

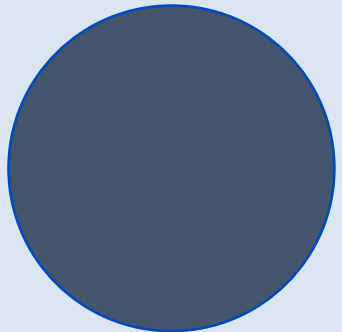




# **Role of CAs as enablers in Healthcare *Transformation***



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CFO – India, Medcover





# Agenda

Introduction

Conventional Role Vs Healthcare Scenario for CAs

Why CAs are an apt choice as ***enablers of transformations***

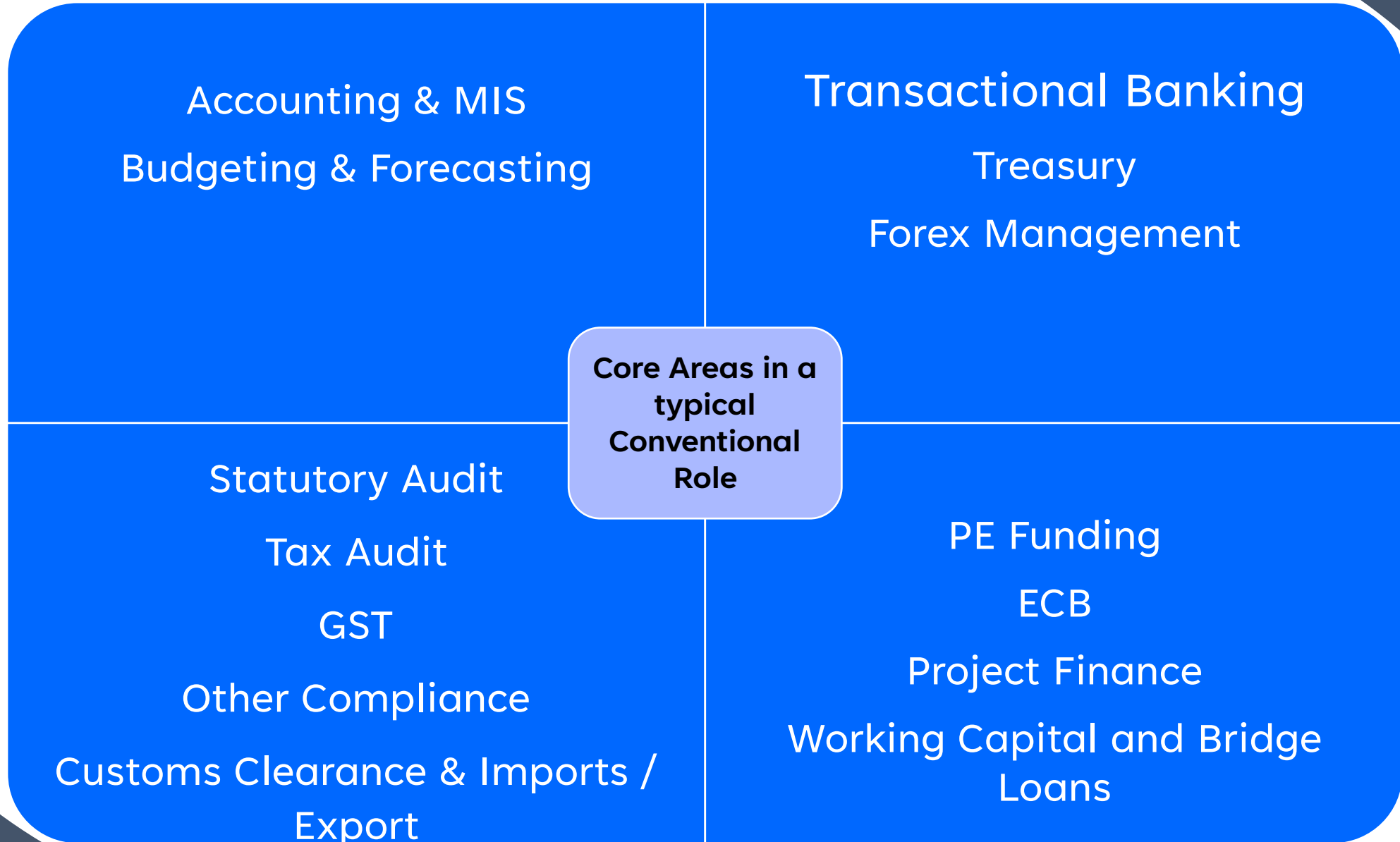
Some personal anecdotes and case scenarios

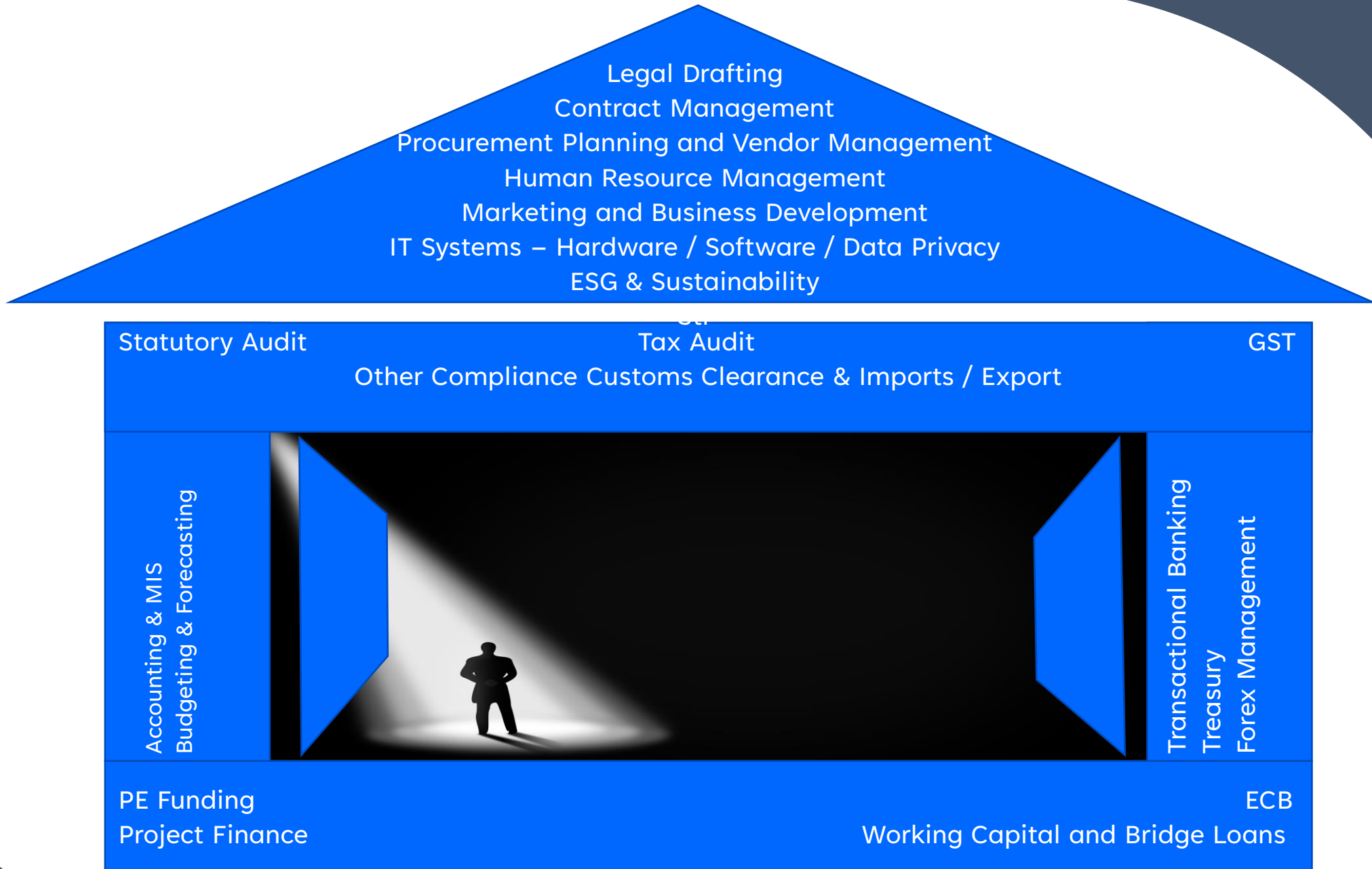
Roles available for CAs in Healthcare arena as an employee or service delivery partner







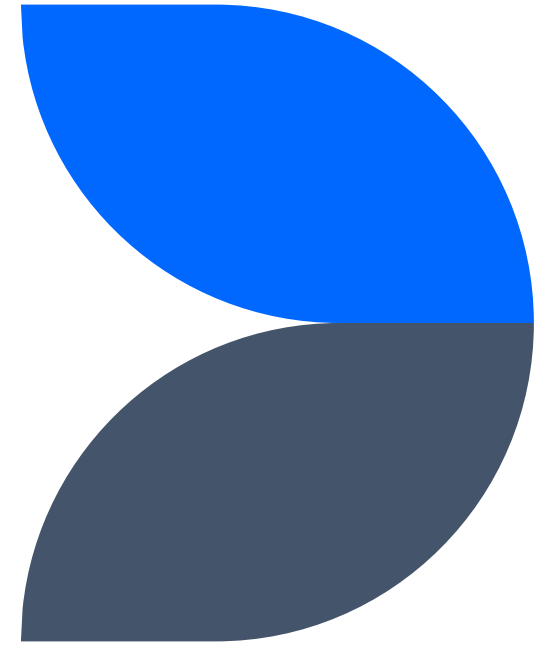






# CAs as Healthcare Transformation enables

- Why
- How
- When



# Why and How - Challenges in Healthcare for CAs

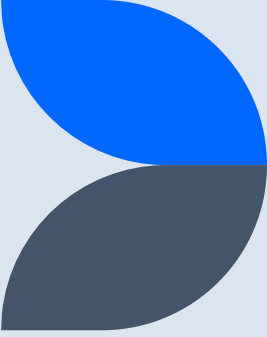
- Healthcare is Capital and Labour Intensive Industry
- Large healthcare projects may need longer gestation period with low IRR
- Hospital has a major exposure on Forex rates (directly / indirectly) and are highly dependent on import of technology and equipment from abroad.
- Patient prefer paying in Cash – sec 269 ST, 285BA, 271DA
- A/P wishes to receive everything in Cash ! - withholding taxes
- India has low Insurance penetration , but catching up
- Input credit is not available for GST , being an exempt Industry
- Import duties are higher for capital equipment
- Standardization are not available across the Industry
  - Bar Codes are not standardized
  - Hospital Management Software are not standardized
  - Disease codes are not standardized
  - Machines are being manufactured with closed technology
  - Healthcare is a state subject rather than union including education, training and legislation
- Managing Cash Flow cycles and Costs is very challenging
- Healthcare Industry is heavily controlled through licenses for equipment as well staff, making its processes cumbersome and resulting into high attrition

# Areas where CAs Contribute as enables

## WHY CAs



# Areas where CAs Contribute as enables



## How

- Understanding and implementing the technology according to the size of the hospital
- Managing the near perfect supply chain processes and stock levels
- Contract management during project or operational phase
- Assisting to create an environment for stricter compliance of internal SOPs and other statutory obligations
- Robust and meaningful MIS for various levels of users
- Assist the management to develop the correct pricing policies based on the market, size of the unit , competition and lifecycle of the project
- Fight for price revision at appropriate time in a professional manner
- Guide the management on the everchanging framework of the compliance , *not necessarily the commercial areas*
- Developing an agile, reliable and high performing team with perfect delegation but with stronger grip on each aspect of the processes and the balance sheet items
- Jump into unchartered territories to fix the leakages or encash the hidden potentials in the whole business

➤ **Negotiate**

➤ **Navigate**

➤ **Innovate**

# Opportunities for CA fraternity in Healthcare

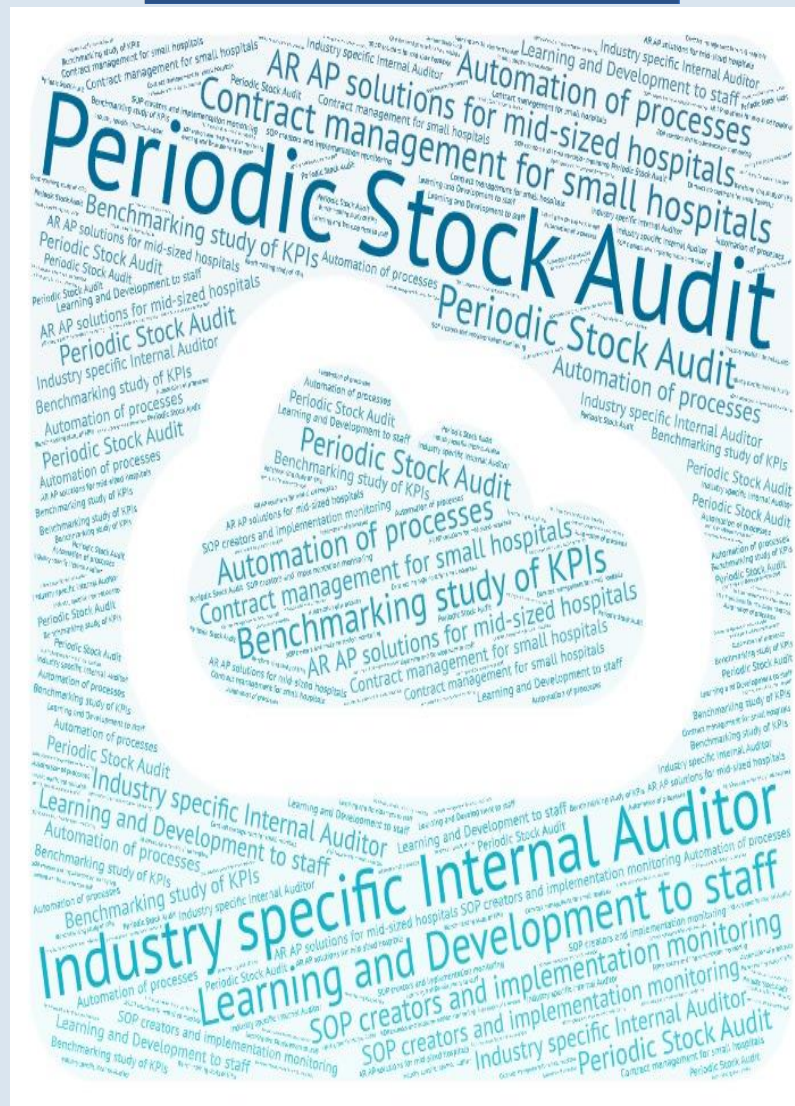
- Unchartered Territory
- Industry is shaping up and moving towards PE funding
- Compliance are becoming more complex
- Technology is pushing for cost of equipment moving up, especially in Imaging and robotics
- Days of band aid funding and fund planning is over for small and mid sized hospitals
- Companies are compelled to invest in IT infra and becoming processes driven
- Different sub models are emerging as dedicated player requiring focused approach at all aspects

# Opportunities for CA fraternity in Healthcare

## Conventional



## Industry demands



## Emerging Fields

- Data interface
- Data protection compliance
- ESG and Sustainability
- FDI and ECB
- M & A
- Preparing for listing
- IFRS Reporting
- Standardization of processes
- Forensic audit and deep dive audits
- Clinical Research Accounting and certification
- Outsourcing of accounting division for healthcare start ups



**Thank you**

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