

DINESH GUNDURAO
Minister for Health and
Family Welfare and
Dakshina Kannada District
In-Charge Minister



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To,

Narendra Modi,
Hon'ble Prime Minister,
Office of the Prime Minister,
South Block, Raisina Hill,
New Delhi-110011

Respected Sir,

Of all the essential services a nation state offers, none affects its people as widely as the healthcare system. Healthcare Interventions and Medical Facilities are a lifelong requirement with a direct bearing on the wellbeing of society and in turn, the country. Much in line with the vision of our founding fathers and mothers, successive Governments have worked tirelessly to implement universal healthcare to the extent possible within the constantly changing paradigm of human health. India has certainly come a long way from the time of rudimentary healthcare, to now having largest healthcare systems the world over, catering to over a billion people.

With the view to ensure Universal Healthcare which is both affordable and accessible, we launched Arogya Karnataka in 2018, even before the Ayushman Bharat Scheme to offer health coverage to our state. While it is true that the Government has worked tirelessly to ensure affordable and accessible healthcare to all its people, health insurance is a necessary precaution to provide coverage in case of medical emergencies and also specialized hospitalization outside the scope of the services offered by the Government.

The Union Government has even expressed the importance of such insurance by launching a nationwide mission to ensure "Universal Insurance Coverage by 2047". The changing unpredictability of the human condition, environmental factors and a new generation of vectors has made Health Insurance an inevitably to protect against unforeseen circumstances. Which is why it is not only unfortunate but also ironic that a Government which espouses the vision of Universal Insurance also taxes it at a rate so high, that it disincentives health insurance altogether.

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The GST on Health Insurance is in one of the highest brackets of taxation at 18% and has been so since 2017. Despite several protests from all stakeholders including politicians and policy makers across the board. A GST so high on what is an essential service/necessity, especially in a post pandemic world, is draconian to say the least and definitely not what a welfare state should be doing.

A high rate of GST has a direct impact on the cost of Premiums which means that Health Insurance is now more expensive. The rising cost while not discernible to the upper economic classes, has a cataclysmic effect on economic weaker sections to whom even a marginal increase in the premium makes it inaccessible to purchase. So, in that circumstance, they choose to either forego another necessity to afford the premiums or, more often than not, avoid getting health insurance at all, which leaves them and their family exposed to a medical emergency which may leave them in severe financial distress.

While the rationale for such a high GST has never been explained, as the Health Minister in one of the states which is a pioneer in medical education and infrastructure, I see the positive impact of our cashless state health insurance scheme along with the added protection of purchased health insurance which acts as a buffer in case of larger emergencies. This two-step coverage system is essential to the wellbeing of our citizenry.

It is with this context, that I write to you to recommend to the GST Council, which is due to meet on the 9th September, 2024, to reconsider the 18% tax for the middle and low income policy holder on Health Insurance, which will certainly be a positive step in achieving Universal Insurance in the year 2047.

In anticipation of a positive response,

Yours Sincerely

(Dinesh Gundu Rao)