



BUDGET BRIEFS

Volume 9, Issue 4

National Health Mission (NHM) GOI, 2017-18

The **National Health Mission** is the Government of India's (GOI) 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 the following parameters:

- Trends in allocations, releases and expenditures for NHM
- Trends in infrastructure and human resources in the rural health care system
- Trends in maternal and child health

Cost share and implementation:

For FY 2016-17, the funding pattern between GOI and the states is in the ratio of 60:40 for all states except the North East and 3 Himalayan states viz. Jammu and Kashmir, Himachal Pradesh and Uttarakhand where the ratio is 90:10. Release of funds is based on states' Project Implementation Plans (PIP).

Complete expenditure data is only available for FY 2015-16.

HIGHLIGHTS

₹48,853 cr

GOI allocations for the Ministry of Health and Family Welfare (MOHFW) in FY 2017-18

₹26,691 cr

GOI allocations for NHM in FY 2017-18

SUMMARY & ANALYSIS

- Between FY 2016-17 and FY 2017-18, GOI allocations for MOHFW increased by 23 per cent. In FY 2017-18, ₹21,189 crore has been allocated to NRHM, a 9 per cent increase over the previous year. For NUHM, allocations have increased by 31 per cent from ₹575 crore to ₹752 crore.
- The pace of fund release was slow in FY 2015-16. In FY 2014-15, 72 per cent of GOI funds were released in the first two quarters. However, in FY 2015-16, nearly 60 per cent of GOI funds were released in the last quarter.
- Expenditure in FY 2015-16 was low. Only 68 per cent of the total approved funds were spent (excluding the North East and Union Territories).
- As per the 71st round of NSSO on health, more than 70 per cent of people use private facilities for out-patient care.
- The number of institutional deliveries increased from 1.08 crore to 1.53 crore between 2005 and 2015.
- The number of Janani Suraksha Yojana (JSY) beneficiaries were low in many states with the highest IMRs. As per the 4th round of National Family Health Survey (NFHS), in FY 2015-16, 66 per cent of mothers in Assam, 54 per cent in Bihar and 61 per cent in Madhya Pradesh had benefited from the JSY programme under NHM.

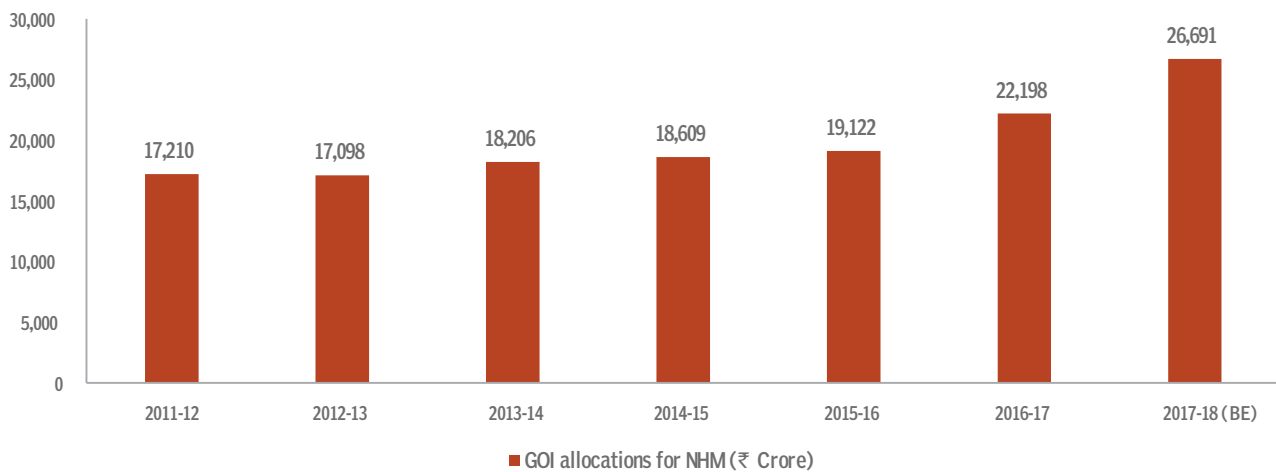
TRENDS IN GOI ALLOCATIONS FOR NHM

- In May 2013, the Government of India (GOI) launched the National Health Mission (NHM), aimed at achieving universal access to health care by strengthening health systems, institutions and capabilities. Run by the Ministry of Health and Family Welfare (MOHFW), 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

- Between FY 2016-17 and FY 2017-18, whilst GOI allocations for MOHFW increased by 23 per cent, the share of NHM in the MOHFW budget declined by 1 per cent. In FY 2017-18, GOI allocated ₹26,691 crore to NHM, an increase of 20 per cent from FY 2016-17.

GOI ALLOCATIONS FOR NHM SIGNIFICANTLY INCREASED BETWEEN 2016-17 AND 2017-18



Source: India Expenditure Budget, Vol 2, MOHFW. Available online at: <http://indiabudget.nic.in>

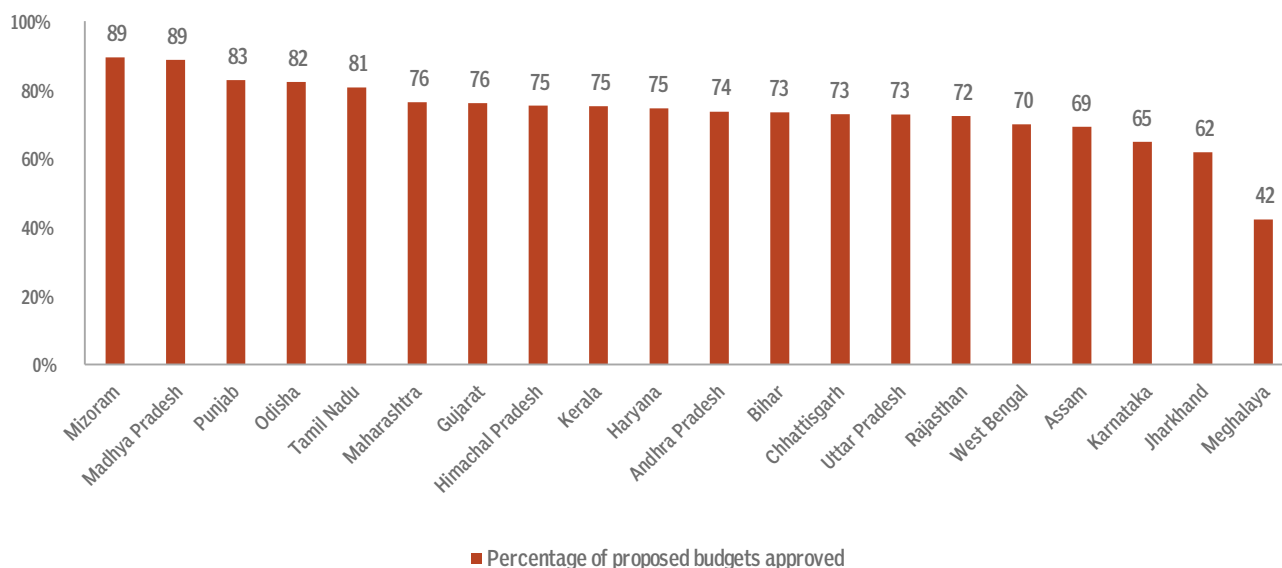
Note: Figures are in rupees crore and are revised estimates (RE), except for FY 2017-18 which are budget estimates (BE). GOI allocations did not include allocations for AYUSH related services. Last accessed on 1 February, 2017.

- In FY 2017-18, NRHM was allocated ₹21,189 crore whereas NUHM was allocated ₹752 crore. This was an increase of 9 per cent for NRHM and 31 per cent for NUHM.
- In FY 2017-18, Human Resources for Health and Medical Education saw an exponential increase of 168 per cent. This includes upgradation and strengthening of hospitals and medical colleges with HR at the state and district level. Tertiary Care Programmes too have seen a 10 per cent increase in budgetary allocation in FY 2017-18.
- Total approvals under NHM are based on Project Implementation Plans (PIPs) submitted by state governments and approved by GOI. These approved allocations are called the Record of Proceedings (ROP). The final budget includes the total available resource envelope calculated on the basis of GOI's own funds, the proportional share of state releases and unspent balances available with the states.

TRENDS IN NHM APPROVALS

- There were differences in budgets proposed by states and those approved by GOI. In FY 2016-17, 74 per cent of the total budgets proposed by states were approved.
- There are significant state-wise differences. In FY 2016-17, 89 per cent of budgets proposed by Madhya Pradesh and Mizoram were approved. In contrast, only 42 per cent of budgets proposed by Meghalaya and 62 per cent proposed by Jharkhand were approved.

74% OF BUDGETS PROPOSED BY STATES WERE APPROVED IN 2016-17

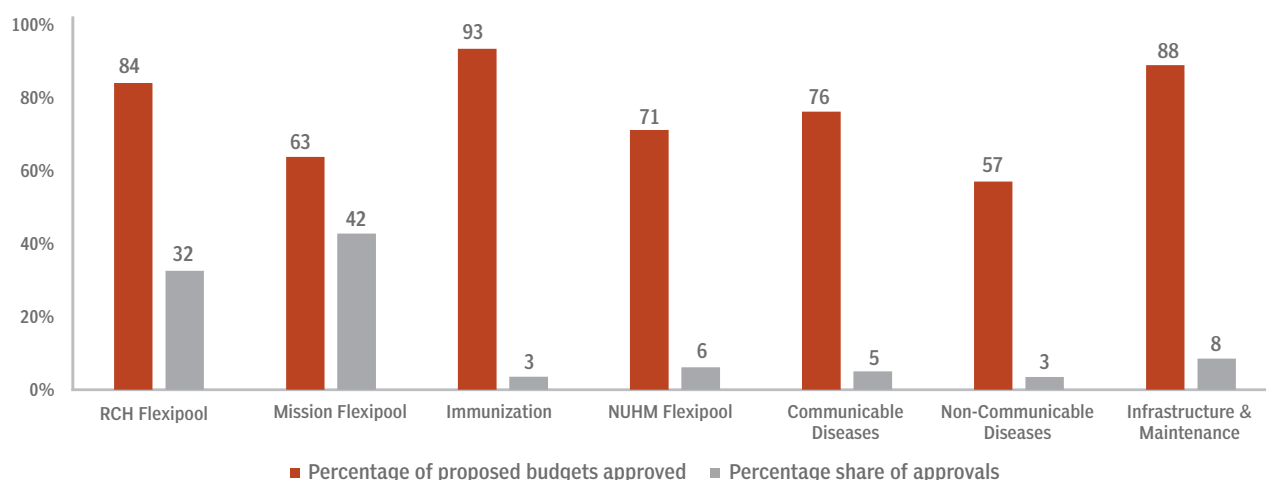


Source: Record of Proceedings (ROP) (2016-17) of all states, NHM. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 13 December, 2016.

TRENDS IN COMPONENT-WISE APPROVALS FOR NHM

- NHM consists of the following six major financing components:
 - NRHM-Reproductive Child Health Flexipool (NRHM-RCH Flexipool) for financing rural health. This has two sub-categories: i) RCH Flexipool which funds maternal and child health, family planning and the Janani Suraksha Yojana (JSY) and ii) NRHM Mission Flexipool which funds annual maintenance grants, untied funds and hospital strengthening.
 - Immunisation, including Routine immunisation and Pulse Polio immunisation against Vaccine Preventable Diseases.
 - NUHM Flexipool to address the healthcare needs of the urban poor with a special focus on the vulnerable sections
 - Flexipool for Communicable Diseases
 - Flexipool for Non-Communicable Diseases
 - Infrastructure Maintenance
- In FY 2016-17, NRHM-RCH Flexipool comprised 74 per cent of the total funds approved whereas 8 per cent was for Infrastructure Maintenance.
- Despite a commitment to focus on Non-Communicable Diseases (NCDs) in line with the Sustainable Development Goals, approvals for NCDs were very low at 57 per cent.
- A comparison of budgets proposed by states and final approval by GOI across components gives some indication of GOI priorities. Excluding the North East and UTs, in FY 2015-16, 90 per cent of budgets proposed under the RCH Flexipool were approved. This decreased to 84 per cent of proposed budgets in FY 2016-17. Similarly, whilst 85 per cent of budgets proposed by states for the NHM Flexipool were approved in FY 2015-16, approval rates were less than 70 per cent in FY 2016-17.

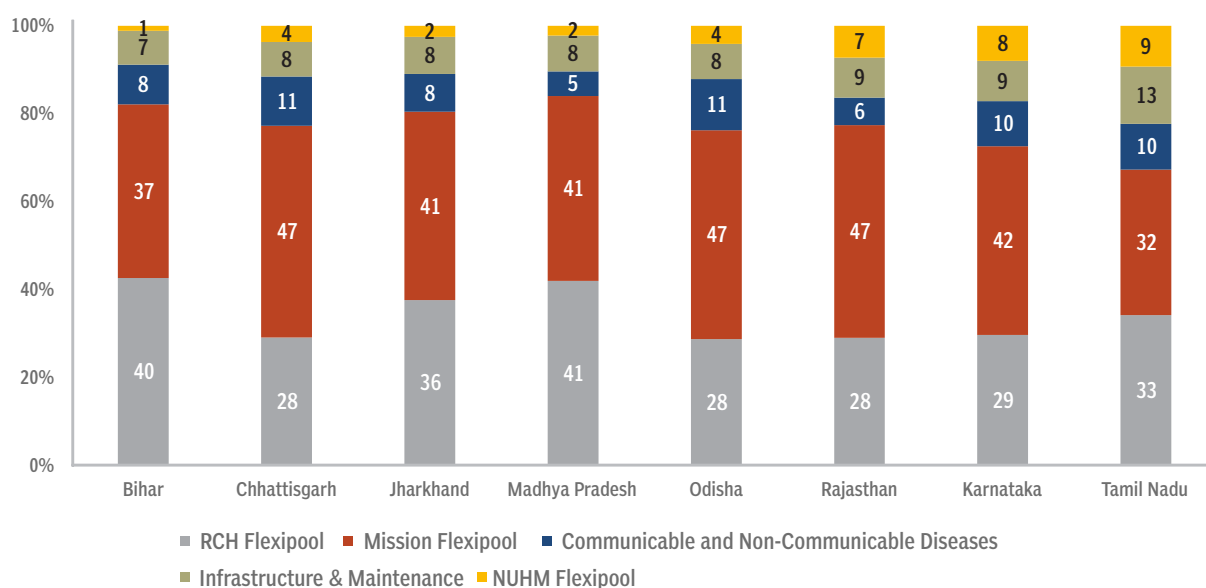
IN 2016-17, 93% AND 88% OF PROPOSED BUDGETS WERE APPROVED FOR IMMUNISATION AND INFRASTRUCTURE MAINTENANCE



Source: Record of Proceedings (ROP) (2016-17) of all states, NHM. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 13 December, 2016.

- In FY 2016-17, priority was given to Communicable Diseases. 76 per cent of proposed budgets for Communicable Diseases were approved. Approvals were also high for Immunisation and Infrastructure Maintenance at 93 per cent and 88 per cent, respectively.
- There were, however, state-wise differences. In FY 2016-17, the RCH Flexipool accounted for around 40 per cent of the total NHM approved budget in Bihar and Madhya Pradesh. Rajasthan, Odisha, Chhattisgarh, Karnataka, Jharkhand and Madhya Pradesh had over 40 per cent of their total approvals allocated to the Mission Flexipool.
- Infrastructure Maintenance constituted 13 per cent of total approvals in Tamil Nadu followed by Rajasthan and Karnataka at 9 per cent each.

IN 2016-17, RCH FLEXIPOOL ACCOUNTED FOR 40% OF THE APPROVED BUDGET IN BIHAR



Source: Record of Proceedings (ROP) (2016-17), NHM. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 13 December, 2016.

- In FY 2016-17, GOI prioritised NRHM Flexipool in Odisha, Madhya Pradesh and Rajasthan, with 91 per cent, 84 per cent and 75 per cent of proposed budgets for NRHM approved in these states. In contrast, NUHM was prioritised in Uttarakhand, Rajasthan and Gujarat with 94 per cent, 88 per cent and 86 per cent of proposed funds approved by GOI.
- Similarly, whilst close to 100 per cent of the budget proposed for Communicable Diseases was approved in Gujarat, Rajasthan and Uttarakhand, approval was low in Haryana at only 26 per cent.
- Interestingly, whilst 100 per cent of the budget for Infrastructure Maintenance was approved for most states, in Rajasthan, only 40 per cent of the proposed budget was approved. Despite this, Infrastructure Maintenance constitutes 10 per cent of total approvals in Rajasthan.

TRENDS IN GOI ALLOCATIONS, RELEASES AND EXPENDITURES FOR NRHM

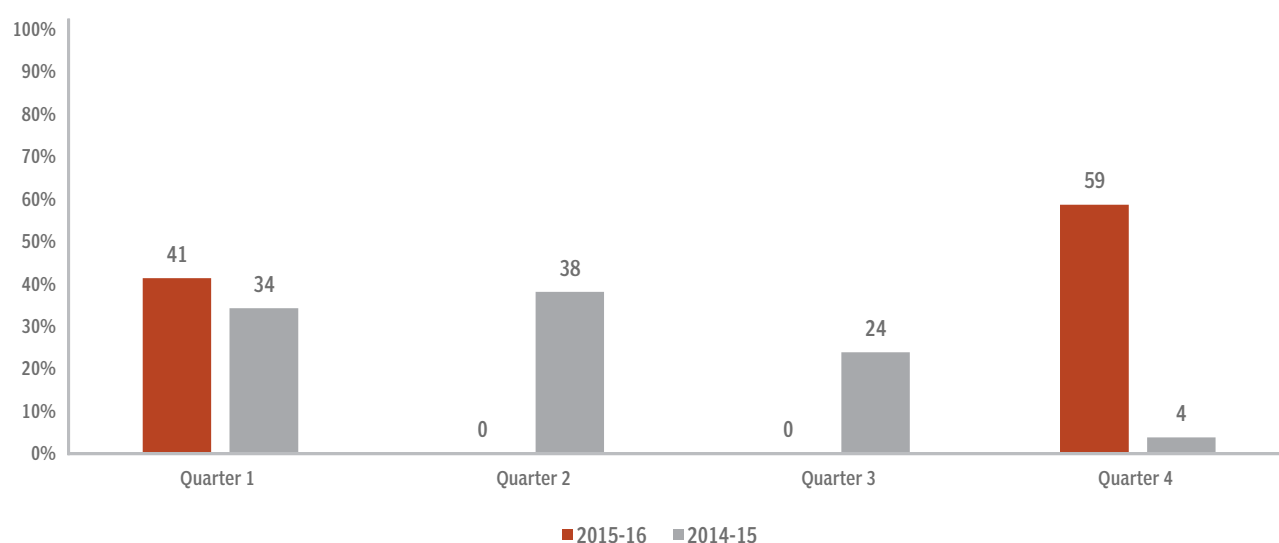
Allocations

- According to data available from the Management Information System (MIS) of NRHM, in FY 2015-16, ₹13,002 crore was allocated to NRHM – a 12 per cent decrease over FY 2014-15. Allocations were subsequently increased to ₹22,198 crore in FY 2016-17. In FY 2017-18, ₹26,691 crore has been allocated to NRHM, a 9 per cent increase over the previous year.

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 (SHS). 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.
- In FY 2015-16, according to the NRHM-MIS, 14 per cent more funds were released by GOI than their approved allocations. This could be due to the passing of supplementary budgets through the year.
- The uncertainty in fund sharing ratios in FY 2015-16 impacted the timing of fund flows. In FY 2014-15, 72 per cent of funds were released in the first two quarters. This dropped to 41 per cent in FY 2015-16. In fact, 59 per cent of the release in FY 2015-16 was concentrated in the last quarter.

59% OF TOTAL GOI RELEASES WERE RELEASED IN THE LAST QUARTER OF 2015-16

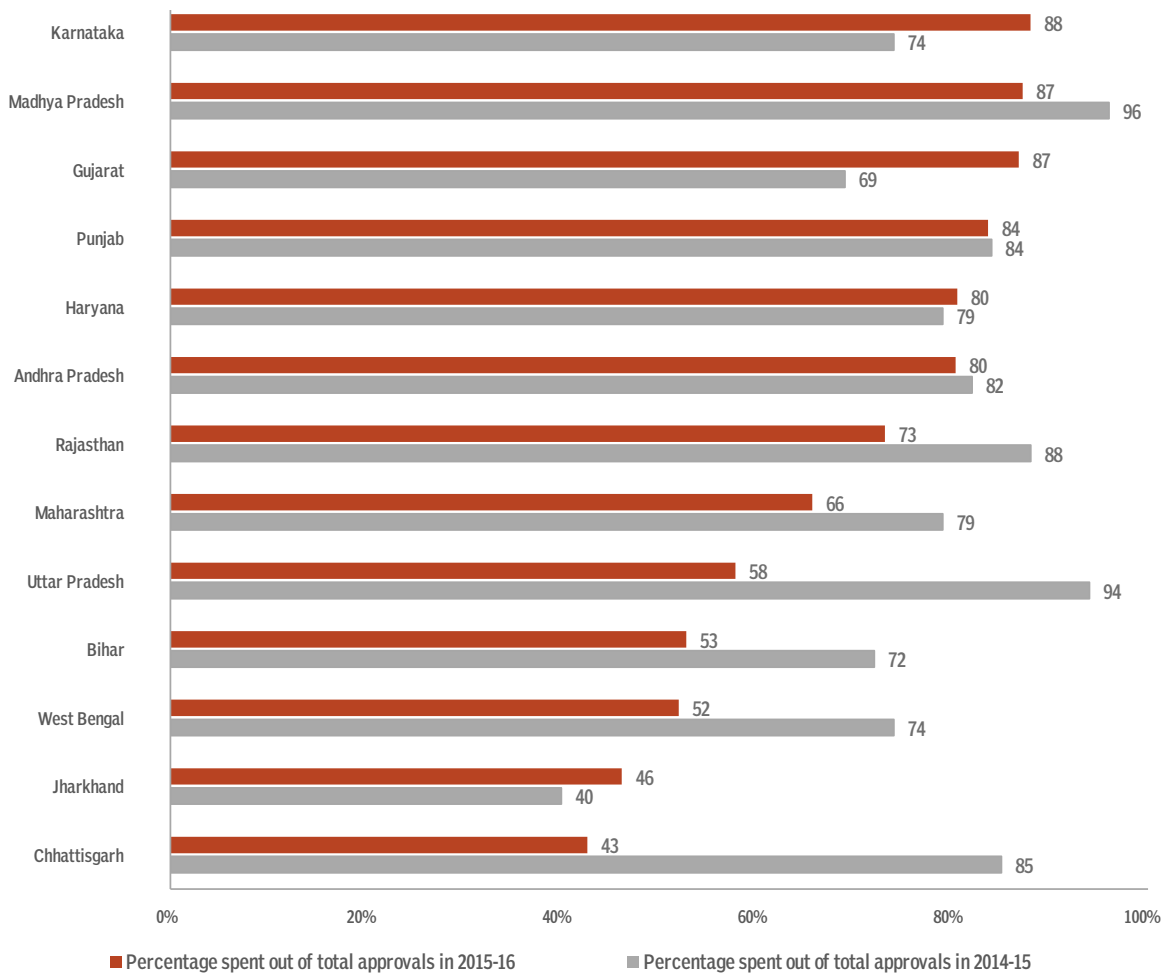


Source: MIS quarterly reports (status as on 31st March 2016), NHM. Available online at: <http://nrhm.gov.in/component/content/article.html?id=405>. Last accessed on 13 December, 2016.

Expenditures

- Delays in release of funds have an impact on expenditure. In FY 2015-16, only 68 per cent of the total approved funds had been spent (excluding the North East and UTs).
- There were, however, state-wise variations. In FY 2015-16, Uttar Pradesh and Chhattisgarh spent only 58 per cent and 43 per cent of their approved allocations, respectively. This was significantly lower than in FY 2014-15, when they spent 94 per cent and 85 per cent, respectively. In contrast, Karnataka spent 88 per cent of its approved funds in FY 2015-16, up from 74 per cent in FY 2014-15.

NHM EXPENDITURE PERFORMANCE ACROSS STATES



Source: MIS quarterly reports (status as on 31st March 2016), NHM. Available online at: <http://nrhm.gov.in/component/content/article.html?id=405>. **Note:** Expenditure figures exclude NUHM. Last accessed on 13 December, 2016.

- Low expenditure resulted in large opening balances at the beginning of FY 2016-17. As on 1st April 2016, total unspent balances for all major states (excluding the North East and UTs) stood at ₹9,392 crore. States with the highest unspent balances included Uttar Pradesh (₹3,275 crore) and West Bengal (₹863 crore).

INFRASTRUCTURE AND HUMAN RESOURCES IN THE RURAL HEALTH CARE SYSTEM

- FY 2015-16 marks 10 years since the launch of NRHM. It is thus useful to reflect on the progress made in healthcare infrastructure and human resources since 2005.
- Financial support is provided to states to strengthen the public health system including construction and upgradation of infrastructure. Under the programme, 18 high focus states (identified at the start of the programme with the lowest health indicators) can spend up to 33 per cent of their funds on infrastructure. Other states can spend up to 25 per cent.

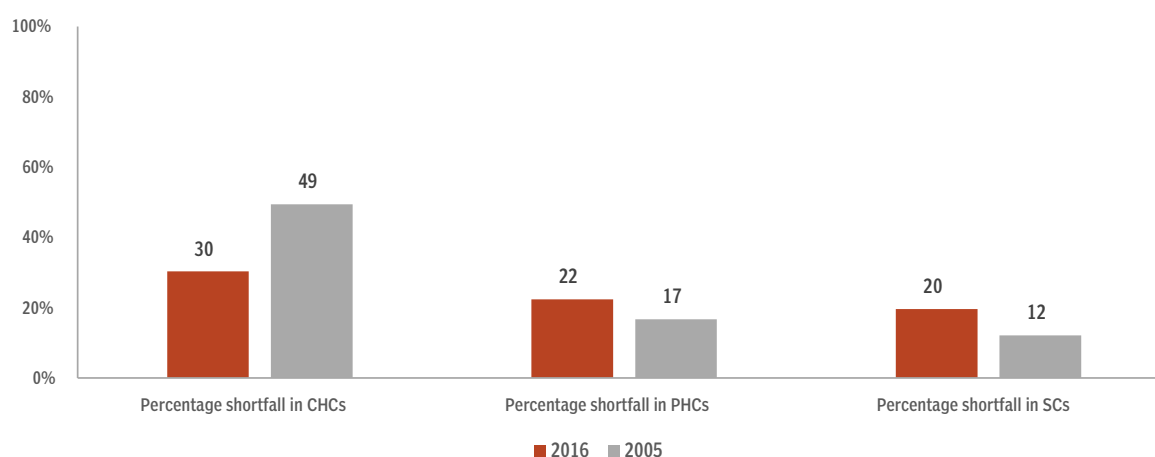
The setup

- The healthcare infrastructure in rural areas consists of a three-tier system: a) Sub-Centres (SCs), b) Primary Health Centres (PHCs) and c) Community Health Centres (CHCs).
- SCs are the first point of contact between the primary healthcare system and the community. As per the norm set in the Indian Public Health Standards (IPHS), one SC is meant to cater to 5,000 residents in the plains and 3,000 residents in hilly regions. It is manned by one Auxiliary Nurse Midwife (ANM) and one Male Health Worker (MHW).
- PHCs are the first contact point to access a qualified doctor in rural areas and serve as the referral unit for SCs. They are manned by a medical officer (MO) supported by 14 paramedical and other staff. Each PHC should serve 30,000 residents in the plains, and 20,000 residents in hilly, tribal or difficult areas.
- CHCs are larger referral units requiring specialised services such as surgeons, obstetricians & gynaecologists, physicians and paediatricians. 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.

Infrastructure

- Between September 2005 and March 2016, the number of SCs and PHCs increased by 6 and 9 per cent, respectively. The number of CHCs increased by 65 per cent. As of March 2016, there are 1,55,069 SCs; 25,354 PHCs and 5,510 CHCs operating in the country.
- Despite this increase, the facilities required as per IPHS norms have also increased due to population growth. As of March 2016, there was still a 20 per cent shortfall in the number of SCs, 22 per cent for PHCs and 30 per cent for CHCs.

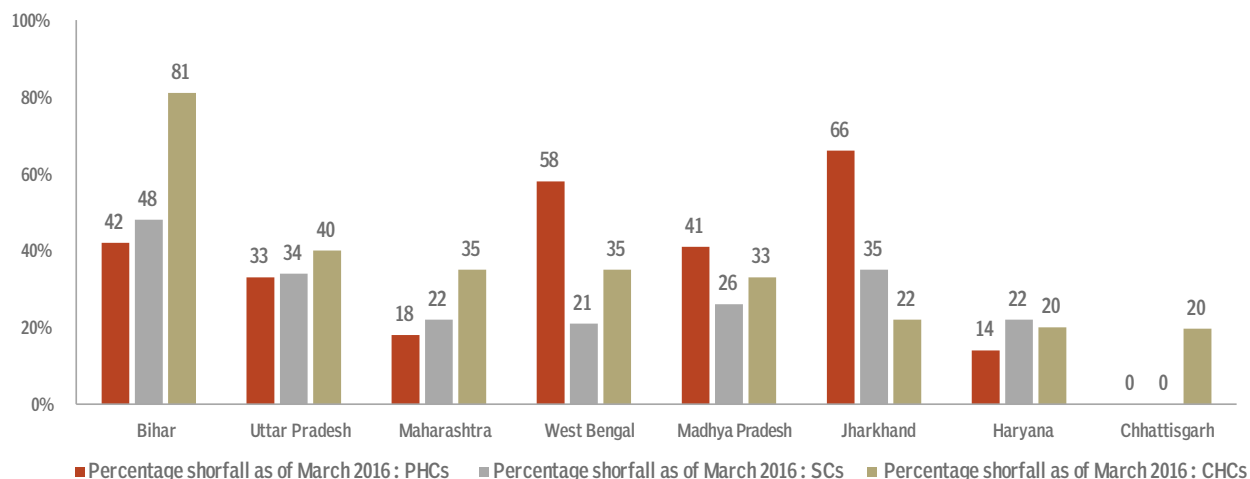
SHORTFALLS IN CHCs HAVE DECREASED BY 19 PERCENTAGE POINTS, BUT PHC SHORTFALLS HAVE INCREASED BY 5 PERCENTAGE POINTS



Source: Rural Health Statistics 2006 and 2016. Available online at: <https://nrhm-mis.nic.in/Pages/RHS2016.aspx>? Last accessed on 13 December, 2016.

- There were, however, state-wise variations. In Uttar Pradesh, the shortfall in SCs increased by 12 percentage points between 2005 to 2016. The current shortfall stands at 34 per cent. In contrast, the shortfall for CHCs decreased from 65 per cent to 40 per cent.
- As of March 2016, Bihar had a shortfall of 81 per cent for CHCs, 42 per cent for PHCs and 48 per cent of SCs. Chhattisgarh, on the other hand, had no shortfall for SCs and PHCs but had a 20 per cent shortfall for CHCs.

81% SHORTFALL IN CHCs IN BIHAR; 66% SHORTFALL IN PHCs IN JHARKHAND



Source: Rural Health Statistics 2016. Available online at: <https://nrhm-mis.nic.in/Pages/RHS2016.aspx?> Last accessed on 13 December, 2016. Last accessed on 13 December, 2016.

- Most functioning rural health facilities lack basic infrastructure. As of March 2016, 29 per cent of SCs did not have regular water supply, 26 per cent lacked electricity supply and 11 per cent did not have all-weather roads connecting them.
- Moreover, as of March 2016, 63 per cent of PHCs did not have an operation theatre and 29 per cent lacked a labour room.

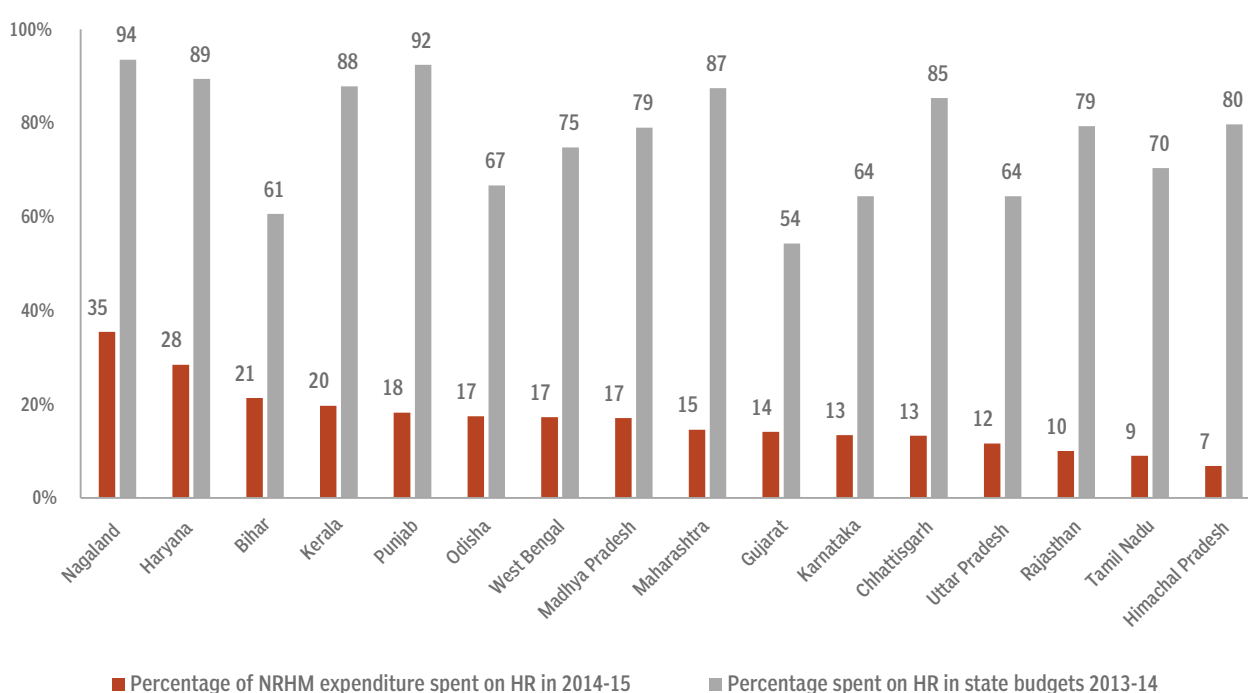
Kayakalp

- On 15 May, 2015, MOHFW launched the Kayakalp Award Scheme – an award given to the best District Hospitals, CHCs/Sub-District Hospitals and PHCs based on performance in hospital/facility upkeep, sanitation and hygiene, waste management, infection control, hygiene promotion and support services.
- The Kayakalp Initiative is an integral part of NHM and states are meant to apply for the award based on certain criteria, including the constitution of a cleanliness and infection control committee, periodic internal/peer assessment and achievement of 70 per cent score in peer assessment.
- The initiative has gained momentum in certain states. 54 health facilities in Mizoram, 120 in Maharashtra and 479 in Gujarat scored more than 70 per cent in the Clean Hospital Initiative as on 23 December, 2016.

Human Resources

- Spending on Human Resources (HR) accounts for a significant portion of the NHM and states' own budgets for health.
- In FY 2013-14, over 85 per cent of the state health budgets in Maharashtra, Haryana, Kerala and Chhattisgarh was spent on HR. In Punjab, 92 per cent was spent on HR.
- NRHM too contributes to HR expenditure. In FY 2014-15, expenditure on HR constituted 35 per cent of the total NRHM expenditure for Nagaland while it was 7 per cent in Himachal Pradesh.

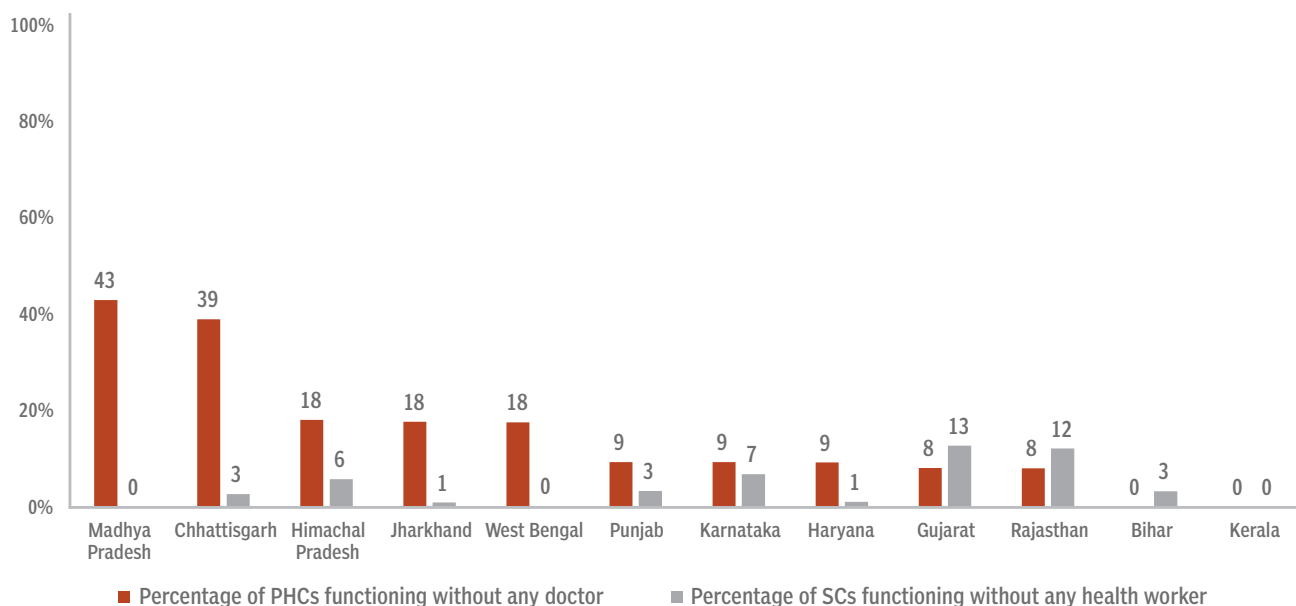
IN 2014-15, 35% OF THE NRHM BUDGET WAS SPENT ON HR IN NAGALAND, 7% IN HIMACHAL PRADESH



Source: Lok Sabha, unstarred question no. AU3330, answered on 18 December 2015. Available online at: <http://164.100.47.190/loksabhaquestions/annex/6/AU3330.pdf>; Lok Sabha, unstarred question no. 1840, answered on 25 November 2016. Available online at: <http://164.100.47.190/loksabhaquestions/annex/10/AU1840.pdf>. Last accessed on 13 December, 2016.

- Between September 2005 and March 2016, the number of ANMs/HWs at SCs increased by 65 per cent. Despite this, as of March 2016, 3 per cent of SCs continued to lack the requisite number of ANMs/HWs.
- There has been a 30 per cent increase in the number of doctors in PHCs in the last decade. In September 2005, the number of doctors in PHCs was 4 per cent lower than the required number. As of March 2016, however, the shortfall increased to 13 per cent out of the required doctors at PHCs. Though there has been a 30 per cent increase in the number of doctors in PHCs in the last decade, 8 per cent of PHCs were still functioning without a doctor.
- For instance, 43 per cent of PHCs in Madhya Pradesh and 39 per cent in Chhattisgarh did not have any doctors, while the number of functioning SCs without an ANM/HW in Madhya Pradesh and Chhattisgarh was 0 per cent and 3 per cent, respectively.

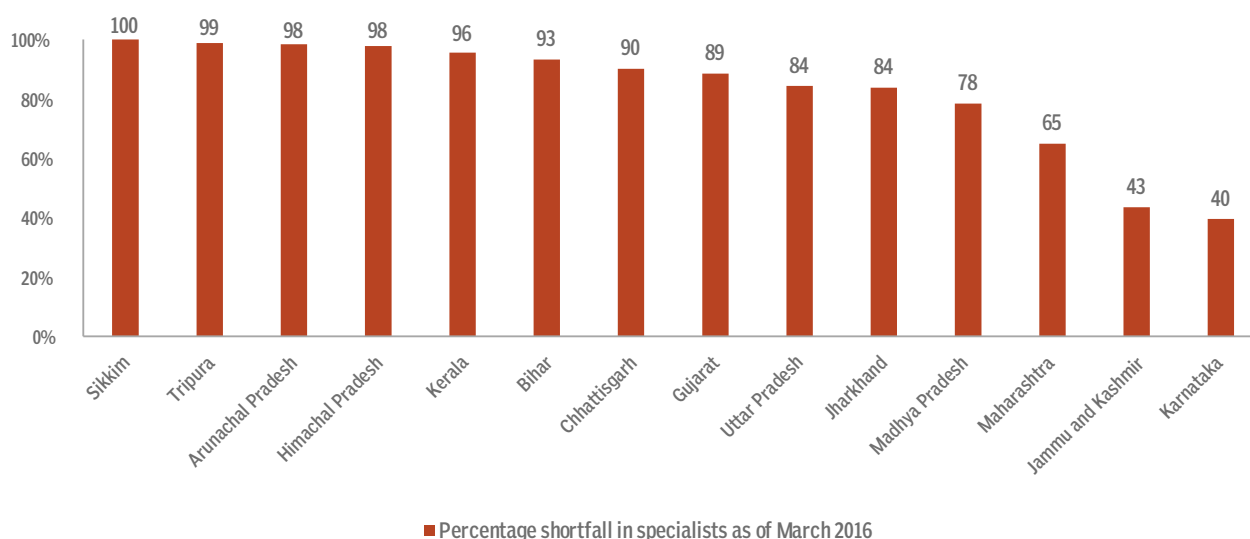
39% OF PHCs IN CHHATTISGARH AND 43% IN MADHYA PRADESH WERE FUNCTIONING WITHOUT A DOCTOR AS OF MARCH 2016



Source: Rural Health Statistics 2016. Available online at: <https://nrhm-mis.nic.in/Pages/RHS2016.aspx?> Last accessed on 13 December, 2016

- In contrast, Kerala, had at least one doctor and one ANM/MHW working in all its functioning PHCs and SCs.
- **Specialists:** Whilst the number of specialists at CHCs has increased by 18 per cent in the last decade, there remained a shortfall of 81 per cent as compared to the norm, as of March 2016. Within specialists, surgeons, physicians and paediatricians had the highest shortfalls at 84 per cent, 83 per cent and 80 per cent, respectively.
- As of March 2016, no CHC in Sikkim had specialists. The shortfall was also high in Tripura (99 per cent), Arunachal Pradesh and Himachal Pradesh (98 per cent each). It was lower in Jammu and Kashmir and Karnataka, at 43 per cent and 40 per cent, respectively.

81% SHORTFALL IN SPECIALISTS IN CHCs AS OF MARCH 2016

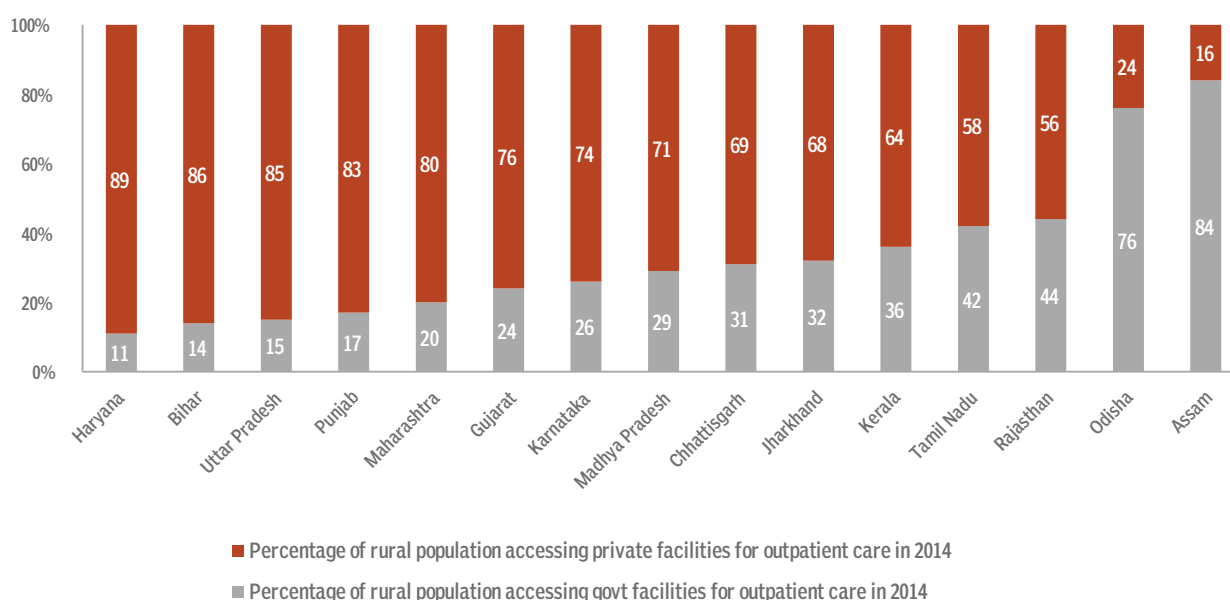


Source: Rural Health Statistics 2016. Available online at: <https://nrhm-mis.nic.in/Pages/RHS2016.aspx?> Last accessed on 13 December, 2016.

USE OF PUBLIC HEALTH FACILITIES

- Whilst significant investment and progress has been made in infrastructure and human resources under NHM, access to and use of public health facilities continues to be low.
- According to the 71st round of the National Sample Survey Organization (NSSO) on health, more than 70 per cent (72 per cent in rural and 79 per cent in urban) of people use private facilities for outpatient care.
- There are state variations. Over 84 per cent of the rural population visits private facilities for outpatient care in Haryana, Bihar and Uttar Pradesh. In contrast, a relatively high percentage of outpatient care is reported at public facilities in the rural areas of Assam (84 per cent), followed by Odisha (76 per cent), Rajasthan (44 per cent) and Tamil Nadu (42 per cent).
- Usage is low for inpatient care. There has been no change in the percentage of hospitalised cases in public health facilities from 2004 to 2014 in rural areas. It has declined marginally in the urban areas, from 38 per cent to 32 per cent.

28% OF OUTPATIENT CARE IN GOVERNMENT FACILITIES; 72% IN PRIVATE FACILITIES IN 2014



Source: NSSO 71st round on Health- 2014. Available online at: http://www.mospi.gov.in/sites/default/files/publication_reports/nss_rep574.pdf. Last accessed on 13 December, 2016.

TRENDS IN MATERNAL AND CHILD HEALTH

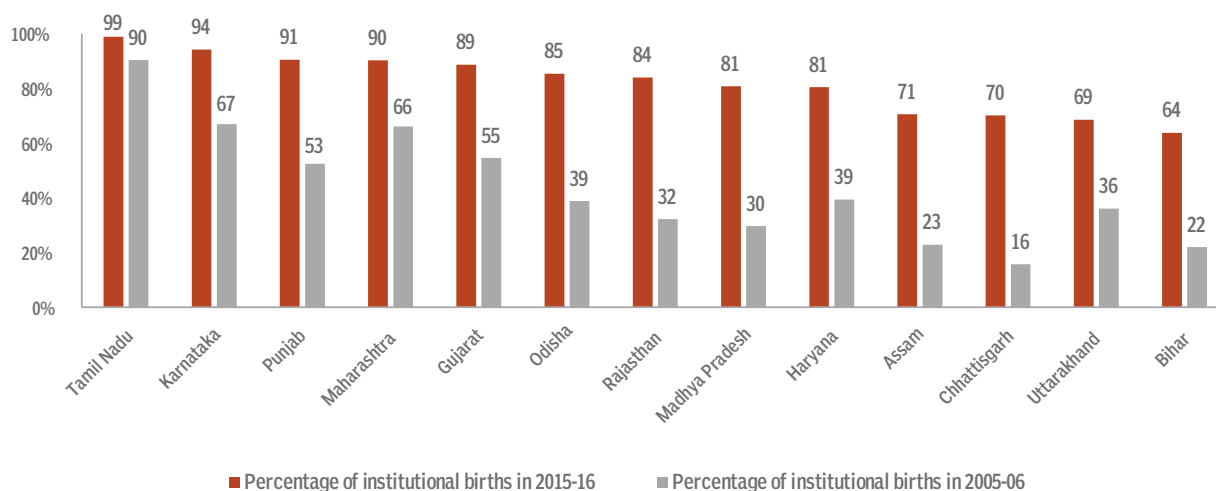
Janani Suraksha Yojana

- Janani Suraksha Yojana (JSY) is a 100 per cent Centrally Sponsored Scheme under NHM, aimed at improving maternal and child health by reducing the Maternal Mortality Ratio (MMR) and Infant Mortality Rate (IMR). The scheme provides conditional cash incentives to women for the provision of antenatal care during pregnancy, institutional care during delivery and immediate care in the post-partum period in a health centre provided by a field level health worker.
- In FY 2016-17, JSY received 5 per cent of the total approved funds for NHM (excluding the North East and UTs) and 94 per cent of total budgets proposed by states were approved.
- The number of JSY beneficiaries was low in many of the states with the highest IMRs. For instance, as per the fourth round of the National Family Health Survey (NFHS-4), in FY 2015-16, 66 per cent of mothers in Assam received financial assistance for institutional delivery under JSY, 54 per cent in Bihar, 61 per cent in Madhya Pradesh, 56 per cent in Rajasthan and 49 per cent in Uttarakhand.

Institutional deliveries

- Between 2005 and 2015, the number of institutional deliveries in India increased from 1.08 crore to 1.53 crore. In Chhattisgarh, the proportion of institutional births increased from 16 per cent in FY 2005-06 to 70 per cent in FY 2015-16. Similarly, in Rajasthan, the proportion of institutional births increased from 32 per cent to 84 per cent, and that in Madhya Pradesh from 30 per cent to 81 per cent, in FY 2015-16.
- Most institutional deliveries in rural areas take place in public hospitals. According to NSSO 71st round, in 2014, 56 per cent of childbirths took place in public hospitals in rural areas and only 24 per cent in private hospitals.

BETWEEN 2005 AND 2015, THE NUMBER OF INSTITUTIONAL DELIVERIES INCREASED FROM 1.08 CRORE TO 1.53 CRORE

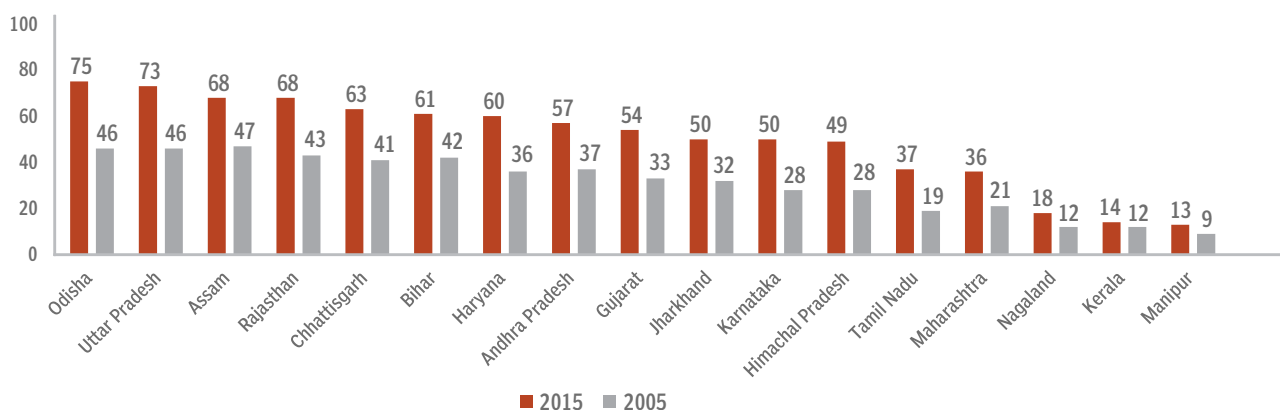


Source: National Family Health Survey - Rounds 3 and 4. Available online at: <http://rchiips.org/nfhs/>. Last accessed on 13 December, 2016.

MMR and IMR

- In 2000, India pledged to improve maternal and child health under the Millennium Development Goals. By 2015, the target for MMR was set at 139 per 100,000 live births and that for IMR at 42 per 1000 live births.
- As of March 2016, India has achieved its IMR target with IMR currently standing at 37 per 1000 live births. However, India is still significantly short of its target for MMR, which stands at 167 per 100,000 live births as of 2011-13 (latest round not available).
- There are, however, state variations. IMR continues to be high in Madhya Pradesh (50), Assam (47), Odisha (46) and Uttar Pradesh (46). In fact, Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan together contribute around 58 per cent of all child deaths in the country.
- In contrast, IMR is low in Manipur, Kerala and Nagaland at 9, 12 and 12, respectively.

IMR HAS FALLEN FROM 42 TO 37 BETWEEN 2005 AND 2015



Source: Sample Registration System 2016. Available online at: http://www.censusindia.gov.in/vital_statistics/SRS_Bulletin_2015.pdf. Last accessed on 13 December, 2016.