

Higher funding in Healthcare needs to be a Top Priority: NATHEALTH

03 July 2019 | News

NATHEALTH recommends the government to make Healthcare a priority sector to meet the long term funding and financing requirements



In order to meet the growing need of higher funding, NATHEALTH has sought a priority status to healthcare sector and urged the government to expand health insurance coverage to other sections of society.

In its pre-budget memorandum to the Government, the body stressed upon 'priority sector' status to meet the long term funding and financing requirements. According to NATHEALTH, a priority sector status will act as a catalyst for channelizing funds from the banking sector and not only create a necessary healthcare infrastructure but will also ensure that the societal objectives of the Government are adequately met.

Dr. Sudarshan Ballal, President, NATHEALTH said, "Existing shortcomings of the Healthcare sector are impeding the sector's potential in terms of infrastructure development, entrepreneurial spirit and capacity building. Priority status will not only facilitate ease of access to funding but also bring in accessibility, availability and quality in Tier 3 & 4 cities and rural areas."

"In order to ensure access to preventive and curative care of sufficient quality and safeguards the entire community from financial distress, initially the government can give organized sector employees an option of either paying their ESI contribution or purchasing health insurance from any IRDA regulated insurance company. Eventually it can be expanded to middle and upper middle classes," he added.

The harmonized master list of infrastructure sub sectors by the Reserve Bank of India in 2012 includes Healthcare as a priority area for development. However, often these projects are long term based and require adequate funding options which are still not available at a Healthcare provider level. Thus long term funding options with clearly defined gestation period would certainly be a step in the right direction.

Following are the recommendations and suggestions that the apex healthcare body has put forth for the Government:

1. Facilitating ease of access to capital, NATHEALTH recommends a dedicated fund for healthcare infrastructure and innovation not only for encouraging entrepreneurship with newer business models but also improve accessibility, availability and quality in Tier 3 & 4 cities including rural areas.
2. Emphasizing on the problem of low penetration of health insurance being a major reason behind the rising out-of-pocket spending for healthcare services in India, NATHEALTH recommends the government should undertake additional efforts to make mandatory coverage for all citizens.
3. NATHEALTH suggests that organized sector employees could be given the option of paying their ESI contribution or purchasing insurance from any IRDA regulated insurance company. Gradually, the focus can be then shifted to the middle and upper middle classes respectively in order to ensure access to preventive and curative care of sufficient quality and safeguards the entire community from financial distress.
4. The industry rightly expects that the Union Budget 2019-20 will be announced keeping in focus the incentives for medical value tourism, Zero rating GST on healthcare services and health insurance premiums.
5. Other areas which require efforts include incentivizing capacity building and promotional policies for private providers. These are long standing suggestions from the Industry and are critical to expedite investment in capacity building especially in Tier 2 & 3 cities for the realization of the dream of Universal Healthcare.