PRIORITISING MATERNAL AND NEWBORN CHILD HEALTH:

The Changing Landscape of Health Policy and Fiscal Federalism in India

A Fact Sheet **2018**

India's policy framework has undergone significant changes over the past few years. Some of the major changes being - (i) the acceptance of the 14th Finance Commission's (FC) recommendations on sharing of the central pool of divisible resources among States; (ii) changes in the structure and funding pattern of the Centrally Sponsored Schemes (CSS); (iii) adoption of the National Health Policy 2017, (iv) transition from Planning Commission to National Institution for Transforming India (NITI) Aayog.

Share of States in the divisible pool of Central taxes increased from 32 percent to 42 percent since 2015-16

Reductions in Union Government's financial assistance to States for their Plan spending

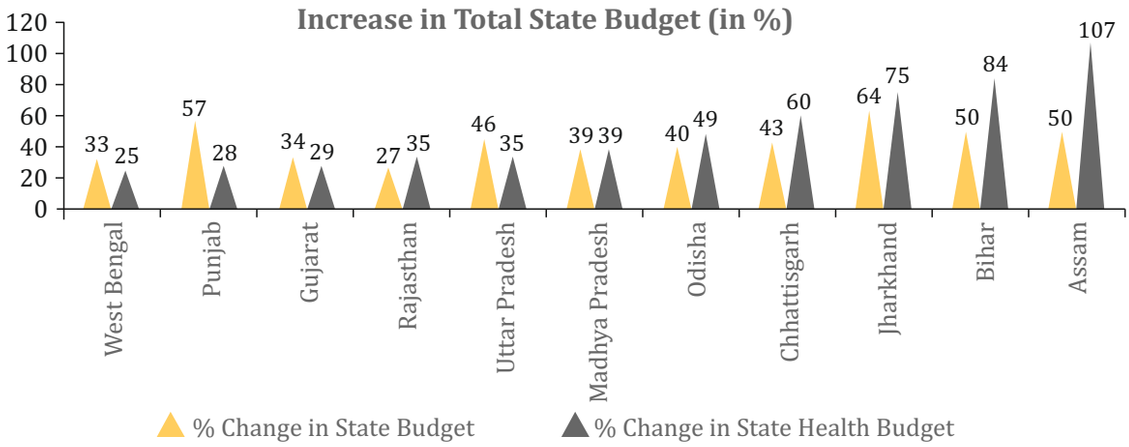
Centre-State ratio for Centrally Sponsored Schemes changed, including National Health Mission (NHM)–changed to 60:40 from the erstwhile 75:25

Impact of 14th Finance Commission on the Health Sector

The acceptance of the 14th FC (2015-16 to 2019-20) recommendations has effected changes across States, reflected both in policies and budgetary priorities across social sector. The health sector has been among the prominent social sectors which has witnessed significant changes. In addition, the changes in the Centre-State funding pattern under the CSSs have increased the responsibility of States to finance crucial developmental sectors such as health.

An analysis of the Health sector Budgets in select States during the 14th FC period shows that different States have prioritised health sector in varying degrees.

Extent of Increase in Health Budget vis-à-vis Increase in Total State Budget (in %)



Source: Taking Stock: State Budget Priorities 2015-16 to 2017-18, forthcoming publication, CBGA, New Delhi

This analysis has been by comparing two data points - the spending in the pre 14th FC period (2014-15 Actuals) with that in the 14th FC period (an average of 2015-16 Actuals, 2016-17 RE and 2017-18 BE). The analysis makes the assumption that if the extent of increase in the budget for the health sector is significantly higher than the extent of increase in the overall budget of the State during these two periods, there is an increase in priority for the health sector.

States such as Assam and Bihar have substantially increased the allocation towards health sector with State health budget as proportion of total State budget increasing during the 14th FC period over pre 14th FC. On the other hand, States such as Punjab and Uttar Pradesh have not prioritised health in the sense that the increase in State's health budget is much lesser than the increase in total State budget.

State Spending on Maternal and Newborn Child Health (MNCH) – Change during the 14th FC period

An analysis of budgetary allocation for maternal and child health interventions across nine select States shows that, in some of the States, there has been a decline for this component. For this analysis, the sum total of three components under NHM, which exclusively focus on maternal and child healthcare are observed over a period of four years – 2014-15, 2015-16, 2016-17 and 2017-18. These components are – RCH Flexi-pool, ASHA under the NRHM Mission Pool, and Immunisation.

Trends in State Budget Spending for MNCH within NRHM (in %)

States	% change between 2014-15 and 2017-18	% change between 2014-15 and Average of 14th FC period (2015-16 to 2017-18)
Uttar Pradesh	-5	13
Bihar	4	5
Chhattisgarh	11	22
Jharkhand	-18	1
West Bengal	-33	-12
Rajasthan	-6	8
Madhya Pradesh	-3	18
Odisha	-4	6
Assam	-41	-17

Source: State Budget Allocations compiled by CBGA from State RoPs

The decline in State budget spending on MNCH during the 14th FC period is seen across most of the select States. This indicates that States are not prioritising maternal and child health within their respective State Health Budgets. This is also evident when we look at MNCH spending as a share of NHM. In all the nine States there is a declining trend.

Looking at the share of MNCH in the total NHM across States, we see that between 2014-15 and 2017-18, there is a decline in all the select States. States such as Assam and Bihar which prioritised health in their State budgets have not prioritised spending on MNCH.

Trends in MNCH as share of NHM across select States (in %)

States	2014-15	2015-16	2016-17	2017-18
Uttar Pradesh	52	50	50	28
Bihar	61	59	58	45
Chhattisgarh	44	50	52	34
Jharkhand	59	63	55	40
West Bengal	58	31	53	32
Rajasthan	42	37	39	32
Madhya Pradesh	57	45	51	37
Odisha	41	44	37	30
Assam	53	46	50	26

Source: Compiled by CBGA from Record of Proceedings of States, various years

This drop in allocations towards RCH has also been witnessed at the Union level and may point towards an overall reduced prioritisation by governments both at the Centre and in the States.

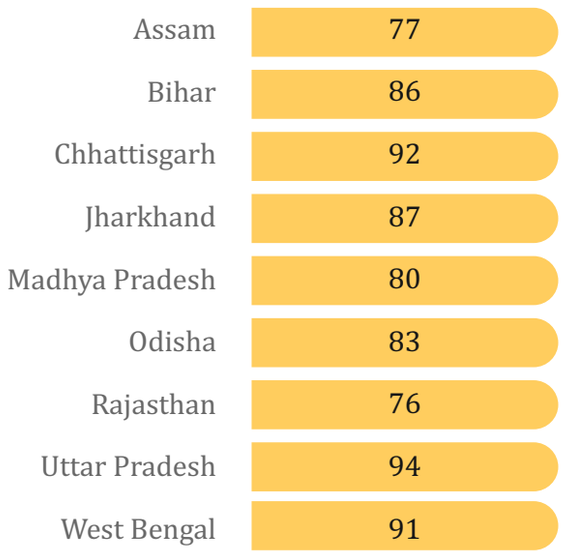
However, the low allocations in the year 2017-18 could also be due to a technical reason that not all supplementary RoPs have been released for 2017-18. Another reason could be that some States are in the process of restructuring their Financial Management Report (FMR) codes and may have shifted some components from RCH Flexipool to Mission Flexipool. For this, the RoP data would have to be carefully examined in the coming years.

Across the three specific components of maternal and child health, it is observed that the RCH component experiences a decline over these years while the ASHA and Immunisation component show an increase across these nine States. This is perhaps due to the focus on Mission Indradhanush by the Union Government.

Human Resource Shortages

The trends over the past few years show that not all States are prioritising spending on health, particularly towards the maternal and child health interventions. This is also evident when we look at the human resource shortfalls. For instance, looking at the total specialists (including Gynaecologists & Obstetricians) in position vis-a-vis the required number shows that there are huge shortages of nearly 80 percent or more across these nine States.

Shortage of Total specialists at CHCs [Surgeons, OB&GY, Physicians, Paediatricians] (%) (as on March 31, 2018)



Source: Rural Health Statistics (2018)

MMR reduces to 130 per lakh live births for the period 2014-16

According to the Global Nutrition Report 2017, India has the largest number of women affected by anaemia in the age-group of 15-49 years.

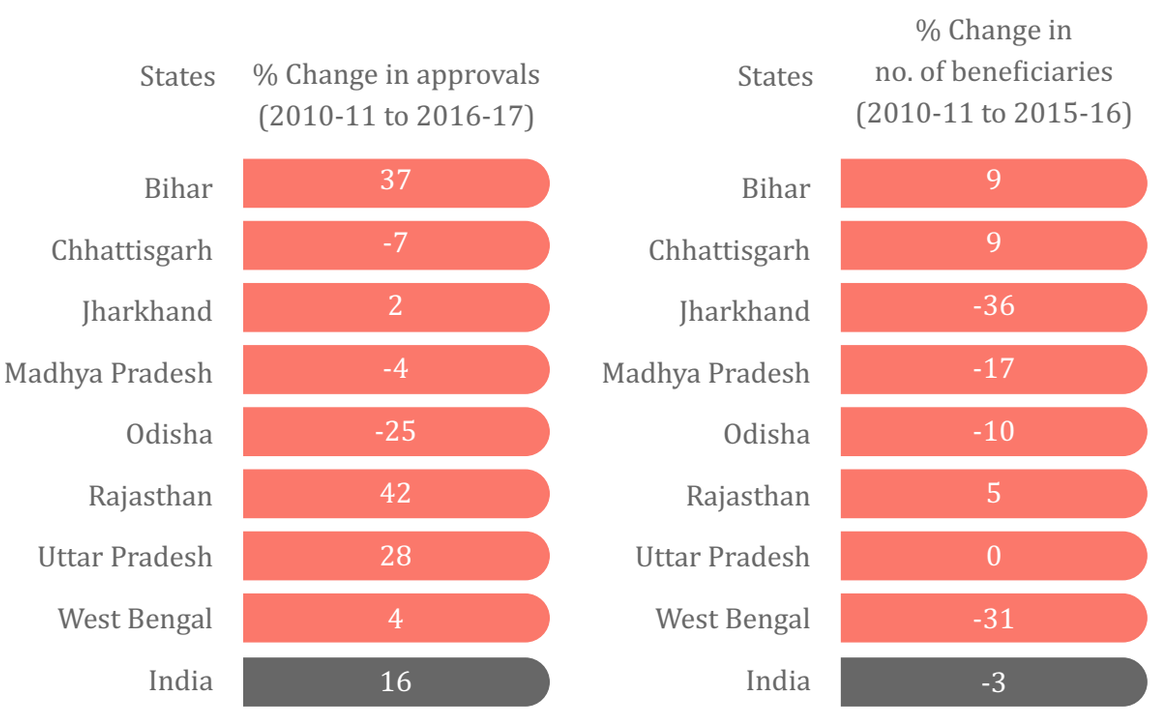
Assessing countries with the highest and lowest coverage rates of 12 interventions and practices to address maternal and child malnutrition (based on data from 2005–2015), India has the second lowest rank in the category of iron–folic acid supplements received by pregnant women; and this despite a nation-wide dedicated programme being under operation since the turn of the century.

Major Interventions for MNCH – Centrally Sponsored Schemes

Under NHM, the Centre-State sharing pattern is now in the ratio of 90:10 for the eight North Eastern and three Himalayan States and in the ratio of 60:40 for all the other States.

Since financial year 2014-15, the Union Government's share for NHM to the State Governments is routed through the State Treasuries (earlier, central funds were routed outside the State Budgets). The State treasuries in turn transfer the funds to the State Health Societies after adding State's share.

Janani Suraksha Yojana (JSY) – Change in Allocations and No. of Beneficiaries Overtime (in %)



Source: JSY Data from Lok Sabha Qs. based on State PIPs and ROPs

Looking at the changes in approved allocations for JSY, we may say that over the years some States such as Rajasthan and Bihar are investing in institutional deliveries through JSY, but some States such as Odisha and Chhattisgarh have reduced their allocations towards JSY. Further, the number of JSY beneficiaries has also been decreasing for some States overtime. This could be due to the introduction of certain State-specific schemes for maternal health such as MAMATA in Odisha, and consequently reduced reliance on central government schemes.

Allocations for Janani Shishu Suraksha Karyakram (JSSK)

There is a similar varying trend across States in the allocations for JSSK. There are substantial reductions in allocations in Bihar and Chhattisgarh, but Madhya Pradesh has prioritised spending on JSSK.

Change in Approved Outlays for JSSK across select States (in %)

States	% Change (between 2015-16 and 2016-17)
Bihar	-61.2
Chhattisgarh	-34.1
Jharkhand	-10.8
Odisha	5.9
Rajasthan	6.6
West Bengal	20.8
Madhya Pradesh	81.0
Uttar Pradesh	NA

Source: Compiled from ROPs of different States

33%

decline in the RCH component in Union Budget 2018-19

8%

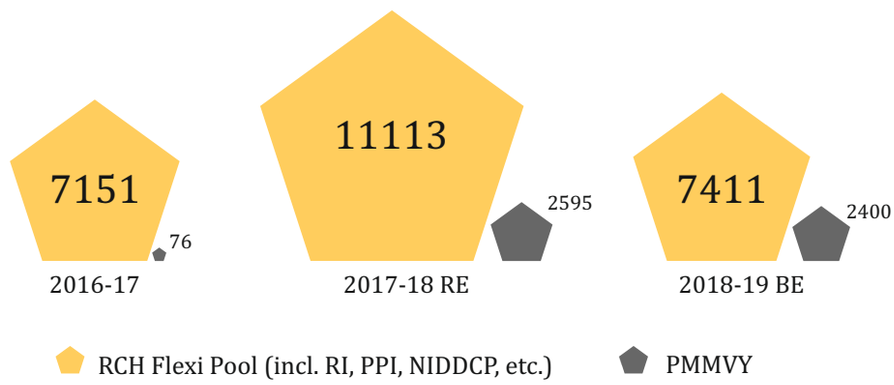
REDUCTION IN ALLOCATION FOR PRADHAN MANTRI MATRITVA VANDANA YOJANA (PMMVY)

MNCH Interventions at the Union Level

At the Union level, the latest trends that are emerging do not augur well for MNCH. In the latest Union Budget 2018-19, the RCH component declines by 33 percent over 2017-18 (RE). Along with this, the allocation for Pradhan Mantri Matritva Vandana Yojana (PMMVY), the erstwhile Maternity Benefit Scheme, has also reduced by eight percent over 2017-18 (RE).

The provision made for PMMVY is Rs 2,400 crores which is lesser than what is required even on the basis of Government of India estimates of 51.7 lakh beneficiaries. According to other estimates this figure of 51.7 lakh beneficiaries is only a quarter of the total number of children born in India annually and hence the allocations should be higher.

Union Budget Allocations for Maternal & Child Health Interventions (in Rs. crore)



Note: RI, PPI, NIDDCP, - Routine Immunisation, Pulse Polio Immunisation, National Iodine Deficiency Disorders Control Programme

From January 2017, under PMMVY, a cash incentive of Rs 5,000 for first living child of the family (subject to their fulfilling specific conditions) is to be provided to all Pregnant and Lactating Mothers. This is also a legal entitlement under the National Food Security Act (NFSA) 2013. PMMVY restricts the benefits to just one child per woman, (with an additional Rs. 1000 to be provided under Janani Suraksha Yojana only after an institutional delivery).

PMMVY succeeds the erstwhile Indira Gandhi Matritva Sahyog Yojana (IGMSY). Whereas the incentive provided under IGMSY was for the first two live births , under PMMVY, this has been limited to the first living child.

According to the NITI Aayog's Quick Evaluation Study on IGMSY (2017), 17% of the beneficiaries reported that Rs. 6,000 was adequate to meet the pregnancy related expenses whereas, 83% reported that the amount was inadequate. Therefore, to fulfill its objective, the provisions under PMMVY need to be increased.

Recent Policy Announcements at the Union level

National Health Policy 2017

The National Health Policy (NHP) 2017 targets a total level of public expenditure on health (by both centre and states) at 2.5 percent of GDP by 2025, of which 40 percent should come from the centre. This amounts to one percent of GDP from the central resources. However, the Union Budget allocations for the health sector have stagnated at 0.3 percent of GDP, and thus, it would require a much greater thrust to achieve the target by 2025.

The public expenditure target for the health sector is 2.5% of GDP, of which 1% should be contributed by the Centre. However, Union level allocations are stagnating at 0.3 % of GDP

Ayushman Bharat - Health and Wellness Centres

An allocation of Rs. 1200 crore was announced for the Health and Wellness Centres (HWCs). The upgrading of 1.5 lakh sub centres to HWCs was announced in the Union Budget 2017-18, but not much progress has been made so far. As per Rural Health Statistics (2017), the shortfalls in sub centres, primary health centres and community health centres were 19 percent, 22 percent and 30 percent respectively as on March 31, 2017.

The HWCs would encompass more services focusing on Non-communicable diseases, geriatric care among others. But the current allocation amounts to Rs. 80,000 per sub centre, which is meagre for upgradation of an existing sub centre with a much larger number of services to be provided. Moreover, the government has invited contribution from the private sector in the establishment of HWCs in line with the recommendations of NHP 2017 for strategic purchase of health services from private players.

Ayushman Bharat- Pradhan Mantri Jan Arogya Yojana

With the announcement of Pradhan Mantri Jan Arogya Yojana (PMJAY), the government promises a big move towards universal health coverage where 'coverage' implies expanding the insurance cover to 50 crore prospective beneficiaries, which is said to be financed through Rs 11,000 crore from health and education cess of 4 percent. PMJAY is a scaled-up version of Rashtriya Swasthya Bima Yojana (RSBY), an insurance scheme which has not proved very successful in reducing the healthcare cost for the poor. The out-of-pocket (OOP) expenditure in India remains high at 63 percent of the total health expenditure, which is largely due to high costs incurred on private healthcare and expenditure on medicines and diagnostics. The Union Government has come up with a structural set up for the PMJAY.

Recently the government has issued guidelines under Ayushman Bharat to incentivise private investments for setting up hospitals in Tier 2 and Tier 3 cities. The interventions include allotting unencumbered land to private hospitals, providing funding for projects which are deemed unviable by the private sector and speeding up clearances.

15th Finance Commission

Under the 15th FC, constituted for the period 2020-2025, a High Level Group on Health Sector has been constituted to "examine the strengths and weaknesses for enabling balanced expansion of Health Sector". The specific Terms of Reference include:

- Evaluating existing regulatory framework in the health sector for enabling a balanced yet faster expansion of the sector
- Suggesting ways and means to optimise the use of existing financial resources and to incentivise State governments' efforts on fulfilment of well-defined health parameters
- Examining best international practices for the health sector and seek to benchmark our frameworks to these practices for optimising benefits

The developments regarding the High Level Group on Health are still unfolding and we need to closely observe these.

Policy Recommendations

State Governments must Prioritise Health

In the 14th FC period a few States have allocated more resources for the health sector thereby prioritising public provisioning of healthcare. Although the overall increase in fiscal space of the States has led to an increase in total spending in social sectors, this has not resulted in a commensurate increase in health spending in all the States. Some States prioritised health spending but others have not. The Report of the Departmentally related Standing Committee on Health and Family Welfare (2017) has also indicated that the higher devolution recommended by the 14th FC could be utilised towards filling the resource gaps of the States and for this the Centre would have to devise and ensure arrangements for the States to step up their funding for the health sector, especially for the Reproductive and Child Health component.

Provisions for Maternal and Child Health Interventions must be Enhanced

In the Union Budget 2018-19, allocations for both the RCH component of NHM and for the Pradhan Mantri Matritva Vandana Yojana (PMMVY) (erstwhile Maternity Benefit Scheme or MBS) have been reduced. In order to realise the assertion made in the Union Budget Speech 2018-19 that "Only Swasth Bharat can be a Samriddha Bharat", the maternal and child health component needs to be prioritised. The Government must have a relook at the entitlements under PMMVY which is a legal requirement to be provided to all women under the National Food Security Act (NFSA). These entitlements have been diluted from the earlier MBS, which provided Rs.6000 per woman with a two-child norm to Rs. 5000 with a one-child norm and the remaining cash incentive to be given under Janani Suraksha Yojana (JSY) after institutional delivery. Given that according to other estimates the number of prospective beneficiaries could be larger than 51.7 lakh estimated by the Government, the allocations need to be revised accordingly.

Strengthening the overall Health System – Addressing Human Resources and Infrastructure Shortages

There are huge shortages starting from the block level to the Community Health Centres. The NHP 2017 has a vision for strengthening the primary healthcare in the country. The announcement of Rs. 1200 crore allocation for upgrading 1.5 lakh sub-centres to Health and Wellness Centres is a step in that direction. However, inviting private sector in establishment of these centres might not be a prudent policy decision. More public investment needs to be made for ensuring that these facilities cater to the poor and marginalised sections. Also, a clear road-map needs to be in place for strengthening primary health services.

- Vacant positions need to be filled,
- Adequate infrastructure at all levels of care needs to be provided,
- Better amenities need to be provided at the facility level.

NOTES

For further information, please write to: info@cbgaindia.org

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