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Healthcare honchos give a thumbs up to the union budget

But also highlight some areas where the budget fell short of expectations ...

Charu Sehgal, Partner and Leader, Lifesciences and Healthcare, Deloitte India

No boost to encourage private investment in healthcare infrastructure, medical devices



The budget 2021 has provided the much expected increase in public expenditure on Healthcare. The FM has announced an outlay of Rs 64180 crores over six years though, on Atma Nirbhar Swasthya Bharat scheme in addition to the National Health Mission budget.

There appears to be an integrated approach whereby both the short term and immediate needs as well as the longer term measures have been proposed. While the provision of Rs 35000 crores for COVID-19 vaccine and focus on disease control and surveillance will help cope with the immediate needs brought forth by the pandemic, the setting up of National Institutes for virology and Integrated Health Labs, an updated Health Information portal will all prepare us for future such eventualities.

The pandemic had brought to the fore the stark shortage in infrastructure and medical and paramedical medical resources. The budget announced setting up and upgradation of primary, secondary and tertiary health units across districts and blocks as well as a focus on allied healthcare professionals and that is a welcome step.

The budget has also looked at healthcare holistically and focused on other determinants of health such as nutrition, water and sanitation and air quality. Prevention and wellness have thus been a key focus. The total outlay on healthcare and wellness has been Rs 2.24 lakh crores including the above mentioned allied departments. This has been increased from Rs 91,000 crores last year.

What seems to be missing was the support and boost that was expected to encourage private investment in healthcare infrastructure as well in manufacture of medical devices.

There was also no mention of specific support and incentives for R&D and innovation for the Pharma and Medical technology.

It was the private sector that really rose to the challenge during the last year whether it was on innovation or manufacture of drugs, devices and vaccines or on testing and treatment and it was expected that it will be provided a boost.

Dr Rana Mehta, Partner and Leader Healthcare, PwC India

Focus on preventive and well-being will usher in a more holistic approach to reduce morbidity and mortality

Healthcare spend is proposed to more than double and this will help in rolling out the vaccination programme as well as strengthen the delivery system and build better capability and capacity to combat any future pandemics. India is rolling out the world's second largest vaccination programme and the Government has provided for almost \$5 billion in the next year's budget to make it happen. Besides curative care the focus on preventive and well-being will usher in a more holistic approach to reduce morbidity and mortality.

Vishal Bali, Executive Chairman, Asia Healthcare Holding

Rs 35000 crore earmarked for COVID-19 vaccination drive will create the safety net for the country

Healthy India is core to India's economic growth reflects in the 137 per cent increase in outlay for health at Rs 2,23,846 cr in budget 2021. The focus on healthcare with Atmanirbhar Swasth Bharat Yojana with an outlay of Rs 64, 180 crore over six years shows that healthcare capacity building is now a key priority for the Government. The Rs 35000 crore earmarked for COVID-19 vaccination drive will create the safety net for the country. The overall capital expenditure increase of 26 per cent should drive infrastructure acceleration, the much needed GDP growth driver. Insurance sector which is an important pillar for any country should see an exponential growth with enhancement of FDI limit to 74 per cent from 49 per cent. Overall a forward looking budget to drive the 11 per cent GDP growth for India in FY22 as pegged in the Economic survey 2020.

Vikram Thaploo, CEO, Apollo Telehealth

No major developments around digital healthcare or telemedicine was announced

The Finance Minister, Nirmala Sitharaman announced an allocation of Rs 64,180 crore over the next six years for the healthcare sector in the 2021 Union Budget. The budget allocated is in addition to the National Health Mission which is already in effect. One of the key initiatives proposed in this year's budget is the addition of 17,000 rural and 11,000 urban health and wellness centres which is a supportive move for better patient care and will also pave the way for public-private partnerships. Also, the government has proposed to set up integrated public health labs in each district with 3,382 block public health units across 11 states.

Another welcoming move is the outlay of Rs 1.41 crore for the Swachh Bharat 2.0 mission which will help improve sanitation and transform the lives of millions. Considering the government's effort to curb the pandemic of COVID-19, it has also planned to set aside Rs 35,000 Crore for COVID-19 vaccine in FY22. Though, it must be admitted that the government has re-shifted its focus on healthcare in this budget, but considering the rapid integration of digital technology into healthcare, no major developments around digital healthcare or telemedicine was announced.

Parvathavardhini Natarajan, Associate Director, Ratings, Brickwork Ratings

No tax benefits on R&D investments in pharma and lower GST for life-saving drugs

As BWR expected, Union Budget had reinforced the commitment of providing good and sufficient healthcare to its citizens with a whopping increase of 137 per cent in budgetary allocation from Rs. 94,452 crores in FY 2020-21 to Rs. 2,23,846 crore in FY 2021-22 to the health care sector. The proposed budget allocation of 1.8 per cent on GDP to health care is very much in with BWR expectations (2 per cent to 2.5 per cent)

On the healthcare segment, the budget focussed on a holistic approach – Preventive, Curative and well-being from grass root level by launching Atmanirbar Swasthik Yojna Scheme with an outlay of Rs.64,180 crore for a period of 6 years which shall focus on developing capacities of healthcare systems, develop institutions for detection and cure of new and emerging diseases.

The government also proposes to spend Rs 35,000 crore on COVID-19 vaccines and also plans to rollout pneumococcal vaccine across the country, which is expected to reduce 50,000 child deaths every year.

The government has also laid other host of initiatives -Supplementary Nutrition Programme and Poshan Abhiyan 2.0 to be merged and launched as Mission Poshan 2.0, Setting up of Integrated Public Health Labs, establishing critical care hospital blocks, strengthening NCDC, expanding integrated health information portal, etc.

The Union government is also proposing for Introduction of the National Commission for Allied Healthcare Professionals Bill.

However, on the taxation side, the government did not meet the expectations of the industry which looked forward to tax benefits on R&D investments in pharma and lower GST for life-saving drugs.

On the whole, healthcare remained undoubtedly the core theme of Union Budget 2021 and fulfilled the nation's Sankalp on Healthy India.

Poonam Muttreja, Executive Director, Population Foundation of India

We welcome vision but concerns remain

The announcement of the PM Atma Nirbhar Swasthya Bharat Yojana is a step in the right direction towards strengthening our healthcare capacities and infrastructure. The increased investment of 50,000 crores over 5 years to strengthen research and development will surely put India's innovation on the global map.

However we must not lose our focus on maternal, child and adolescent health, including family planning. Prioritising social sector spending on women and young people's health is central to all our futures. It will spur economic growth and recovery by ensuring a healthy population and ensure that the current health crisis does not increase existing gender disparities in access to affordable and quality healthcare.

Rohitashwa Prasad, Partner, J Sagar Associates

If this growth were to be extrapolated, GoI should achieve target healthcare spend of 2.5 – 3 per cent of GDP well before target date

For FY 21 GoI had budgeted Rs. 69,000 crore for healthcare, which was 1.6 per cent of GDP. The budgeted amount for FY 22 shows a significant increase. If this growth were to be extrapolated, the GoI should achieve the target of healthcare spend of 2.5 – 3 per cent of GDP (as envisaged in the National Health Policy 2017) before its target date. This is quite promising and clearly illustrates the importance that the GoI is placing on the sector spurred by the COVID-19 pandemic.

What is also very commendable is that the GoI has allocated Rs. 35,000 crore for the COVID-19 vaccine as a separate line time. This shows that the GoI has avoided the pitfall of focussing all its resources on tackling communicable diseases at the cost of building healthcare systems generally because of the COVID-19 pandemic, which notwithstanding its materially adverse impact on the health and economy, is an extraordinary event. The GoI has thus avoided the saliency bias which the Economic Survey had warned against.

Prabal Chakraborty, Practice Leader, Healthcare, Praxis Global Alliance

Would expand reach of quality healthcare to a wider population base

Budget 20-21 is growth-oriented. There is a great focus on infrastructure, CAPEX, asset monetisation, and disinvestment. This is extremely encouraging. On the healthcare front, there is a growth of 137 per cent in the overall outlay and is intended to strengthen the healthcare infrastructure at primary, secondary, and tertiary levels. This would expand the reach of quality healthcare to a wider population base. Overall a very positive budget.

Girish Rao, CMD, Vidal Health

FDI limit in insurance which has increased to 74 per cent is also a positive move

This is clearly the most forward thinking budget in recent times. The fact that healthcare plans were taken up first by the FM shows the importance the government is giving to health of our citizens. Far reaching recommendations will transform public health. The increase in allocation to Rs 2.37 lakh crore was long overdue and we welcome this.

PM-JAY has been a resounding success in bringing awareness and health coverage to large masses. The new Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (PM-ASBY) with a special focus on building primary, secondary and tertiary care capabilities in rural India will bring attention to much neglected sector. Rs. 64,000 crore allocation over six years is a great beginning and will transform rural India.

There is a need to build technology platforms to bring in large masses under the health care delivery platform. FDI limit in insurance which has increased to 74 per cent is also a positive move. This allocation will allow for more investment in this space.

Special focus in nutrition deficient districts is another excellent initiative. Also the Rs 35,000 crore allocation for COVID-19 vaccination is ensuring equitable distribution of vaccination to all segments of our population.

Anmol Arora, CEO, DocVita

Our country's digital health ecosystem will leapfrog into the future

137 per cent increase in health budget, and allotment of ₹64,180 crore towards PM Atmanirbhar Swasth Bharat Yojana will provide the much-needed boost to our country's health infrastructure. With healthcare at the forefront, and health and wellness taking a centre stage, the 17000 rural and 11000 urban centres are expected to pave the way for a new era in preventive health for India.

As a result of this investment, our country's digital health ecosystem will leapfrog into the future, and empower every Indian – whether living in rural or urban areas to access healthcare. The new health systems and integrations will help unlock the opportunities for telemedicine as well. This will be one of the world's largest digital health ecosystems. With this impetus and motivation to health systems, we have the opportunity to lead and set an example for the rest of the world.

Dr Pradeep Mahajan, CMD, StemRx BioScience Solutions

This year's budget by the Hon'ble Finance Minister is indeed very positive, and committed to the healthcare sector which needed a much needed deliberate boost with unprecedented 65,000 crore over six years. The announcement of a centrally funded scheme – Aatmanirbhar Health Yojana – with an outlay of Rs 65,000 crore over six years in addition to the National Health Mission is a welcome step towards strengthening primary, secondary and tertiary healthcare in the country.

It is appreciable that the government has been very thoughtful regarding healthcare thereby focussing on curative and preventive health and wellbeing. The allocation this year is a whopping over 130 per cent rise over the budget last year. The proposals would make quality healthcare accessible and affordable, besides standardising, enhancing and elevating healthcare infrastructure across the country.

Vivek Sagar, Founder & CEO, HopeQure.com

Hope sizeable amount would be allocated for implementation of Mental Health Act 2017

Health, Hope and Growth, with this in mind, 2021 Budget will be remembered as the Y2K moment in healthcare with FM's announcement of spending of Rs 2 lakh crore in healthcare. While, we await the fine print, we hope sizeable amount of this would be allocated for implementation of Mental Health Act 2017 as the Budget 2021 focuses on health and well-being, physical and financial capital and infrastructure, inclusive development, reinvigorating human capital, innovation and research and development.