

HEALTHCARE ROUNDUP FOR APRIL 2023

G 20 HEALTH WORKING GROUP'S SECOND MEETING, GOA

The second meeting of the health working group for G20 was held in Goa, where discussions took place on the three priorities set by Indian presidency – tackling future health emergencies, building a manufacturing network of vaccines, medicines, and diagnostics, and leveraging digital solutions to provide universal health coverage. At the meeting in Goa, over 180 delegates deliberated on key priorities of the Health Track as well as the close link between Climate Change and Health. Technical sessions were also held on health emergency preparedness and response, collaborative surveillance systems supported by advanced networks of laboratories and infrastructure, including anti-microbial resistance as part of health emergency governance system. Another session focused on creating better collaborations for access to safe, effective, and quality measures and public-private partnerships. The overall emphasis was on consensus-building through measures that are evidence-based, inclusive, fair, equitable, transparent and need-based.



At the meeting, NITI Aayog member (Health) Dr VK Paul shared perspectives on the digital healthcare landscape and pharmaceutical sector in India. He urged stakeholders to exchange best practices so that the momentum gained during Covid-19 initiatives is sustained. For digital health, India is likely to propose a toolbox under an intra-government agency, such as the World Health Organization, so that access is provided to many countries as per their need.

MULTIPLE INVESTMENTS AND M&A ACTIVITIES WITNESSED IN THE **HOSPITAL AND OUT-OF- HOSPITAL CARE SECTOR**



The hospital as well as out-of-hospital care sector in India is humming with several investment deals and acquisitions by major chains and organizations. Singapore PE fund Temasek has become the majority stakeholder in Manipal Hospitals after buying an additional 41 percent stake for around Rs 16,400 crore. Manipal itself would be buying Emami Group AMRI hospitals for Rs 2,400 crore and also the Kerala-based private hospital chain KIMS for Rs 3,500-4,000 crore. Fortis Healthcare has recently acquired a 350-bed hospital in the NCR region for Rs 225 crore. It is expected that Max Healthcare will be acquiring Care Hospitals and as per news reports, valuations for the deal are at about Rs 5,500-6,500 crore. Health Care At Home India Pvt. Ltd (HCAH), an out-of-hospital healthcare provider, has acquired Nightingales Home Health Services, a specialty service provider, in a share swap deal. This alliance will lead health insurance companies to create new products to support patients receiving out-of-hospital care.

Acquisitions are usually a strategic move by the acquirer to immediately increase geographic presence, expand bed capacities and the pool of clinicians. By acquiring Medeor Hospitals, Fortis is set to become the second largest hospital with bed capacity in Gurugram-NCR region. Experts and hospital leaders have welcomed and highlighted the advantages of acquiring ready-made hospitals, rather than Greenfield projects, which take a very long time to build the patient pool and start sustainable operations. In many ways, they feel M&A heralds a better way of doing business, although greenfield expansions will continue.

GOVERNMENT APPROVES NATIONAL MEDICAL DEVICE POLICY 2023

The Government of India approved the National Medical Device Policy 2023 on 26 April 2023, with the primary objective of providing a boost to the manufacturing of medical devices in the country and help the sector grow from the current \$11 billion to \$50 billion in the next five years. The policy is expected to facilitate an orderly growth of the medical device sector to meet the public health objectives of access, affordability, quality and innovation. Domestic manufacturing is expected to be enhanced under this policy in order to bring down import dependence on medical devices. The policy overall has a patient-centric approach and envisions India as

the global leader in manufacturing and innovation by achieving 10-12% share in the expanding global market over the next 25 years. It also provides a roadmap for accelerated growth of the medical devices sector to achieve the missions of access, universality, affordability, quality, preventive and promotive Health, R&D and skilled manpower. The sector will be guided through a set of strategies covering six broad areas of policy interventions:

- Enhancing ease of doing research and business and also balance patient safety with product innovation measures, creation of a Single Window Clearance System for Licensing of Medical Devices, coopting all key stakeholders, enhancing the Role of Indian Standards like BIS and designing a coherent pricing regulation.
- Creation of large medical device parks and clusters equipped with world class common infrastructure facilities and logistics connectivity as envisioned under the National Industrial Corridor Program and the proposed National Logistics Policy 2021 under the ambit of PM Gati Shakti, for better convergence and backward integration with medical device industry.
- Promotion of R&D to complement proposed National Policy on R&D and Innovation in the Pharma- MedTech Sector in India. Establishing Centres of Excellence in academic and research institutions, innovation hubs, 'plug and play' infrastructures and support to start-ups.
- Attracting Investments through schemes and interventions like Make in India, PMJAY-Ayushman Bharat, Heal-in-India, Start-up India mission; encouraging private investments through Venture Capitalists and Public-Private Partnerships.
- Leverage resources in Ministry of Skill Development and Entrepreneurship for skilling, reskilling and upskilling of professionals in the medical device sector

On the whole, the policy is expected to provide the required support and directions to strengthen the medical devices industry into a competitive, self-reliant, resilient and innovative industry that caters to the healthcare needs of not only India but also of the world. Industry experts stated that it was a long pending and highly anticipated policy decision, and the move has the potential to channel growth prospects of MedTech innovations as well as create an ecosystem enabling large-scale manufacturing of medical devices in the country.



REVISION IN PACKAGE RATES UNDER THE CENTRAL GOVERNMENT HEALTH SCHEME (CGHS)

The Union Health Ministry has revised package rates under the Central Government Health Scheme (CGHS) and also simplified the referral process for beneficiaries. A senior Health Ministry official said that the increase in rates associated with the CGHS follows the demand for it from various stakeholders. The decision will increase the burden on Central government's exchequer from ₹240 crore to ₹300 crore. It is heartening that Central government employees have this positive news at a time when healthcare services are a top priority for Government. Not only have the CGHS packages been revived but also the eligibility criteria for treatments have been reviewed.

There is an increase in the CGHS rates of consultation fee for out-patient department (OPD)/in-patient department (IPD) to ₹350 from ₹150. ICU charges have been revised to ₹5,400, including accommodation for all ward entitlements. The Government has also made the referral process easy. Earlier, the beneficiary had to go to a CGHS wellness centre to get the referral for the hospital, but now, a beneficiary can send someone in their place to get the referral. The Government has allowed the video call option too, for referral to ease the process. The revised scheme will benefit over 44 lakh beneficiaries in the CGHS, with the Centre having over 338 allopathic and 103 Ayush systems across the country.



PM MODI INAUGURATES ONE EARTH ONE HEALTH – ADVANTAGE HEALTHCARE INDIA 2023



Prime Minister Narendra Modi inaugurated and addressed the One Earth One Health – Advantage Healthcare India 2023 conference at New Delhi via video conferencing. The conference was attended by health ministers from across the world, as well as delegates from West Asia, SAARC, ASEAN, and African regions. In his address, PM Modi emphasized the importance of holistic healthcare and a healthy ecosystem for human well-being stating that India's goal is to make healthcare accessible and affordable, not only for our citizens but for the whole world. He also spoke about India having the world's largest Government funded health insurance coverage scheme, the Ayushman Bharat initiative, which covers over 500 million people with free medical treatments. The PM shared that over 40 million people have already availed services in a cashless, paperless process, saving almost 7 billion dollars for our citizens. He further emphasized that the global response to healthcare challenges cannot be isolated, it is time for an integrated, inclusive and institutional response and this is one of the focus areas during India's G20 presidency. He expressed positive sentiments that this gathering will strengthen global partnerships with the common agenda of 'One Earth-One Health'.

Smt. Nirmala Sitharaman, Union Commerce and Industry Minister shared that the Summit has helped in showcasing the medical healthcare sector in India and how we can collaborate with the world. In addition, it showcased the training capabilities of India in medical healthcare, AYUSH and in the nursing sector. Several foreign delegates applauded India's healthcare infrastructure and skilled professionals. Somalian Health Minister, Ali Haji Adam Abu Bakar said that most of the pharmaceutical medicines available in Somalia are supplied by India. Mr Anahit Avanesyan, the Armenian Health Minister said he looked forward to further partnerships on healthcare services with Indian providers. Dr Zahid Maleque, Health Minister, Bangladesh expressed his gratitude to India for providing quality services to his country via medical value travel. Positive feedback was also received from delegates representing Egypt and Indonesia. Many country representatives and Health Ministers signed important MoUs with hospitals in India on clinical collaboration, medical value travel, capacity building, research, nursing expertise and other areas.

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