PRESS STATEMENT

Union Budget for Healthcare: Disappointing and Directionless

The Health sector has reasons to be disappointed by the Union Budget for 2016-17 presented on 29th February. Budget provisions for healthcare indicate that the Government intends to continue with its policy of promoting ‘managed care’ where publicly provided services are progressively starved of resources and even public funded services are increasingly outsourced to the private sector. This is the principal take away from the budget provisions for health care and especially from the two headline announcements related to the health sector – rollout of a more ambitious health insurance programme and the setting up of dialysis units in public facilities on a public private partnership mode.

Overall, allocation to the Ministry of Health and Family Welfare has increased from 32,819 crores in the Revised Estimates (RE) for 2015-16 to Rs.37,061 crores in the Budget estimates (after adjusting for receipts) for 2016-17. After adjusting for inflation this represents a mere 8% increase, and if adjusted for population increase the 2016-17 allocation for healthcare represents a less than a 5% per capita increase. Even the grossly understated ambition of the draft National Health Policy – which continues to be in limbo for almost a year – is to increase healthcare expenditure to 2.5% of GDP. This would require a doubling of current expenditure and even simple mathematics would indicate that this would entail a 25-30% per capita increase in allocation every year, if the target of 2.5% of GDP spending on healthcare is to be achieved in the next five years. In fact the current allocation on healthcare in the Union Budget is roughly the same as the profit earned (after tax deduction) of the country’s pharmaceutical industry – which stood at 32,733 crores as per the Budget papers.

What is even more worrying is that the government’s flagship programme for strengthening the public health system, the National Health Mission (NHM), has seen an insignificant rise – from Rs.19,135.37 crore in 2015-16 year to Rs.19,437 for 2016-17. Given the impact of inflation and population increase this actually represents a 6-7% decrease, per capita, in allocation for the National Health Mission. The underfunding of the National Health Mission has to be read in the light of the draft National Health Policy’s comment that “Strengthening health systems for providing comprehensive care required higher levels of investment and human resources than were made available. The budget received [for the National Rural Health Mission] and the expenditure thereunder was only about 40% of what was envisaged for a full re-vitalization in the NRHM Framework”.

Jan Swasthya Abhiyan
(Peoples Health Movement – India)

Health for All - Now! Health is a Basic Human Right!

National Convenors:
Abhay Shukla
Ameer Khan
Amit Sengupta
Amitava Guha
Amulya Nidhi
B. Ekbal
Gouranga Mahapatra
Joe Varghese
Kajal Jain
Narendra Gupta
N.B. Sarojini
Obalesha
Rakhal Gaitonde
Renu Khanna
Sanjeev Sharma
Sulakshana Nandi
T. Sundararaman
Thelma Narayan
Vandana Prasad

National Co-ordination Committee:
All India People’s Science Network (AIPSN)
All India Drug Action Network (AIDAN)
All India Democratic Women’s Association (AIDWA)
Bharat Gyan Vigyan Samiti (BGVS)
Breast Feeding Promotion Network in India (BPNI)
Catholic Health Association of India (CHAI)
Centre for Community Health and Social Medicine, JNU
Christian Medical Association of India (CMAI)
Forum for Creche and Child Care Services (FORCES)
Fed. of Medical Representative Assns. of India (FMRAI)
Health Watch
Joint Women’s Programme (JWP)
Medico Friends Circle (MFC)
National Alliance of People’s Movements (NAPM)
National Federation of Indian Women (NFIW)
National Association of Women’s Orgs. (NAWO)
Public Health Resource Network (PHRN)
SAMA – Resource Group on Women’s Health
SATHI – CEHAT
Society for Community Health Awareness
Research and Action [SOCHARA]

Participating Organisations:
Over 1000 organisations concerned with health care and health policy from both within and outside the above networks.

Addresses for Correspondence:
National Secretariat: c/o SAMA, B-45, 2nd Floor, Main Road Shivalik, N.Delhi-17. Ph: (011) 65637632/26692730
c/o Delhi Science Forum, D-158, Lower Ground Floor, Saket, New Delhi-17. Ph: (011) 26524323, 26862716 (Telfax).
Email: jsasect.delhi@gmail.com
In contrast to the clear and deliberate intent to choke financial resources available to public health services through the NHM, is the headline declaration in the budget speech of the H’ble Finance Minister of an expansion of the public funded health insurance scheme. Numerous reports and studies have shown that the existing **national and state health insurance schemes have failed to rein in catastrophic health expenditure incurred by the poor**. These schemes, largely implemented through partnerships with private providers, have been indicted in several states for defrauding the system of hundreds of crores by performing unnecessary surgeries (for example a huge rise in unnecessary uterus removal operations) and for not contributing to better health outcomes.

A similar intent is apparent in the announcement of a **National Dialysis Service Program in a PPP mode**. There is a real need to make available free of cost dialysis services in public facilities. But the scheme, as envisaged, seems **directed at further outsourcing clinical services to the private sector**. It is unclear how such a scheme will provide real benefits without concomitant increase in public services to diagnose and treat kidney disorders. Nor is it clear how the resources for such a scheme will be harnessed given that the budget for NHM has been slashed. The announcement of the dialysis scheme is another example of the arbitrary and piecemeal approach to healthcare services. **The real need is to vastly increase allocation for the NHM so that public facilities are able to provide, free of cost, access to a range of clinical services – including but not limited to dialysis services.**

The plan to set up 3,000 **Jan Aushadhi** shops is, in itself, a welcome step. However the scheme is likely to be stillborn given the **allocation of a mere 35 crores for the purpose**. Moreover systemic issues underlining the failure of the previous avatar of the scheme remain – such as the inability of the MCI to enforce prescriptions by generic name.

The Jan Swasthya Abhiyan urges the Government to embark on an entirely different path to secure healthcare needs of the people. Such a path must include very significantly enhanced support for public health services. The direction of health policy making, indicated by the health budget for 2016-17, is fraught with grave consequences for the health of the people.