



Key Takeaways of the Union Budget 2026–27: Laying the Foundation for a Healthier and Stronger India

The Union Budget 2026–27 (“Budget”) was presented on 01 February 2026 by the Hon’ble Finance Minister, Smt. Nirmala Sitharaman. Upon perusing the same we note that the Budget reflects enhanced financial allocations and targeted policy interventions wherein the Ministry of Health and Family Welfare has been allocated ₹1,06,530.42 crores in the Budget Estimates for 2026–27, representing a nearly 10% increase over the Revised Estimates of the previous financial year.

The Ministry of Health and Family Welfare has increased the financial allocation for government schemes, by ₹6,175.96 crores (10.78%), while the financial allocation for institutional capacity building, has risen by ₹2,500.96 crores (6.32%) over the Revised Estimates of FY 2025-26, reflecting balanced growth between welfare programmes and institutional capacity building.

1. Higher Financial Allocations for Major Health Schemes

- The financial allocation for Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana has been increased to ₹9,500 crores, which will help expand beneficiary coverage and strengthen hospital networks under the scheme.
- The National Health Mission has been allocated ₹39,390 crores, reinforcing primary healthcare services, maternal and child health programmes, and disease control efforts across the country.
- Under PM-Ayushman Bharat Health Infrastructure Mission (“PM-ABHIM”), ₹4,770 crores have been allocated to build critical care blocks, upgrade district and sub-district hospitals, and create integrated public health laboratories to improve emergency preparedness.

2. Strengthening Medical Research and Digital Health

- The Department of Health Research has been allocated ₹4,821.21 crores. This increased funding is aimed at strengthening scientific research, clinical trials, and innovation in health sciences, thereby enhancing India’s capacity to address existing and emerging health challenges.
- The Ayushman Bharat Digital Mission had been allocated ₹350 crores, to support the creation of digital health records, interoperability across health systems, telemedicine services, and integrated hospital information systems.
- The Indian Council of Medical Research, New Delhi has received ₹4,000 crores, which will further strengthen disease research and national disease surveillance systems.
- The Budget also proposes to further strengthen the Central Drugs Standard Control Organisation (CDSCO) by augmenting its scientific and regulatory capacity, which will improve drug quality oversight, support pharmaceutical research and enhance India’s regulatory system.



3. Expanding the Healthcare Workforce and Medical Education

- A phased outlay of ₹980 crores over three years has been approved to strengthen education and training for allied and healthcare professionals.
- This aims to create nearly one lakh trained professionals in 10 key disciplines such as diagnostics, therapy, rehabilitation, laboratory services and other allied health professions, along with 1.5 lakh trained geriatric caregivers to support India's ageing population.
- In addition, ₹1,725 crores have been allocated for medical education and Human Resources for Health and Medical Education, supporting the expansion of medical colleges, nursing institutions and postgraduate training.

4. Expansion of AIIMS and Medical Infrastructure

- The Government has allocated ₹11,307 crores under the Pradhan Mantri Swasthya Suraksha Yojana ("PMSSY") for the construction of new AIIMS, operationalisation of existing AIIMS and the upgradation of government medical colleges.
- At present, 22 AIIMS have been approved across the country, of which 18 are currently functional, significantly expanding access to advanced tertiary healthcare services.
- The financial allocation for AIIMS, New Delhi has been increased to ₹5,500.92 crores to support advanced tertiary care, medical education and research.

5. Strengthening Disease Control and Blood Safety

- The National AIDS and STD Control Programme has been allocated ₹3,477 crores, which will strengthen testing and treatment services across India.
- Approximately, ₹275 crores have been for Blood Transfusion Services to improve blood availability, safety, and quality standards across the country, thereby reinforcing national public health preparedness.

6. Mental Health and Emergency Care Services

- The Budget provides for the establishment of a National Institute of Mental Health and Neuro Sciences (NIMHANS) in North India, along with the upgradation of premier mental health institutions at Ranchi and Tezpur.
- To ensure quick access to lifesaving care, Trauma and Emergency Care Centres will be set up in every district hospital, providing affordable and round-the-clock 24/7 access to critical emergency medical services.



7. Bio Pharma Shakti

- The Government has launched the ‘Bio Pharma Shakti’ initiative with a dedicated outlay of ₹10,000 crores over five years, aimed at strengthening domestic production of biologics, biosimilars, reduce import dependence, enhance affordability, and strengthen India’s position as a global biopharma manufacturing hub.
- As part of this initiative, three new National Institutes of Pharmaceutical Education and Research (**NIPERs**) will be established and seven existing NIPERs will be upgraded, along with the creation of a national network of 1,000 accredited clinical trial sites to strengthen India’s clinical research ecosystem.

8. Relief for Patients Through Affordable Life-Saving Drugs

- To provide direct financial relief to patients, especially those undergoing treatment for critical illnesses, the Budget proposes full exemption of basic customs duty on 17 life-saving drugs and medicines.
- Further, seven rare diseases have been brought under the exemption from import duties on personal imports of drugs, medicines, and foods for special medical purposes, significantly reducing treatment costs and easing the financial burden on affected families.

9. Strengthening Major Public Health Institutions

- The Central Government Health Scheme and Pensioners’ Other Retirement Benefits has been allocated ₹8,697.86 crores to ensure healthcare services for serving and retired central government employees and pensioners.
- Central hospitals have been allocated ₹4,599.66 crores to support operational and infrastructure requirements, while the Postgraduate Institute of Medical Education and Research (**PGIMER**), Chandigarh has been allocated ₹2,504.65 crores to strengthen tertiary care, teaching, and research facilities.

Conclusion

Overall, the Union Budget 2026–27 adopts a comprehensive approach to strengthening India’s healthcare system by increasing financial allocations, modernising infrastructure, expanding human resources, promoting research and innovation, improving digital health systems, and enhancing affordability of treatment. Thus, the rise in public expenditure highlights the Government’s unwavering commitment to expanding healthcare access, strengthening infrastructure, promoting medical research and innovation, and ensuring affordable and quality healthcare for all citizens of India.

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This foregoing is only for general informational purposes, and nothing in the contents hereinabove could possibly constitute legal advice, which can only be given after being formally engaged and familiarizing ourselves with all relevant facts.

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