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Union Budget 2023-24 Highlights – Healthcare Sector





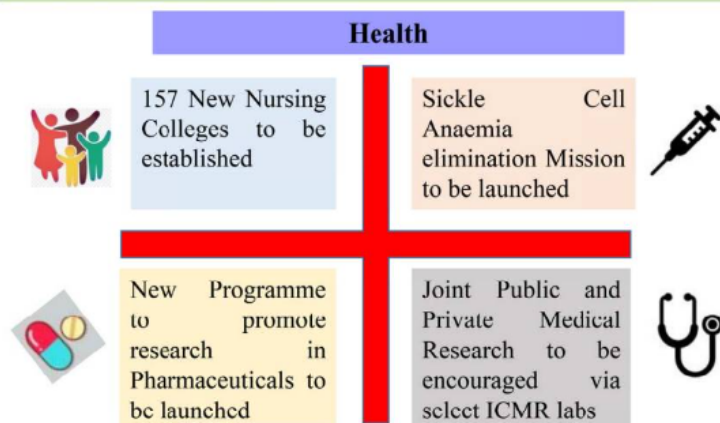
On 1ST February, the last full – fledged Union Budget of Modi Government before the 2024 Lok Sabha elections presented by the finance minister Nirmala Sitharaman. In the budget, the healthcare sector has been allocated Rs. 89,155 crores, a hike of 12.6 percent over Rs. 79,145 crores allocated as per revised Budget estimates for 2022-23.

The strengthening of India's public healthcare system through government-led initiatives and strong collaboration with the business sector appears to be a major focus of the budget. The Budget also includes provisions for training and other up-skilling services to prepare for the adoption of futuristic medical technologies.

Some key highlights on Healthcare Sector from the Budget, 2023-2024 are as follows:

- 157 new nursing colleges will be established in co-location with the existing medical colleges established since 2014.
- Facilities in select ICMR (Indian Council for Medical Research) Labs will be made available for research by public and private medical college faculty and private sector R&D teams for encouraging collaborative research and innovation.
- Program to promote research and innovation in pharmaceuticals will be taken up through Centres of excellence.
- Dedicated multidisciplinary courses for medical devices will be supported in existing institutions to ensure availability of skilled man-power for futuristic medical technologies, high-end manufacturing and research.
- To set up 100 labs in top engineering institutions to develop 5G apps and services.
- Budget proposes a mission to eliminate sickle cell anaemia – an inherited blood disorder found mainly in tribal population.
- Allocated Rs 341.02 crore to the Ayushman Bharat National Digital Health Mission (ABDM) in Budget 2023. This allocation is 70.51 percent up from the FY23 allocation, which was Rs 200 crore.


Sabka Saath Sabka Vikas-Inclusive Development



SCV's Take Away

The Key takeaways from the Budget 2023-2024 are as follows:

- The government's efforts to close skill shortages in the healthcare workforce are encouraging. According to a World Health Organization, (WHO) report published last year, India would require at least 4.2 million more trained nurses by 2024 to take care of its over 144 Crores expected population. The current ratio of nurses and the population stands at 1.7 nurses per 10000 persons, which is much lower than the WHO recommendation of 4 nurses for 10,000 persons. The decision to establish 157 new nursing colleges will contribute to improving nurse-patient ratio, a step in the right direction towards Universal Health Coverage.
- Collaboration between the public and private sector, with respect to the ICMR labs, is a welcome step towards growth and development of the Indian healthcare sector as it will not only strengthen the country's ability to combat future epidemics, but will also control antimicrobial resistance which is amongst highest in the world.
- R&D in healthcare is a critical aspect for future preparedness. Decision to set up three Centres for excellence of Artificial Intelligence (AI) is a much-needed move that will foster innovation to develop cutting edge applications and scalable solutions in healthcare.
- The launch of specialised multidisciplinary courses for medical devices in current institutions will ensure the availability of competent labour for cutting-edge manufacturing and medical technology that will be crucial to bolstering the healthcare sector.

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- The government decision to set up 100 labs for the development of 5G applications will enable development of Digital Health ecosystem which is key for the delivery of the Medtech solutions, and Medtech – Telemedicine.
 - Sickle Cell Anaemia (SCD) is a genetic condition affecting haemoglobin in red blood cells and causing morbidity and mortality. It is widespread among the tribal population in India where about 1 in 86 births among STs have SCD. Hence, the setting up of a Mission to eliminate Sickle Cell Anaemia by 2047 will entail awareness creation and early screening of the disease.
 - Ayushman Bharat Digital Mission would bring out an open platform with digital registrations of various healthcare providers and institutions. This National Digital Health Ecosystem will help in enabling universal access to healthcare facilities and will also include components related to a unique health identity and consent framework.

Conclusion: In our view, a 12.6% increase on the healthcare expenditure side may not appear to be sufficient given the overall need to transform healthcare in the country. However, all these crucial steps taken by the government in the direction of health infrastructure and an emphasis on a holistic approach to health are considered as proof of India's commitment to strengthening the nation's health systems.

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