

Union Budget- Priorities for Health Sector

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ABSTRACT

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India continues to be among the countries of the world that have a high burden of diseases, but with proportionately very poor public expenditure. If the proposed action plan aimed at Universal Health Coverage has to work out the new government has to take conscious decision to increase health care spending with general taxation as the primary source

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*See End Note for complete author details

MANUSCRIPT

It is the obligation of the state to provide free and universal access to quality health-care services to its citizens. India continues to be among the countries of the world that have a high burden of diseases. The various health program and policies in the past have not been able to achieve the desired goals and objectives.

High-level expert group (HLEG) on Universal Health Coverage (UHC)¹ constituted by Planning Commission of India submitted its report in Nov 2011 for India by 2022. The recommendations for the provision of UHC pertain to the critical areas such as health financing, health infrastructure, health services norms, skilled human resources, access to medicines and vaccines, management and institutional reforms, and community participation. Planning commission has estimated that 3.30 Lakh Crores has to be spent in 12th FY period (2012-2017) to achieve the goal of UHC by 2022. We are already into third year of the 12th FYP and yet only a meager proportion of this amount has been budgeted so far on an annual basis

Public spending on health

It is believed that an important factor contributing to India's poor health status is its low level of public spending on health, which is one of the lowest in the world.² In 2007, according to WHO's World Health Statistics, in per capita terms, India ranked 164 in the sample of 191 countries. This level of per capita public expenditure on health was less than 30 percent of China's (WHO, 2010). Also, public spending on health

as a percent of GDP in India has stagnated in the past two decades, from 1990–91 to 2009–10, varying from 0.9 to 1.2 percent of GDP

Suggestions for the next Union budget

Government should increase the public expenditure on health from the current level of 1.2% GDP to at least 2.5% by the end of the 12th plan and to at least 3% of GDP by 2022. Government to ensure that a minimum of 55 percent of health budget is spend on primary, 35 percent on secondary and a maximum of 10 percent on tertiary care services (as proposed by National Health Policy 200), as against the current levels of 49%, 22% and 28% respectively

The Twelfth Finance Commission provided grants to selected states for improving health indicators, but in effect, they recommended that the grants cover only thirty percent of the gap between the state's per capita health expenditure and the expenditure requirements assessed by them for each of the state. This should go up to at least fifty percent of the gap. Additional transfers from the central government to selected states have to be directed toward primary care and the first level of secondary care by strengthening the related health infrastructure and personnel. This is important not only to facilitate basic primary and secondary care but also to reduce the burden and expenditure share at the tertiary level.

The estimated additional expenditure requirement just to provide sub-centers, health centers, and community health centers according to the norms is estimated at

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0.6 percent of GDP. There are additional administrative expenditures and requirements for providing health facilities in urban areas, and these could add up to another 0.4 percent. Thus, a minimum of one percent of GDP will be required in the medium term (next one to two years) to ensure minimum levels of health care as per the norms.

There should be an increase in spending for public procurement of medicines from 0.1% to 0.5% of Gross Domestic Product (GDP). Government should bring in legislation to discourage pharmaceutical firms from using trade names in marketing. Drugs should be available only in chemical name; which will help to bring in uniformity. At the same time there should be strict mechanism to monitor and ensure that drugs available in the market are of good quality. Government should invest in establishing drug-testing laboratories in each state. In addition, government should support and rejuvenate the existing public sector drugs and vaccines manufacturing units

General taxation plus deductions for health-care from salaried individuals and taxpayers as the principal source of health-care financing should be used, and no fees of any kind be levied for the provision of health-care services under UHC. Insurance is not a panacea and government should refrain from promoting health insurance as the best solution for health care problems in the country.

Government should introduce a health cess (0.5%) as a component of the existing VAT system and the new Goods and the Services Tax (GST) that is proposed. There should be additional health cess for sweetened beverages, tobacco, alcohol and cars. This will raise revenue for the government on one-side and at the same time will act as a measure to discourage the use of these products

Water, hygiene and sanitation are the corner stones for effective public health protection. Government should not only increase allocation to these areas, but also ensure that the money is spend properly and time-bound

Government should move to a system of 'purchasing' secondary care services from private sector until it can provide these services by itself. This will help to prevent out-of-pocket expenses for a large section of population and also can reduce the burden on tertiary care.

The reimbursement scheme for health care should be extended to all people working in organised sector

and not just to central government employees. This will help to relieve some pressure on the public health systems on one side, and will help to give more options for people in the organized sector.

The present schemes such as JSBY, RSBY, JSY etc. are run by different ministries and departments. The Budget should facilitate convergence among the various stakeholder ministries/departments so that we can evolve a comprehensive social security package

Public and private sectors should not move as parallel systems, but should compliment each other. Public private partnership in health should be promoted. At present, the facilities in private sector are under-utilized at one end, where as public sector lack in facilities to cater to the needs. Government should design special programs in discussion with professional associations like IMA to optimally utilize the resources- both in public and private sector. This will include sharing the resources in private sector like CT, MRI scans etc. for patient care in public sector

Services of family doctor/single man private clinics should be optimally used on a retainerhip basis, at least in places where government doctors are not available at PHCs, until government is able to recruit and sustain regular doctors.

Government should increase the allocation for health awareness programs. A repository on health information should be created and disseminated using the social media. Non-communicable diseases and health needs of the elderly need urgent attention. Government should increase the allocation to these areas significantly. National programs for NCD and care of elderly should be introduced in all the districts within the next two years. Telemedicine should be given importance, with simultaneous investment in increasing the availability of trained and qualified human resources

District hospitals should be converted to medical colleges on a need-basis in states with less number of medical colleges. This will avoid huge investment required to start stand-alone medical colleges. Keep aside, at least 2% of the health budget for health research. Build systems like online, time-bound clearance mechanisms for all health research proposals

Use of Electronic Health Records and enrollment of the entire population at the sub-centre level should give a comprehensive picture of burden of disease, which should help to plan and allocate resources as per epi-

demiological need. Invest in a standard uniform HER system for both public and private sector. Invest and promote health equipment manufacturing industry within the country. Health technology should be made a separate department under the Ministry of science and technology

END NOTE

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