Decoding India's healthcare landscape

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Foreword

Over the past decade, India has achieved significant milestones in the realm of public health, marking notable progress in enhancing life expectancy, curbing fertility rates, and mitigating maternal and child mortality rates. The country has made focused efforts to meet the targets set under Sustainable Development Goals (SDGs). Moreover, India has witnessed a discernible enhancement in the proportion of resources allocated to the public sector, reflecting a commitment to bolstering the nation's healthcare infrastructure.

While India has witnessed commendable achievements, the healthcare landscape remains ensnared in a web of fragmentation across various dimensions which include healthcare service providers, financing mechanisms for healthcare services, insurance coverage (risk pooling), standardization in use of IT/Technology, and quality of care standards. Over the last decade, various policies and programs by the Government of India, aptly supported by the state governments, have addressed many of these challenges.

In the subsequent pages, we delineate the healthcare infrastructure and service delivery status spanning the past two decades, poised to serve as the cornerstone for healthcare delivery envisioned for the nation as it embarks on the journey to become a developed nation by 2047.



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As India endeavors to achieve its goal of attaining developed nation status, the healthcare sector emerges as a pivotal element, supporting the nation's objectives of inclusive growth, sustainable development, and a promising future for its citizens. India has made significant strides in healthcare over the past decade, witnessing advancements in infrastructure, technology, and accessibility.

The Government of India, through its National Health Policy and with wide-ranged central schemes and programs, has been playing a crucial role in achieving the progress for the healthcare goals. The country has witnessed a transformative shift in healthcare policy and practice with government's ambitious initiatives aimed at strengthening healthcare infrastructure across the country.

The monumental schemes launched by the Honorable Prime Minister Shri Narendra Modi, such as the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PM-JAY), Ayushman Arogya Mandir, Prime Minister's Atmanirbhar Swasth Bharat Yojana (PM-ABHIM) and Jan Aushadhi Scheme stand out as pillars in the endeavor to build robust health infrastructure and ensure that healthcare reaches every doorstep. Along with these, the progress made in existing healthcare programs and the boost to digital health through Ayushman Bharat Digital Mission have further redefined the healthcare delivery landscape in India.

Various regulatory reforms and supportive policies of the Government of India, like Production Linked Incentive (PLI) Scheme, Medical Devices Park Scheme, R&D incentives, have helped boost the pharmaceutical and medical technology (medtech) sectors, given their crucial role in enhancing healthcare accessibility, promoting innovation and driving economic growth.

All these initiatives are complemented through collaborations with the private sector, non-profit organizations, healthcare start-ups and international partners, who have been instrumental in expanding access to advanced medical services, fostering innovation in healthcare delivery, improving healthcare outcomes and promoting health equity across the country.

This brief report is an endeavor to highlight the progress made by India in the healthcare sector over the past couple of decades. It underscores the concerted efforts and initiatives undertaken to improve healthcare accessibility, quality, and innovation, paving the way for a healthier and more prosperous future for all. As we reflect on the progress achieved thus far, let us remain committed to furthering these advancements and ensuring that healthcare remains a cornerstone of our nation's development journey.

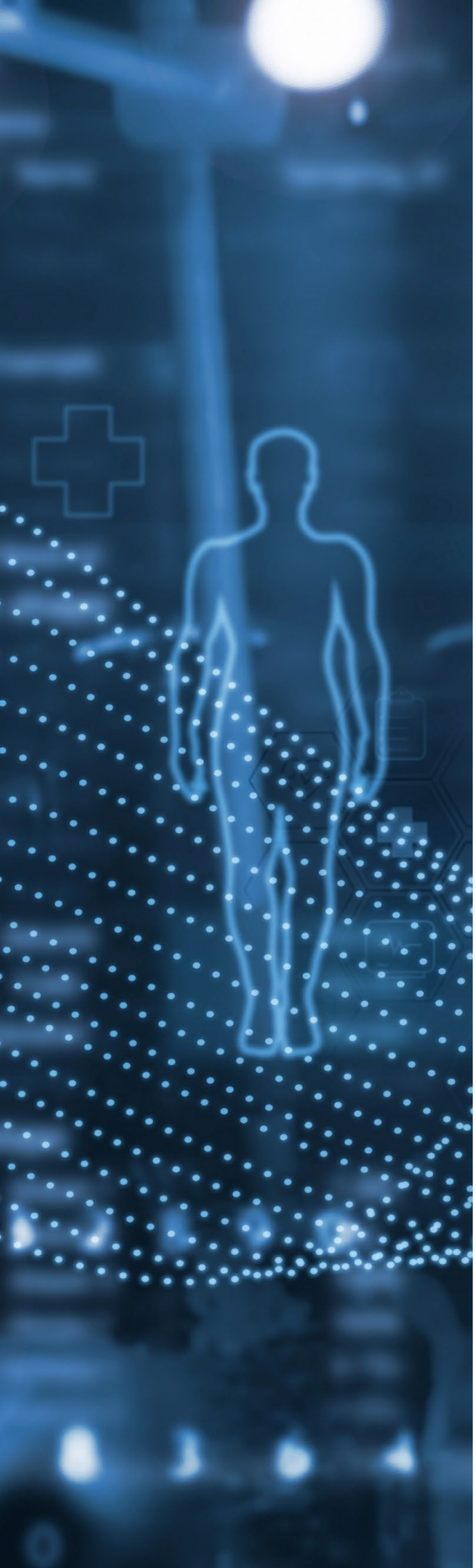


Praveen Kumar Mittal

Assistant Secretary General
FICCI







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Introduction



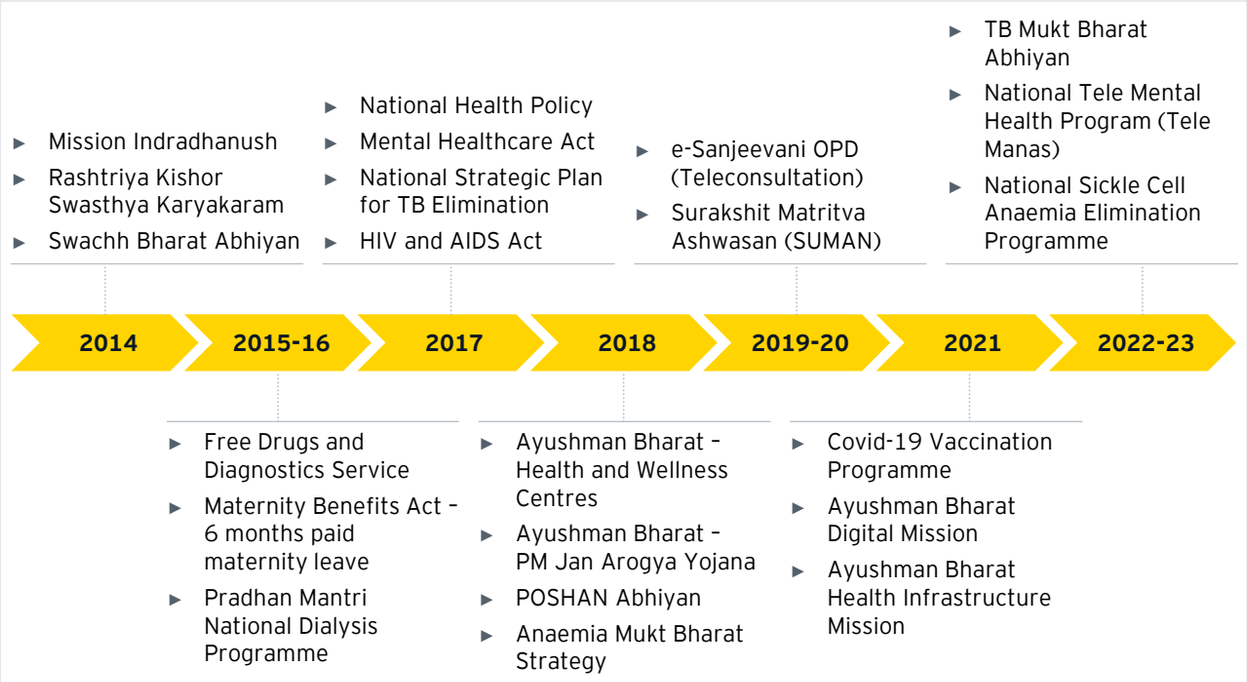
As the nation traverses the path of development and progress, a robust healthcare system becomes indispensable, ensuring the health and vitality of its populace. Beyond the intrinsic value of safeguarding human lives, a flourishing healthcare sector catalyzes socio-economic advancement by fostering a productive workforce, mitigating the burden of disease, and bolstering resilience against unforeseen health crises. Moreover, a vibrant healthcare ecosystem engenders social cohesion, promotes equity in access to essential services and uplifts marginalized communities. As India strives towards her aspiration of becoming a developed nation, the healthcare sector stands as a linchpin, underpinning the nation's aspirations for inclusive growth, sustainable development, and a brighter future for all.

While public health falls under the state list, the Government of India has been playing a critical role in shaping the sector through efforts of various Committees, National Health Policies, centrally sponsored schemes, central sector schemes, and institutions for research and development. Beginning with the Bhore Committee in 1946, which emphasized the importance of social orientation and community involvement in healthcare, and subsequent efforts such as of the Mudaliar Committee, the National Tuberculosis Program, and the Alma Ata Declaration, have significantly influenced public health in India. Policies like the National Health Policy of 1983 prioritized preventive, promotive and rehabilitative care, while the National Population Policy of 2000 focused on addressing reproductive and child health needs. Government initiatives have evolved to prioritize quality improvement, as evidenced by the National Health Policy of 2002, which emphasized comprehensive primary healthcare and the regulation of the private health sector. These policies and programs reflect the government's dedication to achieving universal health coverage and reducing disparities in healthcare delivery nationwide.

Subsequently, the National Rural Health Mission (NRHM) was launched in 2005 to undertake a shift in the public health system and to provide accessible, affordable and accountable primary healthcare services to poor households in remote parts of rural India. Various other programs have been launched in the last two decades, as mentioned below.

- Integrated Disease Surveillance Program, launched in 2004, is focused on strengthening India's public health surveillance system for early detection, prevention, and control of communicable diseases.
- Janani Suraksha Yojana was launched in 2005, with the aim to promote institutional deliveries by providing cash assistance to expectant mothers below the poverty line.
- Pradhan Mantri Swasthya Suraksha Yojana, launched in 2006, has the primary objective of correcting the imbalances in availability of affordable/reliable tertiary level healthcare in the country in general and to augment facilities for quality medical education in the under-served states.
- National Tobacco Control Programme, launched in 2007, aims to create awareness about harmful effects of tobacco consumption and reduce the production and supply of tobacco products.
- Janani Shishu Suraksha Karyakra, launched in 2011, entitles all pregnant women delivering in public health institutions to free and no expense delivery, including Caesarean section.
- In 2013, the National Health Mission subsumed NRHM and several other vertical health programs under one umbrella to provide a holistic approach to healthcare delivery.

Some of the key programmes launched from 2014- 2023[1]



In this report, we present the journey of healthcare over the last two decades in terms of advancements in the healthcare infrastructure, availability of human resources, presence of medical education institutions, changes in healthcare financing patterns, developments in medical devices, increase in Medical Value Travel, and improvements in disease control. This would set the cornerstone for the future developments of the healthcare in the next two decades (leading to 2047 aspirations).



[1] Economic Survey 2022-23

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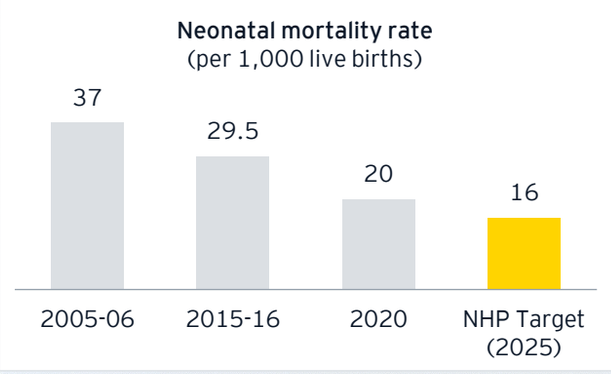
Public health indicators

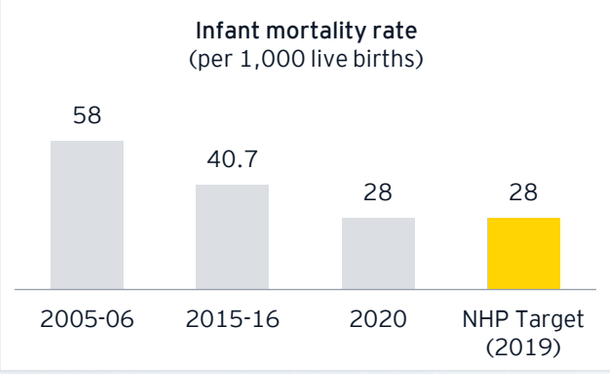
India has made significant progress in several health indicators. Infant mortality, maternal mortality, neonatal mortality rates, etc. have been reduced. These improvements can be associated with the proliferation of healthcare services across the country through increase in the number of government hospitals and healthcare infrastructure, medical colleges, extensive health campaigns, improved immunization, health insurance schemes, etc.

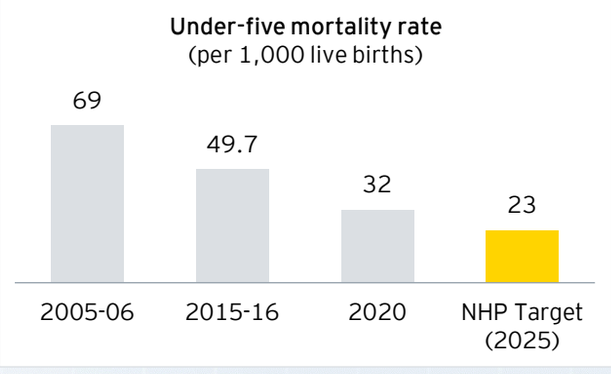
Key Health Indicators in India (2005-2020)

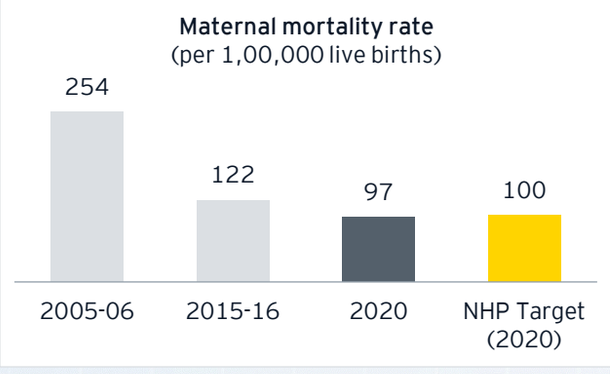
Key health indicators	2005-06	2015-16	2020	CAGR (FY 2005-06: FY 2015-16)	CAGR (FY 2015-16: FY2020)
Neonatal Mortality Rate (per 1,000 live births)	37	29.5	20	-2.2%	-7.5%
Infant Mortality Rate (per 1,000 live births)	58	40.7	28	-3.5%	-7.2%
Under-five Mortality Rate (per 1,000 live births)	69	49.7	32	-3.2%	-8.4%
Maternal Mortality Rate (per 1,00,000 live births)	254	122	97	-7.1%	-4.5%

Source: NFHS 5 , Press Information Bureau (pib.gov.in), AU2263.pdf (sansad.in)





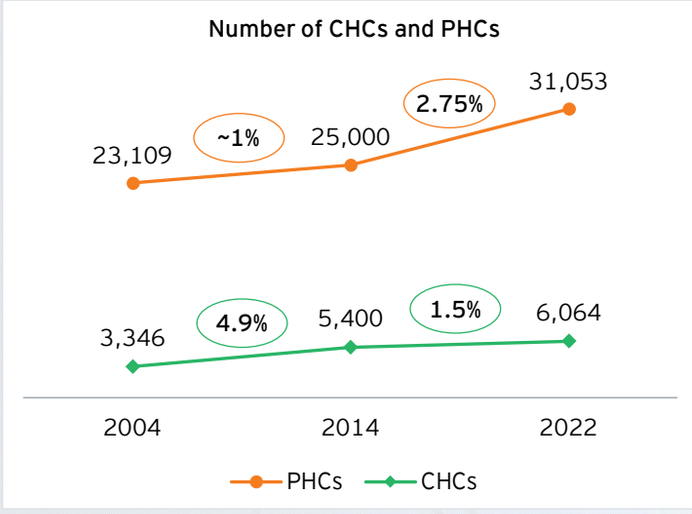




2 Healthcare infrastructure

2.1 Primary Health Centres and Community Health Centres

The growth in Primary Health Centers (PHCs) and Community Health Centers (CHCs) in India from 2004 to 2022 reveals significant strides in expanding healthcare infrastructure across the country. Over this period, the number of PHCs increased steadily, with a CAGR of **~1%**[2] **from 2004 to 2014** and a CAGR of **2.75%**[3] **from 2014 to 2022.** The cumulative average growth from 2004 to 2022 stood at **~2%,** reflecting a substantial expansion in the availability of basic healthcare services. Similarly, the growth in CHCs exhibited notable progress, witnessing a CAGR **4.9% increase from 2004 to 2014** and a subsequent **CAGR of 1.5% increase from 2014 to 2022**. The cumulative average growth in CHCs from 2004 to 2022 amounted to **3.36%**[4]**.**





[2] http://mohfw.nic.in/dofw%20website/Bulletin%20on%20RHS%20-%2006
[3] Press Information Bureau (pib.gov.in)
[4] Rural_Health_Statistics_2021-22.pdf

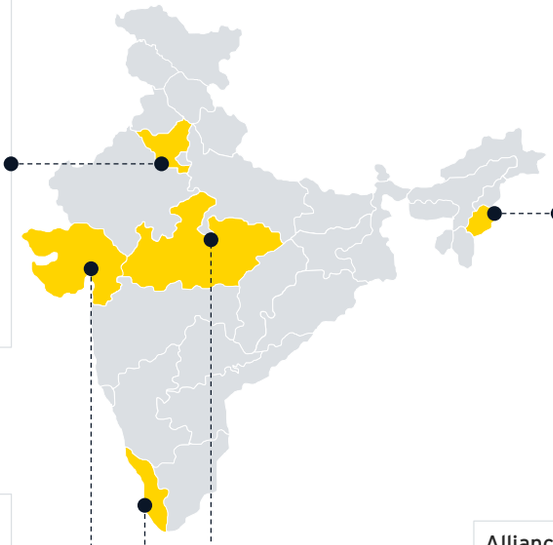
Some best practices for strengthening health services

Multipronged strategy for improving facility-based management of Low Birth Weight (LBW) babies in Haryana

Upgradation of NBSUs to SNCUs, KMC units, introduction of digital weighing scales and Family Participatory Care, has successfully improved the detection and management of Low Birth Weight (LBW) babies in Haryana, leading to a reduction in Infant Mortality Rate (IMR) and Neonatal Mortality Rate (NMR).

Home based palliative care through multi-stakeholder participation in Manipur

It includes training of healthcare staff for providing home-based care through Health and Wellness Centres, and establishing linkage with District Hospitals and palliative OPDs to provide comprehensive services for patients in need of palliative care. 58 HWCs are providing palliative care services in 9 districts in the state



First 1,000 days initiative model in Gujarat

Development of resource material, capacity building module for ASHAs, guidelines on First 1,000 day compliant facilities, certification course on journey of first 1,000 days and community awareness activities for promoting positive birthing experiences, humanized care, optimal family participation, and utilizing newer evidence-based practices to support cognitive development for children to reach their full potential

Aardram Mission implementation model in Kerala

Upgradation of Primary Health Centres (PHCs) to Family Health Centres (FHCs) and launch of "Sampoorna Yoga Keralam" initiative, to propagate wellness by empowering ASHA, school volunteers and community volunteers through continuous yoga trainings.

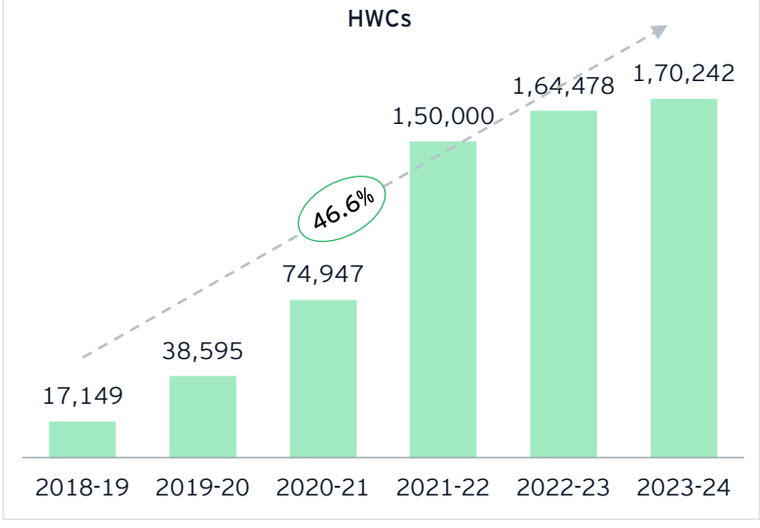
Alliance for Saving Mother & Newborn (ASMAN) initiative in Madhya Pradesh

Implementation of ASMAN application enabling real time data entry with notifications for high risk cases, with on-the-job clinical decision support through integrated clinical rules, interactive dashboards, reports and registers, availability of 24*7 specialist support through Remote Support Centre for addressing third delay in maternal health

Source: We Care Good, Replicable and Innovative Practices 2019, Ministry of Health and Family Welfare

2.2 Health & Wellness Centres / Ayushman Arogya Mandirs

The establishment and operationalization of Ayushman Arogya Mandirs (AAMs) in India represent a significant step towards enhancing access to comprehensive primary healthcare services across rural and urban areas. Initially announced as Ayushman Bharat Health and Wellness Centres (AB-HWCs) in February 2018, the goal was to establish 1,50,000 centers by December 2022. **1,70,242 AAMs**[5] have been established and operationalized by March 20, 2024, by transforming existing Sub-Health Centres (SHC) and Primary Health Centres (PHC). **From 2018-19 to 2023-24, the AAMs have grown at a CAGR of 46.6%.**



[5] Official Website Ayushman Arogya Mandir (nhp.gov.in)

These AAMs not only provide a wide range of comprehensive primary healthcare services, including preventive, promotive, curative, palliative, and rehabilitative services, but also enable the integration of Yoga and AYUSH as appropriate to people's needs.

The total number of wellness sessions conducted, including yoga, stands at **3.18 crore[6] as of 20 March 2024**, reflecting a substantial uptake of such activities among the population.

Services available at AAMs	Services being added in incremental manner
Care in pregnancy and child-birth	Basic oral health care
Neo-natal and infant health care services	Care for common ophthalmic and ENT problem
Childhood and adolescent health care services	Screening and basic management of mental health ailments
Family planning, contraceptive services and other reproductive health care services	Elderly and palliative health care services
Management of communicable diseases	Emergency medical services including burns and trauma
Out-patient care for acute simple illnesses and minor ailments	
Screening, prevention, control and management of non-communicable diseases and chronic communicable diseases	

Moreover, the integration of **teleconsultation services within operational AAMs** has further enhanced accessibility to specialist healthcare services, particularly in remote areas with the total teleconsultations conducted at AAMs, including Ayushman Melas, have reached **21.1 crore[7] by 20 March 2024.**

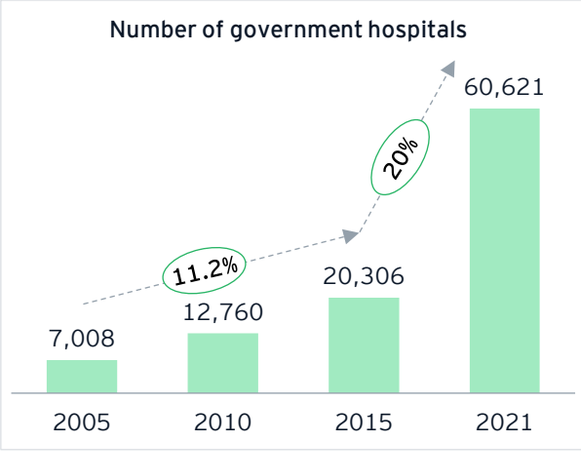
[6] AAM portal

[7] E-sanjeevani portal

2.3 Number of government hospitals

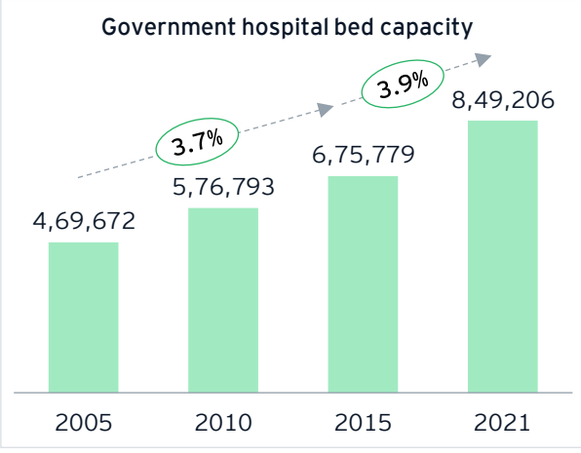
The notable surge in the number of public hospitals in India from 2005 to 2021 highlights a significant expansion in the nation's healthcare infrastructure. The consistent growth observed across the years – from 2010 (12,760 hospitals)[8] to 2015 (20,306 hospitals)[9] and then to 2021 (60,621)[10] – underscores a persistent commitment to augment healthcare infrastructure to cater to the evolving healthcare needs of the population.

Overall, the count increased from 7,008 to 60,621 from 2005-2021, marking a substantial CAGR growth of approximately 14.4%. This increase reflects a collective effort to address the rising healthcare demands and improve healthcare accessibility throughout the country. This expansion holds the potential to alleviate the strain on existing healthcare facilities and contribute to enhanced healthcare outcomes for individuals across the nation.



2.4 Bed capacity of government hospitals

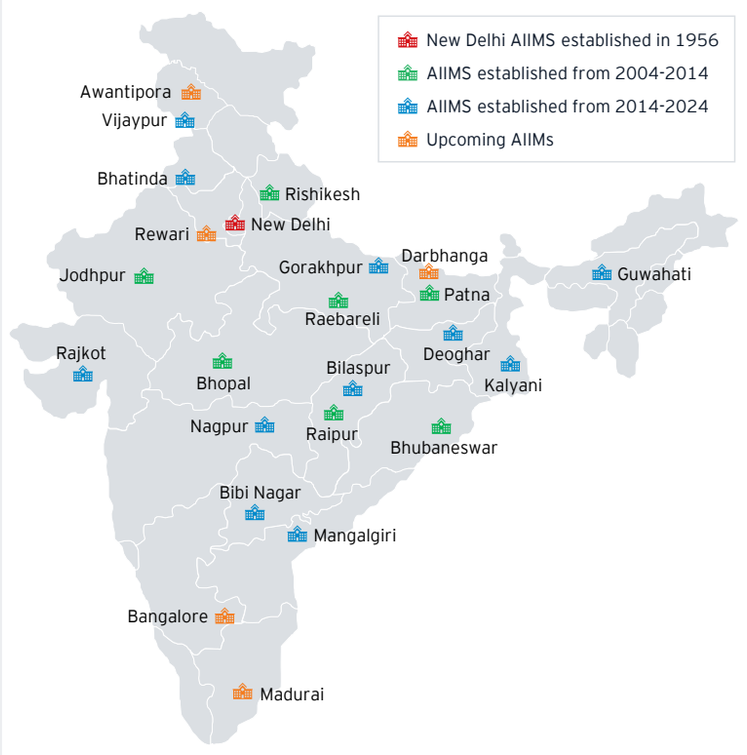
The bed capacity in government hospitals across India has shown a consistent upward trend over the years. From 2005 to 2015, there was a substantial increase from 4,69,672 beds to 6,75,779 beds, indicating a notable growth of approximately 3.7% CAGR. This growth continued from 2015 to 2021, with bed capacity rising to 8,49,206 beds, representing a further increase of about 3.9% CAGR.[10] This consistent increase underscores concerted efforts to bolster healthcare infrastructure, ensuring better access to medical services and addressing the evolving healthcare needs of the population.



[8] Health Infrastructure.pdf (cbhidghs.nic.in)
[9] Cover Pdf (cbhidghs.nic.in)
[10] National Health Profile (NHP) of India- 2022 :: Ministry of Health and Family Welfare (cbhidghs.nic.in)

2.5 Number of AIIMS

The development of All India Institutes of Medical Sciences (AIIMS) in India has been a significant endeavor aimed at expanding access to high-quality healthcare across the country. **The first AIIMS was established in 1956 in New Delhi.** From only one AIIMS in New Delhi serving the country for a long time, today there are many new AIIMS functioning in different capacities across the nation. Between 2004 and 2014, the government embarked on an expansion plan, establishing seven new AIIMS in various regions, including Jodhpur, Bhubaneswar, Rishikesh, Raipur, Bhopal, Patna, and Raebareli.

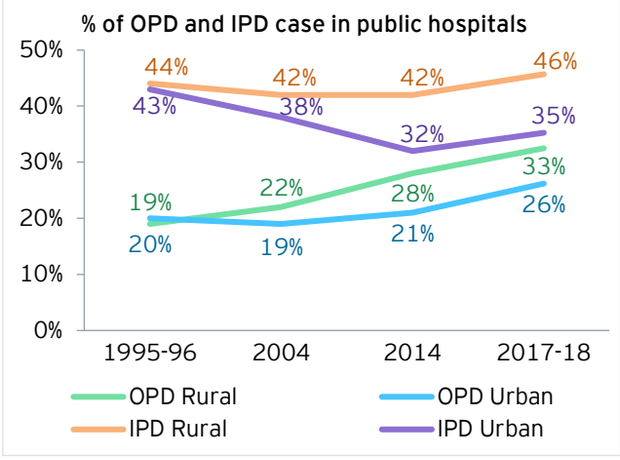


In the last decade, from 2014 to 2024, additional 11[11] AIIMS have been established, bringing the total count to nineteen, at locations including Nagpur, Mangalgiri, Gorakhpur, Bibi Nagar, Bhatinda, Kalyani, Deoghar, Rajkot, Guwahati, Vijaypur, and Bilaspur. This phase of expansion further broadened the reach of specialized medical services, particularly in underserved regions, addressing disparities in healthcare infrastructure.

Looking ahead, there are plans for **five** more AIIMS to be established in Darbhanga, Rewari, Awantipora, Madurai and Bengaluru. The establishment of these institutes will add over **5,000 beds** to the country's healthcare infrastructure. These upcoming institutes signify continued efforts to strengthen healthcare infrastructure and provide advanced medical care to a wider population.

2.6 Utilization of public health facilities

The past years have observed an increase in utilization of public health facilities. The share of government/public hospitals in both OPD and IPD has increased since 2014. The service providers remain fragmented in the private sector. The share of public sector in both OPD and IPD has marginally improved in the last five years. According to the HMIS data, the improvement has been more significant with a 27% increase in IPD from 2014-15 to 2019-20 and a 26% increase in OPD during the same period.

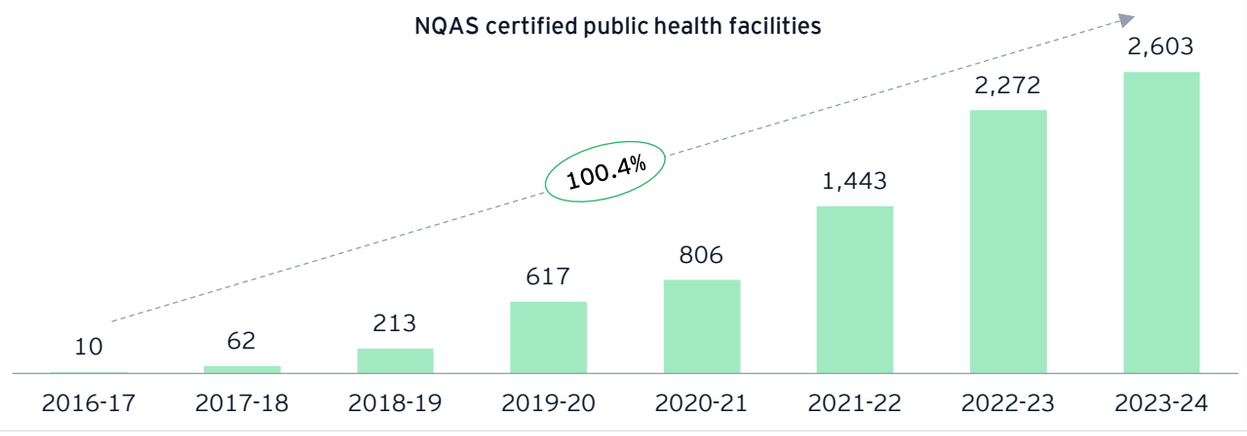


Source: NSSO 71st and 75th Round

[11] https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1988387
https://www.aiimsjodhpur.edu.in/PDF/AIIMS%20List.pdf

2.7 Ensuring quality of services at public health facilities

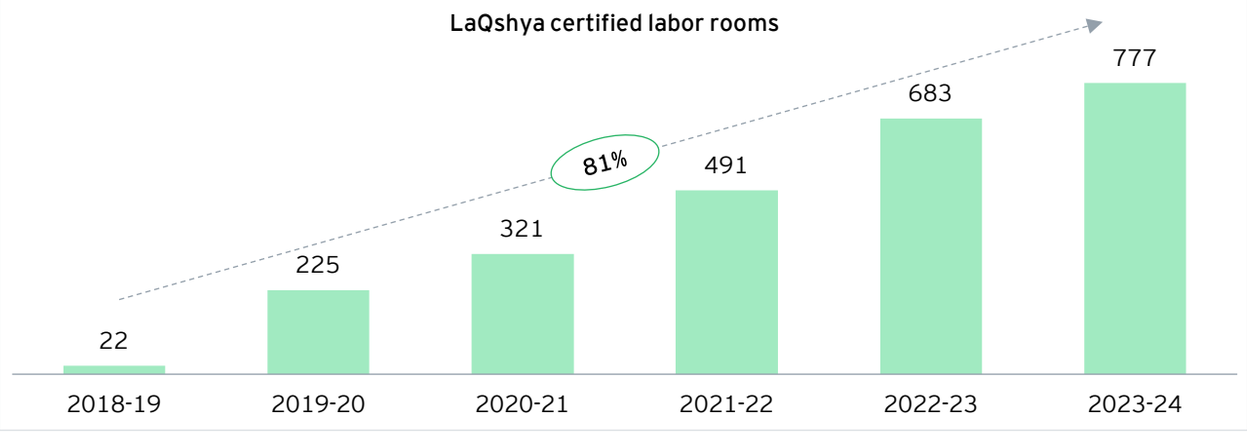
In recent years, the commitment to enhancing healthcare quality has become a paramount priority for the nation. Notable efforts have been made such as the establishment of Internationally accredited National Quality Standards (NQAS) aimed at various levels of healthcare facilities, including District Hospitals, Community Health Centers (CHCs), Primary Health Centers (PHCs), Urban PHCs, and sub-health centers, both rural and urban. These standards serve as comprehensive benchmarks designed to enable healthcare providers and healthcare facilities to evaluate the quality of care, identify areas for improvement, and work towards achieving NQAS certification.



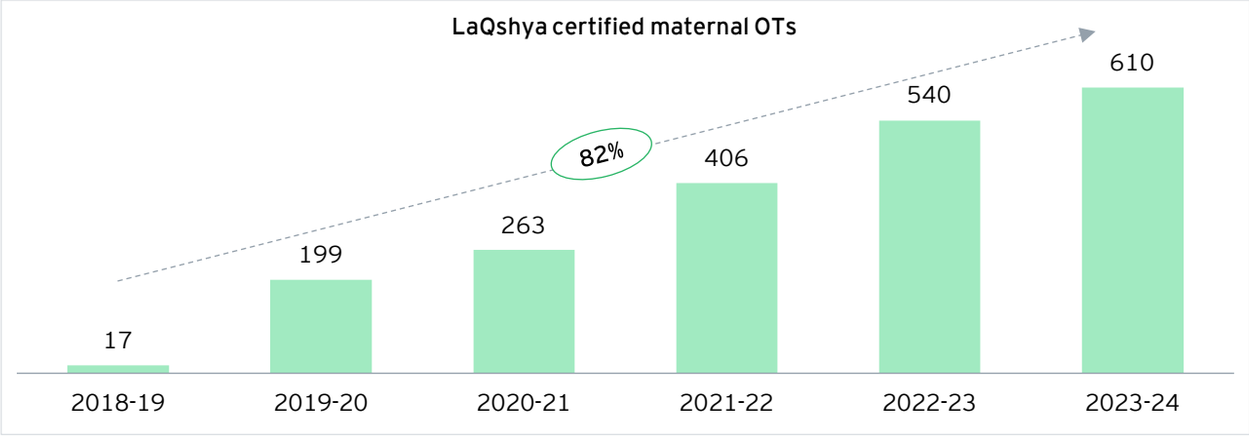
In the past years, there has been a remarkable surge in the adoption of NQAS certification, growing by CAGR 100.4% from 2016 to 2024. The total number of NQAS certified public health facilities has increased from 10 in 2016-17 to 2,603 in 2023-24. [12]

The LaQshya program launched in December 2017 is another successful initiative which aims to improve the quality of care during delivery and immediate post-partum period to reduce maternal and newborn mortality, enhance patient satisfaction and to provide positive birthing experience to all pregnant women attending public health facilities.

The number of LaQshya certified labor rooms has increased at a compounded annual growth rate (CAGR) of 81% from 22 in 2018-19 to 777 in 2023-24. Similarly, the number of LaQshya certified maternal operation theaters has increased at a CAGR of 82% from 17 in 2018-19 to 610 in 2023-24. [12]



[12] Quality Darpan Reports: Retrieved from NHSRC - https://qps.nhsrcindia.org/quality-darpan


LaQshya certified maternal OTs
17
199
263
82%
406
540
610
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24


POST-OP AREA
DISABLED REFUGE AREA

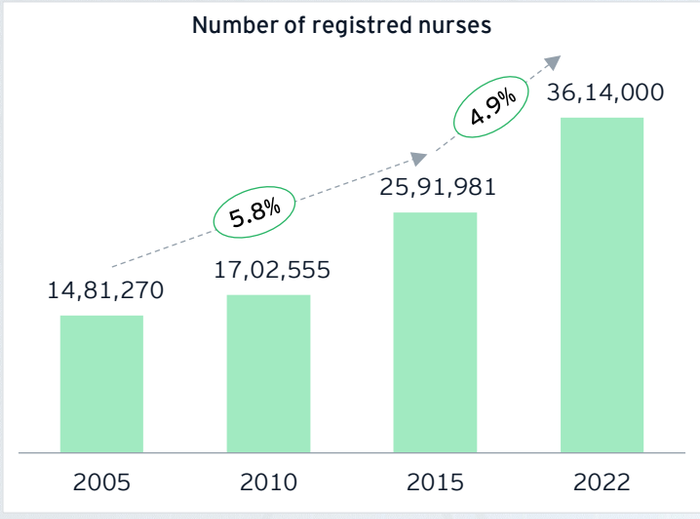
3 Healthcare human resources

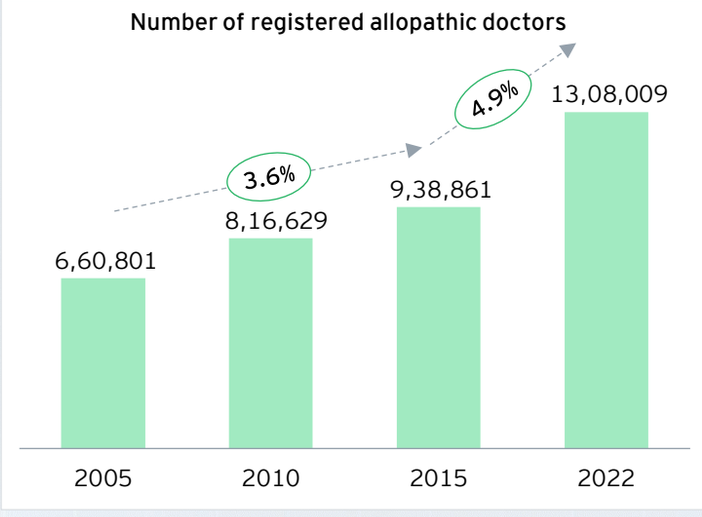
3.1 Key healthcare professionals

Registered nurses: The count of registered nurses surged from 14.81 lakh in 2005 to 36.14 lakh in 2022, adding nearly 1 lakh nurses per year in the health system. [13]

- ✓ From 2005 to 2015, the number of registered nurses in India increased by approximately 5.8% CAGR.
- ✓ From 2015 to 2022, the number of registered nurses further increased by approximately 4.9% CAGR.

FY23 budget announcements of opening 157 new nursing colleges would go a long way in adding more nurses to the healthcare system and also exporting nursing services as the requirements steadily increase across the globe.

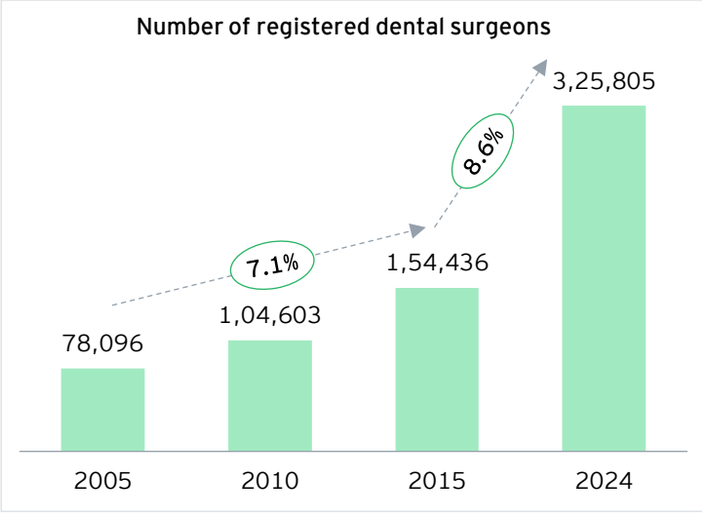




Registered allopathic doctors: The number of registered allopathic doctors witnessed substantial growth, rising from 6,60,801 in 2005 to 13,08,009 in 2022, marking a significant increase of approximately 4.1% CAGR. [13]

- ✓ From 2005 to 2015, the number of registered allopathic doctors in India increased by approximately 3.6% CAGR.
- ✓ From 2015 to 2022, the number of registered allopathic doctors further increased by approximately 4.9% CAGR.

[13] National Health Profile: 2011, 2015, PIB Notification dated 12.12.2023, Dental Council of India Website

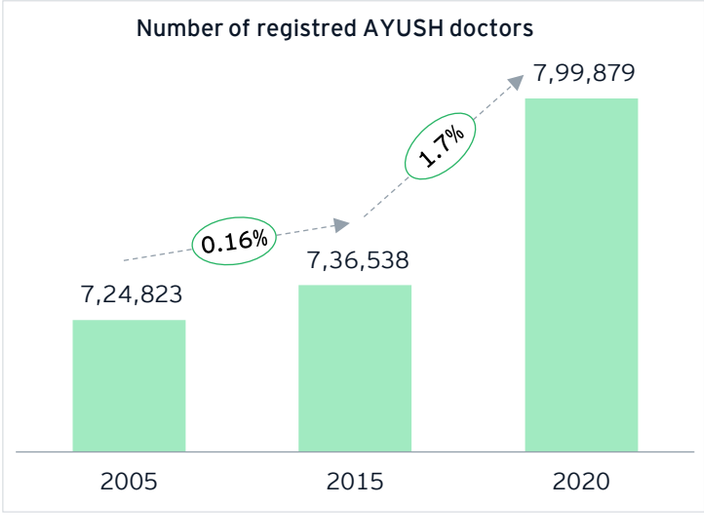


Registered dental surgeons: The count of registered dental surgeons exhibited remarkable growth, escalating from 78,096 in 2005 to 3,25,805 in Mar 2024, representing a surge of approximately 7.8% CAGR. [13]

- ✓ From 2005 to 2015, the number of registered dental surgeons in India increased by approximately 7.1% CAGR.
- ✓ From 2015 to 2024, the number of registered dental surgeons further increased by approximately 8.6% CAGR.

Registered AYUSH doctors: The number of registered AYUSH doctors saw a modest increase from 7,24,823 in 2005 to 7,99,879 in 2020, with a CAGR of 0.66%. [13]

- ✓ From 2005 to 2015, the number of registered AYUSH doctors in India has increased by a CAGR of 0.16%.
- ✓ 2015 to 2020, the number of registered AYUSH doctors increased by a CAGR of 1.7%.



Further, under the ambit of Ayushman Bharat Digital Mission, the Health Professionals Registry (HPR) has been launched, which is a comprehensive repository of registered and verified health practitioners delivering modern and traditional services across India. The professionals registered on HPR can digitally connect to a host of interoperable, digitally enabled services for dispensation of healthcare services. As of 20th March 2024, more than 2.96 lakh health professionals have registered on HPR.[14]

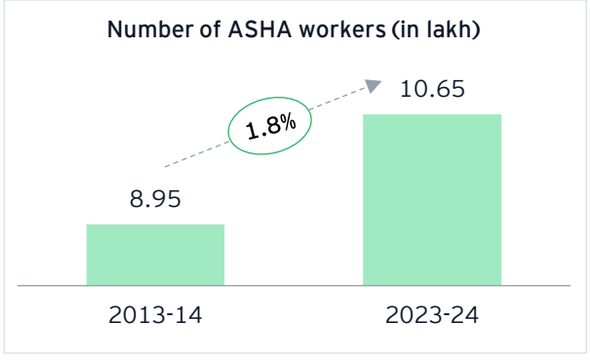
To strengthen the health manpower production and quality in the country initiatives including 'Heal by India' has been designed with an intent to increase health workforce mobility from India to different parts of the world to serve the world and the 'Heal in India' initiative has been launched to provide integrated and holistic treatment to the world in India and enhance patient mobility for access to world class, affordable and quality healthcare services.

[14] ABDM Dashboard

3.2 Community processes / ASHAs

Community engagement has emerged as a cornerstone in the transformation of India's healthcare landscape, with initiatives such as Jan Arogya Samitis, Mahila Arogya Samitis, and the invaluable contributions of community health workers and Accredited Social Health Activists (ASHAs) at the forefront. These community-driven processes represent a fundamental shift towards empowering local communities and leveraging their active participation in healthcare delivery and decision-making.

ASHAs bridge the gap between formal healthcare systems and communities by providing essential healthcare services, health education, and acting as advocates for preventive and promotive healthcare practices. The number of ASHA workers have increased by 1.8% CAGR from 8.95 Lakh in 2013-14 to 10.65 lakh in 2023-24.[15]



Additionally, through Jan Arogya Samitis, and Mahila Arogya Samitis (81,134 in 2021)[16], government health workers, community members, including women, are mobilized to actively participate in health-related discussions, decision-making processes, and the implementation of healthcare programs tailored to meet the specific needs of their communities. Together, these community processes and health workers have not only catalyzed improvements in healthcare access and delivery but have also fostered a sense of ownership and accountability among communities.

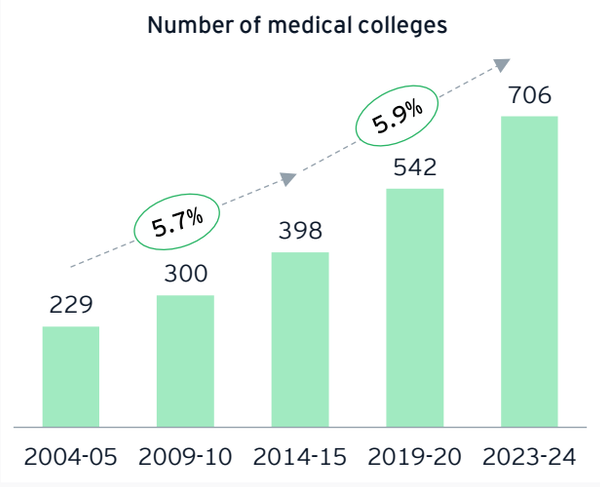


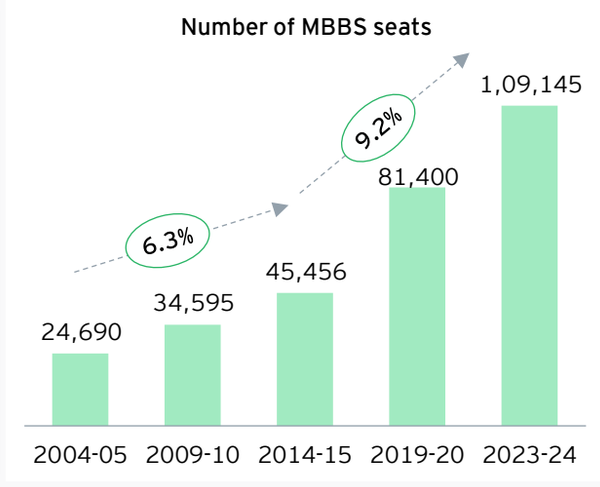
[15] Achievements and New Initiatives Pocket Handbook by MoHFW - 2023
[16] Health Dossier 2021 by NHSRC

4 Medical education

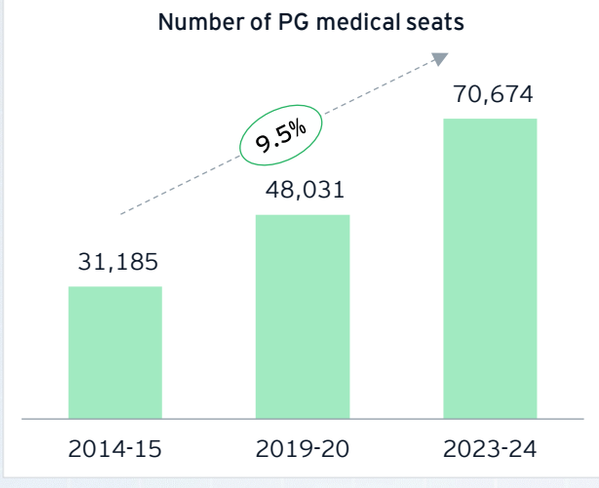
The significant increase in the number of medical colleges and MBBS seats over the years reflects a concerted effort to address the growing demand for healthcare professionals in India. In the last two decades, the number of medical colleges has nearly tripled. Since 2014, the number of medical colleges have increased by a CAGR of 5.9%. [17] The surge in medical colleges not only offers more opportunities for aspiring doctors but also contributes to decentralizing healthcare services, potentially improving accessibility for underserved regions.

There has been an increase in MBBS seats from 24,690 in 2004-05 to 45,456 in 2014-15 and 1,09,145 in 2023-24 which signifies a substantial stride towards meeting the escalating demand for doctors in India. Since 2014, the number of MBBS seats have surged substantially by a CAGR of 9.2%.[17] This surge aligns with demographic and epidemiological transitions, where a burgeoning population and changing disease profiles necessitate a larger healthcare workforce addressing physician shortage, ensuring better healthcare coverage. Further, the increase also signifies better utilization of health education infrastructure where existing colleges have also ramped up the seats.





Furthermore, the expansion of postgraduate medical seats at a CAGR of 9.5%, from 31,185 in 2014-15 to 70,674 in 2023-24,[17] underscores efforts to bolster specialized medical training and address the deficit of specialists in various disciplines. The augmentation of PG medical seats shall foster a more robust healthcare ecosystem capable of catering to diverse specialized medical needs effectively.



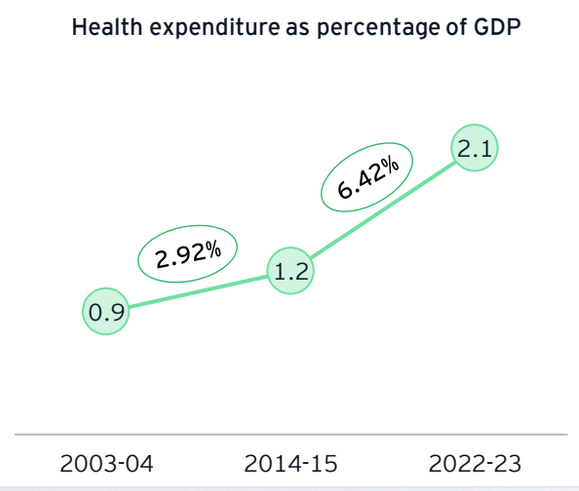
[17] National Health Profile: 2011, 2015, 2019, 2022, NMC Website, PIB Notification dated 12.12.2023.

5 Healthcare financing

5.1 The healthcare expenditure as a percentage of GDP

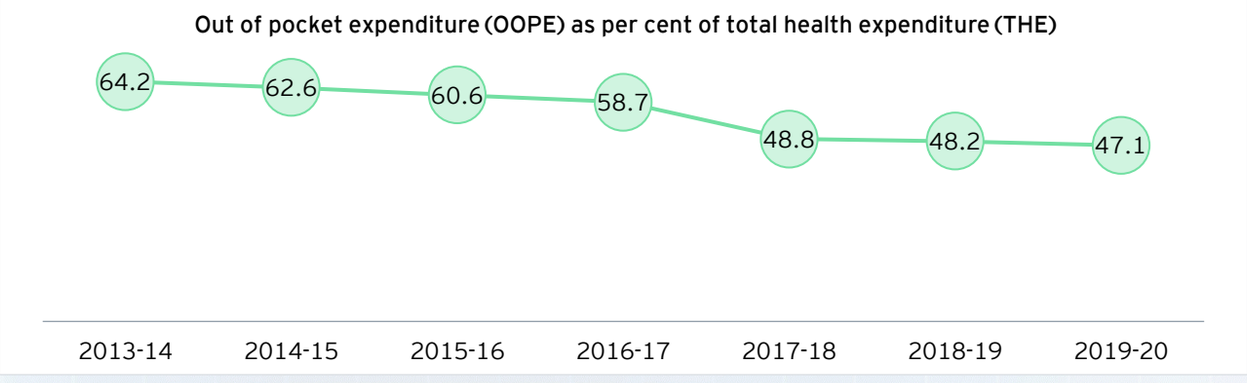
The healthcare expenditure* as a percentage of GDP in India showcases a commendable upward trajectory, reflecting a growing recognition of the importance of healthcare investment. In 2003-04, health expenditure was **0.9%**[18] **of GDP**, suggesting limited resource allocation towards healthcare initiatives. By 2014-15, this percentage had increased to **1.2%**[19], indicating a notable shift towards prioritizing healthcare funding. The most recent data from 2022-23 reveals a substantial leap, with health expenditure reaching **2.1% of GDP.**

With an increase of 4.56% over the span of two decades, this trend signifies a positive step towards fulfilling the recommendation of the Fifteenth Finance Commission, which proposed that public health expenditure of Union and States together should be increased in a progressive manner to reach **2.5% of GDP by 2025** (FFC report, para 9.41, iii)



5.2 Out of pocket expenditure (OOPE)

The Economic Survey 2020-21 emphasizes that a nation's health is intrinsically linked to the accessibility, affordability, and accountability of its healthcare system. OOPE poses a significant risk of pushing vulnerable groups into poverty due to catastrophic health expenditures.



Source: Economic Survey 2020-21

This decline, particularly notable between 2016-17 and 2017-18, point towards the various measures (viz, PM-JAY, Jan Aushadhi Kendras, Ambulance services, free diagnostics, free dialysis etc.) taken by the government to mitigate out-of-pocket payments and improving the overall healthcare landscape in India. This decline of OOPE is also due to the increase in utilization of public facilities both for inpatient and outpatient services as per the NSS 75th round report.

[18] EChapter 10 (2003-04) (indiabudget.gov.in)
[19] echap10_vol2.pdf (indiabudget.gov.in)
* The health expenditure in the economic survey also includes expenditure on water supply and sanitation

The steady decrease in OOPE from 64.2% in 2013-14 to 47.1% in 2019-20 signifies an improvement in the accessibility and affordability of healthcare services, likely attributable to initiatives aimed at strengthening healthcare infrastructure and implementing health insurance schemes.

5.3 Insurance coverage

- ✓ India's health insurance landscape witnessed a substantial transition from Rashtriya Swasthya Bima Yojana (RSBY) to **Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY).**
- ✓ Launched in 2008, Rashtriya Swasthya Bima Yojana (RSBY) was a centrally sponsored health insurance scheme implemented by the Ministry of Labour & Employment (MoLE) providing financial protection to approximately 5.8 crore below poverty line families. It provided coverage for hospitalization expenses up to INR30,000 per family per annum in about 8,000 public and private empaneled hospitals in India. However, studies suggest that RSBY suffered from a static financial coverage cap, low enrolment, inequitable service supply, utilization, etc. [21]
- ✓ Recognizing the limitations of Rashtriya Swasthya Bima Yojana (discontinued) and other state schemes, the Government of India launched Ayushman Bharat Pradhan Mantri Jan Arogya Yojana in September 2018.
- ✓ PM-JAY targeted health insurance for 500 million individuals, primarily the poorest 40% of the population with a health cover of INR5 lakh per family per year for secondary and tertiary care hospitalization to 10.4 crore beneficiary families, extending to approximately 15 crore families including state-sponsored scheme beneficiaries. [20]
- ✓ PM-JAY expanded its coverage beyond BPL families to encompass a larger segment identified under the Socioeconomic and Caste Census (SECC) 2011 database.
- ✓ PM-JAY provides beneficiaries access to a vast network of healthcare providers. The scheme also offers a broader and deeper benefit health package covering 1,900 packages across 24 specialties with no exclusion of pre-existing conditions.
- ✓ Moreover, PM-JAY utilizes a robust IT framework for efficient implementation and management, facilitating beneficiary identification, hospital empanelment, and claims processing.
- ✓ As of now, PM-JAY has authorized a total of **6.5 crore hospital admissions worth INR81,979 crore** through its network of approximately **28,000 empaneled health care providers (EHCPs).** [20]

Comparison of PM-JAY and RSBY Scheme

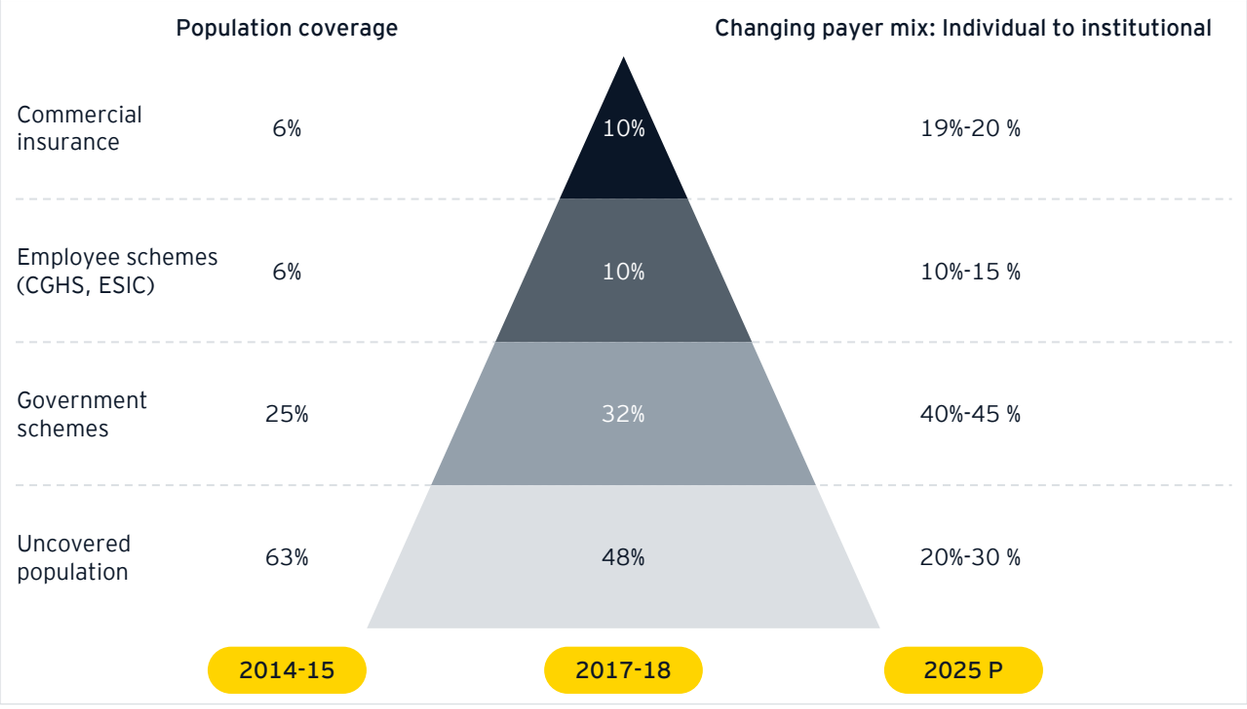
S. No.	Parameter	PM-JAY[20] (Launched in 2018)	RSBY[21] (Launched in 2008, currently discontinued)
1	Health coverage	INR5 lakh per family per year (no family member upper limit)	INR30,000 per family per year (up to 5 family members)
2	Number of beneficiaries covered	10.74 Cr families (approximately 50 crore individuals) across 33 states and UTs (except Delhi, West Bengal, Odisha). This extends to 15 Cr families including State funded families	5.8 Cr families in 15 states
3	Packages	More than 1,900 packages	More than 1,500 packages
4	Empaneled hospitals	More than 28,000	Around 8,000

[20] PM-JAY website (https://pmjay.gov.in/)

[21] MOHFW Annual Report 2015-16 (https://main.mohfw.gov.in/sites/default/files/12201617.pdf)

The fragmentation in health service financing (players) has been substantially reducing over the years as a result of increased penetration of government health insurance scheme and other social security initiatives.

The AB-PMJAY scheme, coupled with the improvement in penetration of private health insurance, increased the proportion of the insured population to 52% in 2017-18, from 37% in 2014-15. The health insurance coverage is further projected to grow close to 70% to 75% by 2025.



Source: EY FICCI Report, Re-engineering Indian Health care, September 2016, IRDAI handbook, IRDAI Annual report, National Health Profile, Individual state insurance websites



5.4 Grants for augmentation of healthcare sector by 15th Finance Commission

In addition to above, the **15th Finance Commission (2021-2026)** has given the following recommendations for healthcare financing. The grants for the health sector are divided into two parts: (i) grants aggregating to INR70,051 crore through local governments and (ii) sectoral grants aggregating to INR31,755 crore to states. It recommends state-specific grants for health amounting to INR4,800 crore. The total grants-in-aid support to the health sector over the award period shall be INR1,06,606 crore which is 10.3% of the total grants-in-aid. [22]

Sectoral grants for health	
Sub-components	**Amount (INR crore)**
Critical care hospitals	15,265
District integrated public health labs	469
Support to the states to run DNB courses in district hospitals	2,725
Training of 1.5 million workforce related to allied healthcare	13,296
Total	**31,755**

Health grants through local governments	
Sub-components	**Amount (INR crore)**
Urban HWCs	24,028
Building-less sub centers, PHCs, CHCs	7,167
Block level public health units	5,279
support for diagnostic infrastructure to the primary healthcare facilities	18,472
Conversion of rural sub centers and PHCs to HWCs	15,105
Total	**70,051**

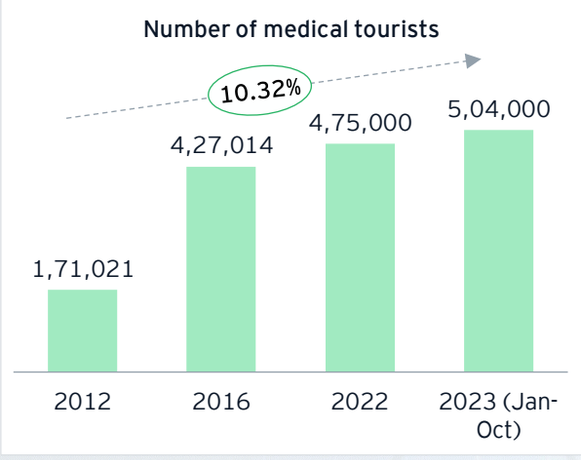


[22] https://finance.cg.gov.in/15%20Finance%20Commission/Report/15th_FC_Report_for_Year_2020_21_English.pdf

6 Medical value travel

The significant growth in medical value travel (MVT) in India, evidenced by a 10.8% increase in medical tourists from 2012 to 2022, underscores the success of the **National Strategy and Roadmap for Medical and Wellness Tourism in 2022.** This growth reflects effective implementation of key pillars, such as branding India as a wellness destination, strengthening the Medical Value Travel ecosystem, enabling digitalization through an MVT portal, enhancing accessibility, promoting Medical value Travel, and establishing a robust governance framework. Such advancements have positioned India as a leading destination for Medical Value Travel, offering high-quality healthcare services alongside holistic wellness experiences.

- ✓ Between 2012 and 2016, the number of medical tourists in India experienced a significant increase of **approximately 25.7% CAGR,** rising from 171,021[23] to 4,27,014[24].
- ✓ From 2016 to 2022, there was a further growth of around **1.79% CAGR**, with the number of medical tourists reaching 4,75,000.
- ✓ Continuing this upward trajectory, between 2022 and 2023 (Jan-Oct), there was an additional increase of **approximately 6% CAGR,** as the number of medical tourists surged to 5,04,000[25]
- ✓ Overall, from 2012 to 2023 (Jan-Oct), there has been a remarkable growth of approximately 10.32% CAGR in the number of medical tourists visiting India, highlighting the country's rising prominence as a Medical Value Travel destination.



Top 10 countries of medical travel in India	Number of medical tourist (2021)
Bangladesh	1,86,633
Iraq	15,357
Maldives	22,798
Afghanistan	19,556
Oman	7,610
Yemen	4,612
Sudan	3,908
Kenya	3,423
Nigeria	2,914
Tanzania	2,194

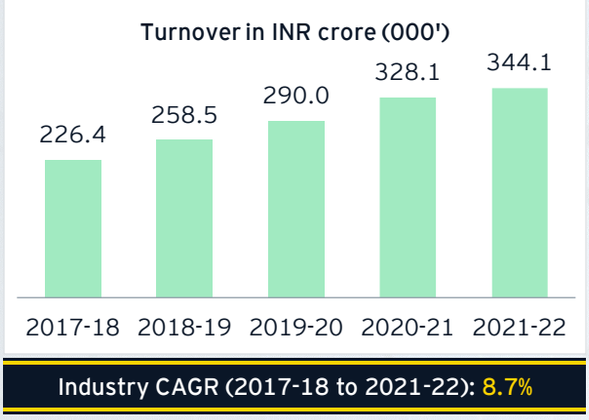
[23] The foreign tourists who visited India for medical purpose during 2012, 2013 and 2014 were 171021, 236898 and 184298, respectively (business-standard.com)

[24] Number of Foreign Tourist Arrivals for medical purpose has shown an increase over last 3 years: Shri Prahlad Singh Patel (pib.gov.in)

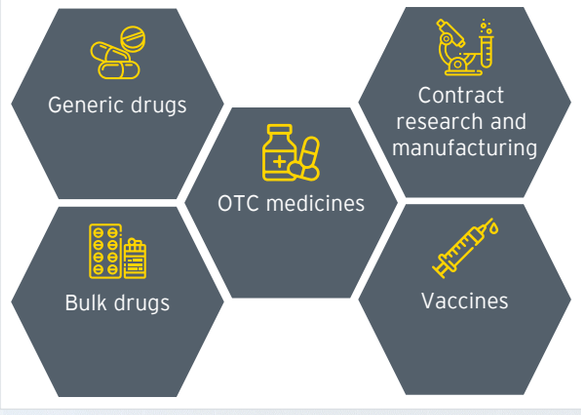
[25] pib.gov.in/PressReleaseIframePage.aspx?PRID=1987820

7 Pharmaceuticals

The Indian pharmaceutical industry ranks third globally in pharmaceutical production by volume and is known for its generic medicines and low-cost vaccines. The sector contributed to around 1.32% of the Gross Value Added (at 2011-12 constant prices) of the Indian Economy in 2020-21.[26]



Major segments of Indian pharmaceutical industry



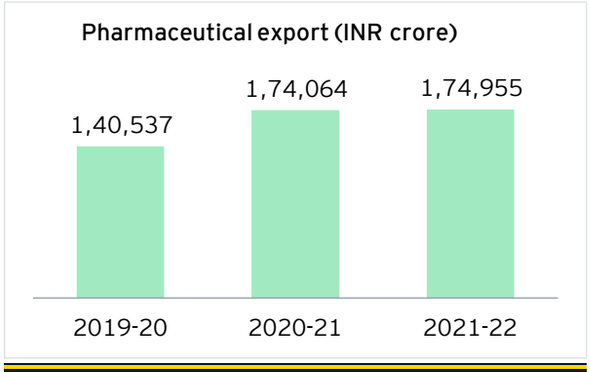
India is a global leader in the supply of DPT, BCG, and Measles vaccines. India is one of the biggest suppliers of low-cost vaccines in the world. India accounts for 60% of global vaccine production, contributing 40 to 70% of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette–Guérin (BCG) vaccines, and 90% of the WHO demand for the measles vaccine. [26]

India manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Because of the low price and high quality, Indian medicines are preferred worldwide, making it "pharmacy of the world." India has the highest number of United States Food and Drug Administration (USFDA) approved pharmaceutical plants outside the US and a significant number of World Health Organization (WHO) Good Manufacturing Practices (GMP)-compliant plants as well as plants approved by regulatory authority of other countries.

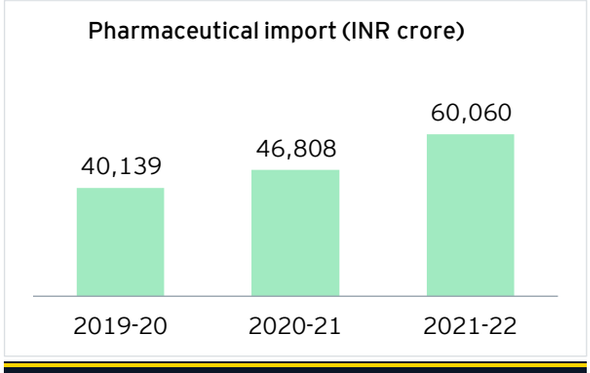
As per a latest report by FICCI the total market size of Indian pharmaceutical industry is expected to reach US$130 billion by 2030.[27]

[26] Department of Pharmaceuticals Annual Report 2022- 23
[27] https://pharmaceuticals.gov.in/sites/default/files/CRO%20Market%20Report_High%20Resolution.pdf

The Indian pharmaceutical industry has emerged as a global leader in both import and export sectors. With a robust manufacturing base, India has become a significant exporter of pharmaceutical products, supplying medications to over 200 countries worldwide. The industry's success can be attributed to factors, such as cost-effectiveness, high-quality production standards, and a skilled workforce. India's exports include a wide range of generic drugs, active pharmaceutical ingredients (APIs), and formulations, catering to diverse healthcare needs globally. Furthermore, the industry's adeptness in research and development, coupled with favorable regulatory policies, has bolstered its competitiveness, driving continuous growth and expansion in international markets.



Medicine export to 200+ countries



Exports stand at ~3X of imports



8 Digital health

The Digital India program has revolutionized the healthcare sector in India, bringing about remarkable changes. Initiatives like the Ayushman Bharat Digital Mission, CoWIN App, Aarogya Setu, e-Sanjeevani, and e-Hospital have extended healthcare facilities to every part of the nation. Through these endeavors, the existing gap among different stakeholders in the healthcare ecosystem has effectively narrowed down using digital avenues.

AYUSHMAN BHARAT DIGITAL MISSION (ABDM)

ABDM is a flagship digital health initiative that aims to develop the technological backbone for an integrated digital infrastructure in the Indian health system.

58,33,27,208	**ABHA accounts**	2,39,280	**Healthcare facilities registered**
34,67,64,908	**ABHA linked health record**	2,96,718	**Healthcare professionals registered**

as on 20 Mar 2024

AAROGYA SETU

Aarogya Setu, now a National Health App, offers a range of digital health services through the Ayushman Bharat Digital Mission (ABDM). Users can create a Digital Health ID to access healthcare providers, receive digital reports, prescriptions, and diagnosis seamlessly.

More than 21.82 Cr	**Total downloads**
More than 93.58 Cr	**Total samples tested**

as on 30 Oct 2023

CoWIN

CoWIN, launched to bolster the COVID-19 Vaccine Intelligence Network, is a digital platform facilitating the nationwide rollout and expansion of the COVID Vaccine Distribution System. It provides robust, dependable, and agile technology allowing for anytime, anywhere registration for COVID-19 vaccination.

More than 110.94 Cr	**Total registrations**
More than 220.68 Cr	**Total vaccination doses**

as on 20 Mar 2024

eSanjeevani

eSanjeevani, designed as the National Telemedicine Service, has grown into an extraordinary accomplishment in the country, solidifying its position as the largest documented telemedicine implementation in primary healthcare worldwide.

More than 22.27 Cr	**Total patients served**
More than 2.10 Lakh	**Total providers onboarded**

as on 20 Mar 2024

eHospital

The e-Hospital application serves as a comprehensive Hospital Management Information System (HMIS), streamlining internal workflows and processes within hospitals. This unified platform facilitates seamless connectivity between patients, hospitals, and doctors.

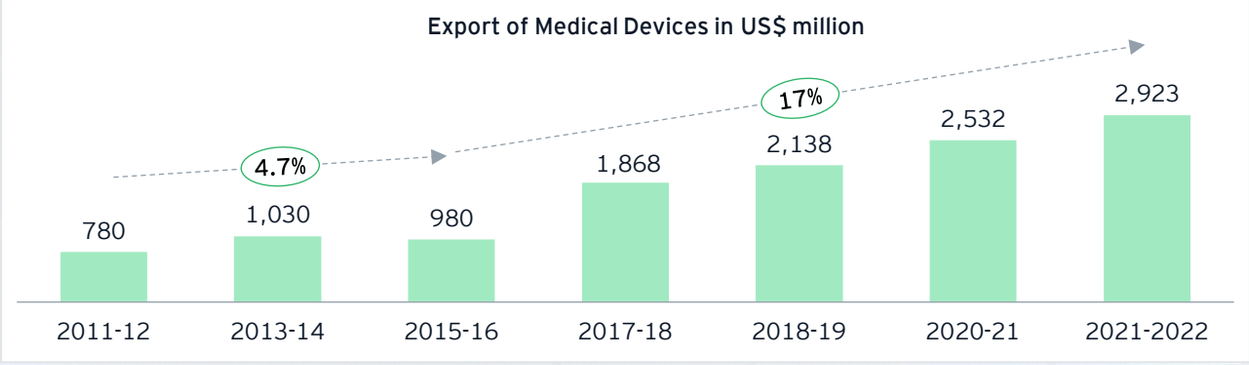
More than 39.74 Cr	**Total patient registration**
More than 3.08 Cr	**Total admissions**

as on 20 Mar 2024

Source: ABDM Dashboard, e-Sanjeevani Dashboard, CoWIN Dashboard, Aarogya Setu Dashboard, e-Hospital Dashboard



9 Medical devices and consumables



Exports growth: CAGR of 12.8% from 2011 to 2022

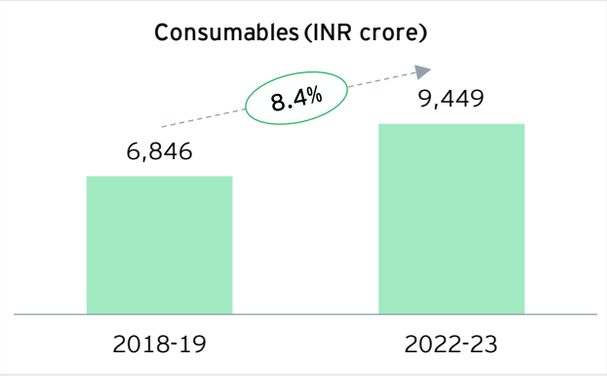
The export of medical devices from India has witnessed a remarkable surge over the last decade, reflecting a robust growth trajectory. [28]

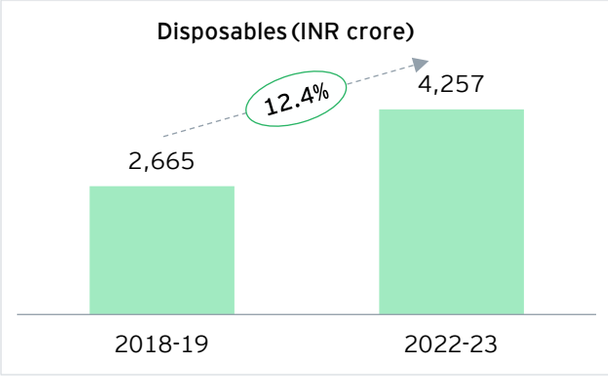
Factors contributing to this growth include advancements in technology, enhanced manufacturing capabilities, and adherence to international quality standards. India's prowess in producing a diverse range of medical devices coupled with its cost-effectiveness has propelled its position as a key player in the global market, driving substantial economic gains and fostering further opportunities for development and innovation.

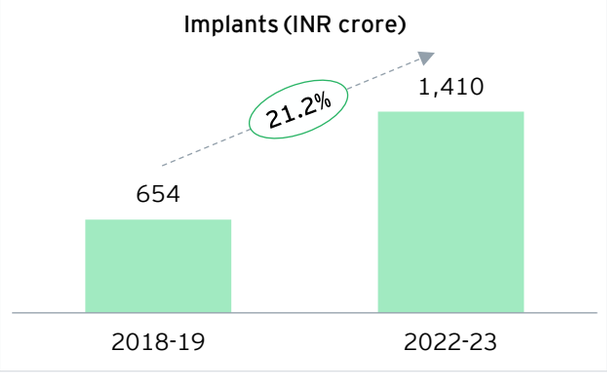
In five years from 2018-19 to 2022-23, India observed a consistent increase in the export of the top medical device categories. These include consumables, disposables, electronics and equipment, implants, IVD reagents, and surgical instruments, with consumables and electronics and equipment being the largest contributors. This growth underscores the country's expanding prowess in the global healthcare market across diverse segments of medical equipment and supplies.

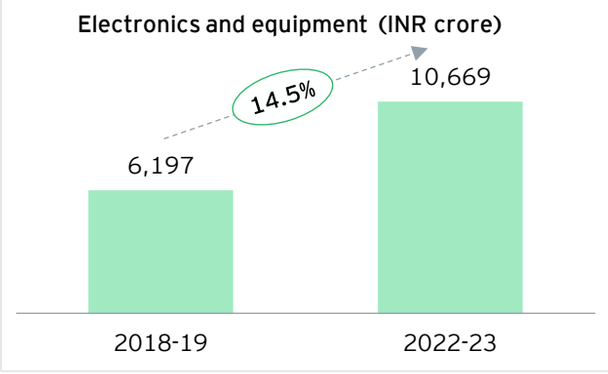


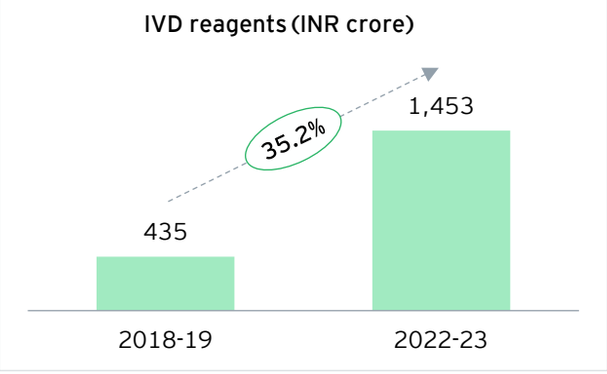
[28] medicaldevicemanufacturinginindia-asunrise-170221053503 (1).pdf (pharmaceuticals.gov.in)

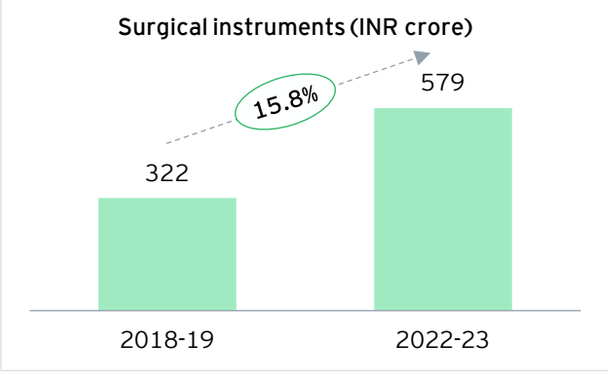








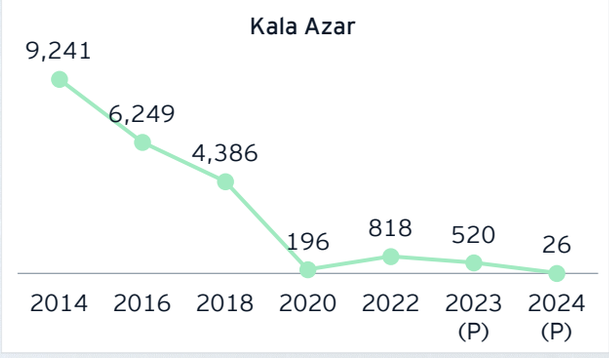




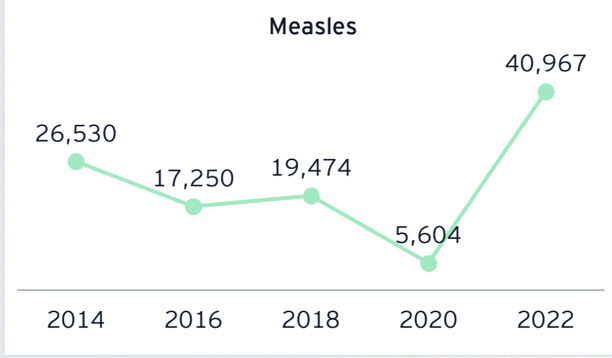
Further, the Medical Device Policy 2023 aims to improve access to good quality medical devices to all at all ages to make devices affordable, enhance domestic manufacturing capacity, enhance quality and global positioning and acceptability of products manufactured in the country. This policy and mandatory regulatory approvals of medical equipment and in-Vitro Diagnostics are a step towards ensuring *Aatmanirbharta* under the 'Make in India' campaign.

10

Improved disease control



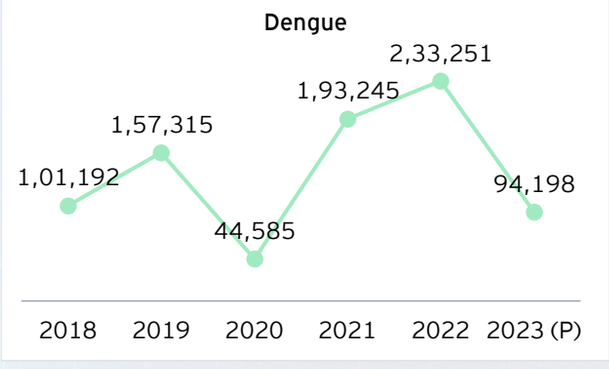
Source: Kala-Azar Situation in India :: National Center for Vector Borne Diseases Control (NCVBDC) (mohfw.gov.in)



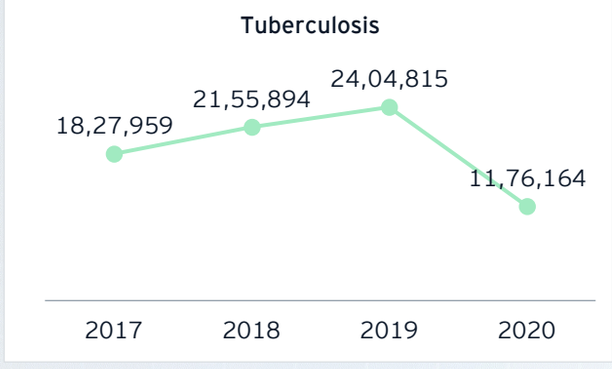
Source: Measles - number of reported cases (who.int)

The decline in Kala Azar cases in India can be attributed to multifaceted initiatives, including improved vector control measures, enhanced surveillance systems, early diagnosis, and effective treatment strategies under the Kala-Azar Elimination Program.

The decrease in Measles cases in India is driven by comprehensive immunization campaigns, strengthened routine vaccination programs under Mission Indradhanush, and heightened surveillance mechanisms.



Source: DENGUE SITUATION IN INDIA :: National Center for Vector Borne Diseases Control (NCVBDC) (mohfw.gov.in)



Source: Press Information Bureau (pib.gov.in)

Decreasing Dengue cases in India stem from intensified vector control measures like mosquito surveillance and habitat management. Public health campaigns emphasizing prevention, early detection, and community participation bolster these efforts.

Decreasing Tuberculosis cases in India result from extensive efforts, including enhanced diagnostic facilities, expanded access to treatment, and strengthened healthcare infrastructure. Implementation of directly observed treatment, short-course (DOTS) strategy. The National Strategic Plan for TB elimination 2017-25 is a framework to guide the activities of all stakeholders.

11

India's healthcare vision 2047: way forward

India's healthcare landscape has witnessed significant progress in the past years. Ensuring equitable access to quality healthcare, addressing affordability issues, improving healthcare infrastructure, quality and outcomes, tackling the burden of communicable and non-communicable diseases, and leveraging technology for healthcare delivery remain the key focus areas. India is now well positioned to play a transformative role in shaping the future of global health. India's vision 2047 for healthcare can be to:

1. Increase the number of qualified doctors to more than 50 lakhs, to achieve double the current global average of 16 doctors per 10,000 population[29] and closer to average of the developed countries.[30]
2. Increase the number of nurses to more than 1.25 to 1.5 crores, to achieve closer to the average of developed countries. [30]
3. Add 30 lakh more hospital beds, to achieve closer to the average of developed countries. [30]
4. Achieve 100% population with health insurance coverage.
5. Establish one medical college in every district of India.
6. Halving share of cost of drugs in OOPE from current proportion. [31]
7. Accelerate digitally-enabled healthcare access, by achieving 100% registration of healthcare professionals onto ABDM healthcare professionals registry, 100% registration of healthcare facilities onto healthcare facilities registry and 100% Indian citizens having an ABHA ID.
8. Become the global leader in manufacturing of affordable, innovative and quality pharmaceuticals and medical devices, *through:*
    - **I.** Increased spending by government to enhance opportunities in pharma and medical devices related research projects.
    - **II.** Strengthening backward integration in medical devices to achieve global competitiveness.
    - **III.** Positioning India as originator of tech such as Robotics, 4D, Organ Bioprinting, Laser Physics, etc.
    - **IV.** Establishing international agreements for diversified and resilient global supply chains for raw materials, components, spare parts, assemblies/sub-assemblies of medical devices, vaccines and pharmaceuticals.

[29] Source: World Bank. (2023). https://data.worldbank.org/indicator/SH.MED.BEDS.ZS
[30] https://data.oecd.org/healthres/doctors.htm#indicator-chart
[31] drugs constitute over 67% of out-of-pocket expense on healthcare (NSSO 68th round)

Notes

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