

'TIME TO LOOK AT HEALTHCARE DIFFERENTLY'

Relevant for: Developmental Issues | Topic: Health & Sanitation and related issues

Suneeta Reddy

Apollo Hospitals MD Suneeta Reddy said on Friday the healthcare sector should not only be the focus of the Budget, but must also remain at the centre of the economy as the country aspired to become a \$5-trillion economy.

"It is important that infrastructure is created in this [healthcare] sector," Ms. Reddy said. "I believe 20 years ago, the government gave IT services a national priority by offering them tax holidays for 15 years, capital subsidies, etc., and with that the IT sector really grew," she said.

"Healthcare deserves that position now more so because we are a nation where 70% of healthcare spending is out of pocket. It is time to look at healthcare differently," she added.

Ms. Reddy was delivering the keynote address at 'Countdown to Budget 2022' organised by *The Hindu BusinessLine* in association with BoB Financial, the credit card arm of Bank of Baroda and Hitachi India. The theme was 'Accelerating India's economic growth'.

'Infra help needed'

Highlighting the huge demand-supply gap in hospital beds, the MD said it was time to look at the fact that the healthcare sector needed much more investments and infrastructure help.

She said healthcare could be made more affordable through thoughtful changes in the GST regime. "It [GST] makes healthcare expensive. We do not have a set-off against the input tax, so the healthcare industry is observing all these taxes and in certain cases tax rates are as high as 18%," Ms. Reddy said. "If the government can give us either zero or 5% GST, it would benefit the sector immensely," she added.

She said the pandemic had shown the importance of preventive healthcare, and the government, by rationalising GST rates, could make insurance and healthcare spending more affordable. "Currently, India provides the best quality healthcare in the world at one-tenth of the cost. At Apollo, we already have patients coming from 147 countries and I believe there is still a huge opportunity in creating medical value travel. With government support, we should be able to do much more in that space," Ms. Reddy noted.

She added that India had been emerging stronger despite several waves of the pandemic and had now learnt to meet the challenges. Ms. Reddy said the budget must focus on three priorities namely unemployment, upskilling of workforce and signalling support to ideas or sectors that would drive growth in the next century.

"Clean energy, manufacturing hubs to serve the Indian industry, logistics, fintechs, e-commerce and digitally enabled services are some of the sectors that will drive growth," Ms. Reddy said.

"The government has done so much in the past two years and I am sure it will continue to support these," she added.

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