



Health Budget Analysis 2022-23



M/o NHR&C
Islamabad

Ministry of National Health
Services, Regulations & Coordination



Key Highlights:

Total Budget for **FY 21-22** is increased by **11%** from **FY 20-21**

Total Re-current Expenditure is **89%** of total Budget.

Health Budget for **FY 21-22** is increased by **11%** from **FY 20-21**

Health spending increased by **2,858 million** Rupees in real terms.

Health Budget for **FY 20-21** is **0.4%** of total budget.

Federal Budget

Pakistan is a federal democracy. To maintain inter-governmental fiscal relationship, Article 160 of the Constitution provides for setting up of a National Finance Commission (NFC) with intervals not exceeding five years. The mandate of NFC is to make recommendations to the President for the distribution of resources between the Federal and Provincial Governments.

The Federal Budget for FY 22-23 was announced on Jun 11, 2022. Total outlay of the Federal Budget 2021-22 is over PKR 9 trillion. Total expenditure for the next year stands at PKR 9.502 trillion; almost 12 percent higher than last year's PKR 8.487 trillion. The growth benchmark for the next fiscal year is 5 percent; Current Account Deficit (CAD) is to be limited to 0.7 percent. The government's priorities for the next fiscal year are:

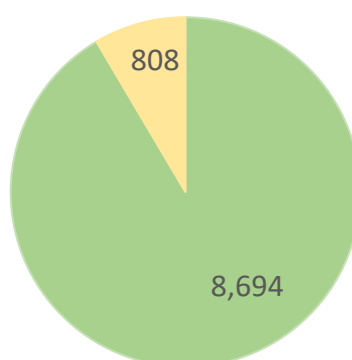
- Rejuvenate the Development Programmes
- Eliminate the Power outages
- Boost Agricultural Production for food security
- Reduce fiscal deficit to restore fiscal sustainability
- Increase in agriculture and industrial production
- Ban on imports of Luxury items to save the foreign exchange
- Reduce of losses of Public Sector Enterprises
- Enhance the Tax rate on wealthy persons of the country

Comparison of Budget from 20-21 to 22-23

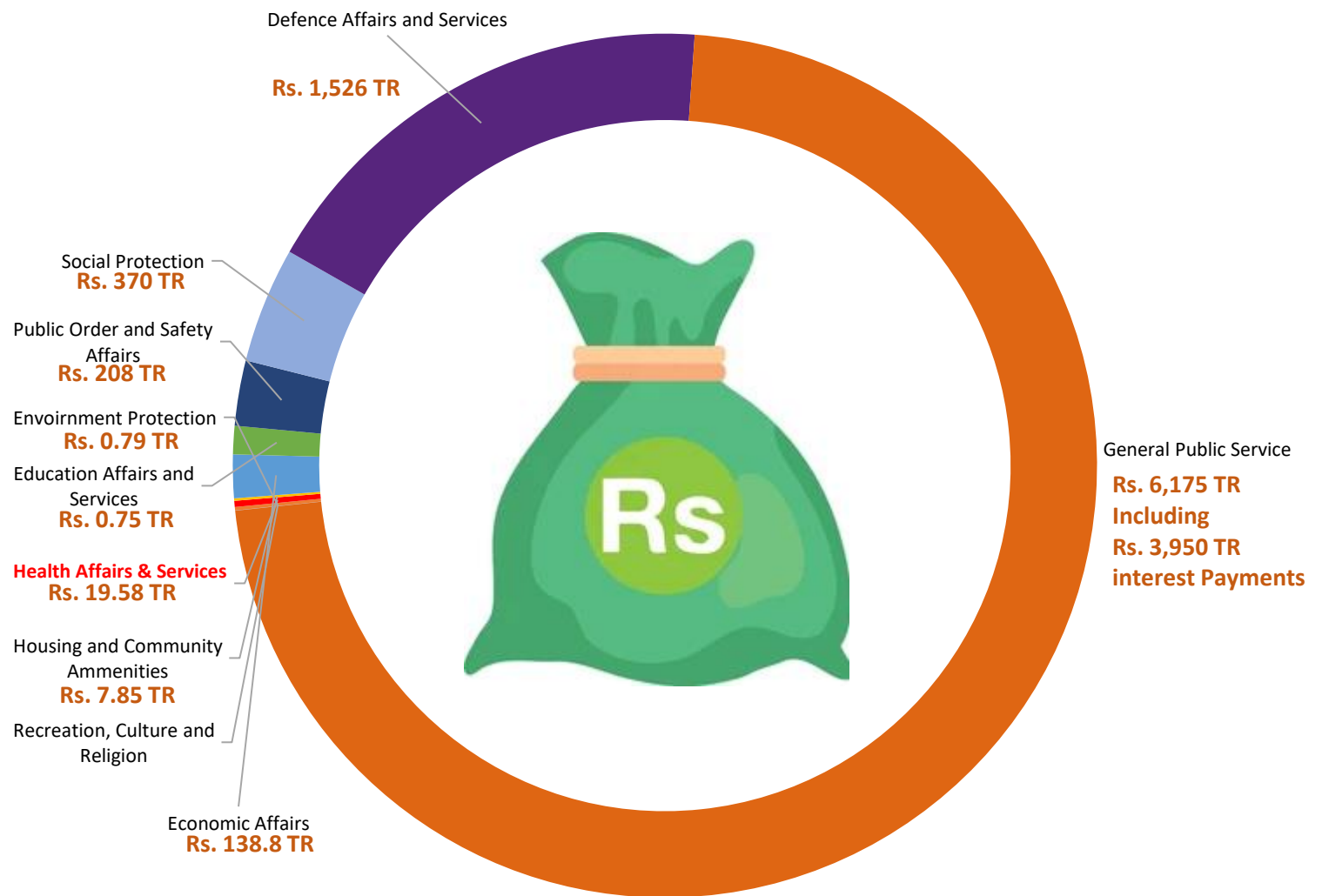
	In Billions		
	Budget 20-21	Budget 21-22	Budget 22-23
Current Expenditure	6,346	7,523	8,694
Development Expenditure	792	964	808
Total	7,138	8,487	9,502

Federal Budget 22-23

- Current Expenditure
- Development Expenditure



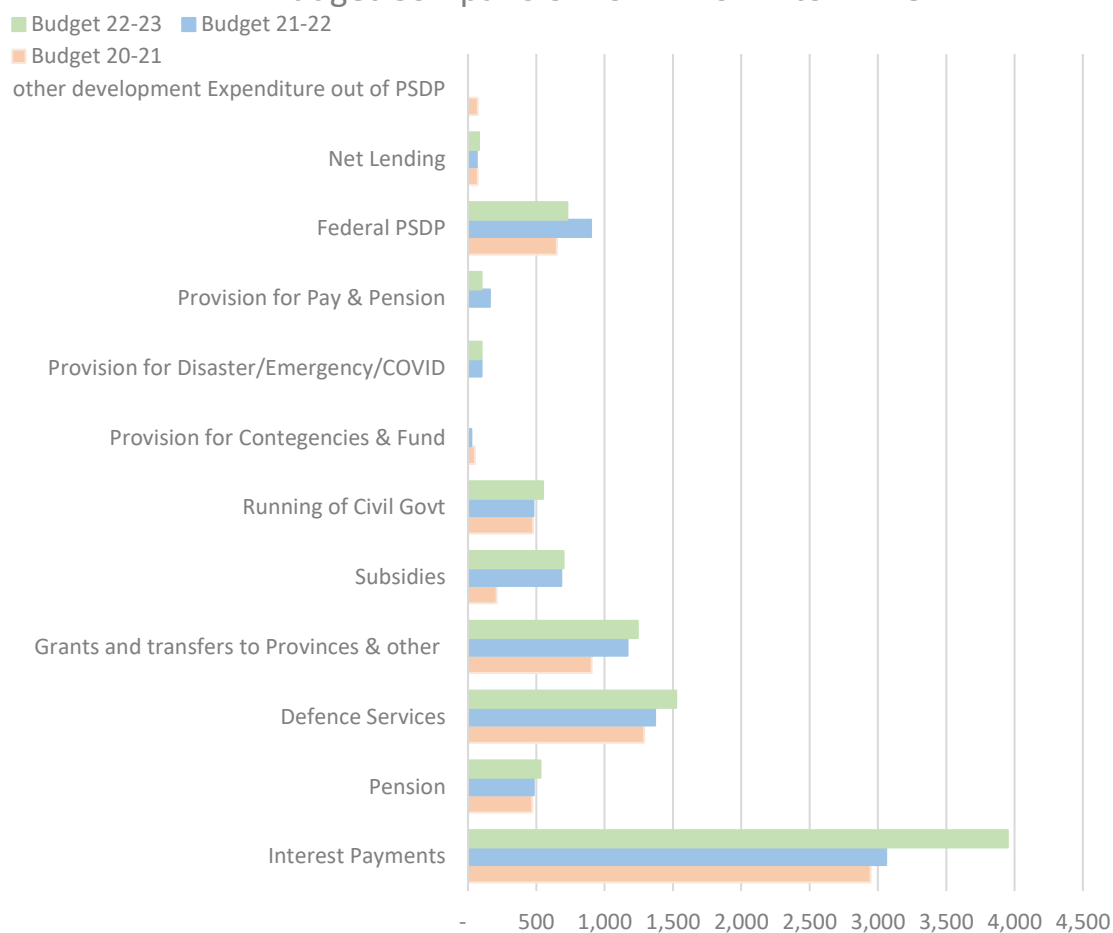
Federal Budget 2022-23



Budget Comparison for FY 20-21 to 22-23

	Budget 20-21	Budget 21-22	Budget 22-23
Current Expenditure:	6,346	7,524	8,694
Interest Payments	2,946	3,060	3950
Pension	470	480	530
Defence Services	1,289	1,370	1523
Grants and transfers to Provinces & other			1242
Subsidies	905	1,168	
Running of Civil Govt	209	682	699
Provision for Contingencies & Fund	477	479	550
Provision for Contingencies & Fund	50	25	
Provision for Disaster/Emergency/COVID			100
Provision for Disaster/Emergency/COVID		100	
Provision for Pay & Pension		160	100
Development Expenditure:	792	964	808
Federal PSDP	650	900	727
Net Lending	72	64	81
other development Expenditure out of PSDP	70		

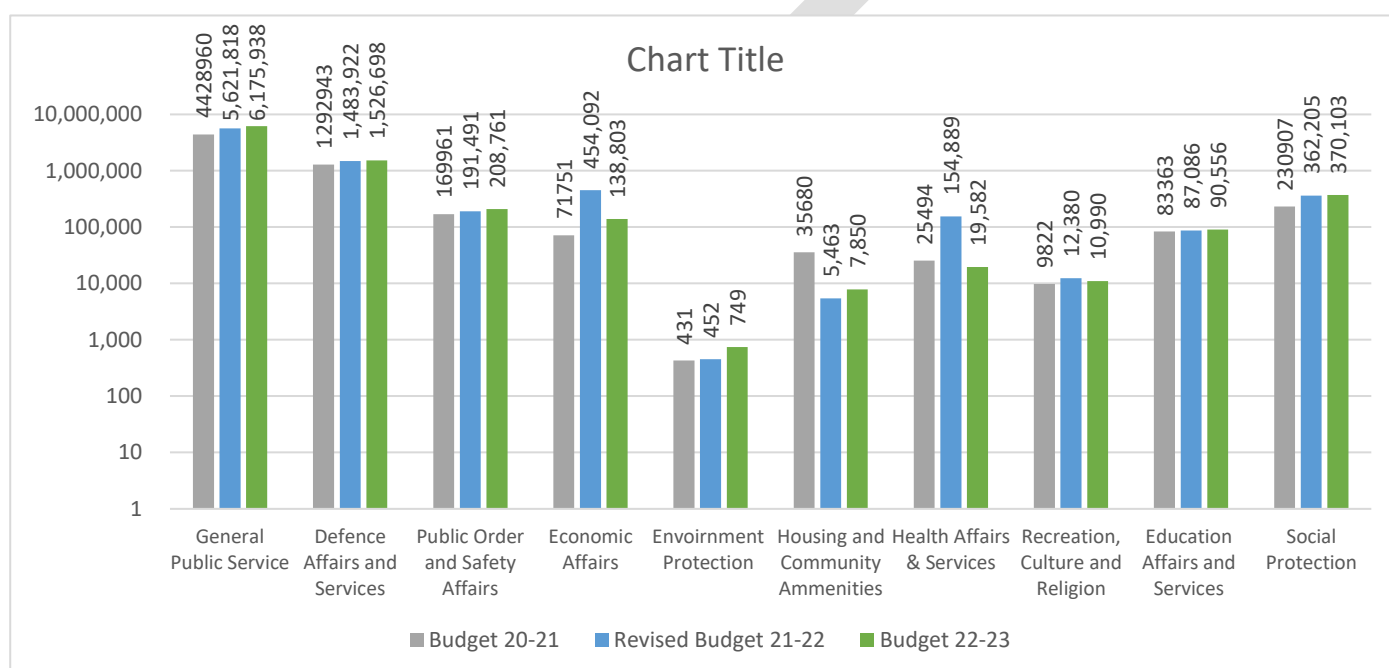
Budget Comparison for FY 20-21 to 22-23



Health Budget

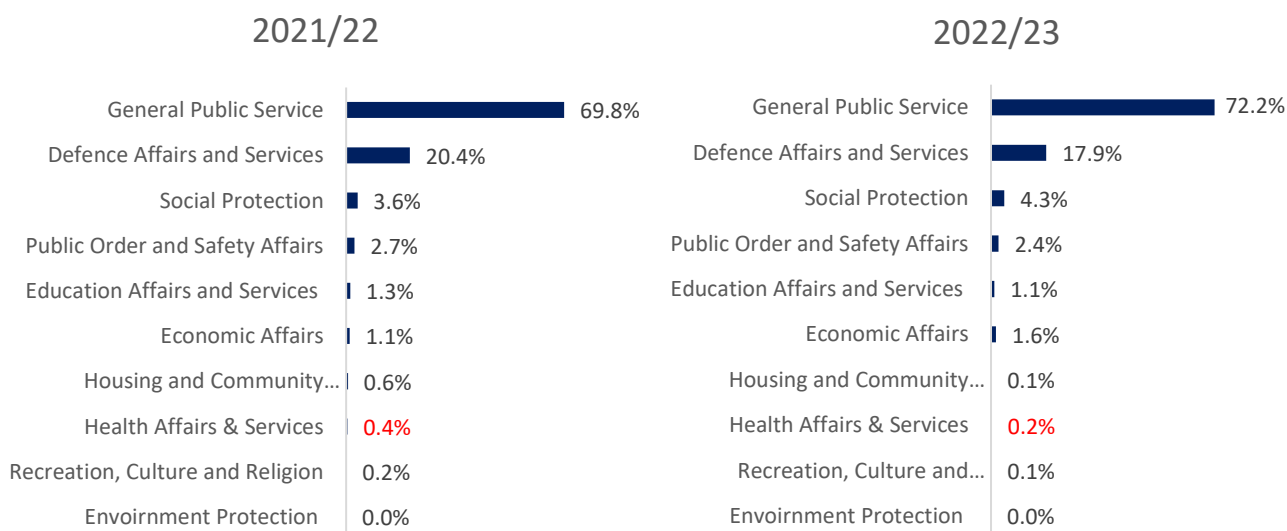
This Budget Analysis (BA) of the health sector intends to enable the Federal Ministry of National Health Services, Regulation and Coordination (MoNHSRC), Department of Health Services (DoHS), policy makers, planners, programme managers and External Development Partners (EDPs) to understand the trend of budget for the five-year period and expenditure for the four years from Fiscal Year (FY) 2015/16 to FY 2019/20. The expenditure of FY 2019/20 has not been included in the analysis. In the current year, the total budget allocated to the health sector is increased, compared to previous year. The government has increased the budget by 11% in nominal terms from 25,494 Million to 28,352 Million PKR. The increased budget in Health sector is mainly due to the COVID 19.

Comparison of Allocations of budget Sector wise



As a percentage of the total budget, health is the government's third last share for funding, after Housing and community amenities. General public services received 72.2% of total budget and health received only 0.4% of total budget which is the same as per previous year. No increase of percentage change from total budget in Health.

Share of total budget allocated to health and other sectors, 2021/22 and 2022/23



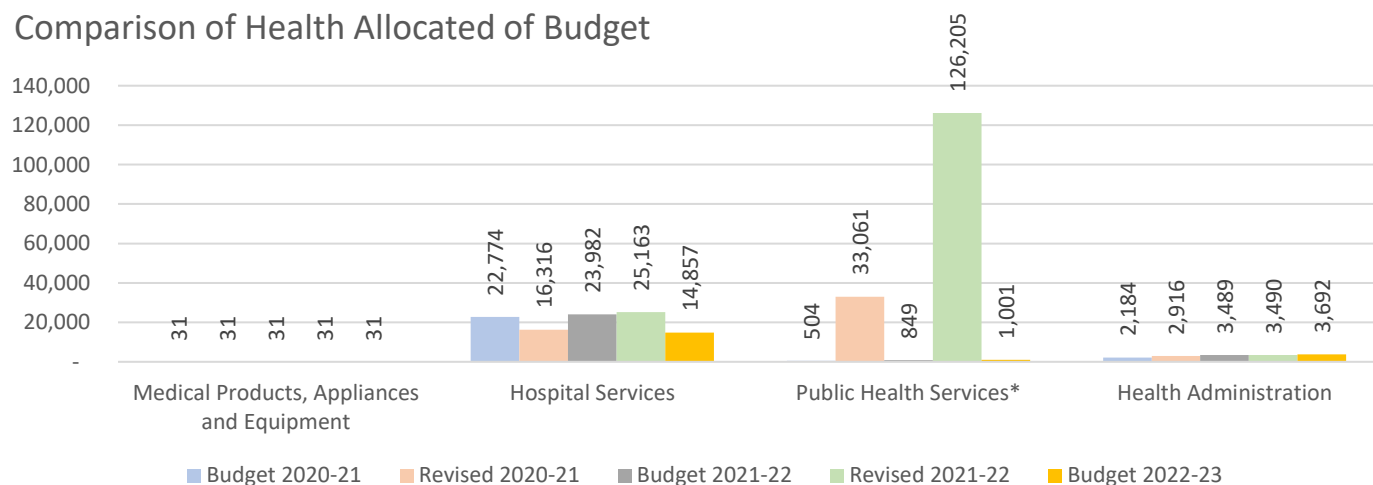
The revised allocation for health is increased from 25 Bn to 52 Bn PKR in 2020/21 due to COVID 19 surgency in the country. An amount of Rs. 100 billion is only allocated for COVID related expenditures in FY 2021/22. Comparison of the budget allocation of FY2020/21, revised budget allocation of FY20/21 and allocation of FY 2021/22 is as follows:

Classification	(Rs. In Million)				
	Budget 2020-21	Revised 2020-21	Budget 2021-22	Revised 2021-22	Budget 2022-23
Medical Products, Appliances and Equipment	31	31	31	31	31
Hospital Services	22,774	16,316	23,982	25,163	14,857
Public Health Services*	504	33,061	849	126,205	1,001
Health Administration	2,184	2,916	3,489	3,490	3,692
Total Health Affairs and Services	25,493	52,324	28,351	154,889	19,581

*An Amount of Rs. 100 billion was only allocated for COVID related expenditures in FY 2021/22

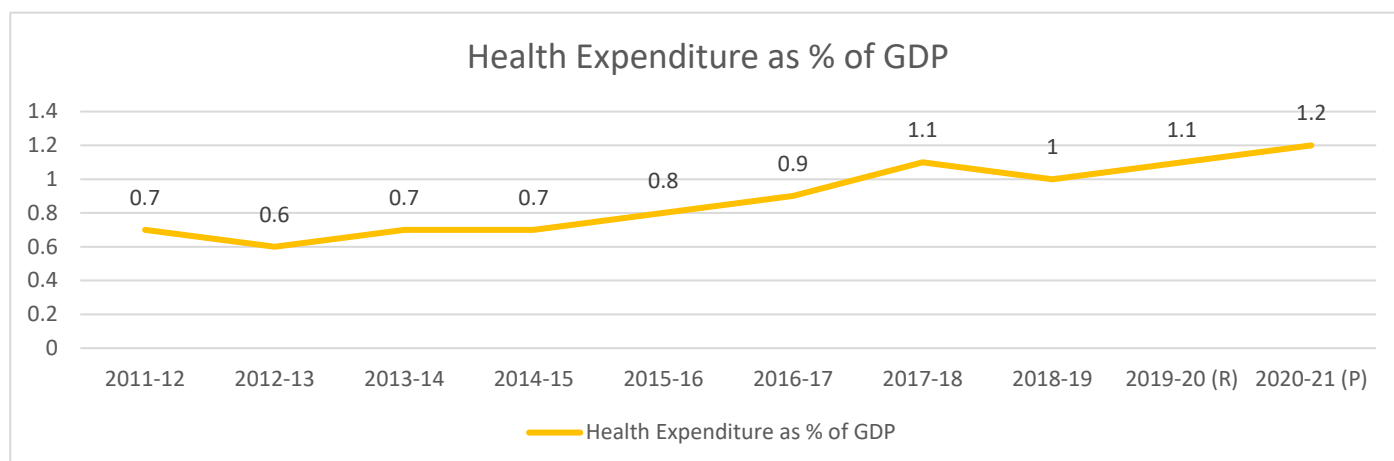
Almost 85% of the total health budget is allocated to Hospital services and 12% of total budget allocated to health Administration. Allocation of 59.8% increase in Health Administration, 5.3% increase in Hospital Services and 3% increase in public Health services. Most of the health budget, including salaries, support services, capacity building and programme activities, has been devolved to Provincial Governments.

Comparison of Health Allocated of Budget

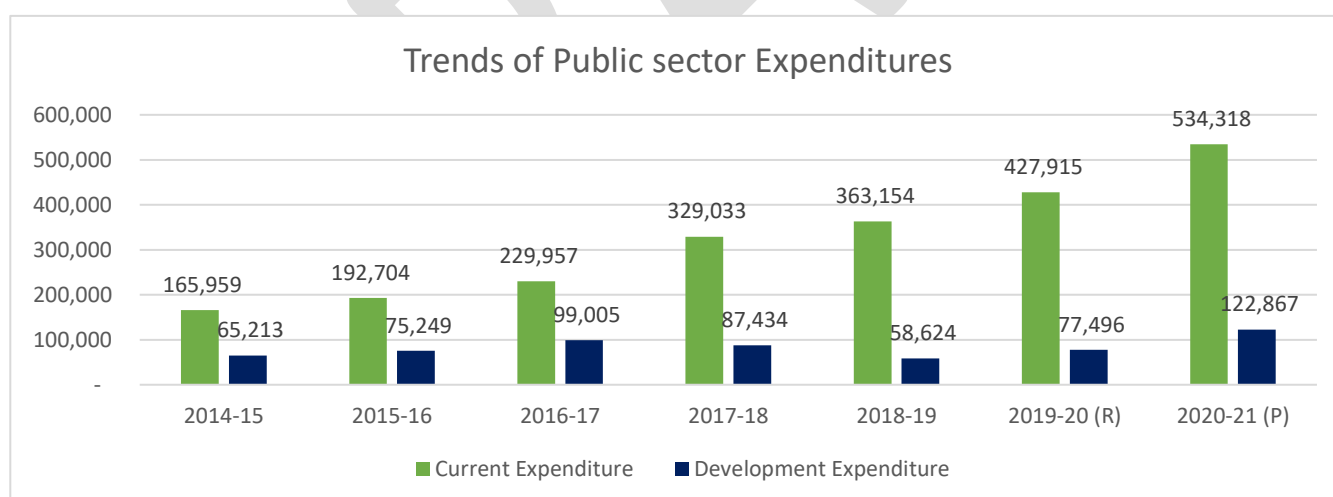


Health Expenditures

Health expenditures have increased gradually since 2011-12. The health-related expenditure increased by 14.3 percent from Rs 421.8 billion in 2018-19 to Rs 482.3 billion in 2019-20. Public sector expenditure on health was estimated at 1.2 percent of GDP in 2019-20, as compared to 1.1 percent in 2018-19. The health expenditure details are as follows:



Government spending on health as a share of Gross Domestic Product (GDP) has slowly increased from 0.9 percent in FY 2015/16 to 1.2 percent in FY 2019/20. Evidence suggests that countries should strive to spend five percent of their GDP to progress towards Universal Health Coverage (UHC). The health sector budget has been gradually increasing over the years from PKR 267 bn in FY 2015/16 to PKR 482 bn in FY 2019/20. Trends of Health spending are as follows:



The budget for recurrent expenses has declined from 86.1 per cent of the health budget in 2018/19 to 84.2 per cent in 2019/20.

To achieve UHC and SDG Targets

UHC is based on the principle that all individuals and communities have equitable access to their needed health care, in good quality, without suffering financial hardship. A set of policy choices about benefits and their rationing are among the critical decisions in the reform of health financing system towards universal coverage. Choices need to be made about proceeding along each of the three dimensions, in many combinations, in a way that best fits their objectives as well as the financial, organizational, and political contexts. The three dimensions are:

- i) which services are covered, and which needs to be included?
- ii) covered population and extension to non- covered.
- iii) reducing cost sharing and fees.

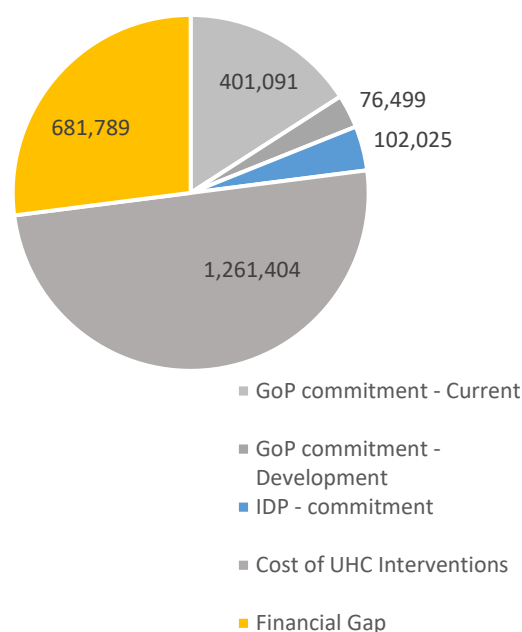
Pakistan has adapted a set of costed priority interventions named as UHC-BP based on the DCP-3. UHC-BP is comprised of four clusters:

1. Reproductive, maternal, neonatal, child, and adolescent health and nutrition (RMNCAH-N)
2. Communicable/infectious diseases
3. non-communicable diseases and injuries
4. Health services.

To achieve Universal Health Coverage, increase access to quality health care services and provision of protection against catastrophic health expenditure, An amount of Rs. 1.26 trillion is required as per the World bank analysis whereas Government commitment is Rs. 477 billion and Donor`s support is Rs. 102 billion. The Gap is of Rs. 681 billion which is required to spend on Health sector to step towards achieving Universal Health Coverage.

PKR in million

GoP commitment - Current	401,091
GoP commitment- Development	76,499
Total - GoP commitment	477,590
IDP - commitment	102,025
Total commitment	579,615
Cost of UHC interventions	1,261,404
Financing Gap	681,789





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