

BUDGET BRIEFS

Vol 7/Issue 4

NHM
GOI, 2015-16



ACCOUNTABILITY INITIATIVE

Research and Innovation for Governance Accountability

The National Health Mission

(NHM) is the Government of India's (GOI) largest public health programme. NHM consists of 2 sub-missions

- National Rural Health Mission (NRHM)
- National Urban Health Mission (NUHM)

Using government data, this brief reports on the following parameters:

- Trends in allocations, release and expenditure for NRHM
- Coverage and progress in infrastructure and human resources under NRHM
- Allocations to the NUHM
- Progress in health outcomes

Cost share and

implementation: As of 2012, 75% of the funds are to come from GOI and the rest from the states. Release of funds is based on state Project Implementation Plans (PIPs).

Complete expenditure data is only available for FY 2013-14. In FY 2014-15, data is available till September 2014.

HIGHLIGHTS

₹33,282^{cr}

GOI allocations for Ministry of Health and Family Welfare (MoHFW) in FY 2015-16

₹18,875^{cr}

GOI allocations for NHM in FY 2015-16

₹16,809^{cr}

GOI allocations for NRHM in FY 2014-15

SUMMARY & ANALYSIS

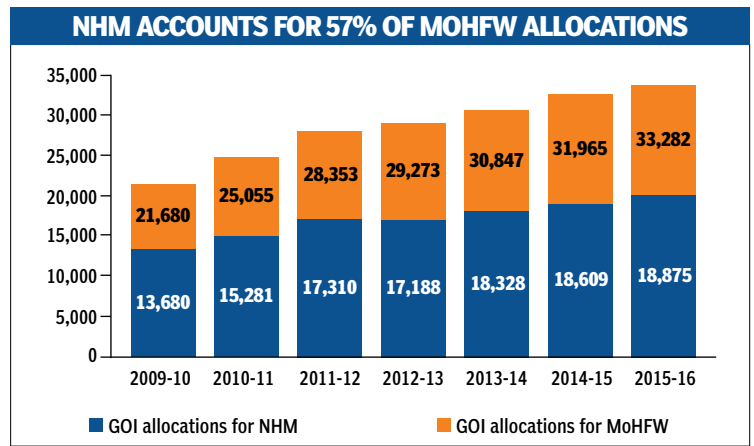
- ❖ Total public health expenditure (GOI and states) more than doubled between FY 2008-09 and FY 2014-15. However, as a percentage of GDP, expenditures in FY 2014-15 remained at **1.2%** of GDP.
- ❖ GOI allocations for NHM stand at **₹18,875** crore in FY 2015-16, an increase of **1%** over FY 2014-15. However, the NHM website reports that allocations to the NRHM have fallen **8%** from **₹18,229** crore to **₹16,809** crore from FY 2013-14 to FY 2014-15. In 2013, GOI launched the National Urban Health Mission (NUHM). However, allocations for NUHM are low at **5%** of total NHM approvals in FY 2014-15.
- ❖ There are state-wise differences in expenditure of funds across various components of NRHM. In FY 2013-14, while Tamil Nadu was able to spend **96%** of approved funds under the Mission Flexi Pool, Uttar Pradesh spent only **38%**.
- ❖ There have been marginal improvements in health infrastructure. Between March 2013 and March 2014, shortfall in Primary Health Centres (PHCs) and Community Health Centres (CHCs) dropped by **1** percentage point each.
- ❖ The number of medical professionals fell between FY 2013-14 and FY 2014-15. The number of doctors at PHCs reduced by **7%**, while the number of specialists at CHCs reduced sharply by **30%**.
- ❖ India has made some progress in health outcomes. Infant mortality rates fell to **40** deaths per **1,000** births in 2013, as compared to **57** in 2006.

TRENDS IN GOI ALLOCATIONS FOR NHM

- ❖ **Allocations:** Allocations to the MoHFW have increased by **54** percent from ₹**21,680** crore in FY 2009-10 to ₹**33,282** crore in FY 2015-16.
- ❖ GOI's allocations to health and family welfare account for **1.87** percent of total GOI allocations in 2015-16.
- ❖ State governments contribute a significant portion to health financing. Public health expenditure by states increased by **72** percent between FY 2009-10 and FY 2012-13. Despite this increase, in FY 2012-13, public expenditure on health (GOI and states combined) accounted for only **1.3** percent of India's GDP. This decreased marginally to **1.2** percent in 2014-15. This is considerably lower than most developing countries. For example, in 2010, Brazil spent **4.2** percent, South Africa **3.9** percent and China **2.7** percent of their GDP on public health care.
- ❖ In May 2013, GOI launched the National Health Mission (NHM) — a comprehensive health scheme aimed at guiding states towards universal access to health care through strengthening health systems, institutions and capabilities. NHM consists of two sub-missions: a) National Rural Health Mission (NRHM)

₹18,875^{cr}
FY 2015-16

GOI allocations for the NHM increased by **1%** over FY 2014-15



Source: India Expenditure Budget, Vol 2, Ministry of Health and Family Welfare. Available online at: <http://indiabudget.nic.in> Last accessed on February 28, 2015
Note: Figures are in crore of rupees and are revised estimates, except for FY 2015-16 which are budget estimates

launched in 2005 and, b) National Urban Health Mission (NUHM) launched in 2013.

- ❖ GOI allocations for NHM stand at ₹**18,875** crore in FY 2015-16, an increase of **1** percent over FY 2014-15.

TRENDS IN ALLOCATIONS AND EXPENDITURES FOR NRHM

- ❖ **Allocations:** In FY 2014-15, budget documents stopped reporting allocations for NRHM separately from total NHM allocations. However, according to the data available from the NRHM quarterly report, there was an **8** percent decrease in NRHM allocations in FY 2014-15, from ₹**18,229** crore in FY 2013-14 to ₹**16,809** crore. This is the first time that total allocations for the scheme have fallen since its inception in December 2005.
- ❖ Total approvals under NRHM are based on PIPs, submitted by state governments and the total resource envelope available with GOI.

This resource envelope includes estimates of the maximum amount of resources available, including GOI's own funds, proportional share of state releases and uncommitted unspent balances available with the states.

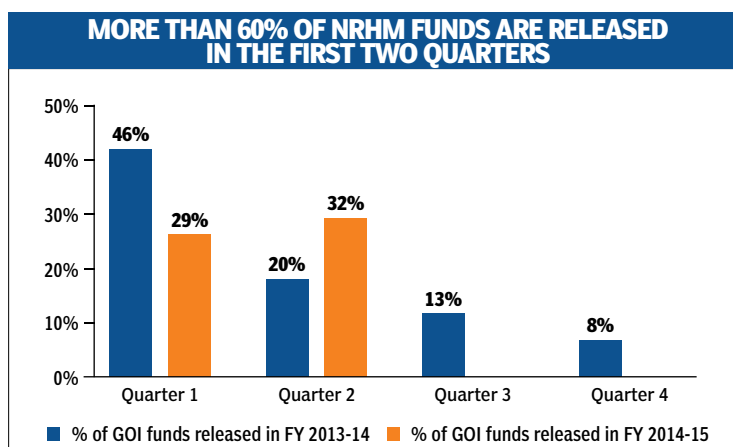
- ❖ In FY 2014-15, GOI approved **69** percent of the total funds proposed by states.
- ❖ **Releases:** There has been a decrease in the proportion of allocations released by GOI. In FY 2009-10, **99** percent of allocations were released. This dropped to **88** percent in FY 2012-13. In FY

₹16,809^{cr}

NRHM allocations in FY 2014-15, according to quarterly report

2013-14, this dropped to a further **86** percent. As of September 2014, halfway through the financial year, **61** percent of allocations for FY 2014-15 had been released.

- ❖ Fund releases have also slowed down in FY 2014-15. In FY 2013-14, **46** percent of allocations were released in the first quarter and **66** percent in the first half of the year. This has decreased to **29** percent in the first quarter and **61** percent in the first half of FY 2014-15.
- ❖ **Expenditure performance:** As with releases, expenditure as a percentage of total releases



Source: NRHM Website, quarterly NRHM MIS reports, June 2013 to September 2014. Available online at: <http://nrhm.gov.in/component/content/article?id=405> Last accessed on February 19, 2015

(including state share) has dropped. In FY 2009-10, over **100** percent of total releases (GOI and state share) were spent. This dropped to **84** percent in FY 2012-13. Till December 2013 (the latest year for which state shares are available), **63** percent of the total releases were spent.

TRENDS IN STATE-WISE ALLOCATIONS AND EXPENDITURES

- ❖ To address regional imbalances in health outcomes, NRHM identified a set of **18** 'high focus' (HF) states with the poorest health indicators. These states received **62** percent of the total GOI allocations for NRHM in FY 2014-15.
- ❖ **Proposed vs approved allocations:** There are state-wise variations in the proportion of proposals approved. Jharkhand and Tamil Nadu had the lowest approval rate with **56** percent of proposals being approved in FY 2014-15. In contrast, **85** percent of funds proposed by Punjab were approved and **86** percent for Haryana.
- ❖ **Releases:** Till FY 2013-14, once approved, funds for NRHM were released directly by GOI and state governments to autonomous implementing bodies known as State Health Societies (SHS). In FY 2014-15, a new fund flow mechanism was introduced. Under this system, GOI allocations are first released to the state treasury. The money is then routed by the state health department to the SHS. Since the start

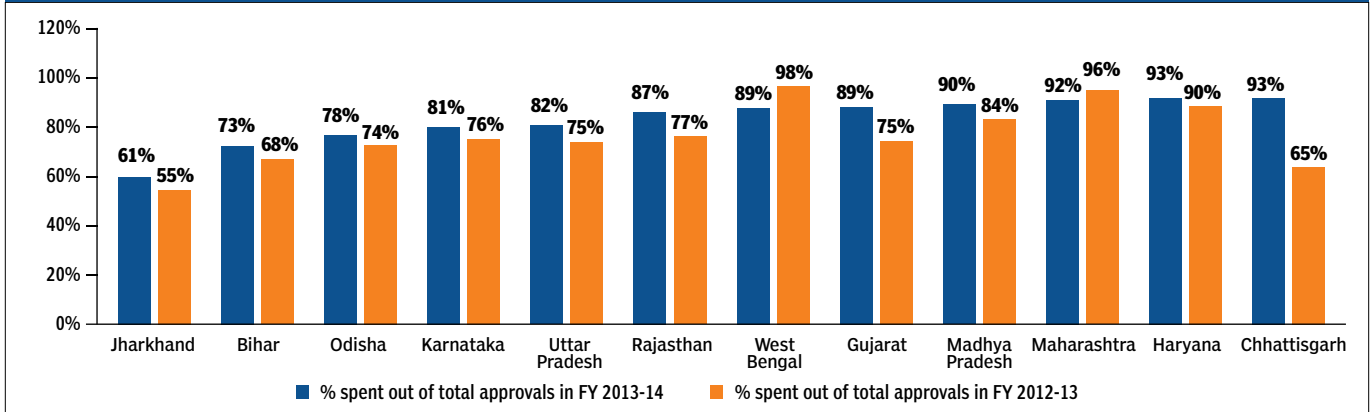
of the Twelfth Five Year Plan (FYP) in 2012, funds are to be shared by GOI and states in a **75:25** ratio.

- ❖ Overall, state releases have been lower than their required share. In FY 2013-14, till December, Bihar released **65** percent less than its required share. Similarly, Andhra Pradesh released **49** percent less than its required share.
- ❖ **Expenditure performance:** There are significant state variations in expenditures as a proportion of total approvals (GOI and state shares). In FY 2013-14, Jharkhand and Bihar spent **61** and **73** percent of total approvals, respectively. Chhattisgarh and Haryana, on the other hand, spent **93** percent.

73%

of Bihar's approved allocations were spent in FY 2013-14

EXPENDITURE PERFORMANCE IMPROVED BETWEEN FY 2012-13 AND FY 2013-14



Source: NRHM Website, State Programme Implementation Plans 2013-14 and 2012-13 for approved allocations. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html> NRHM Website, Quarterly NRHM MIS report, September 2014 for expenditures. Available online at: <http://nrhm.gov.in/component/content/article.html?id=405> Last accessed on February 19, 2015

❖ Most states have shown improvements in expenditure performance between FY 2012-13 to FY 2013-14. For instance, expenditure in Chhattisgarh increased from 65 percent in FY 2012-13 to 93 percent in FY 2013-14. Similarly, expenditures increased in Gujarat from 75

percent to 89 percent. Expenditure performance, however, decreased in West Bengal from 98 percent to 89 percent during the same period. Since releases from GOI are largely high and timely, low expenditures are likely a consequence of poor state capacity.

TRENDS IN COMPONENT-WISE ALLOCATIONS AND EXPENDITURES

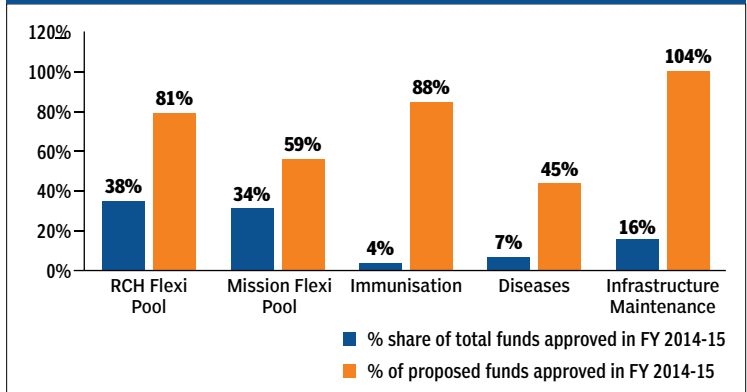
- ❖ There are 5 main components for which funds are allocated under NRHM. These are:
 - Reproductive, maternal, new born and child health services (RCH Flexi Pool),
 - NRHM Mission Flexi Pool or funds for strengthening health resource systems, innovations and Information, Education and Communication (IEC),
 - Immunisation including the Pulse Polio Programme,
 - National Disease Control Programme (NDCP) and,
 - Funds for infrastructure maintenance

❖ **Allocations:** In FY 2014-15, 38 percent of total NRHM funds were allocated to RMNCH. This was followed by 34 percent for Mission Flexi Pool and 16 percent for infrastructure maintenance. Disease Control Programme had a 7 percent

share of total allocations, and funds for immunisation constituted only 4 percent.

- ❖ In FY 2014-15, GOI's NRHM allocations saw some cuts relative to previous years. These cuts were visible in allocations for infrastructure maintenance, which decreased by 31 percent from ₹4,788 crore in FY 2013-14 to ₹3,315 crore.

ONLY 60% OF FLEXI POOL PROPOSALS WERE APPROVED IN FY 2014-15



Source: NRHM Website, state records of proceedings 2014-15. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html> Last accessed on February 19, 2015

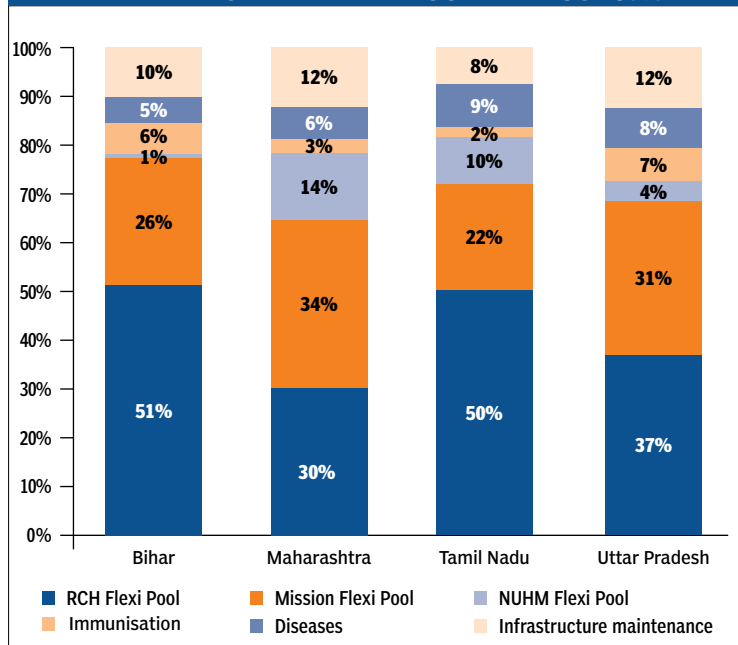
Note: This data pertains to 20 major states of India

38% of total NRHM funds were allocated to RMNCH in FY 2014-15

Less than **60%** of funds proposed for Mission Flexi Pool were approved in FY 2014-15

- ❖ Gaps between amounts proposed and final approvals give a sense of GOI prioritisation across activities, particularly when there are budget cuts. In FY 2014-15, while states proposed nearly twice the total resource envelope available for RCH Flexi Pool, only **81** percent of proposed funds were approved. Similarly, less than **60** percent of funds proposed for Mission Flexi Pool were approved.
- ❖ There are state-level differences in the pattern of investments across components. Tamil Nadu and Bihar allocated half their total funds to the RCH Flexi Pool, while allocating **22** percent and **26** percent of funds to Mission Flexi Pool. In contrast, Maharashtra and Uttar Pradesh allocated more than **30** percent of their funds to Mission Flexi Pool.

IN FY 2014-15, MAHARASHTRA ALLOCATED ONLY 30% TO RCH; TAMIL NADU AND BIHAR ALLOCATED ABOUT 50%



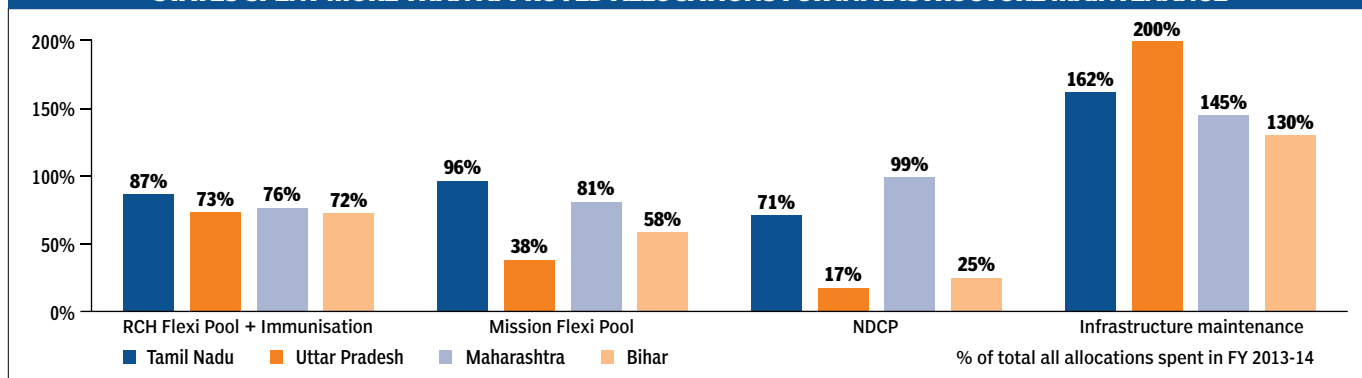
Source: NRHM website, state records of proceedings 2014-15. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html> Last accessed on February 19, 2015

- ❖ Himachal Pradesh and Jharkhand had the lowest approvals under RCH Flexi Pool, at **59** percent and **65** percent respectively. Despite the fall in infrastructure maintenance funding, Himachal Pradesh continued to be the state which spent the highest proportion of funds on infrastructure maintenance.
- ❖ There are state-wise differences in expenditure of funds across various components. In FY 2013-14, while Tamil Nadu spent **96** percent of approved funds under the Mission Flexi Pool, Uttar Pradesh

spent only **38** percent. Similarly, Maharashtra spent nearly all allocations for the National Disease Control Programme, as compared to Uttar Pradesh and Bihar, which spent **17** percent and **25** percent, respectively. All states spent more funds for infrastructure maintenance than their approved allocations, with Uttar Pradesh spending twice its allocations.

96% of Tamil Nadu's funds were spent for Mission Flexi Pool in FY 2013-14

STATES SPENT MORE THAN APPROVED ALLOCATIONS FOR INFRASTRUCTURE MAINTENANCE

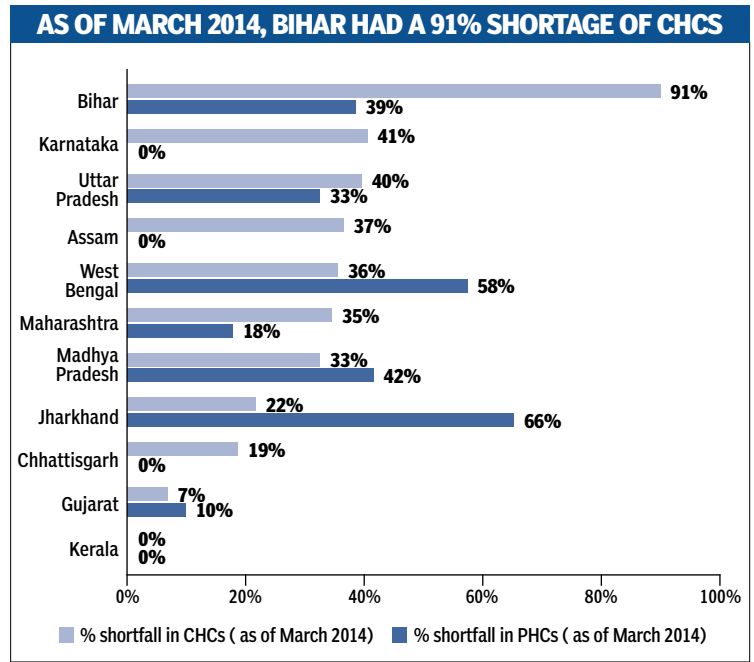


Source: NRHM website, state programme implementation plans FY 2013-14 for approved allocations. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html> NRHM website, quarterly NRHM MIS report, September 2014 for expenditures. Available online at: <http://nrhm.gov.in/component/content/article.html?id=405> Last accessed on February 19, 2015

INFRASTRUCTURE

- ❖ The rural health care 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, **1 SC** has to cater to **5,000** residents in the plains and **3,000** residents in hilly regions. **2** community health workers staff each SC.
- ❖ The PHC is the first point of contact with access to a qualified doctor in rural areas. They also provide pharmaceutical and laboratory services. Each PHC should 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, gynecology or pediatric services. There must be 1 CHC for every **1,00,000** residents in the plains, and one for every **80,000** residents in tribal and desert areas.
- ❖ Between 2005 and 2014, the number of SCs, PHCs and CHCs has increased by **4** percent, **8** percent and **60** percent, respectively.
- ❖ The number of facilities required by norms has also increased due to population growth. Thus, while shortfall (difference between number required as per norm and facility present) in CHCs has reduced by **17** percentage points, shortfalls in both PHCs and SCs have increased by over **6** percentage points.
- ❖ There are also year-on-year variations. Between March 2013 and March 2014, the number of CHCs increased by **3** percent, PHCs by **2** percent and SCs by less than **1** percent. This represented a **1** percentage point decrease in total shortfalls for PHCs and CHCs, which stood at **23** percent and **32** percent as of March 2014.

91% shortfall in CHCs in Bihar as of March 2014



Source: Bulletin on rural health statistics, 2014, detailed statistics. Available online at: <https://nrhm-mis.nic.in/Pages/RHS2014.aspx> Last accessed on February 19, 2015
Note: All figures as of March 2014

- ❖ There are state-wise variations in the shortfall of CHCs and PHCs.
- ❖ As of March 2014, Bihar had a **91** percent shortfall in CHCs and **39** percent shortfall in PHCs. In contrast, Jharkhand had a higher shortfall for PHCs with **66** percent fewer PHCs and **22** percent fewer CHCs than required.
- ❖ No new facilities were constructed in Jharkhand, Maharashtra, Uttar Pradesh and West Bengal in FY 2013-14, despite significant shortfalls at all levels.
- ❖ On the other hand, Goa, Himachal Pradesh, Jammu and Kashmir, Kerala and Mizoram have met their requirements for health facilities at all levels.
- ❖ The quality of health infrastructure in PHCs continues to be low. The Indian Public Health Standards (IPHS) set measures for the quality

of health infrastructure in all PHCs, CHCs and government hospitals. As of March 2014, only **21** percent of PHCs across India were functioning according to IPHS, up from **18** percent as on March 2013 and **15** percent as on March 2011.

❖ Most PHCs also lack basic infrastructure. As of March 2014, **31** percent of PHCs did not have a labour room, **5** percent were functioning without electricity and **8** percent without regular water supply, these numbers remaining nearly unchanged since March 2013.

HUMAN RESOURCES

❖ **Doctors in PHCs:** Between 2005 and 2014, the number of doctors at PHCs increased by **35** percent. However, this increase could not keep pace with population growth. Between March 2013 and March 2014, the number of PHCs functioning without doctors more than doubled from **1,072** (4 percent of total PHCs) to **2,225** (9 percent of total PHCs). The total number of doctors in position also fell by **7** percent from **29,562** in March 2013 to **27,355** in March 2014.

❖ The proportion of vacant posts grew in the same period from **22** percent to **26** percent.

❖ There are significant state-wise differences. As of March 2014, Chhattisgarh had a shortfall of **51** percent in required posts for doctors in PHCs and **49** percent of the existing posts were also vacant. Similarly, PHCs in Gujarat had a **23** percent shortfall in doctor posts and a vacancy rate of **41** percent.

❖ Similarly, while West Bengal had filled all required posts in PHCs in 2013, the number of doctors in position fell by **1,070**, causing the shortfall against norms to stand at **22** percent in March 2014.

❖ **Specialists in CHCs:** Specialists at CHCs comprise of surgeons, paediatricians, physicians, obstetricians and gynaecologists.

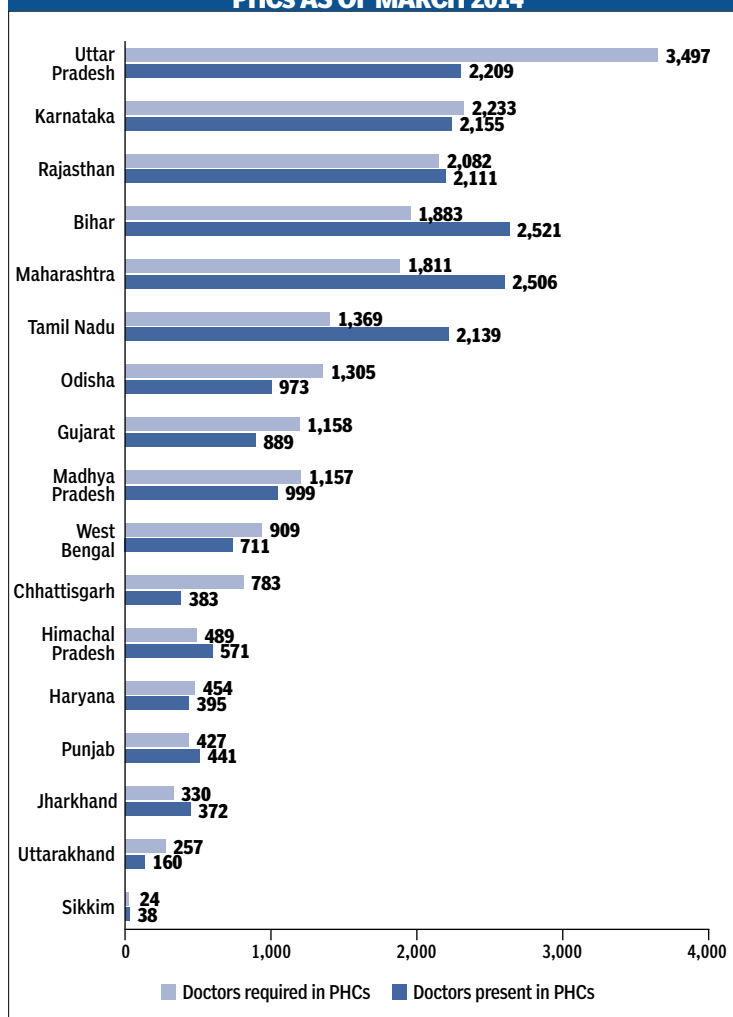
❖ The total number of specialists employed at CHCs reduced by **30** percent between March 2013 and March 2014; falling from **5,805** to **4,091**.

❖ As of March 2014, shortfall in the number of specialists against the norms stood at

Between March 2013 and March 2014, the number of PHCs functioning without doctors more than doubled from

1,072 to 2,225

BIHAR HAD NO SHORTFALL OF DOCTORS IN PHCs AS OF MARCH 2014



Source: Bulletin on rural health statistics, 2014, detailed statistics. Available online at: <https://nrhm-mis.nic.in/Pages/RHS2014.aspx> Last accessed on February 19, 2015
Note: All figures as of March 2014

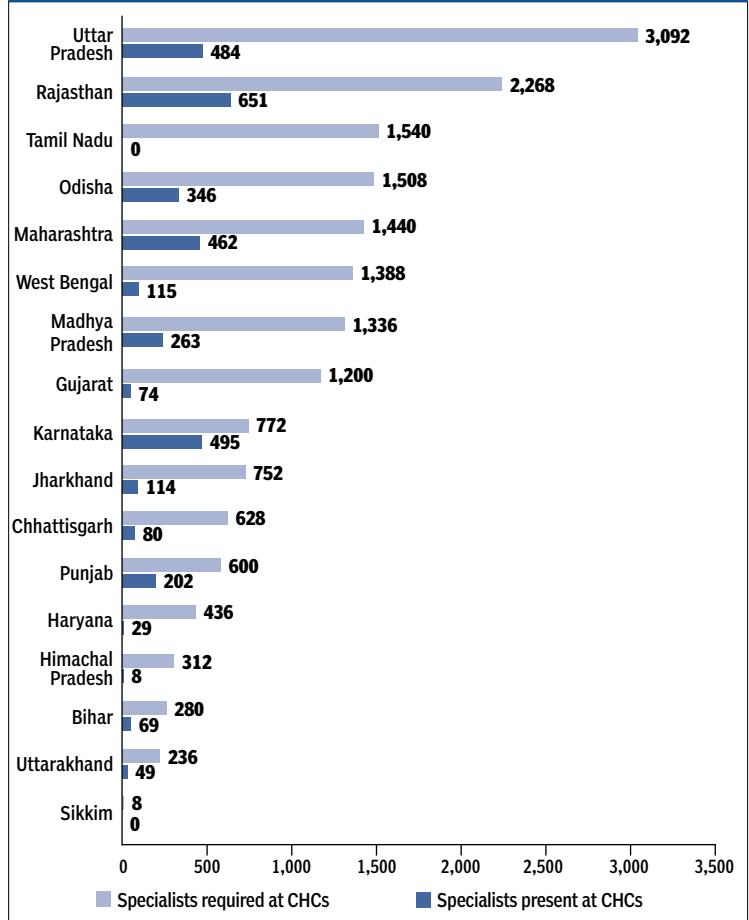
81 percent — 9 percentage points worse than March 2013 and 35 percentage points worse than 2005.

- ❖ Further, the number of posts sanctioned for specialists falls short of the required norms. Against **21,452** required specialists, only **11,463** posts or **53** percent have been sanctioned as of March 2014.
- ❖ Variations exist across states. The fall in the number of specialists over March 2013 to March 2014 is driven by decrease in the number of specialists in the states of West Bengal and Uttar Pradesh. The number of specialists in these states decreased by **89** percent and **72** percent, respectively.
- ❖ Only two states, Karnataka and Jammu and Kashmir had at least half the required specialists in position.

11,463

posts or 53 percent have been sanctioned as of March 2014, against 21,452 specialists required

AS OF MARCH 2014, ONLY 484 OF THE REQUIRED 3,092 SPECIALISTS WERE PRESENT IN UTTAR PRADESH



Source: Bulletin on rural health statistics, 2014, detailed statistics. Available online at: <https://nrhm-mis.nic.in/Pages/RHS2014.aspx> Last accessed on February 19, 2015
Note: All figures as of March 2014

NUHM

- ❖ The National Urban Health Mission was started in May 2013 with the objective to meet health care needs of the urban population. The mission focuses on the urban poor, by providing essential primary health care services and reducing their out-of-pocket expenses for treatment. The sub-mission covers all state capitals, district headquarters, and towns with a population exceeding **50,000**.
- ❖ Implementation of NUHM rests with urban local bodies. States have flexibility to constitute Urban Health Societies, or include members from local bodies into the existing District Health Societies. In seven major cities: Delhi, Mumbai, Chennai, Kolkata, Bangalore, Hyderabad, Ahmedabad; the

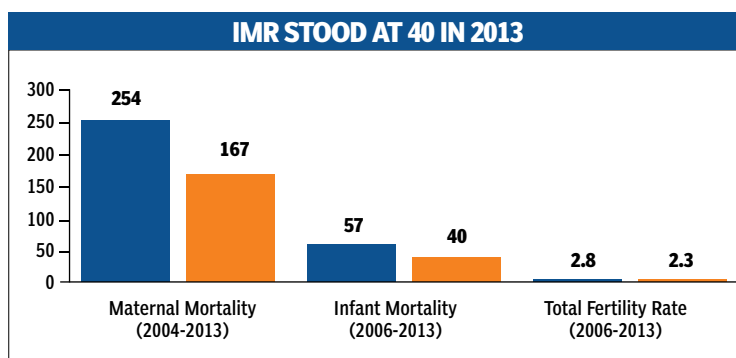
Municipal Corporations are responsible for its implementation. **22** percent of NUHM funds are allocated to these **7** cities and **78** percent to the remaining urban population.

- ❖ While the scheme was started in 2013, funds allocated under NUHM are low.
- ❖ In FY 2014-15, only **₹1,128** crore was approved (including state shares) for **20** major states. This represents only **5** percent of the total NHM budget for these states.
- ❖ As with NRHM, not all funds proposed by states under NUHM were approved in FY 2014-15. Only **48** percent of the proposed funds were approved in FY 2014-15.

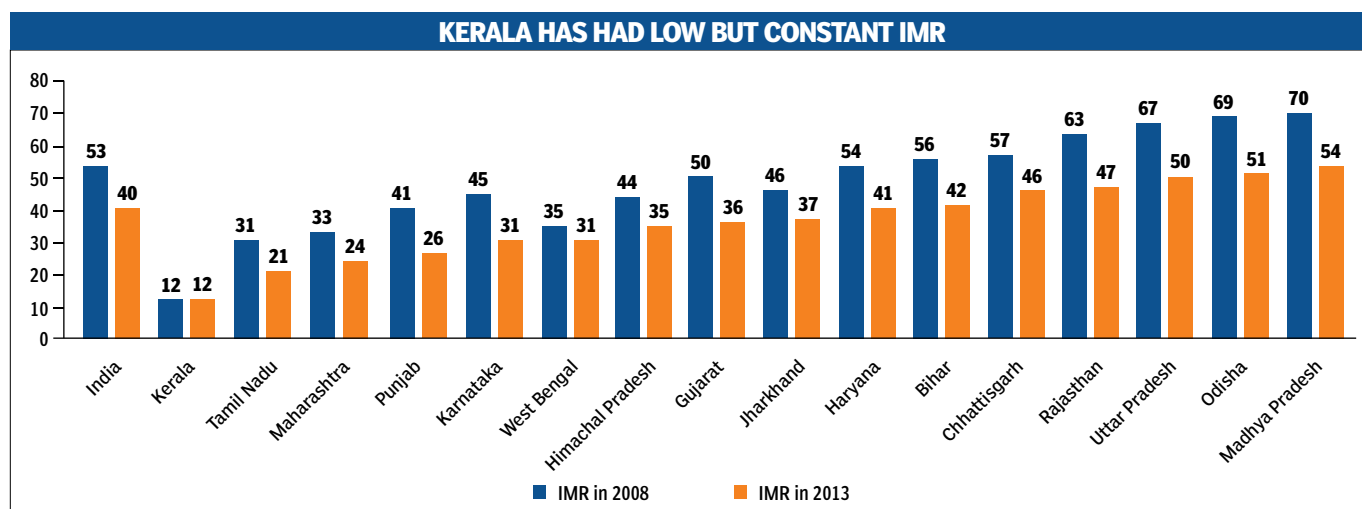
OUTCOMES

- ❖ India has made some progress in meeting its Millennium Development Goals (MDGs). Maternal Mortality Ratio (MMR), calculated through 2004-06 was **254** per **1,00,000** live births. This has improved to **167** in 2013.
- ❖ Similarly, Infant Mortality Rate (IMR) has improved from **57** in 2006 to **40** in 2013.
- ❖ There are, however, state-wise variations. IMR in Madhya Pradesh and Odisha dropped from over **65** in 2009 to **54** and **51** in 2013, respectively. Kerala had among the lowest IMR, but it has not decreased since 2008.

Maternal Mortality Ratio **167** per 1,00,000 has improved to in 2013



Source: Time series data on CBR, CDR & IMR. Available online at: <https://nrhm-mis.nic.in/Part%20B%20Demographic%20and%20Vital%20Indicators/Times%20Series%20data%20on%20CBR%20CDR%20IMR%20and%20TFR.xls> Data on MMR Available online at: https://nrhm-mis.nic.in/Home%20Page%20Lib/MMR_Bulletin_2011-13.xlsx Last accessed on February 25, 2015



Source: Time series data on CBR, CDR & IMR. Available online at: <https://nrhm-mis.nic.in/Part%20B%20Demographic%20and%20Vital%20Indicators/Times%20Series%20data%20on%20CBR%20CDR%20IMR%20and%20TFR.xls> Last accessed on February 19, 2015

In FY 2014-15, only

1,126^{cr}

were approved (including state shares)
under NUHM for 20 major states.

This represents only

5%

of the total NHM budget for
these states





Allocations to the MoHFW have
increased by 54 percent from

₹21,680^{cr}

in FY 2009-10 to

₹33,282^{cr}

in FY 2015-16



This section offers some practical leads to accessing further, more detailed information on the Union Government's health sector budget. Reader patience and persistence is advised as a lot of this information tends to be dense and hidden amongst reams of data.

| 📄 DATA SOURCES | 💡 USEFUL TIPS |
|--|--|
| <p>Union Budget, Expenditure Vol.2 Available online at: www.indiabudget.nic.in Last accessed on February 28, 2015</p> | <p>Provides total ministry-wise and department-wise allocations as well as disaggregated data according to sectors and schemes FY 1998–99 onwards. The data has both revised estimates and budget estimates and should be calculated according to the major-head and sub major-head. For health and family welfare, the heads are 2210 and 2211.</p> |
| <p>Economic Survey of India 2014-15, Chapter on 'Social Infrastructure, Employment, Human Development.' Available online at: http://indiabudget.nic.in/es2014-15/echapvol2-09.pdf Last accessed on February 28, 2015</p> | <p>Sectoral trends and expenditure on health as a percentage of total central government expenditure and GDP.</p> |
| <p>NRHM Portal, State PIP Available online at: http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html Last accessed on February 19, 2015</p> | <p>State Programme Implementation Plans (PIP) for FY 2014-15, FY 2013–14 and FY 2012–13 and Record of Proceedings (ROP) include approved allocations and physical performance for various components of NRHM.</p> |
| <p>Bulletin on Rural Health Statistics in India, 2014 Available online at: https://nrhm-mis.nic.in/Pages/RHS2014.aspx Last accessed on February 19, 2015</p> | <p>Information on PHCs, CHCs, sub-centres, doctors, nurses, and specialists.</p> |
| <p>NRHM, Health Management Information System (HMIS) Portal. Quarterly MIS Reports Available online at: http://nrhm.gov.in/component/content/article.html?id=405 Last accessed on February 19, 2015</p> | <p>Information about progress of NRHM, expenditures and releases, status of public healthcare facilities, and so on.</p> |
| <p>Time series data on CBR, CDR & IMR Available online at: https://nrhm-mis.nic.in/Part%20B%20Demographic%20and%20Vital%20Indicators/Times%20Series%20data%20on%20CBR%20CDR%20IMR%20and%20TFR.xls Last accessed on February 19, 2015</p> | <p>Contains information on vital demographic indicators over time.</p> |
| <p>Data on Maternal Mortality Rate in India Available online at: https://nrhm-mis.nic.in/Home%20Page%20Lib/MMR_Bulletin_2011-13.xlsx Last accessed on February 25, 2015</p> | <p>Has data on MMR for major states of India for 2011-2013.</p> |

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Photo: **Centre for Science and Environment**



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