Healthcare Investment Policy-2012

Government of Madhya Pradesh
Department of Public Health & Family Welfare
Healthcare
INVESTMENT POLICY
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This policy aims to realize the state's obligation of providing quality and effective healthcare to its citizens and to take healthcare service to the doorsteps of the masses so as to ensure availability of the complete gamut of healthcare services in the primary, secondary and tertiary care sectors to the people of the state.

Objectives

1. Improve accessibility of healthcare services in the state
2. Ensure availability of quality healthcare services by promoting establishment of best-in-class infrastructure and world class technology in healthcare delivery
3. Promote medical and allied education infrastructure in the state to ensure availability of quality manpower for the sector
4. Establish Madhya Pradesh as a destination of choice for healthcare service providers in the private sector.

Strategy

Healthcare is a very competitive and capital intensive sector. It often requires various fiscal and non-fiscal incentives from government to deliver quality services on sustainable basis. One of the major components of large healthcare facilities affecting their business viability and cost effectiveness is availability of adequate land with ready access to the population.

To facilitate private investors in the state, Government of Madhya Pradesh will create suitable land bank earmarked for healthcare facilities for allocation to various healthcare projects. Capital and Interest subsidies besides facilitation through the regulatory processes will also be provided to promote investment in Healthcare sector.

Definitions

1. 'Healthcare sector' to be covered under this policy includes all units which are engaged in providing goods and services to treat patients with curative, preventive, therapeutic, rehabilitative and palliative care.
2. 'Multi Specialty Hospitals' include such hospitals with minimum 100 beds, which meet Indian Public Health Standards, 2012 norms for District Hospitals for corresponding number of beds providing all essential services
3. 'Super Specialty Hospitals' include such hospitals which have dedicated super specialty department(s) with at least 200 beds with adequate staff and infrastructure as per the norms agreed by the state government.
Vision

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Definitions

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2. ‘Multi Specialty Hospitals’ include such hospitals with minimum 100 beds, which meet Indian Public Health Standards, 2012 norms for District Hospitals for corresponding number of beds providing all essential services
3. ‘Super Specialty Hospitals’ include such hospitals which have dedicated super specialty department(s) with at least 200 beds with adequate staff and infrastructure as per the norms agreed by the state government
4. ‘Medical Colleges’ are institutions that impart education on medical courses, specialty and super specialty treatment as specified and regulated by the Medical Council of India and are licensed, setup and run as per the norms of Medical Council of India.

5. ‘Nursing Colleges’ are institutions that impart education on nursing as specified and regulated by the Nursing Council of India and are licensed, setup and run as per the norms of Nursing Council of India and are integrated with a hospital of at least 150 beds.

6. ‘Paramedical Colleges’ are institutions that impart paramedical courses as specified and regulated by the Madhya Pradesh Paramedical Council and are integrated with a hospital of at least 100 beds.

7. ‘Capital Investment’ may include project setting up costs however it will not include working capital and operative expenses. Cost of land will not be included in the project cost in such cases where government land has been offered to the project at subsidised rates. The cost of technical and management consultants will be considered as a part of project cost.

8. ‘Interest Subsidy’ means back-ended interest subsidy on term loan availed for infrastructure development and Capital Investment from any bank or financial institution.

9. ‘Mega Projects’ are such projects as defined in IPP 2010 and will be eligible for customized package of incentives through Apex Level Investment Promotion Empowered Committee headed by Hon’ble Chief Minister of Madhya Pradesh.


Available Incentives

The Healthcare Investment Policy 2012 accords the Healthcare sector the status of industry and thus all healthcare facilities will be eligible for relevant incentives as laid down under IPP 2010. This policy will also be coterminous with the IPP 2010.

Further the following incentives will be provided:

1. **Capital Subsidy:**

25% subsidy on Capital Investment will be provided for setting up Multi Specialty Hospitals with at least 300 beds, Super Specialty Hospitals, Medical Colleges, Nursing Colleges and Paramedical Colleges;

However, 25% subsidy on Capital Investment will also be provided for setting up Multi Specialty Hospitals with at least 100 beds in cities with population up to 10 lakhs;

The subsidy on Capital Investment will be limited to a maximum of INR 3 crore in cities with population less than 10 lakhs and a maximum of INR 5 crore in cities with population more than 10 lakhs. Population of cities will be determined as per Census 2011.
2. **Interest Subsidy:**
   These projects will also be eligible for Interest Subsidy provided at the rate of 5% per annum on term loan for a period of 7 years subject to a maximum of INR 30 lakhs per project.

3. **Subsidy on Training Cost:**
   One time subsidy up to 25% of cost incurred on induction training of nursing and paramedical staff will be provided by the state government.
   This subsidy will be capped at a maximum of INR 12,000 per person. However such nursing and paramedical staff should be a domicile of the state of Madhya Pradesh and will have to be provided employment for at least 1 year before the subsidy is claimed.

4. **Incentives on Expansion:**
   An existing hospital which upgrades into a Multi Specialty Hospital with 300 beds or more or into a Super Specialty Hospital or into a Medical College; and All existing Medical Colleges which expand their capacity, will be eligible to avail all such incentives available for setting up new hospitals/ Medical Colleges in this policy, provided additional capital investment of at least 50% of original capital expenditure is made to increase existing capacity by at least 50%.

5. **Mega Projects:**
   Super Specialty Hospitals and Medical Colleges with a minimum of 750 beds will be treated as Mega projects and will be considered for sanction of special economic and other package as provided under IPP 2010.

6. **Availability of Land:**
   For Multi / Super Specialty Hospitals being set up outside municipal corporation limits, land up to 5 acres for 200 bed hospital and up to 10 acres for 500 bed hospital will be allotted at 25% of the prescribed premium, subject to the availability of land;
   Minimum Capital Investment required will be INR 80 crore for 200 bed hospital and INR 200 crore for 500 bed hospital, to be made within a period of 5 years.

7. **Medical Colleges:**
   Medical Colleges being set up outside municipal corporation limit will be provided land up to 25 acres at a token premium of INR 1, subject to the availability of land;
   Minimum Capital Investment required will be INR 300 crore to be made within a period of 5 years.
8. Special Package for Pharmaceutical and Herbal Industries

A Special Incentive Package in addition to other general incentives for industries has been provided for Pharmaceutical and Herbal Industries under the IPP 2010 (refer Annexure IV, IPP 2010). This special package includes the following:

1.1 50% of the expenditure incurred on technical services for obtaining certificate of Good Manufacturing Practices from the Madhya Pradesh Food and Drugs Administration would be reimbursed up to a maximum limit of Rs. One lakh.

1.2 Special arrangements will be made for speedy disposal of departmental formalities by the licensing authority and other departments for manufacturers of drugs & herbal products.

1.3 Pharmaceutical Industries would be encouraged to participate in international trade fairs.

1.4 With a view to create integrated and excellent infrastructure in the areas with good prospects for development of Herbal and Ayurvedic products based industries, herbal parks and demonstration centres would be developed.

1.5 Arrangements under the MOU signed between M P Laghu Vanopaj Sangh and Madhya Pradesh Trade and Investment Facilitation Corporation Ltd for promoting export of medicinal plants and herbs would be continued.

1.6 Generally the scope of establishing Herbal & Ayurvedic industries exists in advanced districts like Bhopal, Indore etc. Therefore, Herbal & Ayurvedic industries set up in all such advanced districts will be provided State Investment Subsidy, Industrial Investment Promotion Assistance like Backward ‘A’ category districts.

9. Amendments to the Policy:

Any amendments to this policy of the Government of Madhya Pradesh will be approved by the Apex Level Investment Promotion Empowered Committee headed by the Hon’ble Chief Minister.

10. Approval of Project Proposals

All project proposals received under this policy will be put up before the Apex Level Investment Promotion Empowered Committee headed by the Hon’ble Chief Minister for approval.

11. Single Window Clearance:

All project proposals based on this policy will be accorded the benefit of ‘Single Window Clearance’ mechanism through TRIFAC.