

Union Budget 2019 expectations

02 July 2019 | Views

Healthcare Industry shares its thoughts



Union Budget 2019 is expected to establish the base for the Narendra Modi government 2.0 on July 5.

Much in anticipation, the healthcare industry shares its thoughts-

The budget should allocate enough for digital and other advancements in healthcare technology. Today the high costs of imported medical devices are posing a big challenge for the healthcare industry in India. The Government needs to look at giving incentives to the indigenous medical equipment manufacturing sector. In addition to being in line with the Government's 'Make in India' endeavor, this will also reduce the cost burden for patients.

Around 6 million people in India succumb to cancer, heart and lung diseases, stroke and diabetes annually. Preventive health check-ups can help in early diagnosis and timely treatment of such diseases. This will result in lesser complications, mortality and cost burden for the patients. Tax exemption (under section 80-D of the Income Tax Act 1961) on preventive health check-ups should ideally be substantially increased.

Also, despite the introduction and promotion of health insurance schemes, the overall coverage and penetration is still very limited. We expect the health insurance coverage in the country to be strengthened in the coming years. The government can also consider substantially increasing the financial coverage under Ayushman Bharat available for cancer patients.

Globally there is acceptance of the growing significance of molecular genetics in diagnosis as well as clinical management of various cancers. The government should help create a regulatory environment extremely conducive for promoting research in the field of cancer genetics by creating a hub for cancer research. Quality research in cancer genetics will go a long way in making new therapies available to Indian patients at very affordable costs.

RAJAN DATAR, Managing Director, Datar Cancer Genetics Limited

Our foremost request to the government is to accord due recognition to the emergency medical services (EMS) industry and recognise it as an independent sector within the healthcare industry. 90% of the EMS space is controlled by the government and we believe, the sector is in urgent need of impetus in the form of budgetary allocation of funds so that even the remotest parts of the country have access to timely quality medical care. There is a severe demand supply gap when it comes to the availability of ambulances in India with the ratio of ambulances per capita pegged at 1:146249. We need to move to a ratio of 1:60000, and this can only happen if the government incentivises the industry in the form of subsidies. The government should also invest in setting up skill centres for training paramedics and emergency medical technicians. While the government is already taking steps to improve road connectivity, we believe the government should look at increasing the accessibility of emergency medical services through station ambulance services on national highways and medical units on trains. With regard to taxation, we believe health services should be zero rated under the GST instead of a complete exemption so that cost of inputs can be reduced by claiming refunds of the taxes paid on these inputs.

Manish Sacheti, CFO, Ziqitza Healthcare

Over the last few years, the Indian healthcare sector has witnessed a major overhaul in order to attain the Prime Minister's goal of 'Healthcare for all'. This year, we are looking forward to some measures from the Government that incentivize HealthTech companies to improve the accessibility and affordability of quality healthcare. With more people adopting technology for various needs, it will be most appropriate if the government's health policy will accelerate the adoption of technology to address the unmet medical needs for millions. In this budget we are hoping to have clearer policies around different segments of health-tech including e-pharmacy, remote monitoring of patients, digital prescriptions and video consultations. We are excited to see a positive turn out from the Government to encourage start-ups across all domains, particularly in Healthcare.

Hari Thalapalli, Chief Executive Officer, CallHealth

For Healthcare Industry, I believe there are 3 areas that need immediate attention in this budget.

First of it being the Public Private partnerships - Ayushman Bharat was a great initiative by the Government of India that was much required for the country. But in order to realize its full potential and maximize the benefits, there is a need of enhanced fund allocation and introduction of PPP models for larger participation from private players, as 80% of the healthcare services in the country are provided by the private sector. PPP models would not only ensure a business boost for the private sector including the start-ups but will also contribute to nation's growth.

Second key area would be the GST benefits which also need to be extended to the start-ups and other players in the healthcare sector, beyond the core healthcare service providers. Due to its absence, we are not able to capitalize on the pass-through benefits. While we pay GST when we procure anything for our business we are GST free when sell the services to customer. Resulting in a cost burden for us. In industries like IT, there is input and output GST which provides a balance.

Third important aspect is the 'Angel Tax' - Government needs to take solid steps to reduce this burden for start-ups. Getting an investment in the current economic scenario is not easy. Angel Tax deduction from the difficulty brought in investment greatly hurts the start-ups.

Overall, healthcare as an industry touches each and every citizen of the country and people have been seeking positive reforms for the sector. We expect the government to take it as a priority area this budget, allocate more funds, announce steps that encourage private sector and start-ups to do business and provide quality services to every section of the society.

Rahul Paith, Chief Operating Officer, DocOnline

The main expectation from this year's budget is that the healthcare industry must be made attractive from investment point of view. We have seen private healthcare players have slowed down their expansion plans. Keeping in mind the role played by the private healthcare sector, the government has to increase its intent to collaborate with private sector.

The ambitious PMJAY scheme (Ayushman Bharat) holds a lot of promise and has the right intent, but I do hope the government authorities take the right partnership approach to a more inclusive participation.

Government spending money on healthcare stays put at around 1% of the GDP. The healthcare sector can only get affordable if the government revises this upwards. The government must extend sops to the sector especially with respect to power & utilities which is long overdue.

Cost of medical equipment's is another pain point, which requires thrust and making the medical devises & equipments a part of the Made in india , shall go onto benefit this sector.

Introduction of Artificial Intelligence facilitating and predictive analytics for patient monitoring will add to significant financial savings and will increase the reach of healthcare in the country.

Let 2019 be a Year of Healthcare Digitization in the larger interest making healthcare more accessible, more affordable and patient friendly.

Dr. Alok Roy, Chairman of Medica Superspecialty Hospital

With the introduction of central government's Ayushman Bharat National Health Protection scheme, the burden on healthcare scheme is only expected to rise. As it covers 50 crore households or 500 million people, healthcare isn't only getting more accessible but also becoming more efficient in diagnosing and treating patients with a strong primary care system in place. The need of the hour is the primary care system should be strengthened in such a way that they are capable of doing the initial assessment, diagnosis and basic management and appropriate referral if needed be. A thorough assessment and investigation at the primary care or secondary care can lead to a significant saving of resources in the territory level. The government should facilitate more Continuous Medical Education (CMEs) to upgrade their skills which can solve the problem of shortage of trained doctors.

Savitha Kuttan, founder & CEO, Omnicuris

Disease patterns have undergone a significant shift over the last two decades, and the disease burden for non-communicable diseases has gone up. With over 60 % of the deaths caused by NCDs, we are in the midst of a growing epidemic. These diseases require regular visits to the hospital and put a dent in patients' wallets and there is a growing need to educate people on the benefits of holistic preventive care systems such as yoga and naturopathy. Last year, the Union Government increased the allocation for the AYUSH Ministry by 1630 crores to promote education and research in indigenous systems of medicine. When Mr. Shripad Naik assumed office as Minister of State in the AYUSH Ministry on May 30, he stressed on the need to increase the infrastructure required for the dissemination of indigenous healthcare treatments. We hope that government will increase the budgetary allocation this year, and lay out a roadmap to better integrate the use of naturopathy and yoga as these two systems can be developed with minimum cost into our primary healthcare systems. This will help us reduce the burden of NCDs in the long term and bring down the economic burden of health for patients with limited financial resources.

K.K Ghosh, Chief Administrative Officer, Jindal Naturecure Institute

Ensuring accessible, good quality healthcare in rural India remains the biggest challenge in the healthcare sector. The government needs to direct financial resources to build the primary healthcare infrastructure in rural and remote areas, and that is difficult unless public spending on healthcare goes up from 1.15%. When over two-thirds of the sector is driven by private players, the government should be more willing to get into a partnership based approach with them to achieve universal health coverage in line with the UN's sustainable development goals. We also want the government to increase the tax exemption for preventive health checkups and promote preventive care practices to bring down the disease burden of non-communicable diseases, which are currently responsible for 61% of deaths in the country. We also need their support to

help reduce our dependence on China for Active Pharmaceutical Ingredients. It will bring down the manufacturing cost and market price of drugs, and make them more affordable for people living in remote/rural areas.

Ajoy Khandheria, Founder, Gramin Healthcare

We need a multi-pronged approach from the government to strengthen and reform the healthcare sector in India. On the one hand, it involves improving the state of public healthcare by increasing budgetary allocation, establishing more medical colleges and improving primary healthcare facilities. On the other hand, it involves measures to enable the private sector spread its presence beyond the urban landscape. This will help in improving accessibility for secondary and tertiary care in tier 2/3 towns and rural areas. For the latter to happen, the government must offer major incentives and tax breaks to private healthcare organizations setting shop in non-urban areas. These incentives can include income tax breaks for first few years of operations, help in procuring land, making medical equipment GST free for such hospitals and relaxation on service tax on hospital inputs. Similarly, establishing a mechanism to offer fund support or subsidization in treatment cost to private hospitals in smaller towns and rural areas can go a long way in bridging the accessibility gap.

At the same time, the government must also establish mechanisms to take private hospitals on board for Consultations to increase their participation under the Ayushman Bharat scheme. Rationalization of treatment packages and speeding up the recovery process are essential elements that will encourage more private hospitals to empanel under the scheme.

Dr Dharminder Nagar, MD, Paras Healthcare

To attain a comprehensive and universal health coverage, several steps need to be taken such as strengthening the public healthcare system from the primary to the tertiary levels with adequate infrastructure, human resources, medicines and other facilities. It is an investment and time heavy exercise. Home healthcare, fast gaining foothold in the Indian healthcare industry, is a cost effective and immediately to meet the targets the Government has set for itself. Home healthcare's integration in the Ayushman Bharat program can expedite its acceptance in the healthcare delivery industry and improve Ayushman Bharat's effectiveness manifolds. Doctors practising in public sector can refer home healthcare solutions to patients reducing burden on the hospital infrastructure without compromising on quality of care to the patient. With bodies like QAI taking the impetus of standardising and regulating home healthcare industry, the quality of care can now be vouched for. Furthermore, cost effectiveness of the solutions can be understood by the fact that home ICU sets costs around 50% less in comparison to the hospital ICUs. This is the future of the Indian healthcare system and would play a huge role in making the healthcare accessible and affordable, especially for the people who have poor access to healthcare solutions which is the key objective of the government and Ayushman Bharat scheme. The government should provide an enabling environment for the sector to grow. Modi government has followed the mantra of Make in India and ease of doing business. Special schemes or subsidies for the healthcare industry, home healthcare in particular, are the need of the hour. This is where the upcoming budget can show some vision and leadership.

Vivek Srivastava, CEO, HealthCare atHOME

Healthcare should be the supreme priority of the budget this year. There should be an increase in allotment of funds for the health sector primarily focusing on running campaigns for prevention of lifestyle diseases like Diabetes and hypertension and obesity, especially in children which is now an epidemic in the country. There is still a lack of awareness about diseases such as AIDS and Hepatitis. Ironically, we have numerous initiatives and programs, however due to dearth of manpower, there is also a shortfall in penetration of those programs. Besides, all vaccines should be free of cost and should fall under the universal immunization programmes as this step can eradicate several diseases from the country. Also, there should be a significant focus on the medical education and majorly towards building the research sector of the country.

Dr. Sitesh Das, CEO, Child Care Hospital

The budget should create a healthy India with distress-free and comprehensive wellness system for all, which can be achieved by the widespread adoption of indigenously developed medical technologies that solve problems faced by Bharat and India both.

AI has the potential to solve many problems of Healthcare Delivery in the country. Access to large volumes of quality data is vital for the success of AI. More budget allocation towards R&D in medical device innovation and digitization of care delivery process through right investment in tools, infrastructure and training will help us to meet some of the challenges in the Healthcare Industry.

Siraj Dhanani, Co-Founder and CEO, InnAccel Technologies

It is heartening to see how the government has been promoting healthcare startups in India and increasing the spending on healthcare. However, it comes as a disappointment to observe how life saving equipment such as ventilators, BIPAP and CPAP, etc. have been placed under heavy taxes. Even something as basic as crutches and wheelchairs have been put under the 5% to 7.5% GST bracket. These are essentials and should not have been taxed. It is perplexing to see how the medical equipment spare parts are being taxed under the highest slot of 28% GST. This is highly debilitating for the healthcare industry. We hope that there will be a critical evaluation of the situation and that there will be serious thought given to make healthcare essential equipment tax free.

Meena Ganesh, MD & CEO, Portea Medical

The healthcare sector is one of the biggest contributors to the Indian economy and accounts for 6% of the country's GDP. However, it is also fragmented due to issues such as over-dependence on a few institutions, delay in access to timely and quality treatment, lack of primary care infrastructure, and high costs. With Shri Narendra Modi assuming office once again as the Hon'ble Prime Minister, we are hopeful of some conducive policies for this sector in the budget ahead. Few of our expectations from the budgets include better healthcare access and infrastructure, health insurance, focus on preventive care and Diagnostics expanding the reach of Ayushman Bharat, and most importantly approval of E-pharmacy rules to ensure availability of Medicines across the country. There is an urgent and massive need for innovative, tech-based, large-scale as well as affordable healthcare solutions in the country. With the government pushing for affordable and accessible healthcare in its last term, we expect this year's budget to take some concrete steps towards the same this year.

Saurabh Agarwal, Chief Financial Officer (CFO), Medlife.com

The concept of "One Health" has been gradually gaining ground in the last few years. This concept includes plants, animals, the environment, and human beings. One Health recognizes that the health of the people is connected to that of the other elements of nature as well. We look forward to a budget that will set the agenda for One Health in India as well. It is important to bring administrative and budgetary control of all schemes under various segments that deal with the health of humans, animals, environment-climate change, agriculture production, and disease control, under one roof. We hope the government will allocate a common budget or link the budget for these programmes to ensure more intersectoral cooperation and sharing of knowledge.

Dr K K Aggarwal, President Heart Care Foundation of India (HCFI)

In February 2019, the Government revised the budgetary expenditure and allocation of Mid-Day Meal (MDM) Scheme from ₹10,500 Cr to ₹12,054 Cr. It was a welcome move, highlighting the Government's intent and commitment to the welfare and development of the children of our country. Akshaya Patra appreciates the Government's annual work plan and measures adopted to reform the programme.

We request the Government to allocate funds for improving the school infrastructure to ensure hygienic and healthy school environment, improved meal experience, clean hand wash and sanitation facilities, and an overall positive learning environment. We urge the Government to focus on the convergence of drinking and potable water schemes of the Jal Shakti Ministry with the Mid-Day Meal Programme by earmarking the budget for the scheme.

We also request to the Government to consider budgetary allocations for monitoring the growth and development of all the children in Primary and Upper Primary Schools and set up a parallel linkage with the National Health Mission in cases of referrals. We are also hopeful that the MDM Programme will be aligned with the parameters of POSHAN Abhiyan to address

child malnutrition using various interventions.

We also appeal to the Government to make budgetary allocation for extending the coverage of MDM Programme to children studying in classes 9th and 10th in Government and Government-aided schools to ensure continuum care to all school-going children in the country.

With such investments, we as a nation will be in a better position achieve the food, nutrition, health and education outcomes of the mid-day meal initiative and boost child welfare and education.

We would like to reiterate our commitment to the Government's initiatives aimed at the holistic growth and development of children. We will continue to offer our services and assistance in the implementation of these initiatives.

Shridhar Venkat, CEO, The Akshaya Patra Foundation