



Prioritising Healthcare for a Viksit Bharat 2047

Budget 2026-27 Series

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Key Takeaways

- The Union Budget 2026–27 has increased allocation for the Ministry of Health and Family Welfare by 10%, to Rs. 1,06,530.42 crore from the revised estimates of 2025–26.
- 100% customs duty exemption on 17 new cancer drugs
- Union Budget 2026-27 targets training 100,000 allied health professionals and 1.5 lakh caregivers over the next five years
- Budget proposed establishing three new All India Institutes of Ayurveda to meet growing global demand and upgrade the WHO Global Traditional Medicine Centre in Jamnagar.

Introduction

India's healthcare landscape is undergoing a transformative phase. The Union Budget 2026-27, driven by the insights of the Economic Survey 2025-26, has established a comprehensive roadmap for universal health coverage through infrastructure development, preventive care, and digital integration, focusing on youth, underprivileged, and elderly populations. The budget prioritises non-communicable diseases (NCDs) while strengthening traditional medicine, mental health services, and the biopharma sector.

The Ministry of Health and Family Welfare has been allocated Rs. 1,06,530.42 crore—a 10% increase from FY 2025-26 and 194% rise over 12 years. The Department of Health Research has been allocated Rs. 4,821.21 crore. This rising government expenditure demonstrates strong commitment toward universal healthcare and medical research innovation.

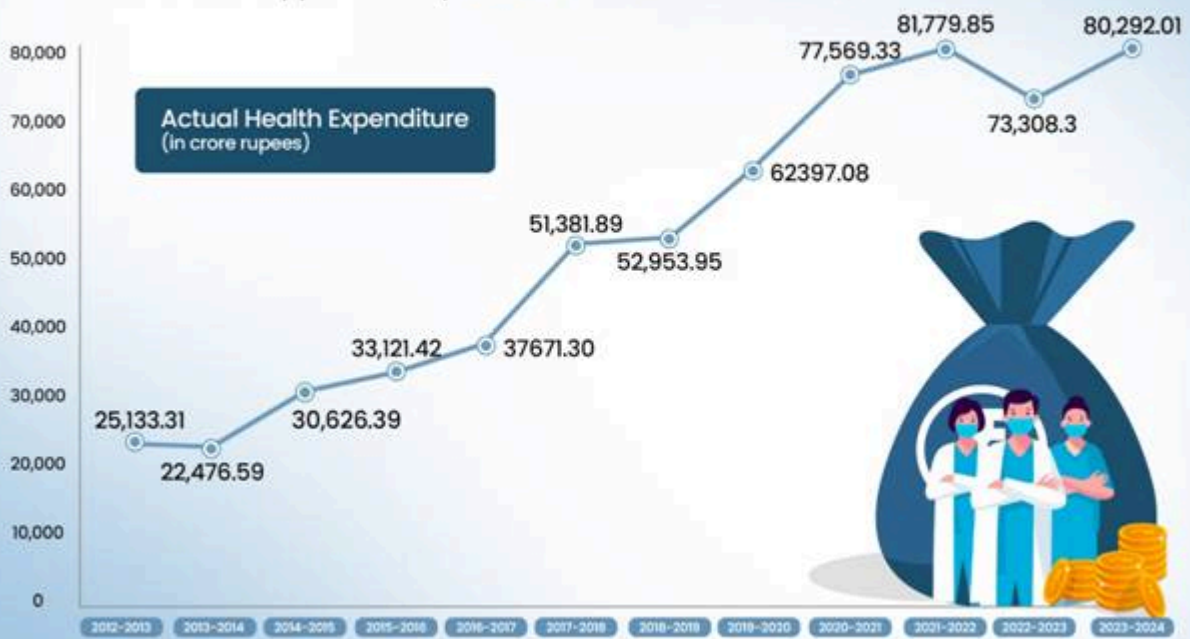
Budget 2026-27 Healthcare-Related Announcements

The Ministry of Health and Family Welfare's budgetary allocation increased from last year's revised estimates, following the decade-old trend of rising health funding.

Actual Health Ministry Expenditure Over the Years



The budget allocation for the Ministry of Health and Family Welfare saw an increase of approximately **162.17%** from 2014-15 to 2023-24

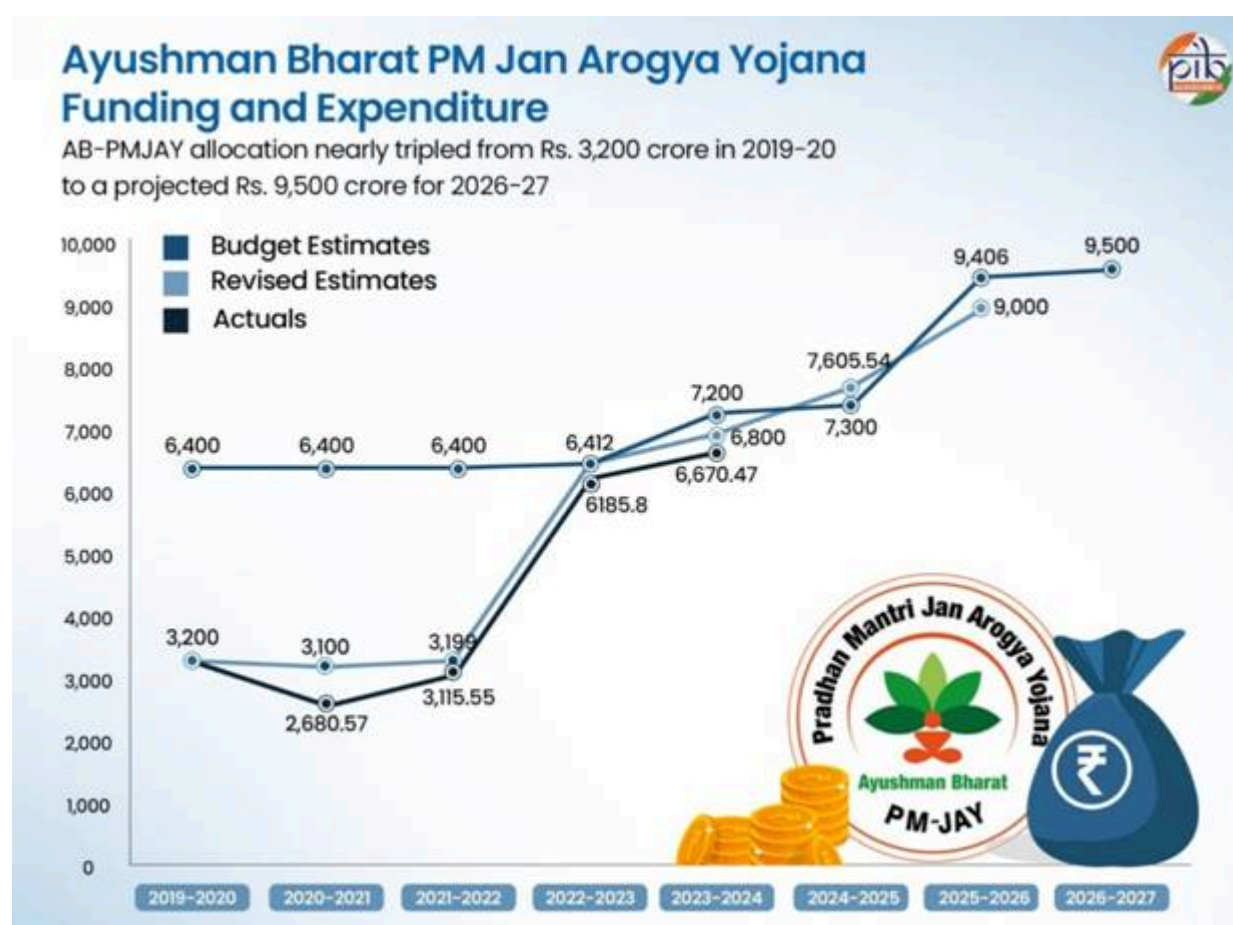


Many health initiatives were allocated more funds this year (in crore rupees).

Scheme/Program	Budget Estimates 2026-27	Revised Estimates 2025-26	Increase	% Increase
CENTRAL SECTOR SCHEMES				
Pradhan Mantri Jan Arogya Yojana (PM-JAY)	9,500.00	9,000.00	500.00	5.56%
National Health Mission (NHM)	39,390.00	37,100.07	2,289.93	6.17%
Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)	11,307.00	10,900.00	407.00	3.73%
National AIDS and STD Control Programme	3,477.00	2,661.50	815.50	30.64%
Blood Transfusion Services	275.00	200.00	75.00	37.50%
Human Resources for Health & Medical Education	1,725.00	1,630.00	95.00	5.83%
Ayushman Bharat Digital Mission	350.00	324.26	25.74	7.94%

PM-Ayushman Infrastructure	Bharat Mission	Health (PM-ABHIM)	4,770.00	2,845.00	1,925.00	67.66%
NON-SCHEME COMPONENT						
AIIMS, New Delhi			5,500.92	5,238.70	262.22	5.01%
Central Government Health Scheme & Pensioners' Benefits			8,697.86	8,106.96	590.90	7.29%
Central Hospitals			4,599.66	4,206.84	392.82	9.34%
PGIMER, Chandigarh			2,504.65	2,417.86	86.79	3.59%
Indian Council of Medical Research (ICMR)			4,000.00	3,150.50	850.00	26.98%

Funding for the Ayushman Bharat Pradhan Mantri-Jan Arogya Yojana (AB-PMJAY), launched in 2018, has been steadily rising. As the world's largest public healthcare scheme, it provides health insurance of up to Rs. 5 lakhs annually per eligible household, making quality healthcare affordable for over 12 crore vulnerable families. Funding for other schemes has also increased over the decade, responding to India's evolving health landscape and demand for stronger healthcare infrastructure.



New initiatives and schemes announced in the Union Budget 2026-27 focus on India's healthcare challenges while aiming to train a greater number of healthcare professionals.

TAX EXEMPTION ON CANCER DRUGS

Key Components/Strategy

- Full exemption of basic customs duty
- 100% customs duty exemption on drugs and medicines for seven additional rare diseases

Targets/Coverage:
17 new cancer drugs covered



Biologics and biopharmaceutical production for NCDs (diabetes, cancer, autoimmune disorders)

Targets/Coverage:
Outlay of **Rs. 10,000 crores** over 5 years

Mental Healthcare Infrastructure

Key Components / Strategy

- Establish 2nd National Institute of Mental Health and Neurosciences (NIMHANS-2) in North India
- Upgrade National Mental Health Institutes in Ranchi and Tezpur to Regional Apex Institutionst

Targets/Coverage

- Expanding access to advanced mental health care, training, and research facilities in North India



ALLIED HEALTH PROFESSIONALS (AHP) TRAINING

Key Components/Strategy

Upgrade existing AHP institutions

Establish new AHP institutions (Govt + Private)

Cover 10 disciplines: optometry, radiology, anaesthesia, OT technology and services, applied psychology, behavioural health

Targets/Coverage:

Adding **100,000 AHPs** over next 5 years



Regional Medical Hubs for Medical Value Tourism

Key Components/Strategy

- Partnership with private sector
- Integrated healthcare complexes (medical, education, research)
- AYUSH Centres, Medical Value Tourism Facilitation Centres
- Infrastructure for diagnostics, post-care, rehabilitation
- Job opportunities for doctors and Allied Healthcare Professionals

Targets/Coverage

5 Regional Medical Hubs



International Growth of Ayurveda

Set up 3 new All India Institutes of Ayurveda

Upgrade WHO Global Traditional Medicine Centre in Jamnagar

Key
Components
/Strategy

Upgrade AYUSH pharmacies & Drug Testing Labs for higher certification standards

Evidence-based research, training, awareness for traditional medicine



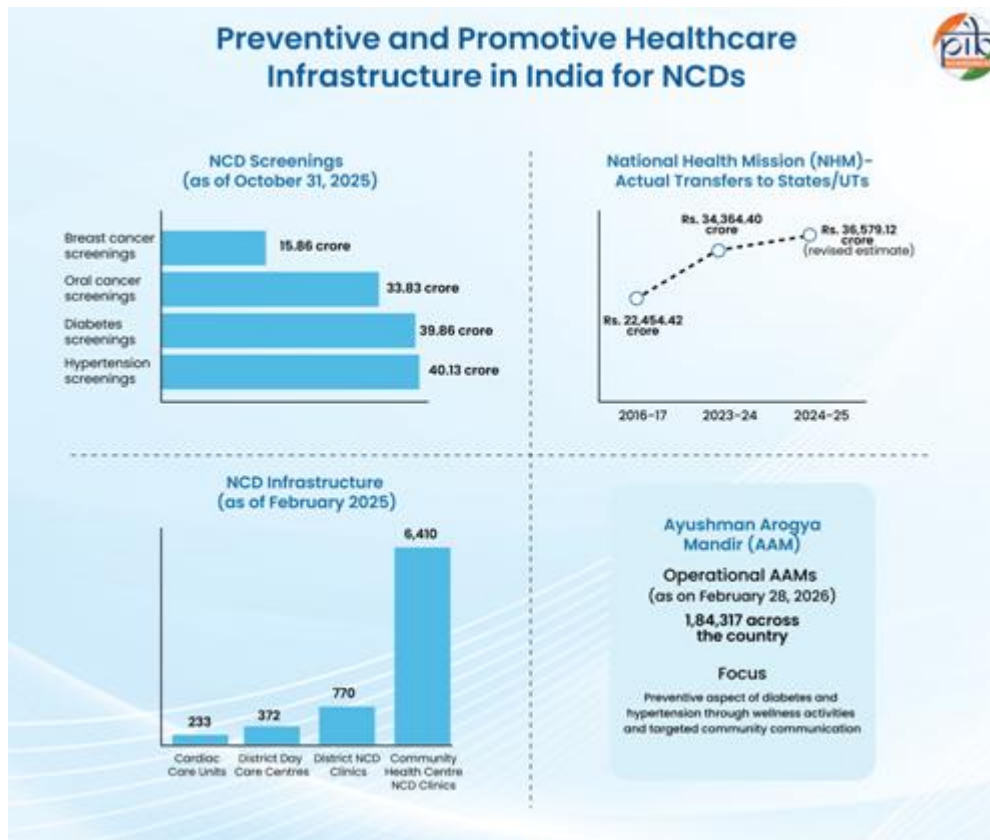
Targets/Coverage

3 new All India Institutes of Ayurveda

Rise of Non-Communicable Diseases

The recently released Economic Survey 2025-26 highlights a critical shift in India's health landscape. While the nation has achieved significant progress in tackling maternal and child health and increasing life expectancy from 49.7 years in 1973 to 70.3 years in 2023, it now faces a rising health challenge: Non-communicable diseases (NCDs) such as cardiovascular diseases, diabetes, obesity and cancers. NCDs accounted for 57% of deaths in the country in 2021-23.

The Government of India runs the National Programme for Prevention and Control of Non-Communicable Diseases to systematically identify high-risk individuals and link them to appropriate care and treatment.



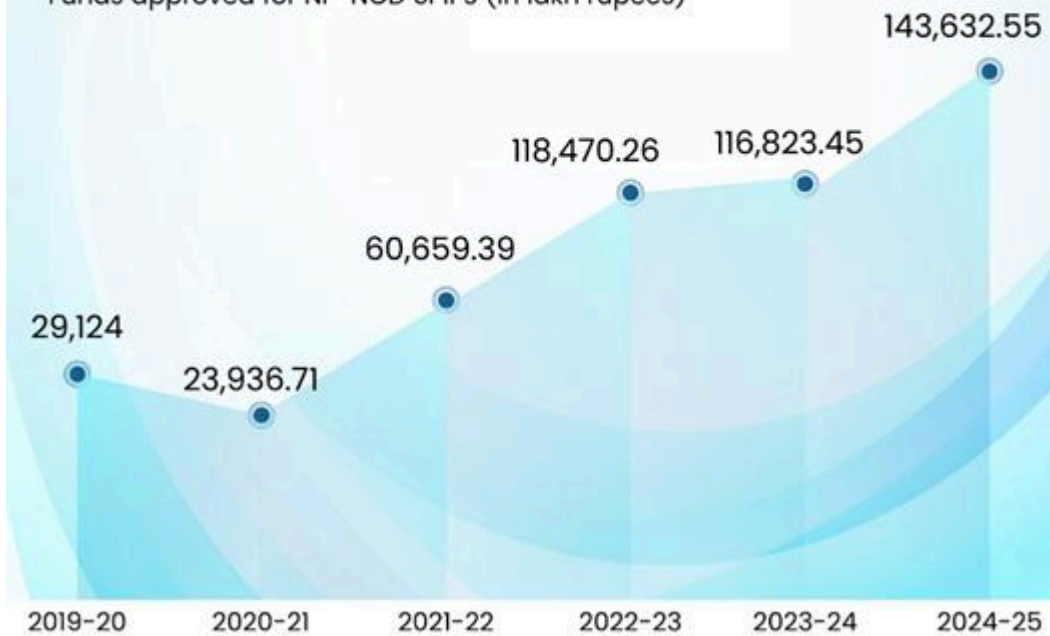
Over the years, the funds approved for State Programme Implementation Plans have increased:

Funds Approved to States Under NP-NCD Over the Years



Funds approved for the states to tackle NCDs increased nearly five-fold from 2019-20 to 2024-25.

Funds approved for NP-NCD SPIPs (in lakh rupees)



AYUSH and Traditional Medicine: From Civilisational Knowledge to a Global Health System

Global Recognition and Strategic Context

India's traditional knowledge systems have evolved into globally recognised health frameworks. Post-COVID, demand for preventive care has driven wider acceptance of the already popular Ayurveda and AYUSH systems. The Union Budget 2026-27 positions AYUSH as a contemporary health, wellness, and economic opportunity, benefiting farmers cultivating medicinal plants and youth in processing, thereby advancing public health, rural incomes, and India's global soft power.

Indicator	National Scale
 Registered AYUSH practitioners	755,780
 AYUSH hospitals	3,844
 AYUSH Doctors	24,266
 AYUSH Pharmacists	3,416
 AYUSH Paramedics	2,275
 AYUSH dispensaries	36,848
 Undergraduate AYUSH colleges	886
 Postgraduate AYUSH colleges	251
 Annual intake capacity	59,643 UG seats and 7,450 PG seats
 AYUSH services co-located in public health facilities	2,375 PHCs, 713 CHCs and 306 District Hospitals

Budget 2026–27: Building the Future of AYUSH and Traditional Medicine

The Union Budget 2026-27 marks a decisive transition for AYUSH from expansion to consolidation, quality enhancement, and global leadership, transforming it from practice-based systems into scientifically validated global health disciplines. The strategic initiatives aim to strengthen education, clinical training, and research capacity for both domestic healthcare delivery and international engagement, while raising regulatory standards and certification ecosystems to position Indian AYUSH products in global markets that demand scientifically validated solutions. By deciding to upgrade the WHO Global Traditional Medicine Centre at Jamnagar, India positions itself as a global hub for evidence-based research, training, and international awareness, anchoring traditional systems within global research and knowledge frameworks. The integration of AYUSH Centres into Regional Medical Hubs embeds traditional medicine into India's medical value tourism offerings alongside modern diagnostics, treatment, and rehabilitation services. This will ultimately lead to AYUSH evolving to meet rising global demands through scientific validation, quality assurance, and seamless integration with modern healthcare delivery systems.

Conclusion

The Union Budget 2026–27 has accorded significant priority to the health sector, with a substantial increase in allocations for the Ministry of Health and Family Welfare, reflecting the Government's continued commitment to strengthening India's healthcare system and ensuring universal access to quality medical services. Key commitments include expanded allied health workforce, addressing immediate clinical needs and long-term economic goals. Initiatives span global AYUSH integration, NIMHANS-2

establishment in North India, and investments in infrastructure, nutrition, and emergency care. All this ensures India's demographic dividend is supported by a healthy, skilled, and resilient population, thereby positioning healthcare as a fundamental pillar for Viksit Bharat by 2047.

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