

Review Article

Trends in budget allocation for primary healthcare: a decadal perspective on prioritization in Tamil Nadu

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ABSTRACT

The healthcare industry in Tamil Nadu has evolved significantly during the last decade, with changes in budget allocations and policy goals. This article examines the state's health budget from 2013 to 2023, focusing on public health programs and healthcare delivery systems. Examining budgetary trends and allocation patterns sheds light on the complex relationship between resource prioritizing and healthcare outcomes. Key findings indicate a large increase in the state's overall budget, but with variable distribution among health departments. While the directorate of medical education (DME) receives a substantial portion, there are concerns regarding the diminishing distribution of essential healthcare services, particularly within the directorate of preventive medicine and public health (DPH). Despite this, Tamil Nadu's commitment to addressing public health concerns is evident in its purposeful investments in health and wellness centers (HWCs) and in its steps to reduce out-of-pocket costs. According to the recommendations, budget allocations should be reevaluated to ensure equal distribution based on population requirements and illness load. Furthermore, optimizing resource allocation and improving primary healthcare services, notably through enhanced DPH assistance, are critical for maintaining the state's excellent healthcare results. To summaries, Tamil Nadu's healthcare environment is a dynamic interaction of funding allocations, policy agendas, and public health results. As the state navigates changing challenges and opportunities, a data-driven approach to decision-making and a renewed emphasis on outcome-based healthcare programs are critical for improving the well-being of its citizens.

Keywords: Tamil Nadu, Healthcare budget allocation, Public health, Primary healthcare, Budget prioritization, Out-of-pocket expenditure, Healthcare expenditure

INTRODUCTION

Healthcare is vital for societal well-being, and its effectiveness relies on budget allocations to various health departments. Tamil Nadu has been a pioneer in healthcare advancements and has demonstrated a solid commitment to public health. It serves as a model for

other states to establish their own public health cadre. This commitment is crucial to allocating financial resources to the public health department. Notably, out-of-pocket private spending in Tamil Nadu is much lower than the national average, yet the state has the second-best public health indicators in the country.¹

The primary healthcare system in Tamil Nadu extends its services to both rural and urban regions. The state comprises 385 rural blocks, each with a community health centre (CHC). These CHCs oversee the functioning of primary health centres (PHCs), which, in turn, operate health sub-centres (HSCs) and serve as the initial point of contact for individuals seeking healthcare services. Additionally, outreach programs are conducted through mobile medical units (MMUs).²

In recent years, the healthcare sector in Tamil Nadu has experienced significant transformations in both policy and practice, driven by the increasing demand for high-quality healthcare services, advancements in medical technologies, and the imperative for effective public health initiatives. This article analyses the intricate interplay between budget allocations and the evolution of healthcare in Tamil Nadu from 2013 to 2023. By examining the nuances of resource prioritization and its implications for public health, a deeper comprehension of the state's healthcare landscape is facilitated. Throughout various planned periods in Tamil Nadu, the approved expenditure consistently fell short of actual spending. This discrepancy indicates that while the government or authorities initially intended to allocate a certain amount of funds for diverse projects or initiatives, the actual expenditures surpassed the planned budget.³

Furthermore, examining the specific allocations to vital health departments—the directorate of public health (DPH), the directorate of medical and rural health services (DMS), and the DME—provides valuable insights into the strategic distribution of funds and its impact on different tiers of healthcare delivery. Despite fluctuations in budget allocations, Tamil Nadu has maintained a steadfast commitment to addressing public health challenges and optimizing resource allocation for healthcare delivery. This commitment is evident in the state's continued investment in health infrastructure, programs, and services, which underscores its dedication to improving the well-being of its citizens and achieving sustainable healthcare outcomes.

TAMIL NADU HEALTH BUDGET ALLOCATION (2013 TO 2023)

Since 2013, the state's budget has increased significantly, and this positive trend continued into the more recent period from 2023 to 24, with a 9.62% increase. On the other hand, the health and family welfare (HFW) budget, which had increased annually by more than 10% between 2013 and 2021, experienced only a 3.6% rise in 2023. Furthermore, the proportion of HFW's budget compared to other departments was less than 5% until 2019 and increased to 5.08% in 2023, indicating a shift in the administration's focus towards improving healthcare services, expanding access, or addressing specific health challenges.

ANALYSIS OF DEPARTMENTAL ALLOCATIONS

The DME and the DPH and preventive medicine (DPH) consistently received the largest budget allocations, with percentages ranging from 25.8% to 40.8% for DME and 18.9% to 31.0% for DPH, indicating a significant focus on medical education and public health infrastructure development. The national health mission (NHM) and Tamil Nadu health systems project (TNHSP) also received substantial funding, with allocations ranging from 7.7% to 31.2% for NHM and TNHSP combined, showcasing the government's commitment to enhancing healthcare delivery systems. Additionally, other departments such as Indian medicine and reproductive child health under the NHM received notable allocations ranging from 2.0% to 2.8%, reflecting the state's holistic approach to healthcare by addressing both traditional medicine practices and maternal and child health needs.

PERCENTAGE SHARE OF TAMIL NADU BUDGET WITHIN THE HFW DEPARTMENT

In 2023-2024, the state's DME, mainly responsible for providing tertiary healthcare, received 34% of the total health budget. Its allocation percentage peaked at 40.8% in 2021, indicating a consistent commitment to DME.

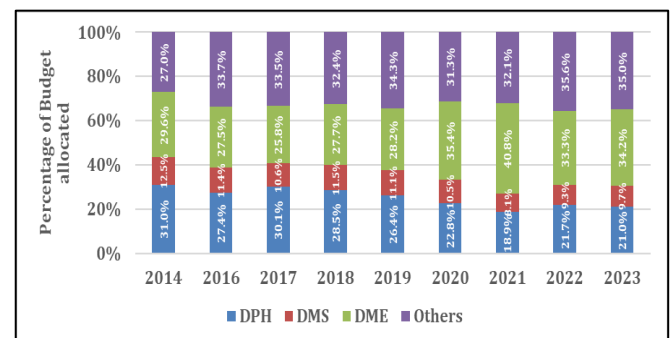


Figure 1: Percentage share of Tamil Nadu budget within the DPH, DMS and DME from 2014 to 2023.

Source: Policy note -Tamil Nadu (2014 to 2023).⁹ *Directorate of medical and rural health services (DMS), *Directorate of medical education (DME), *Directorate of public health and preventive medicine (DPH).

The directorate of rural and medical health services, responsible for providing secondary healthcare, will receive 10% of the state's total health budget in 2023-2024. Its share dropped from 12.5% to 9.7% from 2013 to 2023. This raises concerns about shifting priorities, implying a proportionate decrease in its overall budget allocation.

In 2023, the DPH, the primary healthcare provider, was allocated 21% of the total health budget, a decrease from 31% in 2013. The year 2021 was found to have the lowest contribution to the overall health budget, with an allocation of 18%.

Others mentioned in the graph indicate Indian medicine, combined TNHSP (Tamil Nadu health systems project) and NHM, reproductive child health, food safety. The percentage allocation ranges from 27% in 2013 to 35% in 2023.

DISCUSSION

Despite the state's health budget being 2.5 times higher than the union's health allocation in 2023-2024, it experienced a 0.29% decrease from the previous year. During the COVID-19 pandemic in 2021, the state had the highest budget allocation of 5.75%. At that time, DME held 40.8% of the total health budget, while DPH and DMS had 18.9% and 8.1% shares, respectively.

Following the pandemic, from 2022 to 2023, the allocation for DME declined 6%, whereas DPH and DMS saw their budget allocations increase 2%.

According to the world health organization (WHO), approximately 90% of essential interventions for achieving universal health coverage and 75% of the anticipated health benefits outlined in the sustainable development goals (SDGs) can be attained by strengthening primary health care.⁴ The 2017 national health policy suggests allocating two-thirds of the healthcare budget to establish HWCs to improve primary healthcare. As of December 2021, the state had transformed 38% of its health facilities into HWCs by increasing ambulatory services, implementing NCDS screening and management, and distributing free drugs.^{6,7}

Consequently, out-of-pocket costs for transportation and NCD management were significantly decreased. A pilot study conducted in Tamil Nadu revealed that strengthening health sub centres (HSCs) and PHCs led to two notable outcomes: (a) a substantial number of patients who would have traditionally sought outpatient care from higher-level public institutions began utilizing HWCs, thereby minimizing their travel time and associated non-medical expenses, and (b) a significant portion of patients who would have typically sought outpatient care from private healthcare providers also transitioned to utilizing HWCs, resulting in a substantial reduction in their out-of-pocket expenses (OOPEs).⁸ Initially, in 2014, the DPH received the largest share of the state's health budget, amounting to 31%. However, by 2023, this allocation had declined to 21%. This consistent downward trend in budget allocation to DPH raises concerns regarding resource management effectiveness and its potential impact on essential healthcare services. Nevertheless, despite these changes, the state remained committed to addressing public health challenges, persisting in efforts to optimize resource allocation and enhance healthcare delivery.

CONCLUSION

In conclusion, Tamil Nadu's health budget analysis unveils a dynamic landscape characterized by strategic

adaptations over the years. Despite a noticeable decrease from the previous year, the state's health budget remains substantial, surpassing the union's allotment. Notably, the state has shown commendable dedication to bolstering primary healthcare, which is evident in establishing HWCs aligned with the 2017 national health policy. This initiative has significantly alleviated financial burdens for citizens while enhancing healthcare accessibility. During the peak of COVID-19 pandemic, the state demonstrated swift responsiveness, notably in the equitable distribution among key sectors like DME, DPH, and DMS. However, declining share of DPH in primary healthcare services warrants attention, emphasizing importance of sustainable and effective resource allocation. Moving forward, state is increasingly prioritizing outcome-based healthcare strategies and data-driven decision-making to ensure delivery of optimal healthcare services while continually striving for improvement.

Recommendations

The higher portion of the health budget may be allocated to DPH, as it provides and promotes the people's health at their community level. It has successfully implemented over 130 health programs throughout the state. It reduces the disease burden of DMS and DME by detecting the early stages of the spread of both communicable and non-communicable diseases through the daily operation of more than 385 Hospitals on Wheels, which offer medical care to the residents at their community level.

For improved budget accuracy, it is recommended that factors such as population size and disease burden be considered in addition to the annual patient load. This approach ensures that the allocated resources effectively meet the population's healthcare needs.

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