

Budget 2013: Bigger role for private sector in Healthcare

Experts say that in real terms, the allocation for health has actually gone down when factoring in inflation

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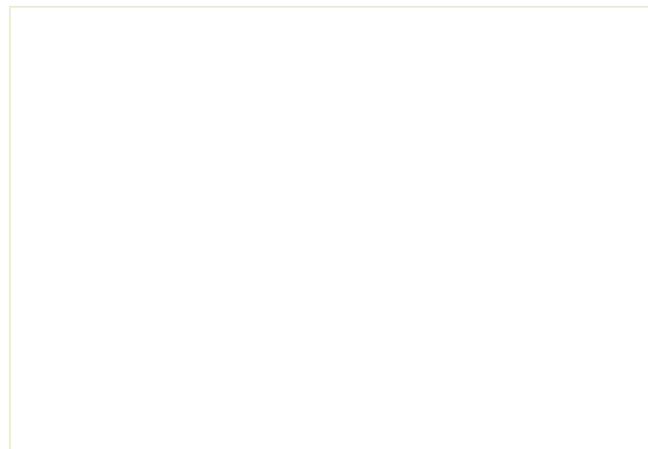


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New Delhi: Finance minister **P. Chidambaram**'s allocation of `37,330 crore for health in the budget will see the burden of providing healthcare falling on the private sector, experts said.

The United Progressive Alliance (UPA) government's plans for universal health coverage (UHC) and providing free medicines at all government hospitals may be non-starters with the rise in allocation of `7,000 crore from the previous year being seen as inadequate.

The budgetary allocation for the much-awaited National Health Mission (NHM), a unified scheme combining urban and rural areas, is `21,239 crore. Experts maintain that the amount has actually decreased when seen in the context of the previous year's budget for the National Rural Health Mission (NRHM) of `20,862 crore.



"In real terms, the allocation for health has actually gone down when...factoring in inflation," said health economist **Sakthi Selvaraj**. "Flagship schemes like UHC that the government has been promoting do not even find mention in the budget. The allocation for NRHM and the new urban mission remain abysmally low."

Another indication of the government assuming the role of a "payer" and not "provider" of health services is the expansion of Rashtriya Swasthya Bima Yojana (RSBY) to include rag pickers, rickshaw pullers, mine workers, etc.

"The government has extended the scheme to a larger population of the economically weaker segments and low-income groups, with health cover through the RSBY and other schemes. This is clearly an indirect acknowledgement by the government to move increasingly to take on the role of a payer (of insurance premium) than a provider of healthcare facilities," said **Rajen Padukone**, managing director, Manipal Hospitals.

The budgetary constraints will burden the private sector and worsen the deficit in terms of cheap, affordable healthcare with public health facilities not getting the boost they need, said **Naresh Trehan**, chairman of **Medanta Medicity**.

"The onus of providing healthcare falls entirely on the private sector. This allocation will do nothing to improve access to healthcare. Given the fiscal constraints, we need to use existing funds efficiently. Health in India is the one of most chaotic sectors with non-government, government and private players moving in different directions," he said.

The allocation for Integrated Child Development Services has been increased 11.7% to to `17,700 crore from `15,850 crore.

The allocation to the ministry of drinking water and sanitation was increased to `15,260 from `14,000 crore.

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