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Indian healthcare sector expects structural & fiscal reforms in Budget 2024-25

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India needs a health insurance model that accords priority to preventive healthcare



In a transformative move, the Indian healthcare sector is urging comprehensive structural and fiscal reforms in the upcoming Interim Union Budget 2024-25. Even though it would be an Interim Budget, given the government's priority to healthcare, it is expected that Finance Minister Nirmala Sitharaman would walk some extra mile concerning further strengthening the sector.

Being the backbone of the healthcare industry, hospitals are anticipating significant measures, including the establishment of a dedicated regulator and rationalisation of import duties on medical equipment.

The hospital sector, constituting 80% of the total healthcare market, seeks a booster dose through some specific structural and fiscal reforms including a push to Healthcare Insurance, Medical Travel Value, the establishment of a Regulator, Import Duty Rationalization on Medical Equipment, and Price Rationalisation.

Low penetration of Health insurance remains a major pain point. The sector would be expecting the widening of Ayushman Bharat- Pradhan Mantri Jan Arogya Yojna (PMJAY) on the one hand and a reduction of tax on healthcare insurance premiums on the other.

"India needs a health insurance model that prioritises preventive healthcare over procedures, and Narayana Health is well placed to achieve this goal with the support of the government", said Viren Shetty, Executive Vice Chairman of Narayana Health.

Sugandh Ahluwalia, Chief Strategy Officer, Indian Spinal Injuries Centre, New Delhi, said, "The hospital sector is in dire need of a dedicated regulator and it is widely admitted that the establishment of a Regulator, leveraging the expertise of organizations like the National Accreditation Board for Hospitals & Healthcare Providers (NABH), can significantly streamline compliance and enhance transparency."

"Union Budget should focus on further boosting research and development infrastructure and tax rationalization, gearing up for an aspirational $50 billion MedTech economy," expounded Prashant Arer, India Head, Enbio Group AG.

Dr Anand Bansal, Medical Director, Sri Balaji Action Medical Institute, said, "Rational pricing is the key. Timely payments and transparent pricing are essential for hospitals to provide quality care. We look forward to clear guidelines from the government, addressing outstanding dues and revising rates under government schemes to ensure the viability of healthcare institutions."

Healthcare Expert Baldev Raj, Founder and Chief of Prius Healthcare said, "The government needs more initiatives like 'Ayush Visa' (Special Visa Scheme for foreigners) and 'Heal in India' to make Indian healthcare and wellness a global phenomenon."

Overall, experts expect that the government will surely take some additional measures to create a new healthcare economy in the country.