

BUDGET TRACKING TOOLKIT

A guide for the states to track the health budget and expenditure (regular budget and NRHM), so as to match the physical and financial achievements in a holistic manner, looking at the public health sector as a whole and not only at NRHM.



National Health Systems Resource Centre

Technical Support Institution under National Rural Health Mission,
Ministry of Health & Family Welfare, Government of India

PREFACE

The Government of India had launched the National Rural Health Mission (NRHM) to carry out necessary architectural correction in the basic health care delivery system, with the goal to improve the availability of and access to quality health care by people, especially for those residing in rural areas, the poor, women and children. The plan of action for NRHM includes a commitment to increase public expenditure on health. But successive Common Review Missions (CRM) undertaken by the MoHFW for reviewing the progress of NRHM, clearly brings out the fact that low and declining public investment in health care and the many structural problems in the way the public health systems have been organized are the main reasons why the public health system has been functioning poorly and this must be addressed through increased public expenditure and through architectural correction of the public health system. This implies that the centre-state financing ratio shifts from the current 80:20 to at least a 60:40 ratio in this plan period.

The other issue in this regard is that the state health sector develops the capacities to absorb such fund flows. There are currently many constraints, especially in the EAG states to absorbing these funds, and the poorest performing states which require the largest infusion of resources have some of the greatest problems in being able to expend the funds already with them. This is one of the main reasons why a process of tracking the public health budget and expenditure across the states is as essential, if not more, as tracking the performance statistics through the HMIS. A key issue in this respect is that the over-all budgetary outlay increases – and this is taking states and central budgets together. For this, there is a need to institutionalise mechanisms for annual detailed budgetary analysis for every state and for the centre, which is tabled and reviewed, and is available for NRHM's decision making on compliance to this central objective (of net increase in resources for the public health system).

Another issue of concern is that we do not quite know enough about what is happening to budgetary allocation between different heads. There is clearly a need to assess what is happening to facility level expenditures as related to state level budgetary projections and how budgetary allocations are moving with the fresh infusion of funds.

As brought out by the CRM reports, it is strongly felt that there needs to be a system put in place in every state that can generate annual data on the health expenditure patterns, at least with respect to budgetary outlays and allocations within the health sector. This should be used for monitoring the overall pattern of increase in public expenditure in the health sector. The state level health budget and expenditure tracking can be initiated at the state level by the department of health, with assistance from a recognized

academic/research institution. Within the framework of NRHM, along with physical and financial reporting of NRHM related activities, the states may also include annual reporting on the suggested indicators. In the course of time the accounts and finance personnel at state and district level and also the contractual staff engaged under NRHM, may be involved in the process, thus internalizing the budget and expenditure tracking within the state health system and sustaining it annually.

In order to evolve an institutional mechanism in all states for periodic health budget and expenditure tracking under a common analytical framework, methodology and template, the health financing division of NHSRC organized an one-day Workshop on "State level Health Budget & Expenditure Tracking" on July 26, 2008. The workshop was chaired by the AS&MD (NRHM), Govt. of India; and based on the deliberations, seven partner institutions were entrusted responsibility of collecting information on around 18 financial indicators, from 14 states. A follow-up workshop was organised at Hyderabad on March 14, 2009, chaired by the Economic Advisor, MoHFW, to discuss (a) the reports of different teams working in 14 states with the participants and get the comments on the same and (b) issues faced by partner institutions while working on this tracking exercise.

This toolkit is prepared based on the experience gained in piloting the estimation of listed indicators in the 14 states. The toolkit presents a summary of data definitions and indicators, along with the guidelines for calculating the indicators for the state level budget/expenditure indicators.

Acknowledgement

NHSRC carried out the budget and expenditure tracking studies in 14 states, in partnership with academic and research institutions and also donor partners, to evolve a Toolkit for State Health Budget Tracking. We express our sincere thanks and gratitude to Dr.K.Gayathri (Institute for Social & Economic Change, Bangalore), Dr. Nishant Jain (GTZ-Health Sector Support Programme), Dr. Vinod Annegiri (Centre for Multi-disciplinary Development Research, Dharwad, Karnataka), Dr.Prasad B.M(ICICI Centre for Child Health & Nutrition, Pune, Maharashtra), Ms.Nehal Jain (Institute of Public Health, Bangalore), Dr.C.K George (Institute of Health Systems, Hyderabad) and Dr.Rajeev Ahuja (World Bank India) who undertook the expenditure tracking studies in various states.

We also express our sincere gratitude to Dr. Barun Kanjilal, (IIHMR, Jaipur), Dr.Subodh Kandamuthan (ASCI, Hyderabad) and Dr.Shaktivel Selvaraju (PHFI, New Delhi) for providing technical inputs.

We are indebted to all the various officers in state health departments and state health mission directorates who have at various times facilitated us in accessing the data needed for our study. We also record our thanks to Ms. Manju Bisht who provided data entry and secretarial support for this assignment.

NHSRC Team

Gautam Chakraborty, Advisor (Healthcare Financing)
Arun B. Nair, Consultant (Health Economics & Financing)
Riya Dhawan Consultant (Health Financing)
Tushar C Mokashi, Research Assistant (Health Economics & Financing)
Dr.T.Sundararaman, Executive Director, NHSRC

TABLE OF CONTENTS

- Abbreviations
- List of Indicators for Budget & Expenditure Tracking
- Toolkit: State level Health Budget & Expenditure Tracking
- Sample State Report (Andhra Pradesh)

ABBREVIATIONS

AIDS	Acquired Immuno-Deficiency Syndrome
AMC	Annual Maintenance Contract
ANM	Auxiliary Nurse Midwife
ARSH	Adolescent Reproductive and Sexual Health
AS&MD	Additional Secretary and Mission Director
ASHA	Accredited Social Health Activist
BCC	Behaviour Change Communication
BE	Budget Estimates
CHC	Community Health Centre
CMO	Chief Medical Officer
CRM	Common Review Mission
CSS	Centrally Sponsored Scheme
CSSM	Child Survival and Safe Motherhood programme
DDO	Drawing and Disbursing Officer
EAG	Empowered Action Group
EAP	Externally Aided Programme
ED	Executive Director
ESI	Employee State Insurance
FHS	Female Health Supervisor
FMG	Financial Management Group
FRU	First Referral Unit
FW	Family Welfare
GDP	Gross Domestic Product
GFR	General Financial Rules
GOI	Government of India
HIV	Human Immuno-deficiency Virus
HMIS	Health Management Information System
HR	Human Resource
HSDP	Health Sector Development Project
IDD	Iodine Deficiency Disorder
IDSP	Integrated Disease Surveillance Project
IEC	Information Education Communication
IUD	Intra Uterine Device
JSY	Janani Suraksha Yojana
MCH	Mother and Child Health
MCWC	Mother and Child Welfare Centre
MD	Mission Director

METP	Machine Equipment Tools and Plants
MoHFW	Ministry of Health and Family Welfare
MoU	Memorandum of Understanding
MR	Medical Reimbursement
MV	Motor Vehicles
NACP-III	National AIDS Control Programme, phase-III
NDCP	National Disease Control Programmes
NGO	Non Government Organisation
NHSRC	National Health Systems Resource Centre
NIDDCP	National Iodine Deficiency Disorder Control Programme
NLEP	National Leprosy Eradication Programme
NPCB	National Programme for Control of Blindness
NPRE	Non Plan Revenue Expenditure
NRHM	National Rural Health Mission
NVBDCP	National Vector Borne Disease Control Programme
OE	Office Expense
p.a.	per annum
PAO	Principal Accounts/Administrative Officer
PHC	Primary Health Centre
PIP	Programme Implementation Plan
PMSU	Programme Management Support Unit
POL	Petrol Oil Lubricants
PPC	Post Partum Centre
PI	Pulse Polio Immunisation
PPP	Public Private Partnership
RCH-II	Reproductive and Child Health programme, phase-II
RI	Routine Immunisation
RKS	Rogi Kalyan Samiti
RNTCP	Revised National Tuberculosis Control Programme
ROP	Record of Proceedings
SACS	State AIDS Control Society
SDP	State Domestic Product
SHS	State Health Society
SOE	Statement of Expenditure
ST	Scheduled Tribe
TB	Tuberculosis
TE	Travel Expenses
UC	Utilisation Certificate
UNFPA	United Nations Population Fund
VHSC	Village Health and Sanitation Committee

Toolkit

State Health Budget & Expenditure Tracking



Toolkit for Tracking of State Health Budget and Expenditure

1. Background

As stated in the Mission Document of National Rural Health Mission (NRHM), the Government of India has resolved to launch the National Rural Health Mission to carry out necessary architectural correction in the basic health care delivery system, with the goal to improve the availability of and access to quality health care by people, especially for those residing in rural areas, the poor, women and children. The plan of action for NRHM includes a commitment to increase public expenditure on health. The Mission document says that the Mission is an articulation of the commitment of the Government to raise public spending on Health from 0.9% of GDP to 2-3% of GDP.

The focus on public health expenditure assumes significance in light of the fact that public health expenditure in India has declined from 1.3% of GDP in 1990 to 0.9% of GDP in 1999 . The Union Budgetary allocation for health is 1.3% of GDP; while the State's budgetary allocation is 5.5% of SDP. It had also been observed that Union Government contribution to public health expenditure is 15% while States contribution about 85% .

In light of the above, the States signed a Memorandum of Understanding with Government of India, indicating their commitment to increase contribution to Public Health Budget (preferably by 10% each year), increased devolution to Panchayati Raj Institutions as per 73rd Constitution (Amendment) Act, and performance benchmarks for release of funds. Also, as per the MoU, the central government would provide 85% of the flexi-pool under NRHM, whereas the remaining 15% have to be provided by the states.

The funding arrangements highlighted in the Mission document also says that

- The Budget Head for NRHM shall be created in BE 2006-07 at National and State levels. Initially, the vertical health and family welfare programmes shall retain their Sub-Budget Head under the NRHM.
- The Mission envisages an additionality of 30% over existing Annual Budgetary Outlays, every year, to fulfil the mandate to raise the Outlays for Public Health from 0.9% of GDP to 2-3% of GDP.
- The States are expected to raise their contributions to Public Health Budget by minimum 10% p.a. to support the Mission activities.

1 National Rural Health Mission – Mission Document, Ministry of Health & Family Welfare, Government of India; 2005

2 *ibid*

3 CRM Report; NHSRC, New Delhi; December 2007

The Common Review Mission (CRM) undertaken by the MoHFW for reviewing the progress of NRHM, clearly brings out the fact that low and declining public investment in health care and the many structural problems in the way the public health systems have been organized are the main reasons why the public health system has been functioning poorly. This must be addressed through increased public expenditure and through architectural correction of the public health system. This implies that the center-state financing ratio shifts from the current 80:20 to at least a 60:40 ratio in this plan period (12th Plan period – 2007-2012). Another important corollary is that the state health sector develops the capacities to absorb such fund flows. There are currently many constraints, especially in the EAG states to absorbing these funds, and the poorest performing states which require the largest infusion of resources have some of the greatest problems in being able to expend the funds already with them. This is one of the main reasons why a process of tracking the public health budget and expenditure across the states is as essential, if not more, as tracking the performance statistics through the HMIS.

A key issue in this respect is that the over-all budgetary outlay increases – and this is taking states and central budgets together. The picture on what is happening to the state budget rests on statements made, and independent evidence based assessments are not available for review. These statements are made in good faith, but in addition to the state's statements it would be useful to institutional mechanisms in place for annual detailed budgetary analysis for every state and for the center, which is tabled and reviewed, and is available for NRHM's decision making on compliance to this central objective.

Another issue of concern is that we do not quite know enough about what is happening to budgetary allocation between different heads. There is clearly a need to assess what is happening to facility level expenditures as related to state level budgetary projections and how budgetary allocations are moving with the fresh infusion of funds. The institutional mechanisms to look at this, let alone monitor this on a real time basis have not yet begun.

As brought out by the CRM report, it is strongly felt that there needs to be an institutional arrangement put in place or enabled in every state that can generate annual data on the health expenditure patterns, at least with respect to budgetary outlays and allocations within the health sector. This should be used for monitoring the overall pattern of increase in public expenditure in the health sector.

In order to evolve an institutional mechanism in all states for periodic health budget and expenditure tracking under a common analytical framework, methodology and template, the health financing division of NHSRC organized an one-day Workshop on "State level Health Budget & Expenditure Tracking" on July 26, 2008. The workshop was

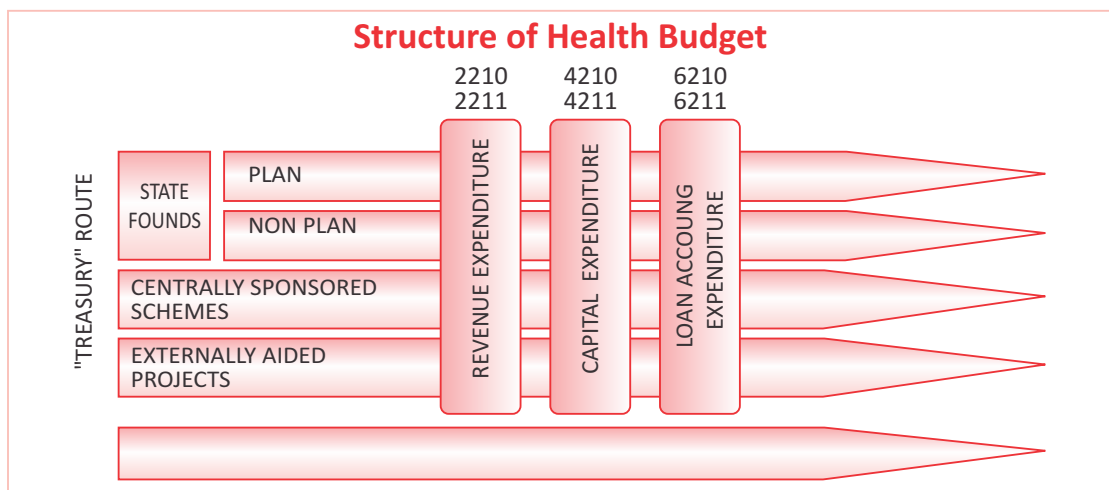
chaired by Shri G.C. Chaturvedi, AS&MD (NRHM) and the based on the deliberations, seven partner institutions were entrusted responsibility of collecting information on around 18 financial indicators, from 14 states.

A follow-up workshop was organised at Hyderabad on March 14, 2009, to discuss (a) the reports of different teams working in 11 states with the participants and get the comments on the same and (b) issues faced by partner institutions while working on this tracking exercise. This toolkit is prepared based on the experience gained in piloting the 18 indicators in the 11 states. The toolkit presents a summary of data definitions and indicators, along with the guidelines for calculating the indicators for the state level budget/expenditure indicators.

2. Framework

The main objective of Budget and Expenditure tracking exercise was to establish systems at the state level to capture the budget and expenditure data and use it for the annual planning process. For this purpose a list of eighteen indicators were developed by an expert group in the first workshop on budget tracking, which is discussed in details in this toolkit.

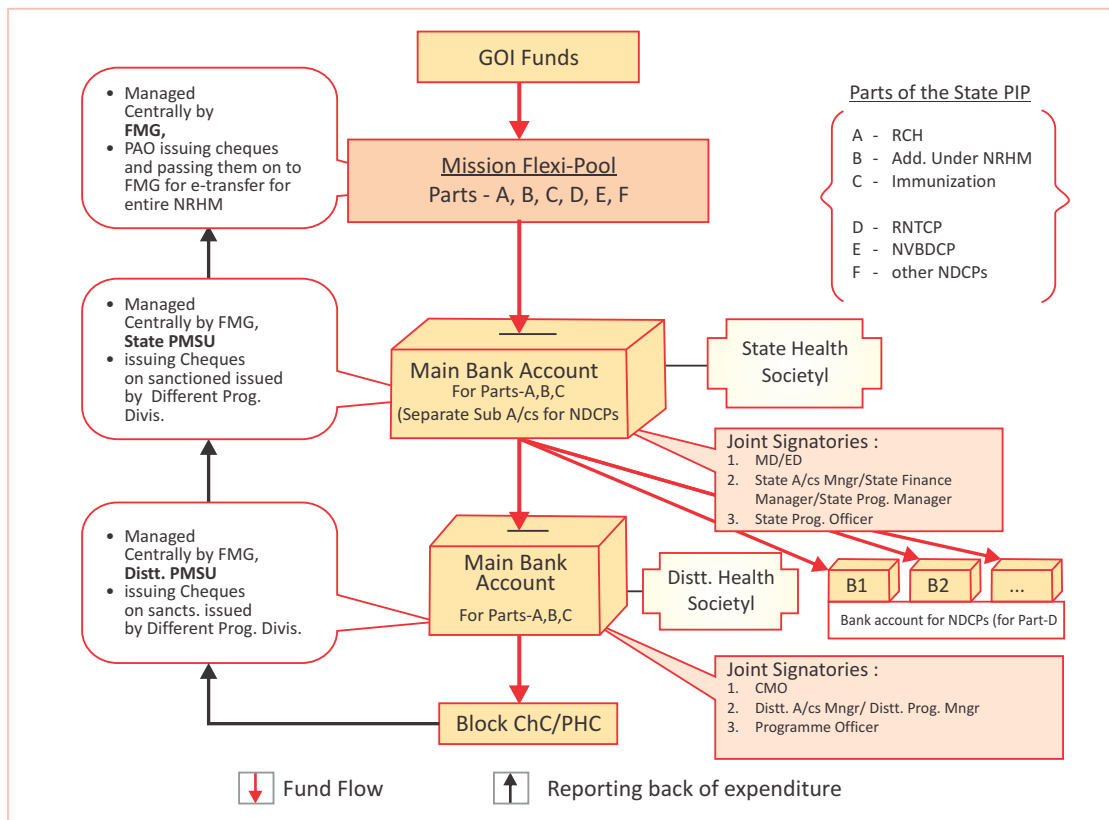
Budget tracking exercise takes into account the expenditure incurred under treasury route, society route (NRHM) and external funding. The two main departments that incur majority of expenditure under treasury route are department of medical & public health and department of family welfare. Under the treasury route, expenditure incurred by the budget heads under 2210, 2211, 4210, 4211, 6210 and 6211 are tracked, irrespective of the department (health or other departments) that incurs expenditure under these heads. The routes of funding are expressed diagrammatically in the figure below.



In some states the expenditure incurred by ESI and Tribal Sub-Plan may not figure in the above mentioned budget heads. But this expenditure is needed to be factored in while finalizing the total state health budget expenditure.

As far as the extra-budgetary route of funds flow is concerned, this exercise focussed only on the NRHM flow through the relevant societies, thus not considering the State AIDS Control Society (SACS) route. The NRHM flows were taken as the figures reported by the State Health Societies (SHS) as allocation (the funds approved as per the ROPs). The NRHM flows considered for this budget tracking exercise included the RCH-II and Mission flexipools (going through the SHS) and the funds flowing for the NDCPs (National Disease Control Programs – NVBDCP, RNTCP, NLEP, IDD, NPCB, and IDSP). These also include finds for Routine Immunisation, Pulse polio and the component of “Infrastructure Maintenance” for Sub Centres, which actually is part of the NPRE (Non Plan Revenue Expenditure) under central government contribution for the Family Welfare (budget line 2211). The funds flow under NRHM at various levels is depicted in the figure below.

Funds Flow under NRHM



Source: Presentation on NRHM Finances by FMG, MoHFW, circa 2008

As can be seen in the above diagram, the funds under NRHM, including the different heads under RCH-II flexipools, Mission flexipools and the NDCPs are consolidated at the SHS level, the budget tracking exercise took the SHS accounts for tracking the NRHM funds.

The main data sources for state budgets were Annual Financial Statements of State governments, Demand for Grants and Annual Plan documents. The society route mainly consists of expenditure incurred by National Rural Health Mission (NRHM) and annual financial statements of state health societies were the main data source to track these expenditure. The third major component is external assistance to state health budgets which can be either through the budget heads or the society route. Further, some states have received transfers from the 12th Finance Commission and these grants are treated as part of state contribution and not counted as part of the central contribution.

3. Budget Lines and Expenditure Heads

(a) Budget Heads in the Treasury route

As major proportion of Public Health Expenditure comes from the treasury route, the identification and classification of the budget lines and heads are very important. To extract information out of the myriad of budget lines and heads, it is important to know the hierarchy of these lines. The hierarchy of budget lines that we come across in health is explained below.

Hierarchy/level	Budget Lines/Heads	Example (with code)
Level 1	Major head	Medical & Public Health – revenue expenditure head (2210)
Level 2	Sub-major head	Public Health (06)
Level 3	Minor head	Prevention & Control of Diseases (101)
Level 4	Sub-minor head	National TB Control Programme (04)
Level 5	Detailed head	Drugs & Medicines (60)

Some of the common budget heads that is used for health budgets across states, is given in details below, along with suggested classification of each head into levels of healthcare (primary/secondary/tertiary).

2210-Medical & Public Health

01-Urban Health Services-Allopathy

Classification

001-Direction & Administration

(01) Head Office Establishment	.....	Administration
(02) Regional & District Establishment	.....	Administration

102-ESI

(01) Administration	.....	Secondary
(02) Hospital & Dispensaries	.....	Secondary

104-Medical Stores Depot

(01) Drugs Central Store	Secondary
--------------------------	-------	-----------

110-Hospitals & Dispensaries

(01) Teaching Hospitals	.....	Tertiary
(02) Mobile Hospitals	.....	Secondary
(03) Other Hospitals & Dispensaries	.....	Secondary

789-Special Component Plan for ST

(01) Hospital & Dispensaries	Secondary
------------------------------	-------	-----------

796-Tribal Area Sub-Plan

(02) Other Hospitals	.....	Primary
(03) Dispensaries & Aid Posts	.....	Primary
(04) PHC	.....	Primary
(06) General Nurses Training	.....	Primary
(07) TB Clinic	.....	Primary
(08) Control of Diseases caused by Natural Calamities	.....	Primary

02-Urban Health Services-Other Systems of Medicines

101-Ayurveda

(01) Direction & Administration	.....	Administration
(02) Hospital & Dispensaries	.....	Secondary
(03) Education	.....	Education
(04) Training	.....	Education
(05) Research	.....	Education
(06) Grant-in-Aid	.....	Education

102-Homeopathy

(01) Hospital & Dispensaries	Secondary
------------------------------	-------	-----------

103-Yunani

(01) Hospital & Dispensaries	Secondary
------------------------------	-------	-----------

200-Other Systems

(01) Yoga Centre	.....	Primary
(02) Naturopathy	.....	Primary

789-Special Component Plan for ST

(01) Hospital & Dispensaries	Secondary
------------------------------	-------	-----------

796-Tribal Area Sub-Plan

(01) Direction & Administration	.....	Primary
(02) Hospital & Dispensaries	.....	Primary
(03) Ayurvedic Camp	.....	Primary

03-Rural Health Services-Allopathy**101-Health Sub Centres**

(01) Health Sub Centres	Primary
-------------------------	-------	---------

103-PHC

(01) PHC	Primary
----------	-------	---------

104-CHC

(01) CHC	Secondary
----------	-------	-----------

196-Assistance to Zila Parishad/Dist level Panchayats

(01) Hospital & Dispensaries	Secondary
------------------------------	-------	-----------

800-Other Expenses

(01) Pradhan Mantri Gramodaya Yojna	Primary
-------------------------------------	-------	---------

04-Rural Health Services-Other Systems of Medicines**101-Ayurveda**

(01) Hospital & Dispensaries	Primary
------------------------------	-------	---------

102-Homeopathy

(01) Hospital & Dispensaries	Primary
------------------------------	-------	---------

103-Yunani

(01) Hospital & Dispensaries	Primary
------------------------------	-------	---------

196-Assistance to Zila Parishad/Dist level Panchayats

(01) Hospital & Dispensaries	Primary
------------------------------	-------	---------

796-Tribal Area Sub-Plan

(01) Ayurveda	Primary
---------------	-------	---------

800-Other Expenses

(01) Pradhan Mantri Gramodaya Yojna	Primary
-------------------------------------	-------	---------

05-Medical Education, Training & Research**001-Direction & Administration**

(01) Director, Medical Education	Education
----------------------------------	-------	-----------

105-Allopathy

(01) Education	.....	Education
(02) Training	.....	Education
(03) Health Sciences University	.....	Education

06-Public Health**001-Direction & Administration**

(01) Head Office Establishment	Primary
--------------------------------	-------	---------

003-Training

(01) Public Health Training Institute	Primary
---------------------------------------	-------	---------

101-Prevention & Control of Diseases

(01) National Malaria Eradication Programme	.....	Primary
(03) National Malaria Eradication Programme (Urban)	.....	Primary
(04) National TB Control Programme	.....	Primary
(05) National Leprosy Control Programme	.....	Primary
(06) Blindness Control Programme	.....	Primary
(08) Multipurpose Health Worker Scheme	.....	Primary
(09) Guinea-worm Eradication Programme	.....	Primary
(10) AIDS Prevention & Control Programme	.....	Primary
(11) National Goitre Control Programme	.....	Primary
(12) Revenue Sub-District Office	.....	Primary
(13) National Cancer Control Programme	.....	Primary
(14) Externally Aided Projects (HSDP)	.....	Primary
(15) National Rural Health Mission	.....	Primary

102-Prevention of Food Adulteration

Administration

104-Drug Control

(01) Drug Control Establishment	.....	Administration
(02) Diploma Course in Pharmacy	.....	Tertiary

107-Public Health Labs

(01) Micro-organisms Lab	Primary
--------------------------	-------	---------

112-Public Health Education

(01) Health Education	Primary
-----------------------	-------	---------

796-Tribal Area Sub-Plan

(01) Prevention of Adulteration in Edible Items	.....	Primary
(02) Drug Control Establishment	.....	Primary
(03) National Malaria Eradication Programme (Rural)	.....	Primary
(04) National TB Control Programme	.....	Primary
(05) Externally Aided Projects (School Health Prog)	.....	Primary

2211-Family Welfare**00-001-Direction & Administration**

(01) State Secretariat	.....	Primary
(02) State Family Welfare Bureau	.....	Primary
(03) District Family Welfare Bureau	.....	Primary

00-003-Training

(01) Regional Health & FW Training Centre	.....	Primary
(02) ANM, Dai & FHS Training	.....	Primary
(03) State run ANM Training Centres	.....	Primary
(05) Laparoscopy Training	.....	Primary
(07) Health Guide Scheme	.....	Primary

00-101-Rural Family Welfare Services

(01) Rural FW Centres in PHC	.....	Primary
(02) Rural Sub Centres	.....	Primary

00-102-Urban Family Welfare Services

(01) State run Urban FW Centres	.....	Primary
(02) Autonomous Institution & NGO run Urban FW Centres	.....	Primary

00-103-Maternal & Child Health

(01) MCWC	.....	Primary
(03) Externally Aided Projects (CSSM)	.....	Primary

00-104-Transport

(01) POL & major repair of Vehicles	.....	Primary
(02) State Health Transport Organisation	.....	Primary

00-105-Compensation

(01) IUD/Vasectomy/Tubectomy	.....	Primary
(03) Population Control Methods	.....	Primary

00-106-Public Education

(01) Community Education	Primary
--------------------------	-------	---------

00-200-Other Services & Supplies

(01) Traditional Contraceptives		Primary
(03) PPC	.....	Primary

00-796-Tribal Area Sub-Plan

(03) Multipurpose Health Worker Scheme		Primary
(04) Appointing ANM in Tribal Areas	.....	Primary

00-800-Other Expenses

(02) UNFPA supported strengthening of FW & MCH services		Primary
---	--	---------

.....

The above hierarchy of health budget heads is taken from Rajasthan state's health budget. It can be seen from the above that for Family Welfare, there is no sub-major head. It may also be noted that the above mentioned classification of budget heads might vary among states, so discretion has to be applied while classifying the heads into levels of healthcare.

Apart from the budget heads mentioned above, which are basically different lines under which funds flow in the public health system, the detailed heads, which figure across all lines, also need to be accounted for detailed analysis of the budget. The detailed heads most commonly used in the health budgets across states are described below.

Code	Detailed Head	Description (based on interpretation of GFR)
01	Salary (regular employees)	Includes Basic Pay, Dearness Allowance, and HRA for permanent staff only. Remuneration to contractual staff, temporary staff, consultants, etc. are NOT included in Salary; but remuneration to contractual staff in Grade I and II is considered Salary.
02	Wages (contractual employees)	Includes payments made to contractual/temporary of Grade III and IV. Terms of payment may be on a daily, weekly or monthly basis. Remuneration to contractual staff, temporary staff, consultants, in Grade I and II NOT

Code	Detailed Head	Description (based on interpretation of GFR)
		included in Wages.
03	Travel Expenses (TE)	<p>Includes expenses reimbursable on account of travel undertaken for official purposes, by staff (permanent or temporary). The heads are the modes of transport (like bus, taxi, train, etc.). Different categories of staff are authorised different modes of transport, based on the pay scale and distance of travel undertaken.</p> <p>Normally Grade III & IV staff are authorised ordinary bus, sleeper class in train for long distances and rickshaw or local bus or short distances. Grade I & II staff is authorised deluxe/AC bus, AC in train for long distances and taxi or for short distances. The senior officials are authorised air travel too for long distances. The authorised mode of transport can be changed in special cases, which has to be authorised by a DDO (Drawing & Disbursing Officer) of the concerned department.</p>
04	Medical Reimbursement (MR)	It is the reimbursement made to staff on expenses incurred on medical treatment of self and dependents. There may or may not be upper limits of claims that can be made by staff. Normally it is reimbursed annually.
05	Office Expenses (OE)	Relates to expenses incurred on office consumables, minor repair of office furniture and equipment, purchase of office equipment, telephone expenses, consumables related to office canteen, etc.
06	Purchase of Vehicles	---Self explanatory---

Code	Detailed Head	Description (based on interpretation of GFR
07	Operation & Maintenance of Office Vehicles	Includes expenses on POL (Petrol, Oil and Lubricants), repair and maintenance, purchase of spare parts, expenses on accessories, etc. If expenditure on this head on a particular vehicle crosses its purchase cost, the vehicle becomes due for condemnation/ auction.
08	Specialised/Consultant Services	Payment made to individuals or firms against defined services that is out-contracted by the government department/ institution. The payment is always against a defined output, against a legal contract made with the consultant. Payment may be made lump sum, staggered over the consultancy period, per unit of time (weekly/monthly), etc.
09	Rent, Rate & Tax/Royalties	Rent – on building and space. Rate – rent paid on other fixed assets like equipment, lease rentals, hire-purchase instalments, etc. Taxes – all taxes other than income tax, paid while undertaking official activities/functions (like sales taxes on assets purchased, octroi, etc. Royalties – payments made on purchase and/or reproduction of intellectual property (like books, reports, etc.)
11	Advertisement, Information & Broadcasting	Expenses incurred on production of messages (ad/IEC material) and the media (print, audio-visual, hoardings, pamphlets, wall-writings, etc.). does NOT include expenditure on tender & legal notices
12	Grants/Contributions	Payments made to individuals or agencies for carrying out a certain activities. It is different from "Specialised/Consultant

Code	Detailed Head	Description (based on interpretation of GFR
		Services" in that the payment is made one-time, lump sum; and the purpose is more 'philanthropic' in nature rather than 'professional'.
13	Studentships & Scholarships	---Self explanatory---
16	Minor Construction Works	---Self explanatory---
18	Machine, Equipment, Tools & Plants (METP)	Expenses incurred on procurement and AMC (Annual Maintenance Contract) of Machine, Equipment, Tools & Plants.
19	Electricity & Water Expenses	---Self explanatory---
20	Motor Vehicles (MV) other than office vehicles	Includes both purchase and maintenance costs. The types of vehicles may be ambulances, cranes, bulldozers, recovery vans, fire-tenders, etc., i.e. vehicles meant for identified 'technical' tasks and not a general utility vehicle.
21	Repair & Maintenance	Expenditure on maintenance on all heads other than vehicles, but chiefly meant for assets under METP, i.e. it is the recurrent cost component of METP.
22	Materials & Supplies	Consumables meant for the primary task of the department/ institution. Like, syringes, dressing material, lab reagents, x-ray films, medical gases, etc. Expenditure on medicines and drugs are not a part of this.
28	Miscellaneous expenses	Expenses not of high monetary value and which cannot be classified in other defined heads. It is mainly of recurrent/ operational nature and no capital expenditure items can be classified under this head.

Code	Detailed Head	Description (based on interpretation of GFR)
29	Training, Travel and Conference Expenditure	Travel expenses incurred on account of attending trainings, workshops, and conferences by the staff, or persons sponsored by the department. It also includes registration fees for such trainings/ conferences.
31	Library & Journals	Costs incurred in setting up and maintaining a library/ documentation centre. Apart from cost of books, journals and study materials, it also includes cost on reproduction (photocopy), furniture for library, etc.
32	Decree etc. related expenses	Expenses related to legal/court activities
36	Rent for Vehicles	Self-explanatory. Includes all vehicles.
37	Dress & Liveries	Cost incurred on maintenance of uniforms for various staff categories (similar to washing allowance)
38	Stationery	Purchase of stationery
39	Printing	Printing of stationery
41	Tenders	Expenditure incurred on advertising the tenders notices and other related expenses for processing the tender documents
42	Incentives	Additional payments made to staff (over and above the pay) for good and/or additional job done by them. It is recommended by the supervisor of the concerned staff and authorised by the concerned DDO (Drawing & Disbursing Officer).
50	Bio-Medical Waste Disposal	Expenses on consumables related to

Code	Detailed Head	Description (based on interpretation of GFR)
		waste disposal (like coloured bins, bags, gloves), payments made to contractors engaged for segregation and disposal, etc., including training
58	Laundry & Beds	Expenditure on procurement of bed and linen, and also on the upkeep of these items (washing)
60	Drugs & Medicines	---Self explanatory---
61	Food material	Relates to expenditure on procurement of raw material for cooking in the hospitals. It may also include procurement of cooked food under a contractual agreement with a contractor.

From the above description of the Detailed Heads, it can be seen that the cost incurred on Human Resources (HR) includes the detailed heads of Salary (01), Wages (02), and Medical Reimbursements (04). Similarly, while accounting for expenses incurred on maintenance, we need to consider not only Repair & Maintenance (21), but also METP (18) as it includes AMC for equipments, Minor Construction Works (16), Operation & maintenance of Office Vehicles (07), Motor Vehicles (20) as it also includes maintenance and repair of vehicles other than office vehicles, and Material & Supplies (22) as it may also include purchase of spare parts.

(b) Budget heads in the Society (NRHM) route

Similar to the classification of health budget, the funds flowing through the society route under the National Rural Health Mission (NRHM), which includes all extra-budgetary transfers except for HIV/AIDS, also follows the following classification:

- A. RCH-II
- B. NRHM Additionalities
- C. Immunisation
 - 1. Routine Immunisation (RI)
 - 2. Pulse Polio Immunisation (PPI)
- D. National Disease Control Programmes (NDCP)

1. National Vector Borne Disease Control Programme (NVBDCP)
2. National Leprosy Eradication Programme (NLEP)
3. Revised National Tuberculosis Control Programme (RNTCP)
4. National Iodine Deficiency Disorder Control Programme (NIDDCP)
5. National Programme for Control of Blindness (NPCB)
6. Integrated Disease Surveillance Project (IDSP)

Of the above mentioned budget heads under NRHM, all the heads except or “JSY” under RCH and the “NRHM Additionalities”, also figure under the treasury route. For example RCH and Immunisation figure under Family Welfare budget (2211), and the NDCPs figure under Medical & Public Health – Public Health – Prevention & Control of Diseases (2210–06–101). But the NRHM flows are over and above the treasury flows, and so needs to be considered separately, over and above the health budget.

For the purpose of detailed analysis of NRHM budget, the Detailed Head under the Part A (RCH-II) and Part B of NRHM (NRHM Additionalities) are as follows:

Detailed Budget Heads under RCH-II (Part A)	Detailed Budget Heads under NRHM (Part B)
<ol style="list-style-type: none"> 1. Maternal Health <ol style="list-style-type: none"> 1.1. Operationalising facilities 1.2. Referral transport 1.3. Integrated outreach services 1.4. JSY 1.5. 24-hour deliveries 2. Child Health 3. Family Planning <ol style="list-style-type: none"> 3.1. Terminal/limiting methods 3.2. Spacing methods 3.3. POL for Family Planning 3.4. Repairs of laparoscopes 4. ARSH 5. Urban RCH 6. Tribal RCH 7. Vulnerable groups 8. Innovations/PPP/NGOs 9. Infrastructure & HR <ol style="list-style-type: none"> 9.1 Contractual staff & services 9.2. Major civil works 	<ol style="list-style-type: none"> 1. ASHA 2. Untied Funds 3. Hospital Strengthening 4. Annual Maintenance Grants 5. New Constructions, Renovations and setting-up 6. RKS Corpus funds 7. Panchayati Raj initiatives 8. IEC/BCC under NRHM 9. Referral Transport 10. Additional Contractual Staff 11. PPP/NGOs 12. Training (strengthening training institutions) 13. Training & Capacity Building under NRHM 14. Incentive schemes 15. Planning, Implementation & Monitoring 16. Community Monitoring 17. Monitoring & Evaluations 18. Procurement

Detailed Budget Heads under RCH-II (Part A)	Detailed Budget Heads under NRHM (Part B)
<ul style="list-style-type: none"> 9.3. Minor civil works 9.4. Operationalise infection (waste) management 9.5. Other activities 10. Institutional strengthening 11. Training 12. BCC/IEC <ul style="list-style-type: none"> 12.1. Strengthening of IEC/BCC Bureaus 12.2. Development of IEC/BCC strategy 12.3. Implementation of IEC/BCC strategy 13. Procurement <ul style="list-style-type: none"> 13.1. Procurement of Equipment 13.2. Procurement of Drugs & Supplies 14. Programme Management 	<ul style="list-style-type: none"> 19. Support Services 20. NRHM Management Costs/Contingencies

The component of “Infrastructure Maintenance” booked under the NRHM funds in the NRHM allocations, has to be taken out of the NRHM budget while combining NRHM with the health budget, as this flows directly through the treasury route under Family Welfare (2211).

Based on the budget lines and heads detailed above, the indicators proposed for tracking the health budget & expenditure are to be calculated as explained in the next section.

4. State Health Budget & Expenditure Tracking Indicators & Data Definition

In order to put in place an institutional mechanism in all states for periodic health budget and expenditure tracking under a standardised set of definitions, a common analytical framework, methodology and template; NHRM along with various partner institutions, validated the practicality of some basic indicators. The indicators and indicative data definitions were based on a list of eighteen indicators that were developed by an expert

group in the first workshop on budget tracking organised by NHSRC in New Delhi in July 2008.

These indicators were chosen on the following criteria.

- (a) They should be relevant and immediately useful to state health department and state finance department.
- (b) They should rely on easy to access reliable data sources available in the public domain.
- (c) They should be relatively easy to compute so that one can start up and stabilize the general use of budget indicators in planning after which the system could be build on to include more indicators and more disaggregation of data.

Based on the recommendations of the working group on budget tracking, which discussed and finalised the indicators in a subsequent workshop in Hyderabad in March 2009, the data definitions of the indicators are presented below.

List of Indicator



State Health Budget Tracking Indicators & Data Definition

S.NO	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
1.	Change in health budget over previous year (nominal)	(Current year's total health budget) – (Previous year's total health budget)	2210 + 2211 + 4210 + 4211 + NRHM	Budget book,
		(Previous year's total health budget)	2210 + 2211 + 4210 + 4211 + NRHM	Budget book, SOE of SHS
2.	Change in State's own contribution to State Health Budget over previous year	(State's contribution to health budget in current year) – (State's contribution to health budget in previous year)	(Plan + Non-Plan) budget under 2210, 2211, 4210, 4211	Budget book
		(State's contribution to health budget in previous year)	(Plan + Non-Plan) budget under 2210, 2211, 4210, 4211	Budget book, SOE of SHS
3.	State Health Budget as proportion of Total State Budget	Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211	Budget book, SOE of SHS
		Total state budget (including CSS and EAP)	Demand for grants	Budget book
4.	State Health Budget as percentage of State GDP	Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211	Budget book, SOE of SHS
		State GDP	State GDP	Department of Economics &

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
5.	State's per capita Govt. Health Expenditure	Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Statistics Handbook / State Planning Board
		Estimated mid-year population	Estimated mid-year population	Budget book, SOE of SHS
6.	Per capita health expenditure by State's own resources	State's contribution to health budget in current year	(Plan + Non-Plan) budget under 2210, 2211, 4210, 4211 + NRHM budget (allocation) contributed by the state	Department of Economics & Statistics Handbook
		Estimated mid-year population	Estimated mid-year population	Budget book, SOE of SHS
7.	State Plan Budget on Health as proportion on State Health Budget	State's "Plan" contribution to health budget in current year	Plan budget under 2210, 2211, 4210, 4211	Department of Economics & Statistics Handbook
		State's contribution to health budget in current year	(Plan + Non-Plan) budget under 2210, 2211, 4210, 4211	Budget book

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
8.	Change in State's Plan Budget on Health	(State's "Plan" contribution to health budget in current year) – (State's "Plan" contribution to health budget in previous year)	Plan budget under 2210, 2211, 4210, 4211	Budget book
		State's "Plan" contribution to health budget in previous year	Plan budget under 2210, 2211, 4210, 4211	Budget book
9(a)	State's share in total health budget	State's contribution to health budget in current year	(Plan + Non-Plan) budget under 2210, 2211, 4210, 4211 + 15% of NRHM budget (allocation) contributed by the state	Budget book, SOE of SHS
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
9(b)	Center's share in total health budget	Central contribution to health budget in current year	CSS (including Plan and Non-Plan under CSS under 2210, 2211, 4210, 4211, 6210, 6211 + Central contribution under RCH-II and Mission flexi pool)	Budget book, SOE of SHS
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
9(c)	Share of foreign funding in total health budget	External (foreign) contribution to health budget in current year	EAP (under 2210, 2211, 4210, 4211, 6210, 6211) + Additional funds through society mechanisms	Budget book, annual financial statement of SHS,

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
			(either SHS or other society/PMU created in the state by Development Partners)	and the expenditure statements of society/PMU created in the state by Development Partners
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
10(a)	Proportion of total govt. health expenditure on Primary healthcare	Total public expenditure on primary care	2210(02, 02, 06) + 2211 + 4210(02, 02, 06) + 6211 + NRHM (minus expenditure on FRU)	Budget book, SOE of SHS
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
10(b)	Proportion of total govt. health expenditure on Secondary healthcare	Total public expenditure on secondary care	2210(01, 03) + 4210(01, 03) + NRHM expenditure on FRU and RKS	Budget book, SOE of SHS
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
10(c)	Proportion of total govt. health expenditure on Tertiary healthcare	Total public expenditure on tertiary care	2210-05 + 4210-05	Budget book
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
11.	Capital health expenditure as percentage of total public health expenditure	Capital expenditure in health	4210 + 4211	Budget books
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
12.	State's own share in NRHM resource envelop (allocation)	State's contribution to NRHM	State's contribution to NRHM shown as separate entry in the accounts of SHS.	Budget book, SOE of SHS
		Total NRHM funds	Total NRHM allocation of the financial year	SOE of SHS
13.	Per capita expenditure on Medicines and Drugs	Total expenditure on Medicines & Drugs (under treasury and NRHM budget)	Detailed Head code-60 under 2210, 2211, 4210, 4211, 6210, 6211 + procurement of Drugs & Supplies under RCH-II (13.2) + Procurement of drugs under NRHM	Budget book, SOE of SHS
		Estimated mid-year population	Additionalities (no.18)	Department of Economics & Statistics Handbook

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
14.	Medicines & Drugs as percentage of total health budget (revenue budget)	Total expenditure on Medicines & Drugs (under treasury and NRHM budget)	Detailed Head code-60 under 2210, 2211, 4210, 4211, 6210, 6211 + procurement of Drugs & Supplies under RCH-II (13.2) + Procurement of drugs under NRHM Additionalities (no.18)	Budget book, SOE of SHS
		Total state health (revenue) budget	2210 + 2211 + NRHM	Budget book, SOE of SHS
15.	Maintenance as percentage of total health budget (revenue budget)	Total expenditure on repair & maintenance of medical equipment and health facilities (under treasury and NRHM budget)	Detailed budget heads on Minor Construction Works (code 16), Repair & Maintenance (code 21) under 2210, 2211, 4210, 4211, 6210, 6211 + detailed head of Annual Maintenance Grants (no.4) under NRHM Additionalities	Budget book, SOE of SHS
		Total state health (revenue) budget	2210 + 2211 + NRHM	Budget book, SOE of SHS
16.	(a) Conditional Cash Transfers as percentage of total health budget	Conditional Cash Transfers (JSY, sterilisations, etc.) under NRHM	Detailed heads under NRHM funds related to JSY (no.1.4 under RCH-II) and incentives for terminal methods (no. 3.1 under RCH-II)	SOE of SHS
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
	(b) Conditional Cash Transfers as percentage of NRHM	Conditional Cash Transfers (JSY, sterilisations, etc.) under NRHM	Detailed heads under NRHM funds related to JSY (no.1.4 under RCH-II) and incentives for terminal methods (no. 3.1 under RCH-II)	SOE of SHS
		Total NRHM funds	Total NRHM allocation of the financial year	SOE of SHS
17.	(a) Total expenditure on HR (salary, wages, contractual payments) as percentage of total Health Budget	Total expenditure on HR (salary, wages, contractual payments) under treasury health budget and NRHM	Detailed budget heads on Salary (code 01), Wages (02), and Medical Reimbursements (04) under 2210, 2211, 4210, 4211, 6210, 6211 + detailed head of Contractual Staff & Services (no.9.1) and Programme Management (no.14) under RCH-II, and Additional Contractual Staff (no.10) and Incentive Schemes (no.14) under NRHM Additionalities	Budget book, SOE of SHS
		Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
	(b) Total expenditure on contractual payments as percentage of total HR (salary, wages, contractual payments)	Total expenditure on contractual payments	Detailed head of Contractual Staff & Services (no.9.1) and Programme Management (no.14) under RCH-II, and Additional Contractual Staff (no.10) under NRHM Additionalities	SOE of SHS

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
18.		Total expenditure on HR (salary, wages, contractual payments) under treasury health budget and NRHM	Detailed budget heads on Salary (code 01), Wages (02), and Medical Reimbursements (04) under 2210, 2211, 4210, 4211, 6210, 6211 + detailed head of Contractual Staff & Services (no.9.1) and Programme Management (no.14) under RCH-II, and Additional Contractual Staff (no.10) and Incentive Schemes (no.14) under NRHM Additionalities	Budget book, SOE of SHS
	(a) Procurement (equipment and medicines/drugs) as percentage of total Health budget	Procurement (equipment and medicines/drugs) in the treasury health budget and NRHM budget	Detailed budget heads on Purchase of Vehicles (code 06), METP (18), Motor Vehicles (20), Materials & Supplies (22) and Drugs & Medicines (60) under 2210, 2211, 4210, 4211, 6210, 6211 + detailed head of Procurement of Equipment (no.13.1), Drugs & Supplies (13.2) under RCH-II, and Procurement (no.18) under NRHM Additionalities	Budget book, SOE of SHS
	(b) Procurement (equipment and medicines/drugs)	Total state health budget	2210 + 2211 + 4210 + 4211 + 6210 + 6211 + NRHM	Budget book, SOE of SHS
		Procurement (equipment and medicines/drugs) in the treasury health budget and	Detailed budget heads on Purchase of Vehicles (code 06), METP (18), Motor Vehicles (20),	Budget book, SOE of SHS

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
	as percentage of NRHM budget	NRHM budget	Materials & Supplies (22) and Drugs & Medicines (60) under 2210, 2211, 4210, 4211, 6210, 6211 + detailed head of Procurement of Equipment (no.13.1), Drugs & Supplies (13.2) under RCH-II, and Procurement (no.18) under NRHM Additionalities	
		Total NRHM funds	Total NRHM allocation of the financial year	SOE of SHS
19.	Proportion of NRHM budget on: (i) HR (ii) Medicines & Supplies (iii) Civil works (iv) ASHA (v) VHSC (vi) Others	Proportion of NRHM budget on HR, Medicines & Supplies, Civil works, ASHA, VHSC, and Others	<ul style="list-style-type: none"> HR: detailed head of Contractual Staff & Services (no.9.1) and Programme Management (no.14) under RCH-II, and Additional Contractual Staff (no.10) and Incentive Schemes (no.14) under NRHM Additionalities Medicines: detailed head on procurement of Drugs & Supplies under RCH-II (13.2) + Procurement of drugs (no.18) under NRHM Additionalities Civil works: detailed head on major and minor civil works (9.2, 9.3) under RCH-II + New Constructions and Renovations (no.5) under NRHM Additionalities ASHA: detailed head on ASHA 	SOE of SHS

S.NO.	Indicators	Numerator/Dinominator	Date Element (Budget Lines)	Data Source
20.	Expenditure on Untied Funds (as per UC/SOE) as percentage of total NRHM expenditure		(no.1) under NRHM additionalities • Others: all other heads apart from the above mentioned ones	
		Total NRHM funds	Total NRHM allocation of the financial year	SOE of SHS
		Expenditure on Untied Funds (as per UC/SOE)	Detailed head on Untied Funds (no.2) under NRHM additionalities	SOE of SHS
		Total NRHM funds	Total NRHM allocation of the financial year	SOE of SHS

It may be noted that the above mentioned classification of budget heads, especially for the treasury budget, might vary among states, so discretion has to be applied while classifying the heads into levels of healthcare, while adhering to the description of numerators/denominators given in column 2 in the above table.

Sample State Report

Andhra Pradesh



ANDHRA PRADESH
HEALTH BUDGET/EXPENDITURE TRACKING REPORT
YEAR 2004-05 TO 2008-09

G SURENDRA
G S PATTNAIK

SUBMITTED TO
NATIONAL HEALTH SYSTEMS RESOURCE CENTRE (NHSRC)
NATIONAL HEALTH RURAL MISSION (NRHM)
MINISTRY OF HEALTH & FAMILY WELFARE
GOVERNMENT OF INDIA

JANUARY, 2010



THE INSTITUTE OF HEALTH SYSTEMS, HYDERABAD

Acknowledgements

The Health Budget & Expenditure Tracking exercise was commissioned by the National Health Systems Resource center (NHSRC), a resource center for National Health Rural Mission (NRHM), Ministry of Health & Family Welfare, Government of India, and New Delhi. The exercise is to analyze the public health expenditure for the State of Andhra Pradesh both by Department of Health, Medical and Family Welfare (DoHMFw), Government of Andhra Pradesh and National Rural Health Mission.

The exercise/study adopts a National Health Accounts (NHA) framework for health expenditure analysis and classification defined in NCMH data was used for defining primary, secondary and tertiary care sectors.

The Institute of Health Systems (IHS) has been given the great opportunity to host the second State level Health Budget & Expenditure Tracking workshop in Hyderabad on 14th March 2009 at IHS. IHS thanks to Sri Dr.T.Sundararaman, Executive Director and Sri Gautam Chakraborty, Health Care Financing Division of NHSRC for consideration IHS to be a part of the State Health Budget and Expenditure Tracking Exercise.

IHS also thanks the officials of DoHMFw and NRHM Mission Directorate who extended cooperation to share the data of Health budget and NRHM.

12th January, 2010
Hyderabad

G.Surendra

Health Budget/Expenditure Tracking for AP

Table of Contents

I.	Introduction	4
1.	Background of the Report:	4
2.	Objectives of the Study/exercise	4
3.	Methodological Framework	4
4.	Data Sources:	11
5.	Organization of the Report	11
II.	Statement showing the Indicator with values year wise for 18 indicators	12
	Indicator 1: Change in Health Budget over previous year (Amount in '000)	14
	Indicator 2: Change in State's own Contribution to Health Budget over previous year ..	15
	Indicator 3: State Health Budget as proportion of total State Budget (Amount in '000) ..	16
	Indicator 4: State Health Budget as percentage of State GDP (Amount in '000)	17
	Indicator 5: State Per capita Govt Health Expenditure	18
	Indicator 6: Per capita health expenditure by state's own resources	19
	Indicator 7(a): State's share in total health budget (Amount in Rs'000)	20
	Indicator 7(b): Center's share in total health budget (Amount Rs '000)	21
	Indicator 7(c): Share of foreign funding in total health budget (Amount Rs '000)	22
	Indicator 8(a): Proportion of total health budget on primary health care	23
	Indicator 8(b): Proportion of total health budget on secondary health care	24
	Indicator 8(C): Proportion of total health budget on Tertiary health care	25
	Indicator 9: Capital expenditure as percentage to total public health expenditure	26
	Indicator 10: State's own share in NRHM Resource Envelope (Amount Rs '000)	27
	Indicator 11: Per capita expenditure on Medicines & Drugs (Treasury + NRHM)	28
	Indicator 12: Medicines & Drugs as percentage of total health budget (Rev Budget)	29
	Indicator 13: Maintenance as percentage of total health budget (revenue budget)	30
	Indicator 14(a): Conditional Cash Transfers (JSY, Sterilisations etc) as percentage of total health budget (Rs '000)	31
	Indicator 14(b): Conditional Cash Transfers (JSY, Sterilisations etc) as percentage of total NRHM budget (Rs '000)	32
	Indicator 15(a): Total Expenditure on HR (Salary, wages, Contractual payments) as percentage of total health budget (Rs'000)	33
	Indicator 15(b): Total Expenditure on Contractual payments as percentage to total HR ..	34
	Indicator 16(a): Procurement as percentage to total Health budget (Rs'000)	35
	Indicator 16(b): Procurement as percentage to NRHM budget (Rs'000)	36
	Indicator 17: Proportion of NRHM Budget on HR, Medicines & supplies etc (Rs'000) ..	37
	Indicator 18: expenditure on untied funds as percentage to total NRHM expenditure ...	38

Health Budget/Expenditure Tracking for AP

Acronyms

APHMIDC	AP Health & Medical Infrastructure Development Corporation
APSACS	Andhra Pradesh State AIDS Control Society
APVVP	AP Vaid ya Vidhan Parishad
AYUSH	Ayurveda, Unani, Siddha and Homoeopathy
BPL	Below Poverty Line
CFW	Commissionerate of Family Welfare
CSO	Central Statistical Organisation
DCA	Drug Control Administration
DFID	Department for International Development, Government of UK
DME	Director of Medical Education
DoH	Directorate of Health
DoHMF	Department of Health Medical and Family Welfare
ESIS	Employees State Insurance Scheme
GoAP	Government of Andhra Pradesh
GOI	Government of India
GSDP	Gross State Domestic Product
HE	Health Expenditure
ICHA	International Classification for Health Accounts
IIHFW	Indian Institute of Health and Family Welfare
IPM	Institute of Preventive Medicine
MoSPI	Ministry of Statistics and Programme Implementation
NACP	National AIDS Control Programme
NHA	National Health Accounts
NHP	National Health Policy
NMCH	National Macroeconomic Commission for Health
NSSO	National Sample Survey Organization
NTR UHS	NTR University of Health Sciences
PHC	Primary Health Centre
PHE	Primary Health Expenditure
RCH	Reproductive & Child Health
SACS	State Aids Prevention and Control Society
WHO	World Health Organization

I. Introduction

1. Background of the Report:

The National Rural Health Mission (NRHM) envisages an increase in public spending on health from a baseline of 0.9% of GDP to 2-3% of the GDP. Accordingly, Government of India has been substantially increasing its allocation for health to the States. It is envisaged that the additional funding by the Government of India would be supplemented by an increase in State budget allocation for health of at least 10% each year. The impact of fresh infusion of funds on State budget allocation across various levels of services and facilities is yet to be ascertained as institutional mechanisms for tracking of state health budget and expenditure are not yet in place.

The National Health Systems Resource Centre (NHSRC) created by the Ministry of Health and Family Welfare, Government of India, is mandated with the task of putting in place an institutional mechanism in all States for periodic health budget and expenditure tracking. In this context, the NHSRC organized a first workshop on 26th July 2008 and second workshop on 14th March 2009 to provide inputs for developing the institutional mechanism with a common analytical framework, methodology and template. The workshop arrived at a consensus regarding a draft set of indicators and their definitions for health budget and expenditure tracking. Subsequently, the NHSRC has invited organizations involved in the workshop to provide support to the tracking exercise in selected states. This report stems from the said invitation and pertains to the State of Andhra Pradesh.

2. Objectives of the Study/exercise

- ☐ To track State health budget and expenditure of Andhra Pradesh using a National Health Accounts framework
- ☐ To provide inputs for further refining methodology, data definitions and reporting formats to be adopted by the NHSRC
- ☐ To provide inputs for using the tracking indicators for decision making, particularly, in preparing the State PIP

3. Methodological Framework

In line with the National Health Policy (2002) goals of Government of India, a National Health Accounts (NHA) framework has been used for health expenditure analysis. NHA is an internationally accepted tool for summarizing, describing and analyzing health care financing and expenditure within a particular health system. Health expenditure consists of financial outlays that service the health system. In the current context, the analysis is restricted to expenditure on health by State government entities. The NHA framework adopts its basic principles of health accounting from the System of Health Accounts (SHA) of the Organization for Economic Cooperation and Development

Health Budget/Expenditure Tracking for AP

(OECD). The SHA provides the International Classification for Health Accounts (ICHA), which classifies health care entities and categorizes each type of health expenditure. Based on health policy requirements and form in which data available in the country, the classification of health accounts have been modified by the Government of India. The National Health Accounts framework identifies the following entities within a health system.

A. Financing Sources:

Sources refer to the entities from which financial resources are generated for health. Health spending by sources answer the question “who pays for health care?” Sources of financing health care through state government entities in Andhra Pradesh is given in Table-1

Table-1: Financing Sources for Health Care through State Government Agencies.

Code	Source	Data
1	Government of Andhra Pradesh	Non Plan Budget excluding GoI Non Plan Grants 11- Normal State Plan 06- Matching State Share of Centrally Sponsored Schemes CM Relief Fund
2	GOI CSP*	10 - Centrally Sponsored Schemes NRHM NACP
3	Other GoI Grants	12th Finance Commission Grants 05 – PMGY
4	External Aid	03-Externally Aided Projects Grants to SACS (Global Fund)
5	Loans**	07-Rural Infrastructure Development Fund (RIDF) Loans From Other Agencies

Note:

*GoI centrally sponsored schemes includes funds from external sources. Classification adopted focuses on the immediate source for the DoHMFV and does not differentiate the external aid component.

**Loans availed by the Department is essentially a contribution of the GoAP as it is incumbent on the government to repay the same. They are shown as a separate class to give a clear picture of the modes of financing of the budget.

B. Financing Agents:

Financing Agents are institutions or entities that channel funds provided by financing sources and use the funds to pay for, or purchase, the activities inside the health accounts boundary. In the AP context they include agencies (HODs) of the Department

Health Budget/Expenditure Tracking for AP

of Health, Medical and Family Welfare, Department of Labour and Employment and the Department of Tribal Welfare. List of Agencies under each of the aforesaid departments are given in Table-2.

Table-2: Government Departments and Agencies Managing Health Care in AP

Department	Agencies (Heads of Department)
Health, Medical and Family Welfare	Commissionerate of APVVP
	Directorate of Medical Education
	Rajiv Aarogyasri Health Trust
	Directorate of Health
	Directorate of Institute of Preventive Medicine
	Commissionerate of AYUSH
	Drug Control Administration
	Commissionerate of Family Welfare
	State AIDS Control Society
	State Health Society
	Strategic Planning and Innovation Unit
Tribal Welfare	AP Health Medical Infrastructure Development Corporation (APHMIDC)
	Secretariat
Labour and Employment	Directorate of Tribal welfare Dept
Women Child and Disabled Welfare	Commissionerate, Labour for Insurance Medical Services.
	Directorate of Women and Child Welfare for ICDS schemes

C. Functions of Care:

Functions refer to the services or activities that providers deliver with their funds. Information at this level answers the question "what type of service product or activity was actually produced?" Functions of Care in the AP context are elaborated in Table-3.

Health Budget/Expenditure Tracking for AP

Table-3: Framework for Health Care Functions

Broad Functions	Code	Detailed Functions
Direction & Administration	1	Direction and Administration
Primary Care Services	2	Primary Care Services (Allopathic)
	3	Primary Care Services (AYUSH)
	4	Communicable Disease Control Programmes
	5	Non Communicable Disease Programmes
	6	Family Welfare
	7	IEC
	12	Training
	12.1	DH
	12.2	CFW
	12.5	AYUSH
	12.6	Other Training for Primary Care
	13	Food, Water and Drug Quality Control
	13.1	Public Health Laboratory Services
	13.2	Drug Control
Secondary Care Services	15	Ancillary Care Services
	15.1	Drug/Sera Manufacture
	15.2	Emergency Health Transport
	15.3	Help Information Help Line
	15.4	Blood Bank
	8	Secondary Care
	12.3	Training (APVVP)
Tertiary Care Services	9	Tertiary Care
	12.4	Training (DME)
Medical Education	10	Medical Education (Allopathic)
	10.1	Medical and Dental
	10.2	Nursing/Paramedical
	10.3	Public Health
	11	Medical Education (AYUSH)
Health Statistics & Research	14	Health Statistics and Research
Social Protection Schemes	16	Social Protection Schemes: Aarogyasri, JSY, FDS, Nutrition and other Programs targeted at the poor
Repayment of Loans	17	Repayment of Loans

D. Providers of Care:

They are the end users or final recipients of health care funds. They are the entities which deliver health services. This category provides information on the question "To whom does the money go?" Table-4 lists the providers funded through State government agencies.

Health Budget/Expenditure Tracking for AP

Table-4: Health Care Providers in Andhra Pradesh

Codes	Providers	Institutions Included
1	State/Regional Administrators	Secretariat, Directorates
2	District Administrators	District Offices
3	ASHA	
4	Village Health and Sanitation Committees	
5	Sub Centres/MCH/Family Welfare Centres	
6	Hospitals and Dispensaries (DH)	
7	AYUSH Dispensaries & Hospitals	
8	AYUSH Educational Institutions	Includes APYP
9	PHC	
10	Hospitals (APVVP)	
11	APVVP Administrators	
12	Hospitals Not Specified	
13	Teaching Hospitals	
14	Other Tertiary Care Institutions	NIMS, SVIMS, MNJ Institute of Oncology
15	Mobile Health Centres	
16	Collective Health Services (Disease Control)	Expenditure on DC programmes not specifically allocated to any institution
17	Collective Health Services (Family Welfare)	Expenditure on FW programmes not specifically allocated to any institution
18	Financial Agencies	
19	Boards/Agencies Not Specified Elsewhere	Medicinal & Aromatic Plants Board, Family Welfare Board, NTRUHS/SHTO
20	Drug Control Administration	
21	IPM	
22	Aarogyasri Health Trust	
23	Nursing/Paramedical Colleges	
24	Training and Research Institutions	
25	NRHM Societies/PMU/SPIU	
26	Vital Statistics Division	
27	NGO and Other Private Providers	Includes PPPs
28	Other Departments	Transfers to RD, TW
29	Provider Not Specified	
30	APHMIDC	
31	Grants needing further analysis	
32	State AIDS Control Society	

Health Budget/Expenditure Tracking for AP

E. Resource Costs:

Classification of expenditure by Resource Costs is important especially in public expenditure analysis. They refer to the factors or inputs used by providers or financing agents to produce the goods and services consumed or the activities conducted in the system. Classification of Resource Costs of public expenditure on health is given in Table-5. These resource costs have been further grouped to broader categories in Table-6

Table-5: Classification of Health Expenditure by Resource Costs

Code	Resource Costs
1	010 – Salaries
2	020- Wages
3	110/120 Travel Expenses
4	130 - Office Expenses
5	140 - Rents, Rates and Taxes
6	160 – Publications
7	200 - Other Administrative Expenses
8	210 - Supplies and Materials
9	230 - Cost of Ration/Diet Charges
10	240 - Petrol, Oil and Lubricants
11	250 - Clothing, Tentage & Stores
12	260 - Advertisements, Sales and Publicity Expenses
13	270 - Minor Works
14	280 - Professional Services
15	300 - Other Contractual Services
16	311 - Grants-in-Aid towards Salaries
17	312 - Other Grants-in-aid
18	340 - Scholarships and Stipends
19	500 - Other Charges (which cannot be further classified)
20	510 - Motor Vehicles
21	520 - Machinery & Equipment
22	530 - Major Works
23	630 - Inter Account Transfers
24	800 - User Charges
25	001 - Repayment of Loans
26	500 - Other Charges (Compensation)
27	Incentives to Staff

Health Budget/Expenditure Tracking for AP

Table-6 Resource Costs for Health Expenditure Grouped Under Broad Heads

Group	Resource Costs
1	Human Resources 010 - Salaries 020- Wages 311 - Grants-in-Aid towards Salaries 300 - Other Contractual Services Incentives provided vide Societies
2	Scholarships and Stipends 340 - Scholarships and Stipends
3	Operations and Administrative Expenses 110/120 Travel Expenses 130 - Office Expenses 140 - Rents, Rates and Taxes 160 - Publications 200 - Other Administrative Expenses 240 - Petrol, Oil and Lubricants 260 - Advertisements, Sales and Publicity Expenses 280 - Professional Services 800 - User Charges 001 - Repayment of Loans
4	Drugs, Materials and Supplies 210 - Supplies and Materials 250 - Clothing, Tentage & Stores 230 - Cost of Ration/Diet Charges
5	Equipment 520 - Machinery & Equipment
6	Maintenance and Minor Works 270 - Minor Works 510 - Motor Vehicles
7	Major Works 530 - Major Works Capital expenditure recorded under 6210
8	Grant-in-Aid 312 - Other Grants-in-aid
9	Transfers to Households 500 - Other Charges (Compensation/ Sukhibhava) JSY/Compensation under NRHM
10	Other Expenditure 500 - Other Charges (which cannot be further classified) 630 - Inter Account Transfers

4. Data Sources:

- i. Health Expenditure Data
 - State Budget Documents/Demand for Grants of Health and other departments spending on health
 - Receipts and Expenditure Statement of State Health Society (NRHM) and State AIDS Control Society
- ii. Other Data
 - National Accounts Division of Central Statistical Organisation, Ministry of Statistics & Programme Implementation for GSDP data
 - Population Projections for States based on 2001 Census made by Registrar General of India.
- iii. Analysis

Health budget data was analyzed using the aforesaid framework to understand trends in public health spending. Data from demand for grants was mapped by plan/non-plan, major heads, minor heads, subheads and detailed heads. Allocation to each subhead was coded in terms of “source of funds”, “functions and “providers” for analysis. Further, analysis of expenditure at the detailed head level was done to classify health expenditure by resource costs. The classification of primary, secondary and tertiary health care has been done as per the annexure-1 of the minutes of the second State Level Health Budget & Expeniture held on 14th March 2009 at Hyderabad including classification of JSY, Arogyasri etc., The data elements for budget lines for numerator and denominator of the indicators were done as decided in the firs workshop held on 26th July 2008 at Delhi.

The analysis/interpretations were given indicator wise in the respective statement given subsequently.

5. Organization of the Report

The report is organized around the following sections:

- ☐ Introduction
- ☐ Statement showing the abstract of all the indicators with values including page reference for the detailed indicators.
- ☐ Indicator wise details with description, values, data source, calculation and analysis in detailed statements for all 18 indicators

Health Budget/Expenditure Tracking for AP

II. Statement showing the Indicator with values year wise for 18 indicators

No.	Indicator	Indicator value Year wise					Ref: Page No
		2004-05	2005-06	2006-07	2007-08	2008-09	
1	Change in Health Budget over previous year in %	4.41	27.57	17.37	32.72	29.46	14
2	Change in State's own contribution to Health Budget over previous year in %	5.78	11.62	18.82	29.63	25.72	15
3	State Health Budget as proportion of total State Budget in %	3.46	4.18	4.19	4.29	4.57	16
4	State Health Budget as percentage of State GDP in %	0.75	0.85	0.85	0.98	1.12	17
5	State's per-capita government health expenditure in Rupees	198	252	291	389	499	18
6	Per capita health expenditure by State's own resources in Rupees	165	183	215	276	343	19
7	(a) State's share in total Health budget in %	83.58	72.52	73.95	70.83	68.76	20
	(b) Centre's share in total Health budget in %	12.81	23.75	22.33	22.75	24.68	21
	(c) Share of foreign funding in total Health budget in %	2.12	0.41	0.00	2.36	2.82	22
8	(a) Proportion of total Health budget on Primary health care in %	54.06	58.08	54.65	49.85	48.91	23
	(b) Proportion of total Health budget on Secondary health care in %	11.68	9.94	12.71	12.08	9.82	24
	(c) Proportion of total Health budget on Tertiary health care (not including Medical Education) in %	12.61	12.33	12.61	19.18	23.25	25
9	Capital expenditure as percentage of total Health budget in %	0.96	1.80	2.03	5.49	5.65	26
10	State's own share in NRHM resource envelop (allocation) in %	0.00	14.06	18.63	16.27	13.28	27
11	Per-capita expenditure on Medicines & Drugs (treasury + NRHM) in Rs	17.89	20.42	18.24	24.17	29.07	28
12	Medicines & Drugs as percentage in of total health budget (revenue budget) in %	9.13	8.25	6.41	6.57	6.17	29
13	Maintenance as percentage of total health budget (revenue budget) in %	2.45	2.09	1.15	2.20	2.31	30
14	(a) Conditional Cash Transfers (JSY, sterilisations, etc.) as percentage of total health budget in %	0.00	2.03	2.88	3.28	3.08	31
	(b) Conditional Cash Transfers (JSY, sterilisations, etc.) as percentage of total NRHM budget in %	0.00	14.37	20.35	20.77	16.31	32
15	(a) Total expenditure on HR (salary, wages, contractual payments) as percentage of total Health Budget in %	61.61	53.85	54.75	46.48	40.52	33
	(b) Total expenditure on contractual payments as percentage of total HR (salary, wages, contractual payments) in %	5.18	5.39	5.24	5.39	5.27	34

Health Budget/Expenditure Tracking for AP

16	(a) Procurement (equipment and medicines/drugs) as percentage of total Health budget in %	10.65	8.70	8.13	7.71	7.44	35
	(b) Procurement (equipment and medicines/drugs) as percentage of NRHM budget in %	0.00	61.67	57.46	48.75	39.38	36
17	Proportion of NRHM budget (in %) on:						37
	(i) HR	0.00	0.00	0.22	3.99	4.20	
	(ii) Medicines/Supplies	0.00	3.82	1.07	0.73	0.04	
	(iii) Civil works	0.00	4.81	11.53	19.00	15.93	
	(iv) Equipment	0.00	0.00	0.00	1.28	0.25	
	(v) ASHA	0.00	0.57	3.52	4.90	3.33	
	(vi) VHSC	0.00	0.00	0.46	3.58	2.58	
	(vii) Others	0.00	90.80	83.20	66.52	73.68	
18	Expenditure on Untied Funds (as per UC/SOE) as percentage of total NRHM expenditure in %	0.00	1.67	4.22	5.28	4.58	38

Note: The value for the years from 2004-05 to 2007-08 is based on Accounts and for the year 2008-09, it is as per revised estimate.

Health Budget/Expenditure Tracking for AP

Indicator 1: Change in Health Budget over previous year (Amount in '000)

Numerator/Denominator	Description	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Current year total health budget	15139409	15806398	20164672	23667195	31410932	40664887	Budget Documents, ROP-NRHM,
Denominator	Previous year total health budget	15139409	15806398	20164672	23667195	31410932		APSACS approved plans.
Calculation	(current year-Previous Year)/Previous year%		4.41	27.57	17.37	32.72	29.46	
Analysis and Interpretations	Though the total budget is increasing year by year, the growth over the previous year is not that uniform. Due to introduction of NRHM, there is growth from 2005-06. There is declined growth in 2006-07 due to decrease in RIDF funds. Further there is decrease in GoI funds in 2008-09 which is affecting growth over 2007-08.							
Remarks/Comments	Health budget includes main health departments, tribal health by Tribal welfare dept and Insurance medical services by Labour department. Further it includes GoI share, external aided projects and other foreign funds like RIDF, DFID. However, the total health budget doesn't include loan component from the budget heads 6210, 6211.							



Indicator 2: Change in State's own Contribution to Health Budget over previous year (Amount in '000)

Numerator/Denominator	Description	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	State's own share for current year	12489498	13210908	14746607	17521734	22713380	28554365	Budget Documents,
Denominator	State's own share for previous year		12489498	13210908	14746607	17521734	22713380	
Calculation	(current year-Previous year)/Previous year %		5.78	11.62	18.82	29.63	25.72	
Analysis and Interpretations	There is growth year to year in the State's own resources except marginally in the year 2008-09. This shows the State's involvement in the Health Sector continuously.							
Remarks/Comments	The State own share includes the budget of main health departments, Tribal health from Tribal welfare department, Insurance Medical Services from Labour Department. But without loan component from the budget heads 6210, 6211. Further this doesn't include the releases from NRHM, Aids Control Society, Gol and External Aided Projects. This is completely from State's own resources.							



Indicator 3: State Health Budget as proportion of total State Budget (Amount in '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total Health Budget	15806398	20334672	23692986	32066143	41529887	Budget Documents,
Denominator	Total State Budget	457471036	486282182	565018054	746717109	908910927	ROP-NRHM, APSACS approved plans.
Calculation	(Health Budget/State Budget)%	3.46	4.18	4.19	4.29	4.57	
Analysis and Interpretations	There is increasing trend every year. But still it is below the NHP-2002 recommendation of 8% of the State Budget by 2010						
Remarks/Comments	The Health Budget includes all the components like, State's share, central share, EAPs, NRHM, SACS etc. including loan component.						



Indicator 4: State Health Budget as percentage of State GDP (Amount in '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total State health budget	15806398	20334672	23692986	32066143	41529887	Budget Documents of Andhra Pradesh and National Accounts
Denominator	State GSDP	2118020000	2396830000	2772860000	3284050000	3712290000	Division of Central Statistical Organisation, Ministry of Statistics and Programme Implementation.
Calculation	(Health Budget/GSDP)%	0.75	0.85	0.85	0.98	1.12	
Analysis and Interpretations	The percentage to State GSDP at current prices is increasing year by year. However, if we compare to the recommendation of NHP-2002 to reach 2% by 2010, it appears it may take another four to five years to reach 2% at the above rate of growth.						
Remarks/Comments	Health budget includes main health departments, tribal health by Tribal welfare dept and Insurance medical services by Labour Welfare department. Further it includes, Gol share, external aid and other foreign funds like RIDF, DHD , NRHM, Aids control Society.						

Indicator 5: State Percapita Govt Health Expenditure

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total State health budget (Rs.'000)	15806398	20334672	23692986	32066143	41529887	Budget Documents of Andhra Pradesh and
Denominator	Estimated Population in '000	79852	80712	81554	82375	83178	the projected population by Census of India for all the years.
Calculation	State Health Budget/Estimated population (in Rupees)	198	252	291	389	499	
Analysis and Interpretations	The percapita public (Govt) expenditure is in increasing trend and it is a good sign. The percapita is calculated on the budget of current prices i.e current budget.						
Remarks/Comments	Health budget includes main health departments, tribal health by Tribal welfare dept and Insurance medical services by Labour Welfare department. Further it includes, GoI share, external aid and other foreign funds like RIDF, DFID , NRHM, Aids control Society. As the population is already projected by the Census of India upto 2025, the mid year population is not considered.						



Indicator 6: Percapita health expenditure by state's own resources

Numerator/denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	State's contribution to health budget (Rs '000)	13210908	14746607	17521734	22713380	28554365	Budget Documents of Andhra Pradesh and the projected population by Census of India for all the years.
Denominator	Estimated mid year population in '000	79852	80712	81554	82375	83178	
Calculation	State's share in budget/ Estimated population (in Rupees)	165	183	215	276	343	
Analysis and Interpretations	The percapita public (Govt) expenditure (only State Share) is in increasing trend and it is a good sign. The percapita is calculated on the budget of current prices i.e current budget.						
Remarks/Comments	Health budget includes main health departments, tribal health by Tribal welfare dept and Insurance medical services by Labour Welfare department including state's contribution to NRHM. This doesn't include GoI share, external aid and other foreign funds like RIDF, Dfid , NRHM, Aids control Society. As the population is already projected by the Census of India upto 2025, the mid year population is not considered.						



Indicator 7(a): State's share in total health budget (Amount in Rs'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	State's contribution to health budget	13210908	14746607	17521734	22713380	28554365	Budget Documents, ROP-NRHM
Denominator	Total health budget	15806398	20334672	23692986	32066143	41529887	
Calculation	(State share/Total health) %	83.58	72.52	73.95	70.83	68.76	
Analysis and Interpretations	Though the absolute budget amount is increasing, the percentage contribution has been decreased very marginally. In other words, we can say the growth is constant for the last four years as the change is very marginal.						
Remarks/Comments	State's share of Health budget includes main health departments, tribal health by Tribal welfare dept and Insurance medical services and without loan component. But however, in the total health budget, it includes, State share and Gov share, external aid and other foreign funds like RIDF, DFID, NRHM, Aids Control society						



Health Budget/Expenditure Tracking for AP

Indicator 7(b):Center's share in total health budget (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Center's contribution to health budget	2024265	4830057	5289604	7295573	10250914	Budget Documents, ROP-NRHM
Denominator	Total health budget	15806398	20334672	23692986	32066143	41529887	
Calculation	(Center's share/Total health budget)%	12.81	23.75	22.33	22.75	24.68	
Analysis and Interpretations	There is increasing trend towards center's contribution to the A P State health though there is marginal decline in 2006-07. The center's contribution includes the regular share shown in budget documents and also the NRHM funds being released separately.						
Remarks/Comments	Center's contribution includes RCH and mission flexi pool-NRHM through the budget and NRHM being released separately to the state societies. However, the total Health budget includes, State share and Gol share, external aid and other foreign funds like RIDF, DFID, NRHM, Aids Control society						



Indicator 7(c): Share of foreign funding in total health budget (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Share of foreign fund contribution to health budget	335424	83004	194	757167	1171000	Budget Documents
Denominator	Total health budget	15806398	20334672	23692986	32066143	41529887	
Calculation	(Foreign share (EAP)/Total health budget)%	2.12	0.41	0.00	2.36	2.82	
Analysis and Interpretations	The foreign contribution i.e Externally aided projects is not consistent and it varies depending on the funding.						
Remarks/Comments	The total Health budget includes, State share and GoI share, external aid and other foreign funds like RIDF, DfID, NRHM, Aids Control society						

Indicator 8(a):Proportion of total health budget on primary health care (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total public expenditure on primary care	8545270	11810057	12948637.7	15986041.65	20310437	Budget Documents, ROP-NRHM
Denominator	Total State health budget	15806398	20334672	23692986	32066143	41529887	
Calculation	(PE on primary care/Total health budget) %	54.06	58.08	54.65	49.85	48.91	
Analysis and Interpretations	The contribution of public health expenditure on primary health care is ranging from 49% to 58% for the last five years, but as seen it is declined for the last two years. The reason may be that the Govt has given thrust on Arogyasri which is included in Tertiary care where we can see the growth in the last two years.						
Remarks/Comments	Expenditure on primary care includes other than Dist hospitals, Area hospitals and tertiary care. It also includes NRHM expenditure by excluding the expenditure on First Referral units.						



Indicator 8(b):Proportion of total health budget on secondary health care (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source	
Numerator	Total public expenditure on secondary care	1846227	2021830	3010642.79	3875113.481	4077636.8	Budget Documents, ROP-NRHM	
Denominator	Total State health budget	15806398	20334672	23692986	32066143	41529887		
Calculation	(PE on secondary care/total health budget)%	11.68	9.94	12.71	12.08	9.82		
Analysis and Interpretations	The trend on the public expenditure on secondary care is in between 10 to 13%. There is decline in 2008-09.							
Remarks/Comments	Expenditure on secondary care includes Dist hospitals, Area hospitals. It also includes the expenditure under FRU and RKS from NRHM.							



Indicator 8(C): Proportion of total health budget on Tertiary health care (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total public expenditure on tertiary care	1992976	2506882	2986886	6149008	9656336	Budget Documents,
Denominator	Total State health budget	15806398	20334672	23692986	32066143	41529887	ROP-NRHM
Calculation	(PE on tertiary care/total health budget)%	12.61	12.33	12.61	19.18	23.25	
Analysis and Interpretations	The trend on the public expenditure on tertiary care is also almost stable around 12.5% from the years 2004-05 to 2006-07. In the last two years it stated growing and the reason is that the Arogyasri which is a priority program of the State Govt was included in tertiary sector.						
Remarks/Comments	Expenditure on tertiary care includes tertiary care and college hospitals but excludes expenditure on teaching colleges. The expenditure on Arogyasri was included in Tertiary health care.						

Indicator 9:Capital expenditure as percentage to total public health expenditure (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Capital expenditure on health	152100	365900	480071	1760343	2344605	Budget Documents, ROP-
Denominator	Total State health budget	15806398	20334672	23692986	32066143	41529887	NRHM
Calculation	(capital expenditure/total health expenditure)%	0.96	1.80	2.03	5.49	5.65	
Analysis and Interpretations	The contribution on capital expenditure to the total expenditure on health is in increasing trend which is in 0.96% in 2004-05 to 5.65% in 2008-09						
Remarks/Comments	Capital expenditure includes the expenditure from DoHIMFW and also NRHM.						



Indicator 10: State's own share in NRHM Resource Envelope (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	State's Contribution to NRHM	0	403312	624502	824823	1041723	Budget Documents, ROP-NRHM
Denominator	Total NRHM funds	0	2869100	3352200	5068700	7845100	
Calculation	(State share in NRHM/Total NRHM fund)%		14.06	18.63	16.27	13.28	
Analysis and Interpretations	It is more than 15% in the years from 2005-06 to 2007-08 and there is decline in 2008-09.						
Remarks/Comments	State's contribution to NRHM includes R.C.H programme, mission flexipool and additional amount of expenditure on Sukhibhava which is in addition to JSY and other compensation. NRHM expenditure figures have been adopted as per the report furnished by the NRHM mission Directorate.						

Indicator 11: Percapita expenditure on Medicines & Drugs (Treasury + NRHM) (Amount Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on Medicines & Drugs	1428507	1648248	1487802	1990926	2418353	Budget Documents, ROP-NRHM, census of India
Denominator	Estimated Population in '000	79852	80712	81554	82375	83178	
Calculation	(Exp on medicine & drugs/population) in Rupees	17.89	20.42	18.24	24.17	29.07	
Analysis and Interpretations	The percapita expenditure in increasing trend. It has risen from 17.89 in 2004-05 to 29.07 in 2008-09.						
Remarks/Comments	The expenditure on medicine and drugs for NRHM in 2004-05 is nil as the NRHM programme was not started. Hence, this is the percapita for treasury expenditure by the DoHMFV, GoAP. From the year 2005-06 onwards, the expenditure on medicines and drugs includes both from Govt and NRHM. In respect of expenditure under NRHM, the figures for 2007-08 and 2008-09 has obtained from the expenditure statement in the website of NRHM. The expenditure figures couldn't get from the department for the years 2005-06 and 2006-07, hence adopted the figures as per ROP-NRHM.						



Indicator 12: Medicines & Drugs as percentage of total health budget (Revenue Budget) (Amount in Rs.'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on Medicines & Drugs	1428507	1648248	1487802	1990926	2418353	Budget Documents, ROP-
Denominator	Health - Revenue Budget	15654298	19968772	23212915	30305800	39185282	NRHM
Calculation	(Exp on med & drugs/health exp (revenue))%	9.13	8.25	6.41	6.57	6.17	
Analysis and Interpretations	The growth in expenditure on medicines and drugs to the total health budget (revenue) is almost stagnant for the last three years.						
Remarks/Comments	The expenditure on medicine and drugs for NRHM in 2004-05 is nil as the NRHM programme was not started. Hence, this is as per treasury expenditure by the DoHMF-W, GoAP. From the year 2005-06 onwards, the expenditure on medicines and drugs includes both from Govt and NRHM. In respect of expenditure under NRHM, the figures for 2007-08 and 2008-09 has obtained from the expenditure statement in the website of NRHM. The expenditure figures couldn't get from the department for the years 2005-06 and 2006-07, hence adopted the figures as per ROP-NRHM. Total health expenditure is the revenue expenditure for health department excluding capital expenditure including NRHM						

Indicator 13: Maintenance as percentage of total health budget (revenue budget) (Amount in Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on Maintenance	383923	417114	265834	667023.251	904383.63	Budget Documents, ROP-NRHM
Denominator	Health - Revenue Budget	15654298	19968772	23212915	30305800	39185282	
Calculation	(Exp on maintenance/health budget)%	2.45	2.09	1.15	2.20	2.31	
Analysis and Interpretations	The trend in the maintenance expenditure is almost stagnant around 2.5% growth except there is dip in 2006-07.						
Remarks/Comments	The expenditure on maintenance for NRHM in 2004-05 to 2006-07 is nil. Hence, this is as per treasury expenditure by the DoHMFw, GoAP. From the year 2007-08 onwards, the expenditure on maintenance includes both from Govt and NRHM. In respect of expenditure under NRHM, the figures for 2007-08 and 2008-09 has obtained from the NRHM mission Directorate. Total health expenditure is the revenue expenditure for health department excluding capital expenditure including NRHM						



Indicator 14(a): Conditional Cash Transfers(JSY, Sterilisations etc) as percentage of total health budget (Rs "000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on conditional cash transfers	0	412262.253	682032.656	1052824.758	1279647.9	Budget Documents, ROP-NRHM
Denominator	Total Health budget	0	20334672	23692986	32066143	41529887	
Calculation	(Exp on cash transfer/health budget)%	0.00	2.03	2.88	3.28	3.08	
Analysis and Interpretations	There is increasing trend on the cash transfers on JSY, sterilisation and Sukhibhava (GoAP). But, it is declined in 2008-09.						
Remarks/Comments	The expenditure on conditional transfers includes on JSY, Sterilisation from NRHM and also Sukhibhava which is in addition to JSY to motivate the pregnant woman for institutional deliveries. In respect of expenditure under NRHM, the figures obtained from the expenditure statement furnished by NRHM Directorate. Total health expenditure is the total from all components.						



Health Budget/Expenditure Tracking for AP

Indicator 14(b): Conditional Cash Transfers(JSY, Sterilisations etc) as percentage of total NRHM budget (Rs '000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on conditional cash transfers	0	412262.253	682032.656	1052824.758	1279647.9	Budget Documents, ROP-NRHM
Denominator	Total NRHM budget	0	2869100	3352200	5068700	7845100	
Calculation	(Exp on cash transfer/NRHM budget)%		14.37	20.35	20.77	16.31	
Analysis and Interpretations	There is increasing trend on the cash transfers on JSY, sterilisation and Sukhibhava (GoAP). But, it is declined in 2008-09.						
Remarks/Comments	The expenditure on conditional transfers includes on JSY, Sterilisation from NRHM and also Sukhibhava which is in addition to JSY to motivate the pregnant woman for institutional deliveries. In respect of expenditure under NRHM, the figures obtained from the expenditure statement furnished by NRHM Directorate.						



Health Budget/Expenditure Tracking for AP

Indicator 15(a): Total Expenditure on HR (Salary, wages, Contractual payments) as percentage of total health budget (Rs'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on HR (salary, wages, contractual payments)	9739038	10950213.46	12972261.3	14904456	16829578	Budget Documents, ROP-NRHM
Denominator	Total health budget	15806398	20334672	23692986	32066143	41529887	
Calculation	(HR exp/Health Budget)%	61.61	53.85	54.75	46.48	40.52	
Analysis and Interpretations	There is decreasing trend in the HR growth if we take the proportion to total health budget. The cause may be not filling the vacancies due to various reasons like non availability of manpower, market conditions, competitive compensation or lack/insufficient of Human resource development initiatives both in public and private sector.						
Remarks/Comments	The expenditure on HR for 2004-05 is totally from DoHMFV, GoAP. From 2005-06, it includes from NRHM also. The expenditure figures on NRHM are from the Mission Directorate. In respect of Contractual payments, the expenditure was taken from the ROP as it was not furnished by the Mission Directorate.						

Indicator 15(b): Total Expenditure on Contractual payments as percentage to total HR (Rs'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on Contractual Payments	504910	589914	679353	803406	887558	Budget Documents, ROP-NRHM
Denominator	Total expenditure on HR	9739038	10950213.46	12972261.3	14904456	16829578	
Calculation	(Exp on Contract payments/HR exp)%	5.18	5.39	5.24	5.39	5.27	
Analysis and Interpretations	The growth in contractual payments is almost stagnant for all the years.						
Remarks/Comments	The expenditure on contractual payments for 2004-05 is totally from DoHMFw, GoAP. From 2005-06, it includes from NRHM also. In respect of expenditure under NRHM, the figures for 2007-08 and 2008-09 has obtained from the expenditure statement in the website of NRHM. The expenditure figures couldn't get from the department for the years 2005-06 and 2006-07, hence adopted the figures as per ROP-NRHM. Total expenditure on HR also includes both from DoHMFw and NRHM						

Indicator 16(a): Procurement as percentage to total Health budget (Rs'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on Procurement (equipment, medicine & drugs)	1684100	1769504	1926292	2471019	3089155	Budget Documents, ROP-NRHM
Denominator	Total health budget	15806398	20334672	23692986	32066143	41529887	
Calculation	(Exp on procurement/Total health budget)%	10.65	8.70	8.13	7.71	7.44	
Analysis and Interpretations	The expenditure on procurement in proportion to total health budget is in decreasing trend for all the years						
Remarks/Comments	The expenditure on procurement for 2004-05 is totally from DoHMF, GoAP. From 2005-06, it includes from NRHM also. In respect of expenditure for procurement under NRHM, the figures for 2007-08 and 2008-09 has obtained from the expenditure statement in the website of NRHM. The expenditure figures couldn't get from the department for the years 2005-06 and 2006-07, hence adopted the figures as per ROP-NRHM. Total expenditure on health includes from all components.						

Indicator 16(b): Procurement as percentage to NRHM budget (Rs'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on Procurement (equipment, medicine & drugs)	0	1769504	1926292	2471019	3089155	Budget Documents, ROP-NRHM
Denominator	Total NRHM budget	0	2869100	3352200	5068700	7845100	
Calculation	(Exp on procurement/Total NRHM budget)%	0	61.67	57.46	48.75	39.38	
Analysis and Interpretations	The expenditure on procurement in proportion to total NRHM budget is in decreasing trend for all the years						
Remarks/Comments	The expenditure under procurement includes both from DoHMF and NRHM. In respect of expenditure for procurement under NRHM, the figures for 2007-08 and 2008-09 has obtained from the expenditure statement in the website of NRHM. The expenditure figures couldn't get from the department for the years 2005-06 and 2006-07, hence adopted the figures as per ROP-NRHM.						

Indicator 17: Proportion of NRHM Budget on HR, Medicines & supplies etc (Rs'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on						ROP-NRHM, Expenditure statements
	HR	0	8,458	7481.336	202018.997	329430	
	Medicine & supplies	0	109604	36000	36932	2800	
	Civil Works	0	138000	386600	963120	1249745	
	Equipment	0	0	0	64680	19819	
	ASHA	0	16221.852	117893.767	248554.961	260941.14	
	VHSC	0	0	15324.737	181537.42	202455.96	
	Others	0	2605265.69	2788900.16	3371856.622	5779908.9	
Denominator	Total NRHM budget	0	2869100	3352200	5068700	7845100	
Calculation	(HR/Total NRHM Budget)%	0.00	0.00	0.22	3.99	4.20	
	(Medicine & supplies/Total NRHM Budget)%	0.00	3.82	1.07	0.73	0.04	
	(Civil Works/Total NRHM Budget)%	0.00	4.81	11.53	19.00	15.93	
	(Equipment/Total NRHM Budget)%	0.00	0.00	0.00	1.28	0.25	
	(ASHA/Total NRHM Budget)%	0.00	0.57	3.52	4.90	3.33	
	(VHSC/Total NRHM Budget)%	0.00	0.00	0.46	3.58	2.58	
	(Others/Total NRHM Budget)%	0.00	90.80	83.20	66.52	73.68	
Analysis and Interpretations	There is increasing trend of percentage growth on HR as it has risen from 0.22% in 2006-07 to 4.20% in 2008-09. In respect of VHSC, medicines, civil works, equipment, there is a dip in the year 2008-09						
Remarks/Comments	In respect of expenditure under NRHM for the components like Medicines & supplies, civil works, equipment, the figures for 2007-08 and 2008-09 has obtained from the expenditure statement in the website of NRHM as the expenditure figures couldn't get from the department for the years 2005-06 and 2006-07, hence adopted the figures as per ROP-NRHM. For other components, it was as furnished by the department i.e Mission Directorate.						

Indicator 18: expenditure on untied funds as percentage to total NRHM expenditure (Rs'000)

Numerator/Denominator	Description	2004-05	2005-06	2006-07	2007-08	2008-09	Data Source
Numerator	Total expenditure on untied funds	0	47879.538	141536.923	267819.035	359375.61	ROP-NRHM, Expenditure statements
Denominator	Total NRHM budget	0	2869100	3352200	5068700	7845100	
Calculation	(Exp on untied funds/NRHM budget) %		1.67	4.22	5.28	4.58	
Analysis and Interpretations	There is increasing trend in unties funds in proportion to total NRHM funds except decline in 2008-09						
Remarks/Comments	The expenditure figures were obtained from the mission Directorate.						



National Health Systems Resource Centre

Room No. 118, Academic Block

National Institute of Health & Family Welfare

Munirka, New Delhi 110067

Phone: 011-26162948/52/68/70