

Health budget in light of pandemic: Health reforms from mirage to reality

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ABSTRACT

The outbreak of coronavirus disease (COVID-19) has triggered changes and reforms in the health sector in India. As the pandemic points to a gap in the industry, it has led to the creation of new opportunities to solve problems. To help the country repair the damage caused by the virus pandemic, the Government of India announced that in the health budget 2021, promotion of health and well-being will be one of the six pillars. Investment in health infrastructure in the 2021 budget has increased significantly to welcome the much-needed increase in budget allocations of Rs. 2.3 lakh crore. Three areas will also be strengthened, including preventive health care and therapeutic health care. Special emphasis is placed on prevention, treatment, and health care. To promote primary health care, the country will establish 17,000 rural and 11,000 urban health care centers. Provision of affordable quality medical insurance will be provided by the government. The integrated and collaborative model of the public and private sectors in the provision of health services has led to a rapid expansion of work. This is an attempt to demonstrate the planned reforms in the health budget, especially during the COVID-19 pandemic. The budget of 2022-23 is about to be announced soon. It is to be seen how the financial allocation for the health sector impacts the health of the Indian people.

Keywords: COVID-19, health budget, health reforms, pandemic

Introduction

It is observed that among some industries in the world, the health-care industry has an unforeseen future. For centuries, the field has developed continuously and there are no signs of slowing down in the future. Every day, certain entities that contribute to the health system have made technological

advances.^[1] Many advancements and innovations have been made in the health-care industry. These new developments can change, improve, and save people worldwide. With these daily changes in the health-care market, it is difficult to determine how to spend and balance budgets.^[1]

The main aim and work of health planners and managers is to prepare a health budget, understand its principles, and the political aspects of budget development and its approval. In many countries, such activities do not occur. This means that health planning, budgeting, policymaking, and administration all take place independently of each other. This leads to a mismatch between health priorities, resource allocation, and use in such countries.^[2]

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The Indian Constitution provides affordable and accessible primary health-care services in India. Health care in India also provides universal health coverage (UHC) which means that communities and individuals receive full coverage of health care services without financial hardships. Thus, how budgets are prepared, allocated, and used in the health sector is an important aspect of UHC.^[2]

Health Care in India

India has one of the lowest public health expenditures relative to GDP in the world. The country's public health system, including both the state and the central government, is approximately 1.3% of GDP. However, it is 7.6% on average for OECD countries and 3.6% on average for other Brazil, Russia, India, China and South Africa (BRICS) countries. The government has taken many initiatives to provide a large budget for health care in India.^[3]

Footprints of political will in the recent past

The government has launched initiatives to increase spending in the health sector. The first National Health Policy was formulated in 1983 and updated in 2002 and recently in 2017. This recent policy emphasis is laid on four major aspects: increased burden of non-communicable diseases, building of robust health care systems, increased spending on health care, and economic growth.^[4]

To achieve UHC, the government launched the largest health insurance scheme "Ayushman Bharat Pradhan Mantri Jan Arogya Yojana" in 2018. The main aim of this scheme is to cover marginalized sections of the country's population and provide them with cashless health-care services in both public and private hospitals.^[5] Net spending on health care by the Indian government in 2019 was 1.23% of its GDP, showing that India is among the countries with the lowest health care budget in the world.^[6]

Health budget 2021–22

Health care has been an important aspect of all political decisions since the coronavirus disease (COVID-19) pandemic has hit India. This pandemic has taught people the importance of investing in primary health care. It has affected everyone on the planet, crippled life, and led to the squeezing of economies throughout the world. Different aspects of life have been affected, such as health (mental and physical), education, employment, income, livelihoods, tourism, and social interaction among people. As a result, India's GDP has contracted by 7.8% as compared to previous years.^[7]

Health-care providers on Monday welcomed the 2021–22 budget, saying it will give the health sector a much-needed boost and demonstrate a commitment to pandemic response, building a stronger and resilient health care system.^[7] Investing in health care is a long-term and sustainable investment, and it is hoped that the 2021–22 union budget will focus on primary health care.

Some of the excerpts from the health budget 2021–22

- It is encouraging to see that the health sector has presented the recent budget as a health and well-being budget and not just a health budget as it was in the past, indicating that the government gave importance to well-being and health. This focus is laid on strengthening three key areas: preventive health, curative health, and well-being during the current year to deliver effective primary health care facilities to the beneficiaries.^[8]
- Union budget 2021–22 rests on six pillars. This includes health and well-being, physical and financial capital, infrastructure, development for aspirational India, reinvigorating human capital, innovation and research development, and minimum government and maximum governance.
- Among these six pillars, budget allocation for health and well-being is 2.23 lakh crore (6.5% of the total budget) which has increased by 137% from the previous year allocation.^[8] This budget allocation is for all, that is, for the Ministry of Health and Family Welfare and also for the Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha, and Homoeopathy (AYUSH).
- The budget reflected under health and wellness shows that there is an 11% increase in allocation for the Department of Health and Family Welfare, 13% increase for the Department of Health Research, and 14% increase for the Ministry of AYUSH.^[8]
- The Ministry of Health and Family Welfare comprises two departments: the Department of Health and Family Welfare and the Department of Health Research. The budget allocation for these departments is 97% (65,012 crore) and 3% (2100 crore) in the proposed budget.^[9]
- A new centrally sponsored scheme, "Pradhan Mantri Aatma Nirbhar Swasth Bharat Yojana," will be launched with an outlay of Rs. 64,180 crore over the next 6 years. The objective is to develop primary, secondary, and tertiary level care institutions in the health system; strengthen existing national institutions; and create new institutions for the detection and cure of new and emerging diseases. This was in addition to the National Health Mission (NHM).^[8] This will improve access to better primary health-care facilities in the long run.
- This scheme will further strengthen various other health services in states and districts to provide better health care services.
- Seventeen thousand rural and 11,000 urban health and wellness centers and integrated public health labs will be set up in each district.^[3] Without primary care, it is difficult to resolve any health issues. It is explicit that there will be investments in primary health care through these health and wellness centers.
- In addition, this expenditure on medical services will be used to set up integrated public health labs in all districts, 3382 block public health units in 11 states, and establish critical care hospital blocks in 602 districts and 12 central institutions.^[7]
- An increased focus on research that pushes young minds into new start-ups and efforts to provide sanitation and safe drinking water to the entire population will further take our nation forward on the path to becoming a five-trillion-dollar economy.

- Amid this COVID-19 pandemic, virologists have stressed strengthening public health infrastructure, including surveillance and diagnostic facilities.
- The National Centers for Disease Control (CDC) plays an important role in early detection and disease surveillance; therefore, provisions are made in the current budget for the strengthening of the National CDC, its 5 regional branches, 20 health surveillance units in metropolitan cities, 9 biosafety laboratories, and 4 regional National Institutes for Virology.^[7]
- A proposal has been made to establish the National Institute for One Health in partnership with the WHO with a concept that looks at health from an all-inclusive human, animal, and environmental perspective.
- This approach will be helpful for the early prevention, detection, and control of endemic and zoonotic diseases such as COVID-19.^[7]
- Under Aatma Nirbhar Swasth Bharat Yojana, 35,000 crore will be provided for the coronavirus vaccine.^[3]
- To improve nutritional status, the government will also launch Mission The Prime Minister's Overarching Scheme for Holistic Nourishment (POSHAN) 2.0, across 112 aspirational districts.^[3]
- The pneumococcal vaccine will be deployed across the country, beyond only five states. This will prevent more than 50,000 deaths per year in the country.^[7]

Union Budget 2021–22: How good is the hike in allocation for health?

- There is a very slight increase in spending of budget this year from the previous year accounting to just 1% increase (from 34.50 lakh crore last year to 34.83 lakh crore this year).^[7]
- As shown, budget allocation to the Union Ministry of Health and Family Welfare is Rs. 71,268.77, which is an increase of around 10% over the previous year's budget. However, the revised estimate for the last year was 78,866 crore. This means that the budget allocation for the Union Ministry of Health has decreased by 9.6%.^[10]
- The National Health Policy 2017 projects that 2.5% of the GDP in India will spend in the health sector by 2025. A 10% hike that too during the novel COVID-19 pandemic will not take us anywhere close to that goal.^[10]
- Although the total budget allocation this year is approximately 10% higher than that in the previous year, we have missed inflation of the consumer price index rate which was 7.5% in 2019. Thus, whatever allocation has increased, it will be used to offset inflation. Based on this scenario, we reach the conclusion of what the government will achieve as we are still a long way to reach our goal.^[11]
- India spent 1.8% of its GDP on health in 2020–21, so high out-of-pocket expenditure (OOPE) on health in India is really a matter of concern. According to the Economic Survey 2021, if India increases its spending on GDP to 3% from the current levels, then OOPE will be reduced to about 30% from 60%.^[10]
- A large proportion of the health budget was allocated to the NHM (Rs. 27,039 crore) which is almost the same as the

previous year, but it is less than the revised budget allocation in 2019–20 (Rs. 27,833.6 crore).^[11]

- The largest decline in allocation was from Rs. 156 to Rs. 29 for the scheme Rashtriya Swasthya Bima Yojana. However, allocation for Ayushman Bharat Yojana remains unchanged (Rs. 6400 crore), although we needed to increase this.^[10]
- The increase in the health-care budget to 2.23 lakh crore was mainly due to the budget allocation for COVID-19 vaccination (35,000 crore, increase of 27%) and the increased water and sanitation costs (74,500 crore, 58% increase). (Some facts: maximum allocation is mainly for COVID and sanitation and has neglected other diseases.)^[12]
- It was expected that there would be a reduction in GST on active pharmaceutical ingredients (APIs) from 18% to 12% to reverse the inverted duty structure, but this point was missed.^[3]
- Reducing the import tax on medical equipment will reduce people's expenditure on medical services. However, there is no mention of this point.^[3]
- During this COVID-19 pandemic, the public has shown a lack of confidence in government hospitals. There is a need to address this lack of faith.^[7]
- Provision of health care is a team effort and not just the responsibility of a single person. This budget does not emphasize the comprehensive use of health resources. The Human Resources for Health Commission should consider the skills and responsibilities of all medical and paramedical staff and provide a suitable working environment and payments to increase their efficiency.^[7]
- Premiums for health insurance schemes should be reduced to provide relief to people. Similarly, more research and development should be encouraged in the field of health and medicine. However, such provisions are not present in this budget.^[3]

Conclusion

A latest chapter published in the Economic Survey 2021 says "Healthcare takes centre stage, finally!". This indicates that despite all the discussions about the latest budget figures, this fact is not what we see. In some situations, the budget failed to justify the projected points. The increase in the health budget is not exactly as claimed, that is, up to 137%. However, most of the points are impressive. The health-care sector is a key intervention area and is a part of the country's development plan, and it is necessary to strengthen the delivery of health services through public-private partnerships. Proposed initiatives, such as setting up health and wellness centers and integrated public health laboratories, would further expand access to services. Promoting primary health care in the most remote areas of the country will emphasize preventive medicine. Other impressive points are the provision of intensive care, improving water supplies, reducing air pollution, and strengthening infrastructure. The success of this 2021–22 budget will be determined by the

quality of its execution. The budget of 2022-23 is about to be announced soon. It is to be seen how the financial allocation for the health sector impacts the health of the Indian people.

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Conflicts of interest

There are no conflicts of interest.

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