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BUDGET BRIEFS

National Rural Health Mission, GOI, 2011-12

Launched in 2005, the National Rural Health Mission (NRHM) is the Government of India's (GOI) largest public health programme.

Using government data, this brief reports on NRHM expenditures along the following parameters:

- Overall trends in fund allocation and expenditure,
- Expenditure on key programmes - untied and maintenance funds and the Janani Suraksha Yojana, and
- Physical coverage and human resource availability.

Cost Share: GOI allocations for individual states are based on a weightage system, where states with the poorest health indicators get a larger share of the allocations. Generally, 85% of NRHM funds come from the centre. Release of funds is based on State Project Implementation Plans (PIPs).

GOI expenditure data is publicly available up to FY 2009-10. Complete state expenditure data is available only up to FY 2008-09.

Highlights

1	GOI allocation for Health in FY 2011-12 (in crores)	₹ 30,456
2	Allocation for NRHM in FY 2011-12 (in crores)	₹ 18,172
3	% released funds in FY 2009-10	83%

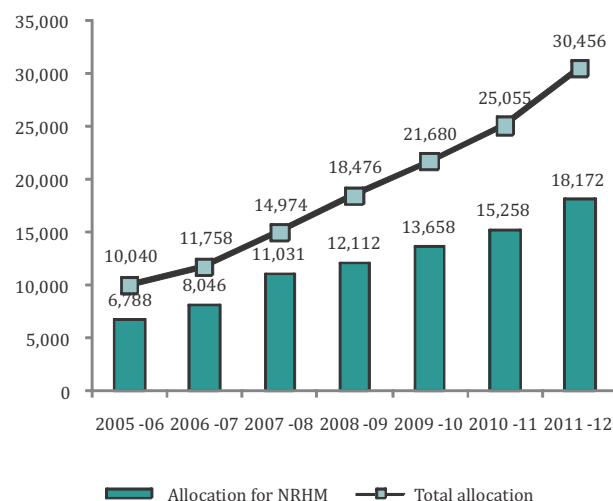
Summary and Analysis

- In FY 2010-11, health expenditures accounted for **2.03%** of total GOI expenditure and **1.27%** of India's GDP.
- Expenditure performance amongst high focus states (states with poor health indicators) is relatively good. Uttarakhand spent **97%** and Madhya Pradesh spent **93%** of its allocated funds in FY 2008-09. Bihar did somewhat poorly with reported expenditures of **66%**.
- The health sector suffers from a human resource deficit. **53%** of Primary Health Centres (PHCs) in Madhya Pradesh face a shortage of doctors. Similar shortages are faced by Uttarakhand and Uttar Pradesh. Both states report a shortage of **47%** and **46%** respectively. Gujarat is amongst the best performers with the highest percentage of doctors and PHCs in position.
- Specialists are even harder to find. A mere **31%** of India's Community Health Centres (CHCs) have the required number of specialists.
- Janani Suraksha Yojana has performed well when measured in terms of scheme beneficiaries. Beneficiaries increased from **7.38** lakh in FY 2005-06 to **100.78** lakh in FY 2009-10. **70%** of these come from **10** of the high focus states.

Trends in Central Government Allocations and Expenditures

- Government of India's (GOI) allocations for health have increased significantly from ₹10,040 crores in FY 2005-06 to ₹30,456 crores in FY 2011-12.

Health and Family Welfare Budget has risen by 203 percent in 7 years

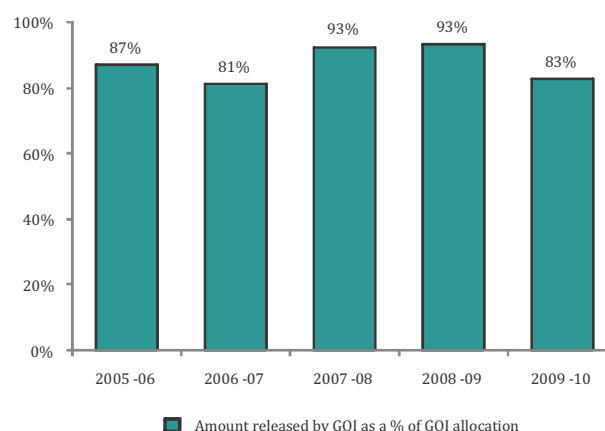


Source: Expenditure Budget, Vol 2, Ministry of Health and Family Welfare. Available online at: <http://indiabudget.nic.in> Note: Figures in crores of rupees and includes north-east component, but does not include north-east component of AYUSH, which for FY 2011-12 is ₹28 crores. Figures for NRHM include NRHM component under AYUSH. Figures for all years are revised estimates except for FY 2011-12, which are budget estimates.

- As a percentage of total GOI expenditure, spending on health and family welfare has increased only marginally. In FY 2005-06, health accounted for 1.89 percent of total expenditure. This increased to 2.03 percent in FY 2010-11.
- Overall public expenditure on health (all ministries, centre and state), as a percentage of GDP, remains low at 1.27 percent in FY 2009-10. This is substantially lower than many other developing countries: Cuba spends 5.5 percent, Namibia 4.7 percent, and Sri Lanka 2.0 percent.

- In 2005, GOI launched the National Rural Health Mission (NRHM), an umbrella programme subsuming many existing schemes, including the Reproductive and Child Health Project (RCH II), National Disease Control Programme (NDCP), and Integrated Disease Surveillance Project (IDSP). In FY 2010-11, NRHM constituted 60 percent of total allocations for health.
- Allocations for NRHM have more than doubled since its launch. In FY 2011-12, ₹18,172 crores was allocated for NRHM.
- Expenditure performance:** Release of funds by GOI for NRHM has been variable. In FY 2007-08 and FY 2008-09, 93 percent of GOI allocations were released. However, in FY 2009-10, this dropped to 83 percent.

GOI released 83% of its allocated funds in FY 2009-10



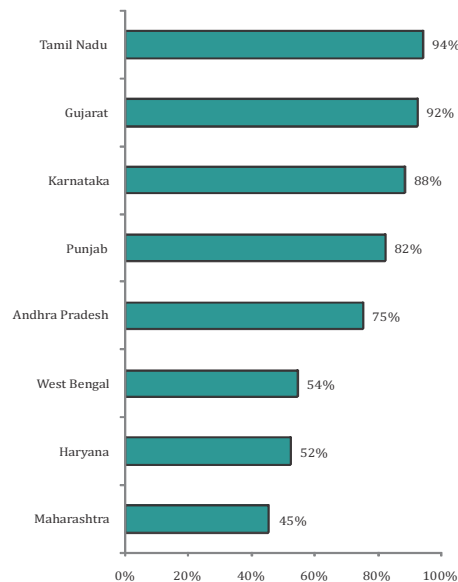
Source: MIS for NRHM, Executive Summary document. Available online at: <http://www.mohfw.nic.in/NRHM/MIS/MIS%20for%20NRHM%20as%20on%2030th%20sep.%202010.xls>

- Expenditure under NRHM is incurred uniformly throughout the 4 quarters of the financial year. In FY 2009-10, 44 percent of total NRHM funds were spent in the first two quarters.

Trends in State Government Allocations and Expenditures

- At the state level, NRHM is implemented through specially designed State Health Societies. To strengthen decentralised hospital management and planning, NRHM has also instituted District Health Societies and Village Health and Sanitation Committees (VHSCs). By design, state allocations from GOI are based on Project Implementation Plans (PIPs). These are meant to be an aggregation of district level plans.
- Funding for NRHM is based on an **85:15** ratio, with states contributing **15** percent. For north-eastern states, the ratio is **90:10**.
- In order to address regional imbalances in health outcomes, a set of **18** 'high focus' states (including Bihar, Madhya Pradesh, Orissa and Uttar Pradesh) with the poorest health indicators have been identified. These states receive about **60** percent of total GOI allocations for NRHM.
- Expenditure performance:** Overall, NRHM expenditures are high, but wide variations in spending capacity still exist across states. Given the differing emphasis on low and high focus states in the design, it is important to analyse expenditures separately.
- Low focus states:** In FY 2008-09, Tamil Nadu and Gujarat spent **94** and **92** percent of total funds available (centre and state) respectively. West Bengal and Maharashtra on the other hand, were low spenders with expenditures of only **54** and **45** percent respectively in the same period.

Tamil Nadu and Gujarat are high spenders while Maharashtra is a low performer

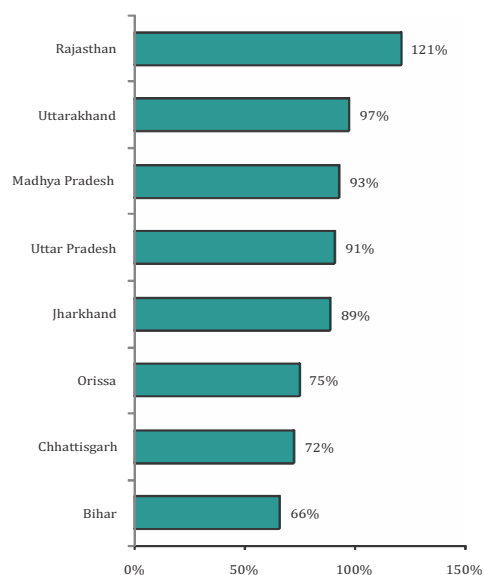


■ Expenditure as a % of approved allocations - Low Focus states (FY 2008-09)

Source: NRHM, State Plan Approval and State Wise NRHM Progress - A Snapshot. Figures pertain to FY 2008-09.

- High focus states:** Spending is better amongst high focus states.

Rajasthan, Uttarakhand and Madhya Pradesh are high spenders; Bihar is the lowest at 66%



■ Expenditure as a % of approved allocations - High Focus states (FY 2008-09)

Source: NRHM, State Plan Approval and State Wise NRHM Progress - A Snapshot. Figures pertain to FY 2008-09.

- Uttarakhand, Madhya Pradesh and Uttar Pradesh report high expenditures at **97**, **93** and **91** percent respectively in FY 2008-09. Bihar spent only **66** percent during this period.
- Rajasthan spent **121** percent of its approved allocation. This could be a consequence of high unspent balances from previous years. The Comptroller and Auditor General (CAG) report on NRHM in 2009 found that many high focus states had high unspent balances that resulted in reduced annual allocations from GOI.

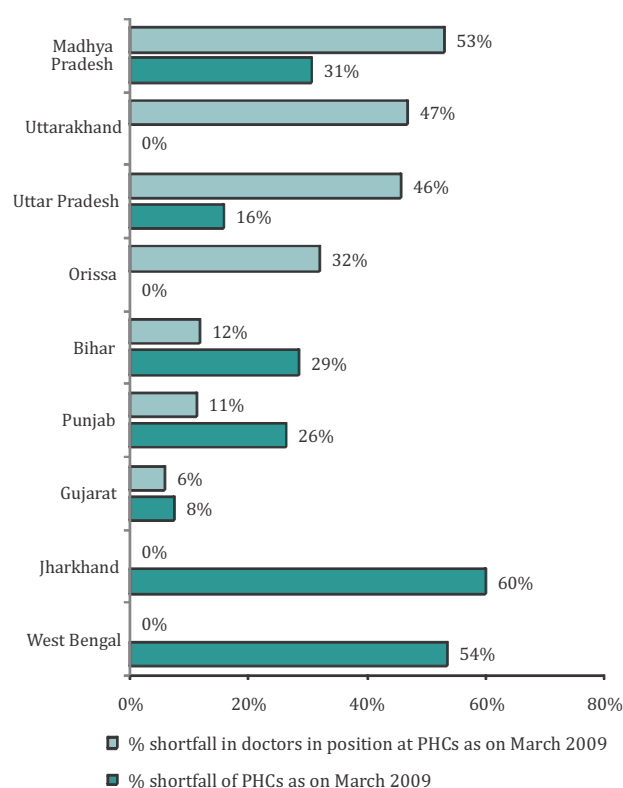
Coverage and Performance

- Despite overall improvements in health allocations and expenditures, there remains a wide gap in infrastructure and human resources – the crux of the public health system.
- The Primary Health Centre (PHC) is the first point of contact with a qualified doctor for people in rural areas. According to GOI norms, **1** PHC gets referrals from **6** Sub-Centres (SCs). Complicated cases requiring the attention of specialists are referred to a Community Health Centre (CHC). As per norms, there should be **1** PHC for **30,000** people in plain areas and **1** for every **20,000** people in hilly, tribal or difficult areas. Overall, India has a high availability of PHCs. As of March 2009, **83** percent of required PHCs had been built but there are wide inter-state variations.
- Along with physical infrastructure, the availability of human resources is a significant determinant of the quality of healthcare at PHCs. The Indian Public Health Standards (IPHS) sets the human resource norms. Accordingly, there should

be at least **2** medical officers and **3** nurse-midwives (staff nurses) in every PHC.

- PHCs and Doctors:** There is a mismatch between availability of PHCs and doctors in-position at the centres.

Gujarat is amongst the better performers, Madhya Pradesh has a large shortfall of doctors in PHCs



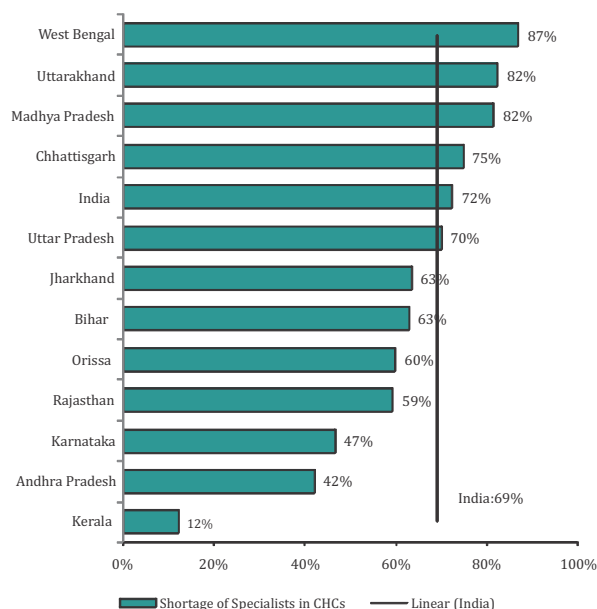
Source: Bulletin on Rural Health Statistics in India, 2009. Available online at: <http://www.mohfw.nic.in/NRHM/BULLETIN%20ON.htm>

Note: Figures are up to March 2009.

- Gujarat is amongst the best performers with the highest proportion of doctors and PHCs in position. Uttarakhand and Orissa met their PHC requirement by 2009 but have a high shortfall of PHC doctors at **47** and **32** percent respectively. Jharkhand remains far behind with only **40** percent of required PHCs available but all available PHCs are staffed with doctors.

- **Specialists in CHCs:** The availability of specialists at CHCs (surgeons, paediatricians, physicians and obstetricians and gynaecologists), is far worse. Across India, only 31 percent of required specialists are in position.

69% CHCs in India do not have the required number of specialists



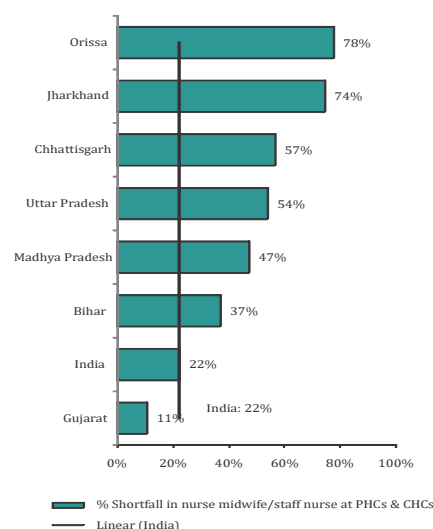
Source: Bulletin on Rural Health Statistics in India, 2009. Available online at: <http://www.mohfw.nic.in/NRHM/BULLETIN%20ON.htm>

Note: Figures are up to March 2009.

- State variations show interesting trends. The southern states do better. Kerala leads the way with 88 percent specialists in-position. Andhra Pradesh has 58 percent of the required specialists. Madhya Pradesh, Uttarakhand and West Bengal are at the lower rung, with less than 20 percent of required specialists available.
- This shortfall is partially responsible for the high levels of private expenditure on health. In FY 2008-09, according to the National Health Accounts, 72 percent of the expenditure on health consisted of private expenditure.

- **Nurses in PHCs and CHCs:** There is also a shortage of nurses in PHCs and CHCs. On average, India falls short by 22 percent of the requirement.

Over 70% shortfall in nurses in Orissa and Jharkhand



Source: Bulletin on Rural Health Statistics in India, 2009. Available online at: <http://www.mohfw.nic.in/NRHM/BULLETIN%20ON.htm>

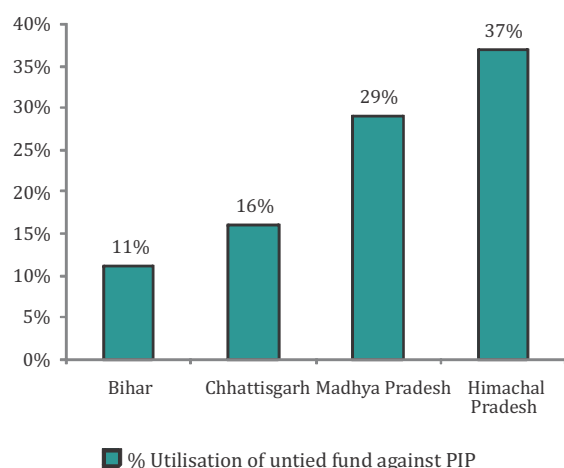
Note: Figures are up to March 2009.

Analysis of Untied Funds and Maintenance Grants to District Societies

- A unique feature of NRHM is the provision of untied funds and maintenance grants directly to the SCs, PHCs, CHCs and Village Health Committees. These untied funds can be used for upkeep and maintenance of health centres including provision of water, toilets, maintenance and rewards for Accredited Social Health Activists (ASHAs) amongst others.
- **Expenditure performance:** Performance on untied funds has been poor. In 2009, the CAG reported that untied funds remained largely unutilised. Updated GOI data is not available. However, for FY

2008-09 available data on untied funds reflect the CAG report's findings.

Bihar spent 11% of its untied funds



Source: State Information document. Available online at: http://www.mohfw.nic.in/NRHM/Annual_Plan_Final.htm

- In FY 2008-09, Himachal Pradesh had utilised 37 percent of its untied grants, while Madhya Pradesh utilised 29 percent. Bihar and Chhattisgarh on the other hand utilised less than 20 percent of their untied grants.

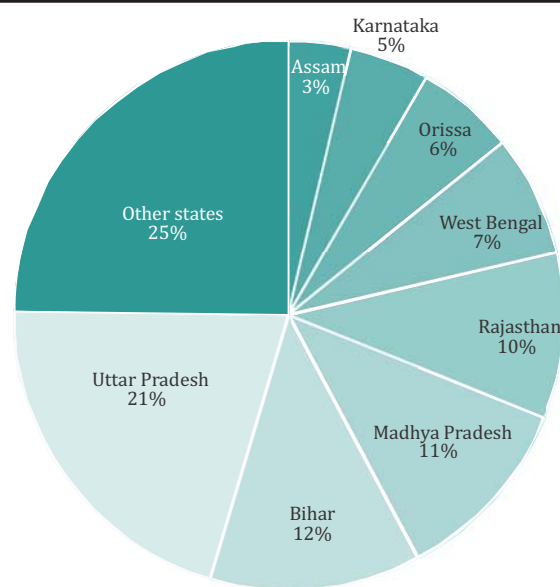
Analysis of Janani Suraksha Yojana

- One key innovation introduced by NRHM is the Janani Suraksha Yojana (JSY) - a conditional cash transfer aimed at reducing maternal and neo-natal mortality by promoting safe institutional delivery among poor pregnant women. In FY 2008-09, JSY constituted 11 percent of total expenditure on NRHM.
- Two kinds of incentives are given under the JSY. ₹500 is given for home delivery with medical expertise, and ₹1,400 and ₹1,000 is given for institutional delivery in rural and urban areas respectively.
- JSY had a relatively modest start in FY 2005-06 with only 7.38 lakh beneficiaries.

In FY 2009-10, the number of beneficiaries increased substantially to **100.78** lakh.

- Part of the reason for this increase is a change in the guidelines. In 2006, JSY guidelines were modified to consider all pregnant women irrespective of age, poverty status and number of births as eligible for benefit in a government medical facility in the low performing states. Additionally, women from Below Poverty Line and Scheduled Caste and Scheduled Tribe households were made eligible if they delivered in an accredited private medical facility. There was also an increase in the cash incentive for all states.
- To begin with, in FY 2005-06 benefits were largely accrued by the high performing (or low focus) states of NRHM. Tamil Nadu alone accounted for 44 percent of the JSY beneficiaries. With time, the focus has shifted to low performing states.

10 low performing states have 70% of JSY beneficiaries in FY 2009-10

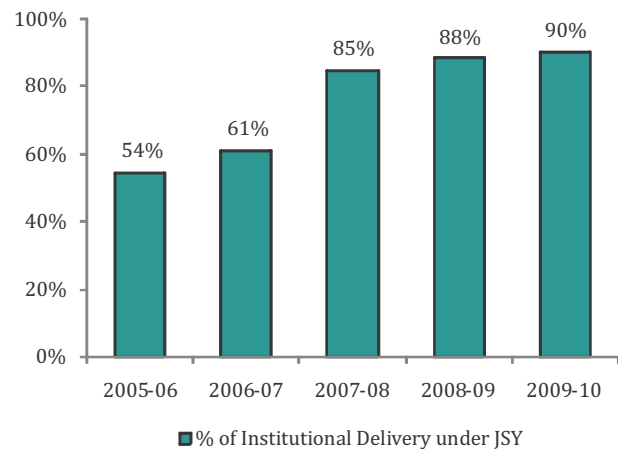


Share of JSY beneficiaries (FY 2009-10)

Source: RTI filed by Accountability Initiative. Scanned copy of the RTI is available at: www.accountabilityindia.in

- By FY 2009-10, **70** percent of JSY beneficiaries were from **10** low performing states. Uttar Pradesh topped the list with **21** percent of total beneficiaries. Interestingly, despite not being classified as low performers, West Bengal and Karnataka also had a significant proportion of women availing JSY benefits at **7** and **5** percent respectively.
- Allocation data also tells a similar story. While GOI allocation for JSY has increased from **₹98** crores in FY 2005-06 to **₹1,515** crores in FY 2009-10, most of the increased allocation has been directed towards the low performing states. Their share has risen from **43** percent in FY 2005-06 to **85** percent in FY 2009-10.
- **Expenditure performance:** State expenditures for JSY vary. In FY 2009-10, Rajasthan spent **₹163** crores on JSY, Bihar spent **₹237** crores and Uttar Pradesh spent **₹381** crores on JSY.
- The primary indicator for JSY success is the extent to which it has promoted institutional delivery amongst its beneficiaries.

Institutional delivery for JSY beneficiaries increased from 54% in FY 2005-6 to 90% in FY 2009-10



Source: RTI filed by Accountability Initiative. Scanned copy of the RTI is available online at: www.accountabilityindia.in

- There has been an improvement in the proportion of institutional deliveries under JSY over the years. In FY 2005-06 at the start of the programme, **54** percent of deliveries under the programme were in public institutions or private accredited institutions. This has increased substantially to **90** percent in FY 2009-10.

This section offers some practical leads to accessing detailed information on the union government's health sector budget. However, reader patience and persistence is advised as a lot of this information tends to be dense and hidden amongst reams of data.

Data Sources	Useful Tips
Union Budget, Expenditure Vol.2 www.indiabudget.nic.in	Provides total ministry-wise and department-wise allocations as well as disaggregated data according to sectors and schemes 1998-99 onwards. The data has both revised and budget estimates and should be calculated according to the Major-Head and Sub Major-Head. For health and family welfare, the heads are 2210 and 2211.
Economic Survey of India http://indiabudget.nic.in/es2009-10/chapt2010/chapter11.pdf	Sectoral trends and expenditure on health as a percentage of total central government expenditure and GDP.
Ministry of Health and Family Welfare, Public Expenditure Management http://www.mohfw.nic.in/expenditure.html <i>Accessed on February 3, 2011.</i>	Data on expenditures for different departments of MoHFW including separate category for NRHM.
NRHM, MIS Reports, Progress of Programme, State Wise progress as on 30.09.2010 http://www.mohfw.nic.in/NRHM/MIS/MIS%20for%20NRHM%20as%20on%2030th%20sep.%202010.xls <i>Accessed on February 3, 2010.</i>	Cumulative year-wise details on GOI allocations, GOI releases, and expenditure on different schemes under NRHM.
NRHM Portal, MIS Reports, State Plan Approval. <i>Accessed on January 25, 2011.</i>	State-wise details on fund availability by various states for FY 2008-09. Can be accessed by clicking the map for the various states.
NRHM Portal, State Wise NRHM Progress - A Snapshot. <i>Accessed on January 25, 2011.</i>	State-wise details on cumulative expenditure, and expenditure on untied funds for the year FY 2008-09. Can be accessed by clicking the map for the various states.
NRHM, MIS Reports, Financial Matters under NRHM, FMR for all states. http://mohfw.nic.in/fmr%20all%20states.xls <i>Accessed on February 3, 2011.</i>	State-wise details on expenditure under various heads on NRHM for the year 2008-09, including JSY.
5 Years of NRHM http://www.mohfw.nic.in/NRHM/Documents/5_Years_NRHM_Final.pdf	Details on NRHM performance (physical and financial) over the past 5 years. The report also gives data on public and private expenditure on health.
Comptroller and Auditor General of India, Union Performance Audit, Report No. 8 2009-10 http://saiindia.gov.in/cag/union-audit/report-no-8-performance-audit-national-rural-health-mission-ministry-health-family-welfa	Performance audit of the implementation of activities under NRHM.
RTI filed by Accountability Initiative www.accountabilityindia.in	Data on beneficiaries, type of delivery and financial performance of JSY.

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