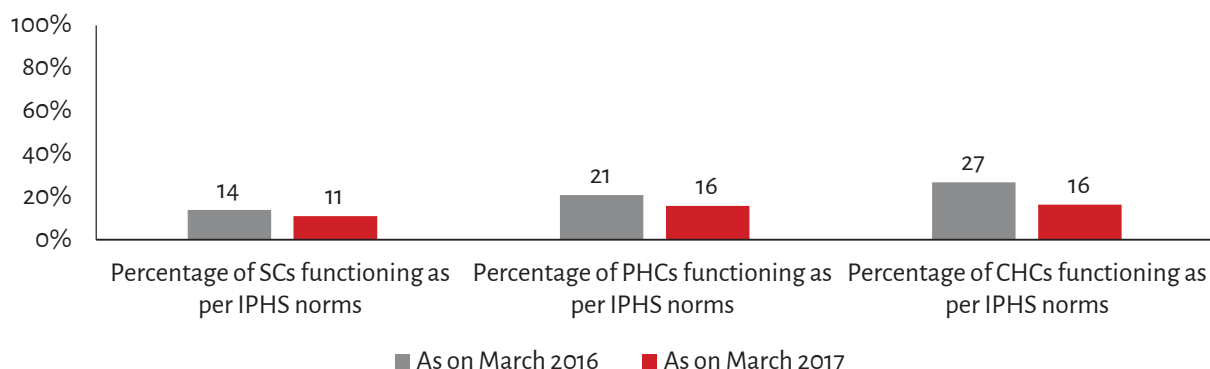
Source: NHM Financial Management Report (FMR) for FY 2016-17. Available online at: <http://nhm.gov.in/nrhm-components/nhm-finance.html?layout=edit&id=544> Last accessed on 12 January 2018.

TRENDS IN OUTPUTS

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 healthcare 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 every 1,00,000 residents in the plains, and one for every 80,000 residents in tribal and desert areas.
- Between March 2016 and March 2017, the number of both SCs and PHCs increased by 1 per cent. The number of CHCs increased by 2 per cent. As on March 2017, there were 1,56,231 SCs; 25,650 PHCs, and 5,624 CHCs operating in the country.
- There are gaps in the quality of health infrastructure. The Indian Public Health Standards (IPHS) set measures for the quality of health infrastructure in all PHCs, CHCs, and government hospitals.
- As on March 2017, there were only 11 per cent SCs, 16 per cent PHCs, and 16 per cent CHCs functioning as per IPHS norms. The number of functioning facilities as per IPHS norms dropped between March 2016 and March 2017. The highest fall was for CHCs, which fell from 27 per cent to 16 per cent. Goa, Tripura, and Tamil Nadu had the highest percentage of CHCs functioning as per IPHS norms. In contrast, no CHC met the IPHS standards in Chhattisgarh, Himachal Pradesh, Jharkhand, Karnataka, Manipur, Mizoram, Nagaland, Odisha, Sikkim, and Telangana.

BETWEEN MARCH 2016 AND MARCH 2017, ALL FUNCTIONING HEALTH FACILITIES FELL IN STANDARD AS PER IPHS NORMS



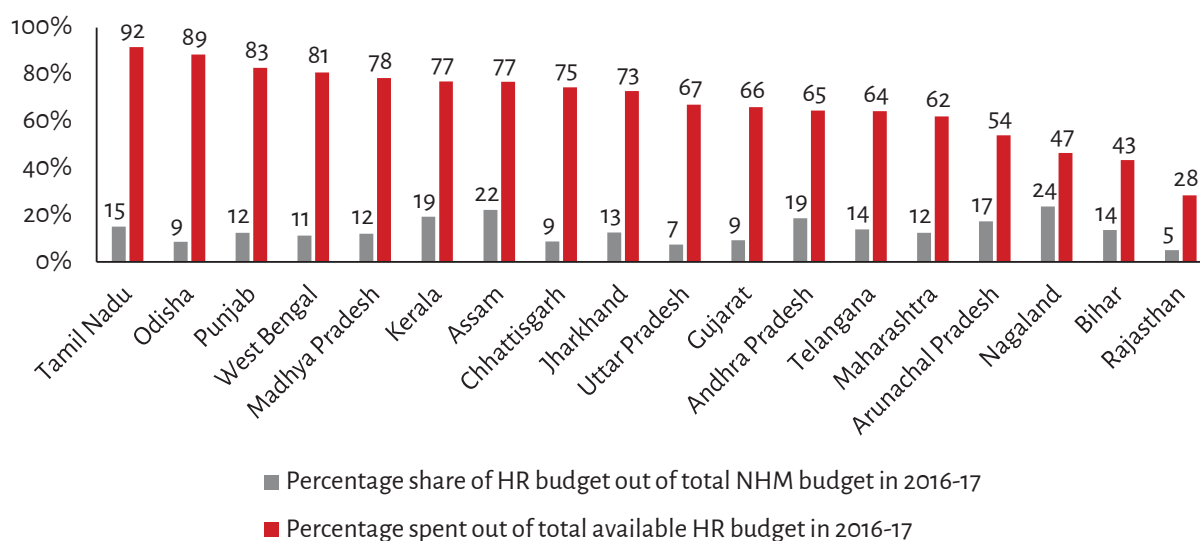
Source: Rural Health Statistics (RHS) for 2016 and 2017. Available online at: <https://nrhm-mis.nic.in/SitePages/HMIS-Publications.aspx>. Last accessed on 12 January 2018.

- India is also lacking in health infrastructure in terms of hospital beds. As per the National Health Profile of India, the average population served by a government hospital bed has increased from 1,833 persons in 2015 to 2,046 persons in 2017.
- Most major states have not been able to improve their capacity in the last two years. In fact, for Maharashtra the number of people served per hospital bed increased from 715 persons per bed to 2,306 persons per bed. The bed population ratio is the highest in Bihar. As on March 2017, Bihar had an average of 1 bed for 8,645 persons.
- Kerala, Tamil Nadu, Karnataka, and West Bengal are amongst the only major states serving around 1,000 persons per bed.

Human Resources

- On average, in FY 2016-17, 12 per cent of the total NHM budget was allocated for Human Resources (HR). Expenditure, however, was low at 68 per cent out of available budget for HR.

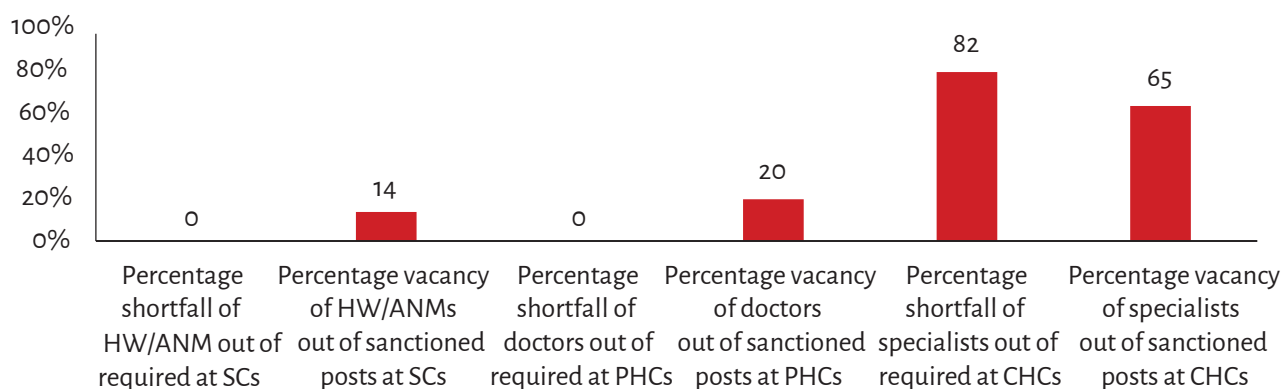
68% OF ALL INDIA HR BUDGET SPENT IN 2016-17



Source: Financial Management Report (FMR) for FY 2016-17. Available online at: <http://nhm.gov.in/nrhm-components/nhm-finance.html?layout=edit&id=544>. Last accessed on 12 January 2018.

- There were state variations. HR constituted over 20 per cent of the budget in Nagaland and Assam in FY 2016-17. In contrast, the share of the total budget going for HR was low in Rajasthan (5 per cent) and Uttar Pradesh (7 per cent).
- Despite the low share of budget going for HR in Rajasthan, expenditure in Rajasthan was also amongst the lowest with only 28 per cent of the available budget spent in FY 2016-17. In contrast, expenditure on HR out of available budget was high in Tamil Nadu and Odisha at 92 per cent and 89 per cent, respectively.
- Between March 2016 and March 2017, the number of ANMs in SCs and doctors in PHCs increased by 3 per cent and 2 per cent, respectively. Consequently, as on March 2017, there were no shortfalls in these positions.
- A number of sanctioned posts, however, were vacant. As on March 2017, 14 per cent of the sanctioned posts for ANMs at SCs and 20 per cent for doctors at PHCs were vacant.

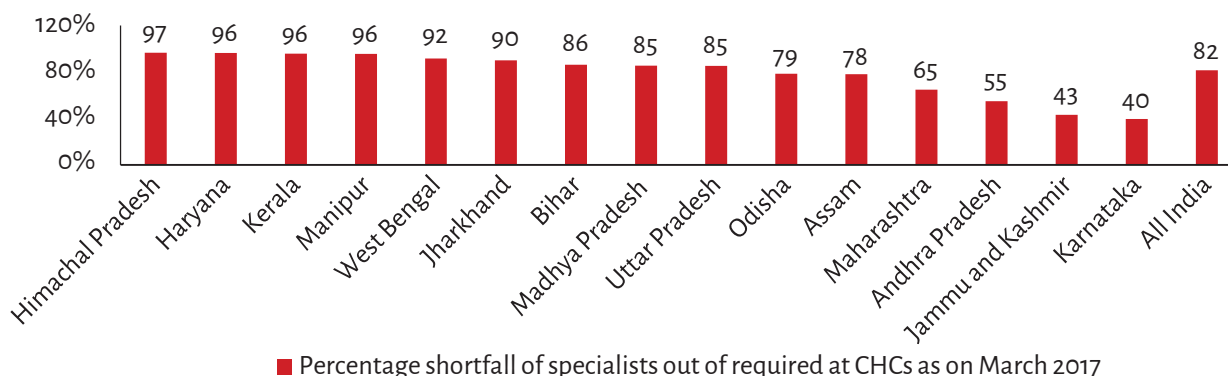
20% OF POSTS FOR DOCTORS IN PHCS AND 65% OF POSTS FOR SPECIALIST IN CHCS WERE VACANT AS ON MARCH 2017



Source: Rural Health Statistics (RHS) 2017. Available online at: <https://nrhm-mis.nic.in/SitePages/HMIS-Publications.aspx>. Last accessed on 12 January 2018.

- Specialists at Community Health Centres (CHCs) comprise surgeons, paediatricians, physicians, obstetricians, and gynaecologists. Despite an increase in the number of specialists in the last year, the shortfall of specialists in CHCs continues to be high. As on March 2017, there was an 82 per cent shortfall in the number of specialists required across CHCs and 65 per cent of the sanctioned posts were vacant.
- There are state differences. As on March 2017, 97 per cent of CHCs in Himachal Pradesh and 96 per cent in Haryana, Kerala, and Manipur were functioning without specialists. Shortfalls were lower in Karnataka and Jammu and Kashmir at 40 per cent and 43 per cent, respectively.
- Shortfalls aside, a number of states had a large number of vacancies in sanctioned posts. Vacancies were high in Gujarat, West Bengal, Jharkhand, Haryana, and Uttar Pradesh.

82% SHORTFALL OF SPECIALISTS OUT OF REQUIRED AS ON MARCH 2017



■ Percentage shortfall of specialists out of required at CHCs as on March 2017

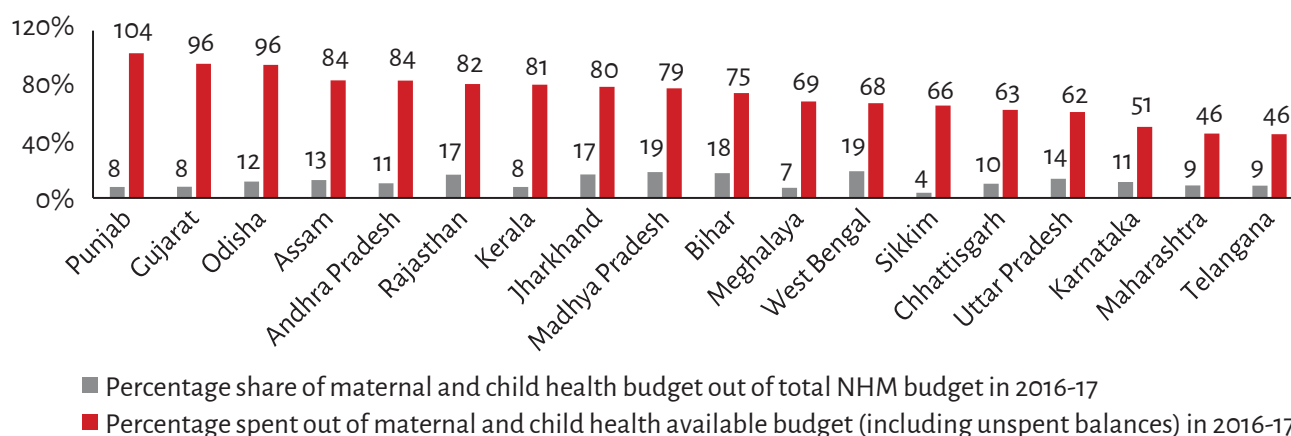
Source: Rural Health Statistics (RHS) 2017. Available online at: <https://nrhm-mis.nic.in/SitePages/HMIS-Publications.aspx>. Last accessed on 12 January 2018.

TRENDS IN OUTCOMES

Maternal and Child Health

- Maternal and child health accounted for 13 per cent of the total NHM available budget (including unspent from the previous year) in FY 2016-17 and 71 per cent of this budget was spent. The share of NHM available budget for maternal and child health is highest for Madhya Pradesh and West Bengal at 19 per cent of their total NHM budget. Most Northeastern states have a lower share of budget going for maternal and child health.
- There were variations in expenditures across states. Expenditures were less than 50 per cent for Maharashtra, Telangana, Mizoram and Nagaland. Highest expenditures were recorded in Punjab, Gujarat, Jammu and Kashmir and Andhra Pradesh.

71% OF MATERNAL & CHILD HEALTH BUDGET SPENT IN 2016-17



■ Percentage share of maternal and child health budget out of total NHM budget in 2016-17

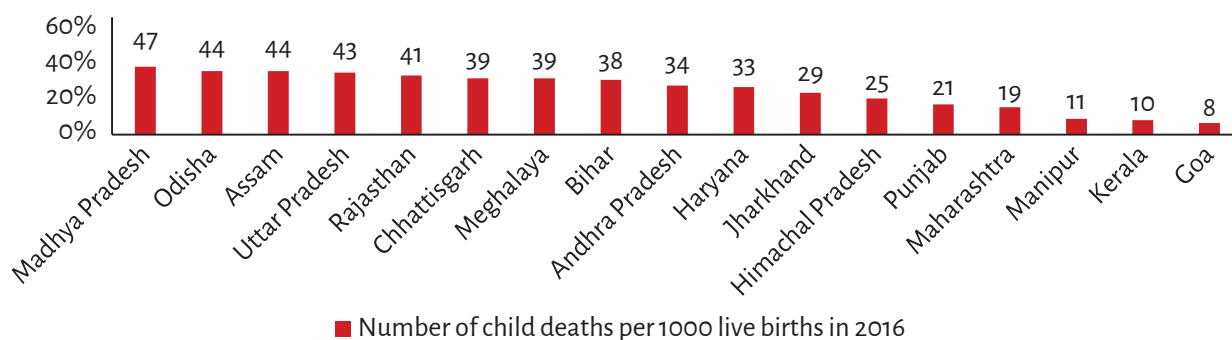
■ Percentage spent out of maternal and child health available budget (including unspent balances) in 2016-17

Source: Financial Management Report (FMR) for FY 2016-17. Available online at: <http://nhm.gov.in/nrhm-components/nhm-finance.html?layout=edit&id=544>. Last accessed on 12 January 2018.

- India has made progress in maternal and child health indicators. As on September 2017, the Infant Mortality Rate (IMR) stood at 34 child deaths per 1,000 live births. Whereas as per 2011-2013 record, Maternal Mortality Rate (MMR) stood at 167 deaths per 1,00,000 live births.

- Among the larger states, Madhya Pradesh, Odisha, Assam, Uttar Pradesh, and Rajasthan recorded the highest number of child deaths in the country, above 40. In contrast, IMR was lower in Punjab and Maharashtra at 21 and 19, respectively. Kerala and Manipur had amongst the lowest number of infant deaths per 1,000 live births at 10 and 11, respectively.

MADHYA PRADESH, ODISHA AND ASSAM HAS THE HIGHEST NUMBER OF CHILD DEATHS

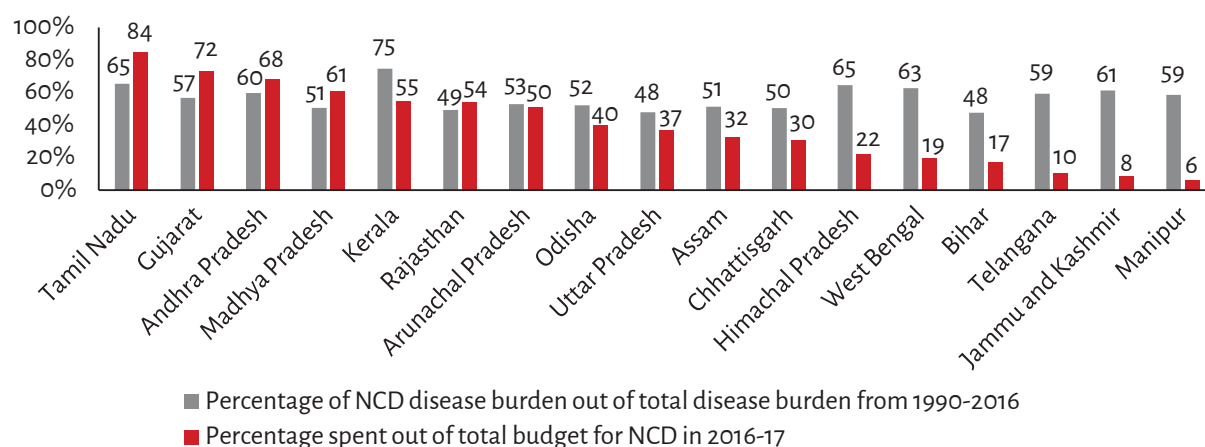


Source: Sample Registration System Bulletin, September 2017. Available online at: <https://nrhm-mis.nic.in/Pages/HMIS-PeriodicReport.aspx>. Last accessed on 18 January 2018.

Non-Communicable 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 decreased significantly, the contribution of non-communicable diseases (NCDs) to health loss has doubled during the same period. Recognising this challenge, the National Health Policy of 2017 calls for an integrated approach to solving the healthcare crisis by screening for the most prevalent NCDs to reduce morbidity and preventable mortality.
- The share of the NHM total available budget going to the Flexible Pool for NCDs is only 4 per cent and the expenditure out of its available funds is a mere 33 per cent.
- In FY 2016-17, Tamil Nadu, Andhra Pradesh, Gujarat, and Madhya Pradesh had the highest share of expenditures on NCDs out of approved budgets. These states also share an NCD burden of more than 50 per cent. West Bengal, Chhattisgarh, and Assam, with a significant disease burden of NCDs, reported low expenditures on NCDs ranging from 18 per cent to 32 per cent in FY 2016-17.

HIMACHAL PRADESH AND WEST BENGAL HAVE LOW EXPENDITURES ON NCD



Source: (1) Financial Management Report (FMR) 2016-17. Available online at: <http://nhm.gov.in/nrhm-components/nhm-finance.html?layout=edit&id=544>. (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>. Last accessed on 12 January 2018.