

Budget 2012-13 and Health Sector

Major highlights for Department of Health and Family Welfare

- National Rural Health Mission (NRHM) is being implemented through 'Accredited Social Health Activist'- 'ASHA' and the scope of ASHA's activities is being enlarged to include prevention of Iodine Deficiency Disorders, ensure 100 per cent immunization and better spacing of children. At the community level, a more active role is envisaged for ASHA as the convenor of the Village Health and Sanitation Committee, as also to support the initiative on malnutrition. Since ASHAs receive activity-wise, performance-based payments, this will also enhance their remuneration.
- Allocation for NRHM proposed to be increased from Rs.18,115 crore in 2011-12 to Rs.20,822 crore in 2012-13. National Urban Health Mission is being launched to encompass the primary healthcare needs of people in the urban areas.
- The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) aimed at setting up of AIIMS-like institutions and up gradation of existing Government medical colleges is being expanded to cover up gradation of 7 more Government medical colleges.

Direct taxes

- Within the existing limit for deduction allowed for health insurance it is proposed to allow a deduction of up to Rs.5,000 for preventive health check-up.

Indirect Tax/Service Tax

- Proposal to extend concessional basic customs duty of 5 per cent with full exemption from excise duty/CVD to 6 specified life saving drugs/vaccines.
- Basic customs duty and excise duty reduced on Soya products to address protein deficiency among women and children.
- Basic customs duty and excise duty reduced on Iodine.
- Basic customs duty reduced on Probiotics

Multi-sectoral Nutrition Augmentation Programme

Following the decision taken in the Prime Minister's National Council on India's Nutritional Challenges, a multi-sectoral programme to address maternal and child malnutrition in selected 200 high burden districts is being rolled out during 2012-13. It will harness synergies across nutrition, sanitation, drinking water, primary health care, women education, food security and consumer protection schemes.

In this context, Integrated Child Development Services (ICDS) scheme is being strengthened and re-structured. For 2012-13, an allocation of Rs.15,850 crore has been made as against Rs.10,000 crore in 2011-12. This amounts to an increase of over 58 per cent.

National Programme of Mid Day Meals in Schools has enhanced enrolment, retention, attendance, and also helped in improving nutrition levels among children. In 2012-13, It is proposed to allocate Rs.11,937 crore for this scheme as against Rs.10,380 crore in 2011-12.

Rajiv Gandhi Scheme for Empowerment of Adolescent Girls, SABLA, has been introduced last year with a view to address the nutritional needs and other educational and skill development initiatives for self development of adolescent girls in the age group of 11 to 18 years. For 2012-13, an allocation of Rs.750 crore has been proposed for the scheme

Budget 2011-12 and Health Sector

Major highlights for Department of Health and Family Welfare

The Plan Allocations to Department of Health and Family Welfare stepped up in 2011-12 by 20 per cent to Rs.26,760 crore.

Health Insurance

The Rashtriya Swasthya Bima Yojana has emerged as an effective instrument for providing a basic health cover to poor and marginal workers. It is now being extended to MGNREGA beneficiaries, beedi workers and others. In 2011-12, it is proposed to further extend this scheme to cover unorganized sector workers in hazardous mining and associated industries like slate and slate pencil, dolomite, mica and asbestos etc.

Service Taxes

Service tax was imposed in 2010-11 on health check up or treatment. This levy has resulted in differential treatment between persons who make payments themselves and others where payments are made by an insurance company or a business entity. This will be replaced with a tax on all services provided by hospitals with 25 or more beds that have the facility of central air-conditioning. Though the tax is on high- end treatment, there will be an abatement of 50 per cent so that the actual burden is kept at 5 per cent of the value of service. It is also proposed to extend the levy to diagnostic tests of all kinds with the same rate of abatement. However, all Government hospitals shall be outside this levy.

Budget 2010-11 and Health Sector

Major highlights for Department of Health and Family Welfare

- An Annual Health Survey to prepare the District Health Profile of all Districts shall be conducted in 2010-11. The findings of the Survey should be of immense benefit to major public health initiatives particularly the National Rural Health Mission, which has successfully addressed the gaps in the delivery of critical health services in rural areas.
- Increase in the plan allocation for the Ministry of Health and Family Welfare, from Rs.19, 534 crore to Rs.22, 300 crore for 2010-11.

Health Insurance

- The Government had launched Rashtriya Swasthya Bima Yojana on October 1, 2007 to provide health insurance cover to below poverty line workers and their families. It became operational on April 1, 2008 and so far more than 1 crore smart cards have been issued under this scheme. In view of the success of the scheme, it is now proposed to extend its benefits to all such Mahatma Gandhi NREGA beneficiaries who have worked for more than 15 days during the preceding financial year.

Direct taxes

- Contributions to health insurance schemes which is currently allowed as a deduction under the Income-tax Act, proposal to allow contributions to the Central Government Health Scheme also as a deduction under the same provision.

Indirect Taxes

- Structural changes in the excise duty on cigarettes, cigars and cigarillos coupled with some increase in rates. Proposal to enhance excise duty on all non-smoking tobacco such as scented tobacco, snuff, chewing tobacco etc. Proposal to introduce a compounded levy scheme for chewing tobacco and branded unmanufactured tobacco based on the capacity of pouch packing machines.
- Medical equipment, instruments and appliances are subjected to a very complex import duty regime based on several long lists that describe individual items. Multiple rates coupled with descriptions not aligned with tariff lines, result in disputes and at times prevent state-of-art equipment from getting the benefit of exemption. Proposal to prescribe a uniform, concessional basic duty of 5 per cent, CVD of 4 per cent with full exemption from special additional duty on all medical equipment. A concessional basic duty of 5 per cent is being prescribed on parts and accessories for the manufacture of such equipment while they would be exempt from CVD and special additional duty. Full exemption currently available to medical equipment and devices such as assistive devices, rehabilitation aids etc. is being retained. The concession available to Government hospitals or hospitals set up under a statute is also being retained.
- The manufacturers of orthopedic implants have represented that their inputs attract a higher rate of duty than the finished product. Proposal to exempt specified inputs for the manufacture of such implants from import duty.

Source: Budget Speech, Government of India 2010-11, 11-12, 12-13;