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 (NDCP) increased.

• On 25 December 2014, the Ministry of Health and Family Welfare (MHW) 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.
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.

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.

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 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.

In FY 2014-15, Jharkhand spent 40% of its total approved budget while Uttar Pradesh spent nearly 94%.

**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:**


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.
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.

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.

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