Budgetary Allocation for Health Sector

Why in news?

The health sector has been allocated Rs 89,155 crore in the Union Budget 2023-24, a hike of around 13% compared to 2022-23, yet it is negligible for various concerns.

What is the current situation of public heathcare system in India?

- Covid has highlighted the need for adequate infrastructure and health care workforce, especially doctors and nurses
- Providing technical access to care
- Import of medical devices and equipment
- High out-of-pocket expenditure on health
- While the Pradhan Mantri Jan Arogya Yojna covers 500 million population, around 400 million is still uncovered
- Threat of resurgence of Covid can prevent foreigners coming to India
- Among children aged below five years, 35.5% were stunted and 32.1% were underweight.

In the Economic Survey of 2022, India's public expenditure on healthcare stood at 2.1% of GDP.

What is the budgetary allocation for health sector?

- Out of the total allocation of Rs 89,155 crore for the health sector, Rs 86,175 crore has been allocated to the Department of Health and Family Welfare and Rs 2,980 crore to the Department of Health Research.

Major allocations

- **Pradhan Mantri Swasthya Suraksha Yojana –** It aims at correcting the imbalances in the availability of affordable healthcare facilities by setting up AIIMS like institutions across different parts of the country.
- **National Health Mission -** It envisages achievement of universal access to equitable, affordable & quality health care services that are accountable and responsive to people's needs.
- **Pradhan Mantri Jan Arogya Yojna (PM-JAY)** - It is the health assurance scheme, aims at providing a health cover of Rs. 5 lakhs per family per year for secondary and tertiary care hospitalization to poor and vulnerable families.
- **National Digital Health Mission –** It envisages creating a national health ID for every Indian.

- **National Tele Mental Health Programme** – To acknowledge the mental health crisis in wake of the COVID-19 pandemic and to establish a digital mental health network.
- The Indian Council for Medical Research (**ICMR)** has been allocated Rs 2,359.58 crore.
- Yet, it is not adequate for the health sector to tackle the inequalities and health problems because of the communicable and non-communicable disease burden in India.

What needs to be done?

- **New health infra initiatives** - Other than the creation of a digital health system and tele-mental health infrastructure
- **Medical device parks** and the shortcomings in resolving the country's high dependency on the import of medical devices to establish a robust and cost-effective ecosystem.
- **Need to increase the healthcare expenditure** to at least 2.5-3% of the GDP to address, amongst others, the crisis of comorbidities.
- **Concessions in Manufacturing of APIs** (Application Programming Interface)
- **Graded increase of Customs Duty** (of medical devices) to 10-15% from the current 0-7.5%, and reduced GST in respect of the same.
- **Tax Breaks and Incentives** for private healthcare infrastructure creation in tier 3, tier 4 towns and villages.

References

1. The Hindu | Neglecting the health sector has consequences
2. Outlook India | Budget inadequate for health sector
3. ForbesIndia | Health sector Announcements in Budget 2023

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