‘Healthcare needs innovative funding’

Alternatives needed to boost healthcare spending to 2.5% of GDP by 2030: PwC

SPECIAL CORRESPONDENT
MUMBAI

Conventional modes of resource mobilisation must be aided by an innovative funding mechanism to improve healthcare investments in India, a Healthcare Federation of India (NATHEALTH)-PwC report has said.

The report said funding should be mobilised from pension funds and that investments should be routed through public-private partnership and long-term debt.

It has also suggested funding through business trust entities such as Real Estate Investment Trusts along with funds sourced through bilateral investment treaties.

Underlining the need for huge funding requirements, the report said, “FDI in the sector has significantly increased in the last three years. However, healthcare expenditure’s share in GDP remained around 1.6% in FY16 and innovative funding modes would support the target of taking it to 2.5% by 2030.”

“Quantum leap”
It has also highlighted the fact that private equity deals were supporting funding in the sector and the value of transactions had increased from $94 million in 2011 to $1.26 billion in 2016, a jump of 13.5 times.

“Access to capital has been one of the biggest roadblocks to the growth of the Indian healthcare sector,” said Dr. Rana Mehta, partner and leader, healthcare, PwC India.

“The government spends only about 1.5% of its GDP on healthcare, which is among the lowest globally for any country,” he said.

“Along with building highways, firing up power plants and ensuring there is a roof over every Indian’s head, there is a need to focus on the healthcare needs of the country.”

Anjan Bose, Secretary General, NATHEALTH said, “While the opportunity for improvement of health services in India is huge, it is for the government and the entire healthcare ecosystem to work together so that benefits percolate to the segment that require them the most.

The New Health Policy 2017 too had highlighted that innovative modes of funding were needed to meet the requirements of the healthcare sector, the report said.
BENGALURU, DHNS: In order to bridge the huge infrastructure gap, India will need more participation from the private sector and for these conventional modes of healthcare funding will need to be aided by innovative modes funding to improve healthcare investments in India, a NatHealth PwC Report has revealed.

The report — on ‘Funding Indian healthcare; Catalyzing the next wave of growth’— recommends four scaling innovative modes which should be introduced for funding Indian healthcare.

These include pension funds, investment route through PPP long-term debt
India needs innovative modes of funding for healthcare sector: NATHEALTH – PwC Report

Binod Kumar Singh

New Delhi. To bridge the huge infrastructure gap, India will need much more participation from the private sector and for these conventional modes of healthcare funding will need to be aided by innovative modes funding to improve healthcare investments in India, reveals a NATHEALTH-PwC Report which was released here today at NATEx2017, an annual seminar organized by the Healthcare Federation of India (NATHEALTH). The private sector has been involved in building the healthcare infrastructure in the country with active participation from private equity players and increase in FDI investments, the Paper says innovative modes of funding are needed to meet the requirements of the healthcare sector which has also been highlighted in recently unveiled New Health Policy 2017 by the government. The New Health Policy 2017 aims at universal health coverage and affordable quality healthcare services to all. NATEx2017, an annual seminar organized by the Healthcare Federation of India (NATHEALTH) witnessed the release of the Report on “Funding Indian healthcare; Catalyzing the next wave of growth” by NATHEALTH in association with PwC. The Report was released in the presence of Shri Paggen Singh Kullaste, Minister of State, Ministry of Health & Family Welfare, Government of India.

The Report recommends four 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. Report bats for financing through pension funds which may provide access to a large pool of money. It also suggested funding through business trust entity like Real Estate Investment Trusts along with bilateral investment treaties. While underlining the need of huge funding requirements, the Report says the FDI in the sector has been significantly increased in the last three years. However, healthcare expenditure’s share in GDP remains around 1.6% in FY 16 and innovative funding modes would support the target of taking to 2.5% by 2030.

It also highlights the fact that Private Equity Deals are supporting the funding in the sector and value of transactions has increased from 94 million USD in 2011 to 1.275 million USD in 2016—a jump of 13.5 times. The Report also examines the key challenges the healthcare industry is facing and the opportunities which with Indian Health Care system can overcome these challenges “With a 22% shortage of primary health centres (PHCs) and 32% shortage of community health centres (CHCs), it is estimated that 50% of beneficiaries travel more than 100 km to access quality care. India has only 1.1 beds per 1,000 populations in India compared to the world average of 2.7. Most physicians are located in urban areas, resulting in significant access issues in the rural regions.”
NEW DELHI/ NATIONAL

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Sense of urgency needed to reduce maternal deaths: NATHEALTH

While the target is to reduce maternal mortality rate in India to 100 soon, achieving this will require concerted action.

Anjali Bose
Secretary General, NATHEALTH

Healthy India is certainly a possibility by aligning proper mother and child care with universal health coverage. To achieve this, adequate attention is needed to be placed on reducing maternal mortality rate (MMR) with a sense of urgency. NATHEALTH, the Healthcare Federation of India, has said on the eve of International Women’s Day.

According to NATHEALTH’s Aquagia Report, India urgently needs to create a roadmap for implementation of focused policy to reduce MMR which is still around 165 against the target of 509 in the Millennium Development Goals.

“We need to adopt a holistic approach towards women care. A strong bias towards curative care reflects a culture that often neglects prevention and wellness. India needs to focus more on preventive care and public health measures to meet MDGs for maternal and child health outcomes, with a special emphasis on reducing the dual burden of SDG and NCDs,” Anjali Bose, Secretary General, NATHEALTH said.

“The government has taken steps to implement several women care projects like Janani Suraksha Yojana. However, maternal mortality rates have improved considerably. However, high-quality care is hindered both by limited accreditation and by failure to adopt basic technologies. Here, public and private sector can play a vital role in improving women care by joining hands,” she added.

India needs to prioritise technologies for mothers and child health. Low-cost products such as infant warmer, portable ultrasound for remote areas can be done along with IT-enabled healthcare information gathering, would greatly help. Tracking and reporting maternal care requires to be scaled up across the country and the Janani model can be replicated. MMR in India has shown a decline from 415 per 1,00,000 live births in 2007-09 to 197 per 1,00,000 live births in 2013-15 and India’s rate of decline of MMR between 2007-09 and 2013-15 was 3.7 per cent. With the current compound rate of annual decline, MMR is around 100 presently. NATHEALTH feels that this progress can be transformed into further declining MMR by building a comparable health workforce, into health and wellness centers for strengthening primary care in India,” she added.
Experts laud health policy but say expenditure target is very low

Dr Arvind Lal, new Head of NATHEALTH

The target of increasing health expenditure to 2.5% of GDP by 2025, set by the National Health Policy-2017 is very low, say medical practitioners and health policy experts.

Brig. Dr Arvind Lal, head of the Lal PathLabs and the new President of NATHEALTH, told DTMT on the sidelines of the 4th NATHEALTH annual event: “Increasing health expenditure only up to 2.5%, that too in a period as long as eight years, is seen as a trite variation from what it is now.”

As per the report, India spends a meagre 1.4% of its GDP on the health sector. He said, “Most of the government hospitals fail to meet the growing patient demands. Many of these hospitals are overcrowded, making treatment nearly impossible.”

“It’s a crucial factor, as 70 percent of India’s healthcare is provided by the private sector. The attainability of targets set by the policy will depend on the government’s partnership with the private sector,” he said.

Citing the sordid state of private healthcare in India, Anjan Bose, Secretary General, NATHEALTH, pointed out how tuberculosis treatment is one example which indicates why private healthcare is not always the right medium to attain national goals.

“Tuberculosis treatment is not always the right model to attain national goals. There are several studies showing that many private sector health practitioners are neither diagnosing the disease properly nor are they following the prescribed treatment regimen,” he said.

Bose added, “How can we expect the private sector to treat tuberculosis when we do not know how to diagnose and treat the disease?”

Pointing to the peril of such flawed treatment, he said that this has not only jeopardised the attainment of the national target for eradicating tuberculosis, but has also caused antibiotic resistance in bodies infected with the disease.

Anjan Bose, Secretary General, NATHEALTH said, “The National Health Policy-2017 speaks of increasing the health budget in a time-bound manner, stepwise. But it does not mention in which year how much of it is going to be increased.”

To attain the target, he says that India needs better budgetary oversight, so as to keep tab of how the money is spent and whether it is spent within stipulated time.

Explaining the urgency to synergise the public and the private health sectors, he said that the private players have been allowed to grow at an unregulated pace in India during the past two years, because of the resources they bring in. “There is little monitoring and quality control of private healthcare. Such a condition leads us to the question as to how this industry will help us achieve targets of the policy,” he said.

“Many patients do not get proper treatment, because it’s often inaccessible, in unaffordable and inferior for them. Private healthcare is expensive and public hospitals are over-burdened with limited space and infrastructure left to facilitate treatment,” he said. He said that a law must be drafted, so that no patient is denied medication. Until then, the target of ‘universal healthcare’ set by the policy is likely to remain unattained.

Dr Anupum Sibal, Group Director of Apollo Hospitals, lauded the new health policy of the government saying the policy is very forward-looking to face the major challenges. It looks aggressive and people-oriented with stress on preventive steps to fight many diseases.
स्वास्थ्य सेवा में काफी राशि निवेश की जरूरत
नेट हेल्थ-पीडब्ल्यूसी रिपोर्ट का खुलासा

पुणे, भारी अवसरचालक कमी को पूरा करने के लिए, भारत को निजी क्षेत्र से कहीं ज्यादा सहभागिता की जरूरत होगी और भारत में स्वास्थ्य सेवा के निवेशक को बेहतर करने के लिए स्वास्थ्यसेवा के इन परीक्षण तरीकों के लिए, निर्देशकों ने अग्रता तरीकों के निर्देशकों के सहयोग से सहयोग को जरूरत होगी, जैसा कि आज राष्ट्रीय स्वास्थ्यसेवा मंडल (नेट हेल्थ) द्वारा आयोजित एक वार्षिक समिट में नैटइंडी2017 में जारी की गई नेट हेल्थ-पीडब्ल्यूसी रिपोर्ट में बताया गया।
पुण्य नगरी

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सार्वजनिक आरोग्यावर अधिक
खर्चाची नॅटहेल्थची सरकारला शिफारस

पुणे: सार्वजनिक आरोग्यावर अधिक खर्च करण्याची व्यपारीता देखण्याची आणि इंडिया सेंट्रिक हेल्थ यंग्नेसाठी सर्वांगीण रूपांतर आहेत. आरोग्याची गरज आहे, अतीत विकासाच्या हेल्थवेक्स असे फेरी राहणार आणि इंडिया नॅटहेल्थच्या शासनाच्या केल्या आहे. आरोग्य, देखभाल अस्तित्त्वात खर्चवाढी शासनाने राहणारा प्राथमिकता देण्याची, सार्वजनिक आरोग्यावर अधिक खर्च करण्याचा व्यपार आणि इंडिया सेंट्रिक हेल्थ यंग्नेस्तील्याने सार्वजनिक रूपांतर तयार करण्याची शासनातील शासनातील असेली नॅटहेल्थच्या मदत आहे. नॅटहेल्थच्या रेडक्रिटीज जनरल अंजन बोग म्हणणे की, सार्वजनिक आरोग्य करताना प्रणाली आणि सर्वांगीण माध्यम द्वारे शेअर केलेले आहेत. हा त्याचा उद्देश आहे.

मसूद पाकड्याच्या स्थानी नेतृत्वाच्या अतंत्रेत तसेच इतर प्रस्तुती युक्त प्रसारणात भाषात आरोग्य-देखभालच्या चर्चेचे अंतर्गत सार्वजनिक हेल्थच्या प्रसारणाची सहभागिता माझ्यात होणार आहे. आरोग्य-देखभालच्या चर्चेचे अंतर्गत सार्वजनिक हेल्थच्या प्रसारणाची सहभागिता माझ्यात होणार आहे.
Universal Healthcare Coverage

Does Money Matter

The growing burden of NCDs is estimated to lead to a loss of $6.2 trillion by 2030. With recently announced New Health Policy, the government aims to increase public spending to 2.5 percent of GDP from current 1.6 percent. The healthcare industry also gears up for next level of advancement. Higher spending in the sector is the key. BK Jha assesses the challenges and prospects of financing for the healthcare sector.

India is facing rising dual diseases burden of both communicable and in the form of non-communicable diseases (NCDs). Industry estimates that the growing burden of NCDs is estimated to lead to a loss of $6.2 trillion by 2030—nearly three times of India’s current GDP. On one hand demand-supply gap in healthcare service delivery is rising and on the other hand overall spending in the healthcare sector is merely 4.5 percent of GDP of which the government contributes only 1.6 percent. To meet the challenges at multiple fronts including healthcare infrastructure and services and to achieve universal health coverage, India needs at least 8 percent of overall spending in the sector.

Big question is - Are we moving in right direction? Answer is - Yes. Going buy the Budget 2017-18 announcements and recently unveiled New Health Policy (NHP) 2017, the government has sent clear signals that it wants to make
National Health Policy 2017

1. Universal Health Coverage and Affordable quality health care services for all.
2. Quality of care, with a focus on emerging diseases and investment in promotive and preventive healthcare.
3. Foster patient-focus, quality and an assurance based approach.
4. Access and financial protection at the secondary and tertiary care levels, free drugs, free diagnostics and free emergency care services at all public hospitals.
5. Envisage private sector collaboration – financial and non-financial incentives to encourage participation.
7. Allocates a major proportion (up to two-third or more) of resources to primary care, followed by secondary and tertiary care.
8. Digital interventions for the nation’s health.
9. Proposes to set up a National Digital Health Authority (NDHA) to regulate, develop and deploy digital health across the continuum of care.

Implementation of successful PPP Projects

A lot has been said about PPP projects and there are many success stories in the country. Dr Arvind Lal, Chairman, Lal PathLabs and President NATHAUP said that now is the time to take the challenges of the government spends 1.6 percent and 3.5 is being spent by private sector. To increase overall spending, private sector can play critical role, the PPP model can be the best options.” Dr Lal told R&M.

“On diagnostic side, We have submitted a detailed PPP structure to NITI Aayog and hopefully a roadmap would be ready soon. NITI Aayog will come out with guidelines which would act as advisory to the States. With this we move a step further for implementation of effective PPP projects across the country.”

Dr Arvind Lal
Chairman, Lal PathLabs

higher spending in the healthcare sector, PPP projects required to scaled up and implemented across the country and the government needs to encourage successful projects.

Presently, 70 percent patients are being taken care of by private sector, in view of huge demand-supply gap, India needs to spend nearly 8 percent of GDP in healthcare sector, whereas to NITI Aayog and hopefully a roadmap would be ready soon. NITI Aayog will come out with guidelines which would act as advisory to the States. With this we move a step further for implementation of effective PPP projects across the country,” he added.

“As far as the government is concerned, we need to sit together and chart out further course of actions. All successful PPP projects need to be studied and implemented. Tamil Nadu, Karnataka, Rajasthan and Andhra Pradesh have several successful projects, why can’t we implement them across the country,” Dr Lal questioned.

Cost of Delivery

It is generally perceived that private sector charges exorbitantly from patients. While opposing unnecessary profiting, Dr Lal said that healthcare cost for private sector has gone up drastically and today one bed in a quality hospital nearly cost Rs 1 crore, equipment and devices cost moving northward along with higher import duties and other taxes, hence the private hospital or groups are operating at a tight margins. Things can improve only if promotional policies are in place for the sector.

With an investment of Rs 250 crore, Aakash Healthcare has set up a super Speciality Hospital in New Delhi which will cater not only NCR but whole North including Punjab, Haryana and
For cost effectiveness, we would not open major centres in different locations in North, but go for sub-centres in Tier II and III towns. Patients will be treated there and if needed they will be shifted to main Centre in New Delhi. This is our ‘Spoke and Hub’ model.

Dr Aashish Choudhry
Director, Aakash Healthcare

Himachal Pradesh. The Aakash Group focuses on providing affordable and quality healthcare services and for that it prefers ‘Spoke and Hub’ and ‘OpEx’ models to expand its reach in North India.

Elaborating the models, Dr. Aashish Choudhry, Director, Aakash Healthcare said, “For cost effectiveness, we would not open major centres in different locations in North, but go for sub-centres in Tier II and III towns. Patients will be treated there and if needed they will be shifted to main Centre in New Delhi. This is our ‘Spoke and Hub’ model.”

“Cost of healthcare service is very expensive for the private sector. Land, electricity and equipment are very high which raises the cost of delivery. Once footprint increases, there is scope for cost reduction. For cost-effective, we are opting operational model (OpEx) by acquiring sick or smaller units in various places to cut down the overall operational cost,” he added.

With these two models, Aakash Group aims to bring down cost of a bed in its chain to Rs 30 lakh from an average of Rs 1 crore in a specialty hospital. We are committed to provide affordable and quality healthcare,” Dr Choudhry emphasised.

Prevention is the key

New Health policy focuses on preventive care. Millions of people go below the poverty because of catastrophic out-of-pocket expenditure (OOPEx) on healthcare. The industry estimates OOPEx at nearly 60 percent. Several Reports

Plus, are determined to make quality healthcare affordable, accessible and affordable,” said Harish Pillai, Chief Operating Officer, Indus Health Plus, Indus Health Plus, a leading company in preventive healthcare sector, has introduced comprehensive package for preventive check-ups and it is operating in 17 states to reach out to 80 lakh people.

“We have tie-ups with state-of-the-art hospitals and diagnostic centres to ensure the best of healthcare facilities for our clients across the country. Apart from comprehensively designed preventive health checkup packages with high deliverables, the company provides ‘Health Friend’ cards to take care of the medical and hospitalisation expenses,” Pillai explained.

He said that with the government’s thrust on prevention & promotional policies and with a large number of Institutes of Excellence in both private and public sectors, India can emerge as global Prevention and Wellness hub. Wellness segment is growing at a rate of 23 percent annually which reflects the potential of the sector.

Leveraging Technology

“Digital Health can transform the way we look at healthcare ecosystem in the country. It can hugely impact patients, doctors and supply chain. A data can be chipped in a sim card. Access to medical records would be easy. Telemedicine, e-Pharma and online consultancy can be overcome many hurdles,” Amit Mookim, Managing Director, ins health said.

Milan Rao, CEO, India &
Healthcare

With the government’s thrust on prevention & promotional policies and with a large number of Institutes of Excellence in both private and public sectors, India can emerge as global Prevention and Wellness hub. Wellness segment is growing at a rate of 23 percent annually which reflects the potential of the sector.

Harish Pillai
Chief Operating Officer, Indus Health Plus

Pension funds, Investment route through PPP and long-term debt. Report hats for financing through pension funds which may provide access to a large pool of money. It also suggested funding through business trusts entity like Real Estate Investment Trusts along with bilateral investment treaties.

While underlining the need of huge funding requirements, the Report says the FDI in the sector has significantly been increased in the last three years. However, healthcare public expenditure’s share in GDP remains around 1.6 percent in FY16 and innovative funding would support the target of taking it to 2.5 percent by 2020.

Anjan Bose, Secretary General, NATHEALTH said that, “While the opportunity for improvement of the health services in India is as global as huge, for it to fall into the right place the government and the entire healthcare ecosystem will have to work together even as they compete on other fronts so that the benefits percolate to the segment which most requires it.”

Access to capital has been one of the biggest roadblocks to the growth of the healthcare sector. Today, the Indian government spends only about 1.6 percent of its GDP on healthcare, which is among the lowest globally for any country. There is a need to focus on the healthcare needs. R&M

With new policy in place the private sector will go for an increased collaboration with the government for operationalising health and wellness centres across the country. It is now the implementation that holds the key.
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India needs to fight Maternity Mortality with urgency: NATHEALTH

Healthy India is certainly a possibility by aligning proper mother and child care with universal health coverage which is a long-term objective for India and to achieve this, adequate attention is needed on reducing maternity mortality rate (MMR) with a sense of urgency, NATHEALTH, the Healthcare Federation of India said on the eve of International Women’s Day.

According to NATHEALTH’s Aarogya Bharat Report, India urgently needs to create a roadmap for implementation of focused policy to reduce MMR. Maternal Mortality rate in India is still around 178 against 109 target of Millennium Development Goals (MDGs).

“We need to adopt a holistic approach towards women care. A strong bias towards curative care reflects a culture that often neglects prevention and wellness. India needs to focus more on preventive capabilities and public health measures to meet post-2015 MDGs for maternal and child health outcomes, with a special emphasis on reducing the dual burden of CDs and NCDs,” Anjan Bose, Secretary General, NATHEALTH said.

“The government has taken several steps to implement several women care projects like Janani Suraksha Yojana. Hence, MMR has improved considerably. However, high-quality care is hindered both by limited accreditation and by failure to adopt basic technologies. Here, by joining hands public and private sector can play vital role,” he added. R&M