



सत्यमेव जयते

**GOVERNMENT OF RAJASTHAN
DEPARTMENT OF MEDICAL EDUCATION**

POLICY TO PROMOTE PRIVATE

INVESTMENT

IN HEALTH CARE FACILITIES-2006

The State of Rajasthan is the largest state in India situated in Northern part of the country. Its population as per 2001 census was 56.4 million.

The state allocates around 40% of its budget in Social Sectors like Education, Health and Family Welfare, Housing, UDH, and welfare of SC & ST. A sum of Rs. 1100 crore (approximately) was spent on Medical & Health and Family Welfare in 2004-05, about 22% of which was spent on referral health care services.

The State Government decided in the year 1996-97 to open up Medical Education to private sector. Today, the State has 8 Medical Colleges of which 2 are in private sector and 6 are in public sector. The intake capacity for Undergraduate course in medicine is 800 (600 in Government and 200 in private colleges) There are 8 Dental Colleges in the State of which one is in Public sector with intake capacity of 40 and 7 are in private sector with intake capacity of 700 seats.

The hospitals attached to Government Medical Colleges are providing tertiary Health Care services to the patients from Rajasthan and from the neighboring States. Super Specialty Health Care Services like Urology, Pediatric Surgery Neurosurgery, Plastic Surgery, Neurology, Cardiology, Cardiac Thoracic Surgery, Nephrology, Gastroentology and Endocrinology are available in teaching hospitals of Rajasthan.

State Government has set up a separate University of Health Sciences in order to provide focused attention to development of Medical Education and research facilities.

In order to pass on the benefits of recent advances in the field of medicine to people residing in rural areas, it has been decided to set up a telemedicine project which is being taken up in collaboration with ISRO to link Medical Colleges to District Hospitals. The project involves an outlay of Rs. 45 crores.

There is a need to promote private sector investment in Health Sector in order to facilitate establishing of quality health care institutions within the frame work of set standards and norms. Private sector can play an important role to supplement State Government efforts in the fields of secondary and tertiary health care and diagnostic services. With the help of private sector participation, the State can maximize the benefits which might accrue from the opportunities in medical tourism, expand availability and access of quality health care services and integrate allopathic treatment with Indian and other alternative systems of medicine.

A. Policy :-

The policy shall be known as the policy for promoting private investment in Health Care Facilities-2006. It will remain in force till 31.12.2010.

B. Objectives :-

The policy shall have the following objectives:

- a. To promote private sector investment in Medical & Health Care Institutions, Medical & Dental Colleges and support units like Diagnostic Centres, Blood Banks and Paramedical Training Institutes.*
- b. To ensure delivery of quality health care with reasonable costs.*
- c. To promote development of Centers of Excellence for Medical Care.*
- d. To promote Rajasthan as a Medical Tourism Destination.*
- e. To develop Complementary and Alternative Medicine Centres.*
- f. To develop Super Specialty Health Care Institutions.*
- g. To promote Public Private Participation in Medical & Health Sector*
- h. To develop standards for infrastructure and operations.*
- i. To create a regulatory body with supportive role.*

C. Activities:-

Under the policy the Government of Rajasthan shall facilitate the private sector through following activities:-

- a. Identifying the available land for Health Care facilities.*
- b. Maintaining a land bank exclusively for health care institutions.*
- c. Promoting suitable institutions as Medical Tourism Destinations.*
- d. Facilitating the investment through speedy disposal within given time frame and through financial incentives.*
- e. Creation of Regulatory body with appropriate authority and supportive role for ensuring quality care and addressing grievances.*
- f. Laying down of minimum standards through a committee on standards to help in certification/Accreditation.*
- g. Offering paid consultancy/services related to Hospital Planning and Operations.*

D. Definitions:-

- (a) 'BIDI' means Board of Infrastructure Development and Investment Promotion.*
- (b) BPL (Below Poverty Line) patient is one who has been issued a BPL Card by an authorized official (or Competent Authority) of the State Government of Rajasthan.*
- (c) Complementary and Alternative Medicine Center (CAM Center) is an institution approved by committee of standards for providing Health Care facilities based on Alternative system of Medicine like Ayurveda, Siddha, Unani, Homeopathy and Naturopathy.*
- (d) Committee on standards will be such committee as may be constituted by Government of Rajasthan from time to time to prescribe norms and standards in respect of man power, infrastructure, equipment and operational requirements of Health Care facilities.*

- (e) *Dental Colleges are institutions running Dental and General hospitals with Under graduate/Post graduate teaching facilities as approved by Dental Council of India.*
- (f) *Health Care facility for the purpose of this policy means a health care institution like Hospital, Medical College, Dental College, or support units like Diagnostic Centers, Blood Banks investing a minimum of Rs. 10 cr. and Para-medical and Nursing Training Institutes investing a minimum of Rs. 5 cr. A hospital or nursing home investing a minimum of Rs. 50 lac will also be eligible provided it is located in a town/village with a population of less than 50 thousand situated at least 50 kms away from divisional headquarters and 20 kms away from Distt. Headquarters. The investment shall include all constructions and the cost of all facilities, equipments, fixture and fittings.*
- (g) *Hospital means a health care facility which provides medical & health care services having a minimum 50 beds for Indoor patients along with OPD facilities. In cases of hospitals/nursing homes located in a town/village with a population of less than 50 thousand and situated at least 50 kms away from Divisional Headquarters and 20 kms away from Distt. Headquarters the minimum requirement of beds will be 15.*
- (h) *Institution means -registered firm, society or trust interested in setting up Hospital in Rajasthan.*
- (i) *Medical Colleges/Hospitals are Medical institutions with Under graduate/Post graduate teaching facilities as per norms prescribed by Medical Council of India.*
- (j) *NRI investor, under the policy shall mean an Indian Citizen Residing abroad who is willing to invest in Health Care Facility in Rajasthan.*
- (k) *National Level Corporate Health Care Entity under the policy, shall mean an entity which is engaged in health care in more than one State/UT in the country and has an aggregate of 1000 beds in the hospitals managed/operated by it.*
- (l) *Private sector under the policy shall refer to a collective of individual/Society/Trust/NGO/Corporate sector willing to create Health Care Facilities in the State.*

- (m)** *State means state of Rajasthan.*
- (n)** *State Medical Planning and Resource Committee means such committee as may be constituted by the State Government to promote investment and regulate functioning of private hospitals, Medical & Dental Colleges and Health Care Institutions promoting Medical Tourism and Complementary & Alternative Medicine.*
- (o)** *Super Specialty Hospital means a hospital providing super specialty health care like Cardio Vascular Thoracic Surgery, Urology, Neurosurgery, Neurology, Cardiology, Pediatric Surgery, Gastroenterology, Nephrology, Endocrinology, Oncology, Plastic and Reconstructive Surgery.*
- (p)** *Support units under this policy shall refer to:*
- (i)** *State of Art Diagnostic Centers with a minimum of 5 advanced diagnostic techniques.*
 - (ii)** *Blood Bank with component separation facility*
 - (iii)** *Nursing and Paramedical Training Institutes*

E. The Operational Guidelines:

Under the Policy, letter of intent and proposals shall be invited by the Medical Education Dept., in a prescribed format (available at Govt. Medical Colleges on payment of a prescribed fee) from private investors intending to invest in health sector in the State of Rajasthan.

- a.** *The proposals, after scrutiny, shall be sent to concerned Principal Medical College for examining in view of need & feasibility and submitting a report within 15 days.*
- b.** *On receipt of the examined proposals, the same shall be referred to State Medical Planning & Resource Committee for comments within 7 days.*

- c.** *The State Govt. in Dept. of Medical Education shall, after considering the comments from Principal Medical Colleges & State Medical Planning & Resource Committee, accept/reject the proposal and accordingly inform the investor, within 45 days.*
- d.** *Once a proposal is accepted, the investor shall submit a detailed project report along with future projections within 3 months of the departmental communication indicating acceptance in principle.*
- e.** *The detailed proposal shall be examined by State Medical Planning & Resource Committee and the comments along with approval/rejection by the State Govt. shall be forwarded to investor within 21 days of receipt of proposal.*
- f.** *The investor shall be eligible for applying for-*

 - i)** *Allotment of land on concessionary rates*
 - ii)** *Tax concessions.*
- g.** *The allotment of Land shall be done by concerned department/agency on recommendation from Medical Education Department, based on*

 - i)** *Requirements of space in relation to proposed bed strength in view of the prescribed standards*
 - ii)** *Floor Area ratio*
 - iii)** *Building bye-laws*
 - iv)** *Land availability in the desired location*
- h.** *The tax exemption shall be granted by the concerned Dept. after receiving the recommendations form the Medical Education Department.*

- i. A customized package will be worked out for National Level Corporate Health Care entities and for those investors who are setting up health care facilities for promoting medical tourism through negotiations by a committee comprising Principal Secretary UDH, Commissioner BIP, Secretary Medical Education, Director Medical & Health Services and Deputy Secretary FD (GF&AR). Similarly customized packages will be worked out for Complementary and Alternative Medicine Centers. The customized packages will be put up to BIDI for approval.*

F. Eligibility

- (a) Minimum investment of Rs. 10 crore. (Rs. 5 cr., in case of Nursing and Para Medical Institutions and Rs. 50 lac in case of 15 bed hospitals/nursing homes situated in town/villages with population of less than 50 thousand and which are situated at least 50 kms away from divisional headquarters and 20 kms away from distt. headquarters.*
- (b) Willingness to manage the Hospital waste in accordance to Bio-Medical waste (Management & Handling) Rules, 1998 under Environment Protection Act of 1986.*
- (c) Compliance to Minimum standards laid down by the State Committee on Standards.*
- (d) Reserving 10% beds for BPL patients and charging only 25% for drugs and diagnostics from BPL patients.*

G. Land allotment and Tax benefits :

a Land Allotment:

Land will be allotted following the recommendations of State Medical Planning and Resource Committee and Government approval, by the concerned Department/Agency (JDA / RHB / RIICO / District Administration / UIT/LSG / Panchayat) in view of the following broad guidelines-

- i. *Land shall be allotted, subject to availability in the desired location, only to new institutions investing a minimum of Rs. 10 crores in a Health Care Facility (Rs. 5 cr. in case of Nursing and Para Medical Institutions and Rs. 50 Lac in case of 15 bed hospitals/nursing homes situated in towns/villages with the population of less than 50 thousand and which are situated at least 50 km away from the divisional headquarters and 20 km. away from district headquarters).*
- ii. *The existing Health Care Institutions shall not be eligible for land allotment under the policy.*
- iii. *The allotted land shall exclusively be used for the purpose for which it stands allotted; else it shall be acquired by the Government, without any compensation besides black listing the individual/society/Trust/Firm and imposing a penalty.*
- iv. *The land shall be allotted on a 99 years lease.*
- v. *The project for which land will be allotted shall, ordinarily, be completed in a period of 3 years from the date of allotment, else the allotted land shall revert to Government and any structure developed on it shall become property of State Government. without giving any right to investor to appeal or to be compensated.*
- vi. *Those who have been allotted land on concessional price, shall have to keep 10% of beds reserved for BPL patients who shall be treated free and shall pay only 25% of the charges incurred on Drugs and Diagnostics. Those establishing diagnostic centers/other services will charge only 25% of fee from BPL patients.*
- vii. *The order of Priority for land allotment for different categories of Hospitals shall be as under-*
 1. *Multi Super Specialty Hospitals.*
 2. *Single Super Specialty Hospitals.*
 3. *Medical colleges with Teaching Hospitals.*
 4. *Dental Colleges with General and Dental Hospitals.*
 5. *General Hospitals*
 6. *Support units like State of Art Diagnostic Centers/Blood Banks/ Nursing and Paramedical Training Institutes.*

The land allotment rate for different categories of investment and area shall be as follows:

<i>Amount of Investment</i>	<i>Allotment rate (% of reserve price)</i>
1. For Jaipur Distt.	
(a) <i>More than Rs. 10 crore but less than Rs. 25 crore</i>	100%
(b) <i>More than Rs. 25 crore but less than Rs. 50 crore</i>	60%
(c) <i>More than Rs. 50 crore</i>	40%
2. For All Divisional Head Quarters Distts.	
(a) <i>More than Rs. 10 crore but less than Rs. 25 crore</i>	70%
(b) <i>More than Rs. 25 crore but less than Rs. 50 crore</i>	50%
(c) <i>More than Rs. 50 crore</i>	35%
3. For all General Distts. (other than those indicated at 4 below)	
(a) <i>More than Rs. 10 crore but less than Rs. 25 crore</i>	65%
(b) <i>More than Rs. 25 crore but less than Rs. 50 crore</i>	45%
(c) <i>More than Rs. 50 crore</i>	30%

4. ***For Desert/Tribal districts of Jaisalmer, Barmer, Chittorgarh, Banswara, Dungarpur, Jhalawar, Baran, Jalore and Sirohi.***

(a) *More than Rs. 10 crore
but less than Rs. 25 crore* 55%

(b) *More than Rs. 25 crore
but less than Rs. 25 crore* 35%

(c) *More than Rs. 50 crore* 25%

5. ***For 15 bed Hospitals/Nursing Homes*** 70%
investing minimum of Rs. 50 lac in towns/villages having a population of less than 50 thousand and situated at least 50 kms away from the divisional headquarters and 20 kms away from the district headquarters.

6. ***For places of tourist importance***

The land allotment rate for all designated places of tourist importance in the State shall attract an additional concession of 5%. However, this concession shall be available at places which are not State/Divisional/District Head Quarters & the concession shall be available only in case of places figuring in the list to be maintained by Tourism Department for this purpose.

7. ***Special concession for NRI investors and National Level Corporate Health Care Entity***

With regard to the land allotment price in case of National Level Corporate Health Care Entity and NRI investors, a committee of the following officers can grant extra concession up to 10% of reserve price in each category subject to the condition that the reduced reserve price shall not be less than 50% of the reserve price in case of Jaipur and other Divisional Headquarters and 25% in case of other places.

- | | | |
|-------|---|-------------------------|
| (i) | <i>Principal Secretary UDH</i> | <i>Chairman</i> |
| (ii) | <i>Chairperson, BIP</i> | <i>Member</i> |
| (iii) | <i>Secretary, Medical Education</i> | <i>Member Secretary</i> |
| (iv) | <i>Collector of concerned district
(If revenue land is to be allotted).</i> | <i>Member</i> |
| (v) | <i>Deputy Secretary Finance (GF&AR)</i> | <i>Member</i> |

b. Tax benefits:

Under the policy, the eligible investors, in private health sector setting up health care facility in Rajasthan, shall be entitled for.

- (a) *Exemption from electricity duty on captive generation as per the provisions laid down in clause 8 (iii) of Rajasthan Investment promotion policy (RIPS) 2003 for a period of 7 years.*
- (b) *50% exemption in stamp duty (as per clause 8(iv) of RIPS 2003).*
- (c) *50% exemption in conversion charge (as per clause 8(v) of RIPS 2003).*

H. Committees:

The following committees shall be formed to accomplish the objectives of Policy-

- (a) *Committee on Standards with the following composition-*
 - i) *Principal, Medical College, Jaipur*
 - ii) *Deputy Secretary, Medical Education Member Secretary.*
 - iii) *Director, Medical and Health/ Officer on Special Duty/ Adviser Medical Education.*
 - iv) *Deputy Secretary, Ayurved. (for CAM Centers.)*
 - v) *Deputy Secretary, Finance (GF & AR)*

- (b)** *State Medical Planning and Resource Committee:*
- i)** *Secretary, Medical Education*
 - ii)** *Collector (Concerned District)*
 - iii)** *Secretary, UDH or his nominee - not below the rank of DS*
 - iv)** *Secretary, Plan or his nominee - not below the rank of DS*
 - v)** *Secretary, Finance or his nominee - not below the rank of DS*
 - vi)** *Commissioner, Commercial Taxes*
 - vii)** *Director-Medical and Health/Officer on Special Duty/Adviser Medical Education.*
 - viii)** *Principal Medical College (Concerned Division)*
 - ix)** *General Manager - Board of Infrastructure Development and Investment Promotion.*
 - x)** *Deputy Secretary, Medical Education- Member Secretary.*
 - xi)** *Deputy Secretary, Ayurved. (for CAM Centers)*
 - xii)** *Two Private Members associated with Medical profession to be nominated by the Government.*

Detailed guidelines will be issued by Department of Medical Education about powers and functioning of the above committees.

Application Format

Sl. No.

Department of Medical Education**Govt. of Rajasthan, Jaipur****Application for Letter of Intent for establishing a Health Care Facility in Rajasthan**

1. *Name of the Investor* :
- (Individual/Trust/Society/NGO)*
2. *Address* :
3. *Contact No.* :
4. *Details of the intended Health care Facility* :
- a. *Place (District/Town)* :
- b. *Bed strength* :
- c. *Specialties* :
- d. *Land Area required* :
- e. *Rural/Urban* :
- f. *Details of Facilities to be provided* :
5. *Proposed investment (Min. Rs. 10 crore)* :
6. *Finance resources*
- a. *Self* :
- b. *Loan* :
7. *Time frame to operationalize the facility* :
8. **Consent to abide by the Standards**laid by State of Rajasthan* :
9. *Manpower recruitment (No.)* :
- a. *Doctors* :
- b. *Nursing staff* :
- c. *Support staff* :
10. *Plan for future extension* :
11. *Intention for enrollment for medical Tourism (Y/N)* :

**(For Sl. No. 8 & 10 an affidavit on stamp paper is to be submitted)*

***Refer to Standard for Private Medical institutions under Private Investment Policy*

GOVERNMENT OF RAJASTHAN

Department of Medical Education (Gr.I)**APPLICATION FORM**

(Application form for grant of a No Objection-cum-Essentiality Certificate to establish a new Medical/Dental College in the State addressed to Secretary, Medical Education)

1. Name of applicant Society/Trust/Company :
(with full postal address & Tel/Fax No.)
2. Name of the applicant and his designation :
in Society/Trust/Company
3. Registration Number and Major Areas of :
Activities (enclosed copy of registration)
4. Name of Proposed Medical/Dental Colleges :
and Place where proposed.
5. Proposed annual intake of students :
6. Medical experts on the Management Board of :
proposed College (give details)
7. Availability of Land/Building with society (give details) :
8. Objectives of Society/Trust/Company with :
reference to medical education (enclose
certified copy of bye-laws memoranda and
Articles of Association/Trust deed/Company
incorporation)
9. Whether personnel from Administration/Finance/ :
Medical field are on Board
10. Financial Strength of Society :
Capital Assets :
Income :
11. Whether owns a hospital, if yes specify :
Location :
Bed compliment :
Extension :
(enclose certified copy of the title deed)

12. *Details of project financing*
 Total project cost
 Funding sources
13. *Whether agrees to give an undertaking to follow-*
- (a) *MCI/DCI/GOI/Supreme Court's guidelines & directions*
 - (b) *Time frame for establishment of College and Hospital*
 - (c) *Selection/Admission criteria as laid down by State, and*
 - (d) *Have sufficient funds for development and bank guarantees, if yes, enclose*
- Undertaking on a non judicial stamp of Rs. 10 duly attested by a first class Magistrate*
14. *Any other information*

*SIGNATURE OF APPLICANT
 WITH OFFICIAL SEAL*

List of Enclosures

To be appended with the application form:-

1. *Certified copy of bye-laws/Memoranda and Articles of Association/Trust deed/company incorporation.*
2. *Certified copy of Certificate of Registration*
3. *Annual reports and audited balance sheets for last 3 years.*
4. *Certified copy of the title deed of total available land as proof of ownership.*
5. *Certified copy of the zoning plans of available sites indicating their land use*
6. *Proof of ownership of existing Hospital*
7. *Authorization letters addressed to bankers of applicant society authorizing in State Government to make independent inquiries **regarding financial track record of the applicant society/Trust/company.***



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