



BUDGET BRIEFS

Vol 8/Issue 3

National Health Mission (NHM) GOI, 2016-17

The **National Health Mission (NHM)** is the Government of India's (GOI) largest public health programme. NHM consists of two sub-missions:

- National Rural Health Mission (NRHM)
- National Urban Health Mission (NUHM)

Using government data, this brief reports on the trends in allocations, release and expenditure for NRHM

Cost share and implementation: From FY 2015-16, 60 per cent of the funds are to come from GOI and the rest from the states. Prior to this, 75 per cent of the funds came from GOI. Release of funds is based on states' Project Implementation Plans (PIP).

HIGHLIGHTS

₹19,437cr

GOI allocations for NHM
in FY 2016-17

₹14,827cr

GOI allocations for NRHM
in FY 2015-16

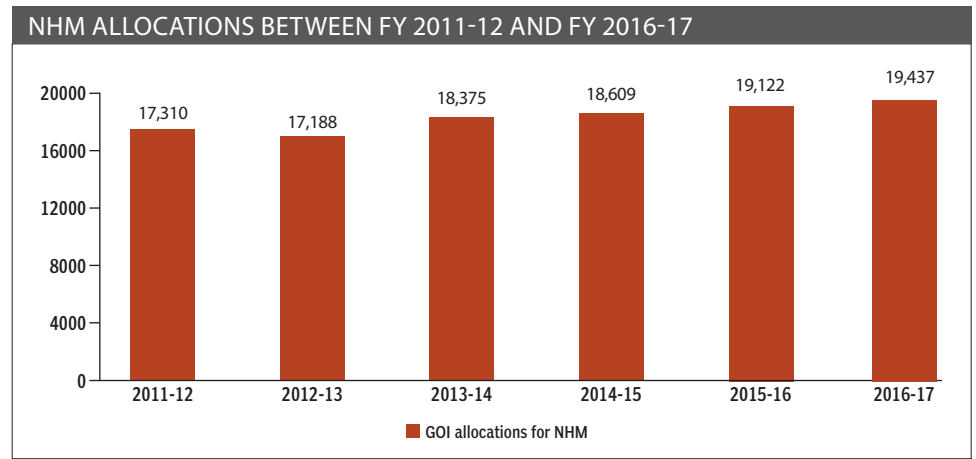
SUMMARY & ANALYSIS

- In FY 2016-17, GOI allocated ₹19,437 crore to NHM, an increase of 2 per cent from FY 2015-16.
- In FY 2015-16 allocations for NRHM accounted for 79 per cent of the total NHM budget, which is an 11 per cent decrease from FY 2014-15.
- There are state-wide variations in releases. In Uttarakhand releases were only 11 per cent of allocations in FY 2015-16, compared to 83 per cent in FY 2014-15. The corresponding figures for Bihar are 75 per cent and 69 per cent, respectively.
- Expenditure was slow in FY 2015-16. Rajasthan had spent only 13 per cent of its approved allocation by the end of the second quarter of FY 2015-16, compared with 34 per cent in the second quarter of FY 2014-15.
- Revised GOI cost share reduced GOI allocations from 66 per cent of approvals in FY 2014-15 to 41 per cent in FY 2015-16.
- Spending priorities have changed. 33 per cent of the NHRM budget was allocated to the NRHM Flexipool in FY 2015-16 compared to 44 per cent in FY 2014-15, while allocations for the National Disease Control Programme (NDCCP) increased.
- On 25 December 2014, the Ministry of Health and Family Welfare (MHFW) launched Mission Indradhanush to achieve full immunisation coverage by 2020. However, funds approved in 2015-16 for immunisation decreased to 2 per cent of total approvals from 4 per cent in FY 2014-15.

TRENDS IN GOI ALLOCATIONS FOR NHM

■ In May 2013, GOI launched NHM – a comprehensive health scheme aimed at guiding states towards universal access to healthcare through strengthening health systems, institutions and capabilities. NHM consists of two sub-missions: a) National Rural Health Mission (NRHM) launched in 2005, and b) National Urban Health Mission (NUHM) launched in 2013.

■ **Allocations:** In FY 2016-17, GOI allocated ₹19,437 crore to NHM. This was a 2 per cent increase over FY 2015-16.



Source: India Expenditure Budget, Vol 2, Ministry of Health and Family Welfare. Available online at: <http://indiabudget.nic.in>.

Note: Figures are in ₹ crore and are revised estimates, except for FY 2016-17 which are budget estimates. FY 2016-15 figure includes expenditure on the National Health Mission: AYUSH as classified in the Demands for Grants. Last accessed on 29 February, 2016.

11%

decrease in NRHM allocations between FY 2014-15 and FY 2015-16

TRENDS IN GOI ALLOCATIONS AND RELEASES FOR NRHM

■ **GOI allocations:** NRHM is the largest component of NHM, accounting for 79 per cent of total NHM allocations in FY 2015-16. Since FY 2014-15, budget documents have stopped reporting NRHM allocations separately. Data from the quarterly reports of NRHM indicates that in FY 2015-16, ₹14,827 crore was allocated to NRHM – an 11 per cent decrease over FY 2014-15.

■ Total approvals under NRHM are based on Project Implementation Plans (PIP) submitted by state governments and the total resource envelope available with GOI. This resource envelope includes GOI's own funds, proportional share of state releases and uncommitted unspent balances available with the states.

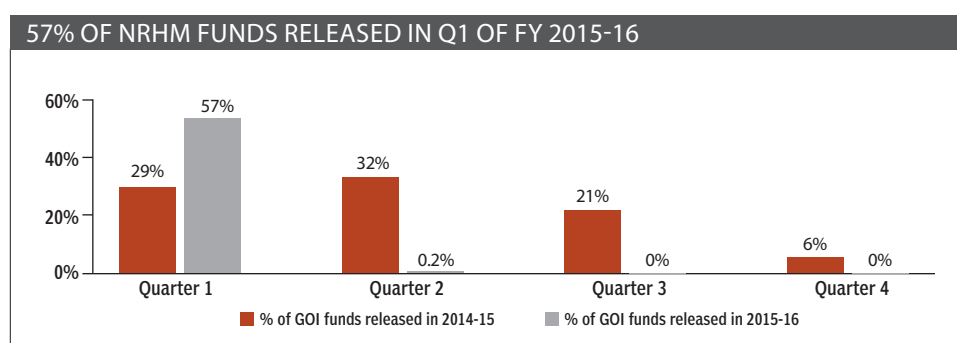
■ There are differences in allocations proposed by states and those approved by GOI. In FY 2015-16, 91 per cent of the total funds proposed by states were approved.

■ **Releases:** Till FY 2013-14 funds for NRHM were released directly by GOI and state governments to autonomous implementing bodies known as State Implementation Societies (SIS). In FY 2014-15 a new fund flow mechanism was introduced. Under this system, GOI allocations are first released to the state treasury. The money is then routed by the state health department to SIS.

- The proportion of allocations released to state governments has been dropping consistently. In FY 2009-10, 99 per cent of allocations were released. This dropped to 88 per cent in FY 2014-15.
- This drop in releases can be largely attributed to decreases in six major states, namely Jharkhand, Andhra Pradesh, Jammu and Kashmir, Himachal Pradesh, Karnataka and Haryana.
- Overall, the pace of fund release in both FY 2014-15 and FY 2015-16 is similar. More than half the funds had been released by September, halfway through the financial year, in both years. However, in FY 2015-16, 57 per cent of GOI allocations had been released in the first quarter itself, compared to 29 per cent in the previous FY.

Andhra Pradesh and Bihar had the lowest approval rate with 52% and

68%
of proposals approved in
FY 2015-16

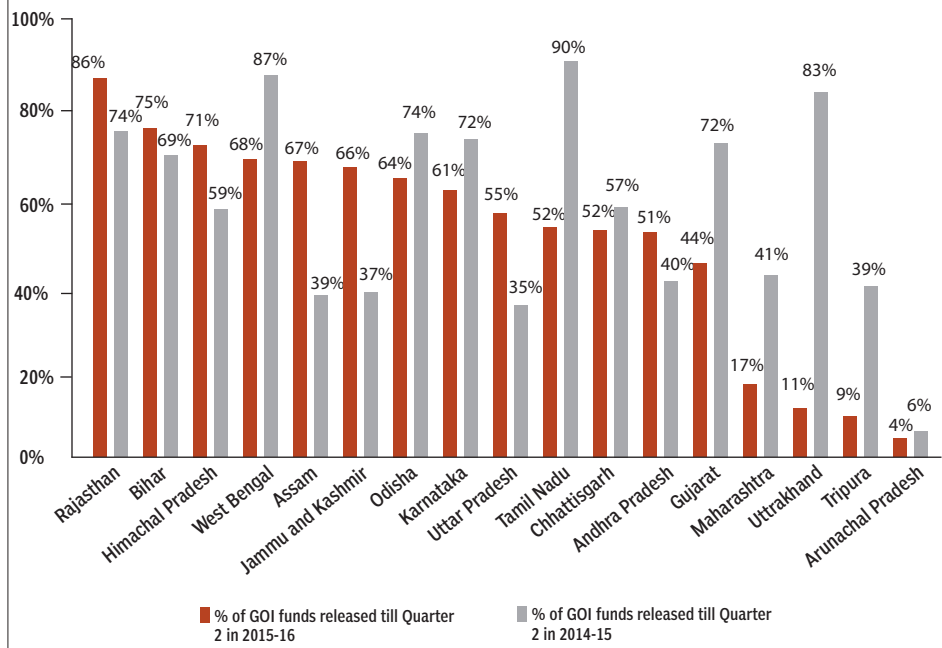


Source: NRHM Website, quarterly NRHM MIS reports, June 2014 to September 2015. Available online at: <http://nrhm.gov.in/component/content/article?id=405>. Last accessed on 25 February, 2016.

TRENDS IN STATE-WISE ALLOCATIONS AND EXPENDITURES

- To address regional imbalances in health outcomes, NRHM identified a set of 18 High Focus (HF) states with the poorest health indicators. These states received 62 per cent of the total GOI allocations for NRHM in FY 2015-16.
- **Proposed vs. approved allocations:** There are state-wise variations in approvals of funds. Andhra Pradesh and Bihar had the lowest approval rate with 52 and 68 per cent of proposals being approved in FY 2015-16, respectively. In contrast, over 90 per cent of funds proposed by West Bengal and Odisha were approved, up from less than 80 per cent in FY 2014-15.
- **Releases:** While the overall pace of release of funds for GOI was faster in FY 2015-16, there were state variations. In FY 2014-15, GOI had released 90 per cent of its allocations for Tamil Nadu and 83 per cent for Uttarakhand halfway through the financial year. However, in FY 2015-16, during the same period GOI released only 52 per cent and 11 per cent, respectively. In contrast, fund release was faster in Rajasthan, Assam, Bihar, Himachal Pradesh and Uttar Pradesh.

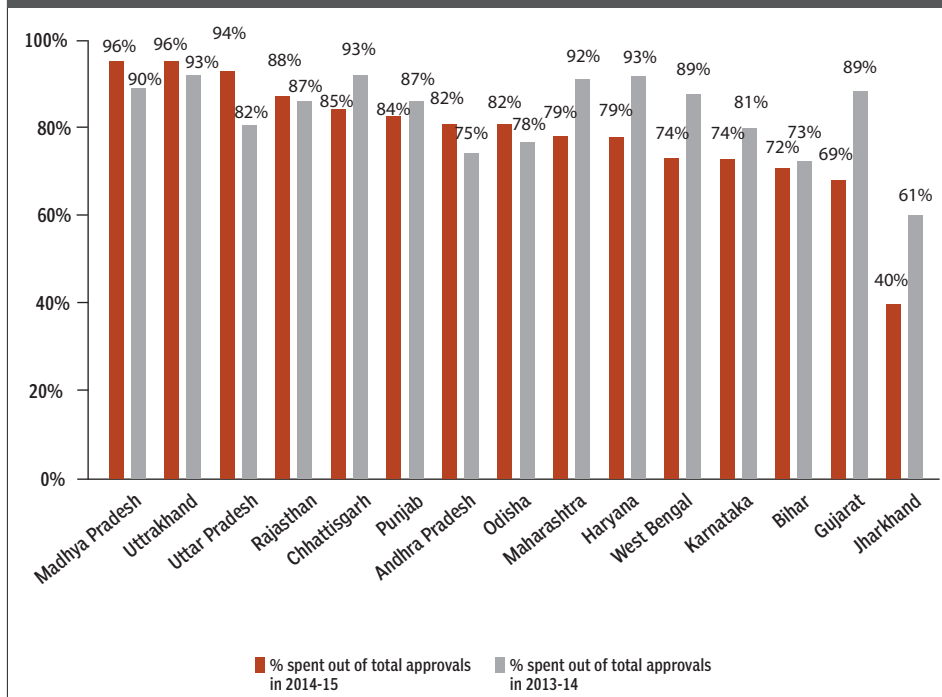
UTTARAKHAND ONLY RELEASED 11% OF ITS ALLOCATION IN FY 2015-16



Source: NRHM Website, quarterly NRHM MIS reports, June 2014 to September 2015. Available online at: <http://nrhm.gov.in/component/content/article.html?id=405>. Last accessed on 24 February, 2016.

- **Expenditure performance:** There are significant state variations in expenditures as a proportion of total approvals (GOI and state shares). In FY 2014-15, Jharkhand spent only 40 per cent of its total approved budget, down from 61 per cent in FY 2013-14. In contrast, expenditure in Uttar Pradesh improved from 82 per cent to 94 per cent during the same period.

EXPENDITURE PERFORMANCE VARIED ACROSS STATES BETWEEN FY 2013-14 AND FY 2014-15

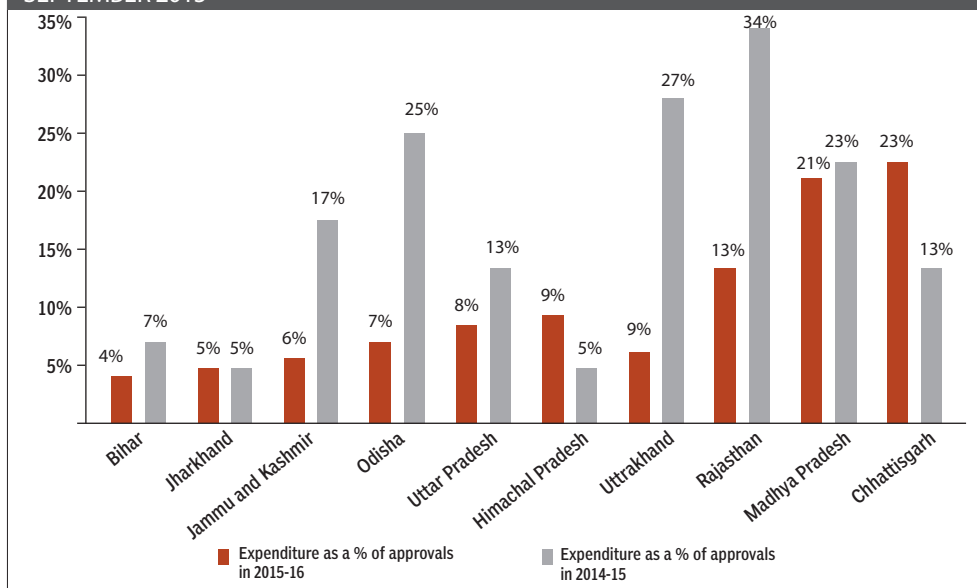


Source: NRHM website, State Programme Implementation Plans 2013-14 and 2014-15 for approved allocations. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Quarterly NRHM MIS reports, September 2015 for expenditures. Available online at: <http://nrhm.gov.in/component/content/article.html?id=405>. Last accessed on 1 February, 2016.

In FY 2014-15, Jharkhand spent 40% of its total approved budget while Uttar Pradesh spent nearly

94%

EXPENDITURE IN RAJASTHAN DROPPED BY 21% BETWEEN SEPTEMBER 2014 AND SEPTEMBER 2015



Source: NRHM Website, state records of proceedings 2015-16. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. For GOI allocations, quarterly NRHM MIS reports September 2015. Available online at: <http://nrhm.gov.in/component/content/article?id=405>. Last accessed on 1 February, 2016.

- The pace of expenditure has been slower in FY 2015-16 for most states. In FY 2014-15, by September, Rajasthan had spent 34 per cent of its approved allocation. In FY 2015-16, however, it had spent only 13 per cent. Up to September 2015, Bihar had spent only 4 per cent of its total approvals.
- In contrast, expenditure in Chhattisgarh and Himachal Pradesh was faster in FY 2015-16 compared with the previous year.

Bihar had spent only

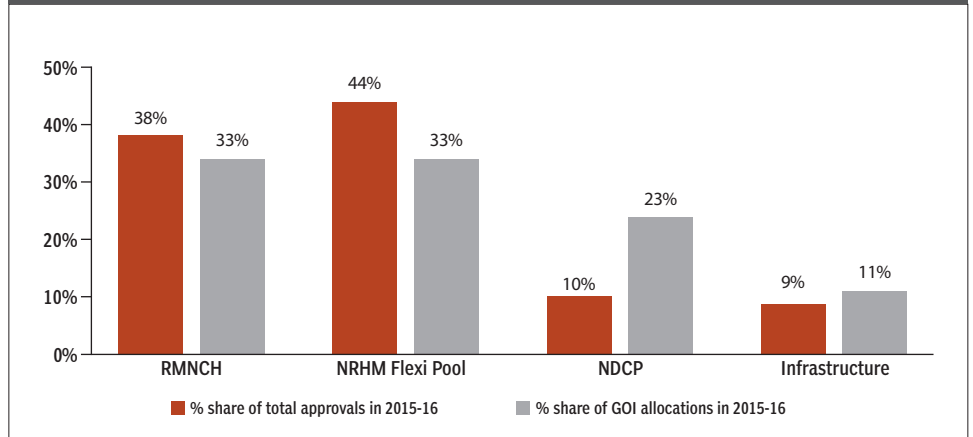
4%

of its total approvals by September 2015

TRENDS IN COMPONENT-WISE ALLOCATIONS AND EXPENDITURES

- There are five main components for which funds are allocated under NRHM. These are:
 - Reproductive, Maternal, Newborn and Child Health (RMNCH) services
 - NRHM Mission Flexipool or funds for strengthening health resource systems, innovations and Information, Education and Communication (IEC)
 - Immunisation, including the Pulse Polio Programme
 - National Disease Control Programme (NDCP)
 - Funds for Infrastructural Maintenance
- **Allocations:** As mentioned earlier, the GOI budget for NRHM decreased in FY 2015-16. Further, the cost share has been revised, with GOI now providing a lower share of NRHM funds.
- GOI allocations as a percentage of total approvals across 16 major states have reduced from 66 per cent in FY 2014-15 to 41 per cent in FY 2015-16.

35% OF GOI ALLOCATIONS WERE FOR FLEXIPOOL

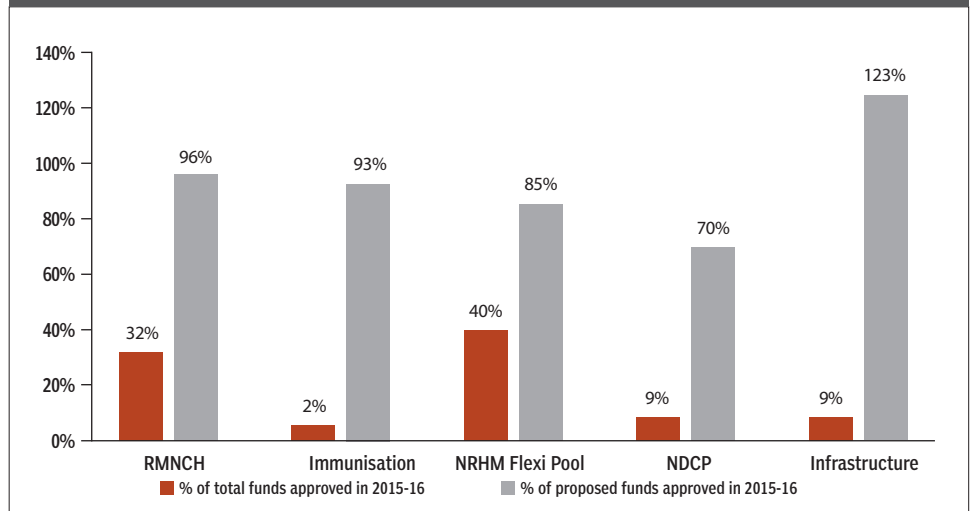


Source: NRHM Website, state records of proceedings 2015-16. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. For GOI allocations, quarterly NRHM MIS reports September 2015. Available online at: <http://nrhm.gov.in/component/content/article?id=405>.

Note: This data pertains to 16 major states of India. Last accessed on 1 February, 2016.

- A comparison of GOI allocations with total approvals across components gives some indication of changes in GOI priorities.
- In FY 2015-16, GOI allocations for NRHM Flexipool were 33 per cent while approvals were 44 per cent. However, allocations for NDCP by GOI appear to be higher in comparison to states. GOI allocations for NDCP were 23 per cent while approvals were 10 per cent.
- Between FY 2014-15 and 2015-16, GOI allocations increased by a little more than 100 per cent for infrastructure but reduced by 59 per cent for NDCP. For the same period, approvals for NDCP jumped by 87 per cent but decreased for infrastructure by 5 per cent.

70% OF NDCP PROPOSALS PREPARED BY STATES WERE APPROVED IN FY 2015-16



Source: NRHM Website, state records of proceedings 2015-16. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>.

Note: This data pertains to 22 major states of India. Last accessed on 1 February, 2016.

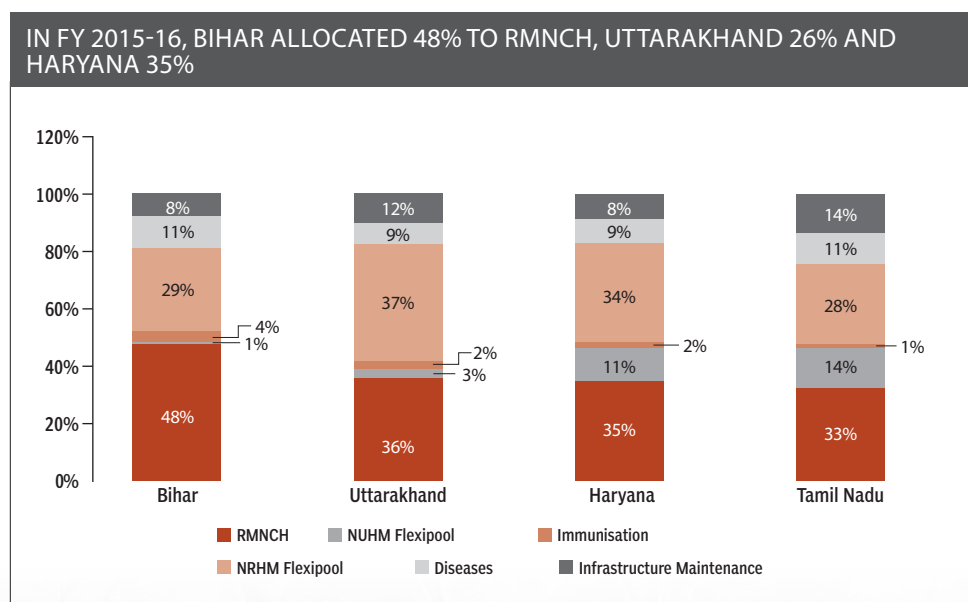
- In FY 2015-16, 32 per cent of total NRHM funds were allocated to RMNCH. This was followed by 40 per cent for Mission Flexipool and 9 per cent each for diseases and infrastructure maintenance. Funds for immunisation constituted only 2 per cent of the total allocation.

■ Gaps between amounts proposed and final approvals give a sense of GOI prioritisation across activities, particularly when states expect budget cuts. In FY 2015-16, while states proposed more than three times the total resource envelope available for NRHM Flexipool, only 83 per cent of the proposed funds were approved.

■ Andhra Pradesh and Haryana had the lowest approvals under RMNCH, at 66 per cent and 86 per cent, respectively.

■ There are state level differences in the pattern of investments across components. Bihar allocated half of its total funds to the RMNCH, while allocating 29 per cent to NRHM Flexipool. In contrast, Uttarakhand and Tamil Nadu allocated 37 per cent and 28 per cent of their funds, respectively, to NRHM Flexipool.

■ Most states allocated at least 10 per cent of their funds to infrastructure maintenance.



Source: NRHM website, state records of proceedings 2015-16. Available online at: <http://nrhm.gov.in/nrhm-in-state/state-program-implementation-plans-pips.html>. Last accessed on 1 February, 2016.

Most states allocated at least **10%** of their funds to infrastructure maintenance

