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## IMPACT OF COVID-19 ON HEALTHCARE INDUSTRY IN INDIA

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### Abstract:

The corona virus pandemic has sent shockwaves to the health system, societies, and economies around the world. The impact of the corona virus pandemic is clearly visible in financial markets. But there is still no clarity on the deeper impact that it is having across various sectors.

The healthcare sector is at the epicenter of this unprecedented global pandemic challenge and the pandemic is likely to cost huge to the health sector. Healthcare industry has been witnessing a loss of business and this trend is expected to continue for the foreseeable future and the fact that the sectors cost are predominantly (around 80%) fixed, it is expected that there will be losses & serve impact on cash flows. The nationwide lockdown was imposed in India following novel corona virus pandemic. In this paper, I discuss India's Health care system in the period of COVID-19, focuses on challenges faced by healthcare industry due to period of COVID-19, impact of COVID-19 on Healthcare Industry in India & Know to position of Healthcare industry after COVID-19 & suggest conclusion.

**Keywords:** COVID-19, epidemiology, health system, global health

### Introduction:

Corona virus disease 2019 (COVID-19) pandemic, caused by SARS – COV2, is of unprecedented global public health concern. To combat the disease, the government of India imposed a lockdown in most districts of the 22 states and Union Territories where confirmed cases were reported from March 24, 2020 onwards. The Government of India has claimed success in the Fight against the corona virus pandemic, stating that the number of cases would have been more if the nationwide lockdown had not been imposed. However, I eager to know what is impact of COVID-19 on Healthcare Industry in India.

The healthcare sector, the Fourth-largest employer in the country, and specifically the private sector which provides nearly 82% of outpatient care and about 56% of in-Patient care is currently facing 90% losses due to decreases in out-patient attendance, elective Surgeries and international patients during this situation, the economic down turn has greatly affected people from the lower socio-economic stratum (SES).

### Objective:

1. To know India's Health care system in the period of COVID-19.
2. To know impact of COVID-19 on healthcare industry in India.
3. To study future of Healthcare industry after COVID-19.
4. To evaluate five predictions for the global healthcare industry post COVID-19.

### Research Methodology:

The descriptive methodology has been used to collect data. Secondary data has been collected from various published sources, reference books, journals, periodicals, newspaper, internet websites.

### India's Healthcare System in modern era:

The Indian Healthcare system is classified between the union government and state government, according to the Federal system. The union ministry of Health and family welfare heads the programs to be implemented, which can be eventually adopted by the state government, while the state government overlooks the public health system within the state.

A national – level health quality and control are done jointly by the union and state governments. The health care infrastructure is divided into primary, secondary and territory level-health centers. Primary-level health center includes sub-centers for marginalized populations, rural as well as urban regions for disease prevention and health promotion. National Health policy 2017 has made primary health centers a major focus, committing 2/3 rd of its resources for building and maintaining the centers as the first point of contact with individuals. Secondary-level health center includes community health centers for medical specialties.

India received an overall rating of “CCC” and was placed the furthest amongst the nine countries weighted in the Laura Miller ranking system, presenting a health system needing definite improvements in its capacity, Moreover, the Indian government spends a meager 3.5% of its total gross domestic product (GDP) on health almost consistently since 2006. The government’s public expenditure (GPE) For health is just 1.28% of the total government revenue, indicating that private health expenditure and out-of-pocket payment (OOP) is very high.

Indian Council of Medical Research (ICMR) is at the forefront of medical research in India and research for COVID 19 is primarily co-ordinate by it. ICMR is looking over test-kit production and purchase, pharmaceutical usage, daily case count and guidelines. For tackling the Virus. All the stages of research and guidelines have been transparent and timely updated. The current method of COVID 19 testing is by RT-PCR nasal and or throat swab, with the testing probes procured form the USA by ICMR- NIV. ICMR has also validated non-US FDA EUA/CEIVD kit for quick commercial use in India. Any suspected COVID 19 case should be notified to the district surveillance unit by registered physicians, medical officers, as well as AYUSH practitioners. Rapid antibody kits for COVID 19 however, test positive for SARS – COV-2 infection not specifically COVID 19. COVID 19 test can cost around INR 4500, ICMR has appealed to make the tests free or heavily subsidized, especially for private laboratories.

#### **Impact of COVID 19 on Healthcare Industry in India –**

While public policy measures have been implemented to contain the spread of COVID 19, the measures have resulted in significant operational disruption for many companies including those in the Indian healthcare industry, staff quarantine, supply-chain failures and sudden reductions in customer demand have generated serious complications for companies across a wider range of sectors than initially anticipated. For most, the revenue lost in this period represents a permanent loss and has put sudden unanticipated pressure on working capital lines and liquidity.

Despite the current crisis being a healthcare issue, the private health care system in the country continues to reel under the negative impact of COVID 19. There has been a significant drop in both in patient and out-patient footfall for private hospital chains be it a single specialty, multi-spatiality tertiary-care hospitals or even diagnostics businesses during the lockdown.

This sudden decline in business has had an immediate effect on hospital’s ability to sustain fixed costs. The inability of new centers / hospitals to start generating cash, debt repayment obligations, decreased levels of medical tourism and increased scheme revenues are some of the many factors impacting cash flow.

In the context of consumables, supplier consolidation for better rates and renegotiations of credit periods for pharmacy & consumables are some measures instituted by hospitals to conserve their cash flow on the personal cost front, changes are being made to doctor engagement models by moving doctors to fully variable models based on the revenue they generate. In the case of other staff / employees increments and variable pay have been calibrated while evaluating shared services in an attempt to further reduce overall employee

costs with respect to other fixed costs, initiatives such as the renegotiation of rent rates vendor consolidation and deferral staggered payment of annual maintenance costs have been administered. Most discretionary spends such as advertisement & sales promotions have largely been ceased.

#### **1. COVID 19 impact on pharmaceuticals –**

Pharmaceuticals drugs made in India are known for quality standards and are exported to developed economies. However, the Indian pharmaceutical industry is facing fierce competition from China as it has more significant cost advantages. The disruptions in the supply of low-cost API from China have decreased the efficiency of the operation of the pharmaceutical industry. The supply side disruption will cut 10.15% of their revenue. However Healthcare sector will revive soon as the government extends full support. Also, resumption in China's drug production will alleviate the supply chain as India imports 85 % of pharmaceuticals ingredients from China.

#### **2. COVID 19 impact on the medical devices Industry**

The country imports, consumables, disposables & capital equipment including orthopedic implants, gloves, syringes, bandages & magnetic resonance imaging devices from China some of the factories in China have restored operation, storage of some critical electronic parts & raw materials still exists. This is adversely affecting the margins & profitability of Indian companies importing medical devices. This can also put up word pressure on the prices of medical devices in the short term.

#### **Future of healthcare industry after COVID 19**

COVID 19 has waged an undeclared war against society encompassing all quarters of socio – economic health and hygiene fronts. We humans as a society just weren't ready for a pandemic of this magnitude. This has exposed the fundamental vulnerabilities in the living, eating, drinking, working, cleaning habits of humans globally. But amidst all of this, the ancient Indian practices such as greeting with folded hands, Namaste are being promoted all over the world. Many Indian recipes are being revived & rehearsed to strengthen the health system.

#### **Five Perditions For The Global Healthcare Industry Post COVID 19 -**

- 1) The Kingdom of Saudi Arabia (KSA), United Arab Emirates (UAE) and Indian tele-health markets have reached a tipping point with growth of more than 200 percent during the pandemic.
- 2) Informatics & artificial intelligence (AI) solutions addressing workflow automation and operational analytics will witness 100% growth in 2020.
- 3) The united states will have an excess of 100,000 ventilators, while western Europe will purchase another 30,000 to 50,000 ventilators through the end of 2020.
- 4) By the end of 2020, 33% of global clinical trials will be disrupted.
- 5) Traditional models of in – vitro diagnostics (IVD) testing in a healthcare setting are unable to meet unprecedented demand by the end of 2020.

#### **Conclusion –**

The Corona virus pandemic has resulted in multiple challenges for developed countries and these challenges for developed countries and these challenges are going to be even more for developing countries like India if there is an increase in infected cases. Hence it is our responsibility to judiciously use healthcare resources with the aim of protecting our frontline warriors overall the world is in a dramatic shock, facing a series of challenges. Therefore, the government must make a balance between lives & livelihood to reboot the economy in the right way.

The measures outlined above will go a long way in alleviating the distress that private healthcare industry & overall serer is facing. The non-fiscal measures are imperative for protection of health warriors and for creation of safe infrastructure & treatment support.

Today's healthcare industry will be able to withstand existing and potential threats to the health of the nation only if its supporting infrastructure is strengthened, unfortunately, major challenges confront those committed to assuring a strong infrastructure and the research base needed for well-informed infrastructure development is sparse so healthcare industry is a soul of each & every nation so prevent COVID 19 its playing crucial role.

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