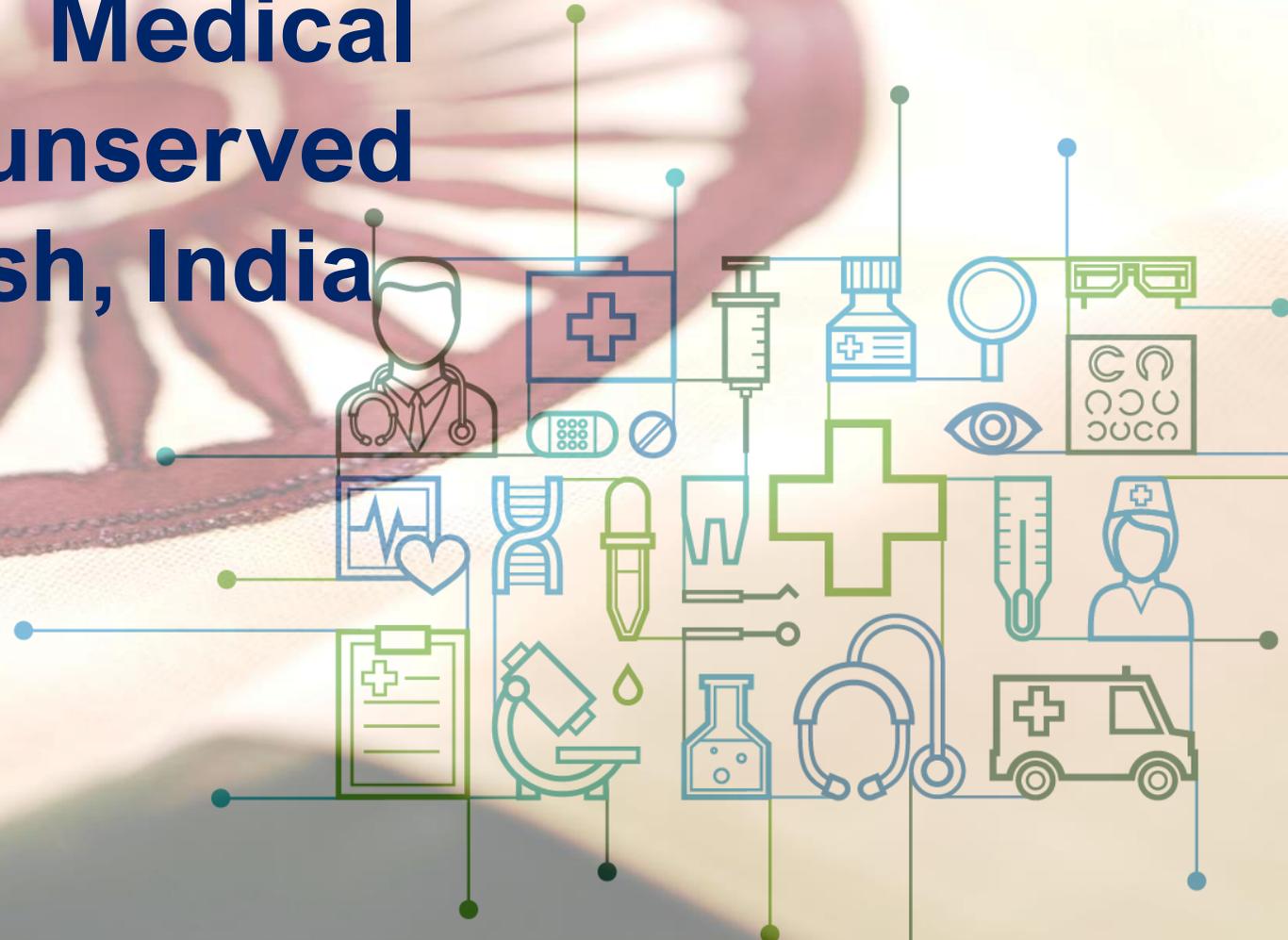




Development of 6 Medical College & Hospital in unserved districts of Uttar Pradesh, India



Your Presenter



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- He holds Post Graduate degree from the University of Delhi.
- He Joined the Indian Administrative Service (IAS) in 2002. Before joining as the Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India, he served as Secretary, Lokpal and Divisional Commissioner, Jalandhar, Punjab from 08/2018 to 01/2020.
- He also served in various field and secretariat positions in the Government of Punjab and the Government of India. Among the posts he has held are Private Secretary to Union Minister of State (Independent Charge) in the Ministry of Housing and Urban Affairs; Director, Industries and Commerce Department, Punjab; Director, Technical Education and Industrial Training, Punjab, Commissioner, NRI, Punjab, Special Secretary, Expenditure, Punjab and Commissioner, Municipal Corporation, Chandigarh, Punjab.
- He represents Government of India on the Board of India Infrastructure Finance Company Ltd., Indian Railway Station Development Corporation Ltd, Indian Railway Finance Corporation Ltd., Air India Assets Holding Limited, National Investment and Infrastructure Fund Trustee Limited and National Land Monetization Corporation (NLMC)

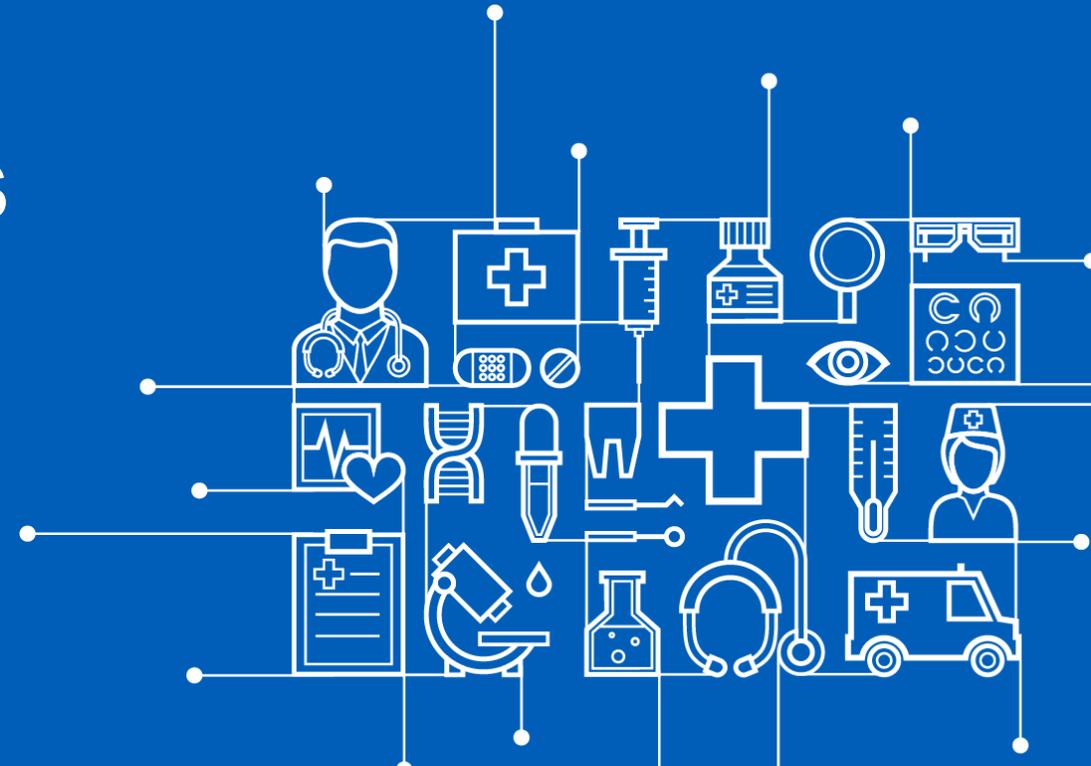
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Healthcare Sector Overview: Challenges & Opportunities



Challenges and Opportunities



Challenges

- 
- ⊕ Needs more Govt spends ~ 2.1 % of GDP, aims to increase it to 2.5% of GDP by 2025.
 - ⊕ Urban/ Rural divide ~ 75 % of healthcare infrastructure in the urban areas
 - ⊕ Shortage of doctors, nurses and paramedics. Doctor population ration: WHO recommends 1:1000, India 1:1511

Govt's Steps in last 5 years

16.5% increase in healthcare spending in 2022-23 over last year (10.12 bn USD)

PM Swasthya Suraksha Yojana to correct the regional imbalances in the availability of affordable and reliable tertiary healthcare services

Largest public insurance/ assurance scheme in the world – Ayushman Bharat

Significant increase in capacity: 261 Medical Colleges added between 2014 and 2022

Challenges posed by the pandemic led to digital interventions in health

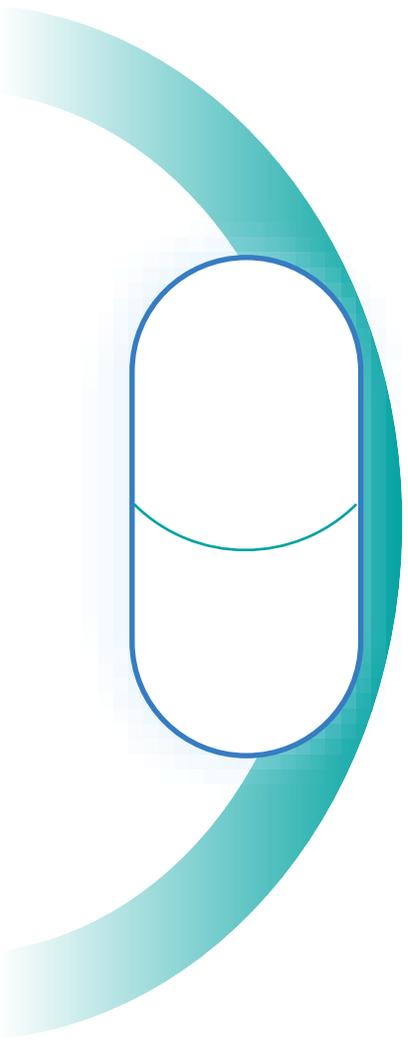
- Indian **start-ups** - accelerating development of low-cost, scalable, and quick solutions
- Pandemic has paved way for digital interventions such as **telemedicine**

Challenges and Opportunities



These challenges and opportunities make India's healthcare industry ripe for investment

There is need to further innovate to attract PPP investments into the healthcare space

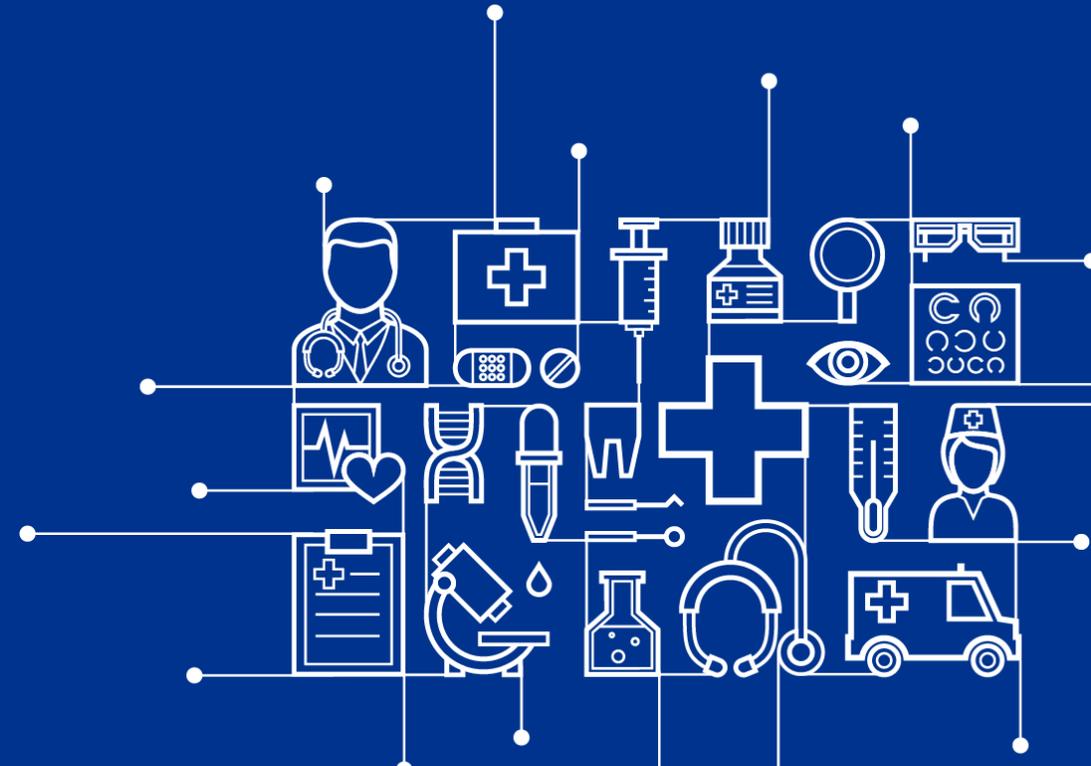
- 
- ✓ Hospitals & Infrastructure
 - ✓ Health Insurance
 - ✓ Pharmaceuticals & Biotechnology
 - ✓ Medical Devices
 - ✓ Medical Tourism/ Medical Value Travel
 - ✓ Home Healthcare
 - ✓ Telemedicine & Other technology related health services

- ✓ In hospital segment, **opportunities in Tier 2 and Tier 3** cities
- ✓ **Domestic manufacturing of pharmaceuticals, supported by PLI** schemes
- ✓ Contract manufacturing and research, over-the counter drugs, and vaccines
- ✓ **Expansion of diagnostic and pathology** centres

India's PPP Landscape

&

PPP in Healthcare

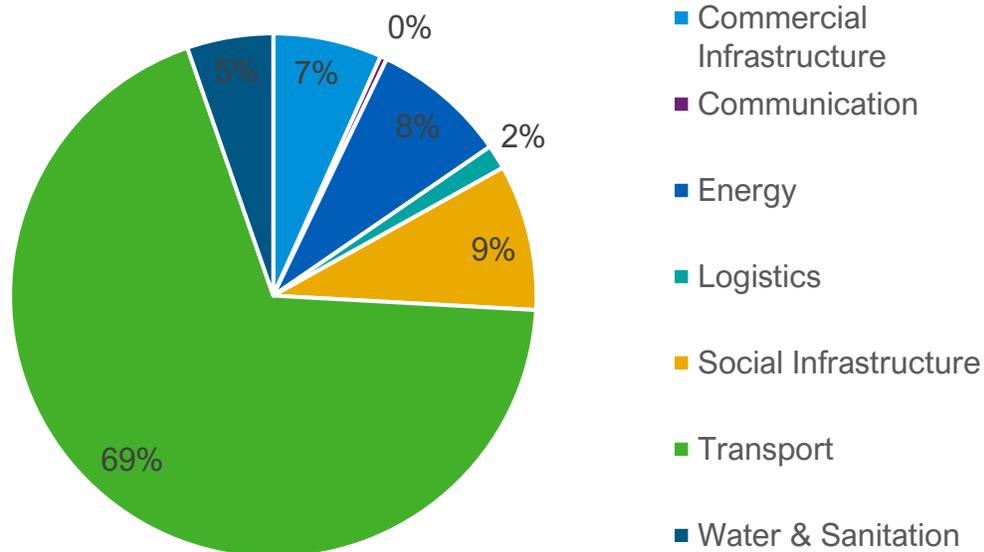


Robust PPP Ecosystem and Framework

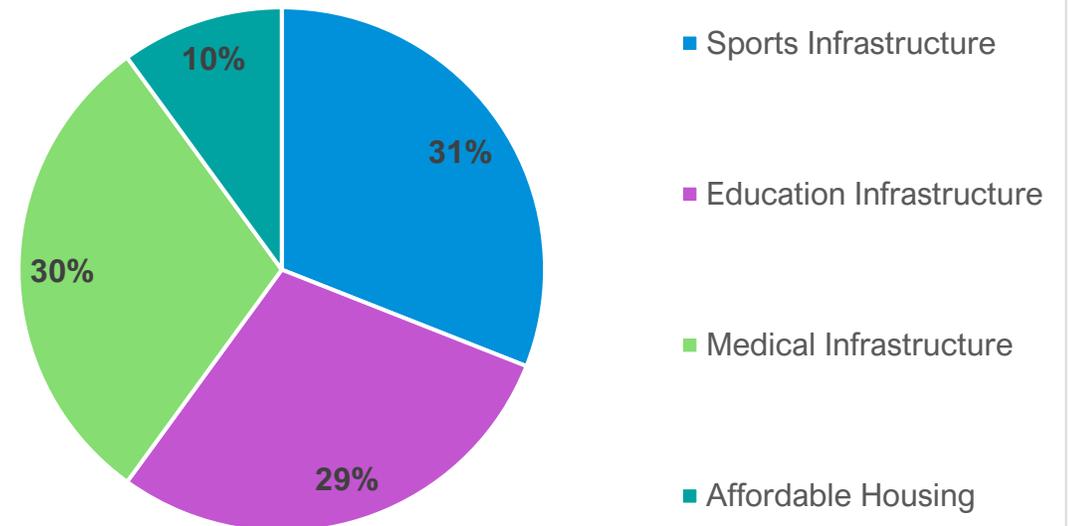


- PPP in India has seen success: transport, energy, education, urban development, power, etc.
- **National Infrastructure Pipeline** for FY 2020 – 2025, **PPP share is ~20%**
- **PPP is being encouraged in social sectors** – Health, Education, Water, Sports, Affordable Housing

% No of PPP Projects under NIP



% No of PPP Projects – NIP (Social Sectors)



Viability Gap Funding revamped to drive PPP uptake in healthcare



VGF Scheme (up to 1 Billion USD support)

- ✓ **Infrastructure deficit and requirement of efficient delivery** of social infrastructure services
- ✓ Support **economically justified but commercially unviable** projects
- ✓ Special focus on **unserved and undeserved areas**

CAPEX

Up to 40% - 80% of TPC

OPEX

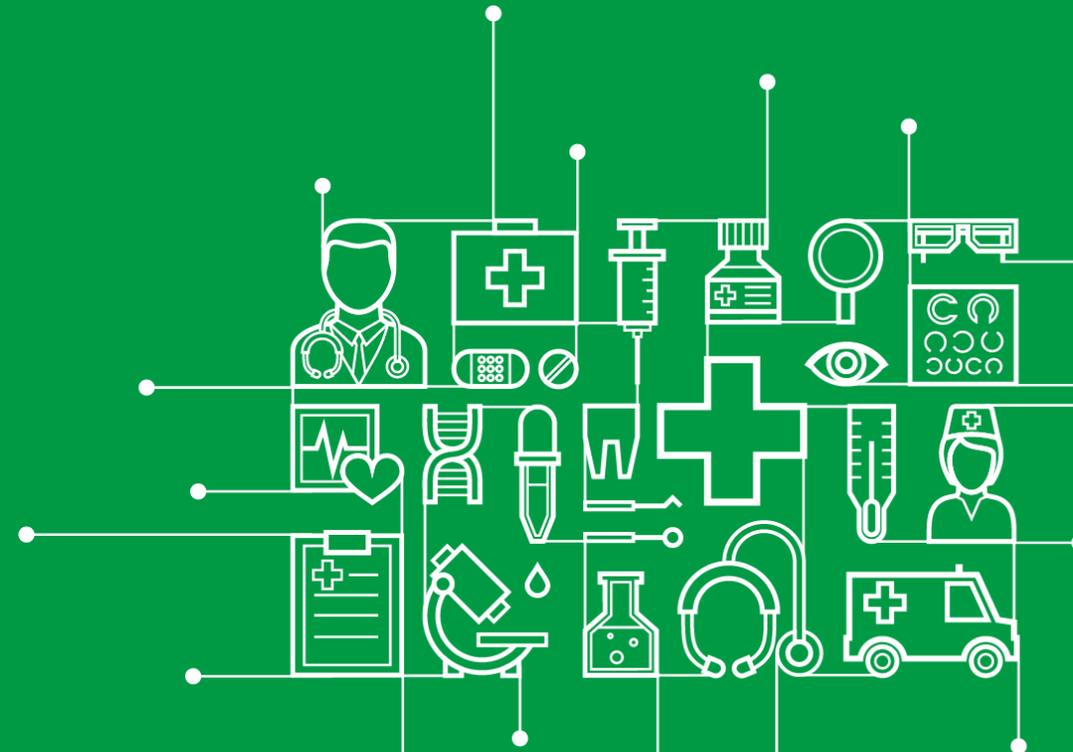
Up to 50% for first 5 years*

* Applicable only to Health and Education Sectors

The Project: Development of 6 Medical College & Hospital in unserved Districts of Uttar Pradesh, India

in

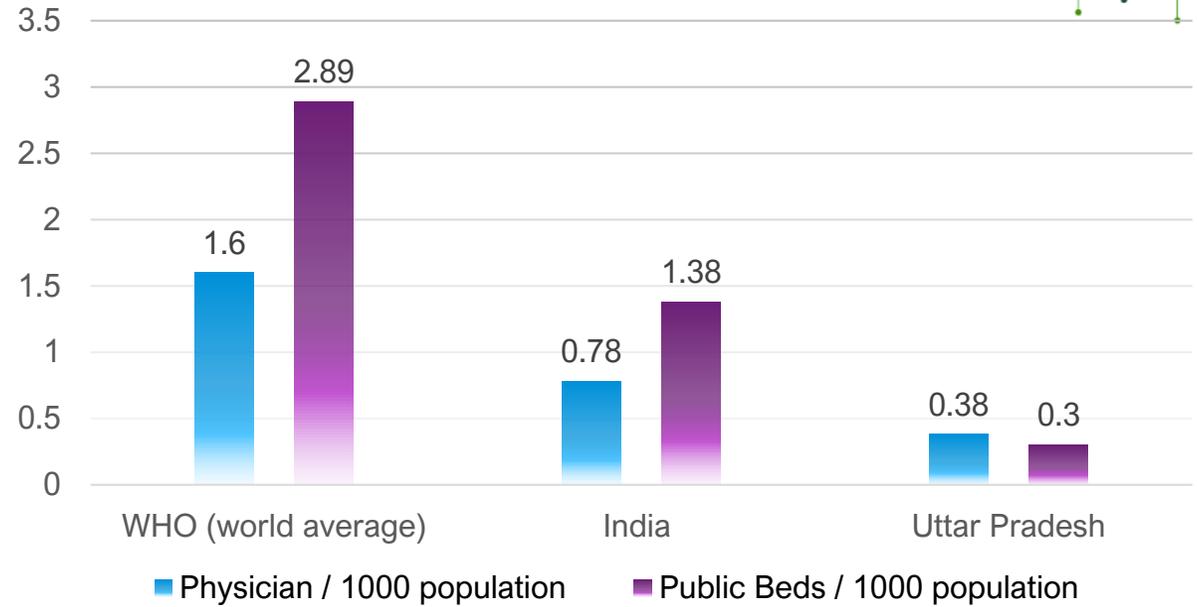
PPP Mode with VGF



Justification



- ▶ Districts have poor access to tertiary care facility
- ▶ 1-4 hours to nearest town for specialized care
- ▶ Deficient social & physical infrastructure
- ▶ Poor project viability, less private sector interest



The establishment of new Medical Colleges attached to existing District Hospitals would lead to:

Increase in the availability of qualified health professionals



Improve tertiary care



Utilization of the existing infrastructure of district hospitals



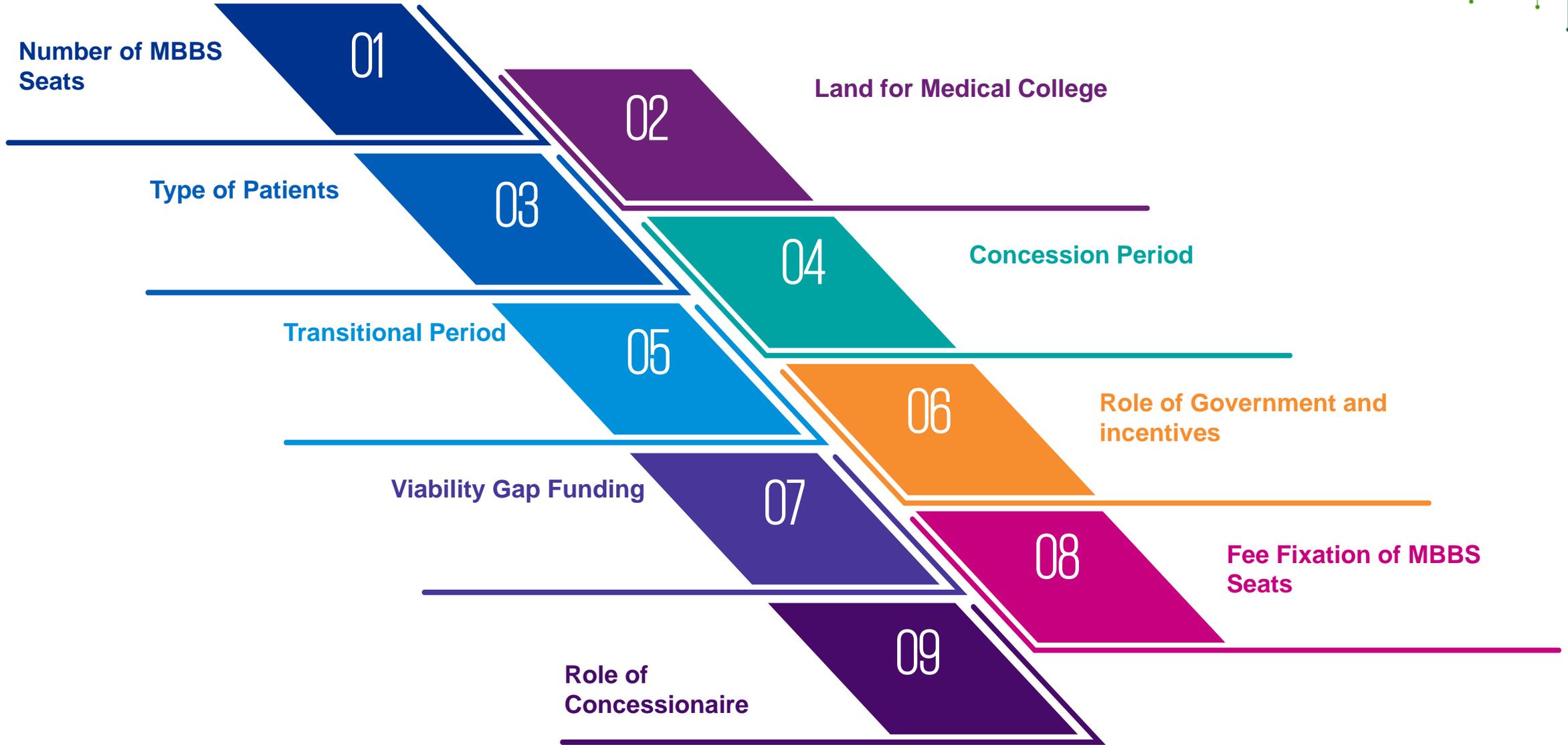
Address the challenge of the uneven spread of medical colleges across the state



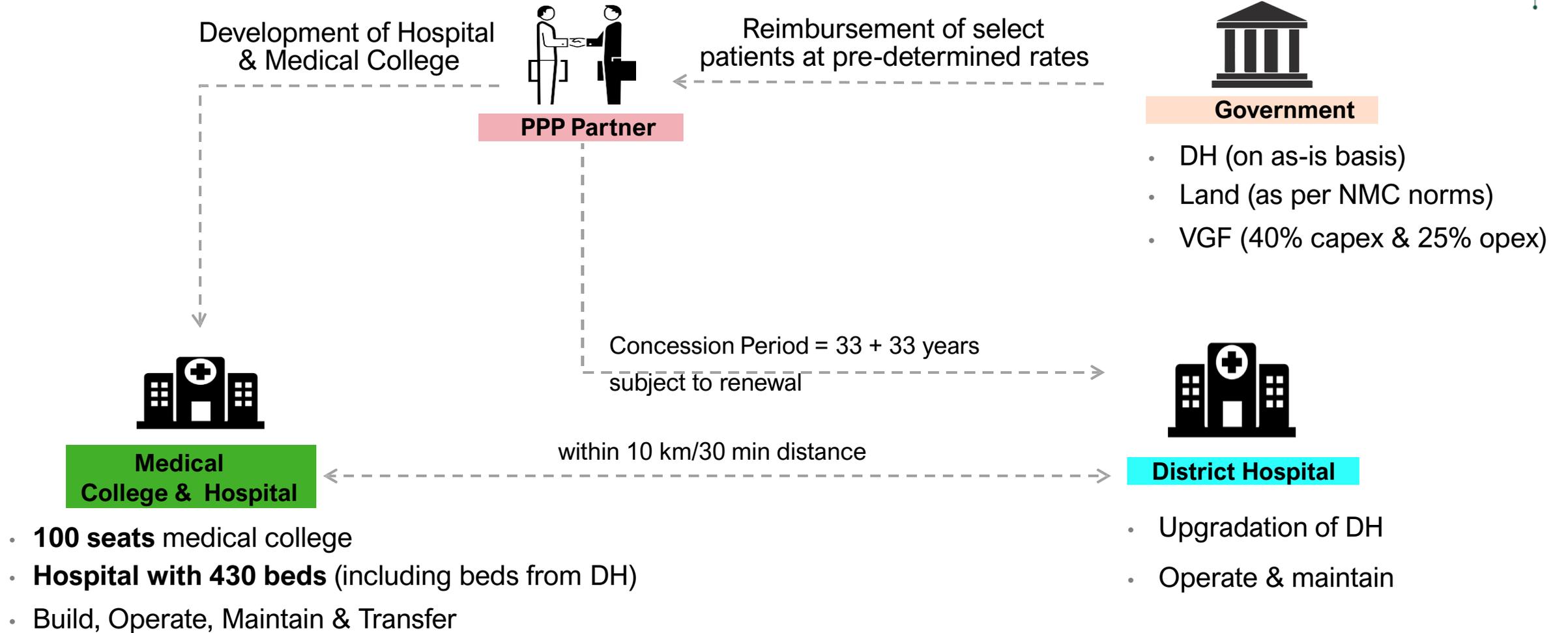
Promote affordable medical education in the state



Key factors taken into consideration while developing Project structure and Model



Project Structure



Hospital charges

At proposed



Service	Free Patients	Paid Patients
 OPD Service	Free of Cost	Free of Cost
 IPD service	Free IPD services based on beds in the existing district hospital plus 20% of the additional beds to be added	Beds to be charged up to 1.5 times of the applicable CGHS rates
 Drugs	Drugs which are listed under national list of essential medicines shall be provided free of cost	Patients will bear the cost of the drugs that are prescribed and/or administered to them
 Diagnostics	<ul style="list-style-type: none">Listed OPD related diagnostics to be free of chargeRemaining diagnostics not covered shall be chargeable at rates not exceeding rates prescribed (from time to time) by KGMU Lucknow	<ul style="list-style-type: none">Listed OPD related diagnostics to be free of chargeRemaining diagnostics shall be chargeable at rates not exceeding rates prescribed (from time to time) by KGMU Lucknow

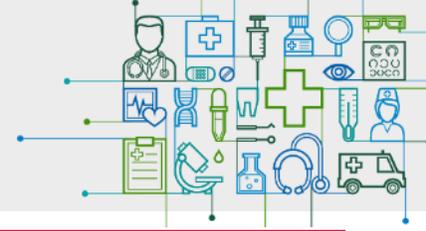
Free Patients - All patients covered under some Govt. insurance scheme and BPL
Paid Patients - Patients other than free patients

Financial analysis



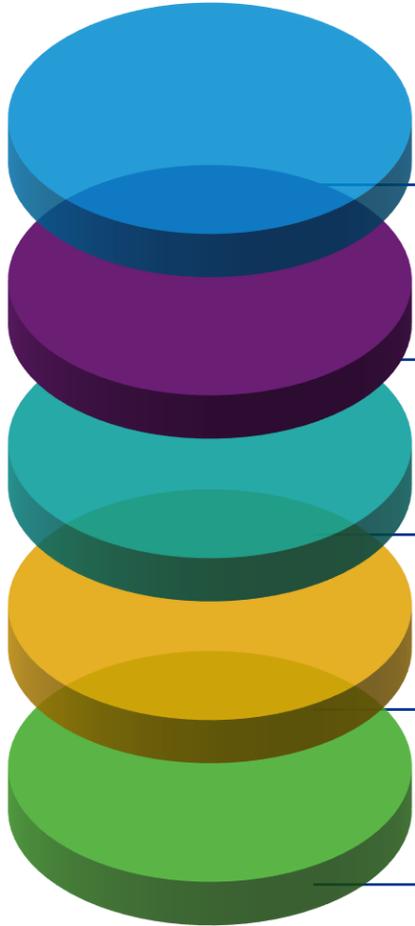
District	EPC (in million USD)	GOI Support (in million USD)		Total Grant (in million USD)	Project IRR	Equity IRR
		Capex grant	Opex grant			
Ballia	24.1	9.6	6.8	16.5	12.75%	15.66%
Chitrakoot	36.1	14.5	8.1	22.5	12.22%	15.61%
Rampur	25.5	10.2	7.2	17.4	12.91%	15.56%
Sant Kabir Nagar	28.3	11.3	7.7	19.0	11.93%	15.53%
Sant Ravidas Nagar (Bhadohi)	36.1	14.5	8.0	22.5	12.30%	15.55%
Shravasti	35.7	14.3	8.0	22.3	12.05%	15.55%
Total	185.9	74.4	45.9	120.2		

Project milestones



Particular	Milestone I	Milestone II	Milestone III
Scope of Work	Upgradation of existing district hospital to 330 beds and Refurbishment of existing district hospital,	Development of minimum 100 seat medical college	Subsequent upgradation of district hospital to 430 beds as per NMC norms
Timelines for Chitrakoot, Sant Kabir Nagar and Shravasthi	On the day of first anniversary from the Appointed Date	On the day of third anniversary from the Appointed Date	On the day of fifth anniversary from the Appointed Date
Timelines for Ballia and Rampur	On the day of first anniversary from the Appointed Date	On the day of second anniversary from the Appointed Date	On the day of third anniversary from the Appointed Date
Construction Period	<ul style="list-style-type: none"> • Chitrakoot, Sant Kabir Nagar and Shravasthi - 5 years • Ballia and Rampur – 3 Years 		

Key RFP Terms



01

Bid Security

2% of Estimated Project Cost

02

Bid Parameter

Lowest Grant sought from the Govt (Capex + Operational)

03

Performance Security:

3% of Estimated Project Cost

04

Financial Capacity:

Minimum Net Worth of 25% of Estimated Project Cost

05

Technical Capacity (O&M Experience)

Exp. of at least one recognized medical college with a hospital, for the past 5 financial years;

OR

Exp. of at least one 330 bedded hospital (NABH accredited) for the past 5 (five) financial years

Thank you