

Press Trust of India | New Delhi October 27, 2013 Last Updated at 11:00 IST

'India needs Rs 1.63 lakh cr investment in healthcare by 2017'

Country will need to add at least 6,50,000 beds by 2017 to help improve access to healthcare infrastructure from current 1.3 beds per 1,000 population



The Indian healthcare sector will need a total capital investment of Rs 1,62,500 crore to provide accessible and affordable healthcare during the 12th Plan period, says a report.

India will need to add at least 6,50,000 beds by 2017 to help improve access to healthcare infrastructure from the current 1.3 beds per 1,000 population in 2011 to 1.7 beds per 1,000 population by the end of the 12th Plan period in 2017, said a report by PricewaterhouseCoopers in association with industry body

NATHEALTH.

"The addition of 6,50,000 beds in India by 2017 will require a capital investment of Rs 1,62,500 crore. This translates to more than 50% of India's annual healthcare expenditure," it said.

Elaborating on the requirements, the report said based on the publicly announced government plans approximately 1,30,000 beds will be put up in the government or the public sector.

"This will necessitate the addition of nearly 5,20,000 beds by the private healthcare providers implying a capital investment of around Rs 1,30,000 crore over the next four years," it added.

On the funding part, the report said: "Raising the needed Rs 1,30,000 crore will require an equity infusion of Rs 39,000 crore by the private healthcare providers and a long term debt funding of Rs 91,000 crore."

Calling for government support, it said the scale of creation in healthcare access will require a strong partnership between the public and the private stakeholders.

The first step in this direction can be by creating healthcare infrastructure by the government through the establishment of a healthcare infrastructure fund (HIF) with an initial corpus of 15,000 crore, the report said.

Another step can be allowing business trusts and real estate investment trusts (REITS) in healthcare, it added.

Establishment of a nodal agency for healthcare to spur the growth of the sector and creation of healthcare infrastructure was another important step for increasing the access, it suggested.

On the cost to patients, the report said a transparent and viable pricing formula for reimbursement is another

key factor, while suggesting establishment of a central government Health Scheme (CGHS) pricing formula similar to the one used for the power sector.

Scaling up public-private partnerships (PPPs) in the creation of healthcare infrastructure and enhancing financial access through Universal Health Coverage for every citizen will be other important factors as per the report.