

Union Budget for Mental Health 2024–2025

This brief analyses the budgetary allocations for mental health in the Union Budget for the Financial Year (FY) 2024–25.

Total Government of India Budget for 2024–2025

₹48,20,512 Crores



INFOGRAPHIC:
A SNAPSHOT OF BUDGET
2024–2025

~ EACH DOT REPRESENTS
₹1000 CRORES



Total Health Budget —MoHFW
(Ministry of Health and Family Welfare)

₹90,659 Crores
~ 2% of TOTAL BUDGET



Budget for MoSJE
(Ministry Of Social Justice and Empowerment)

₹14,225 Crores
~ 0.3% of TOTAL BUDGET



Direct allocation*
(under MoHFW and MoSJE)
₹1,314 Crores



Indirect allocation
(under MoSJE)
₹300 Crores



Total Mental Health Budget
₹1,614 Crores
~ 0.003% of
TOTAL BUDGET

* DOESN'T INCLUDE ALL DIRECT EXPENDITURE DUE TO LACK OF AVAILABILITY OF DATA

Union Budget for Mental Health

The Union Budget for FY 2024-25 was presented on 23rd July after the recently concluded national elections. Earlier in the year, on 1st February the Government presented interim budget to take care of policy priorities till the elections ¹.

The proposed fiscal outlay by the Government of India (GoI) for the FY 2024-25 is ₹48,20,512 crores, an increase of 7% compared to FY 2023–24, which was an increase of 14% over the previous year's Budget.

Across the previous three fiscal years, the Budgetary allocations for health and related programmes have stayed around 2% of the total fiscal outlay of the Union Government. At ₹1,314 crores, the Budget Estimates (BE)* for mental health (direct allocations for centrally funded mental health institutions and programmes) is just above 1% of BE of the MoHFW.

The direct expenditure for mental health related services include mental health related allocation under MoHFW and the budgetary allocations for the National Action Plan for Drug Demand Reduction (NAPDDR) under the Ministry of Social Justice & Empowerment (MoSJE). The Mental Healthcare Act, 2017 (MHCA) recognizes alcohol and drug use in the definition for mental health conditions, therefore programmes for rehabilitation and treatment for those addiction related conditions will be considered with direct allocations for mental health. Indirect expenditure refers to budgetary allocations under the MoSJE where components for psychosocial services are available, however the exact allocations are unknown.

Another development this year is the inclusion of mental health in the Economic Survey 2023-24 announced a day before the Budget. The Survey delves into productivity losses, rising health care costs and economic development due to mental health issues and offers policy recommendations to adopt a whole-of-society and community-based approach to address these concerns.

In the subsequent sections, we provide an overview of these direct and indirect allocations under relevant ministries and unpack its implications on the policy priorities of the Government of India (GoI) for mental health and suicide prevention.

*Budget Estimates (BE)—the funds allocated to a department/ministry/scheme for the year

Direct Expenditure

Ministry of Health & Family Welfare ^{2 3 4 5 6}

For FY 2024-25, the total BE for the MoHFW is ₹90,659 crores which increased by 2% and 13% against the BE (₹89,155 crores) and Revised Estimates (RE) (₹80,518 crores) respectively from the previous FY 2023-24. 96% or ₹87,657 crores is the BE for the Department of Health & Family Welfare (DoHFW) and the remaining allocation of ₹3,302 crores is the BE for the Department of Health Research.

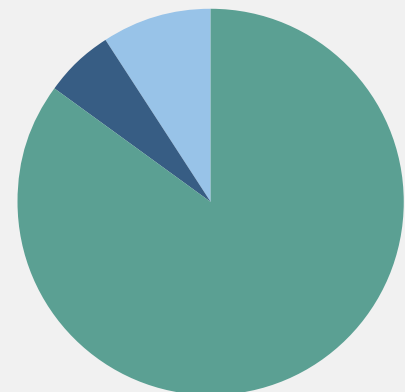
The Actual Expenditure (AE) or utilisation for the MoHFW for FY 2022-23 was at 88% amounting to ₹75,731 crores compared to a BE of ₹86,200 crores. Of the total ₹89,155 crores allocated last year to the MoHFW, the direct Budget for mental health was ₹919 crores, which was a little over 1% of the total health Budget. Similarly, this year mental health allocations amount to ₹1,000 crores, which is 1% of the health Budget.

Under the MoHFW Budget, direct allocations for mental health are constituted under the line-items of (i) National Institute of Mental Health and Neurosciences, (NIMHANS), Bengaluru (₹850 crores); (ii) Lokopriya Gopinath Bordoloi (LGB) Regional Institute of Mental Health, Tezpur (₹60 crores) and (iii) the National Tele-Mental Health Programme (TELE Manas) (₹90 crores).

The following figure illustrates the distribution of budgetary allocations across these line-items. The centrally funded Mental Health Institutions (MHI) collectively account for 91% of the mental health budget under the MoHFW, while only 9% is allocated to TELE Manas.

BUDGETARY ALLOCATIONS FOR MENTAL HEALTH UNDER MoHFW, 2024-25

- NIMHANS, Bengaluru
₹850 Crores
- LGB Regional Institute of Mental Health, Tezpur
₹60 Crores
- TELE Manas
₹90 Crores



In comparison to the previous years, the allocation towards the MHIs has increased by 16%, rising from 85% in FY 2023-24 to 91% in FY 2024-25 of total direct mental health allocations under the MoHFW. This is primarily due to the increase in allocations for NIMHANS which rose by 18%, and the drop in funding for TELE Manas which reduced by 33% from the previous year.

Revised Estimates (RE)—the revised allocation amount after a mid-year review

Actual Expenditure (AE)—the funds actually spent by the respective units

NATIONAL INSTITUTE OF MENTAL HEALTH AND NEURO-SCIENCES (Bengaluru) ⁷

NIMHANS is the apex institution for service delivery, research and training for mental health and neurosciences. The institution steers policy and programmatic planning and implementation for key mental health initiatives including but not limited to the National Mental Health Programme, TELE Manas and e-Manas (an online mental health registry and digital platform).

While NIMHANS receives the highest budgeted allocations for mental health, it must be said that these funds are intended for both mental health and neurosciences, and the proportion of funds allocated for each department cannot be determined.

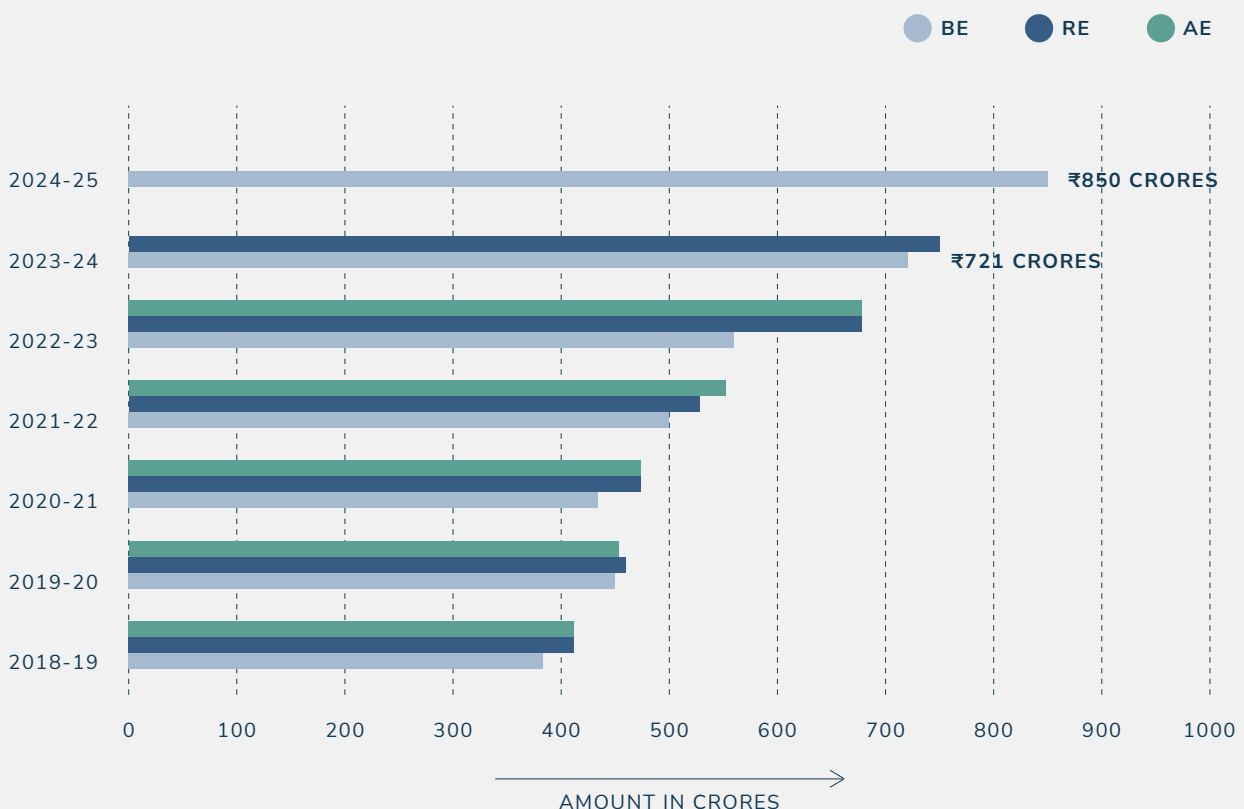
(a) Expenditure Budget

The BE for FY 2024-25 for NIMHANS, ₹850 crores, has increased by 18% compared to the BE (₹721 crores) for FY 2023-24. The BE of FY 2023-24 has considerably grown by 29% from the BE of ₹560 crores in FY 2022-23. The RE for FY 2023-24 was ₹750 crores, 4% higher than the BE for that same year.

(b) Actual Expenditure & Utilisation

Actual Expenditure is available until FY 2022-23. From fiscal years 2018 till 2022, NIMHANS has utilised over 100% of budgeted allocations. For FY 2022-23, utilization stood at ₹678 crores, which was a significant 21% above the BE of ₹560 crores.

Budgeted allocations for NIMHANS have doubled from ₹434 crores in FY 2020-21 to ₹850 crores in FY 2024-25. This might be attributed to consistent utilisations and the growing mandate of the institution.



CENTRAL INSTITUTE OF PSYCHIATRY (Ranchi)

There are three centrally run mental health institutions in the country⁸. In addition to NIMHANS and Lokpriya Gopinath Bordoloi Regional Institute of Mental Health, Tezpur, the Central Institute of Psychiatry (CIP), Ranchi is the second largest institution that receives central funding for its operations under the line-item 'Other Hospitals/ Institutions'. Disaggregated funds for the institution are not available within the Budget estimate statement.

The Annual Reports for CIP provide details on the budgetary provisions for the institution. For FY 2023-24, CIP was allocated a BE of ₹144 crores⁸. This is more than twice the amount of funding budgeted for LGB Regional Mental Health Institute, Tezpur. A possible reason for this is the comparative size of both institutions with CIP having double the bed strength of LGB Regional Mental Health Institute (643 vs 336)^{9 10}.

Of this BE, 68% of the budgeted funds were utilised till December 2023. The BE has steadily increased in the past three years, growing from ₹116 crores in FY 2021-22 to ₹120 crores in FY 2022-23. Utilisation across these years has been effective, with almost 100% of funds spent in FY 2021-22 and FY-2022-23 compared to RE for those years.

As these budgetary provisions have been taken from annual reports and are not within the Union budget's estimates, we have not included them in our calculations for the budget for mental health.

NATIONAL TELE-MENTAL HEALTH PROGRAMME (TELEMANAS)

The National Tele Mental Health Programme (TELE Manas) was announced during the Union Budget 2022-23 with the official launch in October 2022. TELE Manas is a tele mental health initiative providing counselling and psychiatric services across 52 TELE Manas cells across the country. To date, TELE Manas has handled over 12 lakh calls.

For the initial three years, the initiative will be fully centrally sponsored after which it will merge with the National Health Mission (NHM). The funds post the initial setup costs will be borne by States and UTs through Program Implementation Plans (PIP) under NHM ¹¹.

TELE Manas has signalled the growing public interest and policy impetus to scale digital mental health initiatives in the country.

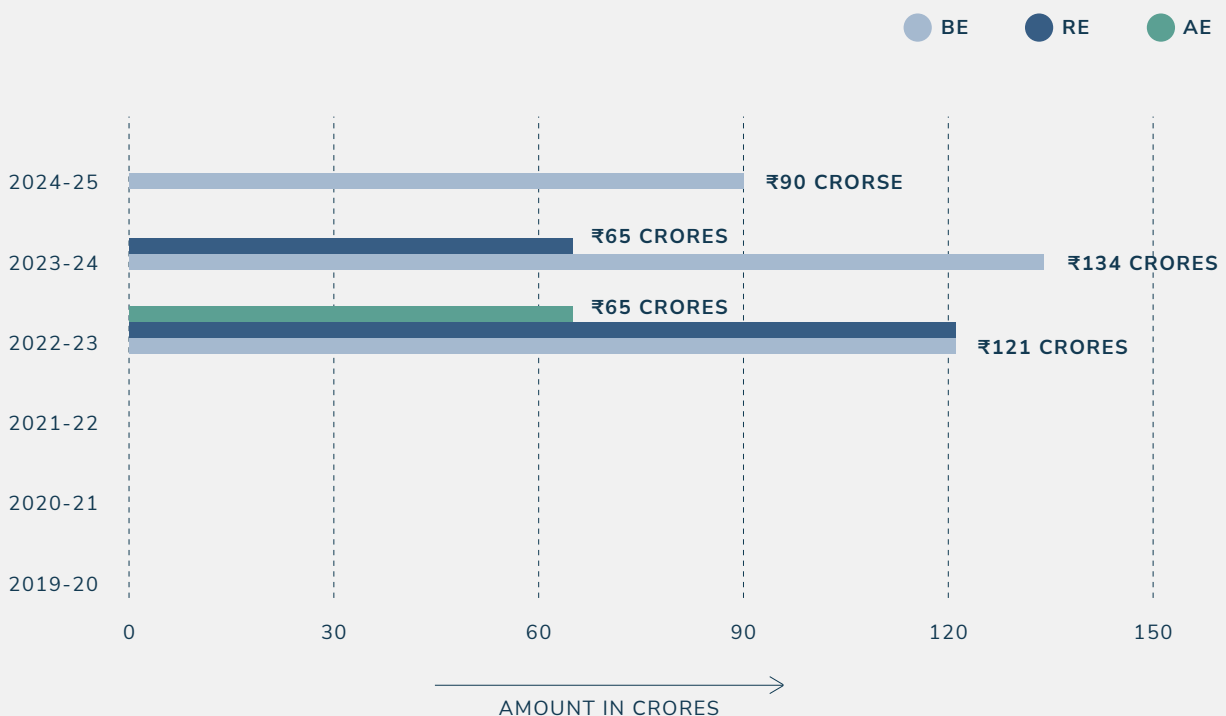
(a) Expenditure Budget

For FY 2024-25, BE for TELE Manas was ₹90 crores, a 32% decrease against BE of ₹134 crores for FY 2023-24. This substantial drop might be attributed to the one-time capital costs towards infrastructure and equipment that were invested in the first two years of the initiative. In FY 2023-24, the RE was ₹65 crores, 51% lower than the BE of ₹134 crores in the same year.

(b) Actual Expenditure & Utilisation

Actual utilisation for TELE Manas is significantly lower than allocated Budget expenditure, a consistent trend since the inception of the initiative in 2022. In FY 2022-23, utilisation was ₹66 crores, 45% below the RE and BE of ₹121 crores for the same year.

In this year, if we compare this Budget to the interim Budget released at the start of the year, budgeted allocations reduced by ₹10 crores from ₹100 crores to ₹90 crores.



NATIONAL MENTAL HEALTH PROGRAMME (NMHP)

The National Mental Health Programme launched in 1982 consists of two components:

1. Tertiary or central activities that comprise human resource development schemes, establishing centres of excellence and running post-graduate programmes for mental health ¹².
2. District level activities for implementing the District Mental Health Programme the flagship programme to integrate mental health care in general health services ¹³.

Till FY 2021-22, the budgetary outlay for tertiary activities under the NMHP was under a separate line-item of the DoHFW Budget statement. In the following Union Budget, this component has been subsumed under the Tertiary Care Programme (TCP) that provides transfers to States and UTs to implement six programmes. In FY 2024-25, BE for TCP is ₹369 crores an increase of 27% compared to a BE of ₹290 crores in FY 2023-24. However, it is difficult to ascertain the proportion of funds towards NMHP tertiary level activities due to the unavailability of disaggregated data.

Funds for the DMHP which is sanctioned in 767 districts are ringfenced under the 'Flexible pool of Non-Communicable Diseases, Injury and Trauma', a financing component of the NHM. In this year's Budget, this component is absent in the Budget estimate statement of the DoHFW and might likely be merged with the 'Flexible Pool for RCH & Health System Strengthening, National Health Programme and National Urban Health Mission' ^{14 15}.

Ministry of Social Justice and Empowerment ^{2 3 4 5 6}

For FY 2024-25, the MoSJE received a budgetary allocation of ₹14,225 crores. Of the total BE, 91 % or ₹13,000 crores is allocated to the Department of Social Justice and Empowerment and the remaining 9% or ₹1,225 crores to the Department for Empowerment of Persons with Disabilities. In FY 2022-23, the actual expenditure for MoSJE was ₹8,399 crores which was 66.3 % of the total revised allocation of (₹12,676 crores).

This year we have included the National Action Plan for Drug Demand Reduction (NAPDDR) within the direct expenditure allocations for mental health.

NATIONAL ACTION PLAN FOR DRUG DEMAND REDUCTION (NAPDDR)

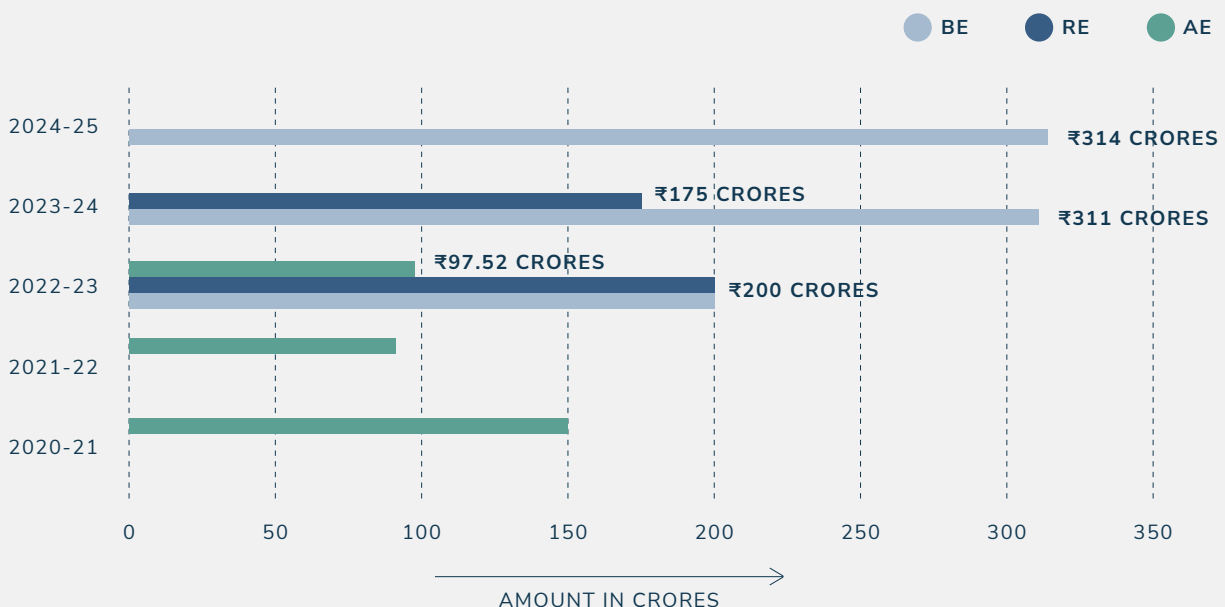
The Mental Health Care Act, 2017 (MHCA) includes mental health conditions associated with the use of alcohol and drugs in its definition. This year we have chosen to include programs for rehabilitation and treatment for addiction-related conditions under direct allocations for mental health. The NAPDDR was formulated and implemented in 2018 by the MoSJE as a comprehensive scheme to address alcohol and substance use. The programme goal is to reduce the demand for drugs through prevention, treatment, rehabilitation, and social reintegration of people with substance use conditions. The centrally sponsored scheme was revised in 2020 merging the Scheme of Assistance for Prevention of Alcoholism and Substance (Drug) Abuse ^{16 17}.

(a) Expenditure Budget

In FY 2024-25, the BE for NAPDDR is ₹314 crores a slight increase from the BE in the previous year which was ₹311 crores. This is 79% higher than the RE of ₹175 crores. The Budget for NAPDDR has risen by 55% from ₹200 crores in FY 2022-23 to ₹311 crores in FY 2023-24 and has remained stable since then.

(b) Actual Expenditure & Utilisation

Utilisation for the NAPDDR is available from 2020 to 2023 and has been below optimal over the years. Expenditure dropped by 39% from ₹149 crores in FY 2020-21 to ₹91 crores in FY 2021-22. In FY 2022-23, where BE is available, utilisation was staggeringly low at 48% of the RE and BE in the same year.



Indirect Expenditure

Other relevant programmes within the MoJSE include the Deendayal Disabled Rehabilitation Scheme (DDRS) and Scheme for Implementation of Rights of Persons with Disabilities Act, 2016 (SIPDA). Both schemes are under the umbrella scheme National Programme for the Welfare of Persons with Disabilities within the Department for the Empowerment of Persons with Disabilities. In FY 2024-25, the programme received a BE of ₹615 crores, 17% above the BE of ₹525 crores in FY 2023-24.

The Deendayal Disabled Rehabilitation Scheme (DDRS) and SIPDA have provisions for people with psychosocial disabilities within their mandate, however the exact allocations for mental health are not available. Therefore, we consider their budgetary estimates as indirect expenditure for mental health.

DEENDAYAL DISABLED REHABILITATION SCHEME (DDRS)

The DDRS was launched in 1999 and provides financial assistance to non-government organizations which work towards psychosocial rehabilitation of persons with mental illness through the creation of half-way homes, home-based rehabilitation and management, and community-based rehabilitation services¹⁸.

(a) Expenditure Budget

For FY 2024-25, the BE for DDRS is ₹165 crores which is 28% higher against the BE and RE of ₹130 crores in FY 2023-24. This is a substantial increment compared to the 4% rise in the BE between FY 2022-23 and FY 2023-24.

(b) Actual Expenditure & Utilisation

In FY 2022-23, utilisation stood at ₹115 crores, 9% higher than the RE of ₹105 crores and 9% below BE of ₹125 crores. Apart from FY 2020-21 where utilisation dipped to 63% of the BE, in the other financial years, AE remained between 80-100% of the BE.



SCHEME FOR IMPLEMENTATION OF RIGHTS OF PERSONS WITH DISABILITIES ACT (SIPDA), 2016

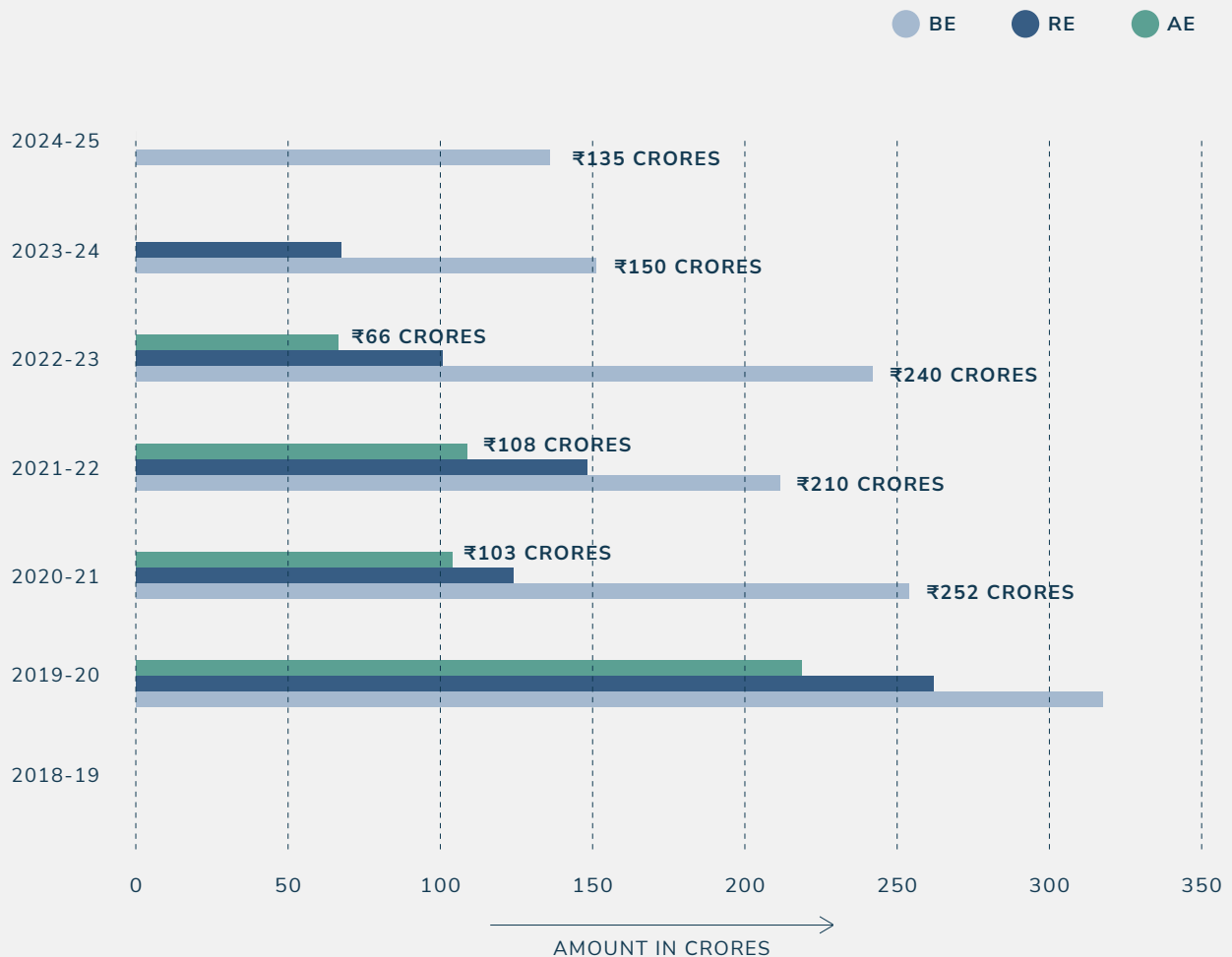
SIPDA provides grants-in-aid including transfers to the states to set up and assist relevant intersectoral autonomous bodies and agencies for implementing the provisions of the Act ¹⁹.

(a) Expenditure Budget

In FY 2024-25, the BE for the SIPDA is ₹135 crores, which declined by 10% compared to a BE of ₹150 crores allocated in FY 2023-24. This reduction might be due to the difference between the BE and RE of ₹67 crores in FY 2023-24, a significant drop of 55%. Across the past five financial years, the budgeted allocation for the scheme has seen a steady decline.

(b) Actual Expenditure & Utilisation

Over the past few years, utilisation trends for the SIPDA have been far below optimal. Between FY 2019-20 and FY 2021-22, utilisation has stayed around 40-60% of the BE for those years. In the recent FY 2022-23, the utilisation was ₹66 crores, a stark 28% of the BE of ₹240 crores for that year.



➤ Reflections on the Union Budget for Mental Health

Economic Survey's emphasis on mental health

This year the Economic Survey 2024 extensively covered for the first time the growing importance of mental health in the country. The Survey focused on mental health through an economic lens emphasizing development, productivity, rising healthcare costs and class mobility and its bi-directional relationship with mental health. The Survey highlighted important Government-run programmes and schemes including the NMHP and TELE Manas. Further, it recommended policy measures to build capacity of specialised and non-specialised mental health human resources, scale community mental health services, integrate mental health services within schools and involve and empower people with lived experience in policy and service planning, implementation and evaluation.

This endorsement for mental health in the Survey sparks a conversation in the right direction. The Union Budget for mental health though reflects differing budgetary priorities as those laid out in the Survey.

The direct Budget expenditure on mental health has stagnated over the last few years.

Centrally run MHIs on average tend to receive sizable funding support with annual increments whereas programmes such as TELE Manas have seen a decline in their Budget allocations. This is likely a result of the structuring of financing mechanisms for programmes, where budgetary responsibility is transferred to States and UTs after a stipulated period.

For the NMHP, we are unable to track central funding of the programme due to the restructuring of the Union Budget from FY 2022-23. The absence of disaggregated Budget expenditure for the NMHP or programmes such as the Rashtriya Kishor Swasthya Karyakram (RKSK) makes it difficult to state with certainty if these programmes receive adequate budgetary support for their implementation, both being programmatic measures recommended in the Economic Survey 2024.

Extending beyond mental health services

Strengthening availability and access to quality mental health services is vital. But in equal measure, it is important to acknowledge and address the social determinants of poverty, unemployment and food insecurity which impact mental health and well-being.

Gol has a host of schemes that provide special protections to people experiencing vulnerability due to these economic factors. Poverty alleviation and socio-economic development are important pillars of mental health and wellbeing. The impact of financial distress is sadly reflected in suicide data where 7% of all deaths by suicide were reportedly caused by poverty, unemployment and debt ²⁰.

With growing unemployment and rising income inequality ^{21 22}, livelihood security schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) are critical safety nets. In FY 2023-24, the Government spent ₹86,000 crores on MGNREGA against the budgetary allocation of ₹60,000 crores signifying the demand for work. Even with increased outlays, the share of MGNREGA in the total Budget has fallen from 2.1% in FY 2018-19 to 1.3% for FY 2023-24 ²³.

In addition to livelihood generation, investment in other rights-based schemes is essential. For instance, the Government's food security programme, Pradhan Mantri Garib Kalyan Anna Yojana, which saw a reduction in funding this year.

Overall, improving mental health and reducing suicides in the country as articulated within the Economic Survey 2024 will require policy and budgetary action that should be reflected in the Union Government's priorities ahead.

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