

Government of Jammu & Kashmir
Health & Medical Education Department
Civil Secretariat – Srinagar

Subject: Adoption of 'Health Care Investment Policy' in the J&K State.

- Ref: 1. State Administrative Council Decision No. 80/8/2019 Dated: 08-03-2019.
2. Department of Law Justice & Parliamentary Affairs U.O No. LD(Con) 2019/5-Health Dated 20-03-2019

Government Order No: 498 - HME of 2019
Dated: 29 -05-2019

Sanction is accorded to the adoption of 'Health Care Investment Policy, 2019 in the J&K State', as appended at 'Annexure A' to this Government Order for its implementation with immediate effect.

2. The operational guidelines and institutional mechanism, consistent with the Health Care Investment Policy, shall be notified separately by the Department and shall form 'Part B' of this Policy.

By order of the Government of Jammu & Kashmir

Sd/-
(Atal Dulloo) IAS
Principal Secretary to Government

No: HD/Plan/08/2019

Dated: 29 -05-2019

Copy for information to:

- 1) Principal Secretary to Govt., Finance Department
- 2) Principal Secretary to Govt., Industries & Commerce Department
- 3) Secretary to Government, Law, Justice & Parliamentary Affairs Department.
- 4) Secretary to Govt., General Administration Department.
- 5) Principal, Govt. Medical College, Srinagar/ Jammu.
- 6) Principal, Govt. Dental College, Srinagar/ Jammu.
- 7) Mission Director, National Health Mission, J&K, Jammu.
- 8) Director, Health Services, Kashmir/ Jammu.
- 9) Director, ISM, J&K, Jammu.
- 10) Director Family Welfare, J&K, Jammu.
- 11) MD, J&K Medical Supplies Corporation Limited, Srinagar.
- 12) Controller, Drug & Food Control Organization, J&K
- 13) PS to Principal Secretary H&ME Department.
- 14) I/c Website Section.
- 15) Govt. Order file (w4scs).
- 16) Concerned file.

(Madan Lal)
(Madan Lal) 29/5/2019
Joint Director (Planning)

"Annexure A"

Government of Jammu & Kashmir

HEALTH CARE INVESTMENT POLICY 2019

Health & Medical Education Department

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1. Introduction

- 1.1 Over the years, healthcare sector in J&K has shown significant progress in terms of improvement in infrastructure, manpower and health system, which is now reflected in improved healthcare indicators of the state that have become comparatively better than those in many other states and even better than the national average. The Infant Mortality Rate (IMR) and Under Five Mortality Rate (U5MR) in the State have come down to 24 and 26 as compared to 34 and 39 at National Level respectively. The State has achieved the replacement Fertility level, as the Total Fertility Rate has come down to 1.7, which is second lowest amongst the states. As per National Family Health Survey, the other Maternal and Child Health Indicators have also shown significant improvement and are much better than the National Average.
- 1.2 Despite all the efforts and encouraging results, a lot still needs to be done to sustain the level and to improve it further. Due to diversity in demographics, difficult terrain, unique social and cultural issues, law and order problem in the State and meagre resources, we need to look for our own solutions to the health problems of the State, which are best suited to our population living in extremely difficult climatic and geographic conditions in different regions of the state i.e. Jammu, Kashmir and Ladakh.
- 1.3 In J&K, where the private sector is still in infancy and almost 80% of the healthcare facilities are being provided by the public sector, the overcrowding of the Government health institutions has led to compromise in the quality of care. In the Government institutions, out of pocket expenditure is quite substantial as the patients have to purchase the medicines and other essential items from the market. This entails a huge burden on poor households.
- 1.4 Poor health infrastructure is another area of concern. The paucity of resources for housing all the facilities in the institutions as per the Indian Public Health Standards (IPHS) as well as the regional variations within the state also add to the problem. The primary health care is grossly under developed with most of the Primary Health Centres (PHCs) and

Sub Centres still working in rented buildings and without adequate manpower. The requirement of 1 bed / 1000 population as defined by W.H.O. for low income countries is much lower in the State hence jeopardising the equitable, accessible and quality health care delivery in the state. Therefore, there is a need for a larger investment, as the cost of building a secondary and tertiary care hospital could be as high as Rs. 25 lacs and Rs. 40 lacs per installed bed respectively. This means that in order to meet W.H.O. standards of 01 bed per 1000 population, state would be in need of huge funds.

- 1.5 As per IPHS norms, the J&K State still requires 69 new Community Health Centres, 222 more Primary Health Centres and 1396 Sub Centres. In addition, 57 Primary Health Centres, 94 Allopathic Dispensaries / New Type Primary Health Centres and 2200 Sub Centres are housed in rented buildings with gross inadequacy of space to provide services as per the IPHS norms.
- 1.6 Ayushman Bharat - Jan Arogya Yojana is being implemented in the State for providing secondary and tertiary care in the hospitals to the beneficiaries covered under the scheme. To implement this scheme, there will be requirement of hospital / nursing homes in the private sector and the State of J&K needs to have its "Healthcare Investment Policy" to attract entrepreneurs to invest in the Health Sector.

2. Vision:

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 door steps 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.

3. Objectives: The Object of the policy is to:-

- 3.1 Improve accessibility of quality healthcare services in the state.
- 3.2 Ensure availability of quality health care services by promoting establishment of best in class infrastructure and world class technology in the healthcare delivery.
- 3.3 Promote medical and allied education infrastructure in the state to ensure availability of quality manpower for the sector.

3.4 Establish Jammu & Kashmir as a destination of choice for health care service providers in the private sector.

4. Strategy

- 4.1 Health Care 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 the availability of adequate land with ready access to the population at large.
- 4.2 The health care in J&K is primarily developed in public sector and private sector is still in its infancy. To facilitate private investors in the state, the Government of Jammu & Kashmir will have to create suitable land bank earmarked for healthcare facilities for allocation to various healthcare projects. Capital and Interest subsidies facilitation through the regulatory processes also need to be provided to promote investment in Healthcare Sector.

5. Definitions:

- 5.1 **'Healthcare sector'** Health sector for the purpose this policy shall includes all units which are engaged in providing goods and services to treat patients with preventive, promotive, curative, therapeutic, rehabilitative and palliative care.
- 5.2 **'Project'** means a unit established / to be established by private investors under Healthcare Sector to provide goods and services to treat patients with preventive, promotive, curative, therapeutic, rehabilitative and palliative care like Multi Specialty Hospitals and Super Specialty Hospitals, Medical Colleges, Nursing Colleges and Paramedical Colleges.
- 5.3 **'Multi Specialty Hospitals'** shall include such hospitals with a minimum of 100 beds, which meet Indian Public Health Standards/Norms for District Hospitals for corresponding number of beds providing all essential services.

- 5.4 **'Super Specialty Hospitals'** shall include those hospitals that 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.
- 5.5 **'Medical Colleges'** shall mean the institutions that impart education on medical courses and specialty / super specialty treatment as specified and regulated by the Medical Council of India and are licensed to setup and run as per the norms of Medical Council of India.
- 5.6 **'Nursing Colleges'** shall mean the 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.
- 5.7 **'Paramedical Colleges'** shall mean the institutions that impart training in paramedical courses as specified and regulated by the Jammu and Kashmir Paramedical Council and are integrated with a hospital of at least 100 beds.
- 5.8 **'Capital Investment'** for the purpose of this policy 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 engaged during the establishment of the unit will be however, considered as a part of project cost.
- 5.9 **'Interest Subsidy'** means back ended interest subsidy on term loans availed by the investor for health infrastructure development and capital investment from any bank or financial institution.
- 5.10 **'Mega Project'** means such projects as defined in State Industrial Policy 2016 and will be eligible for customized package of incentives through Apex Level Investment Promotion Empowered Committee.

5.11 **'State Industrial Policy, 2016'** means Industrial Promotion Policy 2016 of Government of Jammu and Kashmir.

5.12 **'Nodal Agency for allotment of land on lease'** means the J&K SIDCO and J&K SICOP which will facilitate allotment of State Land or acquired propriety land, on lease basis with approval of Apex Level Investment Promotion Empowered Committee.

5.13 **'Apex Level Investment Promotion Empowered Committee means'** the Committee constituted in terms of clause 9 of this policy under the Chairmanship of the Chief Secretary for accord of approval to proposed Investment Projects and with powers to amend the Policy from time to time as per felt need.

6. Further the following incentives will be provided:

6.1 Capital Subsidy:

6.1.1 30% subsidy on Capital Investment will be provided for setting up of Multi Specialty Hospitals, Super Specialty Hospitals, Medical Colleges, Nursing Colleges and Paramedical Colleges.

6.1.2 The subsidy on Capital Investment will be limited to a maximum of INR 3.00 crore in cities with population less than 10 lakhs and a maximum of INR 5 crore in cities with a population of more than 10 lakhs. Population of cities will be determined as per census 2011.

6.2. Interest Subsidy:

These projects will also be eligible for Interest Subsidy provided at the rate of 5% per annum on term loan subject to a ceiling of INR 15 lakh per year for a period of 5 years from the date of operationalisation of the project.

6.3 Power tariff/Diesel Generator Set / Green Energy Option

6.3.1 The subsidized power tariff rates shall apply as applicable to Industries Sector. The assured / uninterrupted power supply to the Project may not be possible to be made available immediately. Therefore, 100% subsidy on purchase & installation of DG sets from 10 KW to 2000 KW capacity

purchased from reputed / Standard Companies shall be allowed , upper ceiling of INR 45 lakhs in conformity with the State Industry Policy 2016.

6.3.2 The subsidy shall be available to the project unit after it has been verified that the DG set has been actually installed and after fulfilment of the following conditions or as may be prescribed:-

- i) The amount of subsidy on purchase of one (01) DG set shall be paid to the supplier only through a bank (or the concerned financing agency, if any) even if the investor may not have taken any loan for purchase of the DG set.
- ii) 50% of the amount of subsidy on DG set shall be paid on verification of installation and the remaining 50% shall be paid after 6 months of installation or date of commercial production of the unit whichever is later.

6.4. Subsidy on Training Cost:

6.4.1 One time subsidy up to 25% of the cost incurred on induction training of nursing and paramedical staff will be provided by the State Government.

6.4.2 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 Jammu and Kashmir and will have to be provided employment for at least 1 year before the subsidy is claimed.

6.5. Incentives on Expansion:

An existing hospital which upgrades into a Multi Specialty Hospital with 100 beds or more or into a Super Speciality 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%.

6.6. Mega Project:

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 State Industrial Policy, 2016.

7. Availability and allotment of Land:

7.1 The Promoters/Investors setting up the project shall be free to establish the unit on their own propriety/ acquired land subject to eligibility of the said as per defined land use.

7.2 The State Government shall through the J&KSIDCO and J&KSICOP, as facilitators, identify the potential State Land for transfer to create land bank and shall provide to the investor on lease on the premium rates as applicable under Industrial Policy 2016 with special provision for setting up of Medical Colleges.

7.3 The land so allotted shall be on lease basis for a period of 90 years (initially for a period of 40 years renewable at the option of Lessor for a further period of 40 years at a time) on the premium and as per the conditions as applicable in the J&K Industrial Policy 2016.

7.4 Multi/ Super Specialty Hospitals:

Multi/ Super Specialty Hospitals being set up outside municipal corporation limits, land up to 5 acres for 200 bedded hospital and up to 10 acres for 500 bedded hospital will be allotted subject to the availability of land. Minimum Capital Investment required will be INR 80 crore for 200 bedded hospital and INR 200 crore for 500 bedded hospital, to be made within a periods of 5 years.

7.5 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 per Kanal, subject to the availability of land. Minimum Capital Investment required will be INR 200 crore to be made within a period of 5 years.

8. Amendments to the Policy:

Any amendments to this policy shall be made with the prior approval of the Apex Level Investment Promotion Empowered Committee (APLCC).

9. Approval of Project Proposals:

All Project Proposals received under this policy will be put up before Apex Level Project Clearance Committee (ALPCC) headed by Chief Secretary, J&K for approval. The composition of Apex Level Project Clearance Committee (ALPCC) shall be as under:

1.	Chief Secretary, J&K	Chairman
2.	Administrative Secretary, Health & Medical Education Department	Member
3.	Administrative Secretary, Finance Department	Member
4.	Administrative Secretary, Industries and Commerce Department	Member
5.	Administrative Secretary, Power Development Department	Member
6.	Administrative Secretary, Revenue Department	Member
7.	Chairman Pollution Control Board, J&K	Member
8.	Principal Govt. Medical College, Srinagar/Jammu	Members
9.	Director Health Services, Kashmir/Jammu	Members
10.	Managing Director, SIDCO, J&K	Member
11.	Managing Director, SICOP, J&K	Member

The Convenor/Member Secretary for serving the committee shall be nominated once the Institutional Mechanism is drawn and finalized.

10. Single Window Clearance:

The Institutional Mechanism will indicate the Single Window Clearance mechanism for processing of the project proposals based on this policy with final approval to be accorded by the APLCC.

11. Medical Cities:

The State Government may declare a well defined geographical area having potential and being conducive for development as a Medical City and provide infrastructure, support services and higher incentives to attract investment for establishment of multi units of Healthcare Sector at one place to promote medical tourism in the State.

12. The Institutional Mechanism and operational guidelines shall form Part B of this Policy.
