BioSpect
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

FICCI welcomes govt's move to accord 'industry status' to hospitals

16 January 2019 | News

"In India, skewed distribution of hospital beds, with their heavy concentration in the metros has long been a challenge in reaching the last mile with quality healthcare provision"-Sangita Reddy- Senior VP, FICCI.



The Federation of Indian Chambers of Commerce and Industry (FICCI) has welcomed the Government's announcement of according 'industry status' to private hospitals, along with support for land acquisition, clearances and funding, to boost expansion of healthcare infrastructure in tier 2 and 3 cities.

The announcement follows the launch of Ayushman Bharat PMJAY in September 2018, which aims to provide 10.74 crore poor and vulnerable families (nearly 50 crore beneficiaries) with an annual cover of Rs. 5 lakhs per family for secondary and tertiary care hospitalisation.

Welcoming the move by the government and highlighting the need for more healthcare delivery organisations to ensure access under PMJAY, Sangita Reddy- Senior VP, FICCI and Joint MD, Apollo Hospitals Enterprise Ltd said, "In India, skewed distribution of hospital beds, with their heavy concentration in the metros has long been a challenge in reaching the last mile with quality healthcare provision. This opportune step by the government strongly reinforces private healthcare providers' commitment towards improving access to quality care." She added that "FICCI's Health Services Committee has been advocating for more than a decade for long term financing options and viability gap funding for healthcare sector and it is heartening to see it shaping into reality".

In the last decade, 70% of the new bed capacity additions were in the private sector, which also caters to 70% of in-patient and 60% of out-patient healthcare services in the country. Appreciating the intent of the government to build an enabling environment for successful implementation of PMJAY, (Hony) Brig Dr Arvind Lal- Chair, FICCI Health Services Committee and CMD, Dr Lal PathLabs Ltd said, "The key to engage more private healthcare organisations will be a viable model for their sustainability. The new hospitals which will be mandated to empanel under PMJAY should be allowed to charge other patients who can afford to pay as per market rates, as the current PMJAY package rates may not be sustainable to set up and run operations in such locations".

Speaking from his experience in setting up and operating hospitals in non-metro cities, Dr Alok Roy- Co-chair, FICCI Health Services Committee and Chairman, Medica Group of Hospitals said, "Through incentives like viability gap funding of up to 40% of the total project cost and gap funding of up to 50% of tax on capital cost, the government is providing opportunity for emergence of innovative hospital formats, such as no-frill high quality hospitals."

Apart from aiding expansion of bed capacity, the new hospitals will open avenues for employment in tier 2 and 3 cities, in the healthcare sector.