

Healthcare has finally taken centre stage in Budget

[PTI](#)

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New Delhi, Feb 29 (PTI) Plans to launch new health protection scheme and making quality medicines available at affordable prices with plans to launch 3,000 Jan Aushadhi stores proposed in the Budget will help more people in getting access to proper healthcare, say industry players. Reacting to Finance Minister [Arun Jaitley's](#) proposals in the Budget 2016-17, Apollo Hospitals Group Chairman Prathap C Reddy said: "Healthcare has finally taken the centre stage in the Budget.

The Health Protection Scheme of Rs 1 lakh to cover unforeseen illness in poor families with an additional Rs 30,000 for senior citizens is a long-awaited and welcome step in deepening access." In addition, the governments plan to add 3,000 pharmacies under the Jan Aushadhi Yojana to provide generic drugs at affordable rates is a commendable move, he added. Expressing similar views, industry body NATHEALTH Secretary General Anjan Bose said: "Higher allocation & spending should boost universal healthcare...15 per cent increase in government spending on the social sectors with focus on healthcare should go a long way in ensuring universal health coverage."

The healthcare industry is, however, concerned since the government has not addressed the issue of recent increase in import duty on medical equipment and devices, Bose said.

In budget speech, Jaitley today said that catastrophic health events are the single most important cause of unforeseen out-of-pocket expenditure which pushes lakhs of households below the poverty line every year. In order to help poor and economically weak families, "the government will launch a new health protection scheme which will provide health cover up to Rs 1 lakh per family. For senior citizens of age 60 years and above belonging to this category, an additional top-up package up to Rs 30,000 will be provided," Jaitley said. Hailing the budget proposals, Deloitte Touche Tohmatsu India LLP Partner on Healthcare Sector Charu Sehgal said: "The announcement of a new universal health Insurance scheme with a coverage of Rs 1 lakh per family and additional Rs 30,000 for the senior citizens towards hospitalisation care is a welcome move." It was a critical need and will have a positive impact on increasing affordability, therefore spurring demand. Increased demand will in turn incentivise supply of healthcare

delivery in rural areas, she added. "The budget looked at the healthcare as a key area for inclusive growth, however the focus has majorly been on health cover and palliative care," Omron Healthcare India MD Hisao Masuda said. On an overall level, the government has introduced measures to ease implementation and development through the PPP model, but there is a need to initiate specific partnerships to upgrade healthcare infrastructure beyond urban areas, he added. MORE PTI AKT RKL MKJ

This is unedited, unformatted feed from the Press Trust of India wire.

<http://indiatoday.intoday.in/story/healthcare-has-finally-taken-centre-stage-in-budget/1/608191.html>

Business Standard

Budget 2016: Reduced tax benefits on research disappoints pharma companies

At present companies get tax benefits in form of deduction of 200% on research expenses, which have been reduced to 150%

BS Reporter | Mumbai
February 29, 2016 Last Updated at 15:22 IST



Murtaza Khorakiwala, Managing Director, Wockhardt Limited

The government has proposed to extend healthcare benefits to the masses with a new insurance scheme, make kidney treatment affordable and accessible and encourage innovation and patents but the [budget](#) announcements failed to cheer pharmaceutical sector as the government has lowered tax benefits on research and development.

"On an overall basis the budget is positive as there is adherence to fiscal deficit target and stress on rural development and infrastructure. However for pharmaceutical sector the budget is slightly disappointing. The major setback is withdrawal of tax deduction on research and development expenses,"

said Murtaza Khorakiwala, managing director of Wockhardt.

Read our full coverage on Union Budget 2016

At present companies get tax benefits in form of deduction of 200 per cent on research expenses. Now the government has proposed to reduce the deduction to 150 per cent from next April and 100 per cent from 2020. The reduction in deduction would mean an increase in tax rate for pharma companies. Khorakiwala said Wockhardt spends about 12 per cent of its revenue on research.

On a positive note finance minister Arun Jaitley proposed ten per cent tax rate on income from patents developed and registered in India.

Jaitley also announced new health protection scheme which will provide health cover up to Rs one lakh per family. For senior citizens of age 60 years and above belonging to this category, an additional top up package up to Rs 30,000 will be provided.

The government will also start a 'National Dialysis Services Programme' to make kidney treatment affordable. Funds will be made available through PPP mode under the National Health Mission, to provide dialysis services in all district and certain parts of dialysis equipment will be exempt from customs and excise duties.

"The health protection scheme should also act as a catalyst for investment in healthcare sector and help in improving affordability and accessibility of quality healthcare. This is all the more important considering that nearly 75% of India population is currently without any health insurance. However, the health care [industry](#) is concerned since the Government has

not addressed the issue of recent increase in import duty on medical equipment and devices. The medical technology sector is in an infancy stage with manufacturing limited to less complex devices. More than 75% of medical equipment / devices is still imported and hence the duty increase will result in increase in healthcare cost," said Anjan Bose, secretary general NatHealth.

http://www.business-standard.com/budget/article/budget-2016-reduced-tax-benefits-on-research-disappoints-pharma-companies-116022900545_1.html



moneycontrol

BUDGET 2016

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1 Comments



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Expressing similar views, industry body NATHEALTH Secretary General Anjan Bose said: "Higher allocation & spending should boost universal healthcare...15 per cent increase in government spending on the social sectors with focus on healthcare should go a long way in ensuring universal health coverage." The healthcare industry is, however, concerned since the government has not addressed the issue of recent increase in import duty on medical equipment and devices, Bose said.

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On an overall level, the government has introduced measures to ease implementation and development through the PPP model, but there is a need to initiate specific partnerships to upgrade healthcare infrastructure beyond urban areas, he added.

http://www.moneycontrol.com/news/economy/healthcare-has-finally-taken-centre-stagebudget_5697701.html

आउटलुक

कस्टम ड्यूटी में हुई बढ़त से स्वास्थ्य क्षेत्र पर नकारात्मक असर- नाटहेल्थ

FEB 26, 2016



आउटलुक ब्यूरो



गूगल

“स्वास्थ्य इंडस्ट्री बजट आने से पूर्व चिकित्सा उपकरणों और चिकित्सा डिवाइस के आयात की सीमा शुल्क वृद्धि को वापस लेने का आग्रह करती है जहां स्थानीय विनिर्माण अपर्याप्त हो।”

स्वास्थ्य एवं परिवार कल्याण मंत्रालय को लिखे पत्र में स्वास्थ्य उद्योग से जुड़ी संस्था नाटहेल्थ ने चिकित्सा उपकरण और चिकित्सा डिवाइस में हाल ही में हुई आयात सीमा शुल्क में वृद्धि और समग्र स्वास्थ्य सेवा पारिस्थिति के तंत्र पर इसके प्रतिकूल प्रभाव पर गंभीर चिंता व्यक्त की है।

गौरतलब है कि हाल ही में, केन्द्र सरकार ने, सीमा शुल्क अधिसूचना संख्या 2016 के 4 और 5 से आयातित चिकित्सा उपकरणों और चिकित्सा डिवाइस पर लागू मूल सीमा शुल्क 5% से 7.5% और लागू विशेष अतिरिक्त शुल्क 0% से 4% की वृद्धि हुई। परिणाम स्वरूप अधिभार और उपकरण में इसी वृद्धि के साथ-साथ लागू सीमा शुल्क की दर में, 7.3% की समग्र वृद्धि के साथ 11.64% से बढ़ कर 18.94% रही है। साथ ही में, सरकार ने चिकित्सा उपकरण और

डिवाइस के निर्माण में प्रयोग किए जाने वाले कच्चे माल, पुर्जों आदि के आयात पर सीमा शुल्क 7.5% से 2.5% कम करके 5%, कर दिया है।

नाटहेल्थ के महासचिव अंजन बोस बताते हैं, कि " कच्चे माल पर शुल्क में शुद्ध कमी 2.5% है, जबकि उपकरणों के लिए सीमा शुल्क में शुद्ध वृद्धि 7.3 % है, जिससे एक असमानता उत्पन्न होती है। चिकित्सा प्रौद्योगिकी के क्षेत्र कम जटिल उपकरणों के कारण सीमित निर्माण के साथ अभी शैशव अवस्था में है। 75 % से भी अधिक चिकित्सा उपकरण / डिवाइस को अभी भी आयात किया जाता है और इसलिए ड्यूटी बढ़ाने से स्वास्थ्य लागत में वृद्धि होगी"।

घरेलू विनिर्माण कम जटिलता वाले डिवाइस और उपकरणों तक ही सीमित है। देश में लगातार उच्च गुणवत्ता और हाई-एंड प्रौद्योगिकी डिवाइस और उपकरणों का निर्माण करने के लिए, देश में तकनीकी योग्यता का निर्माण करने की आवश्यकता है जिसमें कुछ समय लग सकता है।

मेग्नेटिक रिसोर्स इमेजिंग (एमआरआई), सायक्लोट्रोन्स, हाई-एंड कोम्प्यूटेड टोमोग्राफी (सीटी) और कैथ लैब्स, जैसे हाई-एंड उपकरण और कई जटिल और महत्वपूर्ण चिकित्सा उपकरण, जैसे कि नई पीढ़ी के हार्ट के वाल्व, ग्राफ्ट , ओकसिजनेटर, के भारत में निर्माण और स्रोत के लिए प्रौद्योगिकी का विकास करने में 3-5 साल लगते हैं व उसके अलावा पर्याप्त निवेश के किए जाने की जरूरत है। वर्तमान में देश में एमआरआई उपकरण, सायक्लोट्रोन्स और कई महत्वपूर्ण चिकित्सा उपकरणों के निर्माण के लिए का कोई निर्माता नहीं है और सीटीएस और कैथ लैब प्रारंभिक दौर में है और हाई-एंड मशीनों के लिए उपलब्ध नहीं है।

महत्वपूर्ण चिकित्सा उपकरणों और डिवाइस के प्रवेश बहुत कम है। जैसे कि देश में केवल 1500 के आसपास MRIs , 150 पीईटी सीटीएस और 20 सायक्लोट्रोन्स हैं। भारत सालाना 160,000 से कम कार्डियक सर्जरी और कम से कम 300,000 एंजियोप्लास्टी करता है। विकसित देशों के साथ तुलना से संकेत मिलते हैं कि वर्तमान जनसंख्या की सेवा करने के लिए हमें डिवाइस और उपकरणों में कम से कम दस गुना वृद्धि करने की जरूरत है। शुल्क बढ़ाने से आगे इस तरह के महत्वपूर्ण डिवाइस और उपकरणों के पैठ को कम करेगा, जो कि देश में स्वास्थ्य परिणामों के लिए महत्वपूर्ण हैं।

आम तौर पर, भारत में उपकरण और चिकित्सा उपकरण की लागत अन्य देशों की तुलना में सबसे कम स्तर पर रहे हैं। इन कम लागत के बावजूद, रोगियों की क्षमता कम बीमा कवरेज और कम क्रय शक्ति के कारण अभी भी निचले तबके

में है। इस आयात शुल्क के वृद्धि से जीवन को बचाने और जीवन को बढ़ाने के डिवाइस और उपकरण और अधिक महंगे हो जाएंगे, जिसके परिणामस्वरूप, मरीजों और स्वास्थ्य देखभाल प्रणाली में और पर अधिक वित्तीय बोझ पड़ेगा।

<http://www.outlookhindi.com/business-and-economy/budget/increase-in-customs-duty-negatively-impacts-the-healthcare-sector-nathealth-6738>

VCCIRCLE

Tuesday, February 23, 2016 - 16:31 IST

Budget 2016: Healthcare wants what it wanted last year but didn't get

Higher public spending, wider insurance coverage on agenda.

BY JOSEPH RAI



After a [disappointing last budget](#) when the government offered few reasons to cheer for the healthcare sector, the industry is hoping for a major course correction this year.

The industry wants the government to boost public spending on health and take steps to promote local manufacturing of medical devices in the budget for 2016-17. It is also seeking measures to expand health insurance coverage and encourage [ENTREPRENEURSHIP](#), besides reiterating a long-pending demand for grant infrastructure status to the healthcare sector.

WHAT HEALTHCARE SECTOR GOT IN BUDGET 2015-16

₹ 33,282 cr
Total budget allocation for health, up 4%

- Higher tax exemption under Section 80D for individual taxpayers.

- Tax deduction for medical expenses remained at ₹ 15,000.

- Five AIIMS-like hospitals in J&K, Punjab, Tamil Nadu, Himachal Pradesh, Assam.

12.5%
Excise duty on chassis for ambulances, down from 24%

- Ambulance services provided to patients exempted from service tax.

Besides, the industry has sought that it should remain outside the purview of the proposed Goods and Services Tax (GST). This exemption is important to galvanize significant **INVESTMENT** for the creation of healthcare infrastructure, said Bhavdeep Singh, CEO, Fortis Healthcare Ltd. Anjan Bose, secretary general at industry body NATHEALTH, has previously said that the sector shouldn't come under the GST regime for at least 10 years and a decision to levy GST should be considered after assessing the status of healthcare coverage, costs and performance on key healthcare metrics.

Public healthcare spending

India's public health expenditure at about 1 per cent of GDP is significantly low when compared with 3 per cent in China and 8.3 per cent in the US. This should be increased to at least 2 per cent of GDP to begin with, said Kiran Mazumdar-Shaw, chairman and managing director at Biocon.



Gaurav Agarwal, co-founder of healthcare startup 1mg, which operates an online marketplace for medicines, said the budget should aggressively **FUND** and promote universal access to the government schemes like the Jan Aushadhi programme that supports selling of generic medicines at affordable prices through special Jan Aushadhi stores, government hospitals and private retailers.

Insurance coverage

According to the World Health Organization, 58.2 per cent of the total health expenditure in India is an out-of-pocket cost burden on people. Clearly, there is need for the government to expand health insurance coverage. "The government should expand healthcare insurance to cover primary healthcare as well," said Prashant Jain, director-healthcare and life sciences at o3 Capital.


In 2008, the then UPA government launched the Rashtriya Swasthya Bima Yojana for the poor. The insurance scheme was part of what the UPA called the Universal Health Coverage programme and what the current NDA government calls the National Health Assurance Mission. But the scheme needs some spark, say analysts. Service tax exemption on health insurance premium could also help, said Nilaya Varma, partner and head of healthcare, KPMG in India.

Tax incentives

For biotechnology, the government should provide incentives through biotech parks, single-window clearances, smooth registration and quick approval process as globally the focus is shifting towards biotech and personalized medicines, o3 Capital's Jain said.

Fortis Healthcare's Singh said incentives for capital expenditure and a tax holiday for hospitals are required, too.

"The tax holiday period should be increased for private healthcare providers in non-metros for hospitals with 50 beds to encourage establishment of much more needed healthcare facilities in tier II and III and rural areas," KPMG's Varma said.

A long-pending demand is grant of infrastructure status to the healthcare sector as it will make it easier for companies to raise long-term [FUNDS](#) .

Medical devices

India needs to promote domestic manufacturing of medical devices as it currently imports 70-80 per cent of its requirement. The medical devices sector wants the government to roll out incentives in line with its Make in India initiative.

GSK Velu, chairman and managing director at Trivitron Healthcare, said the Make in India policy should make necessary structural and fiscal changes to enable the local medical device and in vitro diagnostics (IVD) industry to compete with multinational companies. For instance, the current duty structure encourages import of IVD reagents instead of local manufacturing, he added.


PPP projects

Industry executives say the government should push for the public-private-partnership mode to create healthcare infrastructure but should also ensure that PPP projects benefit private players as well.

Jain of o3 Capital said that the ad-hoc nature of pricing and change in agreed pricing has led to private healthcare providers either withdrawing or refraining from participating in PPP projects. Stability in pricing models is critical because a large part of government's effort to bring healthcare to the poor will be through the PPP model, he added.

Encourage [ENTREPRENEURSHIP](#)

With the government in January announcing an action plan for startups, healthcare startups will be watching the Budget to see what is in store for them.

The action plan included exemption from income tax for startups in the first three years of operation, 80 per cent rebate on filing a patent application, an exit policy for startups, a dedicated [FUND](#)  worth Rs 10,000 crore for early-stage firms and a credit guarantee scheme for loans.

Saurabh Arora, founder and CEO of Lybrate, a marketplace to help patients consult doctors through video, voice and text, said the government should increase the tax holiday period from three years to at least five years as hardly any startup becomes profitable in three years of inception to pay tax.

"Also, profitable startups should be charged less corporate tax, for instance 20 per cent against the normal 30 per cent, as they are solving some real issues facing the country," he added.

<http://www.vccircle.com/news/health-care/2016/02/23/budget-2016-healthcare-wants-what-it-wanted-last-year-didn%E2%80%99t-get>