



COVID-19 Pandemic Leaves the Private Healthcare Sector in Financial Distress: FICCI-EY study

New Delhi: The already strained healthcare industry has been feeling the negative economic impact of COVID-19 with sliding bed occupancies and uncertainty of the burden of the virus. Yet, private hospitals and nursing homes, that constitute more than 60% of beds at 8.5-9 lac, 60% of inpatients and 80% of doctors in India, have been investing heavily over the past month in additional manpower, equipment, consumables and other resources to ensure 100% preparedness for safety in the healthcare facilities and eventual treatment of patients, if needed.

While the government is taking cognizance of financial strain in sectors like hospitality, tourism, construction, little is being discussed regarding the distress felt by the private healthcare sector.

Dr Sangita Reddy, President, FICCI and Joint Managing Director, Apollo Hospitals Group, said, "The private healthcare sector in India has stood beside the government firmly to contain the virus and is deeply committed to the war against COVID-19. However, there is an urgent need to consider the healthcare industry's triple burden viz. low financial performance in pre-COVID state; sharp drop in out-patient footfalls, diagnostic testing, elective surgeries and international patients across the sector is impacting cash flow; and the increased investments due to COVID-19; which has impacted the hospitals and laboratories like never before."

The Prime Minister's call to the nation to honour the healthcare professionals has indeed been a morale booster. However, with dwindling revenues, government measures in terms of liquidity infusion, tax reliefs and other waivers have become crucial for the survival of health services providers of the country.

Dr Alok Roy, Chair- FICCI Healthservices Committee and Chairman, Medica Group of Hospitals, said, "The financial distress accentuated by COVID-19 lockdown has forced several standalone and small nursing homes in tier II and III cities to down the shutters. Many others are at high risk of closing down soon since their cash flows have dried up, due to steep decline in patient footfalls, and they are facing liquidity crisis for even sustaining their staff salaries."

In view of this, FICCI in partnership with EY, carried out a study of the economic impact of COVID-19 on private healthcare sector. The report reveals that the private hospitals and laboratories, which were already facing multiple challenges, will witness an acute crisis due to COVID-19 and the subsequent lockdown, which has resulted in occupancy levels to fall to a mere 40% by late-March vis-a-vis pre-COVID occupancy levels of ~65-70%. This is expected to reduce even further. Impact on diagnostic labs is even worse, with almost 80% fall in patient visits and revenue.

Mr Kaivaan Movdawalla, Partner- Healthcare, EY India, said, "While the private sector stands fully committed to partner with the government as a national duty, it truly finds itself in a compelling situation to beseech the government for 'differential' financial forbearance measures and to be supported well, in order to best utilise its capabilities and capacity to serve the nation in this hour of crisis." FICCI-EY report recommends government support through Liquidity infusion for financing the operating losses through short term interest free/ concessional interest rate loans to address the liquidity gap to the tune of Rs 14,000 -24,000 Cr.

Although the government has issued a notification for the release of government dues under CGHS and ECHS schemes to private hospitals, which is in the range of Rs 1700-2000 crores, the payment is yet to be processed. Immediate release of such dues is crucial.

Other recommendations for providing urgent financial stimulus for the sector are:

Indirect tax reliefs/ exemptions/ waivers like- recoup amount equivalent to ineligible GST credits paid on procurements for a stipulated period; Customs duty / GST exemption on essential medicines, consumables and devices for treatment of COVID patients; Waiver or reduction of health cess on medical devices, Extension of time under the EPCG scheme etc. Income tax benefits and deferment of statutory liability payments without interest, penalty for a stipulated period (3-6 months). Rebate on commercial rate of power for a stipulated period. (Source: India Education Diary.com)

Pharmaceutical Units Witness Steep Increase In Prices of APIs

Paracetamol, ornidazole, azithromycin, nimesulide see major spurt

The rising demand for paracetamol and vitamin B formulations has also increased the demand of their active pharmaceutical ingredients (APIs). With China dictating the price, the APIs have become dearer between 22 and 30%, thus enhancing the rate of drugs.

As many as four APIs have been listed as very critical, 10 as critical, five as very high and five as high due to their overwhelming demand since January for ailments such as cold, cough, throat-related infections and fever. They include antibiotics and analgesics.

According to sources, the rate of four APIs — paracetamol, ornidazole, azithromycin and nimesulide — has increased from 62% to 189% from January 14 to April 14. The rate of paracetamol has enhanced from Rs 262 per kg in January to Rs 450 per kg in March though it registered a marginal decline in April and was now available at Rs 425 per kg.

Apart from this, 10 APIs were rated as critical as their prices have shot up by 24% to 38% in the market in three-month period since mid-January. These include tinidazole, amoxicillin, ceftriaxone, clav avicel, diclofenac sodium, ofloxacin, clav syloid, clotrimazole, ciprofloxacin and dexamethasone sodium.

As many as five others have been listed as very high as their prices have increased from 21% to 24% in the market while five others fall in the high list where price rise has been between 12% and 20%.

“The concern of the pharmaceutical units is multifarious and they don’t manufacture at this juncture they will lose their clients. But as the cost of APIs has gone up, manufacturing drugs whose price is controlled by the government has become unviable,” said SL Singla, adviser, Himachal Drug Manufacturers Association. He said the National Pharmaceutical Pricing Authority (NPPA) should re-examine the price of drugs in the changed scenario.

Singla said if no steps were taken soon, some key drugs could go out of shelves. “Multivitamin APIs have also registered a steep increase in its prices as these drugs are immunity boosters and their consumption has gone up after the Covid-19 outbreak,” said production head of a pharma firm in Baddi. (Source: The Tribune)

CDSCO Instructs Pharma Industry Associations to Share Drug Availability Stock Report

To ensure the availability of drugs with assured quality at an affordable price, amidst the nationwide lockdown due to coronavirus (COVID-19), the Central Drugs Standard Control Organization (CDSCO) has instructed pharma industry associations to share drug availability stock report on an urgent basis.

Recently, the Ministry of Health and Family Welfare (MoH&FW), has issued a letter to all the State and Union Territories Drugs controllers instructing them to take various measures in order to ensure availability of sufficient quantities of drugs in the domestic retail markets besides ensuring the products conform to the prescribed specifications.

The Directorate General of Health Services (DGHS), a wing of the Ministry has shared a list of 55 drugs for ICU management of COVID-19 patients admitted to hospitals with the drug regulators. It has also provided a list of 96 drugs of general category containing essential drugs that are projected to be required in the country during the COVID-19 situation.

Dr Hemant Koshia, Commissioner, Food and Drugs, Control Administration (FDCA) Gujarat, said, “Yesterday, we got an instruction from the centre to provide available medicines in the state.

I have already instructed my team to gather the data on a priority basis and in the next two to three days, we will be able to provide the exact data to the authority.”

He further informed that as of now, there is no shortage of any drugs and other essential supplies in the state and we are keeping a constant watch on each and every activity in the state. Following the instruction from the MoH&FW, the DCG(I) has issued an instruction letter to all pharma associations to update the drug availability of the shared list of drugs in the market.

Mahesh Doshi, President, Indian Drugs Manufacturers’ Association (IDMA) said, “We have asked our member companies to furnish the details of the requested category of medicines on an SOS basis. We are trying to submit the data from our end to the State FDA authority by early next week.”

The government has issued instructions to the regulators to monitor stock piling of drugs and tightening procedures to monitor for any possible shortage of the drugs caused by disruption to global supplies. It is required to maintain checks on the availability of drugs for use in the treatment of COVID-19 disease, in consultation with relevant stakeholders.

The government has also highlighted that there is a need for random market surveys, regular review reports from health agencies and manufactures on drug availability and developing an integrated plan to reduce the impact of any global shortage of drugs stocks. Instructions have been given to ensure the quality of medicines, vaccines and medical devices, including in-vitro at affordable prices in the market and to prevent black-marketing, illegal hoarding and creating artificial shortages.

The government also stressed to a point to have effective communication and interaction with manufacturers / stakeholders and ensuring that retailers/wholesalers continue to adhere to normal ordering patterns and avoid stockpiling of medications.

A source from the development indicated that the government is taking all the required measures in order to ensure the drug availability in the market for next three months. (Source: Expresspharma)

Cadila Healthcare Says Exploring Cancer, Hepatitis Drug Interferon Alpha-2b for COVID-19

Drugmaker Cadila Healthcare on April 20 said it had approached Department of Biotechnology (DBT) to investigate the role of long-acting Interferon alpha-2b for COVID-19.

The Ahmedabad-based drugmaker said it is ready to undertake clinical trials based on the government's response. The company is also working with USFDA to open an Investigational New Drug (IND) filing for Pegylated (long-acting) Interferon alpha-2b and explore the possibility for "Compassionate Use Program".

Compassionate use refers to an unapproved drug or medical device still under investigation, given to patients under special circumstances such as those suffering from a serious or life-threatening disease with no available medication, like in the case of COVID-19.

Before the drug is allowed for compassionate use, the company's new drug application (IND) has to be accepted by USFDA. In normal times filing an IND takes months. The regulatory agency will seek data related to pre-clinical or animal toxicology studies, before allowing the drug to proceed to human trials.

Interferon alpha-2B is a biologic drug used in the treatment of cancers and hepatitis-B and C infections. Pegylated Interferon alpha-2b, 'PegiHepTM' can emerge as one of the pathways to treat COVID-19. The treatment has emerged after the publication of two non-peer reviewed research articles at bioRxiv and medRxiv.

The first one by the University of Texas Medical Branch, Galveston, showed evidence of a direct anti-viral effect of Interferon alpha against novel Coronavirus in vitro. The study demonstrated around 10,000 fold reduction in the quantity of virus that was pre-treated with Interferon alpha 48 hours earlier. The second by a group of universities in China, Australia and Canada retrospectively analysed 77 moderate COVID-19 subjects in Wuhan and observed that those who received Interferon alpha-2b showed a significant reduction in the duration of virus shedding period and even in levels of the inflammatory cytokine, IL-6.

"This suggests that if a long-acting molecule-like Pegylated Interferon alpha is given early on in the infection, the patient suffering from COVID-19 will have a significant benefit as the viral load is reduced, lesser IL-6 is produced and virus eliminating specific immune response is generated," Cadila Healthcare said in a statement. When the human body contracts an infection due to a viral attack, it produces a group of molecules called Type 1 interferons as the first line of defence. Interferon alpha is one such Type 1 Interferon molecule, that not only slows down the viral replication but also helps activate the two arms of our immune system – Innate, for an immediate killing of the virus and Adaptive, for long-lasting immunity.

To make it more effective, the molecule is coupled with polyethylene glycol to produce a new molecule called, Pegylated Interferon alpha, that has the same functionality as Interferon alpha but remains in the body longer and therefore, requires only once-a-week injection, thus providing a much better efficacy profile.

Cadila Healthcare has been at the forefront of the fight against COVID-19. The company is one of the world's largest producer of anti-malarial drug hydroxychloroquine which is widely used as a prophylactic drug to prevent COVID-19 infections. The company is also developing two vaccines against COVID-19 in house. (Source:Moneycontrol.com)

Lockdown: Pharma, Medical Devices Units Working Only at 20-30% of Capacity



The manufacturing units of pharmaceuticals and medical devices are working only up to 20-30 per cent of their capacity due to the national lockdown on account of the Covid-19 outbreak, the Department of Pharmaceuticals, Government of India has said.

"If production does not reach the pre-lockdown level soon, it could lead to shortage of drugs and medical devices in the country," it informed the Union Home Ministry in a communication.

Non-availability of transport and logistics services, lack of courier services, reverse migration of contractual workers to their native places, absence of a significant number of staff in pharma and devices manufacturing units, among others, have led to low production, according to the department.

"Pharma companies should be allowed to ferry back contractual workers from their native places," the letter said. Stating that many drivers had left their trucks on the roads and returned to their native places, the department requested the home ministry to permit drivers to travel back to their vehicles and start operations.

"A driver in the possession of a commercial vehicle licence should be allowed to travel with or without his vehicle. His driving licence should be treated as pass," it suggested.

Citing police harassment, lack of food, water and diesel on the roads as reasons for unwillingness of drivers to function, the pharma department said there is an 'urgent' need to motivate the drivers to resume work and reach their vehicles to start the supply chain.

To ensure the movement of medical products and devices, courier services should also be restored fully, not only in metros but also in tier-I and tier-II cities.

As about 50 per cent of the drugs being produced in the country are being exported at more attractive returns, there could be imbalance between domestic supply and exports, leading to shortage in the country, and hence the measures suggested should be implemented on a priority basis, the Department of Pharmaceuticals said. (Source: Business Line)

Air Pollution Linked To Raised Covid-19 Death Risk

Dr Maria Neira, of the World Health Organization (WHO), told BBC News countries with high pollution levels, many in Latin America, Africa and Asia, should ramp up their preparations. Those with underlying pollution-related conditions have developed severe Covid-19 in countries with high levels. But medical professionals say it is too early to prove a direct relationship.

"We will be doing a map of most polluted cities based on our database to support national authorities in these regions so that they can prepare their epidemic response plan accordingly," Dr Neira said. A US study suggests Covid-19 death rates rise by about 15% in areas with even a small increase in fine-particle pollution levels in the years before the pandemic.

"Patterns in Covid-19 death rates generally mimic patterns in both high population density and high [particulate matter] PM2.5 exposure areas," the Harvard University report says. These particles, one-30th the diameter of a human hair, have previously been linked to health issues including respiratory infections and lung cancer. The Harvard study has not yet been peer reviewed but Ludwig Maximilian University of Munich chair of epidemiology Air pollution linked to raised Covid-19 death risk Prof Annette Peters told BBC News its findings "are in line with earlier reports on hospitalisation and mortality due to pneumonia".

"It is one of the first studies substantiating our suspicion and the hypothesis that severity of the Covid-19 infection may be augmented by particulate matter air pollution," she said. Report author Prof Francesca Dominici said: "We hope it will help stop the air quality from getting worse, particularly when we are hearing about authorities trying to relax pollution rules amid this pandemic."

Another study, at the University of Siena, in Italy, and Aarhus University, in Denmark, suggests a possible link between high levels of air pollution and Covid-19 deaths in northern Italy. The Lombardy and Emilia Romagna regions had death rates of about 12%, compared with 4.5% in the rest of Italy. The study, published in Science Direct, says:

"The high level of pollution in northern Italy should be considered an additional co-factor of the high level of lethality recorded in that area."

Population, age, differing health systems, and a variation in prevention policies across regions should also be taken into account. (Source: BBC)

Maybe once in 1000 years': ICMR on Covid-19 transmission from bats to humans

The incident of humans contracting coronavirus from bats is an extremely rare event, the Indian Council of Medical Research (ICMR) said, adding that a Chinese research showed that the Sars-CoV-2 virus which has causes Covid-19 in humans is in a mutated form.

'Coronavirus is found in bats. We have come to know from the research in China so far that the virus which has affected humans either may have been because the bat virus developed such mutations that it developed the capacity to cause disease in humans or it got transmitted to pangolins from bats first and then to human beings. This question is being asked because we started a survey on emerging infectious diseases and to see if those viruses can be found in bats. We found the presence of coronavirus in two bat species but they are not capable of affecting human beings adversely,' senior ICMR scientist R Gangakhedkar said on Wednesday.

'The instances of transmission of virus from bats to humans can happen may be once in around 1000 years or so. It is a rare event,' he said. Gangakhedkar, who heads the Head of Epidemiological and Communicable Diseases department at ICMR, said that a recent study by the medical body has found the presence of coronavirus in two Indian bat species, but those are incapable of affecting humans adversely.

These bat coronaviruses have no relation with Sars-CoV-2 responsible for the Covid-19 pandemic, he said. The Union Health Ministry, meanwhile, declared 170 districts in 25 states as Covid-19 hotspots on Wednesday and 207 districts in 27 states as non-hotspots, reiterating that there has been no community transmission of the disease in the country so far.

Addressing the daily briefing to provide updates on coronavirus situation in the country, Joint Secretary in the Ministry of Health Lav Agarwal said that states have been asked to classify districts witnessing higher number of cases as hotspots, districts where some cases have been found as non-hotspots, and those which have reported no cases as green zones.

Hotspots are those districts which are reporting more number of cases or where the rate of growth of Covid-19 cases is high, Agarwal said, adding a detailed direction has been issued to states stating consolidated efforts are required to utilise this period of lockdown to curb the spread of the virus. In order to break the chain of transmission, focus needs to be on contact tracing, monitoring and clinical management. States have been asked to uniformly implement the containment plan in every district across the country, Agarwal said. (Source: The Hindustan Times)