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**Allocations for Health Sector:  
State-Level Challenges and  
Opportunities**

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## ALLOCATIONS FOR HEALTH SECTOR: STATE-LEVEL CHALLENGES AND OPPORTUNITIES

### In Context

- The Union Budget's allocations for health sector initiatives like the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) and Human Resources for Health and Medical Education (HRHME) depend heavily on State-level implementation.
  - ♦ These Centrally Sponsored Schemes (CSS) require States to share costs and manage operations.

### Key Initiatives

#### PM-ABHIM:

- Focuses on building Health and Wellness Centres (AB-HWCs), Block-level Public Health Units (BPHUs), and Critical Care Hospital Blocks (CCHBs). The aim is to boost preparedness for future health emergencies.
- Includes integrating district public health laboratories (IDPHLs) to streamline health infrastructure.

#### HRHME:

- Seeks to address the shortage of medical personnel by establishing new medical, nursing, and paramedical colleges.
- Aims to upgrade district hospitals and attach them to new medical colleges to increase access to healthcare and education.

### Key Issues Pertaining to This

- **Low Fund Utilisation:**
  - ♦ In PM-ABHIM, only about 29% of funds were utilised in 2022-23. In HRHME, fund absorption was similarly low.
  - ♦ Factors like complex grant structures and overlapping funding streams have slowed implementation. For instance, only 45% of the health grants from the 15th Finance Commission were utilised, highlighting inefficiencies in the system.
- **Construction Delays:**
  - ♦ Many scheme components involve construction, which is often delayed by rigid procedures and administrative hurdles. This affects fund absorption rates.
- **Faculty Shortages:**
  - ♦ A significant shortage of teaching faculty across newly created medical colleges, especially in Empowered Action Group (EAG) States like Uttar Pradesh, where 30% of teaching positions remain vacant. This shortage is particularly severe in rural Community Health Centres (CHCs), where two-thirds of specialist positions are unfilled.

### Fiscal Constraints at the State Level

- States must bear the recurring costs of maintaining the health infrastructure built under PM-ABHIM and HRHME. Since the Union government's support for human resources is limited until 2025-26, States will need to plan for long-term financial commitments.
- Creating fiscal space will be essential for sustaining these health initiatives and meeting additional costs.

### Way Ahead

- **Address Human Resource Shortages:** Filling teaching faculty and specialist vacancies is critical to ensuring that new medical infrastructure is fully utilised.

- Improving fund utilisation through better public financial management processes at both the State and central levels can help accelerate implementation.
- **Long-term Financial Planning: States need to plan for the recurring expenditures required to maintain** the infrastructure built under these schemes, ensuring sustainable health services beyond 2025-26.
- **Infrastructure Expansion:** Expanding infrastructure beyond urban centres, particularly in underserved areas, is crucial for addressing regional health disparities.

### Conclusion

- The success of Union Budget allocations for the health sector largely depends on overcoming the challenges at the State level, including better fund utilisation, addressing faculty shortages, and ensuring long-term fiscal planning.
- Collaboration between the Union and State governments, along with improved implementation mechanisms, will be key to transforming these initiatives into meaningful health outcomes.



### Mains Practice Question

**[Q]** Discuss the challenges in implementing health sector schemes at the State level. What measures can ensure effective utilisation of resources?

