

2 Health related Joint Ventures with HLL

GCSRA Policy Note
2016

GACL, GCSRA & HLL Project-1

- **GACL, Gujarat CSR Authority & HLL have signed an MOU to-**
 - **Set up quality diagnostics facility in major Civil Hospitals;**
 - **Run Generic Medicine Stores in Govt. Hospitals; and**
 - **Set up production facility for sanitary napkins**
 - **It is expected that Health Department and few other companies will also join this project**
 - **GCSRA will link some CSR funds from various Companies as equity to the proposed Company**
 - **The design of proposed company and these projects are based on GGRC model**
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GACL, GCSRA & HLL Project-1

Generic Drug Stores

- **Low cost generic medicine stores will be set up in major cities and civil hospitals**
- **These Stores will also handle OPD prescriptions in Civil Hospitals and the city stores will also sell medicines to others, including home delivery to the patients on long term medication**
- **Space will be provided by Civil Hospitals and OPD medicines will be handled on service charge basis**
- **HLL model with fully integrated software is running in AIIMS, managing over 1500 prescriptions per day**
- **HLL is also developing App to convert branded drug into generic drug**
- **The initial cost of this project will be Rs. 20 crore**
- **Benefits-**
 - **Every OPD patient in Civil Hospitals will get assured free drugs**
 - **Sizeable reduction in medicine cost to old patients on regular medication**

GACL, GCSRA & HLL Project-1

Sanitary Napkin Production Unit

- **The Joint Venture Company also proposes to set up a low cost sanitary napkin production unit to produce 40 crore pieces per year**
 - **The quality of these napkins are comparable to the high range products available commercially**
 - **HLL is working with GoI, Governments of Tamilnadu, Karnataka, Himachal Pradesh and A.P.**
 - **The manufacturing plant will cost Rs. 20 crore**
 - **Benefit-**
 - **Reduced infection and pre-cancerous condition among rural women & girls**
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GACL, GCSRA & HLL Project-1

Diagnostics facility in Civil Hospitals

- **Proposed JV Company proposes to set up these facilities in Civil Hospitals & CHCs to provide equipments like-**
 - **MRI**
 - **CT Scan**
 - **X-Ray machines**
 - **Pathology lab**
 - **It is proposed to initially set up 20 such facilities in next 3 years**
 - **Patients will be provided free diagnostic services and the actual cost along with 10% service charge will be claimed from the Health Department**
 - **This project will cost Rs. 100 crore**
 - **Benefit-**
 - **Assured, high quality diagnostic facility for poor patients**
 - **Significant reduction in over all cost of illness to the poor**
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GACL, GCSRA & HLL Project-2

Low cost maternity centres in remote districts

- **This JV proposes to set up basic maternity care centres having**
 - **Hub hospitals with Gynaecologist and other staff to handle caesarian delivery**
 - **Spoke Hospitals for routine check up, follow up and normal delivery**
 - **Some of the existing Trusts run hospitals can also be involved on franchise model**
 - **An MOU has been signed by HLL, GACL and Gujarat CSR Authority to set up a new company**
 - **It is expected that Health Department will also join this project and GCSRA will bring more private companies to participate**
 - **Project initially to focus in Chhota Udepur and Narmada districts and slums of Vadodara city**
 - **The model is based on-**
 - **No-frills**
 - **High asset utilisation**
 - **Para skilling**
 - **This project will require initial funding of Rs. 10 crore**
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Organisational models

- **It is proposed that 2 Joint Venture Companies can be formed on the model of GGRC by Health Department, GACL, GCSRA, HLL and other interested companies**
 - **Unused building and space of Health Department can be rented to these Companies**
 - **First company will deal with Generic Drug Stores, Diagnostic facilities & sanitary napkin production unit-**
 - It will need investment of Rs. 140 crore in 3 years
 - 35% of the capex or Rs. 50 cr will be equity and Rs. 90 crore will be loan
 - Equity will be contributed by HLL- Rs. 7.5 cr, Health Department- Rs. 15 cr, GACL- Rs. 10 cr, other CSR contribution- Rs. 17.5 cr
 - **Low cost maternity hospitals and sanitary napkin distribution in rural areas will be taken up by the second company**
 - It will need investment of Rs. 10 cr (equity Rs. 4 cr, loan Rs. 6 cr)
 - Equity of Rs. 1 cr each will be contributed by HLL, Health Department, GACL and other private companies.
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Financial models

sanitary napkins project

- **An adolescent girl will need 120 pads per year**
 - **Production facility of 40 crore units can serve over 33 lakh girls & women**
 - **Based on demand, more units can be set up**
 - **Considering the basic price of Rs. 2 per piece, if there is subsidy of Re. 1 per piece, these can be marketed @ Re 1 per piece or Rs. 5 per packet of 5**
 - **Total subsidy needed for 33 lakh rural women & girls will be Rs. 40 crore**
 - **Marketing, awareness generation, distribution of these napkins will be done by the JV Company**
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Financial models

generic medicines project

- **Stores will be fully computerised**
 - **Every patient's record can be traced for next 2 years**
 - **Medicines can be brought at GoG tendered prices**
 - **Company will keep service charge of 7.5% on the medicines dispensed to OPD patients**
 - **Medicines to outside patients will be sold on Jan Aushadhi Yojana terms**
 - **Civil hospital premises can be used at R & B prescribed rent**
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Financial models

Maternity Homes project

- **Govt. hospitals' unused space can be taken on rent**
 - **There will be two types of maternity homes-**
 - **Base (Hub) Homes having gynaecologists and facilities for caesarian section**
 - **Spoke Homes having MBBS doctor for normal delivery and initial screening. These will take support of ASHA workers**
 - **Every hospital will be covered under RSBY and Chiranjeevi Yojana**
 - **Cost of poor patients covered under these schemes will be obtained from respective schemes**
 - **Other patients will pay the normal but low charges. All uncovered poor patients will be treated free**
 - **Complicated cases will be referred to tertiary hospitals**
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Financial models

Maternity Homes project

- **Services of Asha workers will be used for screening of expectant mothers and their pre-delivery checks**
 - **Services of 108 ambulances will be used for bringing expecting mothers**
 - **Tie up with blood bank and anaesthetists will be made on need basis**
 - **Target districts are- Chhota Udepur and Narmada**
 - **Project will have strong nutrition guidance and IEC components to ensure-**
 - **Drop in MMR & IRR**
 - **Average weight of new born to be minimum 2.75 kg**
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