



# AIR Discussions (February 4<sup>th</sup> Week)

**AIR SPOTLIGHT: 23<sup>rd</sup> FEBRUARY 2021**

## **BUDGET AND EMPHASIS ON HEALTH SECTOR**

### **BUDGET HIGHLIGHTS:**

The key highlights of the provisions in Union Budget 2021-22 for health care sector are as follows:

- Out of the 6 pillars of the Union Budget 2021-22, Health and Wellbeing is the first one.

#### **Health and Wellbeing**

- **Rs. 2,23,846 crore** outlay for *Health and Wellbeing* in BE 2021-22 as against **Rs. 94,452 crore** in BE 2020-21 – an **increase of 137%**
- Focus on strengthening three areas: **Preventive, Curative, and Wellbeing**

#### **Vaccines**

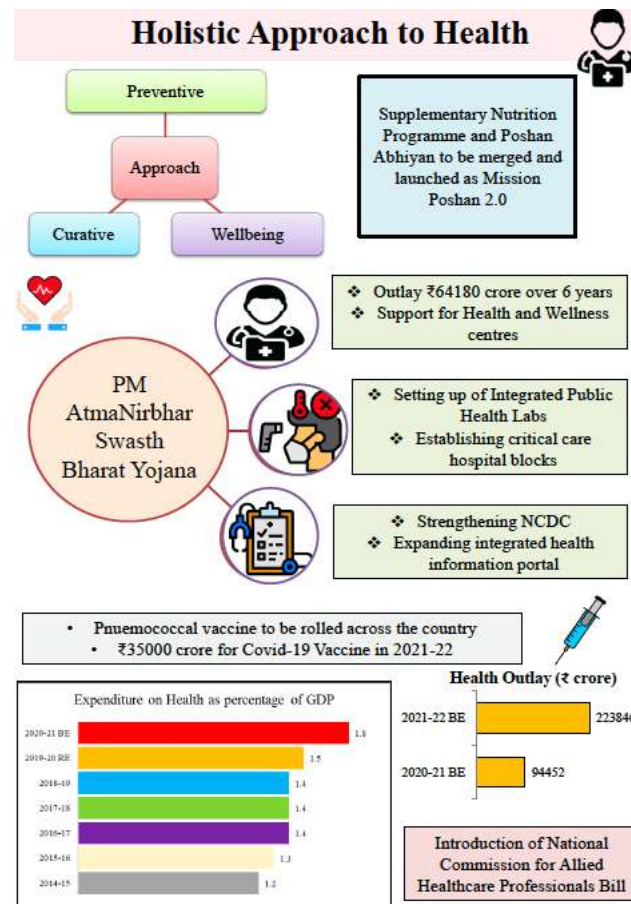
- **Rs. 35,000 crore** for **COVID-19 vaccine** in BE 2021-22
- The **Made-in-India Pneumococcal Vaccine** to be rolled out across the country, from present 5 states – **to avert 50,000 child deaths annually**

#### **Health Systems**

- **Rs. 64,180 crore** outlay over 6 years for **PM AatmaNirbhar Swasth Bharat Yojana** – a new centrally sponsored scheme to be launched, in addition to National Health Mission
- Main interventions under PM AatmaNirbhar Swasth Bharat Yojana:
  - **National Institution for One Health**
  - 17,788 rural and 11,024 urban Health and Wellness Centers
  - **4 regional National Institutes for Virology**
  - 15 Health Emergency Operation Centers and **2 mobile hospitals**
  - **Integrated public health labs** in all districts and 3382 block public health units in **11 states**
  - **Critical care hospital blocks** in 602 districts and **12 central institutions**
  - Strengthening of the **National Centre for Disease Control (NCDC)**, its 5 regional branches and 20 metropolitan health surveillance units
  - Expansion of the **Integrated Health Information Portal** to all States/UTs to connect all public health labs
  - **17 new Public Health Units** and strengthening of 33 existing Public Health Units
  - **Regional Research Platform** for WHO South-East Asia Region
  - 9 Bio-Safety Level III laboratories

#### **Nutrition**

- **Mission Poshan 2.0** to be launched:
  - To strengthen nutritional content, delivery, outreach, and outcome
  - Merging the Supplementary Nutrition Programme and the Poshan Abhiyan
  - Intensified strategy to be adopted to improve nutritional outcomes across 112 Aspirational Districts



## ANALYSIS:

### What are the hits?

- This budget 2021 increased the spending on healthcare by 137%.
- The increased spends on the healthcare sector through PM Atmanirbhar Swasth Bharat Yojana will improve infrastructure, and is in line with industry expectations of 2.5%-3% of the GDP, and also the GDP National Health Policy 2017 target of 2.5% by 2025.
- India will spend Rs 2.23 lakh crore on healthcare.
- An amount of Rs 35,000 crore will be spent on Covid-19 vaccines.
- The new scheme called Pradhan Mantri Atmanirbhar Swasth Bharat Yojana with an outlay of INR 64,180 crore will be running alongside the National Health Mission.
- Over the next six years, the new scheme will develop primary, secondary and tertiary healthcare systems, strengthen the national institutions and create new institutions for new and emerging diseases.
- The commitment to increase healthcare outlay beyond Covid vaccine spends and no cess or additional taxes to fund the vaccine drive is an extremely positive one for the public healthcare and the economy.
- To boost the primary healthcare system, around 17,000 rural and 11,000 urban health and wellness centres will be set up.
- Integrated public health laboratories will be set up in districts, apart from block public health units in 11 states.
- There have also been suggestions around setting bio-safety laboratories and mobile hospitals locally.
- Further, increasing allocation for the PLI scheme would attract more capital investment in the pharma sector, which is in line with the Atmanirbhar Bharat campaign to be self-reliant as an economy.



### What are the misses?

- The reduction in GST on active pharmaceutical ingredients (API) from 18% to 12% to reverse the inverted duty structure, was expected.
- The reduction of import duty on medical devices would have reduced the cost of healthcare services for citizens. However, there was no announcement on the same.
- This budget could have brought much-needed relief to the citizens by providing rebates on medical insurance premiums and boosted pharma companies by incentivising research and development (R&D) spends. However, there were again no measures there.

### MEASURES TAKEN FOR HEALTH IN THE ATMANIRBHAR BHARAT ABHIYAN PACKAGE

- **Covid-19 Emergency Response and Health System Preparedness Package** of Rs. 15 000 crore for state governments and Union Territories.
- Rolling out of **e-Sanjeevani Tele Consultation Services**, capacity building through Virtual learning modules namely **iGOT platform and Arogya Setu app** for self-assessment and contact tracing.
- **Amendment to Epidemic Diseases Act** to protect Health Workers from public harassment.
- Ensuring adequate provision for Personal Protective Equipment (PPE).
- **Other Health Reforms and Initiatives announced in the package**
  - Public Expenditure on Health will be increased including investments in grass root health institutions.
  - Maintaining Infectious Diseases Hospital Blocks in all districts of the country.
  - Strengthening of lab network and surveillance by creating Integrated Public Health Labs in all districts along with block level Labs and Public Health Unit to manage pandemics.
  - Encouraging projects like National Institutional Platform for One health by ICMR.
  - Implementation of National Digital Health Blueprint for fulfilling National Digital Health Mission.

### MAJOR HEALTHCARE ISSUES

- India has **8.5 hospital beds per 10,000 citizens, one doctor for every 1,456 citizens (WHO's prescribed norm is 1:1000) and 1.7 nurses per 1,000 people (WHO's prescribed norm is 3:1000).**
- **Lack of adequate number of ventilators** in hospitals needed for patients with severe COVID-19.
- Availability of **limited accredited diagnostic labs** delays testing and consequent understanding of disease progression.
- Most of the workforce practice in metropolitan or tier I or tier II cities, creating **personnel deficiencies in small towns and villages.**
- Private hospitals account for about 62 percent of the total hospital beds as well as ICU beds and almost 56 percent of the ventilators.
- There is a **negative perception of medical career**
- Many **large urban conglomerations lack public health services, especially the sub-urban regions.**
- **Integrated Disease Surveillance Programme continues to struggle** for manpower and resources and has failed to create a robust and decentralized data collection system.
- India's **dependence on imports for pharmaceutical products like Active Pharmaceutical Ingredients**
- **Disbelief in alternative/traditional medicines** for treatment due to lack of research in AYUSH treatments, lack of precise standards for herbal formulations etc.
- Of all healthcare spending, **only 7% was spent on preventive healthcare**, while more than 80% was spent on treatment and cure as of FY17.
- India **ranks 145 among 195 countries in terms of quality and accessibility of healthcare.**

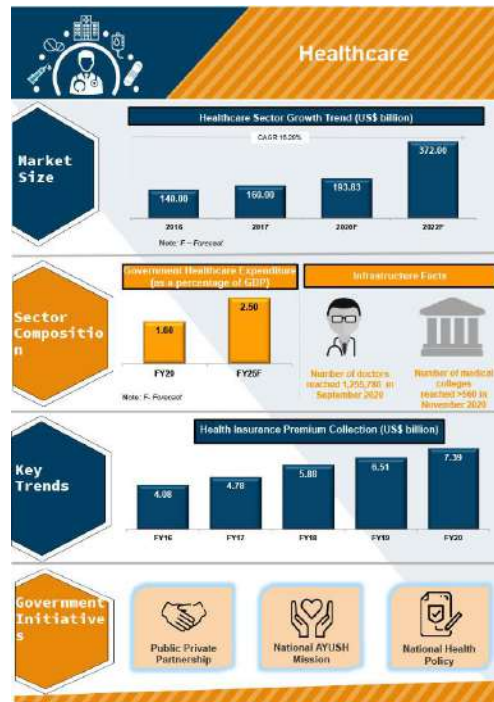


- Despite improvements in healthcare access and quality, India **continues to underperform in comparison to other Low and Lower Middle Income (LMIC) countries.**
- Despite improvements in MMR and IMR, India still needs to improve significantly on these metrics.
- At 3-4 per cent, the **hospitalization rates in India are among the lowest in the world**; the average for middle income countries is 8-9 per cent and 13-17 per cent for OECD countries.
- Though decreasing in recent years, **inequity persists in availability of healthcare.**
- Health is a state subject in India. According to National Health Accounts, 2017, 66 per cent of spending on healthcare is done by the states.
- India **ranks 179th out of 189 countries in prioritization accorded to health in its government budgets.**
- An increase in public health expenditure from the current levels in India to 3 per cent of GDP can reduce the OOP expenditure from 60 per cent currently to about 30 per cent.
- Around **74 per cent of outpatient care and 65 per cent of hospitalization care is provided through the private sector in urban India.**

### POSITIVES:

- India's competitive advantage lies in its large pool of well-trained medical professionals.
- India is also **cost competitive** compared to its peers in Asia and Western countries.
- The **healthcare market can increase three-fold** to Rs. 8.6 trillion by 2022.
- Indian **medical tourism market is growing at 18% y-o-y** and is expected to reach US\$ 9 billion by 2020.
- **Health insurance is gaining momentum in India.** Gross direct premium income underwritten by health insurance grew 17.16% y-o-y in FY20.





## INTERNATIONAL EXPERIENCE IN REGULATING HEALTHCARE

- **Australia:** National Safety and Quality Health Service (NSQHS) Standards are part of the Australian Health Services Safety and Quality Accreditation Scheme.
- **England:** Following the 2012 Health and Social Care Act, the NHS in England has undergone considerable change, with reform implementation continuing.
- **Finland:** Constitution sets out the requirement that government must provide adequate care for all, providing the legal foundation for national regulation.
- **Netherlands:** clinical effectiveness, patient centeredness and cost-efficiency form the basis of the regulatory system and national regulation.
- **USA:** 2010 Affordable Care Act

## WAY FORWARD:

- **Near and medium-term measures**
  - Reducing the chances of hospital-acquired (nosocomial) infections.
  - Disruption of immunization as well as other programmes should be addressed at the earliest.
  - Ensuring supply of affordable medicines
- **Long-term healthcare priorities**
  - Countries with much higher healthcare investments and concomitant health infrastructure have struggled to contain the pandemic. Therefore, **India's healthcare policy must continue focusing on its long-term healthcare priorities.**
  - **Health infrastructure must be agile.**
  - The ongoing COVID-19 pandemic has helped showcase the **role of technology-enabled platforms** as an alternate distribution channel for remote delivery of healthcare services.



- Given India's unique last mile challenges, such technology-enabled solutions such as tele-medicine need to be harnessed to the fullest.
- In conjunction with Ayushman Bharat, the emphasis on **National Health Mission should continue.**
- **Addressing information asymmetry** can help lower insurance premiums, enable the offering of better products and help increase the insurance penetration in the country.
- Upgradation of Public health services by **enhancing health budgets** and **adequate recruitment in public health systems.**
- Improving **robustness of Pharma Supply Chain.**
- The huge and expanding network of **Health and Wellness Centres** should act as for hub of community level **monitoring.**
- Boosting private sector investment in social sector infrastructure through **public-private partnership mode.**

#### SOURCES:

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<https://www.ibef.org/industry/healthcare-presentation>





## NEWS IN BRIEF: PRELIMS SPECIAL

### **Intensified Mission Indradhanush 3.0**

- Launched with a view to **extending the routine immunization program to all pregnant women and children who had missed it due to the COVID-19 pandemic.**
- The Intensified Mission Indradhanush (IMI) was launched in 2018 with the objective of covering all children under the age of two and pregnant women for immunization who were not covered under the Universal Immunization Programme (UIP).
- The objective of Mission Indradhanush launched in 2014 was to have a 90% coverage of the UIP in India by 2020 and sustain the same.
- The diseases covered under the mission are **polio, diphtheria, measles, whooping cough, hepatitis B, tetanus, meningitis, rubella, Japanese encephalitis and pneumonia.**

<http://newsonair.com/Main-News-Details.aspx?id=410182>

### **Labour Bureau organises training of trainers for five All-India Surveys**

- The Labour Bureau is all set to launch its five major surveys, including on migrant and domestic workers, across the country by April 1.
- **The surveys that would be conducted are:**
  1. All-India Survey on Domestic Workers
  2. All-India Survey on Migrant Workers
  3. All-India Survey on Employment Generated by Professionals
  4. All-India Survey on Employment Generated in Transport Sector
  5. All-India Quarterly Establishment based Employment Survey
- Labour Bureau is an attached office of the Ministry of Labour & Employment and has been at the forefront in fulfilling the data needs of various stakeholders in the field of labour and employment since 1920.

<http://newsonair.com/News?title=Union-Minister-Santosh-Kumar-Gangwar-launches-Apps-and-instruction-manuals-for-5-All-India-Surveys-on-Labour&id=410107>

### **VL-SRSAM Missile System**

- DRDO conducted two successful launches of Vertical Launch Short Range Surface to Air Missile.
- VL-SRSAM is meant for neutralizing various aerial threats at close ranges including sea-skimming targets.
- The **canister-based state-of-the-art weapon system can identify, track, engage and destroy the target with high kill probability. It has a strike range of about 40 km.**

<http://www.newsonair.com/Main-News-Details.aspx?id=410403>



### **National Urban Digital Mission (NUDM)**

- NUDM has been launched by the Ministry of Housing and Urban Affairs (MoHUA) along with the Ministry of Electronics and Information Technology.
- Launched **to create a digital infrastructure for cities** in the country.
- This will **institutionalize a citizen-centric and ecosystem-driven approach to urban governance and service delivery in cities by 2022, and across all cities and towns by 2024.**
- It will **create a shared digital infrastructure** that can consolidate and cross-leverage the various digital initiatives of the Ministry of Housing and Urban Affairs, enabling cities and towns across India to benefit from holistic and diverse forms of support, in keeping with their needs and local challenges.

<http://newsonair.com/Main-News-Details.aspx?id=410459>

### **PLI for Pharmaceuticals and IT Hardware**

- The union cabinet has approved the **Production Linked Incentive (PLI) Scheme for Pharmaceuticals for the period 2020-21 to 2028-29.**
- It aims to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector.
- It aims to **create global champions** out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains.
- The pharmaceutical goods manufacturers registered in India will be classified according to their Global Manufacturing Revenue (GMR) into three groups to decide the quantum of their incentive allocation.
- PLI scheme for IT hardware proposes production linked incentive to boost domestic manufacturing and attract large investments in the value chain of IT Hardware.
- **Target Segments under the proposed Scheme include Laptops, Tablets, All-in-One PCs and Servers.**
- **The scheme has an employment generation potential of over 1, 80,000 (direct and indirect) over 4 years and will provide impetus to Domestic Value Addition for IT Hardware which is expected to rise to 20% – 25% by 2025.**

<http://www.newsonair.com/News?title=Govt-approves-PLI-Scheme-for-IT-Hardware-and-Pharmaceuticals&id=410499>

### **Swachh Iconic Places (SIP)**

- Ministry of Jal Shakti announces selection of **12 sites for transforming them into 'Swachh Tourist Destinations' under Phase-IV.**
- The Swachh Iconic Places initiative, **under the Swachh Bharat Mission, is a special clean-up initiative focused on select iconic heritage, spiritual and cultural places in the country.**
- The initiative is coordinated by the Ministry of Drinking Water and Sanitation in association with the Ministry of Urban Development, Ministry of Culture, Ministry of Tourism and the concerned State governments.
- **The 12 sites are:**
  - Ajanta Caves, Maharashtra
  - Sanchi Stupa, Madhya Pradesh





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- Rock Garden, Chandigarh
- Dal Lake, Srinagar, Jammu & Kashmir
- Banke Bihari Temple, Mathura, Uttar Pradesh
- Agra Fort, Agra, Uttar Pradesh
- Kalighat Temple, West Bengal

<http://www.newsonair.com/News?title=Dept.-of-Drinking-Water-and-Sanitation-announces-selection-of-12-iconic-sites-under-Phase-IV-of-Swachh-Iconic-Places&id=410575>