

News monitored for: Dr Reddys

HEALTH CARE

Budget 2022-23 WISH LIST



Key challenges

- **Stress on infrastructure:** The number of beds in India per 1,000 people is between 1 to 1.1 vis a vis 2.7 as the world average. During the second wave, the entire country faced acute shortage of medical infrastructure
- **Shortage of skilled human resource:** Covid-19 has further highlighted the need for adequate health care workforce
- **High out-of-pocket expenditure on health:** India has one of the highest levels of out-of-pocket expenditure (>50% of the total health care expenditure) globally

- **Drop in medical value travel:** Covid and limited overseas flights has prevented foreigners coming to India to avail of treatment
- **Import of medical devices:** India has an import dependency for 75-80% of medical devices. Schemes like production-linked incentive should help cut the dependency
- **Low reimbursement rates:** Low reimbursement rates and delays in reimbursement make it unattractive for the private firms to take part in the programmes

Industry ask

- **Incentivise creation of infra:** Creation of more capacity would

INDIAN HEALTH CARE MARKET SIZE



Source: National Health Accounts (includes MVT and pharma exports), PwC analysis

not be done by the private sector on marginal cost. The Centre needs to incentivise the sector

- **Mandate PPP in other clinical procedures and hospitals** like it has been done in dialysis. This will encourage private sector participation, improve outcomes
- **Exempt hospitals from GST** on input services. Output GST rates to be set at 0-5% or some nominal rate to enable output GST transition
- **Tax sops:** Reduce income tax rates from 25% to 15% for establishing new private hospitals
- **REIT:** Health care-focused REITs needs to be encouraged to finance infrastructure

PwC POINT OF VIEW



RANA MEHTA
Partner & Leader
Healthcare,
PwC India

The pandemic has once again highlighted the fragility of the health care system in our country. This provides us an opportunity to rebuild an accessible and affordable healthcare system driven by technology, which will help build a robust and accessible healthcare system for all Indians

INDUSTRY VOICE

SATISH REDDY

Chairman, Dr. Reddy's Laboratories



The pharmaceutical industry is a strategic one with the advantage of both scale and reach. The industry has set itself a Vision 2030 aspiration to grow from the current \$44 billion to \$120-130 billion at 11-12% CAGR. For Vision 2030 to succeed, in the near-term, areas like regulatory simplification and ease of doing business within India will be important for early product introduction and strengthening of the pharma R&D ecosystem. Additionally, the immediate direct on-ground impact can be created by establishing cross-sector collaboration, research-linked incentives, grants, subsidies, tax reduction for R&D, and increasing the scope of the patent box