# Health Care Services under GST

'Health care services' means the providing medicine, medical or surgical treatment, nursing, hospital , dental service, complementary health services , ambulance services for patient transportation or for any other services relating to sickness or personal injury and providing services for the purposes of preventing, alleviating, curing or healing human illness, physical disability or injury. As per Oxford Dictionary, Health Care means the maintenance and improvement of physical and mental Health, especially through the provision of medical services.

In the pre-GST regime, the health care services were not under the scope of levy of Service Tax. In the GST regime the Government instead of giving full exemption to health care services but minimizes the burden of tax by exempting certain health care services as a welfare measures for the citizen of the country.

**Exemption of Health Care services under GST:**

**Notification No. 12/2017-Central Tax (Rate) dated 28-06-2017** has exempted health care services vide Sr.No.74 and **Notification No.9/2017 – Integrated Tax (Rate) dated 28-06-2017** has exempted health care services vide Sr. No.77 which is reproduced as under:

| S.L. No. | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Services | Rate (Percent.) | Condition |
|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) |
| 74 of **Notification No.12/2017** and 77 of **Notification No.9/2017** | Heading 9993 | Services by way of-<br>(a) health care services by a clinical establishment, an authorised medical practitioner or para-medics;<br>(b) services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above. | Nil | Nil |

Thus, the above table relating to exemption notification implies that Services by way of:

(a) "Health care services by a clinical establishment, an authorised medical practitioner or para-medics;
(b) Services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above, are exempted from the payment of tax under GST regime.

Definitions. – For the purposes of this notification

"Health care services" means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct

anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma;

“Clinical establishment” means a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India, or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases;

“authorised medical practitioner” means a medical practitioner registered with any of the councils of the recognized system of medicines established or recognized by law in India and includes a medical professional having the requisite qualification to practice in any recognized system of medicines in India as per any law for the time being in force;

“Paramedics” mean health care professionals such as nursing staff, physiotherapists, technicians, lab assistants etc. Services by these professionals in a clinical establishment in the capacity of employee and not provided in independent capacity and thus consider as services by such clinical establishment. Similarly, services of assisting an authorised medical professional shall be considered as services by such authorised medical professional only.

Apart from the definition as provided under exemption notification and reference for wider definition as provided under Section 2 (e) of the Clinical Establishments (Registration and Regulation) Rules, 2010 defines clinical establishment as:

(i) a hospital, maternity home, nursing home, dispensary, clinic, sanatorium or an institution by whatever name called that offers services, facilities requiring diagnosis, treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicine established and administered by any person or body of persons, whether incorporated or not; or

(ii) a place established as an independent entity or part of an establishment referred to in sub clause (i), in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radio logical, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment , are usually carried on, established and administered or maintained by any person or body of persons, whether incorporated or not, and shall include a clinical establishment owned, controlled or managed by the:

- The Government or a department of the Government;
- A trust, whether public or private;
- A corporation ( including a society ) registered under a Central, Provincial or State Act, whether or not owned by the Government;
- A local authority; and
- A single doctor,

But does not include the clinical establishments owned, controlled or managed by the Armed Forces constituted under the Army Act, 1950, the Air Force Act, 1950 and the Navy Act, 1957.

**Meaning of various terminologies used in the definition:**

**Hospital:** As per WHO, hospital means- Health care institutions that have an organized medical and other professional staff and inpatient facilities, and deliver medical, nursing and related services 24×7

hours. Hospitals offer a varying range of acute, convalescent and terminal care using diagnostic and curative services in response to acute and chronic conditions arising from diseases as well as injuries and genetic anomalies.

**Maternity Home:** Means any premises used or intended to be used for reception of pregnant women or of women in labour or immediately after child birth.

**Nursing Home:** Means any premises used or intended to be used for reception of persons suffering from any sickness, injury or infirmity and providing of treatment and nursing for them and include a maternity home. A nursing home is a small private establishment providing *healthcare services* with accommodation.

**Clinic:** A medical facility run by a single or group of physicians or health practioners smaller than a hospital. Clinics generally provide only outpatient services and can have an observation bed for short stay.

**Sanatorium:** A sanatorium is an institution that provides medical treatment and rest, often in a healthy climate, for people who have been ill for a long time for chronic disease such as tuberculosis etc.