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NATHEALTH seeks fund to support R&D and reward for medtech innovation, & more in Budget 25-26

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NATHEALTH has proposed strategic reforms aimed at transforming Indiaâ??s healthcare ecosystem



NATHEALTH, Healthcare Federation of India, has laid out a bold and strategic framework to reshape the future of India's healthcare ecosystem. In its recommendations, NATHEALTH urges the Finance Minister to prioritise significant financial commitments in the 2025-26 Budget to address the growing burden of communicable and non-communicable diseases, compounded by longstanding challenges, in alignment with the vision for "Viksit Bharat 2047."

NATHEALTH seeks announcement of a fund to support R&D and reward med-tech innovation in India (including GCC's) while transitioning to quality linked standardised procurements norms towards value-based care.

Further, NATHEALTH's recommendations call for a significant increase in healthcare budget allocation to over 2.5% of GDP, with a focus on the following key areas-

- **Reducing Cancer Care Costs:** Remove customs duties and reduce GST to 5% on oncology radiation equipment, such as LINACs, to expand cancer treatment capacity in underserved regions
- **Redirecting Public Health Revenues:** Allocate proceeds from healthcare CESS and the proposed 35% GST slab on tobacco and sugar products to strengthen public health programmes. Advocate for a unified 5% GST on all healthcare goods and services to reduce input costs
- **Encouraging Vertical Expansion of Hospitals:** Permit hospital heights up to 60 metres nationwide (from the current limit of 45 metres), supported by funding for fire safety upgrades to ensure compliance in high-rise healthcare facilities
- **Strengthening Health Infrastructure:** Add 2.5–3.0 million hospital beds nationwide through Viability Gap Funding (VGF) and long-term, low-interest capital investments, fostering participation from mid-sized and smaller healthcare providers
- **Viable Insurance Reimbursement Rates:** Index reimbursement rates under schemes such as CGHS, PMJAY, and ECHS to the Consumer Price Index (CPI) to ensure financial viability, given that many rates have remained unchanged for nearly a decade
- **Expanding Medical Education:** Increase MBBS and postgraduate medical seats through government-led investment, supported by alternative financing mechanisms such as loans and interest subventions. Increase tuition fees for private DNB programmes by 75%-100% to fund capacity expansion
- **Advancing Digital Health:** Launch a 10-year digital health incentive plan to enable the adoption of Ayushman Bharat Digital Mission (ABDM) infrastructure, enhance data security, implement electronic health record (EHR) systems, and upskill technical resources. Foster collaboration between industry, academia, and start-ups to drive digital innovation
- **Promoting India as a Healthcare Hub:** Establish a dedicated fund to position India as a leader in high-quality healthcare and medical tourism, with targeted investments in critical and holistic health services