



DAILY EDITORIAL ANALYSIS

TOPIC

**HEALTH IN THE UNION BUDGET
2026-27: PROMISES, PRIORITIES,
AND THE REALITY**

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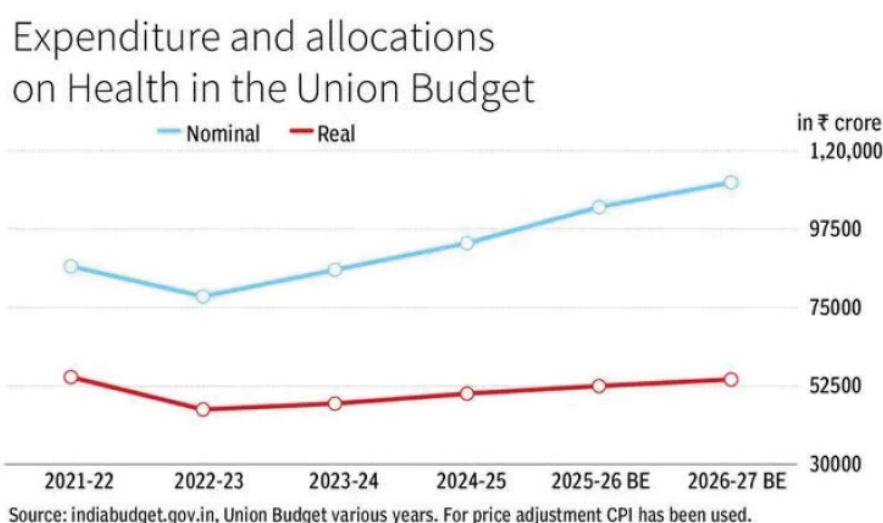
HEALTH IN THE UNION BUDGET 2026-27: PROMISES, PRIORITIES, AND THE REALITY

Context

- Recently, the Finance Minister presented the **Union Budget for 2026-27** signals recognition of India's growing health and care needs.
- The allocations and priorities reveal a troubling gap between intent and investment.

Health Allocation in Union Budget (2026-27)

- Combined Allocation: **₹1,10,939 crore** for the **Ministry of Health and Family Welfare and AYUSH**, up from **₹1,03,851 crore** in the 2025-26 Budget Estimates.



- It is only about **3.5% in real terms** after adjusting for inflation.
 - However, real health spending in 2026-27 remains **lower than the actual expenditure in 2020-21**.

Key Announcements in Union Budget (2026-27) For the Health Sector

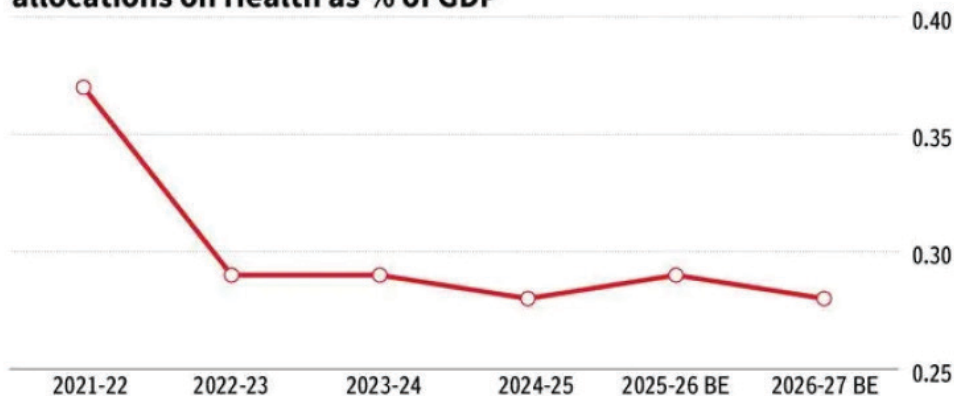
- Biopharma Strategy for Healthcare Advancement through Knowledge, Technology and Innovation (SHAKTI) Initiative:** It aims to boost India's capacity in **biologics and biosimilars**, advanced pharmaceutical research, and domestic production of critical medicines.
 - It has an outlay of ₹10,000 crores over the next 5 years to develop India as a global Biopharma manufacturing hub.
 - A Biopharma-focused network to be created with **3 new National Institutes of Pharmaceutical Education and Research (NIPER)** and upgrading 7 existing ones.
 - A network of over 1000 accredited India Clinical Trials sites to be created.
- Expansion of Health and Care Workforce:** It has the proposal to create a cadre of **1.5 lakh Allied Health Professionals (AHPs) and caregivers**.
 - It aims to cater the growing demand for **elderly care, long-term care, and rehabilitative services**, driven by India's ageing population.
 - Allied health professionals play a crucial role in diagnostics, therapy, and support services, complementing doctors and nurses.
- AYUSH:** Three new **All India Institutes of Ayurveda**, upgrading AYUSH pharmacies and **Drug Testing Labs** for higher standards of certification ecosystem, & upgrading the **WHO Global Traditional Medicine Centre**.

- **Medical Tourism and Public–Private Partnerships:** The Budget proposes a Scheme to support States in establishing **five Regional Medical Hubs**, in partnership with the private sector.
 - ♦ These hubs are intended **to attract foreign patients and promote India as a global healthcare destination**, and serve as integrated healthcare complexes that combine medical, educational and research facilities.
 - ♦ They will have **AYUSH Centres, Medical Value Tourism Facilitation Centres** and infrastructure for diagnostics, post-care and rehabilitation.
- **Preventive and Wellness-Oriented Approach (Rhetorical Emphasis):** The Union Budget reiterates the importance of preventive healthcare, wellness and lifestyle-based interventions, and integration of traditional systems of medicine under AYUSH.
- **Mental Health and Trauma Care:** The Union Budget has the provision to setup a **NIMHANS-2** and also **upgrade National Mental Health Institutes** in **Ranchi and Tezpur** as **Regional Apex Institutions**.
- **Focus on Medical Education and Infrastructure:** The Budget reiterates support for expansion of medical and allied health education capacity, and infrastructure development in select tertiary care institutions.
 - ♦ These measures aim to address long-term shortages of trained health professionals, though details on scale and funding remain limited.
- **Digital Health and Technology Push:** Allocations continue for digital health initiatives, including platforms for health records and service delivery.
 - ♦ The stated objective is to improve efficiency, data integration, and access to services.
 - ♦ However, concerns remain about **digital exclusion, data privacy, and uneven benefits** across regions and social groups.

Related Concerns & Issues

- **Declining Priority for Health:** Health spending as a share of GDP has fallen from **0.37% (2020–21 Actuals)** to **0.28% (2026–27 BE)**.
 - ♦ **Health's share in the total Union Budget** has declined from **2.26 per cent to 2.07%** over the same period.

Union government expenditure and allocations on Health as % of GDP



Source: Source: indiabudget.gov.in, Union Budget various years. GDP numbers are from Economic Survey; GDP for 2024-25 is Provisional Estimate from Union Budget, Budget at a Glance statement

- **Cuts To Public Health & Promotion For Commercial Schemes:** Programmes that strengthen the **public health system** and protect vulnerable populations, such as the **National Health Mission (NHM)**, **PM Swasthya Suraksha Yojana (PMSSY)**, nutrition schemes, and **health research** have faced significant cuts.
 - ♦ However, the schemes promoting **commercial and private-sector interests**, notably **Pradhan Mantri Jan Arogya Yojana (PMJAY)** and the **Digital Health Mission**, have seen increased allocations, despite persistent implementation failures.

- **Uncertain Future of Health and Wellness Centre:** The expansion of **Health and Wellness Centres (HWCs)** is vital for delivering comprehensive primary healthcare.
 - ♦ Since HWCs are funded under NHM, sustained cuts to NHM cast serious doubt on whether this network can expand or even function effectively.

Case of National Health Mission (NHM)

- NHM is the backbone of India's public health response, covering maternal and child health, disease control programmes, non-communicable diseases, primary and secondary healthcare services.
- It has seen a **real-term decline of around 8%** in the 2026–27 Budget since 2021–22.
- The actual NHM expenditure has consistently exceeded allocations, indicating **high demand and unmet needs**.
- NHM funds **frontline health workers**, especially **ASHAs**, who are predominantly women and were globally recognised for their role during the pandemic.
 - ♦ Reduced funding means **essential services like safe deliveries, childhood immunisation, TB treatment** cannot be delivered at earlier levels.
- Critical programmes on **non-communicable diseases** and **climate change and health**, largely implemented through NHM, now face serious uncertainty due to paltry allocations.

Case of Pradhan Mantri Jan Arogya Yojana (PMJAY)

- PMJAY appears to be the **'blue-eyed' programme** of the government.
 - ♦ In **2024–25**, ₹7,500 crore was allocated, but only about **₹6,983 crore** was actually spent.
 - ♦ In **2026–27 BE**, PMJAY allocation has increased by **36%** compared to 2024–25.
- This is concerning given that PMJAY is widely known to:
 - ♦ Largely benefit the **private sector**;
 - ♦ Exclude many **Dalits, Scheduled Tribes, and marginalised groups**;
 - ♦ Provide only partial financial relief, leaving households with high **out-of-pocket expenses**;
- **Medical Tourism vs Public Healthcare:** Using public resources **to support private healthcare for wealthy foreign patients** risks deepening inequities.
 - ♦ It comes at the cost of strengthening the **public healthcare system**, which remains the primary source of care for the poor and marginalised.

Way Forward: Focus on Public Healthcare

- India's health challenges demand a strong, well-funded public system. Persisting with a blind obsession to promote commercial interests requires serious introspection.
- Instead of expanding insurance-based and tourism-oriented models, the Union government needs to:
 - ♦ Restore and expand funding for **NHM and public health infrastructure**;
 - ♦ Ensure fair wages for frontline health workers;
 - ♦ Prioritise universal, free, and quality healthcare for the most vulnerable;

Source: BL

Daily Mains Practice Question

[Q] The Union Budget 2026–27 makes several announcements aimed at strengthening India's health sector. However, concerns have been raised regarding the adequacy and prioritisation of health allocations. Comment.

