

## HEALTHCARE SECTOR



### SECTOR OVERVIEW

The Indian Healthcare Sector is said to be the most preferred sector for investments. This Sector is expected to increase at 16-17% Compound Annual Growth Rate (**CAGR**) to reach a size of USD 132.84 Billion by 2023. This Sector broadly comprises of the following institutions and service providers:

- ✓ Hospitals
- ✓ Pharmaceutical Companies and independent Pharmacies
- ✓ Healthcare Centers
- ✓ Telemedicine Companies
- ✓ Retail Healthcare (in retail stores, drug stores, etc)
- ✓ Clinical Trials
- ✓ Diagnostic Services
- ✓ Medical Equipment and Supplies
- ✓ Medical Insurance
- ✓ Medical Tourism



The major focus of the Government is to provide basic healthcare services in rural areas. Whereas, the Private Sector focuses more in providing healthcare services in Metros and Tier I, II and III cities. The Healthcare Sector in India has an edge over other countries in terms of quality and accessibility of healthcare services, well-trained medical professionals, availability of multiple hospitals and use of advanced technologies.

In the wake of Coronavirus Disease (**COVID-19**) Pandemic, the Healthcare Sector has become the most important sector in terms of increasing investments, revenue and employment.

### IMPORTANT AUTHORITIES

- Ministry of Health and Family Welfare
- Ministry of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (**AYUSH**)
- Ministry of Rural Development
- Department of Pharmaceuticals
- National Health Authority
- National AIDS Control Organisation
- National Centre for Disease Control
- National Digital Health Mission
- Indian Council of Medical Research (**ICMR**)
- Food Safety and Standards Authority of India
- The Medical Council of India
- Indian Nursing Council
- State Government and Union Territory Authorities



## GOVERNMENT INITIATIVES

The Government is taking several important measures and initiatives to develop the Indian Healthcare Sector as a global healthcare hub. The significant initiatives are given below:

- ❖ **Ayushman Bharat Scheme** – Over 50,000 Ayushman Bharat Centers are operational in India that provide free access to healthcare to economically vulnerable people in the following manner:
  - a) Under this Scheme, Health and Wellness Centres deliver primary healthcare services including maternal and child healthcare services, supply of free essential drugs and diagnostic services.
  - b) Also, Pradhan Mantri Jan Arogya Yojna (**PM-JAY**) aims at providing health insurance coverage, which includes medical examination, treatment and consultation, pre- and post-hospitalisation care, etc.
- ❖ **National Health Mission (NHM)**- This Scheme of the Ministry of Health and Family Welfare encompasses both National Rural Health Mission and National Urban Health Mission, which aims to provide access to equitable, affordable and quality health care services in the field of adolescent healthcare, reproductive, maternal, neo-natal and child healthcare services, etc.
- ❖ **National AYUSH Mission (NAM)**- This Scheme of the Ministry of AYUSH aims to promote AYUSH medical systems, sustainable availability of Ayurveda, Siddha and Unani and Homoeopathy Drugs and raw materials, etc.
- ❖ **Ayush Sanjivani Mobile Application**- This Mobile Applications helps users to understand the measures adopted by public to enhance immunity and develop a healthy body, especially, in these trying times of COVID-19 crisis. Further, Ministry of AYUSH publishes various measures for self-care during the Pandemic.
- ❖ **eSanjeevani Telemedicine Service** – This is a National Teleconsultation Service of Ministry of Health and Family Welfare which offers one of the first of its kind web-based teleconsultation including registration of patients, token generation, audio-video consultation with doctor, etc.

#### ❖ Foreign Direct Investment (FDI)-

- i) For investments in greenfield projects, 100% FDI is allowed under the Automatic Route.
- ii) Whereas, for investments in brownfield projects, FDI upto 74% is permitted through Automatic Route and beyond 74% through Government Route.
- iii) Further, FDI up to 100%, through the Automatic Route is permitted for manufacturing of medical devices.



- #### ❖ COVID-19 Testing-
- COVID-19 is caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2). The COVID Testing is done generally using RT-PCR Kits and Antigen based Rapid Test Kits. The Testing is conducted both at Government and Private Hospitals and Healthcare Diagnostic and Services Centres. According to ICMR, around 20,67,16,634 samples have been tested up to 14-02-2021.

#### ❖ COVID-19 Vaccines-

- i) The COVID-19 Vaccine has been launched in India on 16-01-2021. It will be first administered to Healthcare and Frontline Workers. Thereafter, persons over 50 years of age and persons under 50 years with comorbid conditions will receive it.
- ii) It has been reported on 28-01-2021 that more than 28 Lakh Healthcare Workers have been vaccinated across the country.
- iii) Currently, the following Vaccines are being administered<sup>1</sup>:
  - A) **Covishield-** It has been developed by Oxford-AstraZeneca, UK and manufactured in India by Serum Institute of India, Pune.
  - B) **Covaxin-** It has been developed by Indian Pharma Company, Bharat Biotech International Ltd, Hyderabad

<sup>1</sup> As per data available till January 2021

The List of other Vaccines being developed in India is as follows<sup>2</sup>:

SN	Product	Indian Manufacturer	Collaborator	Current stage
1	ZyCoV-D	Cadila Healthcare Ltd, Ahmedabad (Zydus Cadila)	Department of Biotechnology, India	Phase-III (to start)
2	Sputnik V (Human Adenovirus Vaccine)	Trials conducted and manufactured in India by Dr. Reddy's Lab.	Gamaleya National Centre, Russia	Phase-III (ongoing)
3	NVX-CoV2373	Serum Institute of India, Pune	Novavax	Phase III under consideration in India
4	Recombinant Protein Antigen based Vaccine	Biological E Ltd, Hyderabad	MIT, USA	Phase I plus II human clinical trials started
5	HGCO 19 (mRNA based Vaccine)	Genova, Pune	HDT, USA	Pre-clinical animal studies over Clinical Trials Phase I and II to start
6	Inactivated rabies Vector platform	Bharat Biotech International Ltd, Hyderabad	Thomas Jefferson University, USA	Pre-clinical (Advanced)
7	Vesiculo Vax Platform	Aurobindo Pharma Ltd, Hyderabad	Aurovaccine, USA	Pre-clinical (Advanced)

- iv) A National Expert Group on Vaccine Administration for COVID-19 (NEGVAC) has been constituted which will provide guidance in all aspects of COVID-19 Vaccine.



#### ❖ International Support:

- i) The World Health Organisation (**WHO**) India will provide technical support to partners and professional organisations at the national, state and district level in planning, training and monitoring of COVID-19 Vaccine introduction activities.
- ii) In collaboration with WHO, the United Nations International Children's Emergency Fund (**UNICEF**) will provide technical support to National and State Governments in planning, implementing and monitoring of COVID-19 Vaccine rollout.

<sup>2</sup> As per data available till December 2020- January 2021

- iii) John Snow, Inc. (**JSI**) is a United States (**US**) based public health management consulting and research organization in India will provide support to states, districts and blocks for microplanning, capacity building and monitoring on COVID-19 Vaccination.
  - iv) Bill & Melinda Gates Foundation (**BMGF**), a US based Foundation in India, will provide support for operationalisation of COVID-19 Vaccination activities in the States of Bihar and Uttar Pradesh. They will also engage in augmenting community outreach and awareness generation.
  - v) Gavi, the Vaccine Alliance (formerly the Global Alliance for Vaccines and Immunisation) is a global health partnership of Public and Private Sector organizations that is dedicated to “immunisation for all”. It is based in Switzerland USA. Gavi, the Vaccine Alliance has collaborated with BMGF and Serum Institute, Pune, one of the world’s largest vaccine manufacturers, to accelerate the manufacture of 100 million doses of COVID-19 Vaccines and to make them available at an affordable price for low-and-middle income countries.
- ❖ **Co-WIN Application/Website-** The United Nations Development Programme (**UNDP**) is leading the development of the Co-WIN system which is a digital platform where Indian citizens can register for COVID-19 vaccination and schedule their vaccination slots at the nearest vaccination centres It will also provide real time reporting of vaccination and issuing of vaccination certificate to all beneficiaries who will be successfully vaccinated.
  - ❖ **Pradhan Mantri Garib Kalyan Package: Insurance Scheme for Health Workers Fighting COVID-19-** Public healthcare providers including community health workers, who may have to be in direct contact and care of COVID-19 patients will get insurance coverage under this Scheme in case of (a) loss of life due to COVID19, and (b) accidental death on account of COVID-19 related duty. INR 50 Lakhs will be paid to the claimant of the insured person. This Scheme is available till March 2021, unless extended by the Government.
  - ❖ **Budgetary Allocation-** In the Union Budget 2021-22, the Government has proposed the following initiatives for the Health and Wellbeing Sector:

- i) Allocation of INR 2,23,846 Crores in FY 2021-22.
- ii) Allocation of INR 35,000 Crores for COVID-19 Vaccines in FY 2021-22 and commitment to provide more funds if required.



- iii) Launch of PM Atma Nirbhar Swasth Bharat Yojana, with an outlay of about INR 64,180 Crores over 6 years. This is to enable development of capacities of primary, secondary, and tertiary care health systems, strengthen existing national institutions,

and create new institutions, etc. Further, the Government has proposed to introduce the following measures:

- a) “Support for 17,788 rural and 11,024 urban Health and Wellness Centres
  - b) Setting up integrated public health labs in all districts and 3382 block public health units in 11 states;
  - c) Establishing critical care hospital blocks in 602 districts and 12 central institutions;
  - d) Strengthening of the National Centre for Disease Control, its 5 regional branches and 20 metropolitan health surveillance units;
  - e) Expansion of the Integrated Health Information Portal to all States/UTs to connect all public health labs;
  - f) Operationalisation of 17 new Public Health Units and strengthening of 33 existing Public Health Units at Points of Entry, i.e., at 32 Airports, 11 Seaports and 7 land crossings;
  - g) Setting up of 15 Health Emergency Operation Centres and 2 mobile hospitals;
  - h) Setting up of a national institution for One Health, a Regional Research Platform for WHO South East Asia Region, 9 Bio-Safety Level III laboratories and 4 regional National Institutes for Virology.”
- iv) Introduction of National Commission for Allied Healthcare Professionals Bill in Parliament, in order to ensure transparent and efficient regulation of the 56 allied healthcare professions.
- v) Introduction of National Nursing and Midwifery Commission Bill to bring about transparency, efficiency and governance reforms in the nursing profession.
- vi) Tax incentives to corporates and entities to attract investments in India. Startups can claim tax holidays till 31-03-2022. For Ease of Doing Business in India, The Government has introduced faceless assessment and faceless appeal to Income Tax Appellate Tribunal.



## INVESTMENT OPPORTUNITIES

- A) There has been growing incidence of lifestyle diseases and rising costs of medical treatment and diagnosis; and on the other hand, there is increasing demand for affordable healthcare services, technological advancements, mobile health services, digital and diagnostic analytics, healthcare training using advanced technology, health insurance penetration, etc in the Healthcare Sector.

- B) Thus, in order to augment the development of the Healthcare Sector, the Government has increased the Budgetary Allocation by 137% in FY 2021-22. Further, the Government is also planning to increase public health spending to 2.5% of the country's GDP by 2025.
- C) Additionally, the Government is also encouraging the Private Sector to invest in the Healthcare Sector and to create employment opportunities, and ensure that they meet the standards and quality of healthcare, that will benefit the economy at large. This will also help to meet the rise in demand for proper and affordable health care services.
- D) With the onset of COVID-19 Pandemic, the Government has allowed and encouraged Private Sector, both domestic and foreign entities, to manufacture and develop vaccines and testing kits in India and export the same to other countries.
- E) The ICMR is conducting quick performance evaluations of RT-PCR Kits and Antigen based Rapid Test Kits at their validation Centres. Till date, around 336 RT-PCR Kits and 69 Antigen based Rapid Test Kits have been validated by ICMR.
- F) Private Sector engagement in various community engagement and social mobilization efforts is also essential for conducting Vaccination campaign, creating public awareness generation, carrying out surveillance and function as positive influencers for the Vaccine roll out.

### INVESTORS

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| <ul style="list-style-type: none"> <li>✓ ABI (Applied Bio-Systems), United States</li> <li>✓ DNA Technology Research &amp; Production, Russia</li> <li>✓ Accelerate Technologies Pte.ltd, Singapore</li> <li>✓ Advanced Molecular Diagnostics, UK</li> <li>✓ Altona Diagnostics, Germany</li> <li>✓ Bioneer Corporation, South Korea</li> <li>✓ Abbott Rapid Diagnostics Division, Chicago</li> <li>✓ Gene Proof, Czech Republic</li> <li>✓ SD Biosensor, South Korea</li> </ul> |  | <ul style="list-style-type: none"> <li>✓ AB Diagnopath Mfg. Pvt. Ltd, Delhi</li> <li>✓ Accurex Biomedical Pvt Ltd, Maharashtra</li> <li>✓ Affigenix Biosolutions Pvt Ltd, Bengaluru</li> <li>✓ Ammagen, Tamil Nadu</li> <li>✓ Angstrom Biotech Pvt. Ltd, Rajasthan</li> <li>✓ BioGenomics Limited, Thane</li> <li>✓ Gland Pharma Ltd., Hyderabad, Telangana</li> <li>✓ Lab Care Diagnostics (India) Pvt Ltd, Mumbai</li> <li>✓ Ubio Biotechnology Systems Pvt. Ltd, Kerala</li> </ul> |
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## ROAD AHEAD

India has become one of the leading destinations for high-end health and diagnostic services with high capital investment, thus catering to a greater proportion of population. Besides, Indian consumers have also become highly conscious towards their healthcare.

With the increase in competition in the Healthcare Sector, businesses are looking to explore and venture into modern medical technology and trends which will have positive impact on their business. With the Ease of Doing Business in India, various companies are venturing into Research and Development (R&D), medical tourism, development of healthcare infrastructure in both urban and rural India, etc. The Government and Private Sector investments in the Healthcare Sector will enable to improve the standards and quality of healthcare system in India and benefit the economy at large.

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