ETV Bharat / Health

AI To Affordable Care, What India's Healthcare Sector Is Hoping For In The Union Budget 2025

The ETV Health team takes a closer look at the health sector's budget expectations, with insights from industry leaders.

Leaders are are calling for reforms in the Union budget that can make healthcare more inclusive and sustainable (Freepik)

f 𝕏 ☺ 🖨   4 Min Read

By **ETV Bharat Health Team**
Published : Jan 15, 2025, 1:03 PM IST

As the Union Budget 2025 approaches, India's healthcare sector is gearing up with a wishlist that reflects the evolving needs of a growing population and the lessons learned during the pandemic. With increasing emphasis on accessibility, affordability, and innovation, leaders from across the pharma and medical industries are calling for reforms that can make healthcare more inclusive and sustainable.

Make Healthcare More Affordable and Accessible

One of the biggest challenges in India's healthcare system is affordability. With 63% of medical expenses coming from out-of-pocket spending, there's an urgent need to reduce financial strain on patients.

> *Dr. Sujit Paul, Group CEO of Zota Healthcare, highlights the potential of generic medicines in addressing this issue. "Setting up more generic medicine retail outlets in underserved areas could save ₹8,000 to ₹10,000 crores annually. Generic drugs are 30% to 90% cheaper than branded medicines, and making them widely available would bring immediate relief to millions," he says.*

He also advocates for policies to promote the production of generic drugs domestically to reduce dependency on imports and stabilize supply chains. Affordability also ties into insurance coverage. Dr. Sharmila Tulpule, Founder & Director, Orthobiologix Biotech Pvt Ltd, talked about the need to expand health insurance to cover outpatient services. "Many patients incur significant costs for consultations, diagnostics, and day-care procedures that aren't covered by traditional insurance plans. Including these services would ease financial pressures and encourage preventive care," she says.

In the diagnostics space, Dr. Sameer Bhati, Director of Star Imaging and Path Lab, points out that rural areas remain underserved. "Two-thirds of diagnostic facilities are concentrated in cities, leaving rural communities without access to early disease detection. Investments in diagnostic infrastructure and tax breaks for affordable testing can bridge this gap," he says.

More Innovation and Technology

More Innovation and Technology

The integration of technology into healthcare has accelerated in recent years, and leaders believe it's time for the government to capitalize on this momentum. Masaharu Morita, Founder of NURA, India's first AI health screening centre, calls for policies that promote the growth of AI-enabled healthcare services.

"With government support, AI-enabled healthcare companies can channel investments into diagnostics, telemedicine, and personalized care. A higher budget allocation for R&D and the adoption of technologies like AI and blockchain could address gaps in preventive care and healthcare management," he says.

AR and VR are gamechangers for advanced diagnostics (Freepik)

Sajeev Nair, Founder and Chairman of Vieroots, highlights the potential of personalized health technologies. "Tax incentives for health-tech innovations, especially in genomics and AI-driven wellness, can position India as a global hub for cutting-edge solutions. Personalized healthcare reduces the burden of lifestyle diseases and improves overall productivity," he says.

Prioritize Preventive Healthcare

Preventive care remains a cornerstone of long-term health outcomes. Nair stresses the importance of empowering individuals to take charge of their health. "Incentivizing preventive health programs through tax benefits can encourage widespread adoption. Public awareness campaigns highlighting the importance of early intervention can also lead to better population-level health outcomes," he says.

> *Dr. Pramod Bhanudas Narkhede, Consultant at Manipal Hospital, echoes this sentiment, advocating for a broader focus on lifestyle changes. "Preventive measures like regular health check-ups and promoting healthier lifestyles can significantly reduce the prevalence of chronic illnesses, making healthcare more sustainable," he says.*

Support The Pharmaceutical Sector

India's pharmaceutical industry plays a critical role in the global healthcare landscape, but it requires support to remain competitive. Sachidanand Upadhyay, MD of Lord's Mark Industries Limited, calls for production-linked incentives (PLIs) and export subsidies to boost the sect

> *"India's rise as a global pharmaceutical leader*

"India's rise as a global pharmaceutical leader depends on innovation, affordability, and accessibility. A uniform tax structure, export incentives, and targeted PLI programs can enhance competitiveness and strengthen the country's position in the global value chain," says Upadhyay.

Upadhyay also highlights the growing potential of India's nutraceutical market. "With the global focus shifting toward preventive health, India's nutraceutical industry is poised for growth. Policies supporting this sector can boost innovation and create opportunities for global leadership," he adds.

Focus On Geriatric and Palliative Care

As India's population ages, the need for specialized care for the elderly has become more pressing. Dr. Tulpule emphasizes the importance of holistic programs for geriatric and palliative care. "With an ageing population and a rise in chronic illnesses, dedicated programs for elderly care can improve long-term health outcomes," she says.

Incentivizing preventive health programs through tax benefits can encourage widespread adoption, says Masaharu Morita, Founder, NURA

Incentivizing preventive health programs through tax benefits can encourage widespread adoption, says Masaharu Morita, Founder, NURA (Freepik)

Industry leaders agree that the Union Budget 2025 is an opportunity to create a future-ready healthcare ecosystem. As Dr. Bhati says, "Investments in research, AI-driven diagnostics, and gene-based testing can transform healthcare outcomes while improving access and affordability."

Morita envisions India as a leader in AI-enabled healthcare. He says, "A clear roadmap for AI integration can position India as a global hub, attracting investments and improving healthcare delivery."