

## Health expenditure remains only 1.2% of GDP in 2014

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The Modi government has not given any exceptional treatment to the healthcare sector in the recently presented budget 2015-16. The government announced 297 billion rupees (\$4.81 billion) for healthcare, roughly 2 percent higher than current year's revised budget of 290 billion rupees.

Earlier a senior health ministry official had told *BioSpectrum* that India's constraints on reforms are a hinderance and had stressed on finding innovative alternatives. "Technologies will have to play an important role in meeting requirements. We have to shift priorities towards innovation development and delivery of quality products," he had mentioned.

The health minister, Mr J P Nadda in a written reply in the Rajya Sabha on March 10, 2015, stated that as per Economic Survey 2014-15, the expenditure by the government (central and state combined) on health as percentage of Gross Domestic Product (GDP) for 2014-15 (BE) is 1.2 per cent.

However, Mr Nadda mentioned that as per 12th Five Year Plan document, total public funding by the Centre and States, plan and non-plan, on core health is envisaged to increase to 1.87 per cent of GDP by the end of the 12th Plan.

"When viewed in the perspective of the broader health sector, the total government expenditure as a proportion of GDP is envisaged to increase to 2.5 per cent by the end of the 12th Plan," said the minister.

Mr Nadda also pointed out that the draft National Health Policy 2015 envisages health care service being built on the bedrock of high quality comprehensive primary health care services that are universally accessible, are free and provided as close to where people live and work, as is feasible.

Perhaps the government has envisaged a different pathway to reach the health goals. While the allocations tell a different

story, government officials seem to be divided on the issue. While some are enthusiastic about the new initiatives, quite a few are skeptical on the launch of programmes minus enough financial support to sustain them. "Might be possible that government wants to focus on proper utilization of funds and less on mere allocations. The affordability from indigenous manufacturing can be a huge boost. The longterm mutually beneficial partnership with industry can make it possible," quipped a senior industry person.