



“I wish we could spend more on healthcare”

- FM Arun Jaitley



Union Budget 2016: Candid Conversation with Arun Jaitley

CONTENT

NCDs a Key Priority Area Under Sustainable Development Goals

State Governments Can Lead the Way in Tackling NCDs

Union Budget 2016 Snapshots: Hits and Misses for NCDs

PFCD in the News

PFCD Chairman Dr Kenneth Thorpe participated in Rajya Sabha TV's flagship programme 'Spotlight' on March 2 2016. Finance Minister Arun Jaitley was the Chief Guest and the session was moderated by veteran TV and print journalist Govindraj Ethiraj.

The session had a selected set of 25-30 senior officials across sectors, including manufacturing, automobile, real estate, insurance, health and research who had the opportunity to directly interact with the Finance Minister on the 2016 Union Budget released on February 29.

In the discussion Dr Thorpe commended the role of public private partnerships in the government's newly announced National Dialysis Services Programme under the National Health Mission. Dr. Thorpe asked the Minister Jaitley about any plans to invest more broadly in the management of NCDs in the future, noting that chronic disease is a leading factor for lost productivity and lowers potential for economic growth in India.

The Finance Minister responded by saying, "I wish the government could spend more in the healthcare sector". He emphasized that the government has taken a big leap in terms of Universal Health Insurance this time, and also talked about the increased role of the private sector in this area.

The complete session can be viewed at: https://www.youtube.com/watch?v=XgJW9M_YAQ

NCDs a Key Priority Area Under Sustainable Development Goals



Dr. Sanjiv Kumar, Executive Director, National Health Systems Resource Centre (NHSRC)

On the historic day of September 25 2015, leaders from across the globe adopted a set of goals in the form of 2030 Agenda for Sustainable Development at the United Nations in New York. A total of 17 Sustainable Development Goals (SDGs) and 169 targets were agreed on with an aim to end extreme poverty, fight inequality and injustice, improve health and well-being and protect our planet in the period of the next 15 years. The most exciting and interesting development took place with the inclusion of non-communicable diseases (NCDs) in the goals as a sustainable development priority for all countries. Health is the focus area for one of the 17 SDGs, and nine targets have been set in order to track the progress of this particular goal comprising several global health priorities ranging from maternal and child health to communicable diseases, universal health coverage and NCDs.

Talking specifically about the NCD-related issues in the SDGs, two of the nine health targets focus solely on addressing and managing the chronic disease. Target 3.4 is to reduce premature mortality due to NCDs by one-third through prevention and treatment, and promote mental health and well-being. Target 3.5 is aimed towards preventing and treating substance abuse, including harmful use of alcohol.

NCDs in India

Looking at the current scenario in India, the Ministry of Health and Family Welfare's initiatives in the health sector have been so far directed mainly towards the communicable diseases and maternal and child health which constituted high mortality rate. But with changing demographics and lifestyle modifications over the last few years, NCDs are fast surpassing the traditional enemies such as infectious diseases and malnutrition, as the leading causes of disability and premature death. According to the WHO NCDs Country Profiles 2014, out of the total 98.16 lacs deaths, NCDs hold a major share with cardiovascular diseases accounted for 25 lacs deaths, cancer – 6.8 lacs, chronic respiratory diseases – 12 lacs, diabetes – 1.9 lacs, other NCDs – 11 lacs and injuries - 11 lacs. The WHO also figured out that the probability of dying between ages 30 and 70, from four major NCDs for both sexes is as high as 26%. For a country with the largest number of young workers in the world, these statistics point to the loss in economic productivity that would occur if this continues unchecked.

Government's Initiatives towards NCDs

The Ministry of Health & Family Welfare has started showing urgency towards the growing disease burden of NCDs, and is in the final stages of "contextualizing" the indicators as specified in the SDGs. A meeting recently convened by Niti Aayog discussed how states would now be given more authority to develop their own plan of action after defining health priorities. This wasn't the case with MDGs. A task force on Comprehensive Primary Health Care has recommended shift of focus to Health and Wellness to include NCDs and is scheduled to be rolled out in the later part of 2016. In addition, allocation for health to the states under the 14th Finance Commission likely to go up by 10% this fiscal. An estimated INR 9,000 crore more may be available for public health.

The MoH&FW has released guidelines for states to provide free essential drugs and diagnostics in public health facilities based on the experiences in states such as Rajasthan and Tamil Nadu. The government also believes that the revision of the National List of Essential Drugs will help in reducing out of pocket expenses to a section of the population. The ministry is also keen to promote health innovations, focus on to streamline identification, review and scale up of innovations in health technologies and programs. Also, the New National Health Policy drafted in 2015 is likely to be adopted this year.

State Governments Can Lead the Way in Tackling NCDs

Ever since the World Health Organization (WHO) released the global action plan for the prevention and control of NCDs (2013-2020), the Government of India's strikethrough initiatives in the health sector have changed path. India's disease burden is undergoing a transition from infectious to chronic lifestyle diseases over the period of the last few years. The government has now started focusing on non-communicable diseases (NCDs) that account for 53% of the disease burden and 60% of the total deaths in India.

Health is a state subject in India. Therefore, the state is responsible for improving public health and the standard of living of its people. However, the limitations of state governments and low levels of public spending are a reality today. This results in poor quality of preventive healthcare for the population. People are then forced to depend on private health providers, leading to excessive and unaffordable out-of-pocket expenditures.

As a result of increased medical costs and dipping government spending on healthcare, almost 60% of the total health expenditure in India is out-of-pocket, which is one of the highest in the world, according to the draft National Health Policy 2015. It was also highlighted in the draft Policy that 55 million Indians were dragged into poverty in the 2011-12 period due to increased healthcare spending. With such disturbing figures, it is important for the government to introduce regulatory reform in order to enable expansion of private/commercial insurance and other innovative financing mechanisms.

Involvement of States

In order to deal with such high disease and economic burden, the central government has now started recognizing the role of states in expanding innovative approaches to tackle the growing burden. It is important to develop a coordination between the central and state governments in order to effectively execute certain initiatives including strengthening of primary healthcare services, building of healthcare infrastructure and encouraging public private partnerships.

While some states are working towards creating awareness about the prevention, screening and treatment of NCDs, it is important to have an integrated approach to address this complex public health challenge. Adequate training of nodal officers, ASHAs and ANMs in the primary healthcare centers is one of the crucial aspects in dealing with the chronic disease. Additionally, states need to focus on data collection and analysis in order to devise effective policies and strategies to manage NCDs.



Aman Gupta
Country Representative, PFCD

Union Budget 2016 Snapshots: Hits and Misses for NCDs

In the Union Budget 2016, the government has taken some positive steps in the area of public health; however, in the broader framework these measures are not adequate enough to help address the larger issue of access to healthcare, particularly when it comes to addressing the growing burden of NCDs.

Investing in health leads to a more stable and secure environment for people around by providing access to basic health products and services. The investment in health not only saves lives but is also critical in the wider economy as poor health weakens productivity, hampers job prospects and adversely affects human capital development. It is important that such policies need to be devised that ensures incremental spending goes to health, which ultimately results in improving access to healthcare, strengthening healthcare systems, building effective healthcare financing models, at least for the weaker sections of the society as high out-of-pocket expenditure drags millions into poverty each year.

It is important for the government both at the center and state level to understand that investment in health is a big opportunity for the country. The increased allocation on health holds more relevance in the current scenario considering a fact that the current government of Prime Minister Narendra Modi is working towards making India a global manufacturing hub through its "Make In India" and "Skill India" initiatives. But the question is, how these initiatives will yield fruitful results if the productive workforce of India will suffer from frequent illness and poor health?



Key Health Initiatives

- The allocation for health in Union Budget 2016 has been increased by 22% to INR 39,533 crore. This includes INR 20,037 crore for National Health Mission (NHM) and INR 1500 crore for Rashtriya Swastha Bima Yojna (RSBY).
- The government will launch a new National Health Protection Scheme which will provide health cover up to INR 1 lakh per family. For senior citizens, an additional top-up package up to INR 30,000 will be provided. One-third of India's population is estimated to get protection against hospitalization expenditure.
- The government will start a National Dialysis Services Programme, for which the funding will be provided through PPP mode under the National Health Mission. Under the scheme, dialysis services will be provided in all district hospitals. The government also proposed to exempt certain parts of dialysis equipment from basic customs duty, excise and special additional duty.
 - About 2.2 lakh new patients of End Stage Renal Disease get added in India every year resulting in additional demand for 3.4 crore dialysis sessions. With approximately 4,950 dialysis centres in India, largely in the private sector and concentrated in the major towns, the demand is only half met.
- Under Prime Minister's Jan Aushadhi Yojana, 3,000 generic drug stores will be opened during 2016-17 with an aim to provide quality medicines available at affordable prices.
- The government has also increased excise duty on tobacco products by 10 to 15 per cent, discouraging the use of tobacco and tobacco products. This would result in reducing illnesses caused due to its consumption.



What's Missing

- India's healthcare sector is badly affected by an intense demand-supply gap but still the government has not adopted any constructive measures to deal with the situation. There is no fundamental change to increase public health spending, which still stands at less than 1.2 per cent of GDP.
- NCDs, despite being the leading cause of mortality in India, has not been given much attention in terms of budget allocation. The government did not announce any new initiatives to address the four major NCDs – diabetes, cancer, hypertension and cardiovascular diseases. The chronic disease account for 53 per cent of disease burden and 60 per cent of total deaths annually.
- No initiatives were introduced by the government towards encouraging preventive and curative care at the primary level in order to speedily improve the health status of its population. A healthy workforce is a prerequisite for India to achieve many of the ambitious goals set by the government to transform the nation.
- Under-utilization of allocated health funds by the states is a big area of concern. According to a recent statement by Union Health Minister JP Nadda in the Parliament, the government released INR 282.68 crore in 2015-16 against the total allocation of INR 527.36 crore for the NCD programs. However, only INR 187.54 crore was utilized by the states under the National Health Mission (NHM).

PFCD in the News



Union Budget 2016 addresses health insurance schemes, dialysis programmes, leaves out overall public health spend

It is important for the government both at the center and the state levels to understand that investment in the healthcare sector is a big opportunity for the country. With adequate workforce of the budget as many as 12 million healthy, India may be in a better position to lead its way to more efficient and effective delivery of healthcare services as well as become the power capital of the world.

Experts give guarded welcome to health measures in budget

Health economist Kenneth E. Thorpe said the dialysis programme, generic drug stores and health protection scheme are positives of the budget, but wondered why there is no mention of the total public health expenditure.



"While the finance minister has outlined certain reforms in regard to new health protection and health cover schemes, there has been no mention of increase in the public health spend. The expenditure on public health still stands at 1.2 per cent of the GDP," Thorpe, Chairman, Partnership to Fight Chronic Disease (PFCD), mentioned.



National Blueprint used as a reference to showcase NCD threat and need for evidence based chronic disease management framework

In October 2015, the Partnership to Fight Chronic Disease (PFCD) released a National Blueprint on NCDs to facilitate a multi-sectoral response for prevention, control and management of growing cases of cancer, diabetes, heart and respiratory disorders, mental illness, injuries and other chronic diseases. More than 100 experts covering prominent government health officials, medical practitioners, policy analysts, and members of the patient groups participated in the development of the blueprint. The blueprint had also set a three part roadmap -- Policy and Surveillance; Strengthening of Healthcare Systems, and Healthcare Financing to address this public health challenge posed by the NCDs.



National Blueprint's recommendations to address the growing burden of NCDs

"With changing demographics and lifestyle modifications over the last few years, NCDs are fast surpassing the traditional enemies such as infectious diseases and malnutrition, as the leading causes of disability and premature death in India. Sixty per cent of all deaths in India are caused by the four leading NCDs — cardiovascular diseases, cancer, chronic respiratory diseases and diabetes," informed Dr Kenneth Thorpe, the chairman of international NGO Partnership to Fight Chronic Disease (PFCD).

A renowned health economist, he has been an adviser of the Indian government in developing an action-oriented Blueprint on NCDs titled 'SANKALP' — Disha Swastha Bharat Ki' which was launched a few months ago. Commenting on this year's budget, Dr Thorpe believes that steps like launching a national dialysis programme and increasing excise duty for tobacco products by 10-15% as steps in a positive direction.