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From Margins to Mainstream: Mental health re-forms public health

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Union Budget 2026â??27 offers an opportunity to reimagine Indiaâ??s health system around urgency, equity, and neurological well-being



Compared to other major economies, India holds immense potential in its “demographic dividend”— a large working-age population, estimated at ~68% within 15-64 years of age (source: UNFPA), that can drive economic growth. By including mental health as an obvious constituent of public health and prioritizing the development of infrastructure and human resource around it, the Union Budget 2026-27 marks a consequential shift, recognising human capital and health as key drivers of economic growth and productivity, that is especially relevant for India in achieving the mission of Viksit Bharat.

Beyond incremental increases in allocations, the budget signals a structural reorientation: a decisive expansion of emergency and trauma systems, renewed investment in neuro-specialty capacity, and the announcement of a second national institute for mental health and neurosciences — NIMHANS 2.0, along with the upgradation of central institutes, CIP, Ranchi and LGB, Tezpur.

This is a welcome move in acknowledging mental health as fundamental to individual and societal growth and efficiency. It is also aptly timed, with the National Mental Health Survey (NMHS)-II currently underway and expected to illuminate gaps in the country’s mental healthcare framework. NMHS-II expands upon the NMHS-I conducted in 2015-16 across 12 states, by covering all states and union territories, targeting adolescents (13- 17 years) and all adults of age >18 across all states, with a special focus on vulnerable populations.

Based on the previous survey, prevalence rates varied with geographic, socioeconomic or sex differences. 10.6% of Indian adults were reported to suffer from mental disorders with urban metros residents having greater prevalence (13.5%) than those in rural areas (6.9%) across various mental disorders; and persons from lower income quintiles were more affected.

While a country of 1.4 billion are served only by 47 government mental health hospitals, the significant burden is carried by a large network of primary health care centres; however, the workforce shortage is dire, with 0.75 psychiatrists per 100,00 people, compared to the WHO recommended number of 3. India notoriously ranks the highest on suicide rates (21.1 in 100,000); numbers amongst the youth are ever-rising. In fact, the Tele-MANAS 24/7 helpline, set up in 2022, has since served ~24 lakh people, among whom, ~70% are between 18-45 years, and primarily students.

All this paints a rather sombre picture of India’s mental health status amongst the country’s primary workforce, and demands operational measures to value young lives as positive economic assets.

Another significant finding from the NMHS-I is that the massive treatment gap for mental disorders ranging between 70-92%. Dr. B.N. Gangadhar, Director of NIMHANS at the time, cited in the NMHS report, that “while, nearly 150 million Indians need mental health care services, less than 30 million are seeking care; the mental health systems assessment indicates not just a lack of public health strategy but also several under-performing components.”

For decades, India’s healthcare architecture has struggled with fragmentation: uneven distribution and underdevelopment of emergency services, and neuropsychiatric services concentrated in a handful of apex institutions. Efficient emergency medicine, often the backbone of resilient health systems can significantly reduce mortality from accidents, violence, acute medical events, but also prompt interventions for psychiatric episodes. It therefore intersects directly with neurology and psychiatry, and emergency infrastructure with parallel neuro and mental health capacity would alleviate upstream bottlenecks at higher-order facilities.

That the Budget recognises this systems-level interdependence is a crucial advancement of mental health care and delivery systems.

In parallel to strengthening primary and emergency or trauma-related health care services, an effective healthcare strategy demands advanced clinical capacity for complex neurological or psychiatric conditions through translational research and workforce development. NIMHANS 2.0 — modelled on the NIMHANS, Bangalore — is a move to decentralise excellence.

If designed carefully, NIMHANS 2.0 can serve as a nationally important apex referral that is capable of dramatically scaling up advanced clinical health care delivery, specialist and allied workforce training, and most importantly, anchoring research programs on mental illness that re-evaluates and influences locally relevant mental health policy. These, along with the upgraded regional apex centres at Ranchi and Tezpur should function, not as isolated centres, but as hubs in a networked model spanning the country, supervising state and district level healthcare strategies.

The true measure of this Budget’s ambition however, will lie in integration. The linkage of emergency departments to district mental health programmes, tele-health platforms, and referral pathways to tertiary centres, as well as services for rehabilitation and psychosocial support will be foundational components for a reliable mental health care system.

The economic case for this expansion is compelling—road traffic injuries and neuropsychiatric disorders in the form of untreated depression, substance-use and cognitive impairments, account for a significant share of disability-adjusted life years (DALYs) in India. They not only erode workforce participation, and therefore productivity and economic growth at a population-level, but also impose catastrophic expenditure on households. Investments in emergency systems and neuro-mental health infrastructure are therefore productivity investments with long-term benefits, a healthy, sustainable workforce.

Yet, caution is warranted. Capital expenditure must be matched with sustained operational funding that drives faculty recruitment, curriculum development, research grants, community outreach and integration with international mental health systems to create an exceptional and transformative framework of mental health care in India. Definitive and transparent timelines and effective state and federal coordination, and accountability will determine whether NIMHANS 2.0, and all that the Budget promises, becomes a generational turning point for India's public health system or a protracted construction project.

The Budget has also sent an important social signal by including mental health into the fold of the public health and policy rhetoric, and reframing them as core public goods, not optional add-ons. This matters in a country where stigma, underfunding, and professional shortages have historically impeded progress.

The Union Budget 2026–27 offers an opportunity to reimagine India's health system around urgency, equity, and neurological well-being. The challenge now is execution — converting announcements into integrated, accessible, and humane systems of care.

About the authors-

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