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# United we stand in the fight against COVID-19

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**Fiscal stimulus, such as the removal of the Health Cess and Customs Duty, will greatly support patient access to critical medical products, as will addressing operational challenges and the early release of Government payment to providers.**



The COVID-19 pandemic has brought about a sense of urgency and the responsibility to think long-mterm to improve access to globally renowned, high quality and innovative medical equipment to bridge the gaps in healthcare delivery. The medical technology industry has proved itself indispensable to healthcare systems during this time, and rapid innovation in this sector has led to advancements across a variety of products and treatments – from testing kits for diagnosis; to masks and protective gear to prevent transmission; to ventilators, respirators, catheters, syringes and blood collection tubes for treatment. This health emergency has called for a holistic response, working in collaboration with Governments across the region, to rethink healthcare delivery in the context of the vast economic, social and demographic transformations taking place globally.

Guided by the principles of Access, Innovation and Collaboration, the Asia Pacific Medical Technology Association (APACMed) and its member companies are committed to working with the Government of India, regulators, payers and healthcare providers to shape policies that give patients timely access to high quality and lifesaving healthcare. A crisis such as COVID-19 highlights the need
to work collaboratively towards a globally harmonised regulatory environment, that adds economic value and, most importantly, helps to improve patient outcomes.

Since January, Johnson & Johnson has been working directly with governments and health authorities in response to the global public health crisis, donating 10,000 units of N95 Masks, 200,000 units of surgical 2/3 ply masks and 7,000 Personal Protective Equipment (PPE) Kits. Sandeep Makkar, Managing Director of Johnson & Johnson Medical India (J&J) said, “We are committed to fighting COVID-19 and we know from 134 years of experience that the power of our science, the scale of our business and the dedication of our employees can drive meaningful, lifesaving innovation in response to this global public health crisis. We are partnering with non-government organizations like Americares India Foundation to help fight this pandemic with focus on distribution of PPEs, masks and sanitizers to hard-hit areas across the country. Johnson & Johnson will continue to bring our full resources and minds to combat this pandemic.”

The MedTech industry is at the forefront of addressing new challenges that have emerged during this pandemic and seeks the urgent attention of the Government to support in areas still impacting patient access to important medical products and equipment during this critical time.

Revoke Health Cess, which adversely impacts healthcare affordability

APACMed commends the recent decision by the Government to waive customs duty on the imports of COVID-19 test kits, ventilators, face and surgical masks, and additional Personal Protective Equipment (PPE) to help address the shortage of PPE in the country, and believes that the decision will be of great benefit to patients during this critical time. Industry appeals to the Government to revoke the Health Cess on other devices that are used both to treat COVID-19 patients, as well as other patients requiring care at this time, to contribute to moving towards more sustainable and affordable healthcare.

Streamline operational challenges and enable supply chains to run effectively

The spike in the COVID-19 graph highlights the complex nature of the virus and how the lockdown across the country has resulted in the disruption of supply chains. The Government has provided considerable relaxation for essential services to function however ambiguity and misinterpretation on the ground remains, resulting in operational inefficiencies. Given the crucial role that the medical device industry is playing in responding to COVID-19, there is an urgent need to address persisting issues that impact supply chain operations, including facilitating a clear and expedited process for critical suppliers to continue operating and implementing a priority status for shipping, customs handling and transportation of vital medical devices and their component parts.

Release pending payment to providers to tide over liquidity crunch

The demand for devices used in elective medical procedures has dropped due to current restrictions on elective surgeries. Fixed expenses – such as wages, salaries, electricity, rent – are still payable, however, resulting in substantial liquidity challenges. Industry urges the government to ease the restrictions and release pending payments, to the tune of 1,700 crores,

to healthcare providers, which will help to reduce liquidity issues.

Provide tax exemption to increase patient affordability

The outbreak of COVID-19 has shown the importance of the Global Value Chain. Eighty-four countries, both developed and developing, have eliminated duties on a large number of medical equipment to improve patient access and affordability. In India, a decrease of GST to between 0% and 5% will help to improve patient affordability.

Discussing the various measures taken by Government to fight COVID-19, Pavan Mocherla, Managing Director-BD-India/South Asia said, “Owing to the rapid spread of Coronavirus across the world, including India, BD appreciates the government’s decision to exempt the import duties implied on medical devices to meet the unprecedented demand. However, the roadblocks in supply chain are still resulting in delays of arrival of diagnostics and medical supplies to some of the worst-affected areas of this outbreak. It is important to prioritize and accelerate systematic management of undisrupted manufacturing and supply of life-saving and life-improving medical devices in the current scenario so that the industry can better serve the patients/clinicians/researchers during this crisis.”

The impact of COVID-19 is far-reaching. It has highlighted the need for adequately resourced, dynamic and versatile healthcare systems and the need for a well-functioning supply chain with local, regional and global collaboration. This can be addressed by facilitating a more harmonised regulatory and policy environment that will help to sustain robust health infrastructure over the long
term.