



EDITORIAL

Healthcare Infrastructure, Policy Support & Government Initiatives

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The healthcare sector in India has seen considerable increases in employment and earnings. The industry is growing exceptionally quickly as a result of its expanded coverage, enhanced services, and higher investment by both public and private enterprises. By 2022, it is projected that the industry would be worth \$372 billion in total. By 2025, it is predicted that the e-health market would be worth US\$10.6 billion. AUS\$40 million health initiative for the state of Meghalaya was signed by the governments of India, Meghalaya, and the World Bank in November 2021. This initiative will raise the standard of healthcare and increase the state's ability to respond to emerging health crises, such as the COVID-19 pandemic [1].

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A rising trend in per capita healthcare expenditure

Increased knowledge of personal cleanliness and health, increased access to high-quality healthcare facilities, and rising money all contribute to this. Healthcare spending increased as a result of more people having health insurance, and this trend is expected to continue over the next 10 years. The increase in generic drug affordability on the market is being driven by the improvement in the economy. India's public healthcare spending was 2.1% of GDP in 2021–2022, up from 1.8% in 2020–2021 and 1.3% in 2019–20, according to the Economic Survey of 2022. By 2025, the government wants to spend 2.5% of the nation's GDP on public health [2].

A rising trend in healthcare infrastructure

In the last few decades, India's infrastructure for medical education has

expanded quickly. Indian healthcare infrastructure is anticipated to cost \$349.1 billion by FY22. There were 612 medical colleges in India as of July 2022. In November 2021, there were 1.3 million allopathic doctors registered with state medical councils and the national medical council who have recognised medical degrees (under the NMC Act), up from 0.83 million in 2010. According to data given to the Lok Sabha, there are 1:834 doctors in the nation, assuming that 5.65 lakh AYUSH doctors and 12.68 lakh registered allopathic doctors are both available 80% of the time. Nitin Gadkari, Minister of Road Transport & Highways, stated that the nation requires at least 600 medical colleges, 50 institutes similar to AIIMS, and 200 super-specialty hospitals in September 2021. He also urged the healthcare industry to adopt the public-private partnership model used in the development of infrastructure [3].

Rising demand

- Rising income and affordability.
- Growing elderly population, changing disease patterns.
- Rise in medical tourism.
- Better awareness of wellness, preventive care and diagnosis.

Focus

- Expanding R&D and distribution facilities in India.
- Use of modern technology.
- Providing support to global projects from India.

Support

- Encouraging policies for FDI in the private sector.
- Reduction in customs duty and other taxes on life-saving equipment.
- NRHM allocated US\$ 10 billion for healthcare facilities.
- National Health Insurance Mission to cover entire population.

Rising trend to choosing India as a preferred destination for medical tourism

India's position as a top destination for medical tourism has been bolstered by the country's availability of top-notch hospitals and qualified medical personnel. Indian medical tourism benefits from high standards of healthcare and affordable treatment prices compared to other nations, which has improved prospects for the Indian healthcare business. Major procedures in India cost about 20% less than in industrialised nations. Due to the dearth of modern medical facilities in many developing nations, India also draws medical tourists from these nations. In 2020, the Indian medical tourism market was estimated to be worth US\$2.89 billion, and by 2026, it is anticipated to be worth US\$13.42 billion. Around 697,300 foreign tourists, or roughly 7% of all foreign visitors to India in FY19, came for medical treatment, according to the India Tourism Statistics at a Glance 2020 report. Out of 46 destinations, India is placed 10th in the Medical Tourism Index (MTI) for 2020–21 by the Medical Tourism Association. In July 2021, the National Medical & Wellness Tourism Board was founded by the Ministry of Tourism. In order to promote all forms of medical travel, the board will function as an umbrella organisation. A proposal of the "National Strategy and Roadmap for Medical and Wellness Tourism," which intends to provide a framework for governance and development of the industry, has also been made available by the Ministry [4].

The present structure of Indian healthcare industry

The healthcare sector in India is expanding at a compound annual growth rate (CAGR) of 22% during 2016–22 with a target to achieve US\$ 372 billion in 2022. Healthcare industry has become the largest sector of the Indian economy and providing direct employment to approximately 47 lakhs peoples. As per the estimate according to the National Skill Development Corporation

(NSDC), the Indian healthcare industry may create an additional 27 lakh employment. India's healthcare industry functions through five major segments which is hospital (government and private), Diagnostics and Interventions (imaging and laboratory investigation), Pharma (synthesis, evaluation, extraction, toxicology, purification, processing, manufacturing, packaging and distribution of medications and vaccines), Devices and Equipments (manufacturing and

establishment of medical equipments, devices, instruments etc.), health insurance, research, digital health programme (telemedicine) and medical tourism. The COVID-19 has catalyzed long-term shifts in perceptions of personal hygiene, health insurance, nutrition, and exercise, as well as health monitoring and physical examinations. The epidemic has also accelerated the uptake of telemedicine and other digital health technology [5] (Figure 1).

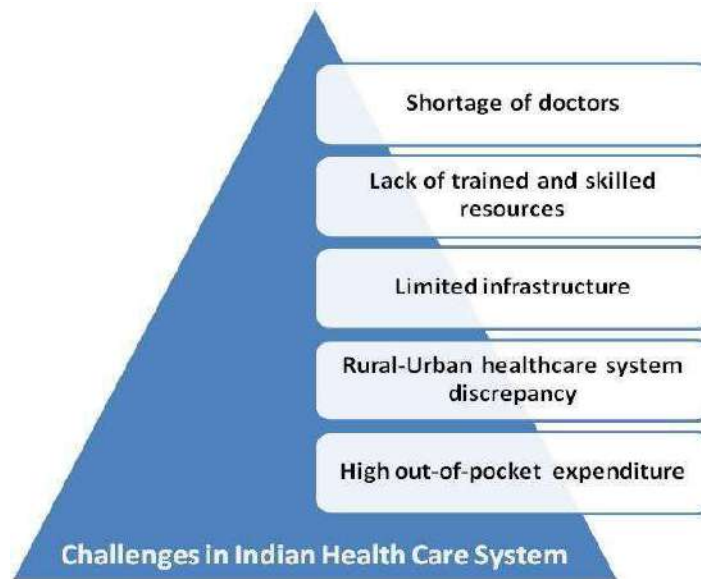


Fig. 1. Challenges in Indian Health Care System

Policy support and government initiatives

Pradhan Mantri Jan Arogya Yojana (PMJAY)

- The Union Budget for 2021–2022 included a Rs. 64,180 crore (US\$ 8.80billion) outlay for the healthcare industry over a six-year period with the goal of bolstering the current "National Health Mission" by building primary, secondary, and tertiary care, healthcare systems, and institutions' capacities for the detection and treatment of new and emerging diseases.

Tax incentives

- There is no service tax on any healthcare education or training services.

- An increase in the tax break provided under Section 80-IB for private healthcare providers in non-metro hospitals with at least 50 beds.
- Telemedicine and remote radiology are examples of healthcare services made possible by technology, which is eligible for a 250% deduction for authorised operating expenses.
- A basic 5% customs tax exemption applied to artificial hearts.
- A 15-year income tax exemption for medical technology items made in the country.
- New hospitals built in rural regions with 100 beds or more now qualify for section 80-IB's benefits. These hospitals are

eligible for a five-year period of 100% profit deduction [6].

A roadmap for missing ‘middle’

India has made large strides towards universal health coverage (UHC) with the launch of Ayushman Bharat – Pradhan Mantri Jan Arogya Yojna (AB-PMJAY). It is the largest fully Government subsidized scheme in the world, covering nearly 40% of the India’s population at the bottom of the pyramid. Nearly 70% of India’s population is now estimated to be protected by some health insurance coverage including State Government scheme, social insurance schemes, and private insurance [7,8].

Despite this progress, 30% of the population and over 40 crore people still don't have access to any type of financial health insurance. Financial difficulties and even poverty might result from adverse health situations. Because they are neither wealthy enough to purchase private insurance nor sufficiently poor to qualify for government- subsidized coverage, this group is known as the “missing middle.” Lack of social security benefits and informal employment with variable revenues are characteristics of the missing middle [10,11].

The missing middle has the financial capacity to pay for health insurance cover. However, the current insurance products are targeted towards high-income groups. A well-designed appropriately priced, voluntary, and contributory insurance product catering to this segment will accelerate India’s progress towards universal health coverage (UHC) while expanding the market for private insurance. The product needs to be built on principles of standardization, and simplicity. The Arogya Sanjeevani policy is a first step in this direction. However, presently it does not include any out-patient care [12,13].

In the absence of a low-cost health insurance product, the missing middle remains uncovered despite the ability to pay nominal premiums. A comprehensive product designed for this segment –

improving upon the existing *Arogya Sanjeevani* plan and offering out-patient cover –can expand health insurance coverage. Most health insurance schemes and products in the Indian market are not designed for the missing middle. Private evolutionary health insurance is designed for high-income groups – it costs at least two to three times the affordable level for the missing middle. Affordable contributory products such as ESIC, and Government subsidized insurance including PMJAY are closed products. They are not available to the general population due to the risk of adverse selection. A modified, standardized product which builds on the *Arogya Sanjeevani* hospitalization insurance product–launched by IRDAI in April 2020–can be appealing to the missing middle. Arogya Sanjeevani has laid the foundation for a standardized health insurance product; it offers a basic benefits package which is common across insurers [9].

Universal Health-Care is affordable and feasible

Global experience has demonstrated the affordability and viability of universal health care. The political will demonstrated by the government's commitment to increased resource allocation, recent audacious social policy initiatives, and legislation like the Clinical Establishments (Registration Regulation) Act, Disaster Management Act, and Mahatma Gandhi National Rural Employment Guarantee Act Fundamental Right to Education Act of 2012 and the Food Security Bill 2012 will contribute to lessening the burden of illness and suffering through increasing employment, reducing poverty, enhancing literacy, etc. UHC can be accomplished by 2022 thanks to increased civil society involvement, the elimination of polio, smallpox, and guinea worms, and a significant effort to introduce strict quality control methods in Maternal and Child Health services at Primary Health Centers in Tamil Nadu [14]. Becoming a welfare state the government of India (central and state) has the

general obligation to provide universal health care services to its citizens at no cost basis. The government also has the responsibility to ensure that laying down minimum standards and appropriate regulatory mechanism [15]. The government is bound to provide a safe and healthy environment to its people, delivering universal access to basic health services, medicines and regular evaluation of the health system [16,17].

Universal health coverage: an investment in human capital

The planning commission of India established the high level expert group (HLEG) on universal health coverage (UHC) in October 2010 with the goal of creating a framework for making health care conveniently accessible and affordable for all Indians [18]. The HLEG recommends the ability of everyone to obtain the health care they require without experiencing financial hardship is essential to raising national well-being. But universal health care is **more than that**; it is a foundational factor in equitable and sustainable economic growth and development as well as an investment in human capital. It is a means of assisting people in realising their full potential and achieving their goals. According to the UHC Global Monitoring Report 2017, at least 50% of the world's population still does not have access to basic healthcare services. In addition, almost 800 million individuals spend more than 10% of their family income on health care, and every year, some 100 million people are forced into extreme poverty as a result of uninsured medical costs [19].

Conclusion

The Indian healthcare sector is one of the largest in the world in terms of revenue and jobs in largest economic sectors among others. We are emerging as fastest growing economy with several opportunities for investment. We have elaborated the growth potential and investment opportunity in healthcare sector, including insights about its

employment generation potential, overarching policy landscape, enabling policies and investment opportunities in hospitals and infrastructure, drug and vaccine development, medical devices, medical tourism, digital healthcare industry with telemedicine and health insurance. The abundance of highly qualified medical personnel in India is a competitive advantage. India's costs are competitive with those of its neighbours in Asia and the West. The low cost of healthcare has led to an increase in medical tourism in the nation, drawing people from all over the world. Moreover, because of its relatively low cost of clinical research, India has become a centre for R&D activity for foreign businesses.

Conflicts of interest

The authors declare that they do not have conflict of interest.

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