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All Eyes on Budget â??22

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As healthcare leaders and stakeholders eagerly await the unveiling of Budget 2022, the overstressed healthcare sector continues to cry out for more reforms that can help sustain itself in the long run. BioSpectrum India presents the views of leaders in healthcare and their expectations from the upcoming budget.



The pandemic has pushed the healthcare sector to focus more on R&D. One notable thing is that India is the largest producer of vaccines in the world and vaccine manufacturers have to invest highly to continue their work in R&D. Budgetary impetus to develop innovation ecosystem, providing tax sops for R&D, incentives to life science startups in cutting edge areas such as cell and gene therapy, etc, also needs due attention in this budget.

According to Nikhil Chopra, CEO and Whole Time Director, JB Chemicals & Pharmaceuticals, Mumbai, “R&D investments need to be encouraged through schemes and we hope to see announcements on these lines in the budget that go beyond the usual tax deductions to truly promote a long-term investment vision.”

Says Dinesh Chauhan, CEO, CORE Diagnostics, Gurgaon, “There is a need for significant investments in funding R&D in the sector, which ultimately need a public-private partnership push to capture greater space in the health sector.”

Reduction in GST

The GDP allocation to healthcare is abysmally low and given the backdrop of the pandemic, the healthcare sector expects a substantial increase in the earmarked percentage. India urgently needs a value-based healthcare model to improve healthcare accessibility, affordability, and quality.

Poornachandra Tejasvi, Senior Director, Emerging Markets, India, Informa Pharma Intelligence, Bengaluruopines, “Higher public spending on healthcare is critical to reducing out-of-pocket healthcare expenditures; healthcare allocation as a percentage of GDP needs to be bolstered sharply.”

Echoing the same views, Sriram Natarajan, Founder, Director & Chief Executive Officer, Molbio Diagnostics, Verna, Goa, opines, “The GST rates should be brought down to 5 per cent for all ‘Make in India’ medical devices and the rate should be rationalised for raw material and components used for local manufacture of medical devices.”

According to Anindya Chowdhury, COO, Aster Labs, India & GCC, Gurgaon, a reduction of GST on the lab reagents and consumables will help the industry already under pressure from price controls introduced last year. Rationalisation of import duties on such equipment would encourage the development of more quality diagnostics.

The government should consider tax exemptions on funds received and a GST reduction to 3 per cent from the existing 18 per cent is what Rohan Verma, Co-founder and CEO, Breathe Well-being, Gurgaon, mentions.

Right funding mechanism

Economic incentives form an integral part of health financing. Building of endowment funds, providing tax relief are some of the recommendations suggested by health stakeholders.

Dr BS Ajaikumar, Executive Chairman, HealthCare Global Enterprises, Bengaluru says, “The government should build an endowment fund for healthcare by monetising impaired assets and through innovative measures like collecting a small levy from cell phone users. The private sector should be invited to make wilful contributions to swell the corpus further.”

Removal of health cess on medical equipment that increases the cost of capital on healthcare is what the government need to focus is according to Nikhel Goel, GM-India Cluster, Carestream, Mumbai.

Hyderabad-based StanPlus, a provider of tech-enabled ambulances is looking out for tax sops on ambulances from 28 per cent to a lower number. Says Prabhdeep Singh, CEO and Co-Founder, StanPlus, “Looking at the current scarcity of quality ambulances in the country, the operators need to be enabled and strengthened."

Infrastructure

Investing more in infrastructure is going to bring in a sea change in the health sector. Setting up hospitals in rural areas, investing in training and medical infrastructure is what experts are recommending. Says Ameera Shah, Promoter and MD, Metropolis Healthcare, Mumbai, “I believe that the upcoming budget might comprehensively cater to the healthcare sector. Training and medical infrastructure needs to be nurtured. I believe that strong investments in healthcare can help buoy the

nation's economy."

Talking about financial enhancement in regards to healthcare infrastructure Nikkhil K Masurkar, Executive Director, Entod Pharmaceuticals, Mumbai says, "The government should focus on primary healthcare infrastructure that needs huge improvement in terms of improved access to healthcare for low-income households."

Pranav Bajaj, Co-Founder, Medulance, New Delhi, also opines, "The public and private sector need to collaborate and work towards strengthening the medical infrastructure in India."

Dr Arbinder Singal, Co-founder and CEO, Fitterfly, based out of Navi Mumbai mentions, "Increasing allocation to the healthcare sector, especially clinically-validated digital therapeutic solutions is essential. The government should also start thinking on devising policies for reimbursement for digital therapeutics."

Ajoy Prabhu, Co-Founder & CTO, Circee Health, Mumbai, mentions, "With the emphasis on preventive healthcare, the 2022 budget is exemplary. The shift in healthcare from being reactionary to being proactive will help build a strong resilient population. The best part is that such an emphasis will cost far less in the long run, as compared to interventional healthcare."

"We have impressive policies and government missions already in place like NDHM and Ayushmaan Bharat, and the only way that they can make a significant difference is with efficient implementation, catering to the environment and behaviours of stakeholders," says Saurabh Kochhar, Founder and CEO, Meddo Health, Gurgaon.

Besides urging for more funds for healthcare sector, Dr Harsh Mahajan, Senior Vice President, NATHEALTH, Delhi talks about education and skilled workforce and said, "The urgent need of the hour is to allocate funds and introduce medical education programmes that can address the shortage of skilled healthcare manpower in the country."

Says, Satyaki Banerjee, CEO - Medical Imaging, Trivitron Healthcare, "We are looking forward to the government's improved reform plans in this budget. More emphasis should be placed in facilitating manufacturing in the country. Since the medical device industry is still in its formative stages, establishing an efficient ecosystem is vital to the field's long-term success. More medical device parks should be built because they establish a robust and cost effective ecology for the country's medical device industry.

Game Changing moves

Budget 2022 needs to focus more on healthcare and its subsidiaries as the health sector is overstressed and crying out loud for government initiatives. Tax sops for startups, devising policies for reimbursement for digital therapeutics, reduction of GST on the lab reagents and consumables etc are some of the things which should be looked into. Ensuring healthy lives and promoting well-being at all ages is essential to sustainable development.

Though 2021 Budget announced an increase in the allocation for health by 137 per cent to Rs 2.23 lakh crore (Rs 2,23,846 crore) from the previous year's budget estimate of over Rs 94,000 crore (Rs 94,452 crore) and by 118 per cent from the previous year's revised budget of over Rs 1.02 lakh crore (Rs 1,02,873 crore), the health sector is asking for more. Let's hope that Budget 2022, will be a game-changer for the healthcare industry.

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