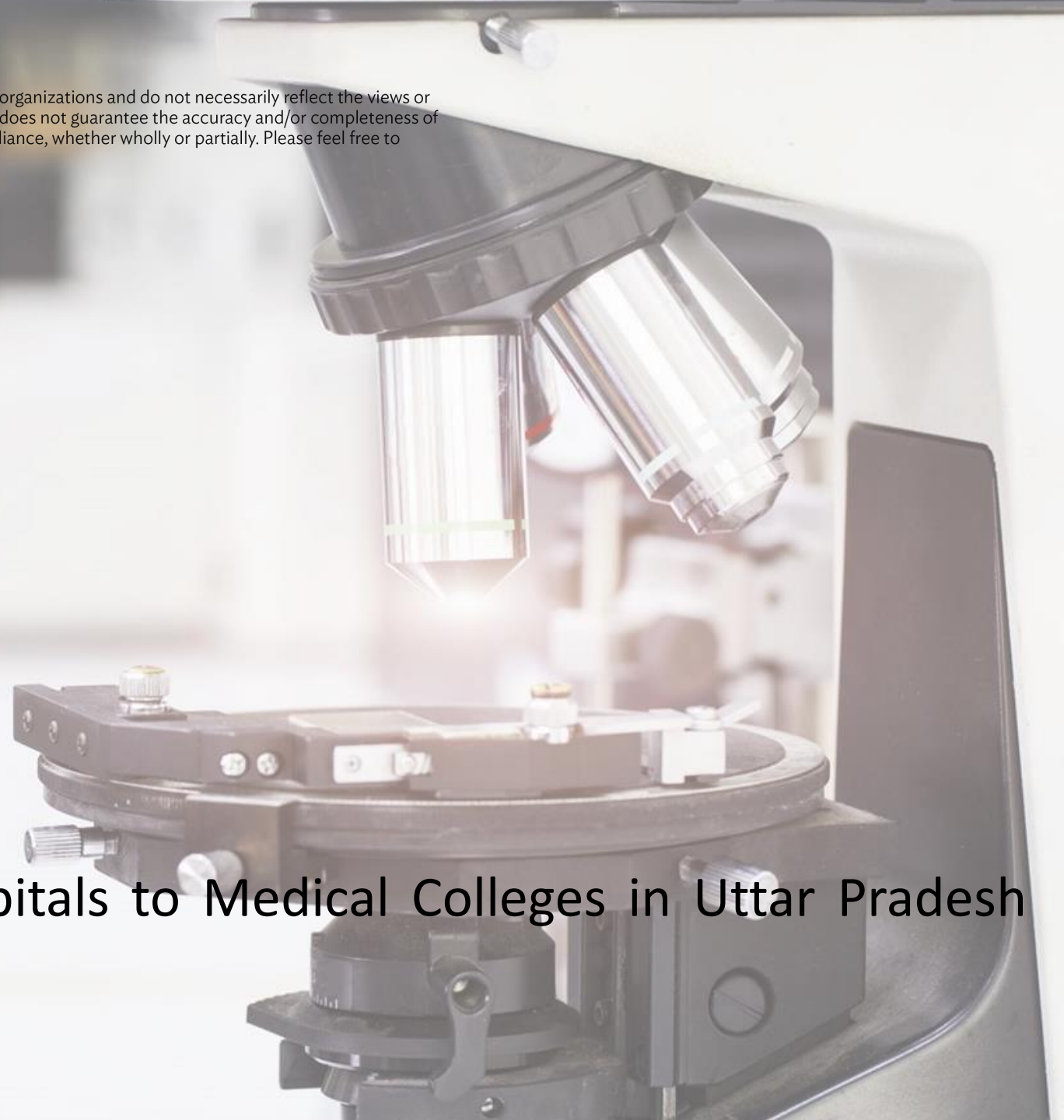


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3.3

Upgradation of 16 District Hospitals to Medical Colleges in Uttar Pradesh (UP)

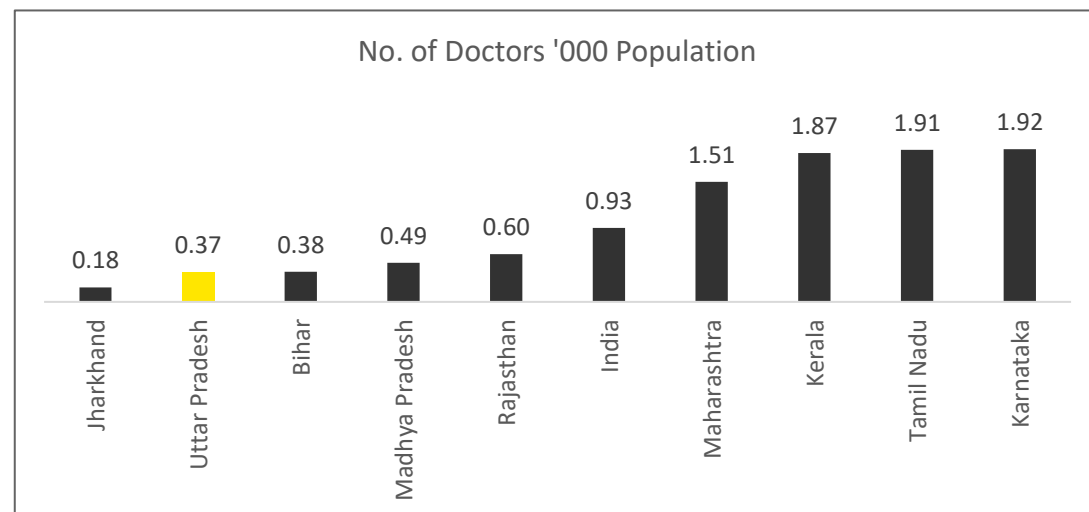


Problem Statement:

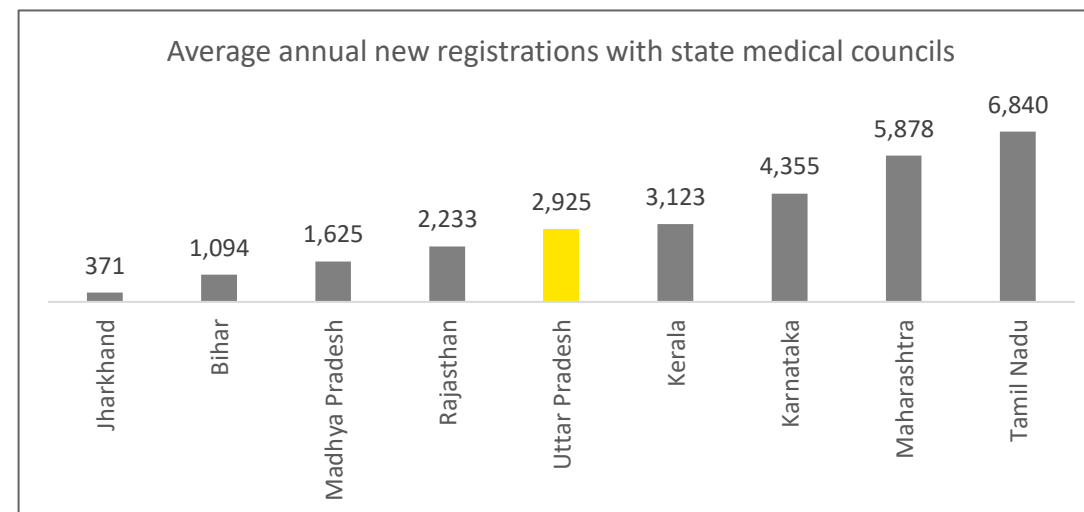
Gap in healthcare infrastructure & medical professional in India's most populous state

Uttar Pradesh, the most populous state in India with over **240 million population**, faced significant gaps in healthcare infrastructure and medical professional.

No. of doctors per 1000 population in Uttar Pradesh is **one of the lowest** in India



Average annual new registrations in U.P. were 3 times lower than Tamil Nadu



39 districts had no medical colleges

23 medical colleges set up using State funding

For remaining **16** districts private sector participation was envisaged

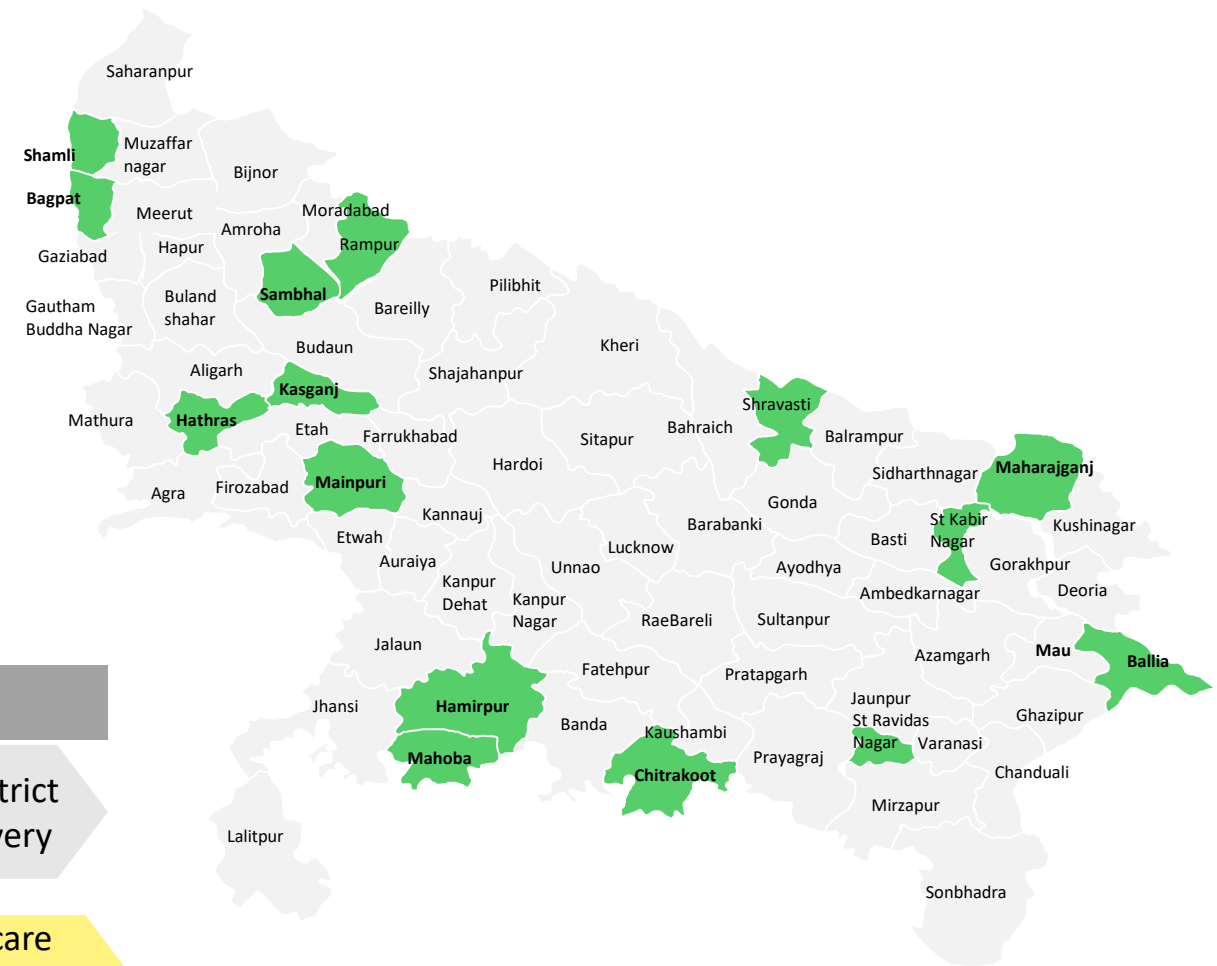
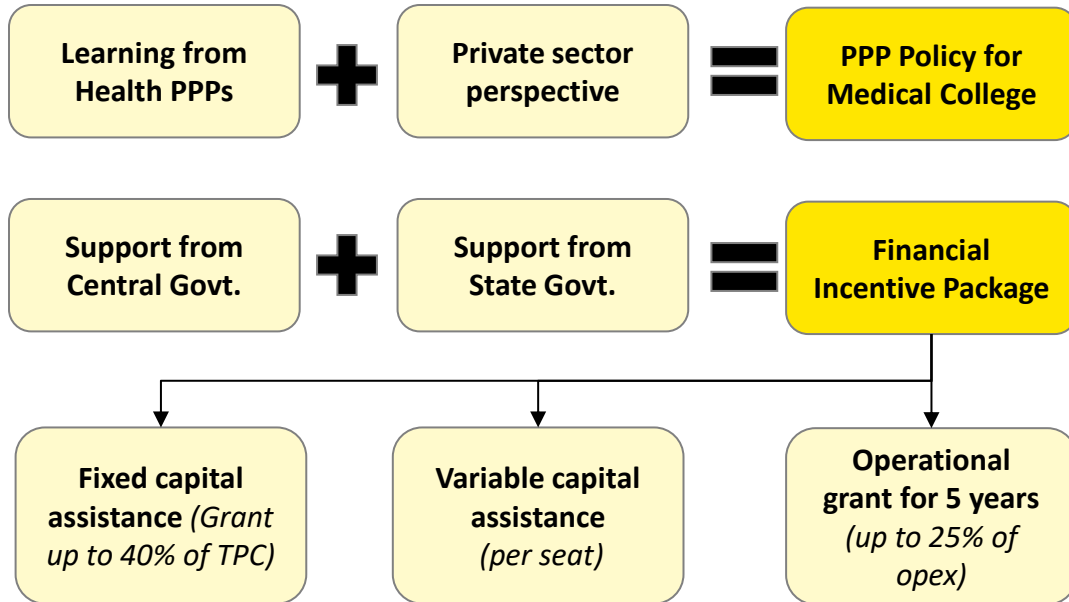
Model 1 – State incentive scheme for private sector investment in Medical colleges in 16 specific districts

Model 2 – PPP approach with viability gap funding (Capital support and OpEx support)

Approach:

16 underserved districts were selected for upgrade

Approaches for Development



Intended Outcome

Improve access to medical education and healthcare in underserved districts

Modernize infrastructure of district hospitals for better service delivery

Strengthen workforce by addressing shortages of medical professionals

Enhance self-reliance in healthcare and reduce dependency on other states

Models for Private Sector Investment in Medical College and Hospital Development

Two-Pronged Approach

Model 1: State Policy for Private Sector Investment

Where Private hospital and land can be leveraged for development of medical college

Where Private hospital can be leveraged. Govt. to lease land for medical college

Where government district hospital can be leased with private sector land for medical college

A



Private hospital

Private land

B



Private hospital

Govt. land

C



DH

Private land

Incentives

- Interest subsidy-5%
- Seat Assistance-28.8K USD per student for first two batches
- 100% exemption of conversion of land and stamp duty

- Land at no cost
- Interest subsidy-5%
- Seat Assistance-11.5K USD per student for first two batches
- 100% exemption of conversion of land and stamp duty

- Free OPD consultation/diagnostics
- Interest subsidy-5%
- Equipment subsidy (20%)
- Seat Assistance-17.2K USD per student for first two batches
- 100% exemption of conversion of land and stamp duty

Model 2: Leverage Viability Gap Funding-Govt. of India

Sufficient land/ Hospital space available

Greenfield Development

D



DH



Govt. land

E

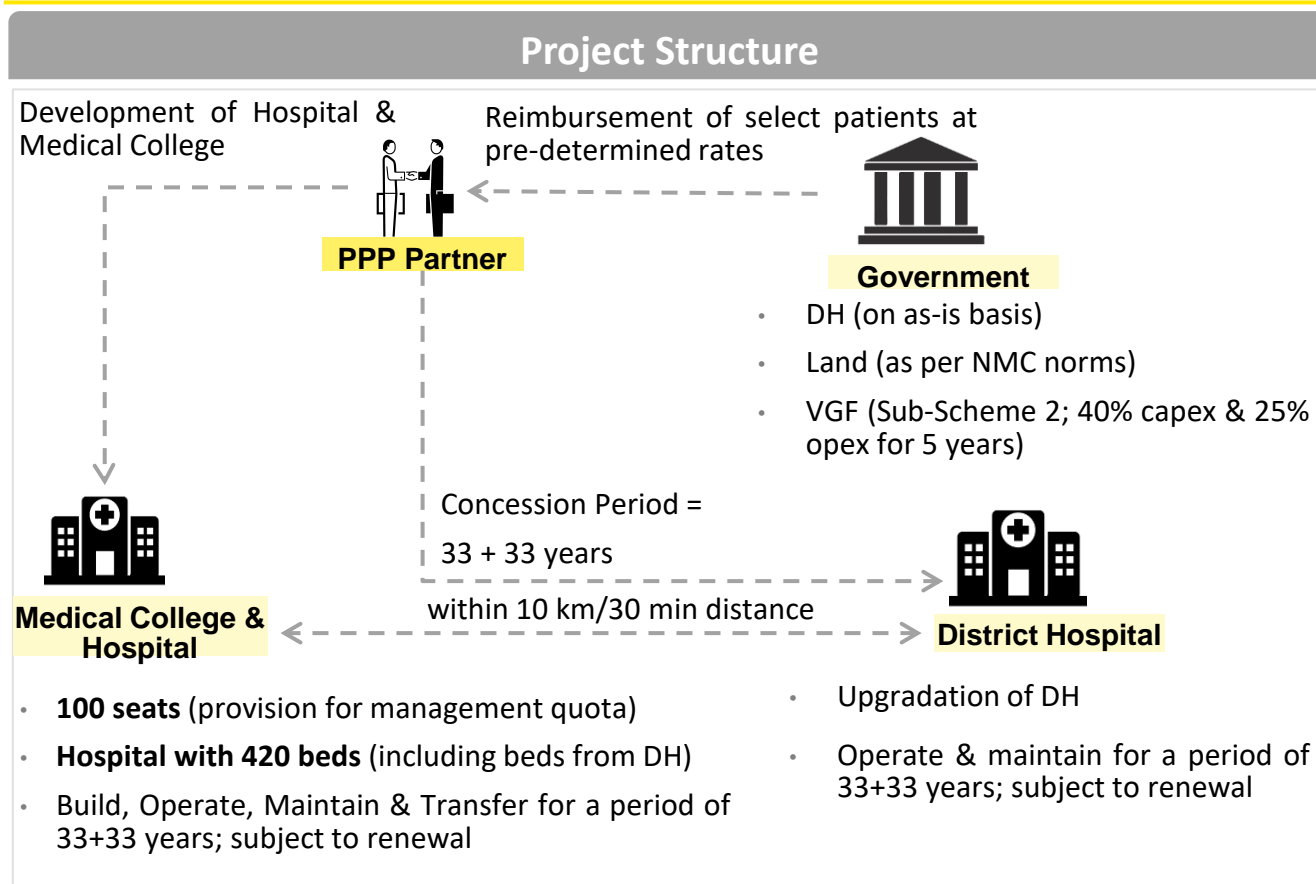


Govt. land

- **40%** CapEx support
- **25%** OpEx support for initial five years

Modus Operandi:

PPP Structure (Model 2)



Role of Government

- Provide DH and site on lease for 33 years + 33 years (co-terminus with concession period) at annual lease rent of Re. 1
- Provision of VGF (subject to approval from Central Govt.)
- Transition support by existing workforce at DH over two years (50% at the end of each year)
- Monitor KPIs to ensure effective service delivery

Role of Private Player

- Upgrade existing District Hospital
- **Design, Built, Finance, Operate and Transfer** Medical College & Hospital for 33+33 years
- Provide free OPD to all & free IPD services up to the capacity of DH handed over + 20% of all additional beds augmented by Concessionaire

Application under sub-scheme of

Sub-Scheme 2

- ✓ Max. 40% Capex grant
- ✓ Max. 25% Opex support for 1st 5 years of operations

Bid Parameter

Lowest Grant sought from the Govt (Capex + Operational)

Impact & Learning:

Capacity expansion across the board



- **4** Medical College Operational
- **6** nearing award; 6 under approval

Improved **access** to healthcare services including tertiary care for rural and underserved populations



- **6,700** bed addition
- **0.5 Mn** Addition of annual IPD Capacity

Improved **healthcare outcomes** addressing critical health gaps in populous regions



- **USD 640** Million private sector investment
- **USD 160** Million support from government

Catalyzed **economic growth** in rural areas, fostering regional development



- Annual Capacity addition of more than **1,600 Doctors**
- Direct **employment** for more than **10,000** clinical workforce

Strengthened the state's capacity to produce **skilled healthcare professionals**

Affordable Inpatient Care: Free IPD beds for underserved patients; additional beds capped at 1.5x CGHS Lucknow rates.

Essential Medicines: Free essential medicines for government-supported patients; transparency ensured for paid patients.

Diagnostics: Free OPD-related tests as per IPHS; affordable rates for other diagnostics with insurance support