**[Healthcare and Budget 2021-22](https://www.dawn.com/news/1639082/healthcare-and-budget-2021-22)**

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PAKISTAN is a known low-spender on health. To put things into perspective, according to estimates done in 2017-18, Pakistan spent $45 per person on health, while Iran spent $484 and Qatar spent $1,716 per capita.

However, what minimum amount governments should spend to provide essential healthcare is debatable. One credible and frequently quoted estimate comes from the High-Level Taskforce on Innovative International Financing for Health Systems, which stipulates an average figure of $86 per person (updated in 2012). A more recent estimate from 2017, including investments in the health system, sets the bar at $271 per person.

What is of note is that $86 is recommended as minimum public-sector spending whereas the above-mentioned $45 per capita in Pakistan is the total health expenditure. The breakdown is disturbing: only $14 is spent by the public sector on each citizen annually whereas the citizens themselves spend $28 (private-sector spending) and a mere $3 comes from external sources.

**Read**: [*The poor state of Pakistan’s healthcare system*](https://www.dawn.com/news/1285181)

Such low government spending results in high out-of-pocket expenditures ie around 60 per cent. This is where the importance of social health insurance comes for the poor as indicated in my last [article](https://www.dawn.com/news/1634058/unpacking-social-health-insurance) ‘Unpacking social health insurance’ (July 9) on these pages.

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While building a universal health coverage investment case recently, the World Bank estimated that in order to implement the UHC agenda in 40 poor districts of Pakistan over a period of five years, an additional expense of $17.4 per capita would be required. This would mean more than doubling of public-sector spending ie $31.4. Regardless of how inflated or conservative these estimates are, the fact remains that by local standards a huge increase is required in order to advance towards the goal of UHC in Pakistan, yet it is far below $86. The dividends, however, far outweigh the costs. The above-mentioned additional public sector spending in 40 districts, for example, would result in 10pc reduction in stunting, 30pc reduction in under-five mortality, 33pc lowering of neonatal mortality, and maternal mortality going down by 35pc ie averting the deaths of 3,306 mothers.

The federal budget 2021-22 has seen an increase of 11pc relative to the previous year. In nominal terms, the health budget has gone up from around Rs25.5 billion to Rs28.3bn though it is still a mere 0.4pc of the total budget. The federal development budget (PSDP) has a “particular focus on strengthening the health sector” and it has seen an increase of 49.6pc ie from Rs14.5bn in 2020-21 to Rs21.7bn, including Rs5.6bn for the Sehat Sahulat Program­­me. One of the government priorities for the current fiscal year is impact mitigation of Covid-19. Rs100bn is dedicated only for Covid-19 related expenditures ie almost four times the budget for routine healthcare.

Punjab, which comprises almost half the population of Pakistan, has increased its budget by a gargantuan 134pc — from Rs156.7bn in 2020-21 to Rs370bn. Likewise, the development programme budget has seen a huge increase of 182pc. Out of Rs96bn of the development budget, Rs78bn is allocated for tertiary and only Rs19bn for primary and secondary care. The province aims to provide social health insurance to the whole population by the end of 2021, an ambitious and misplaced target. Rs80bn have been allocated for this purpose and Rs106bn have been put aside for mitigating the effects of Covid-19.

Khyber Pakhtunkhwa increased its health allocation in the provincial budget 2021-22 to Rs142bn from Rs124bn. The Annual Development Plan (ADP) allocation for health in KP this financial year is Rs22.4bn. KP has led social health insurance development in the country. This year the province also announced providing universal health insurance (Sehat Plus Card), which is debatable for various reasons. They have also added organ transplantation and outpatient health services in the insurance coverage.

Sindh increased its budget allocation by 29.5pc ie from Rs132.8bn last year to Rs172bn but also announced a 30pc increase in the health budget in 2022-23. For the new financial year, Sindh also pitched Rs18.5bn as its ADP budget for health. This is the only province which has opted out of the Sehat Sahulat Programme primarily for political reasons, which is sad.

Balochistan has increased its budget by Rs13.2bn (42pc) ie from Rs31.4bn in 2020-21 to Rs44.6bn in the current year. The ADP for 2021-22 is Rs11.8bn. Balochistan had not been able to introduce social health insurance under the current government but finally an amount of Rs5.9bn has been allocated to introduce the Balochistan Health Card to provide financial protection to 1,875,000 families.

As is obvious, there is an overall upward trend in health budget allocations at the federal and provincial levels which is good news. Covid-19 has played a significant role in this. The drive to provide health insurance to the entire population of Punjab and KP has also moved budgets up, which is a policy that may bring political benefits but it is a flawed approach. Instead, social health insurance needs to be expanded to ambulatory poor patients in the private sector. Pakistan needs primary healthcare-based UHC, and for this new health system investments are needed. Much more attention needs to be given to strengthening primary healthcare where up to 70pc of essential healthcare can be delivered.

Another extremely important issue is that of huge inefficiencies in the health sector. According to one estimate 20pc to 40pc of health spending is wasted one way or the other. Spending less and wasting up to 40pc speaks volumes about the state of governance and poor management. Not only do we need more money for health but also need more health for the money spent.

Pakistan has to go a long way in terms of allocating enough public money to achieve UHC. Once it becomes a fiscal priority it will also find fiscal space.

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