

Goods and Services Tax and Its Impact On Health Care Sector

Drishya S Raj¹, Dr. A. Dharmaraj²

¹Ph.D. Research Scholar, ²Associate Professor

Department of Commerce and Management, Karpagam Academy of Higher Education, Coimbatore, Tamil Nadu, India

ABSTRACT

Goods and service tax is a major factor that has a potential to expand the economic base of India and its healthcare industry. India is one of the biggest performing nations for generics and remedial tourism, creating extra returns for the Healthcare Industry. The Pharmaceutical Industry is 3rd largest in volume and 14th in esteem all inclusive, and the need for qualified personnel and state-of-the-workmanship offices and innovations is increasing. GST is expected to positively affect the Pharmaceutical Industry by streamlining the tax structure and reducing the number of taxes. It will also help companies rationalise their production network and audit their circulation systems and technique. This will add 2% to India's Pharmaceutical market measure. GST is having a positive impact on the Healthcare and Pharmaceutical segment, as it reduces complexities and eliminates obstacles to growth, leading to improved development and profitability. This study aims to know about the impact of GST on the health care sector, impact of GST on various components of health care, tax rates applicable etc.

Keywords: GST, health care sector, tax rates.

I. INTRODUCTION

The introduction of the Goods and Services Tax (GST) is a significant step in the field of indirect tax reforms in India. It will reduce the overall tax burden on goods and services, make Indian products competitive in the domestic and international markets, and encourage a shift from the informal to formal economy. The Empowered Committee of State Finance Ministers (EC) was requested to come up with a roadmap and structure for GST, and Joint Working Groups were set up to examine various aspects of the tax. The EC released its First Discussion Paper (FDP) in November 2009, which laid out features of the proposed GST and formed the basis for discussion between the Centre and the States. The government proposes to introduce GST with effect from 1st July 2017. The Goods and Service Tax Council (GSTC) comprises of the Union Finance Minister, the Minister of State (Revenue) and the State Finance Ministers to recommend on the GST rate, exemption and thresholds, taxes to be subsumed and other matters. One-half of the total number of members of GSTC form quorum in meetings of GSTC, and decisions are taken by a majority of not less than three-fourth of weighted votes cast. All decisions taken by the GST Council have been arrived at through consensus, and various Committees and Sectoral group The features of GST can be summarized as under:

- Subsuming of 17 taxes at Central/States level.
- Consumption Based Tax.
- One Tax rate across the country.
- Taxable event – “Supply of Goods or Services”
- No differentiation in Goods or Services
- Comprehensive tax on Goods & Services
- No tax on tax.
- Free flow of credit.
- Value Addition Tax at each stage.

The passing of the GST (Goods and Services Tax) Bill has grabbed the attention across all industries in the country, as it will replace a number of different taxes and duties. The Indian Healthcare Industry is one of the major sectors with respect to revenue and employment, and the Government of India has decided to implement the GST, which will subsume various taxes of the complex tax system into one uniform tax system. GST is expected to have a constructive effect on the Healthcare Industry, particularly the Pharma sector, by streamlining the taxation structure and improving operational efficiency. It would help the Pharmaceutical companies in rationalising their supply chain, enabling a flow of seamless tax credit, and creating an equal level playing field for the Pharmaceutical companies. The biggest advantage for the companies would be the reduction in the overall transaction costs with the withdrawal of CST (Central Sales Tax). GST is also expected to lower the manufacturing cost and reduce the overall cost of technology. Additionally, duty charged on the import of such equipment and machinery would be allowed as a credits have been formed to ensure smooth roll-out of the GST.

II. OBJECTIVES OF THE STUDY

1. To study the impact of GST on various components of health care
2. To critically evaluate various GST rates applicable to health care components.
3. To understand the services provided by the health care professional and their taxability.

III. RESEARCH METHODOLOGY

This study is based on secondary data collected from various sources such as research papers, articles, books, magazines, blogs, works published by authors in different national and international journals.

IV. ANALYSIS AND FINDINGS

OBJECTIVE-1-IMPACT OF GST ON VARIOUS COMPONENTS OF HEALTH CARE

**GST AND PHARMASEUTICAL INDUSTRY

Goods and Service Tax is having a constructive impact on the Indian Pharmaceutical Industries as it has increased the manufacturing cost. Most drugs mentioned in the 5% tax bracket under GST were previously covered in the 4% tax bracket under VAT. It will eliminate the cascading effect of multiple taxes applied on One Product. Under GST, Ayurvedic medicines could get costlier as they would be taxed at the rate of 12% which was earlier covered by the 4% tax bracket under the VAT regime. Because of this hike in the tax rates, MRP has to be revised to absorb overall effect.

Besides negative impacts, there are some negative positive impacts also. Traditional Cost and Distribution Model will get replaced by supply chain efficiencies due to the discontinuance of the Central Sales tax and interstate transactions between two dealers will become tax neutral. Pharmaceutical companies will experience improved operational efficiency and improved compliance. It benefited the warehousing strategy. As of now, companies kept their warehouses in different States to avoid the Central Sales tax of different States. Now, they can consolidate warehouses at strategic locations as they will only have to pay Integrated GST (IGST) on inter-state supplies of Goods and Services. GST surely benefited the pharma sector by way of reduced complexities and the consolidation of multiple taxes into a single rate.

Now under GST, various distribution channels are required to obtain registration and file returns. Earlier they were not required to obtain registration since they were not involved in the payment of taxes and filing of returns. This has increased compliance and curb practices of non-issuance of invoices.

****GST AND MEDICAL DEVICES AND EQUIPMENTS**

GST (Goods and Service Tax) is now the only single indirect tax for entire India and it has helped in eradicating many of the hurdles previously created by indirect taxes. The healthcare industry is one of the fastest-growing sectors in India in terms of both revenue and human resources. The GST is going to affect all the components of health care such as pharmaceuticals, medical devices, insurance, diagnostics, and many more in various ways:

- i. Increased rates of medicines and surgeries
- ii. Operational cost increased for eye lenses
- iii. Increased rates of imported medicines, directly affecting the treatment cost of advanced cancer patients.
- iv. Increased prices of supportive items like hot water bag, wheelchair, knee caps, etc.
- v. Dialysis cost of kidneys slashed up to 12% from 5%.

GST has impacted the growth of the healthcare industry, particularly the medical device sector.

Effect of GST levied on medical device

Medical devices are those apparatuses or instruments used for medical purposes like diagnosis, treatment, or investigations and include devices like pacemakers, syringes, and catheters to name a few.

The positive impact of GST on medical devices

- Under the new rules, medical devices are to be taxed at a rate of 12 percent. This has provided a benefit of one percent to the medical device sector as earlier GST levied was 13%. In the long run, this may help in reducing the overall cost of healthcare.

The negative impact of GST on medical devices:

- The implementation of GST in 2017 has negatively impacted the MSME (micro small and medium enterprises) which dominate the production of medical devices in India as post-GST the import of medical devices has become much cheaper than before. They are predominantly involved in the production of medical devices in India. Today, the import of medical devices has become much cheaper than before. As opposed to the previous tax system importing medical devices has become a much more enticing option.
- Statistics say that India imports more than 75% of its medical devices from foreign nations. If this continues, India will remain very much dependent on its import of medical devices and local manufacturing of medical

devices will remain backward. Thus, resulting in a setback to the government plans of making India self-reliant.

****GST AND HEALTH INSURANCE**

Prior to the implementation of the GST, health insurance was taxed at a rate of 15%. With the introduction of the GST, the rate of tax on health insurance has increased to 18%. This implies that the premium paid for health insurance policies has increased by 3%. For instance, if the premium of a health insurance policy was Rs. 10,000 before GST, it will now be Rs. 10,300 after the introduction of GST. The increase in tax has a direct impact on policyholders, as they have to pay more towards the premium of their health insurance policies. However, the impact on insurance companies is indirect. Insurance companies have to pay GST on the services that they avail, such as the hiring of professionals, rent, etc. This leads to an increase in the cost of providing services, which ultimately affects the policyholders. Furthermore, the increase in tax on health insurance policies may discourage people from buying health insurance, especially those who are price-sensitive. This is because the increase in the premium makes the policy more expensive and out of reach for a significant section of the population.

In addition to the impact of the GST on health insurance premiums, there are other factors that can affect policyholders. For example, the type of health insurance policy and the sum insured can also impact the amount of tax that is levied. For instance, if a policyholder opts for a health insurance policy that covers critical illnesses, they may be subjected to a higher rate of tax. Similarly, if a policyholder opts for a higher sum insured, they may have to pay a higher rate of tax. Moreover, the increase in tax on health insurance policies has also led to a rise in the cost of healthcare services. Healthcare service providers have to pay GST on the services they provide, such as diagnostic tests, surgeries, consultations, and hospitalization. This, in turn, can lead to an increase in the cost of healthcare services, which can affect policyholders who avail of these services.

To offset the impact of the GST on health insurance premiums, the government has introduced a few measures. For instance, the government has allowed tax deductions for the premium paid towards health insurance policies under Section 80D of the Income Tax Act. This tax deduction is available for individuals as well as for their parents and dependents. Additionally, the government has also introduced a health insurance scheme called Ayushman Bharat Yojana, which provides health insurance coverage to families who fall under the below-the-poverty-line (BPL) category.

****GST AND DIAGNOSTICS**

The healthcare industry has been affected by the new tax system in multiple ways. Here are a few key points about health care services under GST which will give you more information.

- According to the Authority for Advance Ruling of Andhra Pradesh, the COVID-19 immunisation delivered through hospitals is subject to the 5% GST rate.
- As per the new rule, hospitals are required to tax room rent (excluding ICU).
- Patients renting rooms amounting ₹5000 per day are taxed at 5% without ITC up to the amount invoiced for the room.
- According to the Maharashtra GST AAR's (Authority of Advance Ruling) most recent decision, which favoured Jyoti Ceramic Industries, prosthetic teeth, crowns, and bridges are GST exempt health care services.

OBJECTIVE-2-GST RATES APPLICABLE TO HEALTH CARE COMPONENTS**1. GST RATES FOR PHARMACEUTICAL PRODUCTS**

From July 1, 2017, following GST slabs are applicable to all the pharmaceutical products. We have categorized the products with their respective GST Rates.

***GST RATES FOR PHARMACEUTICAL PRODUCTS @NIL**

- Nil for Human Blood and its elements
- Nil for All types of contraceptives

***GST RATES FOR PHARMACEUTICAL PRODUCTS @5%**

- 5% for Human Blood or Animal Vaccines
- 5% for Diagnostic tools for detection of all types of hepatitis
- 5% for Desferrioxamine deferiprone or injection
- 5% for Cyclosporin
- 5% for Medicaments (including veterinary medicines) used in bio-chemic systems and not having a brand name
- 5% for Oral re-hydration salts
- 5% for medicines including their salts and esters and diagnostic test kits, defined in List 3/List 4 appended to the notification No.12/2012- Customs dated the 17th March 2012.
- 5% for Formulations manufactured from the bulk drugs defined in List 1 of notification No.12/2012 – Central Excise, dated the 17th March 2012.

GST RATES FOR PHARMACEUTICAL PRODUCTS @12%*12% for All goods not defined elsewhere including**

- a) Drugs (excluding goods of heading 30.02, 30.05 or 30.06) consisting of two or more components which have been mixed collectively for prophylactic or therapeutic uses, not put up in estimated doses or in forms or packings for retail sale, including Siddha, Unani, Ayurvedic, homeopathic or Bio-chemic systems medicaments
- b) Drugs (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale, including Ayurvedic, homoeopathic Siddha or Biochemic, Unani, systems medicaments, put up for retail sale
- c) 12% for Wadding, bandages, gauze, and similar articles (for example, adhesive plasters, dressings, poultices), impregnated or coated with pharmaceutical substances.
- d) 12% for forms or packings for retail sale for surgical, medical, dental or veterinary purposes
- e) 12% Pharmaceutical products specified in Note-4 to this Chapter such as Sterile surgical catgut, similar sterile suture materials and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics; sterile surgical or dental adhesion barriers, whether or not absorbable, etc., Waste pharmaceuticals (other than contraceptives)

***GST RATES FOR PHARMACEUTICAL PRODUCTS @18%**

- 18% for Nicotine polacrilex gum.

2. GST RATES FOR MEDICAL DEVICES AND EQUIPMENTS

****GST on Medical Equipment, Cameras and Spectacles**

The GST rate for medical equipment, cameras and spectacles fall under the same **HSN code chapter of 90**. Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus are contained in chapter 90 of the HSN code. With GST rollout set to be in India from 1st July 2017, the GST Council has notified the GST rate for medical equipment, cameras, lenses, spectacles, x-ray machines and more.

****GST Rate for Medical Equipment**

Medical equipment and apparatus are taxed under all five rates of GST, namely 0%, 5%, 12%, 18% and 28%. Only hearing aids are not taxable under GST. Rest of all goods under chapter 90 of the HSN code are taxable as follows:

****Medical Equipment attracting 5% GST**

- Coronary stents and coronary stent systems for use with cardiac catheters.
- Artificial kidney
- Disposable sterilized dialyzer or micro barrier of artificial kidney
- Parts of the following goods, namely:
 - Crutches
 - Wheelchairs
 - Walking frames
 - Tricycles
 - Brailleurs
 - Artificial limbs
- Assistive devices, rehabilitation aids and other goods for disabled

****Medical Equipment attracting 12% GST**

- Blood glucose monitoring system (Glucometer) and test strips
- Patent Ductus Arteriosus
- Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight testing instruments
- Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus
- Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters
- Orthopaedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability
- Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray

generators, high tension generators, control panels and desks, screens, examinations or treatment tables, chairs and the light.

****GST Rate for Camera, Lenses and Photographic Equipment**

The following types of cameras, lenses and photographic equipment are taxed at 28% GST.

- Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps)
- Binoculars, monoculars, other optical telescopes, and mountings therefor; other astronomical instruments and mountings therefor, but not including instruments for radioastronomy
- Cinematographic cameras and projectors, whether or not incorporating sound recording or reproducing apparatus
- Image projectors, other than cinematographic; photographic (other than cinematographic) enlargers and reducers
- Apparatus and equipment for photographic (including cinematographic) laboratories, not specified or included elsewhere in this Chapter; negatoscopes; projection screens

****GST Rate for Spectacles, Eye Glasses and Contact Lenses**

The following types of spectacles, eyeglasses and contact lenses are taxed at 12% GST.

- Spectacle lenses, contact lens

The following types of spectacles, eyeglasses and contact lenses are taxed at 18% GST.

- Frames and mountings for spectacles, goggles or the like, and parts
- Spectacles, and the like, corrective, protective or other and goggles, corrective

The following types of spectacles, eyeglasses and contact lenses are taxed at 28% GST.

- Goggles (other than corrective)

****GST Rate for Optical Fibre & Other Optical or Measuring or Precision Devices**

The following items attract 12% GST:

- Mathematical calculating instruments and pantographs
- Drawing instruments, Other drawing and marking out instruments

The following items will attract 18% GST:

- Optical fibres and optical fibre bundles; optical fibre cables other than those of heading 8544; sheets and plates of polarising material; prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked.
- Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked.
- Machines and appliances for testing the hardness, strength, compressibility, elasticity or other mechanical properties of materials (for example, metals, wood, textiles, paper, plastics).
- Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments.

- Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus.
- Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes.
- Gas, liquid or electricity supply or production meters, including calibrating meters.
- Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers.
- Oscilloscopes, spectrum analyzers and other instruments and apparatus for measuring or checking electrical quantities; instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionizing radiation.
- Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this Chapter; profile projectors.

The following items will attract 28% GST:

- Compound optical microscopes, including those for photomicrography cinemicrography or micro projection,
- Microscopes other than optical microscopes; diffraction apparatus.
- Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this Chapter.
- Direction finding compasses; other navigational instruments and appliances.
- Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders.
- Balances of a sensitivity of 5 cg or better, with or without weights.
- Instruments for measuring length, for use in the hand (for example, measuring rods and tapes, micrometres, callipers), not specified or included elsewhere in the Chapter.
- Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, for other than medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, examinations or treatment tables, chairs and the light.
- Instruments, apparatus and models, designed for demonstration purposes (for example, in education or exhibitions), unsuitable for other uses.

3. GST RATES AND HEALTH INSURANCE

The Goods and Services Tax (GST), introduced in 2017, has revolutionized India's taxation system and eliminated the cascading effect of the innumerable taxes that were in place before its introduction. Now, this tax is levied across the country and covers all goods and services, including health insurance.

GST on health insurance is charged at the rate of 18 per cent, and all Indian citizens are liable to pay this tax on the purchase of health insurance. Policy holders can claim health insurance tax benefits with deductions

as per section 80D and section 80C of the Income Tax Act. These sections state that certain taxpayers can claim a tax deduction for the total premium amount paid to the insurance provider under specific insurance schemes.

Health insurance GST rates are levied as an indirect tax in addition to the actual value of service.

GST AND DIAGNOSTICS

SAC Code	Description of Services	Rate (%)	CESS (%)	Effective Date	Rate Revision
9993	Human Health And Social Care Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999311	Inpatient Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999312	Medical And Dental Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999313	Childbirth And Related Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999314	Nursing And Physiotherapeutic Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999315	Ambulance Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events	01/07/2017	18%

			under FIFA U-17 Women's World Cup 2020.		
999316	Medical Laboratory And Diagnostic-Imaging Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999317	Blood, Sperm And Organ Bank Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999319	Other Human Health Services Including Homeopathy, Unani, Ayurveda, Naturopathy, Acupuncture Etc.	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999321	Residential Health-Care Services Other Than By Hospitals	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999322	Residential Care Services For The Elderly And Persons With Disabilities	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999331	Residential Care Services For Children Suffering From Mental Retardation, Mental Health	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%

	Illnesses Or Substance Abuse				
999332	Other Social Services With Accommodation For Children	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999333	Residential Care Services For Adults Suffering From Mental Retardation, Mental Health Illnesses Or Substance Abuse	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999334	Other Social Services With Accommodation For Adults	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999341	Vocational Rehabilitation Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999349	Other Social Services Without Accommodation For The Elderly And Disabled N.E.C.	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999351	Child Day-Care Services	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%

999352	Guidance And Counseling Services Related To Children N.E.C.	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999353	Welfare Services Without Accommodation	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%
999359	Other Social Services Without Accommodation N.E.C.	18	Nil Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020.	01/07/2017	18%

(Source:secondary)

OBJECTIVE-3- SERVICES PROVIDED BY THE HEALTH CARE PROFESSIONALS & THEIR TAXABILITY

OUT PATIENT DEPARTMENT SERVICES (OPD)	Medical consultancy and treatment without admitting a patient in the Hospital. These services are exempted from GST. However, GST is payable on supply of Medicines, implants, consumables to out-patients through hospital owned pharmacy to outpatients.
INPATIENT DEPARTMENT SERVICES (IPD)	Supply of Medicines, consumables, implants, charges for room rent, consultancy charges, food & beverages, bed charges, operation theater rent, equipment charges, Doctor fees, pharmacy consumed, various testing like blood test etc. It is a Composite Supply. These services are exempted from GST. However, if food & Medicine is supplied separately on optional basis, it is not a composite supply. Hence, GST is payable.
RENTING	GST is leviable on rent paid/payable for premises, given on lease by hospital. E.g. Medical Shops on rent in Hospital Premises, pathology on rent in hospital
WASTE TREATMENT FACILITY	Services provided by operators of the common bio-medical waste treatment facility to clinical establishment by way of treatment or disposal of bio-medical or the processes incidental thereto are EXEMPT.
MEDICAL TEST SERVICES	Medical Test (either done in own Clinical establishment or done in the separate clinical establishment setup specially for such test) are exempt under GST.
MEDICAL COUNSELLING	If consultancy has been given for the purpose of CURE then it is exempted but if the purpose is CARE then GST will be payable.

SERVICES	
CORD BLOOD BANK SERVICES	Services provided by the Cord Blood Banks by way of preservation of stem cells or other service in relation to such preservation are EXEMPT.
BEAUTY TREATMENT SERVICES.	Beauty treatment services are mostly provided for the CARE purpose and not for the CURE purpose. Hence GST will be payable
SUPPLY OF FOOD WITH HEALTH CARE SERVICES	Food supplies to patients as part of health care services is composite supply & not separately taxable
SERVICES PROVIDED BY VETERINARY DOCTORS	Services in relation to health of animals and birds are exempt from GST.
AMBULANCE SERVICES	Ambulance services are also exempt from the ambit of GST

(Source:secondary)

V. FINDINGS

- The cost of a variety of medical devices that are required for a daily living has increased due to the GST. For example, the cost of dialysis for renal patients has doubled as hospitals now pay 12% tax on items including tubing, catheters, dialysis machines, needles, plasma filters, and fluid that formerly fell within the 5% tax bracket.
- Other frequently used medical types of equipment have also increased in price, such as the lead valve of a pacemaker, which is liable to an 18% tax, and CRT-ICDs, which are obligated to a 12% tax, valuing ₹15,000 to ₹20,000 more for a pacemaker and ₹40,000 more for a CRT-ICD.
- GST rates of up to 12% are applied to blood-related supplies. The price of blood has gone up after the GST, from ₹1,050 to ₹1,250. Following the announcement of the price increase for blood-related commodities, several of the state's blood banks implemented the new rule.
- Previously no GST rates were paid on the blood collection kit, which has now been placed within the scope of GST and is liable to a 12.5% GST assessed. Following the establishment of GST, blood-related supplies are now obligated to the new indirect tax regime. The installation of GST has resulted in a ₹200 rise in blood pricing.
- HB Kit is now liable to a GST rate of 18%; previously, it was 5.5%.
- The GST rate for glass slides has increased from 14% to 18%.
- GST rates are now 18% for the test kits, compared to 14.50% previously.
- Tracer tape is now subject to a 12% GST tax; previously, it was only 5.5%.
- Under the new tax regime, bands are now subject to a 12% tax rate; previously, it was 5.5%.

VI. CONCLUSION

The Indian Healthcare Industry is now among of the major sectors with respect to revenue and to employment. As the expenditure on the Healthcare increases, so do revenues from taxes. GST is expected to have a constructive effect on the Healthcare Industry, particularly the Pharma sector, by streamlining the taxation structure and improving operational efficiency. It will reduce transaction costs and lower manufacturing costs, enabling a flow of seamless tax credit, improvement compliance, and creating an equal level playing field for the Pharmaceutical companies. It is expected to add 2% to the country's Pharmaceutical industry. The introduction of GST would make it possible for tax credits to flow smoothly, enhance compliance, and level the playing field for pharmaceutical businesses operating in the nation. The companies' main benefit from the removal of CST would be the decrease in overall transaction costs (Central Sales Tax). GST also lowers the overall cost of technology, which is another advantage. The levy imposed on importing such machinery and equipment would be recognised as a credit under the GST.

VII. REFERENCES

- [1]. Banik, S., & Das, A.(2017). GST in India: Impact and challenges. *Journal of Business and Management*. 19(12), 7- 10.
- [2]. Sehrawat, M., & Dhanda, U.(2015). GST in India: a key tax reform. *International Journal of Research*. 3(12), 133- 141.
- [3]. Sheikh, S., Sameera, S.A., & Firoj, S.K.C.(2015). Does Goods and Services Tax (GST) Leads to Indian Economic Development. *Journal of Business and Management*. 12(17), 1-5.
- [4]. Khurana, B.(2017). GST India: Effects on Indian Economy. *International journal for innovative research in multidisciplinary field*. 3(6), 27-29.
- [5]. MARKSMAN Healthcare (june27-2017) "Impact of GST on Indian Healthcare sector"
- [6]. Dani, S.(2016). A Research Paper on an Impact of Goods and Service Tax (GST) on Indian economy. *Business and Economic journal* 7(4), 1-2.
- [7]. Sehrawat, M., & Dhanda, U.(2015). GST in India: a key tax reform. *International Journal of Research*. 3(12), 133- 141.
- [8]. Manasi Shah (May20-2017)" Impact analysis of GST on Indian Hospitality Industry
- [9]. Ms.N. Ramya and Ms.D. Sivasakthi "GST and its impact on various sectors" Retrieved from *Journal of Management and Science* ISSN: 2249-1260 | e-ISSN: 2250-1819 | Special Issue. No.1 | Sep'17.
- [10]. Bibhu, P.S. and Neeraj. J "A study on Impact of Implementation of GST on Inflation in selected countries: An Intervention Model", *Asian J. Management*; 8(2): April- June, 2017