

# Blueprint for a Resilient Health System

*Recommendations for Strengthening India's Primary Healthcare Infrastructure*

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## Executive Summary

India stands at a critical juncture in its health trajectory. Despite significant progress in certain health indicators, its primary healthcare (PHC) infrastructure remains a key bottleneck to achieving Universal Health Coverage (UHC) and building a truly resilient health system.

This policy brief outlines a strategic blueprint for strengthening India's PHC, emphasizing the urgent need for a substantial increase in government public health expenditure to **at least 2.5% of GDP**.

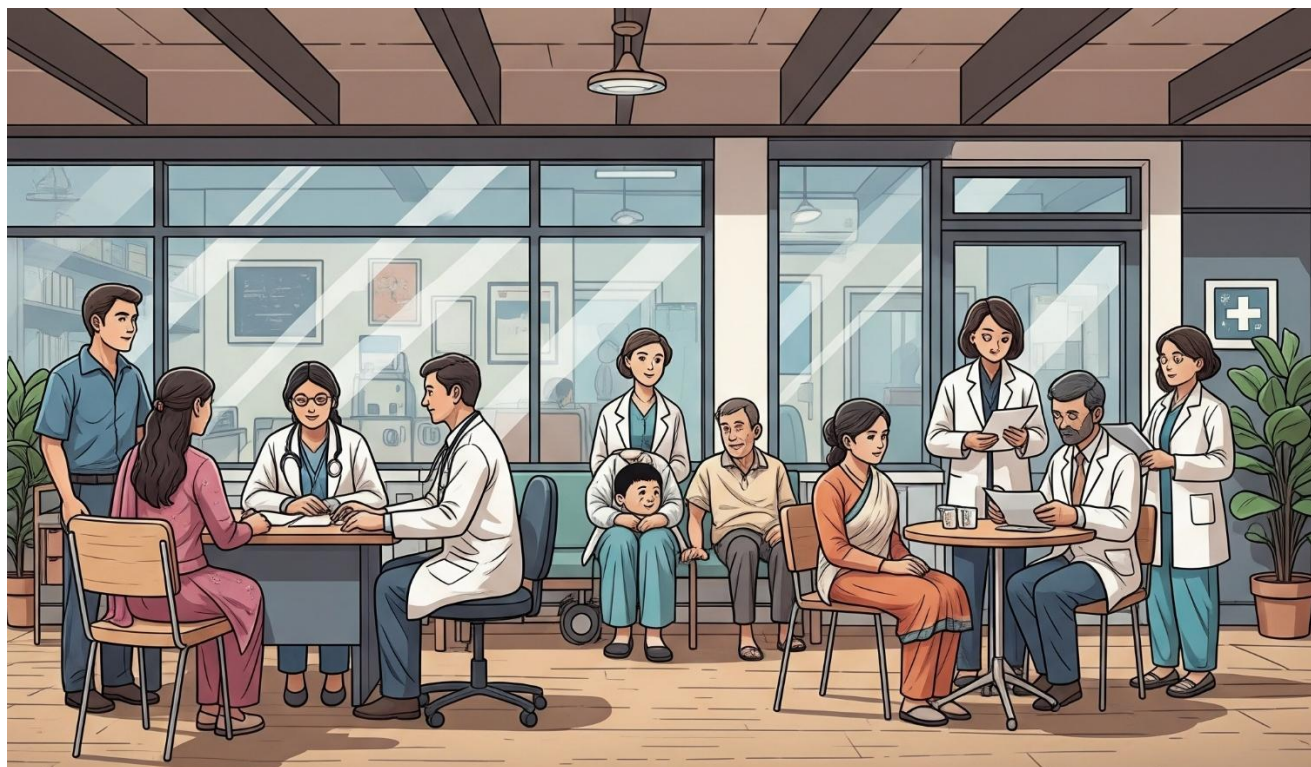
This strategic investment is paramount to drastically reducing the overwhelming burden on tertiary hospitals, improving access to vital preventive and promotive care, and making quality healthcare truly accessible by significantly curtailing the prohibitive out-of-pocket expenditure (OOPE) that still accounts for over 60% of total health expenditure for many Indian households.

By focusing on robust, accessible, and high-quality primary care, India can foster a healthier, more productive populace and lay the foundation for sustainable national development.





## Introduction: The Foundation of a Healthy Nation



A nation's health system is only as strong as its primary healthcare. Primary Healthcare (PHC) serves as the first point of contact for individuals, families, and communities with the health system. It encompasses a broad range of services, including health promotion, disease prevention, diagnosis, treatment, rehabilitation, and palliative care.

In a vast and diverse country like India, a well-functioning PHC system is indispensable for equitable access, early detection, cost-effective management of health conditions, and effective responses to public health crises.

The Centre for Public Affairs and Research (CPAR India), committed to insightful research for sustainable development, recognizes that robust primary healthcare is a cornerstone of human capital development.

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This brief serves as a call to action for policymakers, urging a decisive shift towards prioritizing and adequately funding India's primary healthcare infrastructure to build a truly resilient health system capable of meeting the evolving health needs of its population.



## The Current Landscape: Challenges and Gaps

*Despite various initiatives, India's primary healthcare system faces persistent challenges that undermine its effectiveness and accessibility:*

- **Inadequate Infrastructure and Standards:** A significant portion of Sub-Centres (SCs) and Primary Health Centres (PHCs) do not adhere to Indian Public Health Standards (IPHS). For instance, as per recent data, only 3.4% of Sub-Centres and 13% of Primary Health Centres adhere to IPHS, with many lacking basic amenities such as consistent electricity, piped water supply, proper diagnostic laboratories, and adequate equipment. There is also a historical neglect of urban primary healthcare.
- **Critical Human Resource Shortages:** A severe deficit of doctors, nurses, and paramedical staff, particularly in rural and remote areas, compromises service

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delivery. Specialists' posts at Community Health Centres (CHCs) often remain significantly vacant.

- **Limited Scope of Services:** Historically, PHCs have been largely confined to maternal and child health (MCH) and specific vertical disease programs, offering a limited range of comprehensive health services. This necessitates patients to bypass primary care for common ailments, directly approaching higher-level facilities.
- **Fragmented Care and Referral Issues:** A lack of seamless integration between preventive, promotive, and curative services, coupled with weak referral mechanisms, leads to inefficiencies and patient dissatisfaction.
- **High Out-of-Pocket Expenditure (OOPE):** As per the Economic Survey 2024-25, India's Total Health Expenditure (THE) in FY22 was estimated at ₹9,04,461 crore, constituting 3.8% of GDP. While government health expenditure (GHE) has shown a consistent increase, rising to 1.84% of GDP in 2021-22 from 1.15% in 2013-14, the Out-of-Pocket Expenditure (OOPE) still accounted for 39.4% of THE in 2021-22, despite a decline from 62.6% in 2014-15. This still translates to significant financial burden for households, pushing millions into poverty or debt annually.
- **Overburdened Tertiary Care:** The weaknesses in PHC directly contribute to the overloading of secondary and tertiary hospitals, which are then forced to handle conditions that could have been effectively managed at the primary level. This leads to long waiting times, increased costs, and compromised quality of care at higher echelons.

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## The Imperative for Increased Investment: Towards 2.5% of GDP

The National Health Policy (NHP) 2017 unequivocally targets an increase in public health expenditure to 2.5% of GDP by 2025. This commitment needs to be realized with urgency, not just as a target, but as a transformative investment. The rationale for this significant increase is multi-faceted and compelling:

- **Drastic Reduction in Tertiary Hospital Burden:** A strong PHC system acts as an efficient "gatekeeper." By providing comprehensive services, including diagnosis, treatment of common illnesses, and management of chronic diseases at the community level, it filters out unnecessary referrals to tertiary hospitals. This decongests specialized facilities, allowing them to focus on complex cases that truly require their expertise, leading to better quality of care across the board.
- **Improved Access to Preventive and Promotive Care:** Increased investment in PHC allows for a greater focus on disease prevention, health promotion, and early detection. This includes robust immunization programs, widespread health education campaigns, lifestyle counseling for non-communicable diseases (NCDs), and regular health screenings. Investing in prevention is significantly more cost-effective than treating advanced illnesses, leading to a healthier population and reduced long-term healthcare costs.
- **Enhanced Quality and Accessibility, Reduced OOPEx:**
  - **Infrastructure Upgrade:** A higher budget enables the establishment of well-equipped Health and Wellness Centres (HWCs) with adequate facilities, diagnostic tools, and essential medicines. The Economic Survey 2024-25 noted a positive sign with capital expenditure in THE increasing from 6.3% in FY16 to 12.7% in FY22, indicating a growing focus on infrastructure.



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- **Human Resource Strengthening:** It allows for competitive salaries, better training, and incentives to attract and retain healthcare professionals in underserved areas, ensuring consistent availability of qualified personnel.
  - **Availability of Free Services:** Increased government spending facilitates the provision of free essential drugs and diagnostic services, directly alleviating the financial burden on patients. The Economic Survey 2024-25 highlights that Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) has played a decisive role in significant reductions in OOPEx, with over ₹1.25 lakh crore in savings recorded, demonstrating the impact of government-funded schemes.
  - **Equity:** It bridges the urban-rural divide and ensures equitable access to quality care for all citizens, irrespective of their socio-economic status or geographic location.
  - **Fostering Universal Health Coverage (UHC):** Increasing public health expenditure is a fundamental step towards achieving UHC, where all individuals and communities receive the health services they need without suffering financial hardship.
  - **Overall Socio-Economic Development:** A healthier population is a more productive population. Reduced morbidity and mortality contribute to a larger and more efficient workforce, higher educational attainment, and a more robust economy, thereby contributing to India's overall sustainable development goals.



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## Recommendations for Strengthening Primary Healthcare Infrastructure

To achieve a resilient and equitable health system, CPAR India proposes the following strategic recommendations, underpinned by the commitment to raise public health expenditure to at least 2.5% of GDP:

### 4.1. Financial Commitment and Allocation:

- **Achieve and Sustain 2.5% of GDP:** Expedite efforts to reach the National Health Policy 2017 target of 2.5% of GDP for public health expenditure by 2025, and commit to sustaining or further increasing this allocation in subsequent years.
- **Prioritize PHC in Budgetary Allocation:** Ensure a significant proportion (e.g., 60-70%) of the increased health budget is earmarked specifically for primary healthcare, including capital expenditure for infrastructure development, building on the positive trend noted in the Economic Survey 2024-25.
- **Transparent Fund Utilization:** Establish robust mechanisms for transparent and accountable utilization of funds at all levels, from national to local, with regular audits and public reporting.

### 4.2. Infrastructure Augmentation and Modernization:

- **Universal Health and Wellness Centres (HWCs):** Accelerate the establishment and full operationalization of 1.5 lakh HWCs, ensuring they adhere to IPHS norms, are well-equipped, and offer a comprehensive package of services including NCD screening, mental health, geriatric care, and basic diagnostics.
- **Urban Primary Healthcare:** Develop a dedicated and adequately funded framework for strengthening primary healthcare in urban areas, addressing the specific challenges of informal settlements and high population density.

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- **Essential Facilities:** Guarantee consistent electricity, safe drinking water, functional laboratories, and appropriate medical equipment at all PHCs and HWCs.

#### **4.3. Human Resource Development and Management:**

- **Address Shortages:** Implement aggressive recruitment drives and provide competitive remuneration, benefits, and career progression opportunities to attract and retain doctors (including family physicians), nurses, and paramedical staff, especially in rural and underserved regions.
- **Skill Enhancement and Training:** Invest in continuous training and capacity building for all healthcare professionals at the primary level, focusing on comprehensive care, public health, and digital health literacy.
- **Strengthen Community Health Workers:** Empower and expand the role of Accredited Social Health Activists (ASHAs), Anganwadi Workers (AWWs), and Auxiliary Nurse Midwives (ANMs) through enhanced training, adequate remuneration, and clear task definitions.
- **Rural Incentives:** Implement targeted incentives (e.g., higher salaries, housing, professional development opportunities) for healthcare providers willing to serve in rural and remote areas.

#### **4.4. Expanded and Integrated Service Delivery:**

- **Comprehensive Service Package:** Expand the scope of services offered at PHCs/HWCs beyond traditional MCH to include NCD screening and management (diabetes, hypertension, cancers), basic mental health services, geriatric care, palliative care, and routine diagnostic services.

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- **Preventive and Promotive Focus:** Intensify efforts in health promotion, disease prevention, and early detection through community outreach, awareness campaigns, and robust immunization programs for all age groups.
  - **Robust Referral System:** Develop and strengthen a seamless two-way referral system that links PHCs to secondary and tertiary care, ensuring continuity of care and appropriate utilization of higher-level facilities.

#### 4.5. Technological Integration and Digital Health:

- **Ayushman Bharat Digital Mission (ABDM) Leverage:** Accelerate the adoption and effective utilization of ABHA (Ayushman Bharat Health Account) IDs and digital health records across all primary healthcare facilities to improve data management, patient tracking, and care coordination.
- **Telemedicine Expansion:** Promote and expand telemedicine and tele-consultation services, particularly for remote populations, to facilitate access to specialist consultations and reduce travel burden.
- **Data-Driven Decision Making:** Implement robust health information systems for real-time data collection, analysis, and utilization for epidemiological surveillance, resource allocation, and evidence-based policy formulation.

#### 4.6. Community Engagement and Participatory Governance:

- **Empower Local Bodies:** Strengthen the role of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) in local health planning, monitoring, and accountability of PHC facilities.

- **Community Health Committees:** Revitalize and empower Village Health, Sanitation and Nutrition Committees (VHSNCs) and equivalent urban committees to foster community ownership, raise health awareness, and ensure service uptake.
- **Accountability Mechanisms:** Establish clear accountability frameworks, regular performance audits, and patient feedback mechanisms to ensure quality of care and efficient resource utilization at the primary level.

#### 4.7. Supply Chain and Logistics:

- **Ensuring Drug and Diagnostic Availability:** Implement an efficient and transparent supply chain management system to ensure consistent availability of essential medicines, vaccines, and diagnostic reagents at all PHC facilities, leveraging programs like Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP).
- **Cold Chain Management:** Strengthen and maintain the cold chain infrastructure for vaccines and temperature-sensitive medicines.





## Conclusion

Building a resilient health system in India is not merely an aspiration; it is an economic and social imperative. The proposed blueprint for strengthening primary healthcare infrastructure, underpinned by a strategic increase in public health expenditure to at least 2.5% of GDP, offers a clear pathway forward. This investment will not only reduce the overwhelming financial burden on ordinary citizens and tertiary hospitals but will fundamentally transform India's health landscape by making quality, preventive, and accessible healthcare a reality for every Indian. CPAR India believes that by committing to these recommendations, India can achieve its vision of a healthy, productive, and equitable society.



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**This report is based on the online research and AI has also been used for some analysis and compilation purpose.**

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