

Budget India 2008: What is New for Health Sector?

The union budget is an annual financial exercise of Indian Parliament which also carries deliberations upon health sector. Even then the budget generates only limited interest amongst health personnel. A reasonable understanding of the health component of the budget is required for the doctors to comprehend the direction of the progress in health allocation. This year's budget was presented on February 29, 2008(1). The salient health related proposals in budget 2008 are as follows:

The total allocation for health sector in this financial year (2008-09) is Rs 165,340 million. This is an increase of 15 percent over last year. Out of this, the flagship National Rural Health Mission (NRHM) has been allocated Rs 120,500 million. The NRHM was given Rs 99,470 million in 2007-08 and Rs 82,070 million in 2006-07. The National AIDS Control Program gets Rs 9,930 million in comparison to Rs 9,690 million last year whereas there is almost 20% reduction in money allocated to polio eradication efforts (Rs 10,420 million in 2008-09; Rs 12,900 million in 2007-08).

Center has allocated Rs 2,050 million for a new health insurance scheme named *Rashtriya Swasthya Bima Yojana* to provide a health cover of Rs 30,000 for every worker in the unorganized sector falling below poverty line (BPL) and his/her family. A National Program for the elderly with a plan outlay of Rs 4,000 million has been proposed and two National Institutes of Ageing, eight regional centers, and a department for geriatric medical care in one medical college/tertiary level hospital in each State, have been proposed.

The other important provisions for the health sector include the cut-down of excise/custom duties on the anti-AIDS drugs and some other bulk-drugs. The budgetary allocation to Integrated Child Development Services (ICDS) has been increased from Rs 52,930 million in 2007-08 to Rs 63,000

million in 2008-09. The budget statement informed that as on the end of December 2007, India has 5,959 ICDS projects and 932,000 Anganwadi and mini-Anganwadi centers with 62.9 million children and 13.2 million pregnant and lactating mothers as beneficiaries. The amount of remuneration for Anganwadi workers (AWW) has also been increased from Rs 1,000 per month to Rs 1,500 per month and, of the Anganwadi Helpers (AWH) from Rs. 500 per month to Rs 750 per month.

The Mid Day Meal Scheme is the largest school lunch program in the world covering 114 million children. This year onwards, the Mid-day Meal Scheme has been extended to upper primary classes. This is expected to benefit an additional 25 million children, taking the total number of children covered to 139 million.

COMMENTARY

The National Health Policy (NHP) in India envisages that 2-3% of the total Gross Domestic Product (GDP) will be spent on health by 2010(2). This amount has been static at 0.9% for almost 2 decades and whatever actual increase in money allocation has occurred is because of increase in GDP. The budget allocation for NRHM is also about 30% less than the Rs 172,900 million laid out in the strategy paper for 11th five year plan(3). The process of actual expenditure of money laid out for NRHM should be further detailed as a number of states utilized only 20-30% of the allocated money in the last financial year.

The National Institute for elderly was a long awaited proposal as India is going through a demographic transition and soon it will have a large proportion of elderly population requiring increased availability of health services.

The newly proposed health insurance is welcome. However, the benefit would be limited to only a small proportion of community. It must be recalled that Government of India had started a 'Universal Health Insurance Scheme' in 2002(4) which was aimed at wider section of people in the

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country. However; this scheme received only lukewarm response. The proposed scheme leaves many people in country without reasonable option for health insurance and a scheme covering the large populace is warranted.

The Mid Day Meal program in India is going through a difficult stage. The debate on right kind of food, cooked or ready to eat, has not ended. There are infrequent reports of food not being distributed or the MDM affecting the routine school activities. Besides, the recent scientific evidence that such feeding programs do not have any impact on improving the nutritional status of children(5) demands rethinking on this issue. A parallel and inbuilt mechanism for evaluation of the performance and impact of MDM should have been established to make an informed decision in long run.

The ICDS has been given some extra millions but this allocation is not only very small but majority of this extra money will be spent on giving the added honorarium to AWW and AWHs. This means that effectively there are no extra funds left for any other activity in ICDS. The total number of ICDS projects and Anganwadi centers has increased over the years and therefore need more contribution from government.

CONCLUSION

In the time of fast economic growth in India, the budgetary allocation to health sector is far from desirable proportion of 2-3% of GDP and is constant at low rate of 0.9% of total GDP. It is a well known fact that Indian health system needs immediate overhauling and infrastructure strengthening to make any dent into the high burden of disease, infant mortality and maternal mortality and to achieve

Millennium Development Goals. Therefore, it is time that sufficient money is invested in proven interventions in a timely manner. The health sector in India promptly needs more investment.

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