

NATIONAL**16 AUGUST 2019**<http://bwhealthcareworld.businessworld.in/article/Economics-Dynamics-of-Aarogya-Bharat/16-08-2019-174853/>

Economics & Dynamics of Aarogya Bharat

By 2030, we hope to make distress-free healthcare a reality along with a functional and comprehensive wellness system for all. To achieve this universal goal, both the government as well as the private sector stakeholders need to formulate financing models that are not only innovative but can also assist in increasing the overall investment scale of the sector.



Dr H Sudharshan Ballal, President NATHEALTH

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by Dr. Sudarshan Ballal



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With India aspiring to become a 5 trillion USD economy by 2025 and a high middle-income nation by 2030 at an economic target of USD 10 Trillion, the goal of Universal Health Coverage will be a critical yardstick for this achievement.

By 2030, we hope to make distress-free healthcare a reality along with a functional and comprehensive wellness system for all. To achieve this universal goal, both the government as well as the private sector stakeholders need to formulate financing models that are not only innovative but can also assist in increasing the overall investment scale of the sector.

A 5 trillion economy by 2024-25 would unleash a fresh momentum to the healthcare sector as well. According to **NATHEALTH-Aarogya Bharat Report**, total spending on healthcare is anticipated to reach about 6% of GDP by 2025, with out-of-pocket spending at less than 30%. Private insurance is expected to grow at a compound annual rate of nearly 25% to cover the top 25% (by income) of the population. Public insurance would provide essential care to 60% of the population. Capex spending is likely to grow from less than 10% of overall spending to 15%, as per the Report. Expanding infrastructure would lead to 1.8 million additional functional beds, improving the density of beds from 0.9 per thousand to 2.0 per thousand in 2025.

On the other hand, we have several challenges. India is facing rising dual disease burden and Non-Communicable Diseases (NCDs) are a major concern. The Aarogya Bharat Report estimates that NCDs will cost India \$ 6 trillion by 2030. Hence, population-level NCD screening efforts are required among high-risk groups, followed by the enrolment of diagnosed populations in holistic care plans, including education and counselling on healthy living.

It is a well-established fact that a robust healthcare system drives GDP growth with adequate investments, higher productivity, and creates a conducive environment for more jobs. Such an environment also attracts foreign exchange earnings and provides opportunities for innovation and entrepreneurship. It is also true that the healthcare sector faces challenges of establishing hospitals at high costs with real estate prices surging. Further, there are also associated issues such as the relatively high cost (capital and operational) of providing healthcare services including medical technology upgradations, which results in stretched payback periods, thus limiting the investment appetite of players in the healthcare value chain.

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India is a high-cost economy in terms of prices of land, cost of credit and other infrastructure facilities. To address these challenges, the healthcare industry, since the past several years, has been seeking 'Priority Status' to get access to timely credit. However, this year Budget could not fulfil a long pending demand of the sector. **NATHEALTH**, apart from seeking priority status, had recommended to the government that funding by creating a specific fund for healthcare infrastructure and innovation would facilitate access to capital for the sector. These funds would encourage entrepreneurship and newer business models to improve access, availability, and quality, especially in Tier 2, Tier 3, Tier 4 cities and rural areas.

Pradhan Mantri Jan AarogyaYojna (PMJAY) under Ayushman Bharat (AB) Mission has recently created a healthcare ecosystem where the primary healthcare system works in a manner that they identify cases which need to be referred to secondary or tertiary care and then treatment is provided free of cost to the beneficiaries under the scheme. With these medical reimbursement provisions, the providers would be able to accommodate many more patients who need medical facilities for serious and critical diseases. It is also very promising to note that both the private and public sector has shown interest in supporting the government.

The government in its Union Budget 2019-20 has allocated Rs 62, 659 crores, 15% higher funds for various health schemes and programmes. The increase in funds would facilitate efficient implementation of several health schemes, which would have faced problems otherwise. For example, Ayushman Bharat gets Rs 6,400 crore that is Rs 4,000 crore higher than the previous allocation. This reflects the fact that tertiary care programmes have been at the centre stage of policymaking.

Healthy India is a prerequisite for a wealthy India by 2030. Universal health insurance would be a critical component in achieving the goal of a healthy India. Today, insurance coverage is very low that leads to very high out-of-pocket spending for healthcare services. For effective management of the population's health universal health insurance would act as a powerful catalyst. One major reason why health insurance has still not been able to penetrate India at a wider scale is that it is optional. The weaker section has been covered through PMJAY and the government has taken significant efforts for its implementation however, by making the coverage mandatory for all citizens, better results could be achieved.

Going forward, we recommend a few scaling innovative modes which should be introduced for funding Indian healthcare. These include Fund of funds such as Pension funds, Investment route through PPP, long – term debt. Yet another option is funding through business trust entity like Real Estate Investment Trusts along with bilateral investment treaties.

In nutshell, with an enabling ecosystem, Indian Healthcare is all set to make a Healthy with distress-free and comprehensive wellness system for all as envisaged in 'Vision 2030.' International experience shows that the most efficient public healthcare systems use private capital and expertise to induce efficiency and innovation. Public-Private Partnership would drive the next phase of growth in terms of private investment in the delivery system, medical education, R&D, Innovations, and domestic manufacturing.

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8 AUGUST 2019	http://www.drugtodayonline.com/medical-news/nation/9625-nathealth-signs-pact-with-nha-to-support-pm-jay.html

NATHEALTH signs pact with NHA to support PM-JAY

— August 8, 2019



Dr Indu Bhushan with Dr H Sudarshan Ballal at signing of MoU.

BS RAWAT

NEW DELHI: Apex healthcare industry body NATHEALTH has said it has signed a pact with National Health Authority (NHA) to support Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PM-JAY).

The collaboration provides an industry interface for testing innovations, providing mentorship and creating channels for facilitating support required for scaling these innovations.

Dr. Indu Bhushan, CEO, National Health Authority, said, "We have been witnessing a plethora of healthcare innovations happening across the country and it is crucial to empower them by providing the right support. I am confident that this partnership will help us in linking PM-JAY, the industry and the innovators, thus enabling increased adoption of numerous inventions, leading to an increase in access to quality care delivered under PM-JAY."

Dr. H Sudarshan Ballal, President, NATHEALTH, stated, "This initiative aims to enable healthcare innovations to access private industry support, funding from private capital and other funders, and mentorship from clinical, technology and business experts."

NATIONAL**15 AUGUST 2019**<https://medgatetoday.com/universal-healthcare-innovations-indian-healthcare-building-stronger-partnerships/>**✍ Universal Healthcare & Innovations Indian Healthcare:
Building Stronger Partnerships**

By Neeraj Vats / 3 days ago / Experts Views / No Comments



To achieve the goal of Universal Health Coverage, healthcare sector has recently made serious efforts in terms of forging partnerships- both Public-Private and Private-Private. The focus of these partnerships was on leveraging disruptions for the benefit of the healthcare ecosystem. The sector needs to decode the potential of New Technologies, Solutions, Delivery system and medical supply chain among others. Innovations would finally empower people with quality, access and affordability. The government has realized the urgent need to take the lead in encouraging and driving innovations. Stronger tie-ups to drive innovations would now play a catalytic role in achieving the goal of Universal Health Coverage.

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The world's largest government-run health insurance scheme Pradhan Mantri Jan ArogyaYojana (PM-JAY) under Ayushman Bharat Mission is completing a year of its successful implementation with positive outcomes in September this year. Now is the time to be prepared to take it to the next level. And for this, the Scheme needs to be driven by technology disruption or innovations. Realizing the critical role of technology disruptions, Ayushman Bharat Mission's s implementing agency National Health Authority (NHA) recently entered into a partnership with NATHEALTH to enable a seamless pathway that streamlines all innovations ensuring that it scales and increases the efficacy of PM-JAY service delivery. Further, this collaboration provides an industry interface for testing innovations; providing mentorship and creating channels for facilitating support required for scaling these innovations. This is expected to bolster NHA's effectiveness in implementing its innovation strategy, which is aligned with its vision of "Health for All".

Health startups have been driving innovations in the country and these innovators would help shape the future of healthcare. For better outcomes, the industry needs to provide mentorship and market support to them. Funding from private capital and mentorship from clinical, technology, and business experts would go long way to create a new healthcare ecosystem.

It is very promising to note that key stakeholders have joined hands to curate the best healthcare innovations and start-ups from India. Assessing healthcare innovations through varied perspectives such as clinical, technical, impact, sustainability and scalability would enable an ecosystem for healthcare innovations to engage with Ayushman Bharat PM-JAY.

What the sector needs the most? Value-based healthcare, efficient management of population health, better insurance administration, adoption of digital health, data analytics, and operational excellence for service delivery of healthcare schemes have emerged key areas to drive the growth of the sector. With innovations, stronger partnerships among key stakeholders provide new momentum to the healthcare delivery system.

Cohesive collaborations are needed to create open platforms such as universities, start-up incubators, and accelerators, private industries, investors (private capital, grant-giving organizations and foundations) that will enable engagement between different types of innovation organizations.

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A plethora of healthcare innovations are happening across the country and it is crucial to empower innovators by providing the right support. Now innovators, industry, and the implementing agency have come on a common platform thus enabling increased adoption of numerous inventions, leading to an increase in access to quality care delivered under PM-JAY.

Like NHA, two other partnerships in the sector would drive innovations further and bring in an integrated approach to deal with the challenges. NATHEALTH's association with NASSCOM's Centre of Excellence is also expected to improve the access and quality of healthcare in India through tech-enabled innovations. It is high and right time to leverage the benefits that the Internet of Things (IoT), Artificial Intelligence (AI), Robotics, Blockchain technologies, Augmented Reality(AR)/ Virtual Reality (VR) can bring to the healthcare sector. The sector needs to deploy emerging technologies to ensure better delivery of healthcare. This will be possible if health start-ups can leverage access to capital, mentorship, industry partnerships, and technology support.

Yet another collaboration, namely with global health-focused innovation platform Well Technologies Ltd (Well Tech), aims to support healthcare startups with access to capital & market, industry partnership, mentorship and technology development assistance. This partnership plans to infuse seed investment of upto\$ 1.5 Million. The joint initiative provides health start-ups with access to capital, industry partnerships, and product & technology support along with helping them scale to new markets. It is an accelerator program that supports startups to grow and to collaborate better with Government and industry.

Providing support to innovation through startups by leveraging the best tech products, solutions, and expertise, network, and capital partners will go a long way to create an enabling ecosystem. Under the agreement, the selected start-ups will be offered funding opportunities ranging from \$0.5 million-1.5 million in a year. Entrepreneurship and a vibrant startup ecosystem is an absolute necessity to complete the circle of innovation in healthcare. These collaborations would go a long way to create a robust ecosystem for the healthcare sector and innovation would provide new momentum in terms of clinical outcomes, transparency, patient safety, supply-chain management and standardization of population health services with the help of new technologies.

Dr. H Sudarshan Ballal, President, NATHEALTH