Continuing Neglect of Public Health Care

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Allocations to the budget for health appear to be impressive but a closer look shows that this is not so, especially taking into consideration the high inflation rate in the previous year. A substantive criticism is presented on allocation to HIV/AIDS, polio eradication, and leprosy control programme. The budget seems to have an upper income urban bias with the neglect of urban public health care. Importance has to be given to Millennium Development Goals that are still unmet. Health for All has to be prioritised in the allocations to different programmes.

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The health sector budget has often seen mere tinkering in the past with a low to moderate rise in allocation from time to time. This Budget, 2007-08 appears different, as there is significant rise in fiscal allocation in nominal terms. The increase is less praiseworthy, if one were to look at it in real terms and compare it with the revised allocation for the year 2006-07. Apart from this, the Finance Minister's sleight of hand is clearly visible, as higher allocations to National Rural Health Mission (NRHM) are essentially a combination of all the erstwhile vertical programmes.

A vital objective of NRHM is to integrate all the national disease control programmes under a single umbrella. This is to allow flexibility in funds flow and their utilization according to the needs and priorities of different States. This is sought to be achieved by a decentralized planning process in which District Health Action Plans were to be put in place by March 2007. In his budget speech, the Finance Minister proclaimed that institutional integration of all health schemes at the district and lower levels had been achieved. It was also reported that out of the 3.2 lakh Accredited Social Health Activists (ASHA) recruited so far, 2.0 lakh have already been trained. The minister further reiterated that at all levels, the mainstreaming of the erstwhile Indian System of Medicines (ISM) – rechristened as Ayurveda, Yoga and Naturopathy, Unani, Sidha and Homeopathy (AYUSH) – into the health delivery systems is being done. The achievements outlined above appear laudable and impressive; the real test of these efforts would be seen if there is a perceptible fall in infant and other mortality rates and morbidity rates in the next few years. In order to achieve the NRHM goals, the budget allocation has been increased to Rs. 9,947 crore in 2007-08 as against the budgeted allocation of Rs. 8,207 crore in the previous year i.e., an increase of over 21 per cent. The increase is only 13.8 per cent if we account for a high inflation of 6.46 per cent during the last year period (Table 1). However, it needs to be spelt out here that the revised allocation in 2006-07 was at least 10 per cent below the previous year's budgeted figures (Table 1). Therefore, even an increase of 13-14 per cent in this year's budget allocation would stand scrutiny next year.

Regardless of its importance, the overemphasis on the control of the HIV/AIDS cannot be justified as the programme is essentially donor driven. The current budget proposes to step up allocation to Rs. 969 crore. This is intended to gradually extend Anti-Retroviral Therapy (ART) to the HIV/AIDS infected population. While one would have expected the HIV/AIDS programme to be integrated into the overarching NRHM, the enormous donor presence and

excessive support to the sector has already ensured its separate identity, retaining its verticality. This creates enormous distortions in the efforts and allocations vis-à-vis other more pressing health needs of the country.

Table 1: Change in Allocation,2007-08 in Real Terms

	Budget head	BE 2006-07	RE 2006-07	BE 2007-08	per cent	RE Real 2006-07	per cent
1	**1) Health Total (a + b + c)**	***3237.49***	***3137.79***	***4026.15***	**28.31**	***3340.49***	**20.53**
2	a) Total Hospitals and Dispensaries	263.25	284.49	261.4	-8.12	302.87	-13.69
3	b) Total Medical Education Training & Research	1436.64	1341.37	1520.41	13.35	1428.02	6.47
4	c) Public Health – Total#	1195.54	1110.86	1847.29	66.29	1182.62	56.20
5	*d) National Disease Control Programme*	*755.64*	740.78	884.06	19.34	788.63	12.10
6	*e) Family Welfare Services*	*1617.06*	1054.09	1944.34	84.46	1122.18	73.26
7	*f) Contraception*	*325.55*	390.36	350.5	-10.21	415.58	-15.66
8	*g) RCH Project*	*235.88*	5.27	196	3619.17	5.61	3393.49
9	*h) Immunization*	*1330.5*	1232.72	1589.88	28.97	1312.35	21.15
10	*i) Information, Education, and Communication (IEC) and Training & Research Institutes*	*294.62*	271.21	338.29	24.73	288.73	17.16
11	*j) Flexible Pool of State Project Implementation Plans (PIPs)*	*3060.83*	3088.83	4159.92	34.68	3288.37	26.50
12	*k) Area Projects*	*205.57*	178.9	50.01	-72.05	190.46	-73.74
13	*l) Other Welfare Schemes*	*79.86*	35.42	81.41	129.84	37.71	115.90
14	**2) Total – NRHM (d+e+f+g+h+i+j+k+l)**	***8141.9***	***7190.37***	***9839***	**36.84**	***7654.87***	**28.53**
15	**3) AID Material, Provision for North East and International Co-operation**	***1138.39***	***1000***	***1387.5***	**38.75**	***1064.60***	**30.33**
	GRAND TOTAL (1 + 2 + 3)	***12545.88***	***11366***	***15291***	**34.53**	***12100.24***	**26.37**

Source: Compiled from Union Budget 2007-08 (http//indiabudget.nic.in)
Notes: # - consists of Aids Control Programme; Inflation rate for the 2006-07 is 6.46 per cent (upto March 3, 2007)

This year's budget promised an enhanced allocation of Rs. 1,290 crore for polio eradication, accounting for over one-eighth of the NRHM budget and an increase of over 20 per cent in real terms (Table 2). This may facilitate better targeting and extensive coverage of the programme so as to realize two goals: a) The peculiar situation of fresh outbreak of polio cases, as it happened in western U.P. last year, do not recur; and b) the governments' commitment of complete eradication of polio by 2005 as enumerated in NHP is fulfilled. The increase however raises serious questions about the cost-effectiveness of the programme, where other killer diseases like T.B. and Malaria continue to be neglected due to want of funds. The data shows that the allocation in real terms for vector borne diseases control programme has declined by nearly 2 per cent (from Rs. 376 crore to Rs. 368 crore), whereas for TB control programmes the increase is only 13 per cent (Table 2). Similarly, decline in allocation for Leprosy control programme implies that the target of complete elimination of leprosy will not be met for another year. A silver lining, however, is the enhanced allocation to a few other schemes like Family welfare, RCH and integrated disease surveillance scheme under National Health Policy (Table 2).[1] If the targeting is effective, the additional outlay will have significant impact on fertility and mortality patterns.

Table 2: Change in Allocation for Schemes Oriented towards NHP Goals, 2007-08

NHP Goal(s)	Budget head	RE 2006-07	BE 2007-08	per cent	BE Real 2006-07	per cent
1	Pulse Polio Immunization	1006.72	1289.38	28.08	1071.75	20.31
2	Leprosy Control Programme	35.41	34.65	-2.15	37.70	-8.08
3,4,6	Vector borne disease control programme	352.95	368.4	4.38	375.75	-1.96
5	National Aids Control Programme	636.67	719.5	13.01	677.80	6.15
6	TB Control Programme	206.5	249	20.58	219.84	13.26
7	Trachoma & Blindness control programme	98.39	126	28.06	104.75	20.29
8, 9	Family Welfare Services	1054.09	1944.34	84.46	1122.18	73.26
8, 9	RCH Project	5.27	196	3619.17	5.61	3393.49
10	Information, Education, & Communication (IEC) and Training and Research Institutes	271.21	338.29	24.73	288.73	17.16
11	Integrated Diseases Surveillance programme	33.36	72.01	115.86	35.52	102.76
	TOTAL	**3700.57**	**5337.57**	**44.24**	**3939.63**	**35.48**

Source: Same as above.

Table 3: Health Budget Highlights – Upper Income Bias

	Budget Provision	Comment
1	Increase in allocation for National Rural Health Mission from Rs 8,207 crore to Rs 9,947 crore	In real terms increase is only 13.8 per cent (against nominal increase of 21 per cent) as in 2006-07 inflation was 6.46 per cent.
2	Anti-Aids allocation up at Rs 969 crore	Donor Driven allocations leading to distorted focus on overall health care
3	More coverage on Polio program with provision of Rs 1,290 crore in 2007-08	In real terms, increase is significant -21 per cent but some other programmes like leprosy & vector borne disease control have received less allocations.
4	Reduction in general rate of import duty on medical equipments to 7.5 per cent.	Benefits may accrue primarily to big hospitals like Apollo, Escorts, Max etc. – Most of these Hospitals unreachable for marginal and middle class people – thus, Upper urban income bias
5	Reduction in duty from 7.5 per cent to 5 per cent on 15 specified machinery for pharmaceutical and biotechnology sector	Implication is difficult to tell unless the use of specified machinery is known - whether it will be used for preventive or curative drugs.
6	Exemption of service tax on clinical trials of new drugs including vaccines and herbal remedies	No immediate benefit – Benefit in the long run provided some breakthrough
7	Expenditure on free samples of medicines and medicinal products to be excluded from the scope of Fringe Benefit Tax (FBT)	URBAN BIAS – only Upper middle income group is covered under FBT
8	Pass through status to be granted to VC fund for the R&D related new chemical entities in the pharmaceutical sector	Pharma industry driven benefits – Implication on Healthcare for all unknown
9	Weighted deduction for R&D extended to 5 more years	Pharma industry driven benefits - Implication on Healthcare for all unknown

A closer look at the other related announcements in the budget indicates its pro-corporate inclination. Big businesses including pharma industry, mega hospitals, clinical trial business have received benefits such as, duty reduction on medical equipment imports, service tax

exemption on clinical trials, weighted deduction for R & D, etc. However, the critical health care that the common people need continues to get back seat. The budget incidentally seems to have upper income urban bias with the neglect of urban public health care as indicated in Table 3. In fact, urban public health care has been completely left out of any new policy measures assuming that all is well with the private sector taking the leading role. Since in India, people pay largely from out-of-pocket unlike other countries where they are covered by insurance – the recent urbanization and accompanying life style with its associated catastrophic expenditure[2] has grave ramifications for a large part of urban population in the fringe of poverty line that can be pulled into the vortex of poverty.

Over half a century, the health sector has served as a ground for rhetoric. Many important goals pledged at international forums say Alma Ata declaration or Millennium Development Goals are unmet and repeatedly revised. The sector not only needs finance but also effective monitoring and a strong emphasis on preventive care rather than curative care. The above discussion however indicates that the increased allocation to the health sector at the face value is a bit ambiguous. A detailed look is necessary that provides a different picture. The focus of the budget is still on curative care and many provisions are given keeping health tourism in mind, rather than any watershed effort to ensure health for all.

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[1] Refer Kathuria (2006) for different NHP and Millennium Development Goals and the budgetary allocation for the year 2006-07 to achieve these goals (www.esocialsciences.com/articles/displayArticles.asp?Article_ID=512).

[2] Catastrophic expenditure is the expenditure of households on health that exceeds certain threshold in the event of few common and certain health problems. The former includes T.B. and few varieties of malaria which are life-threatening situation and later includes heart attacks, cancer, HIV/AIDS, etc.