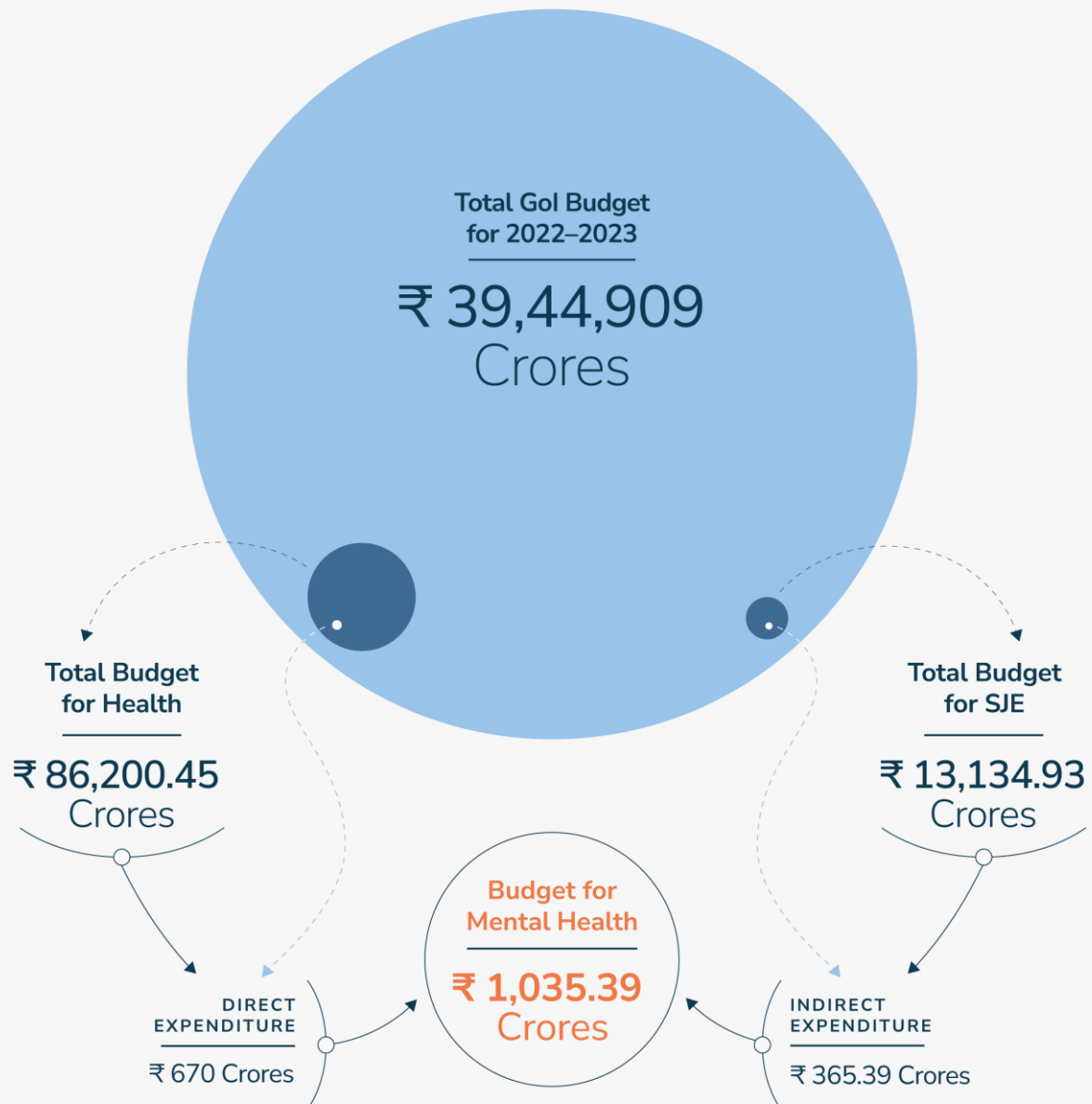


Budget for Mental Health

Analysis of Union Budget 2022–2023

In this brief we map and analyse the direct allocations made for mental health by the **Ministry of Health and Family Welfare (MoHFW)** and indirect allocations made under the **Ministry of Social Justice and Empowerment (MoSJE)**.



↳ Union Budget for Mental Health

- The Union government's proposed fiscal outlay for the Financial Year (FY) 2022-23 is ₹39,44,909 crores, an increase of 8.2% compared to FY 2021-22.¹
- In this year's Union Budget, allocations for health and related programmes has reduced in real terms by 7% compared to Revised Estimate (RE) for FY 2021-22. The allocation for health as a percent of the total GDP, has declined from 0.382% to 0.346%.²
- The total budget outlay for the health sector for FY 2022-23 is ₹86,200.45, i.e., 2% of the fiscal outlay of the Union government. The Budget Estimate (BE) for mental health is **0.7%** of the Ministry of Health and Family Welfare (MoHFW).
- In the budget speech, a National Tele-Mental Health programme was announced, under which 23 tele-mental health centres are to be launched by the MoHFW, for which NIMHANS has been appointed the nodal authority³. The exact budgetary outlay for this new programme is not known.
- Socio-economic factors are structural determinants known to influence individual and community mental health and wellbeing. Therefore, along with strengthening the mental health service-delivery programmes and institutions, it is crucial that appropriate funds be allocated for welfare and rights-based schemes such as the Mahatma Gandhi National Rural Employment Guarantee (MNREGA) scheme, PM Garib Kalyan Yojana, PM POSHAN (mid-day meal scheme) and other such programmes that provide a financial and social security net for vulnerable and marginalised groups. It is noteworthy that despite the negative impact of Covid-19 on employment and depletion of social security and financial nets of groups across society, the overall budget outlay for social sector and social welfare schemes have seen a decline in real terms.⁴
- An important announcement in the budget speech was tax relief granted to parents/guardians of persons with disabilities. Previously, tax relief on the insurance sum was provided after the demise of the subscribing parent/guardian. With the new announcement, the payment of the annuity or lump sum amount to the person with disability can now be made available during the lifetime of their parent/guardian; upon the parent/ guardian attaining the age of 60.

Direct Expenditure:

Ministry of Health & Family Welfare

- In the Union Budget for FY 2022-23, the total proposed fiscal outlay for the MoHFW is ₹86,200.65, of this ₹3,200.65 crore is the BE for the Department of Health Research and the remaining ₹83,000 crores is the BE for the Department of Health and Family Welfare, an increase of 12% from the previous year. Of the total fiscal outlay for the MoHFW, only 0.7% of the funds allocated comprise direct expenditure on mental health.
- Funds for mental health by the MoHFW are allocated under the line-items of (i) National Institute of Mental Health and Neuro-Sciences, (NIMHANS), Bengaluru (₹560 crores); (ii) Lokpriya Gopinath Bordoloi Regional Institute of Mental Health, Tezpur (₹70 crores) and tertiary-level activities under the National Mental Health Programme (₹40 crores).
- As depicted in Figure 2, a major proportion of the funds are allocated for the centrally funded institutes of mental health, while the National Mental Health Programme (NMHP) has received only 6% of the total funds allocated for mental health.

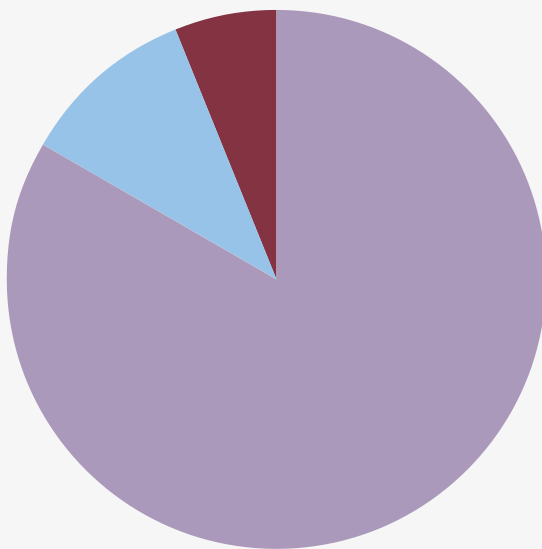
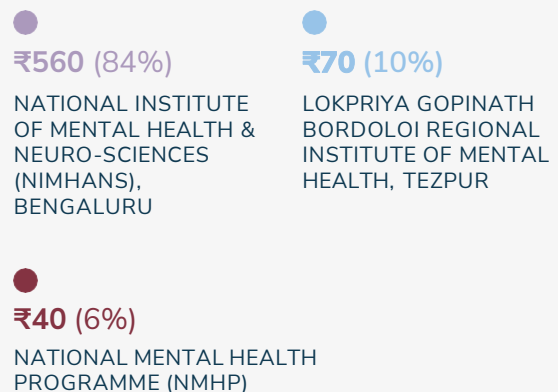


Figure 2: Direct Expenditure on Mental Health, MoHFW (₹ in crores)



NATIONAL INSTITUTE OF MENTAL HEALTH AND NEURO-SCIENCES (Bengaluru)

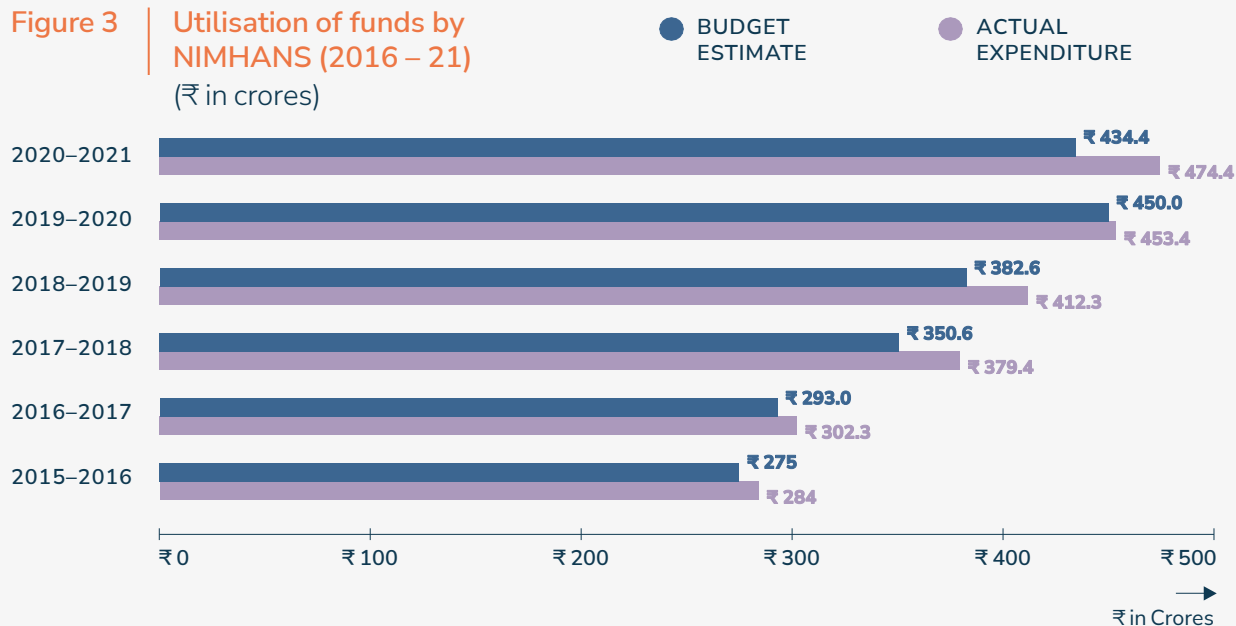
(a) Expenditure Budget

- The BE for NIMHANS, ₹560 crores, increased by 11.9% compared to the BE (₹500.44 crore) and 5.9% compared to the RE (₹528.49 crores) for the previous year.
- It cannot be ascertained if the increase in the budget allocation for NIMHANS can be attributed to the launch of the National Tele-Mental Health programme.

(b) Actual Expenditure & Utilisation

- Between 2015–2022 there has been a steady increase in BE of NIMHANS, and it has consistently utilised more than 100% of the funds allocated (Figure 3).

Figure 3 | Utilisation of funds by NIMHANS (2016 – 21)
(₹ in crores)



NATIONAL MENTAL HEALTH PROGRAMME (NMHP)

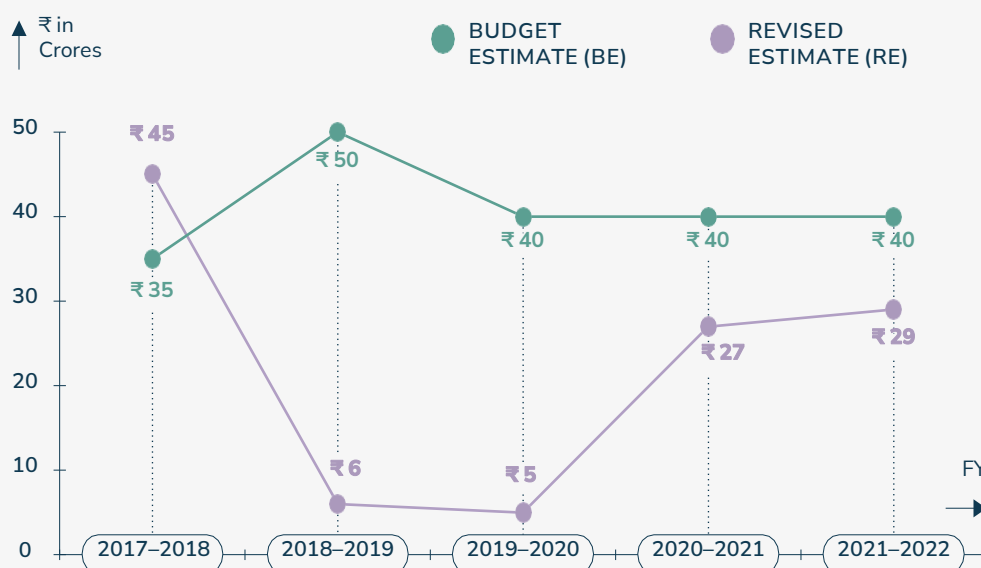
- To address the growing burden of mental disorders in the country, in 1982 the National Mental Health Programme (NMHP) was introduced by the Government of India. Funds are allocated for three components of the NMHP by the MoHFW, these components are (i) Scheme A for establishing centres of excellence in mental health; (ii) Scheme B for setting up and strengthening Post-Graduate studies departments in mental health specialties and (iii) implementation of the District Mental Health Programme (DMHP) for detection, management, and treatment.⁵
- Funds for the DMHP component of the NMHP are allocated under the line-items Flexible Pool for Non-Communicable Diseases, Injury and Trauma, and Flexible Pool for Non-Communicable Diseases, Injury & Trauma (support from the National Investment Fund), which falls under the larger umbrella of scheme of the National Health Mission (NHM).⁶ For the FY 2022-23 the exact funds allocated for the NCDs Flexi-Pool and under it the DMHP cannot be ascertained as they have been subsumed under other line-items and no further break-up has been provided.
- In response to a question raised in Parliament on 4 February 2022, the MoHFW stated that it is currently supporting the implementation of the DMHP 704 districts of the country, providing financial support of up to ₹83.20 lakh, per district, per year.⁷ However, the exact amount earmarked for the DMHP under the NCD flexi-pool cannot be ascertained. As per the guidelines for the implementation of the DMHP issued in 2015, each district requires ₹83.20 lakh in the first year of implementing the programme.⁸ This amount required to run the DMHP increases over a 5-year period. However, it appears that the Union government continues to provide states (districts) with the funds meant for year 1 of implementation (or less) and not the amount they are entitled to in the subsequent years.
- Funds for Scheme A and Scheme B under the NHMP are allocated under the head of Tertiary activities, under the line-item titled 'National Mental Health Programme'. These funds are primarily meant for the strengthening and improvement of post-graduate departments of psychiatry and centres of excellence.

(a) Expenditure Budget

- Of the total fiscal outlay for mental health, the National Mental Health Programme received only 6%. The BE for implementation of Scheme A and Scheme B under tertiary-level activities of the NMHP for FY 2022-23 is ₹40 crores, same as the BE for FY 2019-20 and 2021-22.
- In FY 2021-22 the BE for the NMHP was ₹40 crores, while the RE saw a reduction of 27.5% to ₹29 crores. As can be seen in Figure 4, except for in FY 2017-18 when the RE was higher than the BE, for the subsequent years the RE for the NMHP has remained low, with an average of 53% change between the BE and RE. This can be attributed to the continued underutilisation of funds (Figure 5).

Figure 4:

Budget Estimate vs. Revised Estimate
(₹ in crores)



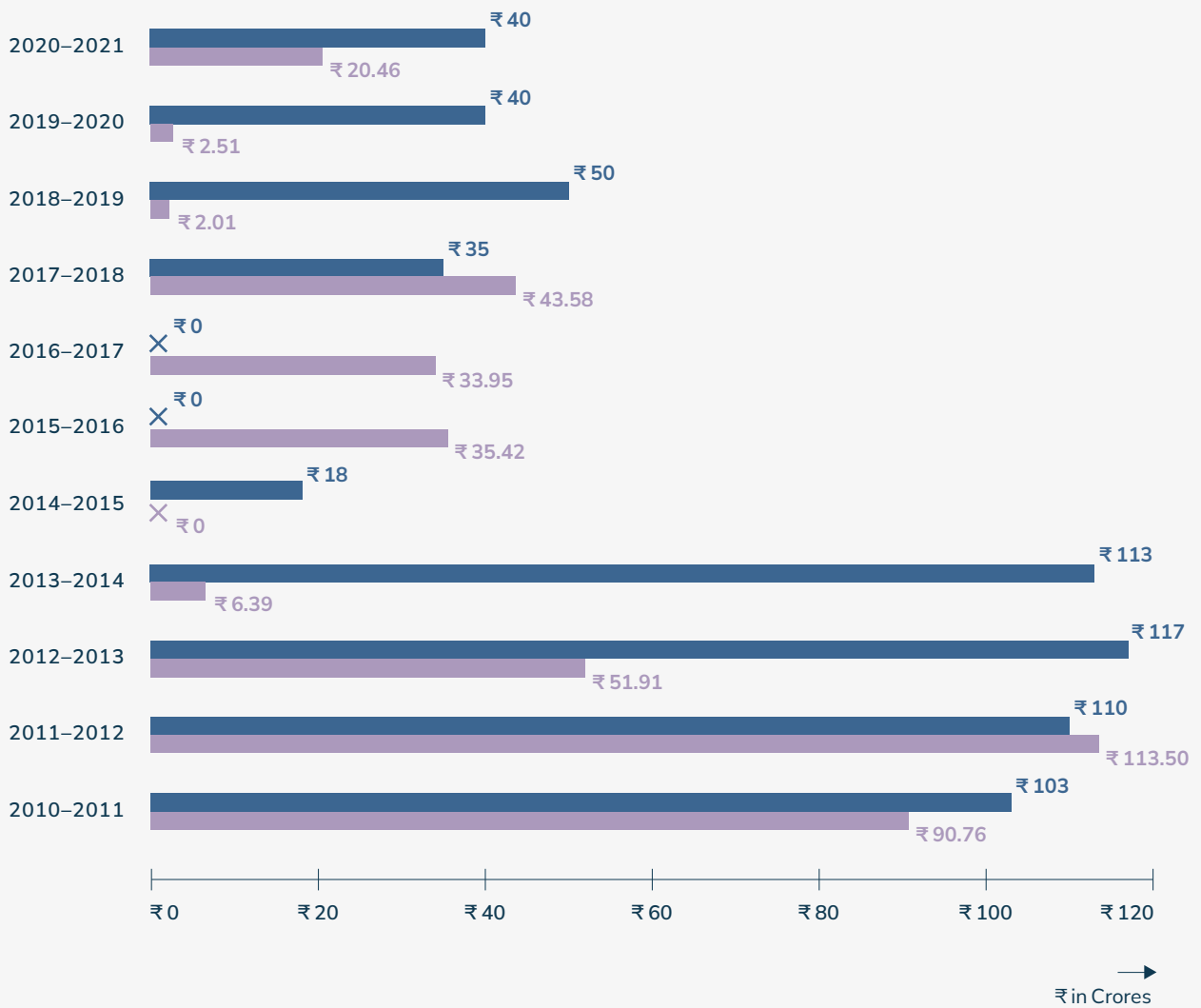
(b) Actual Expenditure & Utilisation

- Over the past 5-years the RE for the NMHP has been much lower than the BE, while this is cause for concern, more alarming in the trend of under-utilisation of funds. Consequently, this has created a vicious cycle wherein the allocation has remained low due to poor underutilisation, leading to decreased budgetary outlays for the programme, a proxy indicator of which is the consistently low RE.
- Except for FY 2011-12 and 2015-16, when the AE was more that the BE, funds allocated have remained unused (Figure 5).
- In FY 2013-14, 94% of the funds allocated were not spent, while in FY 2018-19 and 2019-20, 96% and 93% of the funds allocated remained unutilised.

- Over the decade, the RE has reduced at compound annual growth rate (CAGR) of 11% from ₹93 crore to ₹27 crore and the actual expenditure has reduced at a CAGR of 14% from ₹91 crore to ₹20 crore. The compound annual growth rate calculates average rate of growth between years. For this brief, the CAGR of the NMHPs RE and AE has been calculated from FY 2010-21.

Figure 5: Utilisation of funds for NMHP from 2010-21 (₹ in crores)

● BUDGET ESTIMATE (BE) ● ACTUAL EXPENDITURE (AE)



↘ Indirect Expenditure:

Ministry of Social Justice and Welfare⁹⁻¹⁵

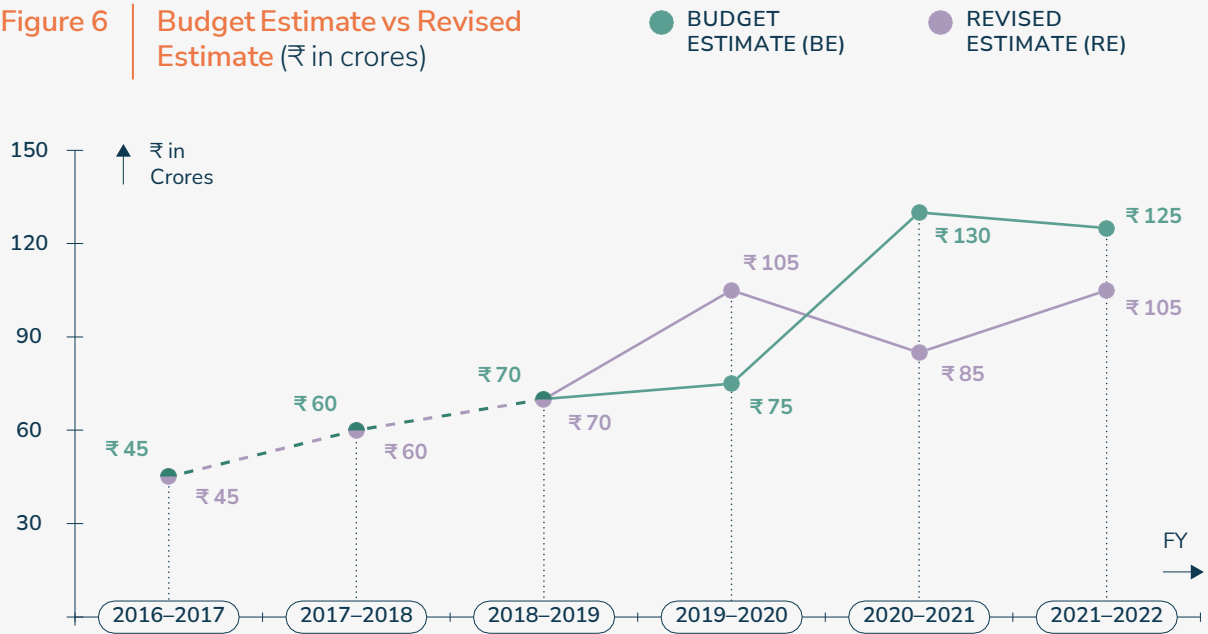
- The Ministry of Social Justice and Empowerment has been given a budget outlay of ₹13,134.93 crores for FY 2022-23. Of this, ₹11,922.51 crores is allocated for the Department of Social Justice and Empowerment and ₹1,212.42 crores for the Department for Empowerment of Persons with Disabilities. The total fiscal outlay for the Department for Empowerment of Persons with Disabilities is 3% higher compared to the previous year.
- Under the BE for the Department for the Empowerment of Persons with Disabilities, some funds for mental health are allocated under the National Programme for Welfare of Persons with Disabilities. For this central sector scheme, the BE for FY 2022-23 has increased by 4% (₹635.39 crores) as compared to the previous year when it was ₹584.77 crores.
- Under the umbrella scheme of the National Programme for the Welfare of Persons with Disabilities, funds for mental health are allocated under the line-items of (i) Deendayal Disabled Rehabilitation Scheme and (ii) Scheme for Implementation of the Rights of Persons with Disabilities Act, 2016. However, the exact proportion of funds allocated for persons with mental illness under these is unknown, therefore, the two line-items have been classified as indirect expenditure.

DEENDAYAL DISABLED REHABILITATION SCHEME (DDRS)

(a) Expenditure Budget

- Under the Deendayal Disabled Rehabilitation Scheme, grants-in-aid are provided to non-government organisations running half-way homes for psychosocial rehabilitation of persons with mental illness, providing support for home-based rehabilitation and management, and community-based rehabilitation services.
- For FY 2022-23 the scheme has a BE of ₹125 crores, same as in the previous year, and has been steadily increasing since FY 2016-17 (Figure 6).
- The RE for the scheme in FY 2020-21 was reduced by 34% from ₹130 crores to ₹85 crores; similarly for FY 2021-22 the RE for the scheme was slashed by 16%.

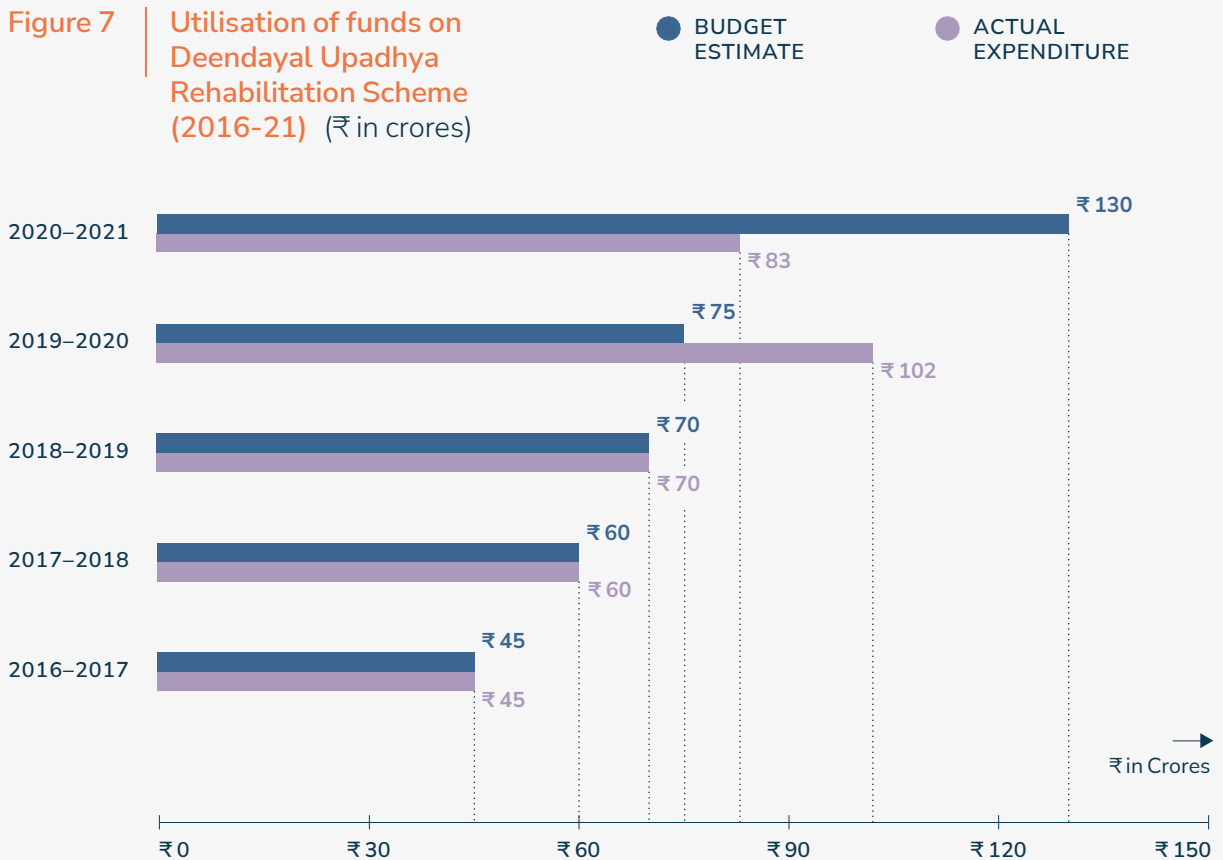
Figure 6 | Budget Estimate vs Revised Estimate (₹ in crores)



(b) Actual Expenditure & Utilisation

- From the fiscal year 2016 till 2019, 100% of the funds allocated for the scheme have been utilised, with exception to FY 2020-21, when only 62% of the funds allocated were utilised (Figure 7).

Figure 7 | Utilisation of funds on Deendayal Upadhyia Rehabilitation Scheme (2016-21) (₹ in crores)

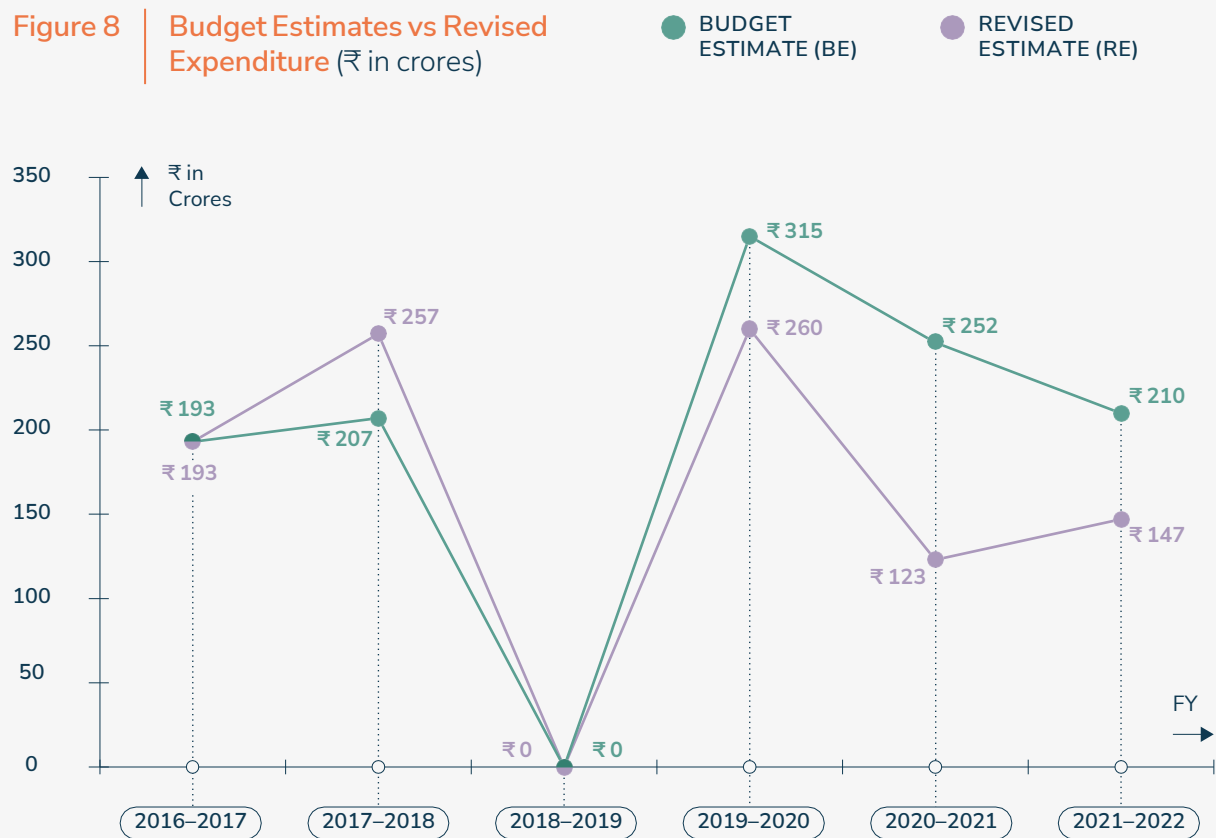


IMPLEMENTATION OF THE RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016 (RPDA)

(a) Expenditure Budget

- The BE for the Scheme for Implementation of the Rights of Persons with Disabilities Act, 2016, for FY 2022-23 is ₹240.9 crores, 15% more than the amount allocated for previous FY (₹210 crores).
- Since FY 2019-20, the BE and RE for the scheme have shown a declining trend; for FY 2020-21 and FY 2021-22 the RE was reduced by 51% and 30% respectively (Figure 8).

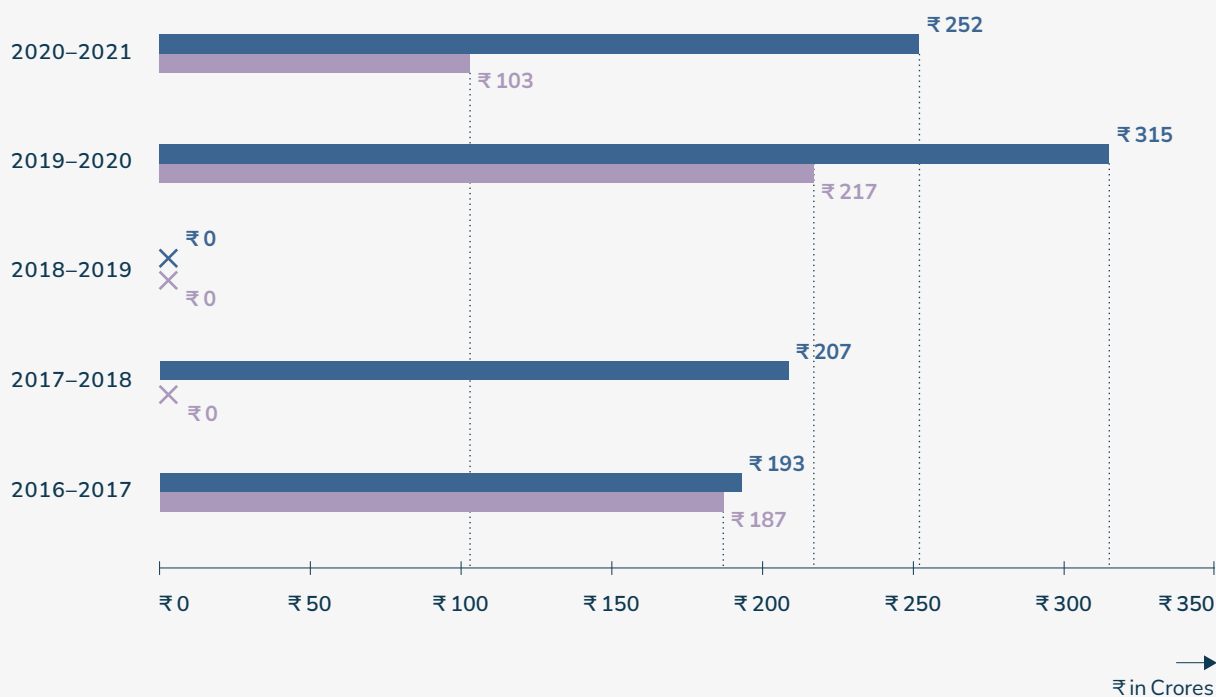
Figure 8 | Budget Estimates vs Revised Expenditure (₹ in crores)



(b) Actual Expenditure & Utilisation

- Since 2016 funds allocated for the scheme have been consistently underutilised, for the Scheme for Implementation of the Rights of Persons with Disabilities Act, 2016. For FY 2019-20 and 2020-21, 31% and 59% of the funds allocated for the scheme remain unused at the end of the fiscal year.

Figure 9 | Utilisation of funds for the Scheme for Implementation of the RPDA (2016-21)
(₹ in crores)



AREAS OF CONCERN & RECOMMENDATIONS

- The funds allocated for the National Mental Health Programme (NMHP) and its components (DMHP, Scheme A & Scheme B) have been consistently low, and a cause of concern. The Parliamentary Standing Committee on Health and Family Welfare in its report on the demand for grants for FY 2021-22, tabled in Rajya Sabha too highlighted the declining trend in allocation and utilisation of funds for the programme.¹⁶ The Committee also observed that despite the pandemic, funds for the programme remained unused, nor were any specific programmes introduced to address the mental health distress experienced by individuals and communities.
- The District Mental Health Programme (DMHP) is the key service delivery component under the NMHP, however the Union Government's exact annual expenditure for the programme is unknown. While the Ministry of Health and Family Welfare has stated that it is providing support of up to ₹83.2 lakh per district, per year, the details of the exact amount allocated for the states cannot be ascertained, as it would require combing through the Programme Implementation Plans (PIPS) and Report of Proceedings (ROPs) submitted by every state to the MoHFW.
- Funds allocated for mental health under the Union Budget are primarily for tertiary care related activities, with little to no funds being directed towards secondary and primary mental healthcare. Most of the direct funds allocated for mental health are for national institutions, with only 6% for the NMHP. Even though allocations are made for the implementation of the NMHP, they remain underutilised for several reasons, including transfers not being made from the Centre to the States. While it is important to strengthen existing infrastructure and institutions, in order to make mental healthcare accessible, more funds need to be directed towards strengthening and making mental healthcare services and treatment available at the secondary, primary and community level.

AREAS OF CONCERN & RECOMMENDATIONS

- Despite the evidence of increased mental distress as a result of the Covid-19 pandemic and the 10% increase in the country's suicide rate in 2020¹⁶, funds for mental health remain a low priority. In order to address the care-gap it is critical to strengthen and ensure the availability of mental healthcare services at the primary health and community level. More funds must be allocated for this purpose in order to reduce the care-gap.¹⁷
- Mental healthcare is a complex and intersectoral issue, influenced by a range of factors. In an effective mental health system, intersectoral linkages are critical and must be strengthened. These linkages must also reflect in budget allocations. Presently, funds for mental health are allocated mainly through the Ministry of Health and Family Welfare, while indirect funds for mental health come from allocations made for schemes and programmes with mental health related components, under other Ministries. For example, counselling services are a mental health component of the One Stop Centres, set-up by the Ministry of Women and Child Development. Similarly, funds for legal aid for persons with mental illness are allocated to the National Legal Services Authority under the Ministry of Law and Justice. However, since there is no disaggregated data available on the financial outlay for components related to mental health and persons with illness, it is hard to ascertain the expenditure by these Ministries.

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