

Demand for Grants 2020-21 Analysis

Health and Family Welfare

The Ministry of Health and Family Welfare has two departments: (i) the Department of Health and Family Welfare, and (ii) the Department of Health Research. The Department of Health and Family Welfare is responsible for functions including: (i) implementing health schemes, and (ii) regulating medical education and training. The Department of Health Research is broadly responsible for conducting medical research.

This note analyses the financial allocation trends and key issues concerning the health sector.

Overview of finances

Overall, India's public health expenditure (sum of central and state spending) has remained between 1.2% to 1.6% of GDP between 2008-09 and 2019-20.^{1,2,3} This expenditure is relatively low as compared to other countries such as China (3.2%), USA (8.5%), and Germany (9.4%).

In 2020-21, the Ministry received an allocation of Rs 67,112 crore. This is an increase of 3.9% over the revised estimates of 2019-20 (Rs 64,609 crore).⁴ Under the Ministry, the **Department of Health and Family Welfare** accounts for 97% of the Ministry's allocation, at Rs 65,012 crore. Whereas, the **Department of Health Research** is allocated Rs 2,100 crore (3% of the allocation).

Table 1: Budget allocation for the Ministry of Health and Family Welfare (in Rs crore)

Item	Actuals 2018-19	RE 2019-20	BE 2020-21	% Change (RE to BE)
Health & Family Welfare	52,954	62,659	65,012	3.8%
Health Research	1,728	1,950	2,100	7.7%
Total	54,682	64,609	67,112	3.9%

Note: BE – Budget Estimate; RE – Revised Estimates.
Sources: Demand Nos. 42 & 43, Ministry of Health and Family Welfare, Union Budget 2020-21, PRS.

The revised estimate in 2019-20 for the Department of Health and Family Welfare matched the budget estimate of Rs 62,659 crore. Whereas, the Department of Health Research slightly overshot its budget estimate by Rs 50 crore.

Table 2 contains the allocation to major expenditure heads under the Ministry for the year 2020-21.

Table 2: Allocation to major expenditure heads under the Ministry (in Rs crore)

Major Heads	Actuals 2018-19	RE 2019-20	BE 2020-21	% Change (RE to BE)
NHM (total)	31,045	33,790	33,400	-1%
-NRHM	25,495	27,834	27,039	-3%
-NUHM	868	950	950	0%
-Others	4,682	5,006	5,411	8%
Autonomous Bodies (AIIMS, PGIMER, ICMR)	8,718	10,095	9,616	-5%
Ayushman Bharat: Pradhan Mantri Jan Arogya	1,998	3,200	6,400	100%
PMSSY	3,797	4,733	6,020	27%
National AIDS & STD Control Programme	1,803	2,956	2,900	-2%
Family Welfare Schemes	598	776	831	7%
Rashtriya Swasthya Bima Yojana	227	114	29	-75%
Others	6,497	8,946	7,916	-12%
Total	54,682	64,609	67,112	4%

Note: BE - Budget Estimate; RE - Revised Estimates; NHM- National Health Mission; NRHM- National Rural Health Mission; NUHM- National Urban Health Mission; PMSSY- Pradhan Mantri Swasthya Suraksha Yojana. Autonomous Bodies include the All India Institute of Medical Science, Post Graduate Institute of Medical Education and Research, Chandigarh, and the Indian Council of Medical Research, New Delhi
Sources: Demand No. 42 & 43, Ministry of Health and Family Welfare, Union Budget 2020-21, PRS.

- The National Health Mission (NHM) receives about 50% of the Ministry's allocation, which amounts to Rs 33,400 crore in 2020-21. Under the NHM, the rural component, i.e., the National Rural Health Mission (NRHM) has been allocated Rs 27,039 crore, a 3% decrease over the revised estimates of 2019-20. The allocation for National Urban Health Mission (NUHM) at Rs 950 crore remained the same over the revised estimates of 2019-20.
- Other items under NHM include funds for health and medical education amounting to Rs 4,686 crore in 2020-21.

- Allocation to autonomous institutes like the AIIMS and the Indian Council of Medical Research saw a decrease of 5% at Rs 9,616 crore from the revised estimates of 2019-20.
- Pradhan Mantri Jan Arogya Yojana has seen the highest increase in allocation at 100% (Rs 6,400 crore) over the revised estimates of 2019-20 (Rs 3,200 crore). The scheme provides a cover of Rs five lakh per family per year to about 10.7 crore families belonging to the poor and vulnerable population.
- Higher allocation has been made for Pradhan Mantri Swasthya Suraksha Yojana at Rs 6,020 crore (27% increase). It focuses on correcting regional imbalances in the availability of affordable tertiary healthcare services.

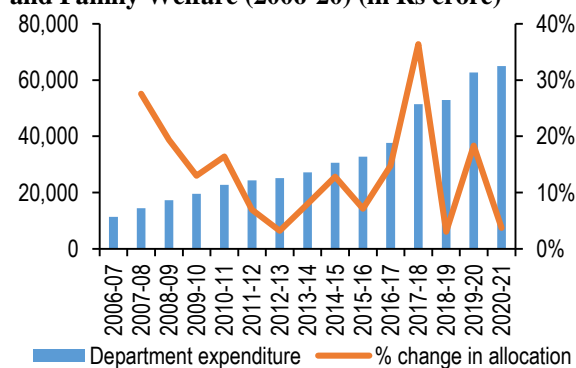
Budget speech highlights 2020-21

- A health cess of 5% will be levied (in addition to customs duty) on certain medical devices, such as X-ray machines, imported into India. This cess may be utilised for the financing of health infrastructure and services.
- Viability gap funding window has been proposed for setting up hospitals in the public-private partnership mode. Proceeds from taxes on medical devices would be used to support this health infrastructure.
- Jan Aushadhi Kendra Scheme will be expanded to all districts offering 2,000 medicines and 300 surgeries by 2024.

Trends in allocation and expenditure

In the last 15 years, the allocation to the Department of Health and Family Welfare has increased from Rs 11,366 crore in 2006-07 to Rs 65,012 crore in 2020-21. Over the period 2006-20, the Compound Annual Growth Rate (CAGR) has been 13%. CAGR is the annual growth rate over a certain period of time.

Figure 1: Allocation to the Department of Health and Family Welfare (2006-20) (in Rs crore)



Note: % change in allocation is BE (2020-21) over RE (2019-20) for 2020-21.

Sources: Union Budgets, 2006-07 to 2020-21; PRS.

Table 3 indicates the actual expenditure of the Department of Health and Family Welfare compared with the budget estimates of that year (2010-20). The utilisation has been over 100% in the last three years, i.e., the Department exceeded its budget estimates. As per the revised estimates of 2019-20, the Department has already reached 100% utilisation.

Table 3: Comparison of budget estimates and the actual expenditure (2010-20) (in Rs crore)

Year	BE	Actuals	Actuals/BE
2010-11	23,530	22,765	97%
2011-12	26,897	24,355	91%
2012-13	30,702	25,133	82%
2013-14	33,278	27,145	82%
2014-15	35,163	30,626	87%
2015-16	29,653	30,626	103%
2016-17	37,066	37,671	102%
2017-18	48,853	51,382	105%
2018-19	52,800	52,954	103%
2019-20	62,659	62,659*	100%

Note: BE – Budget Estimates; *Revised Estimates.

Sources: Union Budgets, 2010-20; PRS.

Financial allocations to outcomes

National Health Mission

The National Health Mission (NHM) consists of two sub missions, the National Rural Health Mission (focused on rural areas) and the National Urban Health Mission (focused on urban areas). NHM aims at strengthening public health systems and healthcare delivery.

The various components under NHM include: (i) reproductive, maternal, new born and child health services (RCH Flexi Pool), (ii) NRHM Mission Flexi Pool for strengthening health resource systems, innovations and information, (iii) immunisation including the Pulse Polio Programme, (iv) infrastructure maintenance, and (v) National Disease Control Programme.

Note that, funding for NHM is done through flexible pools, such as RCH flexible pool, and flexible pool for communicable diseases. The rationale for creating of the flexible pool is to allow more financial flexibility and efficient distribution of funds in order to obtain desired health outcomes.

The allocation for NHM in 2020-21 (Rs 33,400 crore) saw a 1% decrease over the revised estimates of 2019-20. NHM's percentage share in the total budget has decreased from 73% in 2006-07 to 50% in 2020-21.

In 2020-21, there has been no change in allocation towards all the flexible pools. The funding for the flexible pools are: (i) Rs 5,703 crore for the

immunisation pool, (ii) Rs 2,178 crore towards the flexible pool for communicable diseases, and (iii) Rs 717 crore towards the flexible pool for non-communicable diseases.

Table 4 shows the key targets achieved under the NHM framework.

Table 4: Targets as per NHM framework

Targets (2012-17)	Status (as on Dec 2019)
Reduce IMR to 25	IMR has reduced to 35 in 2017.
Reduce MMR to 100/1,00,000 live births	MMR has reduced to 122 in 2017.
Reduce TFR to 2.1	TFR has reduced to 2.3 in 2016.
Annual Malaria Incidence to be < .001	Annual Malaria Incidence is 0.02 in 2019.
Less than 1 % microfilaria prevalence in all districts	Out of 256 endemic districts, 99 have reported incidence less than 1% till 2018.
Kala-Azar elimination by 2015, <1 case per 10,000 population in all blocks	92% endemic blocks have achieved the elimination target in 2019.
Reduce annual prevalence and mortality from Tuberculosis by half	Incidence reduced from 300 per lakh in 1990 to 204 per lakh in 2017. Mortality reduced from 76 per lakh in 1990 to 31 per lakh in 2017.

Source: Health and Family Welfare Statistics 2017; Unstarred Question No. 4335, Ministry of Health and Family Welfare, Lok Sabha, December 13, 2019; PRS.

Note: IMR-Infant Mortality Rate; MMR-Maternal Mortality Rate; TFR-Total Fertility Rate.

The objective of NHM is to ensure universal access to equitable, affordable, and quality health care services. This is done through improving health infrastructure and enhancing service delivery by training human resources in healthcare. Healthcare infrastructure in India can be categorised into *physical infrastructure* and the *human resources* who provide medical services.

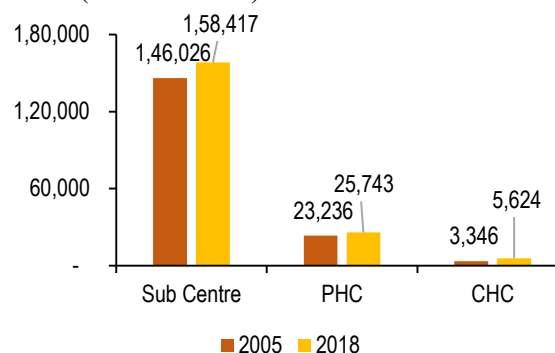
Physical infrastructure

Depending on the level of care required, healthcare in India is broadly classified into three types. This classification includes primary care (provided at primary health centres), secondary care (provided at district hospitals), and tertiary care institutions (provided at specialised hospitals like AIIMS). Primary health care infrastructure provides the first level of contact between health professionals and the population.⁵

Broadly, based on the population served and the type of services provided, primary health infrastructure in rural areas consists of a three tier system. This includes Sub-Centres (SCs), Primary Health Centres (PHCs), and Community Health Centres (CHCs).⁶ A similar set up is maintained in urban areas.⁷

The number of SCs, PHCs, and CHCs in 2005 and 2018 respectively across rural and urban areas are given in Figure 2.

Figure 2: Number of Sub Centres, PHCs, and CHCs (2005 and 2018)



Source: Comparative Statement, Health Management Information System; PRS.

A shortfall has been observed at different levels of the healthcare delivery system. As of 2018, there is a shortage of 2,188 CHCs, 6,430 PHCs and 32,900 SCs.⁸ The Ministry has noted that the existing ones are also poorly equipped and have inadequate infrastructure with many PHCs functioning in erstwhile single room SCs and many SCs in thatched accommodation.⁹ Note that under NRHM, states were permitted to establish facilities as per need. However, not many states did so due to lack of funds and the inability to close down even existing facilities (not in use) due to administrative bottlenecks.⁹

Under NHM, support is provided to states to strengthen existing public health facilities. As of 2018, there are 25,778 government hospitals (including community health centres) in India.¹⁰ Further, states have constructed 268 new district hospitals and upgraded 3,288 hospitals.³ With regard to secondary and tertiary care, the HLEG (2011) recommended that in order to guarantee secondary and tertiary care, equitable access to functional beds must also be provided.¹¹ According to the World Health Statistics, India ranks among the lowest in this regard, with 0.7 beds per 1,000 people, far below the global average of 3.4 beds.¹² It recommended functional bed capacity should be expanded to 2 beds per 1000 population by 2022.

Human resources in health

Between 2014 and 2018, the number of registered doctors increased by 24% from 7,47,109 to 9,23,749.⁸ Note that despite the increase, there has been a steady increase in the shortfall of doctors, specialists and surgeons. For example, as of 2018, there is a shortfall of 46% of doctors, and 82% of specialists including surgeons, obstetricians, gynaecologists, physicians, and paediatricians in Primary Health Centres across India.⁸

Certain reasons identified for the shortage of personnel in government facilities include: (i) poor working environment, (ii) poor remuneration making migration to foreign countries and to the private sector more attractive, and (iii) procedural delays in recruitment and poor forward planning for timely filling up of positions. It has been estimated that filling up human resource gaps in 16 states, would require an outlay equivalent to 0.6% to GDP.¹¹

Table 5 shows the number of health professionals in India.

Table 5: Number of public health professionals in India (2014-18)

Profession	2014	2018	% increase
Allopathic Doctors	7,47,109	9,23,749	24%
AYUSH Doctors**	7,36,538	7,99,879	9%
Nurses and Pharmacists	32,86,157	40,91,597	25%

Notes: **includes Ayurveda Unani Siddha Naturopathy Homeopathy.

Source: Economic Survey 2019-20; PRS.

Pradhan Mantri Jan Arogya Yojana (PMJAY)

Launched in September 2018 under the Ayushman Bharat programme, PMJAY aims to provide a cover of Rs five lakh per family per year to 10.7 crore families (no cap on family size and age) belonging to poor and vulnerable population.¹³ The scheme subsumed two centrally sponsored schemes, namely, Rashtriya Swasthya Bima Yojana (RSBY) and the Senior Citizen Health Insurance Scheme.

Benefits: The scheme provides insurance coverage for secondary and tertiary healthcare. At present, 1,393 procedures across different specialties such as general medicine, oncology, cardiology, and orthopaedics are covered. In addition, the scheme provides for pre and post hospitalisation expenses.

In 2020-21, PMJAY has been allocated Rs 6,400 crore, an increase of 100% over the revised estimates of 2019-20. In 2019-20, the scheme was allocated Rs 6,400 crore which was revised downward to Rs 3,200 crore.

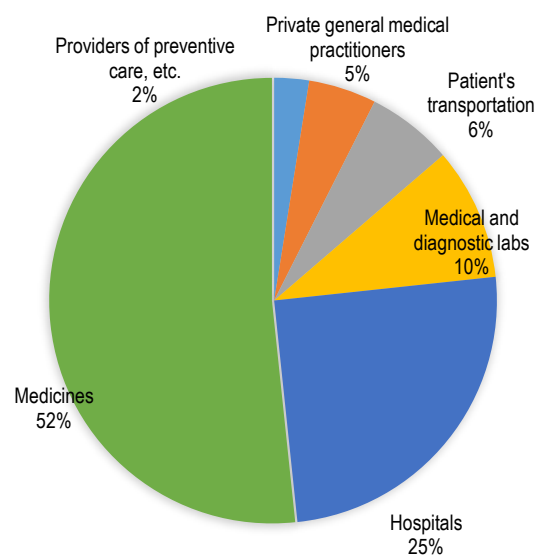
A study report by the 15th Finance Commission estimated the demand and expenditure on the PMJAY for the next five years. It stated that the total costs (centre and states) of PMJAY for 2019 could range from Rs 28,000 crore to Rs 74,000 crore.¹⁴ This estimate takes into account: (i) the assumption that all targeted beneficiaries will be covered (approximately 50 crore people), (ii) hospitalisation rates over time, and (iii) average expenditure on hospitalisation. Further, it noted that these costs could go up to between Rs 66,000 crore

and Rs 1,60,089 crore in 2023 (accounting for inflation).

Note that, the Standing Committee on Health (2018) and a study report of the 15th Finance Commission (2019) have noted that PMJAY is just an extension of RSBY which provided for coverage of up to Rs 30,000 per family per annum.^{14,15} Hence, to ensure proper implementation of the scheme, an analysis of the failures and inadequacies of RSBY should be done. This would look at whether: (i) RSBY covered all potential beneficiaries, (ii) hospitalisation rates increased under the scheme, and (iii) insurance companies were profitable under the scheme.

While PMJAY provides coverage for secondary and tertiary levels of healthcare, most of the out-of-the-pocket expenditure made by the consumers is actually on buying medicines (52%), and towards public hospitals (22%) (See Figure 3).¹⁶ Out-of-the-pocket expenditure are the payments made directly by individuals at the point of service where the entire cost of the health service is not covered under any financial protection scheme.

Figure 3: Major heads for which out-of-pocket expenditure is made (2014)



Sources: Household Health Expenditures in India (2013-14), December 2016, Ministry of Health and Family Welfare; PRS.

Several expert bodies including the High Level Expert Group (HLEG) set up by the Planning Commission (2011) and the High Level Group of Health Sector (2019) have observed that focus on prevention and early management of health problems can reduce the need for complicated specialist care provided at the tertiary level.^{11,17} It recommended that the focus of healthcare provision in the country should be towards providing primary healthcare.

In this context, as part of the Ayushman Bharat programme, 1,50,000 existing Sub Health Centres (first contact between health system and population) and Primary Health Centres (referral unit for Sub Centres) will be upgraded to Health and Wellness Centres by December 2022. These centres will provide comprehensive primary health care, free essential drugs and diagnostic services.

The table below shows details regarding the implementation of the Ayushman Bharat programme which includes PMJAY and Health and Wellness Centres.

Table 2: Status of implementation of Ayushman Bharat (as of January 2020)

Indicators	All India
Beneficiary families covered (in lakhs)	1,363
% claims paid	63%
Number of empanelled hospitals	19,752
Health and Wellness Centres	29,572

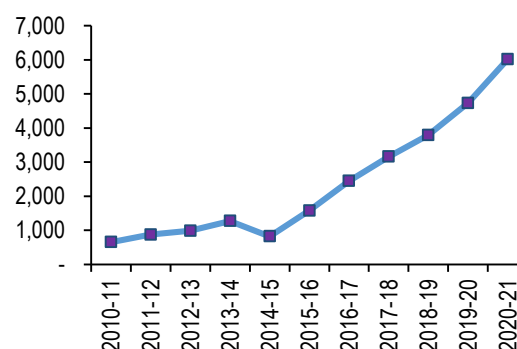
Sources: Lok Sabha Unstarred Question No. 1,066, Ministry of Health and Family Welfare, answered on November 22, 2019; HWC Portal, Ayushman Bharat; PRS.

Pradhan Mantri Swasthya Suraksha Yojana

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) has been implemented since 2003 with objective of: (i) correcting regional imbalances in the availability of affordable and reliable tertiary healthcare services, and (ii) augmenting facilities for quality medical education in the country. This includes establishing AIIMS like institutions and upgrading certain state government hospitals. Over the years, the scheme has been expanded to cover 20 new AIIMS and 71 state government hospitals.

In 2018, the Comptroller and Auditor General (CAG) noted that all new AIIMS overshot their completion time by almost five years.¹⁸ There were similar delays observed in the upgradation of state government hospitals. Further, it was found that the Ministry had estimated the capital cost for setting up six new AIIMS in Phase 1 to be Rs 332 crore per institute. After four years, this cost was revised to Rs 820 crore per institute, on account of shortcomings in planning and assessment of requirements. The Standing Committee on Health and Family Welfare (2017 and 2018) noted that this indicates poor assessment of time and cost which have left the allocated funds unused.^{15,19}

Figure 6: Yearly allocation to PMSSY (2010-20) (in Rs crore)



Notes: Values for 2019-20 and 2020-21 are revised estimates and budget estimates respectively

Sources: Union Budget 2008-09 to 2020-21; PRS.

In 2020-21, the allocation to PMSSY increased by 27% over the revised estimates of 2019-20 (see Figure 6) at Rs 6,020 crore. Allocation towards PMSSY increased from Rs 654 crore in 2010-11 to Rs 6,020 crore in 2020-21.

The National Medical Commission Act, 2019

A legislation regarding the medical regulatory authority was passed by Parliament to oversee medical education and practice. The National Medical Commission Act, 2019 replaced the current Medical Council of India (MCI). The MCI was established under the 1956 Act to establish uniform standards of medical education and regulate its practice.

The Act provides for a medical education system which ensures: (i) availability of adequate and high quality medical professionals, (ii) adoption of the latest medical research by medical professionals, (iii) periodic assessment of medical institutions, and (iv) an effective grievance redressal mechanism.

Health research

The Standing Committee on Health and Family Welfare (2018) noted that there is a huge, persistent, and recurring mismatch between the projected demand for funds and actual allocation to the Department of Health Research.^{20,21} In 2020-21, its allocation has seen an increase of 7.7% over the revised estimates of 2019-20 at Rs 2,100 crore. The Committee also noted that the Department had reported shortfall of funds for implementation of projects and on the other hand, there was underutilisation of funds released.

This mismatch between the demanded and allocated funds has led to impact in terms of restrictions in the sanctioning of new labs, providing recurring grants to the ongoing projects, and upgradation of health research infrastructure.²⁰ This also led to repercussions in the medical research output. For

example, in two years i.e. 2015 and 2016, only 1,685 research papers have been published by the Indian Council of Medical Research and 3 patents have been granted against the 45 patents filed.²⁰

Drug regulation

The central and state agencies for drug regulation are governed by the Drugs and Cosmetics Act, 1940 (DCA). The DCA provides for the regulation of import, manufacture, sale, and distribution of drugs. Although the DCA is a central legislation, it is implemented by the states.

Over the years, various Committees have examined the issues relating to the regulation of drugs.

The Mashelkar Committee Report (2003) highlighted the following challenges of the drug regulatory system: (i) inadequacy of trained and skilled personnel at the central and state levels, (ii) lack of uniformity in the implementation of regulatory requirements and variations in regulatory enforcement, and (iii) inadequate or weak drug control infrastructure at the state and central level.²²

Expert committees have recommended many steps to address these concerns regarding drug regulation in the country.^{22,23,24} They include: (i) a new independent and professionally run regulatory body, Central Drug Administration reporting directly to MoHFW, (ii) categorising the states in terms of scale of industry (manufacturing and sale) and investment in their regulation accordingly, (iii) the revision and imposition of higher fees for drug applications, clinical trials, and registration of imported drugs and foreign manufacturers, and (iv) establishment of technical expert committees for new drug approvals.

Quality of drugs

The Standing Committee Report (2013) found that the prevalence of poor quality drugs to be around 7-8 % where non-standard drugs outnumber spurious drugs.²⁵

The extent of 'non-standard quality' drugs in the National Drug Survey between 2014 and 2016 was 3.2%.²⁶ The extent of 'spurious' drugs during the same time period was 0.02%.²⁶ A drug is deemed to be 'spurious' if: (i) it is manufactured under a name which belongs to another drug, (ii) if it is an imitation of another drug, (iii) if it has been substituted wholly or partly by another drug, and (iv) if it wrongly claims to be the product of another manufacturer.²⁷

With regard to quality of drugs, the Mashelkar Committee recommended that: (i) states should take more samples to check the quality of drugs manufactured and sold in the market, (ii) states should also monitor the source of purchase and quality of drugs stocked by registered medical practitioners, and (iii) number of drug inspectors and their skills must be upgraded according to the load of work of inspections and monitoring.²²

Drug pricing

The National Pharmaceutical Pricing Authority (NPPA) monitors the availability and pricing of drugs in the country. NPPA fixes the prices of drugs/devices included in Schedule I of Drugs (Prices Control) Order (DPCO), 2013 after their notification under National List of Essential Medicines (NLEM). NLEM, 2015 consists of 3,754 medicines in total. Wherever instances of manufacturers/ importers charging prices higher than the prices fixed by the NPPA are reported, these cases are examined in detail. Since the inception of NPPA in 1995 till 2019, 2,038 demand notices have been issued to pharmaceutical companies for having overcharged patients on the sale of formulations at prices above the ceiling prices notified by NPPA.²⁸ An amount of Rs 5,477 crore is still remaining to be paid and an amount of Rs 4,033 is under litigation.²⁸

¹ Economic Survey, 2015-16, Ministry of Finance, <http://indiabudget.nic.in/budget2016-2017/es2014-15/echapter-vol1.pdf>.

² Economic Survey, 2016-17, Ministry of Finance, <http://indiabudget.nic.in/es2016-17/echapter.pdf>.

³ Economic Survey, 2019-20, Ministry of Finance, https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap10_vol2.pdf.

⁴ Demand Nos. 42 & 43, Ministry of Health and Family Welfare, Union Budget 2020-21, <https://www.indiabudget.gov.in/doc/eb/sbe42.pdf>; <https://www.indiabudget.gov.in/doc/eb/sbe43.pdf>.

⁵ Chapter VIII: Public Health Care System, Planning Commission of India, http://planningcommission.nic.in/aboutus/committee/strgrp/stgp_fmlywvl/sgfw_ch8.pdf.

⁶ Part I, Rural Health Care System in India, Rural Health Statistics 2018, [https://nrhm-mis.nic.in/RURAL%20HEALTH%20STATISTICS/\(A\)%20RHS](https://nrhm-mis.nic.in/RURAL%20HEALTH%20STATISTICS/(A)%20RHS)

<http://indiabudget.nic.in/es2014-15/echapter-vol1.pdf>.

⁷ Framework for Implementation, National Urban Health Mission, May, 2013, http://nrhm.gov.in/images/pdf/NUHM/Implementation_Framework_NUHM.pdf.

⁸ Rural Health Statistics 2018, Health Management Information Systems, Ministry of Health and Family Welfare.

⁹ "Survey Report & Recommendations of Clinical Establishments", Ministry of Health and Family Welfare, 2013, <http://clinicalestablishments.nic.in/WriteReadData/788.pdf>.

¹⁰ Health and Family Welfare Statistics 2017, Ministry of Health and Family Welfare.

¹¹ "High Level Expert Group Report on Universal Health Coverage for India", Planning Commission of India, November 2011, http://planningcommission.gov.in/reports/genrep/rep_uhc0812.pdf.

- ¹² Hospital beds (per 1,00 people), Work Bank Database, last accessed on January 31, 2020, <https://data.worldbank.org/indicator/SH.MED.BEDS.ZS>.
- ¹³ “Ayushman Bharat –Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY) to be launched by Prime Minister Shri Narendra Modi in Ranchi, Jharkhand on September 23, 2018”, Press Information Bureau, Ministry of Health and Family Welfare, September 22, 2018, <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1546948>.
- ¹⁴ ‘Ayushman Bharat: Costs and Finances of the Prime Minister Jan Arogya Yojana’, Institute of Economic Growth, Study Report for the 15th Finance Commission, <https://fincomindia.nic.in/ShowContentOne.aspx?id=27&Section=1>.
- ¹⁵ “Report no. 106: Demands for Grants 2018-10 (Demand No. 42) of the Department of Health and Family Welfare”, Standing Committee on Health and Family Welfare, March 8, 2018, https://rajyasabha.nic.in/rsnew/Committee_site/Committee_File/ReportFile/14/100/106_2019_7_10.pdf.
- ¹⁶ Household Health Expenditures in India (2013-14), December 2016, Ministry of Health and Family Welfare, <http://www.mohfw.nic.in/sites/default/files/38300411751489562625.pdf>
- ¹⁷ A Report of the High Level Group of Health Sector, 15th Finance Commission, <https://fincomindia.nic.in/ShowContentOne.aspx?id=27&Section=1>
- ¹⁸ Report No. 10, Performance Audit on Pradhan Mantri Swasthya Suraksha Yojana, August 7, 2018, <https://cag.gov.in/content/report-no10-2018-performance-audit-pradhan-mantri-swasthya-suraksha-yojana-ministry-health>.
- ¹⁹ “Report no. 99: Demands for Grants 2017-18 (Demand No. 42) of the Department of Health and Family Welfare”, Standing Committee on Health and Family Welfare, March 20, 2017, <http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20Health%20and%20Family%20Welfare/99.pdf>
- ²⁰ “Report no. 100: Demands for Grants 2017-18 (Demand No.43) of the Department of Health Research”, Standing Committee on Health and Family Welfare, March 20, 2017, <http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20Health%20and%20Family%20Welfare/100.pdf>.
- ²¹ Report No. 107, Demand for Grants 2018-19 (Demand No. 43) of the Department of Health Research, Standing Committee on Health and Family Welfare, March 2018, https://rajyasabha.nic.in/rsnew/Committee_site/Committee_File/ReportFile/14/100/107_2018_6_16.pdf,
- ²² Report of the Expert Committee on “A Comprehensive Examination of Drug Regulatory Issues, including the problem of Spurious Drugs”, Ministry of Health and Family Welfare, November, 2003, <http://pharmaceuticals.gov.in/sites/default/files/MashelkarCommitteeReport.pdf>.
- ²³ “Report no.59: The Functioning of the Central Drugs Standards Control Organisation (CDSCO)”, Standing Committee on Health and Family Welfare, Ministry of Health and Family Welfare, May 8, 2012, <http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20Health%20and%20Family%20Welfare/59.pdf>.
- ²⁴ Report of the (late)Prof. Ranjit Roy Chaudhury Expert Committee to “Formulate Policy and Guidelines for Approval of New Drugs, Clinical Trials and Banning of Drugs”, July, 2013, http://www.cdsc.nic.in/writereaddata/Report_of_Dr_Ranjit_Roy.pdf.
- ²⁵ “Report no.59: The Functioning of the Central Drugs Standards Control Organisation (CDSCO)”, Standing Committee on Health and Family Welfare, Ministry of Health and Family Welfare, May 8, 2012, <http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20Health%20and%20Family%20Welfare/59.pdf>.
- ²⁶ National Drug Survey 2014-16, Ministry of Health and Family Welfare, <https://mohfw.gov.in/sites/default/files/Chapter10SurveyReslutandAnalysis.pdf>.
- ²⁷ Drugs and Cosmetics Act 2008, Ministry of Health and Family Welfare, December 5, 2008, http://www.cdsc.nic.in/writereaddata/D&C_ACT_AMENDMENT_2008_file.pdf
- ²⁸ Year-wise Summary of Overcharging as on June 2019, National Pharmaceutical Pricing Authority, Department of Pharmaceuticals, Ministry of Chemical and Fertilizers, <http://www.nppaindia.nic.in/en/utilities/overcharging-status/year-2019/>.

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Annexure

Union Budget, 2020-21

Table 1: Allocations to the Ministry of Health and Family Welfare for 2020-21 (in Rs crore)

Major Heads	2018-19 Actuals	2019-20 BE	2019-20 RE	2020-21 BE	% Change RE (2019- 20)/Actuals (2018-19)	Change between RE 2019- 20 and BE 2020-21
Department of Health Research	1,728	1,900	1,950	2,100	13%	7.7%
Department of Health and Family Welfare	52,954	62,659	62,659	65,012	18%	3.8%
Pradhan Mantri Swasthya Suraksha Yojana	3,797	4,000	4,733	6,020	25%	27%
Family Welfare Schemes	598	950	776	831	30%	7%
National AIDS and STD Control Programme	1,803	2,500	2,956	2,900	64%	-2%
National Health Mission	31,045	32,995	33,790	33,400	9%	-1%
-National Rural Health Mission	25,495	27,039	27,834	27,039	9%	-3%
-National Urban Health Mission	868	950	950	950	9%	0%
-Tertiary Care Programs	289	550	300	550	4%	83%
-Strengthening of State Drug Regulatory System	179	206	206	175	15%	-15%
-Human Resources for Health and Medical Education	4,214	4,250	4,500	4,686	7%	4%
Infrastructure Development for Health Research	103	160	153	170	48%	11%
Rashtriya Swasthya Bima Yojna	227	156	114	29	-50%	-75%
Pradhan Mantri Jan Arogya Yojana	1,998	6,400	3,200	6,400	60%	100%
Autonomous Bodies	8,718	9,920	10,095	9,616	16%	-5%
Others	6,394	7,478	8,793	7,745	38%	-12%
Total	54,682	64,559	64,609	67,112	18%	3.9%

Sources: Demand for Grants, Ministry of Health and Family Welfare, Union Budget, 2020-21; PRS.

State-wise numbers on the health sector

Table 2: Average health expenditure (2012-13) (urban and rural, in Rs)

State	Average health expenditure (rural)	Average health expenditure (urban)
Andhra Pradesh	13,227	31,242
Arunachal Pradesh	5,678	8,926
Assam	6,966	47,064
Bihar	11,432	25,004
Chhattisgarh	12,149	22,647
Delhi	30,613	34,730
Goa	29,954	23,165
Gujarat	14,298	20,155
Haryana	18,341	32,370
Himachal Pradesh	18,860	28,590
Jammu & Kashmir	8,442	13,948
Jharkhand	10,351	13,151
Karnataka	14,091	22,190
Kerala	17,642	15,465
Madhya Pradesh	13,090	23,993
Maharashtra	20,475	29,493
Manipur	6,061	10,215
Meghalaya	2,075	18,786
Mizoram	8,744	13,461
Nagaland	5,628	15,788
Odisha	10,240	19,750
Punjab	27,718	29,971
Rajasthan	12,855	16,731
Sikkim	8,035	9,939
Tamil Nadu	11,842	23,757
Telangana	19,664	20,617
Tripura	5,694	11,638
Uttar Pradesh	18,693	31,653
Uttarakhand	9,162	25,703
West Bengal	11,327	24,875
Andaman & Nicobar Islands	3,373	8,389
Chandigarh	16,389	35,158
Dadra & Nagar Haveli	4,219	7,749
Daman & Diu	10,223	6,930
Lakshadweep	10,418	8,604
Puducherry	7,965	14,076
All India	14,935	24,436

Sources: District Level Household and Facility Survey -4 (2012-13); PRS.

Table 3: Comparison of key health indicators across states

State	Population (Million) 2011	Crude Birth Rate 2016	Total Fertility Rate, 2016	Under 5 mortality rate, 2016	Infant Mortality Rate (per 1000 live Births) 2016	Underweight children (%) 2015	Life Expectancy at Birth (Years) 2012-16	Maternal Mortality Ratio 2015-17
		Number of live births per 1,000 in a population.	Number of children born to a woman in her life time	Death between 0-5 years, per 1,000 live births	Number of infants who die before reaching one, per 1,000 live births	Composite index of stunting and wasting	How long a new born can expect to live, on existing death rate	Number of maternal deaths, per 1,00,000 live births
Andhra Pradesh	49	16	1.7	37	34	32%	70	74
Assam	31	22	2.3	52	44	30%	66	229
Bihar	104	27	3.3	43	38	44%	69	165*
Chhattisgarh	26	23	2.5	49	39	38%	65	141
Gujarat	60	20	2.2	33	30	39%	70	87
Haryana	25	21	2.3	37	33	29%	69	98
Jharkhand	33	23	2.6	33	29	48%	68	76
Karnataka	61	18	1.8	29	24	35%	69	97
Kerala	33	14	1.8	11	10	16%	75	42
Madhya Pradesh	73	25	2.8	55	47	43%	65	188
Maharashtra	112	16	1.8	21	19	36%	72	55
Odisha	42	19	2.0	50	44	34%	68	168
Punjab	28	15	1.7	24	21	22%	73	122
Rajasthan	69	24	2.7	45	41	37%	68	186
Tamil Nadu	72	15	1.6	19	17	24%	71	63
Telangana	35	18	1.7	34	31	29%		76
Uttar Pradesh	200	26	3.1	47	43	40%	65	216
West Bengal	91	15	1.6	27	25	32%	71	96
Arunachal Pradesh	1	19	2.7	..	36	20%		..
Delhi	17	16	1.6	22	18	27%	74	..
Goa	1	13	1.6	..	8	24%		..
Himachal Pradesh	7	16	1.7	27	25	21%	72	..
Jammu & Kashmir	13	16	1.7	26	24	17%	74	..
Manipur	3	13	1.5	..	11	14%		..
Meghalaya	3	24	3.1	..	39	29%		..
Mizoram	1	16	2.0	..	27	12%		..
Nagaland	2	14	2.0	..	12	17%		..
Sikkim	1	17	2.1	..	16	14%		..
Tripura	4	14	1.7	..	24	24%		..
Uttarakhand	10	17	1.9	41	38	27%	72	89
Andaman & Nicobar Islands	0	12	1.5	..	16	22%		..
Chandigarh	1	14	1.8	..	14	25%		..
Dadra & Nagar Haveli	0	25	3.3	..	17	39%		..
Daman & Diu	0	24	1.9	..	19	27%		..
Lakshadweep	0	19	2.1	..	19	23%		..
Puducherry	1	14	1.6	..	10	22%		..
All India	1,211	19	2.3	43	35	36%	69	130

Sources: Census Data 2011; Sample Registration System 2019; Health and Family Welfare Statistics 2017; PRS.