



INCREASE OF SERVICES MANAGEMENT OF HEALTH INDUSTRY IN INDIA

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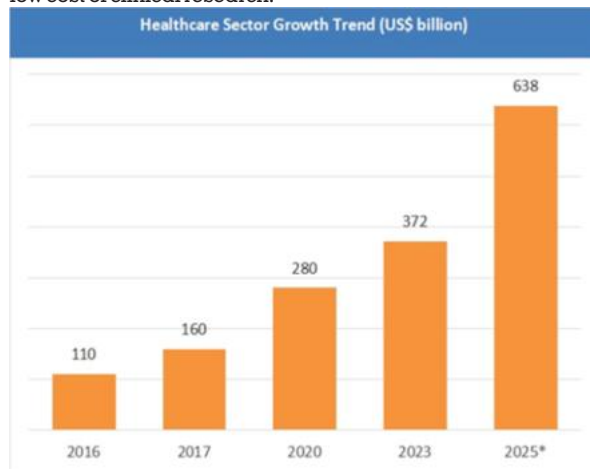
ABSTRACT

This paper is presented only research healthcare has become one of India's largest sectors, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services, and increasing expenditure by public as well as private players. India's healthcare delivery system is categorised into two major components - public and private. The government, i.e., the public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of Primary Healthcare Centers (PHCs) in rural areas. The private sector provides most secondary, tertiary, and quaternary care institutions with a major concentration in metros, tier-I, and tier-II cities.

KEYWORDS : Best Services of Costumer's

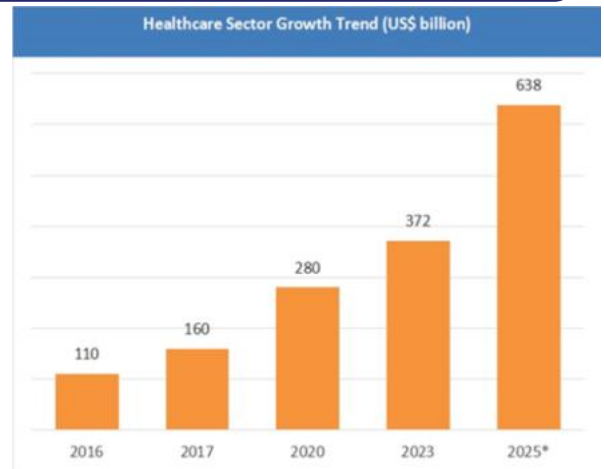
INTRODUCTION

India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost-competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.



Source: Frost and Sullivan, LSI Financial Services, Deloitte, *-Forecast

The Indian healthcare sector, valued at Rs. 9,42,590 crore (US\$ 110 billion) in 2016 and Rs. 31,87,668 crore (US\$ 372 billion) in 2023, is projected to reach Rs. 54,67,022 crore (US\$ 638 billion) by 2025, growing at a robust 17.5-22.5% CAGR. Healthcare spending accounted for 3.3% of India's GDP in 2022 and is expected to rise to 5% by 2030, reflecting the sector's increasing role in the economy. India continues to expand its healthcare infrastructure. As of February 2026, the country has 13,88,185 registered allopathic doctors and 7,51,768 AYUSH practitioners, supported by a growing workforce of 39.40 lakh nursing personnel. To strengthen capacity, there are 5,310 nursing institutions (including 806 government institutes) producing nearly 3.82 lakh nurses annually. Medical education capacity is also expanding, with 43 new medical colleges established in 2025-26, taking the total to around 818 medical colleges across India. The Government has also approved 11,682 MBBS seats and 8,967 postgraduate seats, with over 1,28,000 MBBS seats available annually, further strengthening the talent pipeline. Investment activity in the sector remains strong, with the hospital segment accounting for nearly 80% of the overall healthcare market, highlighting its important role in industry growth.



Source: Frost and Sullivan, LSI Financial Services, Deloitte, *-Forecast

The Government continues to prioritise healthcare infrastructure through initiatives such as the Ayushman Bharat Health Infrastructure Mission, aimed at strengthening capacity and access across the country. In Union Budget FY26, the government allocated Rs. 95,957.87 crore (US\$ 10.86 billion) to the healthcare sector, marking a 9.46% increase over FY25, reflecting sustained commitment, although gaps in public health infrastructure continue to persist. Health insurance penetration is steadily rising. Total health insurance premiums stood at Rs. 1,18,688 crore (US\$ 13.84 billion) in FY25, up from Rs. 1,09,007 crore (US\$ 12.72 billion) in FY24. In July 2025, standalone health insurers' premiums rose 10.4% YoY to Rs. 3,622 crore (US\$ 422.7 million), reflecting growing adoption and demand for coverage.

Digital health and telemedicine are emerging as key growth drivers. The rapid adoption of telemedicine and other digital technologies to address healthcare delivery challenges in rural and remote areas, along with their applications in education, training, and administration, presents significant opportunities for investors. India's telehealth sector is expected to grow at a CAGR of 20.75% through 2030, while the global remote patient monitoring market is projected to expand at a CAGR of 12.7% to reach US\$ 56.94 billion by 2030. Investments/Developments

In Union Budget 2026-27, the Government of India allocated a record Rs. 1,06,530.42 crore (US\$ 12.05 billion) to the Ministry of Health and Family Welfare (MoHFW), marking a ~10% increase over the previous year, with Rs. 1,01,709 crore (US\$ 11.51 billion) earmarked for the Department of Health and Family Welfare.

The Department of Health Research received Rs. 4,821 crore (US\$ 0.55 billion), reflecting a ~23% increase, while continued focus on schemes such as AB-PMJAY and ABDM highlights the government's commitment to reducing out-of-pocket expenditure and strengthening digital health infrastructure. The budget also increased allocations under PMSSY and related schemes to modernise healthcare institutions and expand clinical training capacity, with plans to add 10,000 medical seats in the short term and up to 75,000 seats over five years. To boost India's position as a global medical tourism hub, the government proposed a scheme to establish five Regional Medical Hubs in partnership with the private sector, integrating medical, educational, and research facilities along with AYUSH centres and medical value travel infrastructure.

Healthcare demand in Tier II and Tier III cities is projected to grow at 16-18% CAGR over the next few years, higher than the 12-14% CAGR in metros, showing continued momentum beyond 2025. Tier II cities are expected to add 40 million people by FY27, while 70% of hospitals are already empanelled under Ayushman Bharat as of 2025, improving access and accelerating infrastructure expansion toward FY27. As on November 20, 2025, a total of 51,36,284 Reproductive and Child Health (RCH) IDs have been linked with ABHA IDs, including 16,18,209 linked through new ABHA ID creation and 35,18,075 using existing ABHA IDs. In Q3 2025, Healthcare attracted Rs. 4,435 crore (US\$ 500 million) in PE-VC investments. India's seven standalone health insurance companies (SAHIs) have captured 41% market share of the non-life insurance sector as of April-December FY25, up from 30% in FY20, driven by superior product innovation and customer support. Standalone health insurers are projected to achieve 20-21% growth in FY 2026, outpacing general insurance growth of 13%, driven by retail expansion and enhanced agency networks. India's health-tech sector is projected to reach Rs. 4,43,500 crore (US\$ 50 billion) by 2033, driven by AI and automation, supporting faster claim decisions and smarter underwriting. In H1 2025, the Indian health-tech startups received Rs. 7,095 crore (US\$ 828 million) in funding, a sign of continued investor confidence in the sector. In January 2025, Innovaccer Inc. raised Rs. 2,356 crore (US\$ 275 million) in a Series F round to scale its Healthcare Intelligence Cloud, build new AI- and cloud-capabilities (like copilots/agents for clinical decision support, utilization management etc.), expand its developer ecosystem, and deepen collaboration with its 130+ healthcare customers.

In Q1 2025, Mergers and acquisitions (M&A) accounted for 57% of the total deal value, while private equity (PE) made up 59% of the overall deal volume in the pharma and healthcare sector. On September 9, 2025, Apollo Hospitals announced it will acquire a 31% stake in Apollo Health and Lifestyle Ltd for Rs. 1,254 crore (US\$ 146 million). Upon completion of the proposed acquisition, AHLL will become a 99.4% Subsidiary of Apollo Hospitals. The Indian healthcare sector is witnessing unprecedented growth, with private equity investment in Indian healthcare surging to Rs. 4,900 crore (US\$ 572 million) across 33 deals in Q2 CY25. On July 9, 2025, Manipal Hospitals signed definitive agreements to acquire Pune-based Sahyadri Hospitals from Ontario Teachers' Pension Plan for Rs. 6,000 crore (US\$ 679.15 million), strengthening its presence in western India and expanding its multi-specialty hospital network.

India's health-tech sector is poised for strong growth, with healthcare hiring intent rising to 52% in H1 2025, up 5% from H2 2024, driven by demand for digital health, diagnostics and specialised care roles.

Apollo Hospitals, and the University of Leicester have established the Centre for Digital Health and Precision Medicine in Chittoor, Andhra Pradesh. This initiative seeks to

transform healthcare by advancing research and education in digital health, precision medicine, and specialized healthcare programs.

In February 2025, Metropolis Healthcare has partnered with Roche Diagnostics India to launch a self-sampling HPV DNA test for cervical cancer screening. This innovative test empowers women to take charge of their health by allowing them to collect their samples for testing in a comfortable and convenient manner.

Tata Group has partnered with the Indian Institute of Science (IISc) to establish Tata IISc Medical School at the institute's Bengaluru campus and will contribute Rs. 500 crore (US\$ 57.6 million) to support it. The Indian medical devices sector has witnessed remarkable growth in recent years and is expected to reach Rs. 4,34,350 crore (US\$ 50 billion) by FY31 driven by increasing demand for quality healthcare, advancements in technology, and favourable government policies. Start-ups in this sector have been instrumental in fostering innovation, improving accessibility, and reducing costs.

In 2024, DNA Wellness announced a Rs. 200 crore (US\$ 23.98 million) investment to establish over 100 cervical cancer screening labs across India by 2027. They have exclusive rights to the CERVisure DNA Ploidy Test, a quick and non-invasive cancer detection method. The first lab opened in Ahmedabad, with more planned in Vadodara, Rajkot, and Surat by October 2024. This initiative aims to improve access to cervical cancer screening, addressing the significant health burden of approximately 130,000 new cases and 80,000 deaths annually in India.

Apollo 24|7 has merged with Keimed in a Rs. 2,475 crore (US\$ 296 million) deal, with Advent International acquiring a 12.1% stake in the new entity valued at Rs. 22,481 crore (US\$ 2.69 billion). Apollo Hospitals will maintain a majority stake of at least 59.2%.

DocPlix, a health-tech startup, raises Rs 1.2 crore (US\$ 0.14 million) in a bridge round led by Inflection Point Ventures (IPV), aiming to digitize health records for India's 1.4 billion population and enhance healthcare accessibility.

In May 2023, Temasek, a Singaporean investment company, invested US\$ 2 billion in Manipal Health Enterprises, a leading healthcare provider in India, highlighting the growing interest in the Asian healthcare market.

In September 2023, Nirma a diversified Indian conglomerate, acquired a 75% stake in Glenmark Life Sciences, a pharmaceutical company, for US\$ 689 million. This transaction marked one of the biggest Indian healthcare M&A deals of the year.

As of August 1, 2023, a total of 24.33 crore Ayushman cards have been created. To prevent, detect, and deter healthcare fraud and to ensure that eligible beneficiaries receive adequate treatment, the Government of India is using Artificial Intelligence (AI) and Machine Learning (ML). As of October 2023, a total of 26 crore Ayushman cards have been created.

As of February 20, 2023, more than 220.63 crore COVID-19 vaccine doses have been administered across the country. While as of May 11, 2023, more than 2.20 billion COVID-19 vaccine doses have been administered across the country.

Multinational healthcare company Abbott has committed to converting 75 Primary Health Centers (PHCs) to Health and Wellness Centers (HWCs) in nine Indian States, in collaboration with AmeriCares India Foundation, a nonprofit organisation dedicated to relief and development in the field

of health. This will benefit over 2.5 million people from under-resourced communities every

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