

Spending cuts in India will hurt already inadequate health services

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Deep cuts in health spending by the Indian government will lead to continued inadequate health services and delays in achieving universal access to healthcare, argue experts in *The BMJ* this week.

The Bharatiya Janata Party, elected to power in 2014, promised to increase access to [health](#), improve quality and lower costs. But in 2014-2015, the central government spent much less than it had budgeted for - 20% less in current spending and as much as 50% less in capital spending.

As a result the government has "not just belied these promises; it has done precisely the opposite of them," writes Jayati Ghosh, professor of economics at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi, India.

For example, the National Health Mission (NHM), which supports a network of accredited social health activists (ASHAs) to provide basic services, is in a "mess" following a 20% cut in funding, a similar reduction in budgets for state governments.

The Integrated Child Development Services (ICDS) scheme, which provides nutrition and other services to pregnant and lactating mothers and infants, received around 10% less than expected.

Next year, both programmes will face even sharper cuts: the ICDS will have funding cut by more than half and the NHM by a further 17%.

The government explained that the cuts were required to meet the fiscal deficit target since tax collections were lower than expected. It added that individual states should take more responsibility for [health spending](#) because they will now receive a larger share of tax revenues upon the award of the latest Finance Commission.

But the likely increase in such tax revenues for all states put together will be only around 0.7% of GDP (gross domestic product), and this amount will have to be shared with other sectors, including sanitation and education, that have also suffered central government funding cuts, explains Ghosh.

Total health spending of the central government will be almost at the same level as two years ago, which is "indefensible" and will likely "throw the entire government health sector into disarray," she argues.

Private hospitals will continue to flourish for India's wealthy customers and medical tourists from abroad, but in what is still a largely poor country, most of the population will continue to experience inadequate public health, she adds.

Massive cuts imply the persistence of huge shortfalls including of healthcare staff, such as doctors, surgeons, and nurses, and insufficient physical infrastructure to support [health services](#). Ghosh notes that India has among the worst ratio of clinics and hospital beds per head of population in the world.

In a linked article, Leena Menghaney, a lawyer working on public health law and policy in New Delhi, writes that she has seen "huge insufficiencies" in India's HIV programme following the cutbacks.

The current government has adopted a "disastrous go-slow policy" for increasing and effectively using the health budget, she explains, and calls

for the expansion of health interventions, but she says this is not possible with the current inadequate funds and the millions unspent due to "endless bureaucratic delays".

The Indian government's current health spending does not reach the much anticipated 2.5% of GDP, which is still well below the World Health Organization's recommendation of 5%.

Endless bureaucratic delays in implementing prevention and treatment services for many of the Ministry of Health's national programmes leaves millions unspent—hence the routine but deadly mid-year budget revisions, she explains.

For each financial year when the National AIDS Control Programme (NACO) fails to spend its budget, the Ministry of Health reduces its spending. Consequently in 2014, the AIDS programme had its budget cut from over 4.5 billion rupees to 0.16 billion rupees for drugs, kits and other consumables. Instead, unused funds were passed on to unrelated new projects, such as Swachh Bharat Abhiyan (Clean India Mission).

Next year the national AIDS programme will be cut by almost 3 billion rupees.

In addition, funding for the national AIDS and STI control programme and the National Health Mission was sent directly to state treasuries rather than to AIDS control societies and health units and tens of millions of rupees are yet to be released for spending by state finance departments, explains Menghaney.

Universal [healthcare](#), which is closely linked with poverty reduction, economic development and an improved public health system, will remain "a distant dream", concludes Menghaney.

More information: Personal View: Deep cuts to India's health spending will delay universal access to healthcare:

www.bmj.com/cgi/doi/10.1136/bmj.h1632

Personal View: Bureaucracy and budget revision: how spending cuts are affecting India's public health programmes:

www.bmj.com/cgi/doi/10.1136/bmj.h1734

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