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BUDGET BRIEFS

NRHM, GOI, 2012-13

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: GOI and States,
- Allocation and expenditure on key programmes like immunisation,
- Physical coverage and human resource availability, and
- Outcomes (IMR and MMR).

Cost Share and Implementation:

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 the funds come from the centre and the rest from the states. Allocation of funds is based on State Project Implementation Plans (PIPs).

GOI and State expenditure data is publicly available up to FY 2010-11.

Highlights

1	GOI allocation for Health in FY 2011-12 (in crores)	₹30,456
2	Allocations for NRHM in FY 2011-12 (in crores)	₹18,172
3	% released funds in FY 2010-11	100%

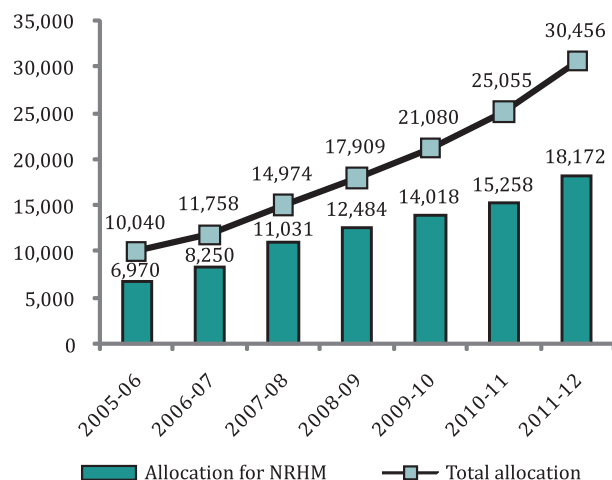
Summary and Analysis

- In 2009, expenditure on public health accounted for 1.4% of India's GDP. This is significantly lower than most developing countries. Brazil spent 4.1% and China spent 2.3% of its GDP on public health.
- NRHM expenditures have improved. 73% of allocated funds were spent in FY 2005-06. In contrast, all funds were spent in FY 2010-11.
- The health sector suffers from a serious human resource deficit. 53% Primary Health Centres (PHCs) in Madhya Pradesh face a shortage of doctors. Uttar Pradesh PHCs report a 23% shortfall. Uttarakhand reported a significant reduction in shortfall between March 2009 and March 2010 from 47% to 2%.
- Specialists are even harder to find. In March 2010, there was a 65% shortfall in the required number of specialists at Community Health Centres.
- In 2009, 61% children aged 12-23 months received full immunization.
- Institutional delivery has increased since the launch of the Janani Suraksha Yojana from 57% in FY 2006-7 to 79% in FY 2010-11.
- The Infant Mortality Rate (IMR) for India has declined from 58 per 1,000 live births in 2005 to 47 in 2009. Madhya Pradesh, Odisha, Uttar Pradesh and Rajasthan are poor performers.

Trends in Central Government Allocations and Expenditures

- **Allocations:** 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 3-fold in 6 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 include north-east component. 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 proportion of total GOI expenditure, spending on health and family welfare has barely increased. 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) accounted for 1.4% of India's GDP in FY 2009-10. This is significantly lower than most developing countries.

India spent 1.4% of GDP on health in 2009; Argentina spent 6.3%.

Country	Public Health Expenditure (% of GDP)
Argentina	6.3
Brazil	4.1
Thailand	3.3
China	2.3
Nepal	2.1
India	1.4
Pakistan	0.9

Source: Health expenditure, public (% of GDP), 2009, World Development Indicators, The World Bank. Available online at <http://databank.worldbank.org/ddp/home.do?Step=12&id=4&CNO=2>.

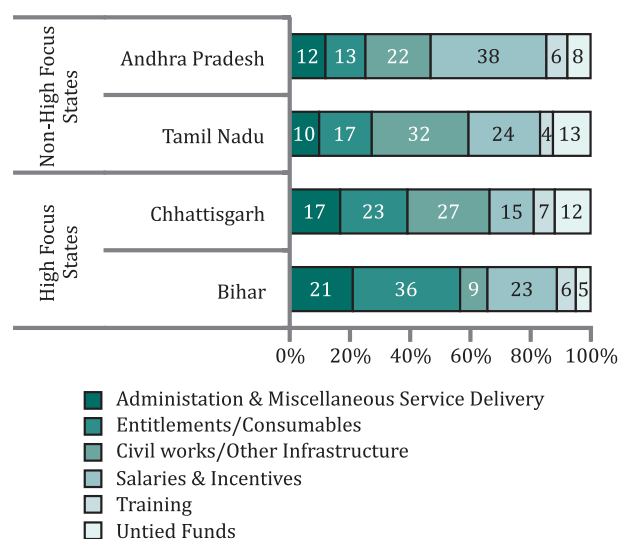
- In 2005, GOI launched the National Rural Health Mission (NRHM), an umbrella programme subsuming many existing schemes, including the Reproductive and Child Health Project (RCH II), National Disease Control Programme (NDCP), and Integrated Disease Surveillance Project (IDSP). In FY 2011-12, NRHM constituted 60 percent of total allocations for health.
- Outlays for NRHM have more than doubled since its launch. In FY 2011-12, NRHM allocations stood at ₹18,172 crores.
- In FY 2010-11, GOI released all its allocations to states. This was a significant improvement over the previous year, when only 83 percent of allocations were released.
- **Expenditure performance:** Expenditure performance has shown some variation. In FY 2005-06, 73 percent funds were spent. This dropped to 55 percent in FY 2007-08. FY 2008-09 saw a significant improvement when nearly 90 percent funds were spent. No underspending was reported in FY 2010-11.

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.
- In order to address regional imbalances in health outcomes, a set of 18 'High Focus' (HF) states (including Bihar, Madhya Pradesh, Odisha and Uttar Pradesh) with poorest health indicators have been identified. These states receive about 60 percent of total GOI allocations for NRHM.
- NRHM allocations can be broadly categorized into: a) salaries and incentives for human resources; b) entitlements, incentives and consumables for patients such as medicines and drug kits; c) civil works and other infrastructure activities such as building hospitals, laboratories, procurement and maintenance of equipment etc.; d) training of resource personnel; e) untied funds including those for Primary Health Centres (PHCs), Community Health Centres (CHCs); and finally, f) administrative expenses and miscellaneous service delivery mechanisms such as health camps, response to emergencies etc.
- In order to understand whether allocation priorities differ across categories of states, we compared state budgets across two HF and two non-HF states for FY 2011-12.

- Salaries and infrastructure constitute the largest share of allocations across the non-HF states analysed. Andhra Pradesh and Tamil Nadu allocated 60 and 56 percent to these two components respectively.
- The HF states - Bihar and Chhattisgarh prioritize consumables and entitlements to patients, to which they allocated 36 percent and 23 percent of their budgets respectively. This distribution seems appropriate given the status of health indicators in these states.

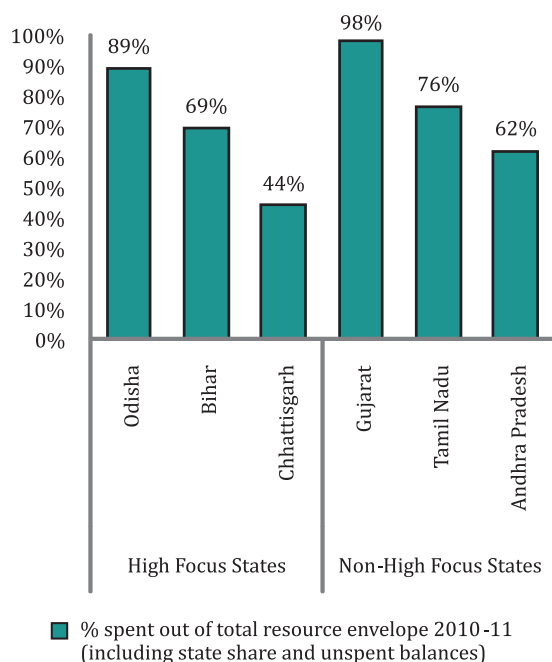
Salaries and infrastructure constitute the largest share of the NRHM budget.



Source: State Programme Implementation Plan 2011-12, Revised PIP. Available online at: http://pipnrhm-mohfw.nic.in/index_files/state_andhra.htm Figures pertain to FY 2011-12.

- Expenditure performance:** Overall, NRHM expenditures are high. However, there are wide variations in spending capacity across states and budget line items.
- Bihar spent only 69 percent of its allocations in FY 2010-11 while Chhattisgarh spent 44 percent of its allocations. Gujarat and Odisha were amongst the highest spenders at 98 and 89 percent respectively.

Gujarat and Odisha are high spenders; Chhattisgarh spent the lowest at 44%.



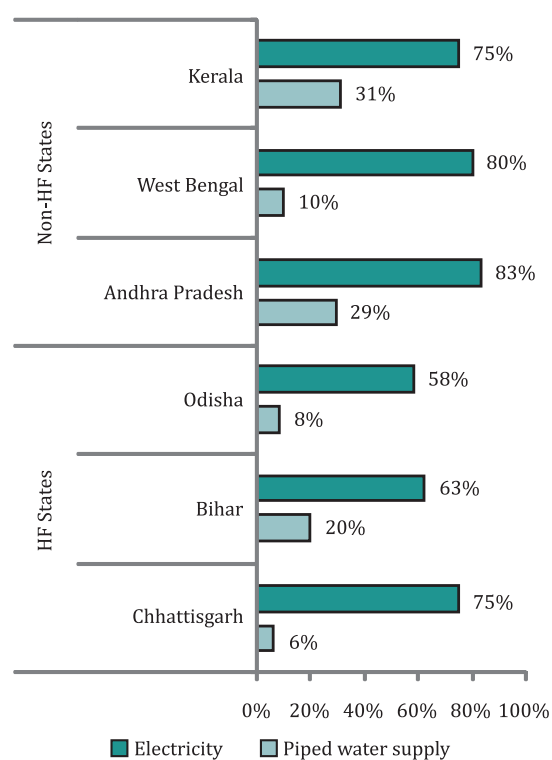
Source: NRHM, NPCC Meetings, Programme Implementation Plans 2011-12. Available online at: http://pipnrhm-mohfw.nic.in/index_files/State_PIP.htm Note: Figures pertain to FY 2010-11. For Chhattisgarh, expenditure is upto Feb, 2011. Andhra Pradesh expenditure is available at: State Programme Implementation Plan 2011-12, Revised PIP. Available online at: http://pipnrhm-mohfw.nic.in/index_files/state_andhra.htm

Coverage and Implementation

- Despite overall improvements in health allocations and expenditures along with a significant investment in infrastructure, there remains a wide gap in infrastructure and human resources – the mainstay of the public health system.
- The PHC is the first point of contact with a qualified doctor for people in rural areas.
- **PHCs:** Jharkhand has the largest shortfall in the number of PHCs at 59 percent followed by West Bengal and Madhya Pradesh at 54 and 31 percent, respectively. Bihar, despite falling short by 25 percent allocated just 9 percent of its budget to civil works.

- Apart from a shortfall in the number of required PHCs, most existing PHCs also lack basic infrastructure facilities. According to the Concurrent Evaluation of NRHM, 2009 on average only 76 percent of PHCs had an electricity connection throughout the centre, 37 percent had piped water supply and 66 percent had 4 or more beds.

Less than 10% of PHCs in Odisha and Chhattisgarh had piped water supply in 2009.

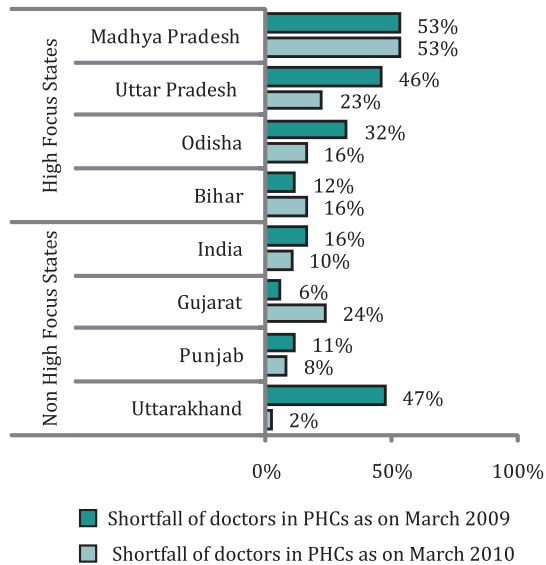


Source: Concurrent Evaluation of NRHM, 2009. Available online at: http://nrhm-mis.nic.in/frm_CER1.aspx

- Non-HF states fared better. 45 percent of PHCs had piped water supply and 87 percent had electricity compared with 18 percent and 66 percent in HF states.
- Along with physical infrastructure, the availability of human resources is a significant determinant of the quality of healthcare at PHCs.

- **Doctors in PHCs:** Between 2009 and 2010, there has been a 6 percentage point reduction in reported doctor shortfall in PHCs.

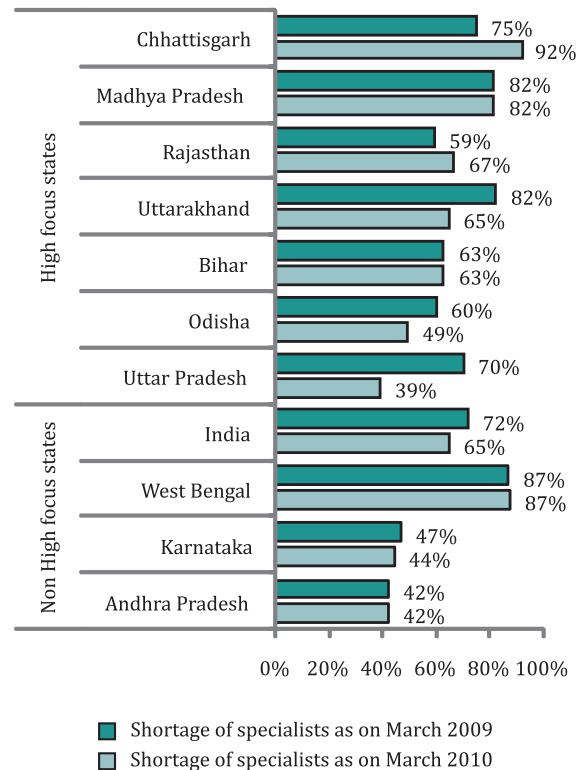
Uttarakhand reduced its doctor shortfall from 47% in 2009 to 2% in 2010.



Source: Bulletin on Rural Health Statistics in India, 2009 and 2010. Available online at: <http://www.mohfw.nic.in/NRHM/BULLETIN%20ON.htm> Note: Figures are up to March 2009 and March 2010.

- Uttarakhand, Uttar Pradesh and Odisha report substantial progress in reducing shortfall, while Bihar and Gujarat reported a greater shortage in FY 2010-11 over the previous year.
- **Specialists in CHCs:** The availability of specialists (surgeons, paediatricians, physicians and obstetricians and gynaecologists), at CHCs is far worse. Data up to March 2010 reveals that across India (excluding Kerala and Jharkhand), there was a 65 percent shortfall in the required number of specialists. This is an improvement over March 2009 when the shortfall was 72 percent.

65% shortfall in the required number of specialists at CHCs.



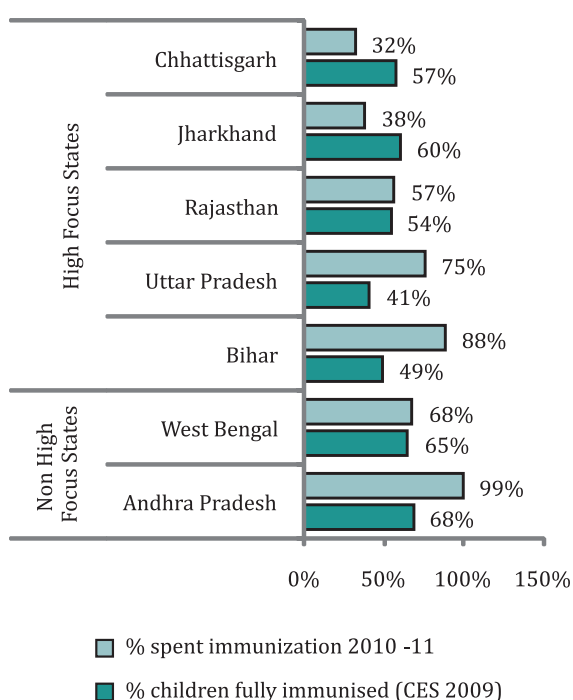
Source: Bulletin on Rural Health Statistics in India, 2009. Available online at: <http://www.mohfw.nic.in/NRHM/BULLETIN%20ON.htm> Note: Figures are up to March 2010; the India average for 2009 excludes Kerala and Tripura, while that for 2010 excludes Jharkhand and Kerala. This is because the break-up of specialists by type was not available for these states.

- There are significant state variations. Chhattisgarh, which had a 75 percent shortfall in the required number of specialists as on March 2009, had a 92 percent shortage as on March 2010. Uttar Pradesh, on the other hand, made substantial progress, from a 70 percent shortfall to 39 percent the following year.
- **Nurses in PHCs and CHCs:** Data up to March 2010 reports that on average, India falls short by 25 percent of the required number of nurses. This is marginally higher than 2009 when shortage reported was at 22 percent. Chhattisgarh, Odisha, Jharkhand and Uttar Pradesh are amongst the worst performers in this respect.

Immunisation

- India's immunisation programme is one of the largest in the world in terms of numbers of beneficiaries. It is meant to protect children and pregnant women against diseases like tuberculosis, diphtheria, pertussis, tetanus, polio and measles.
- **Expenditure performance:** In FY 2008-09, out of total NRHM expenditure (excluding NDCP and IDSP), 8 percent was spent on immunisation.

Chhattisgarh spent 32% of its immunisation budget. Immunisation coverage in the state is low at 57%.



Source: Percentage spent on immunization calculated from NRHM, NPCC Meetings, Programme Implementation Plans 2011-12. Available online at: http://pipnrhm-mohfw.nic.in/index_files/State_PIP.htm Percentage of children fully immunized available online at: http://pipnrhm-mohfw.nic.in/index_files/resources/tables_on_immunization_progress.htm

- State performance, however, varies. In FY 2010-11, Andhra Pradesh and Bihar spent 99 and 88 percent of their immunisation funds, respectively. Jharkhand and

Chhattisgarh lagged behind with an expenditure of 38 and 32 percent each.

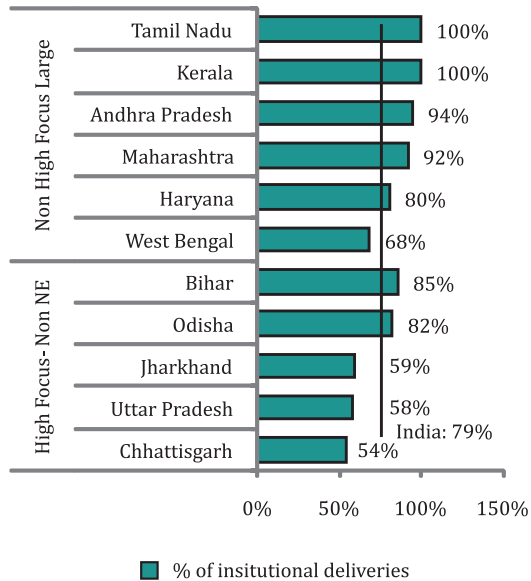
- **Coverage:** According to the Coverage Evaluation Survey (CES, 2009) at the all-India level, only 61 percent of children aged 12-23 months received full immunization in 2009. Coverage was higher in urban areas at 67 percent compared with rural areas at 59 percent. About 8 percent children did not receive a single vaccine.
- Punjab and Kerala have the highest proportion of fully immunised children at 84 and 82 percent followed by Maharashtra and Tamil Nadu at 79 and 77 percent respectively.
- Only 57 and 60 percent of children in Chhattisgarh and Jharkhand were fully immunised in 2009, yet they spent amongst the lowest on immunization in FY 2010-11.
- There appears to be little link between immunization coverage and expenditures. For instance, West Bengal reported a coverage of 65 percent in 2009 and spent 68 percent of its immunisation budget in FY 2010-11. Andhra Pradesh, on the other hand, reported coverage of 68 percent but spent 99 percent of its immunisation budget in the same years.

Institutional Delivery

- Since the launch of Janani Suraksha Yojana, there has been an increase in the proportion of institutional deliveries to total deliveries (institutional and home) from 57 percent in FY 2006-07 to 79 percent in FY 2010-11.
- Kerala and Tamil Nadu reported the highest percentage of institutional deliveries at 100 percent in FY 2010-11 while Chhattisgarh, Uttar Pradesh and Jharkhand reported relatively low institutional deliveries at 54, 58 and 59 percent respectively.

- Out of total home deliveries, only 44 percent were accomplished using a skilled birth attendant (SBA). 12 percent home deliveries were performed using an SBA in Kerala, while in West Bengal only 1 percent home deliveries were done with an SBA.

Institutional delivery increased from 57% in FY 2006-7 to 79% to FY 2010-11.



Source: NRHM, Health Management Information System (HMIS) Portal, RCH Reports, 2010-11. Available online at: <http://nrhm-mis.nic.in/PublicPeriodicRCHReports.aspx>

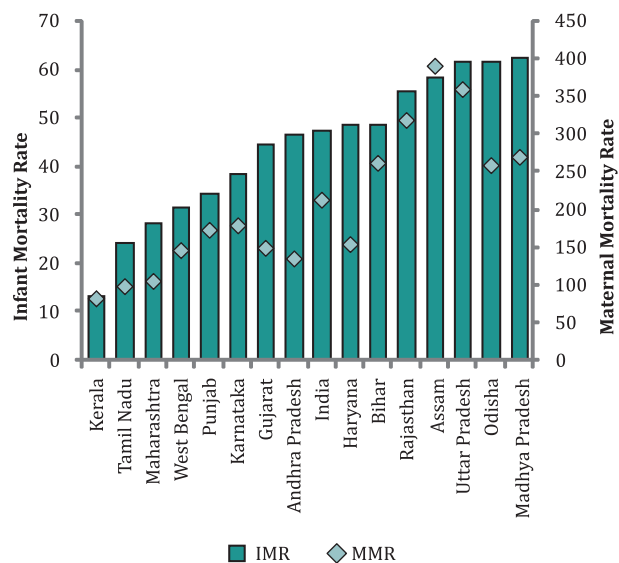
Outcomes

- Despite the increase in allocation in recent years, outcomes have been slow to improve.
- The Infant Mortality Rate (IMR) for India has declined from 58 per 1,000 live births

in 2005 to 47 in 2009 while the Maternal Mortality Rate (MMR) has declined from 254 per 100,000 live births in 2004-06 to 212 in 2007-09.

- HF states are lagging behind in both indicators. Madhya Pradesh reported the highest IMR at 67 while Assam and Uttar Pradesh reported the highest MMRs at 390 and 359 respectively.

Madhya Pradesh, Odisha, Uttar Pradesh and Assam are poor performers with respect to IMR and MMR.



Source: IMR figures are from Sample Registration Survey Bulletin, December 2011. Available online at: <http://pib.nic.in/archieve/others/2012/feb/d2012020102.pdf>. MMR figures are from Maternal & Child Mortality and Total Fertility Rates Sample Registration System available online at http://censusindia.gov.in/vital_statistics/SRS_Bulletins/MMR_release_070711.pdf

This section offers some practical leads to accessing further and 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.
NRHM, MIS Reports, Progress of Programme, State Wise progress as on 30.09.2011 http://mohfw.nic.in/NRHM/MIS/MIS_Report_As_on_30-09-2011.xls <i>Accessed on February 3, 2012.</i>	Cumulative year-wise details on GOI allocations, GOI releases, and expenditure on different schemes under NRHM.
NRHM Portal, State PIP 2011-12, State PIP and ROP and NPCC Meetings, State Presentations. Available online at: http://pipnrhm-mohfw.nic.in/index_files/State_PIP.htm and http://pipnrhm-mohfw.nic.in/index_files/NPCC.htm <i>Accessed on January 25, 2012.</i>	State Programme Implementation Plans for 2011-12 includes allocations and physical performance for various components of NRHM. NPCC meetings contains progress in 2010-11 and budget and expectations for 2011-12
NRHM, Health Management Information System (HMIS) Portal, Coverage Evaluation Survey 2009. http://nrhm-mis.nic.in/frm_ces2009.aspx and http://www.unicef.org/india/1_-_CES_2009_All_India_Report.pdf <i>Accessed on February 11, 2012</i>	Report giving outcome indicators such as immunization, maternal mortality, infant mortality etc
NRHM, Health Management Information System (HMIS) Portal, Report of Concurrent Evaluation of NRHM 2009. http://nrhm-mis.nic.in/frm_CER1.aspx <i>Accessed on February 11, 2012</i>	Report giving information about progress of NRHM, status of public healthcare facilities etc.
NRHM, Health Management Information System (HMIS) Portal, RCH Reports, 2010-11. http://nrhm-mis.nic.in/PublicPeriodicRCHReports.aspx <i>Accessed on February 10, 2012</i>	Information on institutional deliveries, home deliveries, Antenatal Care checkups, DPT, Polio, BCG and other immunization and other information relating to maternal 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.
Family Welfare 2011 Available online at: http://nrhm-mis.nic.in/UI/FamilyWelfare2011/FamilyWelfareStatistics2011.pdf <i>Accessed on February 10, 2012</i>	Report on various aspects of family welfare including institutional delivery, immunization,
Bulletin on Rural Health Statistics in India, 2009 and 2010. Available online at: http://www.mohfw.nic.in/NRHM/BULLETIN%20ON.ht <i>Accessed on February 10, 2012</i>	Information on PHCs, CHCs, Sub-Centres, Doctors, Nurses and Specialists.
Sample Registration Survey Bulletin, 2011 http://pib.nic.in/archieve/others/2012/feb/d2012020102.pdf <i>Accessed on February 16, 2012</i>	Information on IMR, MMR, CDR etc.

Prepared by

Avani Kapur, akapur@accountabilityindia.org & Anirvan Chowdhury achowdhury@accountabilityindia.org



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