

2022
JULY
**NEWS
LETTER**

Shaping India's health system by owning and
contributing to strategic healthcare agenda



NEWS

LETTER

Impact in the last 30 days

Government Engagement: NATHEALTH shared collective stakeholder comments on consultation paper on "From Volume Based to Value Based Care": Ensuring Better Health Outcomes and Quality Healthcare under AB- PMJAY

Value-based Care: NATHEALTH participated at NHA stakeholder virtual consultation on Value Based Care under AB PMJAY

3.0 Agenda: NATHEALTH Quarterly Governing Council Meeting held for arriving at a Robust Roadmap for 3.0 Agenda

Universal health coverage: NATHEALTH, FICCI & Gol organized an event on "Transforming Primary Healthcare in India through AB-HWCs"

GST in Healthcare: Meeting held with NITI Aayog's Dr. VK Paul on DNB priorities & GST

Joint representation on GST in Healthcare: Meeting held with Shri Rajesh Bhushan to discuss concerns, challenges, solutions regarding GST in healthcare

GST on Room Rent: NATHEALTH put forward its position on GST reg. recent announcement on Room Rent Charges in front of relevant Government channels

Representation on public health initiative: Meeting held on One Nation and One Dialysis initiative

Representation on public health initiative: Letter sent to NABH on formulation of Dialysis Standard as part of NABH Standards

Internal member engagement: Two Expert Speak Series sessions held on sectoral subjects

Resource mobilization: US Education Trip planned for Immersive Learning, Partnerships

CSR Charter: CSR Meeting held to discuss Future Strategies, Roadmap

GST Workshop: NATHEALTH organizes industry-wide GST Workshop

Joint representation for DNB: Cross Federation consultation meet held to synergize DNB efforts

Infrastructure & capacity building: Meeting held with HSSC on building Allied Healthcare Capacity

Joint efforts on GST in healthcare: Cross Federation meeting arranged on GST concerns

Resource mobilization: Umbrella Sponsorship Initiative launched by NATHEALTH; Functional and Regional forums priorities announced

Building and enhancing public & Government trust

Stakeholder comments on consultation paper on "From Volume Based to Value Based Care": Ensuring Better Health Outcomes and Quality Healthcare under AB- PMJAY

As per the Government's requirement, NATHEALTH collated and shared stakeholder comments on consultation paper on "From Volume Based to Value Based Care": Ensuring Better Health Outcomes and Quality Healthcare under AB- PMJAY, with Prof. Shankar Prinja, Executive Director (HP & QA), National Health Authority (NHA), Government of India.

| S. No | Section Name | Identified questions (as indicated in the Consultation Paper) on which inputs are sought | Suggestions/ Comments | Justification/Rationale |
|-------|--|---|--|---|
| 1. | Value Based Care: Concept, Need, and its Application in different Healthcare Systems | 1) List the elements required to comprehensively capture the "value" while defining the value-based care from the perspective of PM-JAY | <ol style="list-style-type: none"> Digital Therapeutics/Remote Care Reduced AIoS (Average length of stay) Minimally Invasive Procedure's Surgical Intervention Longevity-Long Battery Life (Durability) for battery operated implants There is a lack of emphasis on evidence-based medicine and evidence-based healthcare in the paper. Healthcare that is not evidence-based will not be of high value. There needs to be a greater emphasis on evidence-based medicine and how it can underpin other themes within the paper such as the need for standardisation of care and appropriate balancing of benefits and harms. | <ol style="list-style-type: none"> Helps offer health services to patient without being called for in person consultation/procedure It's an important criterion to evaluate the outcome of value If a minimally invasive procedure is available for a disease type, conducting a surgical procedure for the same is anti-value. Many implants especially cardiac implants are battery operated and therefore for all battery-operated cardiac implant procedures, battery life is an important value element. |

NATHEALTH participation at NHA stakeholder virtual consultation on Value Based Care under AB PMJAY

NATHEALTH was invited to be a part of a stakeholder virtual consultation organized by NHA on the Value Based Care under AB PMJAY. Key speakers at the event were Dr. Vipul Aggarwal (Deputy CEO, NHA), Dr. Shankar Prinja (Executive Director, HP&QA Division, NHA) & Dr. Sudha Chandrashekar (Executive Director, Health Policy & Hospital Management, NHA).



The consultation paper aims to establish effective ways to adopt value-based care model in the largest tax-funded health insurance scheme of the world- PM-JAY. The mechanism of value-based incentives proposes to reward the health care providers with incentives for the quality of care they give to the beneficiaries of PM-JAY and underlines performance measurement of the hospitals. The paper aspires to define the conceptual framework of the value-based care and its theoretical background.

Building and enhancing public & Government trust

Meeting held with NITI Aayog's Dr. VK Paul on DNB & GST

NATHEALTH recently held a meeting with Dr. Vinod K Paul, Hon'ble Member (Health), NITI Aayog for follow-up discussions on DNB, GST, and NMC Submissions. During the meeting, NATHEALTH submitted and presented the updated work done on the said topics. Towards this, dialogues on way forward and collaboration, were touched upon.

Meeting with Shri Rajesh Bhushan to discuss GST in healthcare



NATHEALTH, along with AHPI, FICCI recently held a meeting with Shri Rajesh Bhushan Ji, Union Health Secretary, GoI. The meeting focussed on the agenda of GST in healthcare. The federations jointly represented the healthcare sector's concerns and requirements on the said topic. The Government has continuously supported and guided NATHEALTH and its vision. Similarly, the Federation is hopeful of fruitful outcomes from this discussion as well.

NATHEALTH shares its position on GST regarding recent announcement on Room Rent Charges

NATHEALTH has submitted its position regarding GST on the recent announcement on Room Rent Charges to the relevant ministries and departments/authorities.

Background

In the recently concluded 47th GST Council meeting, among the other decisions taken, a mini rate change exercise was approved with the ostensible objective of phasing out exemptions and correcting the inverted duty structure. While the phasing away of the exemptions is a laudable objective, crucial distinction must be made between phasing out exemptions at the final output stage and phasing out of exemptions at the inputs/intermediate stage.

Failure to recognize this has led to the Government levying a GST duty of 5 percent on hospital rooms with rental value above Rs. 5000 per day. This distorts the design of the GST and imposes an additional tax burden on the healthcare sector, impacting affordability, which is a key objective of the National Health Policy.

NATHEALTH's recommendation (basis NATHEALTH/EY GST Study)

The current tax levied on hospital rooms may be kept in abeyance as in the case of textile sector and should be considered after the recommendation of the Bommai committee are received and should be examined in the background of holistic view of the healthcare sector, as whole which is an important sector whose role in the economy is crucial as emphasized during the recent covid crisis.

Holistic approach to GST on hospital rooms will also send the right signal to foreign investors who value certainty in taxation and policy changes which are principally embedded in a larger policy narrative.

Thought Leadership Initiatives

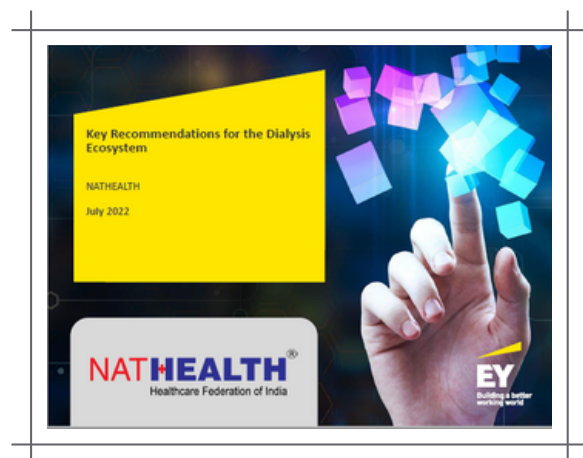
Meeting held on One Nation and One Dialysis initiative

NATHEALTH recently held a meeting to take ahead its agenda of One Nation One Dialysis (in association with E&Y). The meeting put forward key recommendations gathered after various in-depth discussions amongst the industry and internal members.

The recommendation document includes detailed SWOT analysis on the below:

- Standalone Dialysis Centres
- Issues in PMNDP
- Training Curriculum
- Clinical Outcomes
- Peritoneal Dialysis

Inclusion of Incremental Therapy (Hemodiafiltration - HDF) was also highlighted as a key recommendation.



The recommendations have been extensively circulated among the Government offices and also healthcare stakeholders. Work is also on for mapping Government stakeholders for advocacy apart from NHSRC and MOHFW. The entire initiative is based on the idea that the dialysis policy of the Government of India has to be based on certain broad principles which are: a) affordability, b) accessibility, c) appropriate methodology of intervention and d) areas of public private partnership to ensure quality delivery outcomes.

Thought Leadership Initiatives

Letter to NABH on formulation of Dialysis Standard as part of NABH Standards

In a letter shared with Dr. Atul Mohan Kochhar, Chief Executive Officer, National Accreditation Board for Hospitals & Healthcare Providers (NABH), NATHEALTH highlighted the need to include the Dialysis Standard as part of NABH Standards. NATHEALTH has also taken up the discussion on the NABH dialysis standards with the NHSRC.

27 June 2022

Dr Atul Mohan Kochhar
Chief Executive Officer
National Accreditation Board for Hospitals & Healthcare Providers (NABH),
ITPI Building, 5th Floor, 4 - A, Ring Road, I P Estate,
New Delhi - 110002

Subject: Request for formulation of Dialysis standard as part of NABH Standards

Dear Sir,

We, at NATHEALTH, have recently formed a core group of experts regarding the important initiative of Government as **"One Nation and One Dialysis"**. **The core group felt the need to mention and highlight creation of NABH dialysis standards.**

1. End Stage Renal Disease (ESRD) continues to be a result of existing and emerging burden of non-communicable disease. Dialysis practically remains the first and in majority of cases, the only choice for ESRD patients.
2. Every year about 2.2 Lakh new patients of End Stage Renal Disease (ESRD) get added

Two Expert Speak Series sessions held on sectoral subjects

NATHEALTH held two Expert Speak on subjects that matter to the industry and its stakeholders: 1) Role of Clinical Governance for Universal Coverage 2) Improving Operational Efficiency through Digital Health. The Series is a part of NATHEALTH's internal member engagement initiative.

NATHEALTH
Healthcare Federation of India

NATHEALTH Expert Speak Session
on
Role of Clinical Governance- For Universal Coverage

21st July, Thursday | 04:00pm to 5:00 pm

Speakers:
 Dr. Chandrika Kambam, Medical Director, Ever Healthcare
 Dr. Anoop Amarnath, Chairman, Operative Standards, Manipal Hospital
 Dr. Mandakumar Ashram, Advisor, Bharat, India, Independent Health Care Advisor

Exclusively for NATHEALTH members / An initiative to increase NATHEALTH members engagement, enhance skills, and increase awareness on specific industry issues, especially affecting tier 2-3 cities

NATHEALTH
Healthcare Federation of India

Join us for the
NATHEALTH Expert Speak Series
on
Improving Operational Efficiency through Digital Health
The role of digital health in elevating the standards of care delivery in India

28th July 2022 (Thursday) - Time: 4:00 - 5:00 pm

REGISTER NOW

Speakers:
 Mr. Ramesh Bhanuja, Vice President, India Healthcare Initiative Limited
 Mr. Ashish Kapur, Executive Director, Regency Health
 Dr. Nishant Kumar, Founder & CEO, Karyma Hospital Group

Exclusively for NATHEALTH members / An initiative to increase NATHEALTH members engagement, enhance skills, and increase awareness on specific industry issues, especially affecting tier 2-3 cities

Resource Mobilization for Sectoral Impact

New members joining NATHEALTH

NATHEALTH welcomes its newly added members: Dr. Harsh V Agrawal, All Asia Medical Institute (AAMI) (Healthcare Provider); Dr. Lakshmi Jagannathan, DERBI Foundation (Health Tech Startup Incubator/Innovation); Dr. Mallika Kapoor, AIMIL (Health Tech); Mr. Ravindra Kumar, Lupin Diagnostics (Diagnostics); and Mr. Indranil Roy Choudhury, Apex Kidney Care (Renal Care).

Thought Leadership Initiatives

NATHEALTH organizes GST Workshop

NATHEALTH recently conducted a virtual GST Workshop, which was attended by various key industry stakeholders and was graced by eminent speakers.

NATHEALTH had commissioned a study to estimate the embedded taxes contained in the healthcare services segment. The embedded taxes arise as the Healthcare Services are exempt under GST, therefore the pass-over of taxes as visualized in the GST design does not happen in the case of healthcare services.

As the entire exercise of GST rate structure rationalisation is under examination by a commission under GST council, NATHEALTH's request is that at least a few important items, which account for a significant proportion of embedded taxes, could be brought to a merit rate, providing some relief to the healthcare services segment, and at least neutralise the increase of 1.5% post covid (in GST regime). Towards this, NATHEALTH is organising a Workshop on GST over a virtual platform. The idea was to update on the progress, collect and galvanize thoughts and present the way forward.

ASSOCIATION OF HEALTHCARE PROVIDERS INDIA
Educating & Advocating for Well Being of Common Man

FICCI

NATHEALTH[®]
Healthcare Federation of India

GST Workshop

with the top leaders from government and industry

Date: 15th July, Friday | Time: 3 - 4 pm (Virtual discussion)

Join us to galvanise the thoughts and present the way forward for GST in the healthcare sector

Moderator

Speakers

Ms. Shambhavi Sharan
Sr Consultant, Tax and Economic Policy Group Ernst & Young (EY)

Mr. VS Krishnan
National Leader, Tax and Economic Policy Group Policy Expert

Air Commodore (Dr.) Ranjan Choudhury
VSM, Advisor, Health Care Technology Division, National Health Systems Resource Centre (NHSRC)

Mr. Naveen Kumar
IAS, Special Secretary, Health, Govt. of Andhra Pradesh

Thought Leadership Initiatives

Transforming Primary Healthcare in India through AB-HWCs

In a joint initiative by NATHEALTH, FICCI & the Government of India, an event was organized for focussing on primary healthcare in India. The Indian Healthcare Industry facilitated Smart HWCs during the event. Primary care is a valuable asset to achieve universal healthcare and to elevate overall health index of a nation. Through this initiative, the Federation has taken a step ahead towards the same.



Seminar on
Transforming Primary Healthcare in India through AB-HWCs
Indian Healthcare Industry facilitating Smart HWCs
July 14, 2022 | 11:00 am – 1:00 pm
FICCI Federation House, New Delhi

Session Chair



Shri Rajesh Bhushan
 Secretary, Health and Family Welfare
 Government of India

Speakers

| | | | |
|---|---|--|---|
|  Dr Maninder Kaur Dwivedi <small>Principal Secretary Health & Family Welfare & Medical Education Government of Chhattisgarh*</small> |  Shri Amit Mohan Prasad <small>Additional Chief Secretary Department of Health & Family Welfare Government of Uttar Pradesh*</small> |  (Hony) Brig Dr Arvind Lal <small>Chair, FICCI Swasth Bharat Task Force and Managing Trustee ALVL Foundation</small> | |
|  Ms Meenakshi Datta Ghosh <small>Chair, Primary Healthcare Subgroup of FICCI and Former Special Secretary- Health & Family Welfare Government of India</small> |  Dr Arun K Agarwal <small>Co-Chair, FICCI Swasth Bharat Task Force Medical Advisor, Apollo Hospitals Group and Former Prof. ENT & Ex-Dean MAMC</small> |  Dr Suneela Garg <small>Imrtd. Past President Organized Medicine Academic Guild (OMAG) Professor of Excellence Chair- Program Advisory Committee, NIHF</small> | |
|  Mr Sanjiv Navangul <small>Chair, NATHEALTH Western Region MD and CEO, Bharat Serum</small> |  Dr Sabahat Azim <small>Co-Chair, Primary Healthcare Subgroup of FICCI Co-Founder & CEO International, UgiHealth Inc. and Founder and MD, Glocal Healthcare Systems</small> |  Dr Sunil Raina <small>National Convener, OMAG Project Director, CATCH and Prof. & Head- Community Medicine, DrPGMC Kangra, Himachal Pradesh</small> |  Mr Karan Singh <small>Managing Partner Bain and Co.</small> |

Principal Partner  **Support Partner**  

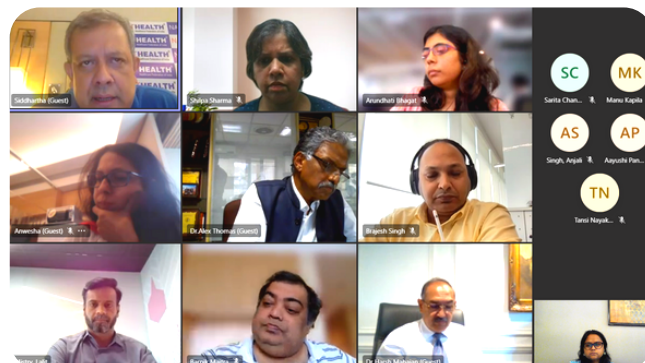
Registration Link: shorturl.at/nDHMS

Contact Us @ healthservices@ficci.com | +91 11 23487220/ 214/ 9911937797

Collaborative Initiatives

Cross Federation consultation meet to synergize DNB efforts

NATHEALTH organized a cross federation consultation meet to synergize the DNB efforts across associations. Various federations were a part of this meeting and discussions were held on the current status and the way forward. NATHEALTH's technical partners and knowledge partners also joined the discussion.



Meeting with HSSC on building Allied Healthcare Capacity

In a meeting with the Healthcare Sector Skill Council (HSSC), NATHEALTH's Senior Care and Home Care forums discussed about building allied healthcare capacity, collaboratively.



The meeting explored the formation of a core group with HSSC on you on these two aspects. It was attended by the senior officials at HSSC and NATHEALTH Forum Leaders Ms. Nanki Singh, Ms. Meena Ganesh, Mr. Rajit Singh, and Mr. Vivek Srivastava.

Cross Federation meeting on GST

NATHEALTH recently held a Cross Federation meeting to discuss the various aspects of GST in healthcare.

- **Key discussion points:**
- The issue of GST on the room should be dealt with by getting the input tax credit reimbursed on the GST paid by the healthcare players.
- Advocacy with the Government on zero % GST.
- Consolidated stand of the healthcare industry during discussions with the Government.

Resource Mobilization for Sectoral Impact

Umbrella Sponsorship Initiative launched by NATHEALTH

NATHEALTH has launched a sponsorship drive to raise funds for pushing the impact areas of NATHEALTH 3.0 Agenda for accelerating the Momentum of Growth in Healthcare Sector.



The roadmap to achieve the impact includes:

Development of NATHEALTH Member Portal for higher sector inclusion; Website Rehaul for increased interactions & deep diving; Regional Roadshows to increase reach in catchment areas; Communication campaigns for consistent knowledge & information dissemination.

Priorities for every Functional and Regional forum announced

After various internal deliberations, NATHEALTH has announced the priority areas for Functional and Regional Forums. To transform the goals and aspirations of NATHEALTH 3.0 into reality, various functional and regional forums have rolled out their agendas. These priorities focus upon many existing and emerging areas such as health infrastructure, membership portal, regular engagement & contribution from forum members, among other things. The priority areas are based on the thematic priorities of NATHEALTH 3.0 Agenda.

Provider Forum Aspirations and goals for FY 23 Provider Forum

| Goals FY 23 | Responsible | Approves | Supports (Internal Partners) | Is Informed (External partners) | Is consulted (External Stakeholder) |
|--|--------------------------|------------------------------------|---|--|---|
| GST revision | NATHEALTH Provider Forum | Leadership Team General Council | Other forums which have similar goals | Other regional and national provider federations | <ul style="list-style-type: none"> GST Council MedF NI Aayog CGHS NI Aayog Ministry of Tourism MoHPW NHSRC Medical Tourism Companies |
| CGHS Rate List Revision | | | <ul style="list-style-type: none"> MedTech forum | | <ul style="list-style-type: none"> NI Aayog MoHPW NHSRC Medical Tourism Companies |
| Promoting Medical Value Travel (MVT) | | | <ul style="list-style-type: none"> Diagnostic Forum | | <ul style="list-style-type: none"> NI Aayog MoHPW |
| Engagement and Value proposition for smaller members | | | Other forums which can act as enablers | | <ul style="list-style-type: none"> PR / Media |
| Payment delays | | | <ul style="list-style-type: none"> Provider Forum Insurance Forum | | <ul style="list-style-type: none"> NHA / PMJAY CGHS |
| AB- PMJAY Reforms | | | <ul style="list-style-type: none"> Insurance Forum | | <ul style="list-style-type: none"> NHA / PMJAY NI Aayog |

Diagnostics Forum Aspirations and goals for FY 23 Diagnostics Forum

| Goals FY 23 | Responsible | Approves | Supports (Internal Partners) | Is Informed (External partners) | Is consulted (External Stakeholder) |
|--|-----------------------------|------------------------------------|--|---|--|
| Establishing standardization & promotion of digital diagnostics | NATHEALTH Diagnostics Forum | Leadership Team General Council | Other forums which have similar goals | Other regional and National Diagnostics federations | <ul style="list-style-type: none"> ICMR CLA (CDSCO) Quality Council of India FIND India |
| Quality linked reimbursement & diagnostic package inclusion in public insurance schemes as standalone packages | | | <ul style="list-style-type: none"> MedTech Forum Home Healthcare Forum | | <ul style="list-style-type: none"> NHA/PM-JAY CI Healthcare Council |
| Remote validation of reports & regulatory framework with minimum licensing standard | | | Other forums which can act as enablers | | <ul style="list-style-type: none"> National Resource Center for EHR Standards (NRCES) NABH |
| Antimicrobial resistance to develop resilience | | | <ul style="list-style-type: none"> Providers Forum Insurance Forum | | <ul style="list-style-type: none"> PR / Media Agencies MoHPW NMC ICMR CI Healthcare Council FIND India |
| Pan India membership footprint | | | <ul style="list-style-type: none"> Providers Forum | | |

Eastern Chapter Aspirations and goals for FY 23 Eastern Chapter

| Goals FY 23 | Responsible | Approves | Supports (Internal Partners) | Is Informed (External partners) | Is consulted (External Stakeholder) |
|--|-------------------------|------------------------------------|---|---|--|
| Swordhya Sathi Program reform | NATHEALTH Eastern Forum | Leadership Team General Council | Other forums which have similar goals | Other regional and state level associations | <ul style="list-style-type: none"> WB State MoHPW CINI Health tech companies Low-Cost Design model |
| Work with India Attitude for a low cost design | | | <ul style="list-style-type: none"> Provider forum Diagnosic Forum | | <ul style="list-style-type: none"> BSA Media Organizations |
| Impact of negative Publicity of Private healthcare | | | Other forums which can act as enablers | | <ul style="list-style-type: none"> PR / Media Agencies |
| Increase membership drive | | | <ul style="list-style-type: none"> Provider Forum PEVC Forum | | <ul style="list-style-type: none"> ICCC/CIH Healthcare Councils National CSR Hub, TISS |
| Owning 1 CSR program | | | | | <ul style="list-style-type: none"> NMC MEITY |
| Digi/Accreditation or digital tech adoption | | | | | |

Northern Chapter Aspirations and goals for FY 23 Northern Chapter

| Goals FY 23 | Responsible | Approves | Supports (Internal Partners) | Is Informed (External partners) | Is consulted (External Stakeholder) |
|---|--------------------------|------------------------------------|---|---|---|
| Antimicrobial Resistance (AMR) guidelines | NATHEALTH Northern Forum | Leadership Team General Council | Other forums which have similar goals | Other regional and state level associations | <ul style="list-style-type: none"> MoHPW ICMR |
| Supplement govt. efforts in implementation of One Nation and One Dialysis Program through private participation | | | <ul style="list-style-type: none"> Diagnostic Forum MedTech Forum Provider Forum | | <ul style="list-style-type: none"> NTI Aayog ICMR PHI |
| Increase membership drive & create state charters | | | Other forums which can act as enablers | | <ul style="list-style-type: none"> GST council MoF NI Aayog |
| Chaining 1 CSR program/ Regional Summit | | | <ul style="list-style-type: none"> Insurance Forum Innovations forum | | <ul style="list-style-type: none"> PR / Media Agencies National CSR Hub, TISS CSIP/CCI |
| India Africa Summit 2022 | | | | | <ul style="list-style-type: none"> NMC MEITY |

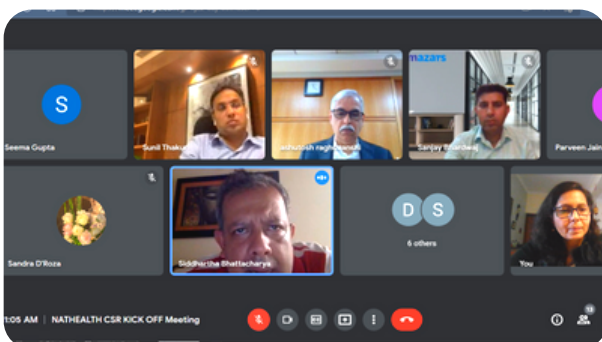
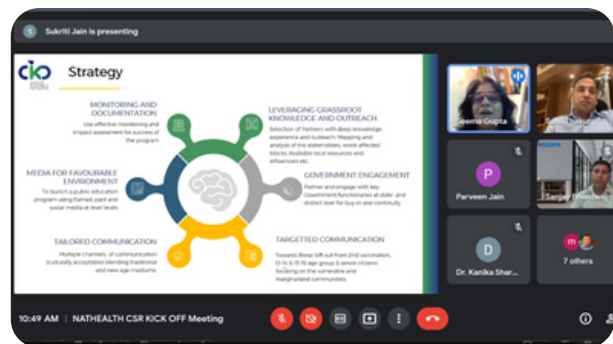
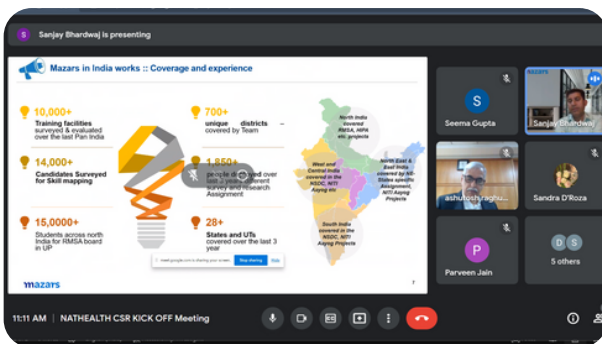
CSR Charter Movement

CSR Meeting held to discuss Program Launch, Future Strategies

NATHEALTH held a meeting to further the cause of its CSR Charter. Points of discussion included:

- Impact till date
- Leveraging knowledge & outreach
- Government engagement
- Tailored & targetted communications
- Media planning & implementation

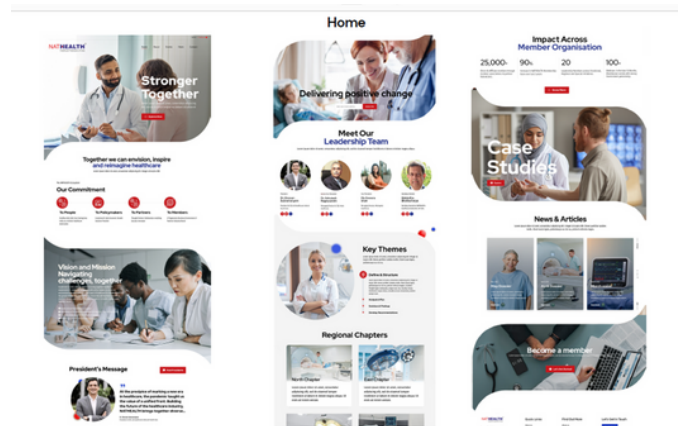
Certain case studies were shared as well to understand the CSR functioning better for a country like India.



Resource Mobilization for Increased Interactions & Deep Diving

NATHEALTH's Website Rehaul Kicked Off

NATHEALTH has kicked started the re-design and development of a mobile responsive website on the lines of NATHEALTH 3.0 Initiative. The project will be implemented through curation of content with an updated library to make it more attractive and user friendly, ultimately resulting in increased audience engagement and easier navigation for the end user.



Internal Member Engagement

US Education Trip for Immersive Learning

The purpose of NATHEALTH's US Education Trip is to provide immersive learning experience to new clinical practices, state of the art infrastructure, & innovative medical & digital technologies. Also, to explore partnerships for creating CEO Forums, Healthcare Programs & Financing, R&D and Innovation. The participating bodies are NATHEALTH GC Members, NATHEALTH Members and Members of Partner Associations. This Education Trip also aims at showcasing India's Healthcare ecosystem and developments to the world. The trip is currently being planned in September 2022.

NATHEALTH President's discussion with Internal Team

Dr. Shravan Subramanyam, President, NATHEALTH held a call with the Secretariat team. The discussion focussed on the upcoming year's priorities, NATHEALTH's 3.0 Agenda, roles and responsibilities.



Continuous Internal Communications

NATHEALTH Quarterly Governing Council Meeting held for arriving at a Robust Roadmap for 3.0 Agenda



Proactive Communications & PR Campaigns



Health sectors seeks 5% GST removal on high rental hosp rooms

New Delhi: Healthcare industry body NATHEALTH on Tuesday asked the government to put into abeyance the recently announced 5 per cent GST on hospital rooms with rental value of above Rs 5,000 per day, terming it an additional burden on the sector.

Last week, the GST Council decided that hospital room rents (excluding ICU) exceeding Rs 5,000 per day per patient shall be taxed at 5 per cent without input tax credit.

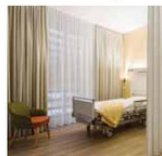
"While the phasing away of the exemptions is a laudable objective for it integrates a large part of the value chain in the tax net, a crucial distinction must be made between phasing out exemptions at the final out-

put stage and phasing out of exemptions at the inputs/intermediate stage," NATHEALTH said in a statement.

Failure to recognise this has led to the government levying a GST duty of 5 per cent on hospital rooms with rental value above Rs 5,000 per day, it added.

While this measure may look innocuous it distorts the design of the GST and imposes an additional tax burden on the healthcare sector, the lobby group noted.

The services in the hospital rooms are an intermediate input feeding into the overall healthcare services which is currently outside the GST net, it said.



Therefore, levying a 5 per cent GST rate on hospital rooms raises the embedded tax burden in the healthcare sector impacting affordability which is a key objective of the National Health Policy," the industry body stated.

"Our recommendation is that the current tax levied on

hospital rooms may be kept in abeyance as in the case of textile sector and should be considered after the recommendation of the Bommai committee are received," it noted.

It should be examined in the background of holistic view of the healthcare as a whole which is an important sector whose role in the economy is crucial as emphasised during the recent covid crisis, NATHEALTH stated.

"Holistic approach to GST on hospital rooms will also send the right signal to foreign investors who value certainty in taxation and policy changes which are principally embedded in a larger policy narrative," it added.

5% GST on hospital rooms a blow to affordable healthcare

MONIKA YADAV @ New Delhi

THE 5% GST rate on non-ICU hospital rooms with rental value above ₹5,000 per day would lead to inflation and would increase the cost for patients, as per healthcare industry.

"They say it will defeat the government's objective of providing affordable healthcare services to all. The tax imposition of 5% is also without the input tax credit, which has been heavily criticized by the industry. The decision of levying GST on such rooms was taken by the government last month during 47th GST Council meet in Chandigarh.

"The decision to impose a 5% GST on hospital room rent above ₹5,000 per day (excluding ICU) would add to inflationary pressure to some extent and increase the burden. If there is a GST on room rent then tax credit should be allowed for the hospital sector," said Dr Shankar Narang, COO Paras Healthcare. "As GST is not payable on healthcare services, service providers are not eligi-

ble to avail credit on the input taxes paid by it, which ultimately becomes a cost for the service provider," Narang added.

Dr. Aashish Chaudhry, managing director at Aakash Healthcare, Dwaraka, also echoed the same observation. He said the general public will be adversely affected by the imposition of 5% GST without an input tax credit.

"I think to make healthcare accessible and inexpensive for the last man standing, it should receive the most subsidies and GST exemptions. With this tax, hospital expenses would rise, and many patients might face difficulties," stated Dr. Chaudhry. According to a study by EY for healthcare industry body NATHEALTH, the sector carries an embedded tax above 6% of the annual turnover. This is also one of the few sectors where the embedded tax burden post-GST period is higher than pre-GST times on account of limited pass through available to the imports under the earlier State VAT regime.

Business Standard

JUST IN Industry body CII pitches for simplification of GST, reduction in tax slabs

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Healthcare industry seeks removal of 5% GST on high rental hospital rooms

Healthcare industry body asked government to put into abeyance recently announced 5 per cent GST on hospital rooms with rental value of above Rs 5,000

Healthcare industry seeks suspension of 5% GST on high rental hospital rooms

The services in the hospital rooms are an intermediate input feeding into the overall healthcare services which is currently outside the GST net, it said.

Written by **EI**
July 5, 2022 6:01:43 pm



Last week, the GST Council decided that hospital room rents (excluding ICU) exceeding ₹5,000 per day per patient shall be taxed at 5 per cent without input tax credit. (Representative image)

Healthcare industry body NATHEALTH on Tuesday asked the government to put into abeyance the recently announced 5 per cent GST on hospital rooms with rental value of above Rs 5,000 per day, terming it an additional burden on