

India Union Budget 2022-23

Point of view

Healthcare



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Key announcements for the sector

The Union Budget 2022-23 allocated **INR 86,200 cr** to the **Ministry of Health and Family Welfare**, nearly 16.5 per cent increase in comparison to INR 73,932 cr in FY 2020-21 driven by increased allocation to centrally sponsored public health schemes to continue building sustainable healthcare infrastructure and ensure system preparedness to handle increasing healthcare needs of the country. In the line with the government's continuous efforts for overall health system strengthening, below announcements were made:

Department of Health and Family Welfare: The Budget 2022-23 allocated **INR 83,000 cr** to the **Department of Health and Family Welfare**, nearly 16.5 percent increase in comparison to the budget of INR 71,269 cr in 2021-22 and a marginal increase of 0.1 percent when compared to the revised estimate of INR 82,920 cr in 2021-22.

- **Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)** was allocated **INR 10,000 cr**, an increase of 43 percent in comparison to the last year's budget (INR 7,000 cr), to boost the medical education infrastructure and set up AIIMS across the country.
- **Human Resources for Health and Medical Education** was allocated **INR 7,500 cr**, an increase of 56 percent from last year's budget (INR 4,800 cr) to further expand the efforts to bridge the shortage of healthcare professionals in the country.
- Allocation of **INR 72 cr** towards **strengthening of the National Centre for Disease Control (NCDC) Branches** to augment disease surveillance of zoonotic diseases and other neglected tropical diseases surveillance.
- Allocation of **INR 37,000 cr** for **National Health Mission (NHM)**, increase of 1.2 percent compared to 2021-22.
- Allocation for **Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)** stands at **INR 6,412 cr**, increase of 0.2 percent compared to last year's budget (INR 6,400 cr), however the revised estimate for 2021-22 is at INR 3,199 cr, highlighting the need to further drive the adoption of the AB-PMJAY.
- Giving further boost to the efforts to the **Ayushman Bharat Digital Mission (ABDM)**, and creating a more modern and inclusive Digital India, allocation for ABDM was increased to **INR 200 cr** for developing the **National Digital Health Ecosystem**.
- To strengthen blood transfusion services, a new allocation of **INR 404 cr** was announced to develop **hospital based or stand-alone blood centres**.
- Allocation of **INR 5,156 cr outlay** as part of the newly announced **PM Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)** in October 2021 to strengthen health infrastructure at mission mode approach and improve primary, secondary and tertiary care services.
- **Pradhan Mantri Garib Kalyan Package**, launched in Oct 2021 to provide insurance to healthcare workers fighting COVID-19, was allocated **INR 226 cr**, a decrease of 72 percent (INR 813 cr in budget 2021-22),

Department of Health Research: The Budget 2022-23 allocated **INR 3,201 cr to the Department of Health Research**, an increase of 20 percent when compared to the budget 2021-22 (INR 2,663 cr) and 4.0 percent when compared to revised estimates of INR 3,080 cr for 2021-22. As a part of this, a **new allocation of INR 690 cr under PM-ABHIM** is provided for ensuring biosecurity preparedness and strengthening multi-sectoral pandemic research and institutionalise the **'One Health' platform**.

Implications for the sector

- With the announcement of National Digital Health Ecosystem, the healthcare industry will witness development of a robust platform for managing digital registries of healthcare providers and facilities, unique health identities and universal access to health facilities.
- While the government has shown an interest towards private sector engagement, clear guidance on incentivisation of the private sector in infrastructure development, medical education and healthcare service delivery has not been considered. The increased allocation of 56 percent under PMSSY is expected to foster upgradation of district hospitals with medical colleges and improve quality of medical education in the country.
- The implementation of PM-ABHIM scheme launched in October 2021 with an outlay of INR 64,120 cr is a step in the right direction to boost healthcare infrastructure. However, going forward the success would lie in how the components under the scheme are implemented to build a resilient health system.
- Increased allocation for 'One Health' programme can help in designing and implementing programmes, policies, legislation and research towards various zoonotic diseases which has the potential to jump barriers and cause infections in humans through multi-sectoral approach. With the surge in the number of cases, the government should take stronger steps to bolster the One Health resilience programme and strengthen the surveillance by expanding the One Health programme to combat the spread of emerging diseases.
- Launch of the 'National tele-mental health programme' including 23 tele-mental health centres of excellence with National Institute of Mental Health & Neurosciences (NIMHANS) being the nodal centre and IIT Bangalore (IITB) being the technical support is a first step for better access to mental health counselling.
- Parity sought to be brought between the two exemption regimes available to non-profit organisations including charitable hospitals under Section 10(23C) and 12AB.
- Rationalisation of compliances for charitable hospitals including accumulation, payments to specified persons (related parties), return filing, taxes on accreted income.
- Contributions by an employer provided for medical treatment in relation to COVID-19 shall not be treated as perquisite in the hands of the employee.
- Contributions provided by employers / contributions up to INR 10,00,000 by other persons on death of an employee due to COVID-19 shall not be taxable in the hands of the family members.
- To summarise, the healthcare sector witnessed an increased public spend with a focus to strategically increase the patient access by developing more hospitals, gauge interest of hospitals/investors by launch of digital health and mental health programmes and provide employment opportunities by increasing the allocation for human resources.
- Going forward, a clear roadmap for implementing the new and flagship schemes is needed for optimum health outcomes. There is an urgent need to augment additional funding and devise a national agenda around preventive health, testing and screening as these are key to reducing the overall disease burden in India.

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