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Industry opens bag of expectations from Union Budget 2020-21

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BioSpectrum brings to you the industry expectations from the Union Budget 2020-21



The Union Budget for 2020-21 is all set to be presented on Saturday, February 1, 2020.

What is likely to be announced and what not will be answered soon. Nevertheless, the industry is ready with its bag of expectations.

BioSpectrum brings to you the industry expectations from the Union Budget 2020-21-

"Clear central government guidelines to enable Public Private Partnership in the diagnostics segment to realise the vision of quality advanced diagnostics at affordable cost with accountability and better clinical outcomes

Higher allotment for health sector to help schemes like Ayushman Bharat to reach larger section of population with measurable outcome

Investment in Diagnostics Services sector in tier 2 & 3 towns to get similar tax breaks & subsidies like hospitals

To avoid any ambiguities in GST in health sector including diagnostics services segment

Tax free spending limits for annual preventive HealthCheck to be enhanced to promote preventive medicine and wellness focused health care initiatives"

G. S. K. VELU, Chairman & Managing Director, Neuberg Diagnostics, Chennai

“With about 80% of the medical workforce in 10 cities serving only 28% of the total population, access to quality healthcare is still an aspiration for many. India will double the number of smartphones by 2023. The mHealth market is growing rapidly at a CAGR >42%. Policies and budgets towards adoption of clinically validated mHealth will help address last mile access challenges, improve quality of care and reduce costs.

Combating inflation and currency depreciation, requires exports to be a backbone of the economy. Entire industries and job markets in India come from exports, like the IT sector that draws 75% of its revenues from exports and constitutes 6.7% of India’s exports market. Affordable, clinically validated healthcare IT solutions can drive significant exports as healthcare spends are 8-18% in more developed economies compared to 1.2% in India and clinically validated solutions like digital therapeutics (DTx) are growing at a CAGR of >20% globally. Government benefits and forward thinking policies to this category can help drive exports and help an already ready talent and entrepreneurial base in India help boost the economy”.

Abhishek Shah, Cofounder Wellthy Therapeutics, Mumbai

"This year’s Budget comes at a time when we head into a new decade and there are high expectations for a certain paradigm shift in healthcare services across the country. It is important to strengthen the infrastructure, capacity and financing for the healthcare sector while envisaging a complete overhaul of the sector in a way that will expand its scope and scale.

India has one of the lowest spending on healthcare globally. So, it is more important than ever now to revitalise the public health system to ensure access, outcome, quality and affordability. The focus must be on finding solutions, which are affordable, scalable and yet high quality.

A main focus in Budget 2020 must be given to transforming the home healthcare industry. Non-communicable diseases (NCDs) — or chronic diseases — are presently a challenge for India’s health sector since they are increasing at an alarming rate. These are diseases of long duration and generally slow in progression. Unlike the largely short-term effects of communicable diseases, the dual health and economic impacts of non-communicable diseases on individuals, families and households are both devastating and long-lasting. The ratio of hospital beds to the number of patients is low. Focus is required on developing home healthcare which can address the gap in hospital beds and patients by offering care for terminally ill patients at home in a hospital-like setting.

Home healthcare is also currently not recognized as a mainstream sector. If this sector is brought under government schemes like the Ayushman Bharat Yojana, there can be an increase in the limits on reimbursement of expenses on diagnostics, preventive health check-ups, etc.

The government needs to promise comprehensive primary care that has continuity with higher levels, improved access and affordability of services through a combination of public hospitals and strategic purchasing of services from the private health sector. The most crucial element for the implementation of the budget is a strong public health infrastructure. While there was a commitment to increase the healthcare spending to 2.5% of the GDP by 2025, as of now it still remains at 1%. This requires some attention in Budget 2020.

The preventive health check-up segment also requires some attention. Currently, preventive health check-ups account for less than 10% of the total market and this segment is witnessing a CAGR of 20%. The government needs to increase the tax exemption on preventive health check-up from the current Rs. 5,000 per person to Rs. 20,000 under section 80-D of Income Tax Act 1961. This will encourage more people to go for health check-ups.

As technology is making great inroads in all sectors including healthcare, this year's Budget will have to bring a mindset shift by identifying healthcare as an important pillar in improving both quality of life and economic prosperity of the nation."

Dr. Rohinton Dastur, Director Medical-Bhatia Hospital, Mumbai

"The Indian Budget should focus on increasing public spending on healthcare, considering India's demographics, growing population and increasing disease burden. The Budget of 2019-20 saw Rs62, 398 crore outlay for the healthcare sector which was just 1% of GDP. This should be increased to 2.5% or around Rs150,000 crore to drive the health sector fast forward. Along with the private spend of 1.5% the total GDP percent shall go to an acceptable 4%. In developed countries it is 10% and in the USA it is 18% of the GDP. This will help in making healthcare accessible to marginalized populations.

There is a requirement for a viability gap funding by the government for smaller hospitals in Tier 2 and 3 cities by the government to increase the provider base for Ayushman Bharat. There is also a requirement for increasing the package rates of Ayushman Bharat for more hospitals to take this up and make the program a success.

Focus on increasing the number of healthcare professionals as the doctor: patient ratio is 1: 1,445 against the WHO recommended 1: 1,000. Government should ease the rules and regulations for establishing more medical teaching and training institutions to produce more medical professionals to fill the gap. The recent decision to allow medical colleges by joint venture between trusts and companies is a welcome step with the PPP model attached to government hospitals. The establishment of National Medical Commission (NMC) aims to address the skill gaps but more clarity on increasing UG and PG seats should be brought in.

The government should give a boost to digital healthcare to increase accessibility. Although the National Digital Health Blueprint (NDHB) is a step in the right direction, there needs to be further action and investment for developing infrastructure for electronic health records, for data portability, privacy and security. Telemedicine connectivity between the Primary Health Centers, Taluk Hospitals, District Hospitals and Medical Colleges must be increased to provide expert opinion in the peripheral centers.

Compulsory rural service for two years after MBBS and PG doctors and other para medical graduates with higher pay scales supported by government should be rolled out to get more doctors to the rural areas."

Dr. Azad Moopen, Founder Chairman & Managing Director, Aster DM Healthcare, UAE

"The cost of hospitalisation is increasing and medical treatments are becoming more expensive . With the upcoming Budget 2020, we expect the government to focus on increasing its overall allocation on the health sector. Unfortunately, in India, the awareness about insurance is very low which is one of the major reasons for low-level of insurance penetration. Before Ayushman Bharat Yojana was introduced, very few people had any kind of health insurance, thus the government should also consider on introducing measures to increase health insurance penetration . The industry expects tax deduction cap for medical insurance under Sec. 80D to be increased further from Rs.25,000 to Rs.50,000 for self, and from Rs.50,000 to Rs.75,000 for elderly and dependent parents. This could be a huge relief for those who are apprehensive about the rising healthcare costs. The government should also consider reducing GST slab for health insurance premiums paid, tax benefits for health checks ups and should also focus on primary care and prevention as these could be driving factors for customers to

invest in health insurance. To sum it all, these measures would help in increasing health insurance penetration in India as well as bolster a culture of preventive healthcare in India."

Mayank Bathwal, CEO, Aditya Birla Health Insurance, Mumbai

"In the upcoming budget, we expect the government to focus on bringing more people under the ambit of Life Insurance, promote long-term savings and encourage capital formation. In a country with inadequate social security, protection offered by life insurance is inevitable; however, lack of its penetration is plaguing the industry. Introducing separate deduction of Rs 50,000 for first time life insurance buyers and an additional capping of Rs 50,000 for someone purchasing a pure protection (term) plan will put life insurance on fast track. Another important move would be to encourage women to insure their lives and savings. Extra tax benefit for women policyholders will be a significant step. Moreover, relaxation of section 10(10)(D), where minimum sum assured is required to be 10 times of annual premium will be a desirable move. The budget should also bring about measures to bring parity between pension products offered by life insurers and NPS. Lowering rate of GST at 12% (with input tax credit benefit) will be beneficial for both policyholders and companies. These measures will pave the growth path for the LI sector, besides increasing the security net of the nation's people at a very low cost."

Kamlesh Rao, MD & CEO, Aditya Birla Sun Life Insurance, Mumbai

"The economy is going through a phase of low GDP growth, Finance Minister should adopt softer interest rates to encourage new investment and expedite Capex cycle aiming at generating more employment opportunities and roll out tax benefits for individual taxpayers so consumption can also get a boost.

Enhancement of weighted tax deduction on R&D from 150% to 200% will enable new discovery and innovation. If the government gives proper financial support to SMEs from technology upgradation fund for Pharma SMEs, then the pharma SMEs in India can graduate to the next level and can become exporters.

Indian Pharma industry is facing challenges such as increased scrutiny from drug regulators, stalled new product approvals and price control in the home as well as developed markets affecting the growth. With the government's initiative, not only can the industry support the government in providing affordable and efficacious medicines it will also help to mark its presence in the global markets."

Mahendra Patel, Managing Director, Lincoln Pharmaceuticals, Ahmedabad

"Over the last few years, the government has taken some major steps to improve Healthcare in India. But there is a lot more to be done, so the government should continue to invest in medical education and the healthcare infrastructure. The government should invest in best of breed digital tools that supplement the new competency based curriculum, thus enabling the students to learn better, being on par with their counterparts in other countries. We must also ensure that medical colleges and hospitals have access to world class evidence based content and technology solutions, that accelerate learning and readiness to practice. These investments will go a long way towards reducing medical errors and improving healthcare outcomes".

Shireesh Sahai, CEO – Wolters Kluwer India, Gurugram

"Molecular diagnostics and genetic testing for preventive screening of cervical, breast and ovarian as well as prostate cancer is known to be significantly more accurate than regular tests and are routinely used in the developed world. However the higher costs of these tests dissuade doctors in India from prescribing them to the lay man, while the lack of scale inhibits R&D activity to come up with lower cost and South Asian genome relevant tests. If the tax exemption on preventive health check-ups is raises from the current Rs. 5,000 to Rs. 20,000 under section 80D of the Income Tax Act, it will significantly accelerate the adoption of a better level of healthcare in the country."

Nickhil Jakatdar, CEO, GenePath, Pune

“Over the last few years, healthcare sector hasn’t received adequate attention in the Union Budgets. This year, we anticipate that the Government will introduce measures to improve the quality of healthcare and make it more affordable to common citizens. Over the past decade, healthcare is in a state of constant transformation, as a new revolution in the sector is setting in to transform the sector – mainly driven by mobile technology, artificial intelligence (AI), Big Data analytics and other emerging technologies. The Government should earmark budgetary allocations to deploy newer technologies for enabling access to better healthcare to the farthest corners of the country. Special emphasis needs to be on improving the state of rural healthcare as majority of our population still continues to dwell in villages and smaller towns”.

Dr Somesh Mittal, MD & CEO Vikram Hospital, Bengaluru

"The government should set aside funds to support the development of a federation of healthcare data. This will be the biggest lever for research and growth in the sector and without a government level push, individual players will be unable to do a whole lot. Second, the government should set aside incentives for organizations that are collecting, storing and streamlining their data assets in a manner that allows for the deployment of the data protection bill.

Despite the intention of the government to promote data privacy through proposals such as the Digital Information Security in Healthcare Act (DISHA), the reality on the ground is fraught with a lack of systems to collect, de-identify, store or control access for data. I hope that the budget will allocate funds to support data privacy initiatives as well.

I strongly believe that this next decade will be a decade of data in healthcare, the budget must reflect this focus as well”.

Zoya Brar, Founder and CEO, CORE Diagnostics, New Delhi

“India is a country of over a billion people and has many key areas to focus on including healthcare, education, agriculture and employment amongst others. Currently, India spends less than $100 average per person on healthcare, which is amongst the lowest across the world. While the government has taken positive steps over the last few years in ensuring universal healthcare for its citizens. Ayushman Bharat is a good step in the right direction, however, inclusion of tertiary care is critical to making it beneficial overall. We also expect more clarity on the policy front for healthcare to benefit the patients and hospitals alike in order to ensure quality treatment and clinical excellence.

Cancer is a heavy burden on our society and thereby the economy. We anticipate the government take cognizance and increase taxes on tobacco and related products to curb their consumption.

Overall, we are optimistic about the government proposing tax cuts for both capital gains as well as income tax. This should help revive the economy and improve consumer spending which is good for businesses especially startups”.

Rashie Jain, CEO & CO-founder, Onco.com, Bengaluru

"As we look forward to some key announcements in 2020 Union Budget, there is also high expectation from the healthcare sector. As a Gynecac endoscopic surgeon and IVF specialist, I would expect a favorable budget for patients suffering with infertility. Welcoming a baby is a life changing decision but infertility diagnosis is not completely covered as insurance companies might cover one kind of treatment, but they might not cover another. I hope that the government takes some important step towards covering these treatments. Another important point that we hope the Government focuses on is to reduce GST exemptions on medical equipments so that we can invest on newer medical equipments and in turn give quality healthcare at low cost to vast majority of population across the country. GST has increased the cost of various medical equipments due to which we end up paying more tax and at the end we are unable to procure the best of equipments that is currently available. So, to make healthcare more affordable, high taxes levied on medical equipment need to be reduced."

Dr Vidya V Bhat, Medical Director, Laparoscopic Surgeon & Fertility Specialist, Radhakrishna Multispeciality Hospital & IVF center, Bengaluru

"We all are aware of the fact that non communicable diseases (NCDs) have undeniably become a healthcare priority in India. We have also observed that the pattern of NCDs in rural India appears to be largely similar to that in urban India. Hence, it has become crucial to encourage Indian population to go for regular screening for early diagnosis of NCDs. Early detection and timely treatment can be helpful in reducing the overall burden of the last stage treatment expenses and overall economic growth of the country. In addition, we have seen a potential in new technologies like Genetic testing for diagnosis in terms of how it can help in knowing the predisposition of various NCDs so that people can take necessary steps to control them. Besides, it can contribute in personalizing the health and wellness aspects for an individual thereby reducing the curative costs. Having said so, we strongly recommend to increase the tax exemption limit on preventive health checkup including genetic testing under section 80D to Rs 20,000 per person annually. This will encourage people to go for regular health screening and help us make India a 'Healthy India'. Furthermore, specific tax benefits for preventive healthcare should be given to corporate on per employee basis, so that they are motivated to invest in their employees' health and well-being. Also, there is a need to bring in Zero-rating GST on healthcare services as it would reduce the cost for healthcare providers. As a result of which, the benefit will be passed on to the end consumers which will lower down the overall medical care cost."

Amol Naikawadi, Joint - Managing Director, Indus Health Plus, Pune

"India is the pharmacy of the world and accounts for approximately 20 per cent of the market share globally in terms of volume. We have a competitive advantage in the global Pharmaceutical Industry. It is important that the industry moves up the value chain by focusing on innovation and quality. For creating an enabling research eco system, the starting point would be to increase expenditure on healthcare from the current about 1.2 per cent to 1.5 per cent of GDP this year and about 5 per cent by 2030, in line with the developed European and North American economies.

The pharma industry must move from branded generic drugs to discovering and developing new drugs; for that creating an enabling research system is a must. The forthcoming budget provides the government with an opportunity in this respect by reinstating weighted tax deduction of 200 per cent on R&D. The budget should also provide for incentives to set up 4-6 bulk API and innovation clusters to reduce dependence on API imports and to align with the idea of Make in India to Discover in India. The industry aspires to become world's largest supplier of quality medicines; for this to happen, the growth would have to come from increasing exports to large and traditionally underpenetrated markets such as Japan, China, Africa, Indonesia and Latin America."

Sudarshan Jain, Secretary General, Indian Pharmaceutical Alliance, Mumbai

"The disease burden of non-communicable diseases is steadily on the rise. They are currently responsible for 61 percent of deaths in the country. We need major incentives and tax breaks and formulate strong policies to achieve universal health coverage. With a shortage of over 600,000 doctors and 2 million nurses, and just 0.9 hospital beds per 1000 people, our healthcare system needs more manpower and infrastructure in both rural and urban sectors. The government needs to allocate funds to bridge course authorising community health workers to practice modern medicine can help make up for the chronic lack of availability of primary care physicians in rural and remote areas. With dismal insurance penetration rates and the lack of insurance for primary OPD visits, India also has one of the highest out of pocket health expenditure rates globally, pushing over 58 million people into poverty annually. The temporary economic slowdown also means that public spending on health might shrink, which is not something we can afford. More importantly, as long as the government spending remains low, the labour productivity in the health sector is not going to go up. However, Niti Aayog's latest report identified five areas of focus for the future of the health system, including restructuring health financing, integrating service delivery, educating patients, and boosting digital infrastructure to increase access to quality healthcare. The government needs to put all these things under consideration while allocating the budget in the healthcare industry and revamp the state of healthcare in India.

Also, as a woman entrepreneur, I expect that Narendra Modi government's Union Budget will once again lay its emphasis on the achievement of females in various fields. As women constitute just 14 percent of the national entrepreneurial force, there should be a committee that will ensure gender equality, boosting confidence on the part of investors, a safe social environment, and the ease to juggle work and family life. Government should continue encouraging more women entrepreneurs to come forward and spread their wings. There should be a committee to evaluate and suggest measure to improve women's welfare and this move would be beneficial to empower the fairer sex in the society. There should be easy loans schemes which will help in boosting more women entrepreneurs to come forward and spread their wings. It is essential to understand that empowering women entails equipping them to be completely independent, financially, physically and mentally. The Government should step up measures to improve women's safety, starting with round the clock helplines, crisis centers, fast track courts, and programs to educate them on their rights. Legal authorities must be welcoming towards women

so that criminal acts do not go unreported."

Savitha Kuttan, CEO, Omnicuris, Bengaluru

"The countdown of Union Budget 2020 has already begun and the expectations from everyone have risen already. Even we as a firm believer of naturopathy are expecting major initiatives from our Government, who has been taking enormous steps to promote ayurveda and yoga in day-to-day life. Time and again it has been seen that AYUSH systems have immense potential to tackle the rising healthcare burden of Non Communicable diseases (NCDs) in India. Besides yoga, Government should promote naturopathy and make it a part of school and college curriculums, and set up a committee to introduce naturopathy practices in universities. Standardizing naturopathy practice is the need of the hour as it will enable us to lay down strict standards that have to be adhered to by all Naturopaths. With a population of over 133 crores, the government really needs to leverage the resources of alternative medicine systems so that universal health coverage can be achieved. Legitimizing naturopathy and conducting mass awareness campaigns to educate the masses is the right way forward."

KR Raghunath, Senior Chairman, Jindal Naturecure Institute, Bengaluru

"The Union Budget 2020 comes at a crucial time when the country is struggling to keep up with the rest of the world for Universal Immunization Coverage amongst children. While it was stated that the government would increase healthcare spending to 2.5% of the GDP by 2025, it continues to stand at around 1.4 % in 2019. We sincerely hope that this increase in India's healthcare budget will come in effect in this Budget. We also hope that a large portion of this will be spent towards bridging the early child-health gap by 'Leaving No Child Unattended', eliminating disparities of vaccination and nutrition.

India committed about Rs. 52,000 Cr. for its immunization program between 2018 and 2022, however with GAVI's support ending this year, India will need an additional Rs. 18,000 crore by the year 2022 in order to achieve 90% universal immunization coverage.

With the launch of Intensified Mission Indradhanush 2.0 (IMI 2.0), India has the opportunity to achieve further reductions in deaths among children below five years of age, and achieve the Sustainable Development Goal of ending preventable child deaths by 2030. However, this cannot be done with the old paper-based vaccination records, and only technology can help in achieving this aggressive and important target. The government must intensify its partnership with private health-tech companies who are into bridging the immunization gap, and must allocate funds towards adoption of technology solutions for measuring and managing the key denominators of early child health.

The future of India is in its children's health and as a country we must start allocating more funds towards full immunization coverage to secure the future health of children and that of the nation."

Neeraj Mehta, CEO, ImmunifyMe Healthcare Technologies, New Delhi

"Increased spending in education needed to bring in more standardization- There is a need to have a centralized database, which will benefit the universities and education institutions.

Teacher Training/up skilling requirement- It should be mandatorily linked with respective industry for teaching as well as non-teaching staff for two way communication & coordination for need versus deliverables.

Tax benefits-The government has made it mandatory to spend 2% of Net profit on CSR. Of this 2%, we feel, a certain fixed percentage has to be spent on research in the respective industry/profession. Only by adoption and outcome based approach, it has to be linked with certain tax benefit thereafter.

More research funds: To be linked with point no.3 and more fund to be earmarked.

Digital upgradation: Mapping methodology to be adopted right from nursery education to Post Ph.D. linked with NITI Aayog for fulfilling national & international requirement. Usage of IT should be optimally maximised for reaching nook and corner of country to meet uniform standards.

New ranking system for higher education institutions: The government should come up with Adoption, Outcome and college social responsibility based policy for ranking of institutions, in adherence to mentorship strategy for holistic development and to meet global challenges.

Encourage partnership programmes with foreign universities: The government should encourage blend courses, where students can spend a portion of their courses/syllabus in learn from a foreign university. Many foreign universities are interested in such partnership programmes with Indian institutes and universities. Thus, overall the course will be cost effective for the student and at the same time meet his local and global needs."

Nitin Maniar, Chairman, Governing Body, Bombay College of Pharmacy, Mumbai

"Indian Medical Device Manufacturers wants to place India among the Top 5 Medical Devices manufacturing hubs worldwide by ending 80-90% import dependence forced upon India

Incentivize traders to become manufacturers rather than encouraging manufacturers to import and sell under their brands.

In last 2 years there has been a huge boost in manufacturing of Consumer Electronics & Mobile Phones with Custom Duty being increased to 15% - 20%. Similar success can be replicated in Medical Devices, if Government is similarly decisive and bold. Halfhearted measures will get half way results. No action will result in further import dependency as was the case last year and more manufacturers will turn to traders and imports. Investments by Indian / overseas manufacturers in building factories need to be protected

Budget Recommendations:

Reasonable Tariff Protection for enabling Make in India: incentivise traders to become manufacturers as was status a decade ago rather than current status where we encourage manufacturers to import and sell under their brands. To promote domestic medical device industry that will subsequently reduce India's heavy reliance on import the Current Basic Import Tariff of 0-7.5% needs to be over 15% for Medical Device (the Bound Rate under WTO is 40% Duty) and Concessional Duty on Raw Material may be retained at 2.5% for now, for Next 3 Years. GST regime is in favour of imports and has been detrimental to Make in India. MSME sector has been worst hit with huge job losses. After GST, imported Devices are cheaper by 11% and at times we are unable to compete with Chinese import in Government Tenders. In other Countries like Iran as soon as a Factory is put up, they start to support the domestically produced Product with import restrictions and Duty protection.

Level playing Field for Domestic Manufacturers: If government can boost manufacturing of mobile phone & consumer electronics by levying 15% to 20% duty and for automotive, bicycles & motorcycles, we request for medical device, which is even more important similar tariff protection clauses. Unless the Indian manufacturers get level playing field and visible benefit to manufacture in India in comparison to the imports, nobody will venture out to this tedious job of putting together men, machine and capital for manufacturing of medical device in India to make quality healthcare affordable to common masses which is a dream and mission of Prime Minister Narendra Modi.

Encourage a Phased Manufacturing Plan of Components by increasing duty to 5% Basic Duty on import of Part or Accessories for Medical Devices, up from 2.5% done in January 19th 2016 by Notification No. 4/2016 and then increase to 7.5% in 2nd year under heading HS Code 90.18, 90.19, 90.20, 90.21, 90.22. Consider 2.5% Basic Duty on import of Medical Grade Raw Materials for Medical Devices under heading also for HS Code 90.27, 30.06 & 38.22 on actual user condition, as had been done earlier for 90.18, etc., to include items in the Notification 50/2017 Dt: 30.06.2017 to ensure there is no inverted duty structure.

India Needs to Regulate all Medical Devices under a Patients' Safety Medical Devices Law to protect patients and aid responsible manufacturing

Need to protect Consumers from exploitatively high MRP in Medical Devices by rationalized price controls and aid ethical marketing by capping markup over import landed price.

Need to encourage employment and Make in India of Medical Devices and address 80-90% import dependency by a predictive nominal tariff protection policy as done for mobile phones to ensure a vibrant domestic industry & encourage competitiveness and price stability driven by competing domestic players.

Need to incentivize Quality in Healthcare Products in public healthcare procurements by preferential pricing for Quality, Q1 e.g. ICMED (QCI's Indian Certification for Medical Devices) instead of L1 (lowest price) to ensure patients access

acceptable quality for healthcare.

The Indian Medical Device Industry is very hopeful the Union Budget will make quality healthcare accessible and affordable for common masses, enable placing India among the Top 5 Medical Devices manufacturing hubs worldwide and help end the 80-90% import dependence forced upon us and an ever increasing import bill of over Rs 38,837 Crore. Right from trade margin rationalization to ensuring a separate set of legislations and regulatory framework to govern the medical device sector and everything in between needs to be looked afresh to galvanize domestic manufacturing. A pro-active policy formulation to regulate Medical Device differently than Drugs should permit free market dynamics to succeed and keep regulations simple, protecting consumers and incentivizing Make in India."

Rajiv Nath, Forum Coordinator of Association of Indian Medical Device Industry (AiMeD), New Delhi

"India has one of the lowest spending on healthcare globally. While it was stated that the country is set to increase the healthcare spending to 2.5% of the GDP by 2025, it continues to stand at 1%. We hope to see some action around this in the upcoming budget. A major focus must be given to the home healthcare industry which is one of the ways to realize the government's vision of affordable healthcare for all. However, current taxation policies and regulations do not cover home healthcare and diagnostic tests and other at-home aspects still form a large part of people's out of pocket expenses. Home healthcare is not recognized as a mainstream sector and should be brought under the ambit of governmental schemes like the Ayushman Bharat yojna. We also expect to see an increase in the limits on reimbursement of expenses on diagnostics, preventive health check-ups, etc. and for home healthcare to be made a part of this exemption. Critical healthcare equipment such as ventilators, wheelchairs, crutches, and medical equipment spare parts should be exempted from GST. This will help make quality healthcare more accessible.

While it is encouraging that steps have been taken to register services like elder care homes and home care agencies for provision of care to elderly, the real challenge is in terms of lack of facilities. Add to this is the cost of elder care and complete non-availability of insurance."

Meena Ganesh, MD & CEO, Portea Medical, Bengaluru

"The government had pushed for affordable and accessible healthcare in its last term, and we hope that this year's budget will also have some concrete action plans to realize this vision. Innovative, tech-based, large-scale and affordable healthcare solutions are the need of the hour in India and our expectations from the budget also revolve around the same.

We hope the government will simplify regulations for pharmacies buying medicines from GST paid channels. There should be 100% input credit for such entities and the working capital must be freed even under circumstances where the manufacturer or authorized distributor have erred on paying the deposit. The retailer has no recourse to anyone else nor the margins to absorb the entire GST as is the case today. We also hope the government will consider offering income tax breaks to affordable medicine providers like Dawaa Dost as this will make them more accessible to the masses. There can be specific provisions for the creation of a sunrise industry for providing income tax subsidies for hiring new talent from a PF contribution standpoint, accelerated depreciation on stores, and subsidy on technology development via grants. There is a huge opportunity in terms of building a new industry and the need of the hour is for government support like the one provided to the IT sector two decades back."

Amit Choudhary, Founder & CEO, Dawaa Dost, Mumbai

"The start-up ecosystem in India is thriving thanks to some conducive government policies announced in the last budget. Given this, startups in all sectors including those focusing on healthcare and health tech innovation are going to witness rapid growth in the years ahead. However, the issue that needs to be addressed at the outset is India's current healthcare infrastructure and allotted budget which are not adequate to ensure universal healthcare services to all. This is where innovations in medical devices and services come into picture and we hope the budget will focus on this aspect. A growing number of tech-enabled companies like Agatsa are stepping in to provide specialized healthcare monitoring solutions through portable devices using cutting edge technology. The need of the hour therefore is to provide adequate funding and support to fuel further innovations under the Make in India and Digital India campaigns.

While the market for healthcare startups and digital healthcare devices is robust, we also need more support from the government to promote indigenous innovations and provide an impetus to domestic device manufacturers. We would like to see the government procure more Indian products from the market so that our dependency on foreign imports can be brought down to a minimum. This will not only boost the Indian startup niche but also make healthcare services more affordable for the common people."

Neha Rastogi, Founder and COO-Agatsa, Noida

"The femtech industry has a huge potential and is expected to reach $50 billion globally by 2025, as per estimates by Frost and Sullivan. Though this is a relatively new industry, it aims to address some of the age-old problems women have been facing and is projected to be the next big thing in the women's health and hygiene market. It promotes the use of digital health applications such as hygiene products, diagnostics, reproductive health monitoring systems, etc. to help women take control of their health. Given this, our expectation from the budget 2020 centres around government policy and regulation to enable ease of doing business through centralized policies. This will also attract more foreign investment opportunities in the segment. There is also a need to simplify the taxation process and make early stage funding easier. While the government has done well in terms of facilitating foreign investments in India, this outlook needs to be maintained going forward to effectively promote more innovations under the Make in India campaign. Even though there is immense potential, the investor confidence in the Indian femtech industry is still considerably low – and we hope the policies to be announced in the budget ahead will be an enabler."

Vikas Bagaria, Founder, Pee Safe, Gurugram

"Data from the World Economic Forum indicates that over 77% of Indians will be under the age of 45 by the next decade. However, despite being one of the youngest countries, we are also the most unfit with estimates suggesting that 1 in every 3 Indians are medically unfit and suffer from preventable lifestyle disorders. In the last five years, the government has exhibited a keen interest in the revival of Yoga. The hon'ble prime minister has personally taken a lot of interest in positioning Yoga as a universal exercise that can help people stay fit, look good and be healthy. While these have been welcome and have helped encourage players like SARVA who are ensuring that there is a more organized and holistic approach to the concept of yoga, we still have a long way to go. Preventive health and wellness is the need of the hour for each given the high instances of disease and lifestyle-induced illnesses in our country. In order for holistic health to be made more attractive to consumers, it is important that the tax component on commercially-run Yoga practices and institutes be revisited since yoga can help address chronic medical ailments and fill the gaps in traditional healthcare.

Under section 80D of the Income Tax Act of 1961, taxpayers can claim tax deductions on health checkups and health premiums; preventive wellness, however, is still placed under a high tax bracket. This year however we hope that the budget goes beyond providing tax deductions to those getting back to good health after falling sick but also supports and incentivize those who take care of their own fitness. This could potentially include fitness services such as memberships to gyms, fitness studios, commercially-run yoga centers, etc."

Sarvesh Shashi, Founder, SARVA, Chennai

"Medical Technology Association of India (MTaI), which represents leading research-based medical technology companies with large footprint in manufacturing and training in India, today said the government should streamline tax and duty structure in Union Budget 2020-2021 to ensure people get long-term access to quality medical devices.

High customs duties have adversely impacted the costs of the medical devices and equipment in India which contradicts the government's efforts to provide low cost healthcare available to masses through programs such as the AB-PMJAY. This is particularly concerning since more than 70% of the demand for medical devices is being met by global innovators

The issues which need to be addressed in the budget this year are stated in detail below:

High Customs Duties: The high customs duties have adversely impacted the costs of products in India which contradicts the government's efforts to provide low cost healthcare available to masses through AB-PMJAY. We seek reduction of customs duties (at the minimum, bring down to 2.5%) at the earliest to affect the margins lost due to currency depreciation. The INR depreciation, combined with the high customs duty rate has already increased the cost to the patients, making it harder for

them to have access to quality medical devices.

Additionally, since the custom duty regime on most medical devices in neighbouring countries of Nepal, Bangladesh, Sri-Lanka, and Bhutan is lower than in India, the duty differential could lead to smuggling of low-bulk-high-value devices. The result will not only be loss of revenue for the government but also the patient will be beset with products which are not backed by adequate legal and service guarantees.

The recently hiked customs duties on IVDs (from 10% to 30%) that are imported from USA is also likely to have an impact on accessibility and affordability of diagnostics services in India. India imports 60% of its diagnostics, most of which include tech

Intensive testing methodologies such as molecular testing etc. which serve the priority diseases like HIV, Hepatitis, Cancer markers, among others and are not domestically produced. Increasing customs duty of such preventive tests for critical diseases like cancer and HIV will severely affect the accessibility to affordable healthcare.

GST on medical Devices & Spare Parts: GST should not be charged on free goods and samples of healthcare products as it is needed to promote expansion of healthcare sector through reduced costs improving patient accessibility. GST on medical devices is taxed @12%; it should be brought at par with preferential products and taxed at lower rate of 5%. Spare parts to be used for medical equipment should be charged at the same rate of customs duty and GST.

Tax Holiday for R&D: Tax holiday should be provided to medical device R&D centres under the Transfer Pricing Act to boost investment in setting up in-house R&D capabilities. We also seek tax incentives for the industry for developing global patents from India and tax deduction on income made by individuals or a company for rewards earned on patent development or patent licensing.

GST on Healthcare Services: Healthcare services are currently exempt from GST. As a result, hospitals are not able to claim GST input. This results in higher cost of treatment for the patient. Once zero rated, Hospitals will be able to avail GST credit on inputs, leading to lower healthcare services cost.

Expenditure on CSR: Expenditure on CSR is being disallowed in tax computation. CSR Expenditure has been mandated under law and therefore should be claimable as tax deductible expenditure.

Tax Incentives on Exports: Currently, there are no tax benefits on export income. Export being a growth engine for the economy it is important that efforts should be made to make it competitive in the international market. India's export performance in last 2-3 years has been on a decline which impacts the balance."

Sanjay Bhutani, Director, MTal, New Delhi

"As an emerging economy, India has a considerable expenditure when it comes to tele-medicine. More than 1700 crores are dedicated to the growth of tele-medicine in the country by the government of India. The problem, however, lies in the optimization of this budgeted amount. What is lacking is the proper utilization of the funds by the state within the desired time frame. There is a long drawn tender process which leads to the delay ultimately causing the budgeted amount to lapse. The way forward is to have proper guidelines in the field of tele-medicine to ensure a proper channelization of the funds allocated by the centre."

Ayush Mishra CEO & Co Founder, Tattvan E Clinic, Gurugram

"In order to compete with the global pharma, Indian industry needs to create a good patent bank. In order to make this happen, it will have to restore 200% weighted tax deduction on R&D related expenditure. Future of the industry is highly dependent on MSMEs. The government should ensure these companies get easy credit access at cheaper rates. This will also enable them to comply with WHO Good Manufacturing Practices and other standardisation norms.

A virtual vendor platform could be created for supplying APIs, which would minimise the cost to manufacture and make round the clock availability of APIs. As our industry is people and talent intensive, skills development funds need to be allocated. India has a huge global potential in the areas of Biopharmaceuticals and Biologicals. The government should consider this sector for R&D tax concessions and announce incentives that will boost manufacturing and infrastructure in the area."

DR RB Smarta, CMD, Interlink, Mumbai

"The investment to get the economy back to strong growth is required especially in job creation and infrastructure. The economy is critical to be revived. For the optical industry specifically, consideration for GST reduction, assisting those needing vision correction."

Maarten Geraets, CEO Essilor India, Bengaluru

"While the government has started initiatives related to universal healthcare coverage through Ayushman Bharat, I hope, as we head into a new decade, there is more allocated to the sector. India has one of the lowest spendings on healthcare globally and I would like to see more focus and funds put into the country's healthcare segment. It is also important to focus on the quality of clinical care and outcome, and not just the transactional cost as ultimately this is what would be beneficial to the society.

For the private sector, we need to get infrastructure status from the government for healthcare with fast-track regulatory and approvals including tax rebates, subsidies and import duty reductions where Indian products are not available in the market. The cost of providing healthcare is rising and the government needs to ensure that private healthcare is protected and supported in the country."

Suresh Ramu, Co-Founder and CEO, Cytecare Cancer Hospitals, Bengaluru

"I hope it is not a bureaucratic budget but a one from a visionary statesman. Enough options are available to the Govt and they should not hesitate in taking bold decisions which are necessary to spur the growth and make India a $ 5 trillion economy and a superpower. In our category, imports from China are still continuing, which is not necessary considering that many of the local factories are closing down. We surely do not need import of adult diapers. Due to zero GST on sanitary napkins their import has also started, although many units are idle in India."

Kamal Johari- Managing Director, Nobel Hygiene, Mumbai

"The increased spending on healthcare is a welcome step. Now, we look forward to increasing FDI and larger Public-Private Partnership (PPP) to make healthcare more accessible to everyone. The increased investments and partnerships will also bring in latest technologies, making healthcare affordable."

Takashi Maki San, Managing Director, Sakra World Hospital, Bengaluru