

## Letter to the Editor

# Ambition versus reality: will the 2026-2027 union budget transform India's health care?

Sir,

I am examining the Union Budget for 2026-27, which has gained attention for its significant fiscal commitments to improve India's healthcare system.<sup>1</sup> While the budget allocations are promising, the crucial question remains whether they will lead to real improvements in accessibility, service quality, and affordability for citizens. The budget allocated ₹1,06,530.42 crore to the Ministry of Health and Family Welfare, marking a 10% increase from the revised estimates of 2025-26.<sup>2</sup> Over the past 12 years, health expenditures have risen by over 194%, reflecting a strong commitment to enhancing healthcare infrastructure and expanding public health services.

Despite increased funding, it's crucial to evaluate if the current budget meets India's healthcare needs, particularly in rural and tribal areas. The budget adds ₹6,175.96 crore (10.78%) for scheme-based initiatives and ₹2,500.96 crore (6.32%) for non-scheme aspects, aiming to balance program growth and operational costs. The success of these initiatives hinges on resource efficiency and effective implementation. A key aspect of the budget is its strong commitment to medical research and innovation, with the Department of Health Research receiving a 24% increase to over ₹4,821 crore. This includes ₹4,000 crore for the Indian Council of Medical Research to support biomedical research and public health initiatives. Enhancing research capacity is vital for developing domestic medical technologies and improving public health outcomes.

The Bio Pharma Shakti initiative is a key proposal with a ₹10,000 crore budget over five years, aimed at boosting India's capacity for manufacturing biologics and biosimilars.<sup>3</sup> This is crucial as rising medication costs make specialized care less accessible. The initiative also plans to establish three new National Institutes of Pharmaceutical Education and Research, upgrade seven existing ones, and create a network of nearly 1,000 accredited clinical trial sites to foster high-quality research and expedite the development of new therapies. Efficient and transparent implementation is essential to maximize the benefits and avoid delays.

Investment in healthcare infrastructure is a key focus of the current budget. The Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PM ABHIM) has been allocated ₹4,770 crore for 2026-27, a 67.66% increase

from the previous year.<sup>4</sup> This funding will enhance critical care facilities, expand public health laboratories, and upgrade district hospitals, strengthening the health system's response to emergencies. Additionally, ₹11,307 crore is allocated to the Pradhan Mantri Swasthya Suraksha Yojana, supporting the establishment of new All India Institute of Medical Sciences campuses and the improvement of government medical colleges. Currently, 22 AIMS institutions have been approved, with 18 operational, significantly increasing access to specialized healthcare in underserved areas. Despite positive advancements, India's healthcare system remains uneven. Urban tertiary care facilities have improved, but rural primary healthcare still faces challenges like inadequate infrastructure and supplies. The government has allocated ₹39,390 crore to the National Health Mission, a 6.17% increase aimed at enhancing primary healthcare, maternal and child health, and disease control. Success depends on effective implementation at the state and district levels, which requires decentralized planning, transparent resource use, and consistent monitoring to improve health outcomes.

The budget includes initiatives to ease the financial burden of medical treatment, such as waiving customs duty on 17 life-saving cancer medications and expanding exemptions for drugs for 7 rare diseases.<sup>5</sup> These measures aim to make treatment more affordable and reduce out-of-pocket expenses for patients. However, it's important to assess if the exemptions cover the most needed medicines and if they genuinely lower prices. Additionally, the government is investing Rs 980 crore over three years to enhance education and training for healthcare professionals. This plan includes establishing Allied Health Professionals Institutes and training around 150,000 caregivers in geriatric care, addressing gaps in India's healthcare workforce as the elderly population and the burden of non-communicable diseases rise.

Expanding training opportunities in the health sector is important, but workforce planning must also ensure adequate employment pathways and support systems for trained professionals. Without creating positions in hospitals and community health facilities, we risk a surplus of skilled individuals facing limited job opportunities. Additionally, the budget continues to support digital transformation in healthcare, allocating Rs 350 crore for the Ayushman Bharat Digital Mission in 2026-2027.

While this may seem modest, strengthening digital health infrastructure can enhance service efficiency. Expanding electronic health records and telemedicine can improve continuity of patient care and facilitate better information management.

The success of digital health initiatives largely depends on accessibility and adoption, particularly in rural regions of India where healthcare infrastructure is limited and digital literacy is still developing. Without addressing these gaps, the benefits may not reach those who need them the most. The budget also enhances major health programs, increasing the allocation for Ayushman Bharat Pradhan Mantri Jan Arogya Yojana to Rs 9500 crore to expand financial protection for hospital care. Additionally, establishing trauma and emergency care facilities in district hospitals is a critical step in strengthening emergency services, especially as road traffic injuries contribute to preventable deaths. Improving access to timely emergency treatment could significantly enhance survival outcomes in both urban and rural areas.

In conclusion, the Union Budget 2026-2027 aims to strengthen India's healthcare system through increased funding and new policies. However, high budget allocations alone won't improve health outcomes. Success hinges on careful implementation, monitoring, and accountability across all levels of the health administration.

Key questions remain: Will resources reach communities facing barriers to healthcare access? Will new institutions uphold service and training standards? Will investments in digital health and workforce development yield real benefits for patients and providers? Public engagement and institutional oversight are crucial. Policymakers, healthcare professionals, researchers, and citizens must monitor how allocations are used to ensure they lead to real improvements in healthcare delivery. Only through transparent governance and effective execution can budget commitments result in better health services and enhanced well-being for all.

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