

# EDITORIAL

**C**ovid-19 pandemic has brought health as the focal point of our lives. The pandemic has strained the healthcare infrastructure in India. At policy level, Government of India issued telemedicine guidelines, issued notification about retail sale of drugs at door step, launched production linked incentive (PLI) schemes for domestic manufacturing of critical Key Starting Materials (KSMs), Drug Intermediaries (DIs), Active Pharmaceutical Ingredients (APIs), and Medical Devices. A scheme for creation of four Medical Device Parks was announced to increase competitiveness and improve availability and affordability of medical devices. Govt of India also announced an ambitious National Digital Health Mission (NDHM). On Jan 16, 2021, Hon'ble Prime Minister inaugurated vaccine drive for two domestically produced vaccines. The vaccines are being provided free to the most-prioritized beneficiaries including 1 crore healthcare workers and 2 crore front-line workers.

The Insurance Regulatory Authority of India (IRDAI) also announced several relaxations for customers in 2020 in view of the unprecedented situation prevailing in the country due to the coronavirus pandemic. IRDAI allowed payment of **Insurance Premiums in Instalments and Cashless Payment Facilities for Treatment of Coronavirus**. Insurance companies have launched two standard COVID-19 health insurance policies -- Corona Kavach and Corona Rakshak. IRDAI allowed all general and specialised health insurers to validate health insurance policy proposal forms through digital means in place of physical signatures. IRDAI asked insurance companies to include wellness and preventive features in health policies to encourage the policyholders to stay healthy and minimize the chance of falling sick. According to IRDAI's guideline, insurance companies cannot exclude diseases like mental illness, stress or psychological disorder, illness contracted due to hazardous activity, treatment like age-related disorder, internal congenital disease, genetic

disease, or disorder. The definition of pre-existing disease (PED) has been modified to cater to the needs and requirements of customers.

In a year when the world was ravaged by the Covid-19 pandemic, the Government of India gives health the attention it merited. In the Budget 2021-22, Health allocation jumped by 137% to Rs 2,23,846 crore in 2021-22 compared with Rs 94,452 crore in 2020-21. The Government has assured to provide Rs 35,000 crore for the Covid-19 vaccine for the next fiscal. Government to set up 17,788 rural and 11,024 urban health and wellness centres. Rs 64,180 crore will be allocated for the new national health programme, *Atmanirbhar Swasth Bharat Yojana* – over the next six years. The government also declared to set up integrated public health labs in all districts and 3382 block public health units in 11 states; establish critical care hospital blocks in 602 districts and 12 central institutions and set up a national institution for One Health, a Regional Research Platform for WHO South East Asia Region, 9 Bio-Safety Level III laboratories and 4 regional National Institutes for Virology.

India is a land full of opportunities for players in the medical devices industry. India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. Yet, the healthcare industry itself needs much more support for sustainable growth. Incentives to the private sector should be provided to modernize healthcare facilities and increase investment in rural and remote areas. This will also generate employment. Public-private partnerships should be increased for make-in-India and startup-India programs.

Evaluating the costs and/or benefits of a public healthcare service, policy proposal, regulatory program, or the introduction of a new medicine is an integral process to health economics. Such evaluations must consider the effect on all stakeholders, any hidden costs and benefits, and the long-run risks due to a variety of outcomes. CMAs are equipped with intricate knowledge



on cost and pricing techniques to undertake robust analysis to help evaluate stakeholder's decisions. A large number of hospitals in India are engaging in internal audit to evaluate their hospital's operational policies and risk management practices along with its financial performance. CMAs are eligible to carry out Internal Audit/ Concurrent Audit under National Health Mission (NHM) as empowered by the Ministry of Health & Family Welfare, New Delhi. CMAs, based on their techno-professional skills, can play a significant role in implementation of Hospital Management Systems, preparation of Project appraisal and reports, facilitating in Government's framing of policies, Health Insurance price certifications, Price fixation in government and state sponsored insurance schemes, etc. Under the Companies Act, 2013, companies that are into "health services, namely functioning as or running hospitals, diagnostic centres, clinical centres or test laboratories" come under the Rs 100 crore segment for the purpose of cost audit. Healthcare organizations that implement and maintain cost accounting and auditing systems experiences numerous benefits and find it to be indispensable given today's challenging and changing healthcare industry.

This issue presents a good number of articles on the cover story "Healthcare Cost Management in India: The Way Forward" written by distinguished experts. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at [editor@icmai.in](mailto:editor@icmai.in). We thank all the contributors to this important issue and hope our readers would enjoy the articles.