

# State Dialogue: Health Financing under National Health Mission, India

June 04, 2014, Dehradun, Uttarakhand.



Figure 1: Dr RK Srivastava, Senior Policy Analyst, Policy Unit presenting the findings from the Health Financing Study

In 2013, the State Government of Uttarakhand had commissioned a study to understand the effectiveness of NRHM financing in terms of allocation, disbursement, and utilisation. The Policy Unit<sup>1</sup>, created within National Institute of Health and Family Welfare (NIHFV) under the USAID supported Health Policy Project; the National Health Systems Resource Centre (NHSRC); and the Uttarakhand State Department of Health and Family Welfare conducted this study jointly.

<sup>1</sup> The Policy Unit provides support to Ministry of Health and Family Welfare, state governments, health-based civil society, advocacy networks, and academic institutions to establish and improve policies and strategies around family planning and population. The Policy Unit is supported by the Health Policy Project (HPP)

The study was designed to understand the effectiveness of NRHM fund allocation and utilization and barriers in the flow of funds from state to district, and sub-district levels of the public health system in Uttarakhand State.

The findings of the study were presented to Mr Om Prakash, Principal Secretary, Health and Family Welfare, Government of Uttarakhand. The other participants included Director General; Director Planning; Additional Director National Programme; Additional Director, Maternal & Child Health; Joint Director, National Programme; Manager, Information Education Communications; and health systems consultants from World Bank.

HPP also presented an analysis of Levels, Trends, and Determinants of Fertility in Uttarakhand; Population Projections and Expected Levels of Achievement for spacing and limiting family planning methods to identify gaps, potential directions and next steps for the state for improved health systems, service delivery and ultimately, improved health outcomes.

## Key Discussions

The study highlighted the need to increase the NRHM fund utilization from 75% and to address the barriers to utilization by filling vacant positions, ensuring timely fund release and by strengthening health infrastructure for effective service delivery.

An important study finding is that the current allocation to districts is not as per health indicators. Districts like Hardwar with 19% population and with poor health indicators like IMR (67), TFR (3.1), and unmet need (29), gets only 10% fund allocation and thus the lowest per capita allocation (54) compared to other districts. Therefore, priority districts need to be re-aligned as per their health indicators and fund allocation should be done accordingly. The study also highlighted variations in performance and cost-efficiency across the facilities and lessons learnt from high performing and cost-efficient facilities can help improve low performing and less cost-efficient facilities.

The State government endorsed the study findings and decided to use the study findings to improve fund allocation and utilization in the state.



Figure 2: Mr Om Prakash, Principal Secretary, Govt of Uttarakhand receiving the Health Financing Studies from Dr Bhupinder Aulakh, IAS, Managing Director, FG

The discussion focused on the need to have a multipronged approach to health by coordinating with other sectors like socio- economic development, education, and nutrition.

This study highlighted the need for filling up vacancies for systems strengthening. The state shared that plans to revisit the state's health human resource planning and policy is underway. Innovative approaches to solve HR issues are being employed i.e. to increase the number of public health service providers and efforts are on to build capacity of AYUSH doctors to provide basic clinical services in facilities where allopathic doctors are not available. A

System of incentives and disincentives will be used to motivate the public providers to deliver better.

To improve family planning and reduce the unmet need, the group agreed on the need to focus on demand generation for long acting temporary methods, sterilization; improving outreach and delivery of spacing methods; ensuring trained providers and facilities for safe abortion services and improved capacity building for clinical methods.

The Policy Unit is supported by the [Health Policy Project \(HPP\)](#), funded by the [U.S. Agency for International Development \(USAID\)](#), and implemented by [Futures Group](#) that contributes to improved health through strengthening the efficiency, effectiveness, and equity of health systems.

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