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GST and Healthcare Accessibility: A Conceptual Framework Linking Tax Policy with Public Health Efficiency

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Abstract

This study explores the relationship between Goods and Services Tax (GST) and healthcare accessibility through a conceptual framework linking tax policy with public health efficiency. As healthcare systems face increasing cost pressures and accessibility challenges, the role of fiscal policy-particularly indirect taxation-has become critically important. The study adopts a theoretical research design based on secondary data collected from peer-reviewed journals, edited books, Scopus- and Web of Science-indexed articles, and government reports from the Government of India and the Government of Andhra Pradesh. The findings indicate that GST has improved transparency, reduced tax cascading, and enhanced efficiency in healthcare supply chains. However, it also imposes additional cost burdens on certain medical goods and services, which may negatively affect affordability and access, especially for economically weaker populations. The study emphasizes that the impact of GST on healthcare accessibility is highly dependent on policy design, including tax exemptions, differential tax rates, and alignment with public healthcare schemes. Institutional efficiency and governance mechanisms further influence how effectively GST contributes to public health outcomes. The study concludes that GST can serve as a strategic policy tool for improving public health efficiency if it is carefully designed to balance economic objectives with healthcare accessibility. The proposed conceptual framework provides insights for policymakers to develop more inclusive and health-oriented tax policies.

Keywords: GST, Healthcare Accessibility, Public Health Efficiency, Tax Policy, Indirect Taxation, India, Healthcare Economics

Introduction

Accessibility to healthcare has been a key issue to policy makers in both developed and developing economies, especially in the light of the increasing costs of healthcare and disproportionate allocation of healthcare services. The intersection of taxation policy with the public health outcome is a topic of the growing scholarly interest in the past years, and indirect taxes like the Goods and Services Tax (GST) are critical in determining the affordability and efficiency of healthcare (Cutler, 2010; Wallace, 2016). The ability of GST as a holistic consumption tax system to affect and impact the accessibility of healthcare is that it may affect the price of medical goods, pharmaceuticals, and services (Rao, 2015; Sengupta and Jha, 2021).

Presentation of GST in such countries as India has brought opportunities and challenges to the healthcare sector. Although GST will ensure simplicity of tax systems,

minimization of the cascading effects and enhance transparency, its implication on healthcare accessibility is multifaceted (Ansari, 2013; Thomas, 2022). Rationalization of taxes on one hand offer the possibility of reducing the inefficiency of operations in healthcare and encouraging investment in healthcare infrastructure; on the other hand, taxation on essential medical supplies may lead to higher out-of-pocket costs on patients, restricting access, especially among the economically disadvantaged populations (Petchey, 2009; Garg *et al.*, 2025).

Conceptually, the connection between tax policy and healthcare efficiency can be perceived in a variety of dimensions, such as the cost efficiency, service delivery, and equity. Taxes policies impact resource distribution in the healthcare system, including aspects of the supply, e.g., hospital functioning, and demand, e.g., patient affordability (Beretta, 2018; James, 2022). Furthermore, it is the behavioral

and institutional factors as well that can determine how the changes in taxes are translated into the actual healthcare outcomes (Matonytė, 2006; Jahedi *et al.*, 2025). Recent research underlines the necessity of the fiscal policy to be combined with the national goals of healthcare to create sustainable healthcare systems (Carmona Marques *et al.*, 2025; Duckett, 2025). In this aspect, GST can serve as a policy tool to maximize or limit access to healthcare based on its design and exemptions, as well as its implementation plans (Harikrishnan and Hiremath, 2026; Kumar, 2026). More so, the compliance and efficiency might be enhanced due to the technological innovations and administrative changes that are connected with GST systems, which, in turn, will positively impact healthcare provision (S. and C., 2024; Anjarwi, 2025). Considering such dynamics, a generalized conceptual framework is required to connect the policy of GST and the efficiency of public health. This framework can be used to figure out the channels through which taxation can affect the availability of healthcare and give insights on how different fiscal policies can be crafted to be more inclusive and effective. The present research will also fill this gap by proposing a systematic model that would combine taxation mechanisms and healthcare outcomes, thus, adding to the academic discussion as well as to the policy-making process.

Review of Literature

The interaction between tax policy and healthcare accessibility has been a topic of existing literature and especially on a topic of the indirect taxation policy systems like the Goods and Services Tax (GST). Researchers have highlighted the fact that the taxation systems play a major role in how affordable healthcare is, how services are passed, and the efficiency of the entire system. Early works by Ansari (2013) and Rao (2015) point to the fact that tax reforms in developing economies are designed to make taxation simpler and more effective in terms of revenue collection, but the changes to the key sectors such as healthcare would have to be taken into account. As a destination-based consumption tax, GST has an impact on the cost of medical supplies, as well as the price of medical services, and, therefore, has a direct impact on patient access.

There is a large amount of literature devoted to the economic consequences of healthcare taxation. Cutler and Wallace (2010) and Wallace (2016) state that the increasing healthcare expenses, fueled by fiscal policies, introduce access barriers, particularly among the low-income groups. Likewise, according to Petchey (2009) indirect tax on healthcare commodities may have retrogressive effects, which may be disproportionately applied to the vulnerable groups. In the Indian case, Sengupta and Jha (2021) note that although GST has minimized the effect of cascading taxes and enhanced the level of transparency, its effects on healthcare access have been mixed since tax rates on medical products and services vary.

Recent researches have introduced an additional debate on the topics of efficiency and institutional views. Beretta (2018) and James (2022) point out that tax policies can affect the operation of healthcare systems not only in terms of prices but also in terms of efficiency. Effective tax administration is known to be able to improve allocation of resources, diminish the burden of compliance, and enable development of healthcare infrastructure. Moreover, Matonytė (2006) and Jahedi *et al.* (2025) present the elements of behavior and governance, and the authors indicate that the quality of the institutions and the reaction of the stakeholders are significant

factors influencing the relationship between the changes in tax systems and healthcare outcomes. Modern studies also emphasize the collaboration of fiscal policy and state health goals. The authors Carmona Marques *et al.* (2025) and Duckett (2025) recommend that the tax systems should be aligned with the health policy objectives in order to deliver health care in an equitable and sustainable manner. According to this, Harikrishnan and Hiremath (2026) and Kumar (2026) discuss the Indian GST system and suggest that with the help of strategic exemptions and reduced tax rates, which cover the most necessary health care products, accessibility may be greatly enhanced. Besides, Garg *et al.* (2025) note that it is crucial to decrease out-of-pocket spending with the help of supportive tax policies.

The literature has also touched on technological changes and administrative modifications that are related to GST. According to S. and C. (2024) and Anjarwi (2025), transparency, decrease in tax evasion, and efficiency are the advantages of digital tax systems, which in turn can indirectly have positive effects on the healthcare sector by guaranteeing the appropriate distribution of the state funds. In general, the literature shows that although GST can enhance the efficiency of the economy, its design and implementation play a critical role in the effects of this tax on the accessibility of healthcare. Nevertheless, the further provision of a single concept framework to organize a conceptual connection between GST policy and its impact on the efficiency of public health lacks, which this research will fill.

Methodology

The research design that has been chosen by the current study is pure theoretical and conceptual research to investigate the connection between Goods and Services Tax (GST) and healthcare accessibility in the context of the general issue of the efficiency of public health. The study relies completely on secondary sources of data, which signify academic rigor and credibility. Peer-reviewed journals, edited books, and high-quality research articles in the Web of Science and Scopus databases were searched and identified as relevant literature. These references are very effective in offering strong theoretical and empirical background to the problem of interaction of taxation policies and healthcare systems.

Moreover, the research includes the experiences of government report and policy documents, especially the reports released by the Government of India and the Government of Andhra Pradesh. These reports provide feasible insights into the GST implementation, healthcare plans and government health initiatives, which allows to analyze the policy in a policy-oriented way. The provision of government schemes and official sources makes the study contextually relevant, particularly in Indian healthcare environment. The methodology is not based on the collection of primary data or empirical models created by the authors. Rather, it integrates the existing literature to derive a conceptual framework that reveals the effects of GST on healthcare in terms of affordability, access, and efficiency. In this way, the subject can be understood comprehensively and remain theoretically rich and policy relevant.

Objectives of the Study

- To examine the conceptual relationship between GST policy and healthcare accessibility in the context of public health systems.
- To develop a theoretical framework linking taxation policy with public health efficiency using existing literature and government reports.

Discussions

The debate points out that GST, as an integrated indirect tax regime, has a dual contribution to the process of determining healthcare accessibility and efficiency of the population in terms of health. On the one hand, GST helps to increase the efficiency of the economy: it lowers tax cascading, enhances transparency, and simplifies supply chains in the healthcare industry (Rao, 2015; Sengupta and Jha, 2021). These advancements can boost operational efficiency in the hospitals and pharmaceutical distribution, which will help in the service delivery. Conversely, the introduction of GST on some of the medical goods and services can cause prices to rise, which in effect would impact on both affordability and access, especially to low-income groups (Petchey, 2009; Wallace, 2016).

The literature also supports the notion that the success of GST as a tool that facilitates the access of healthcare services is heavily inclined on its design, such as tax rates, exemptions, and implementation processes (Ansari, 2013; Thomas, 2022). Research stresses the idea that the negative impact can be mitigated with the help of strategic tax breaks on necessary medicine and medical care, and can provide better equity in access (Garg *et al.*, 2025; Kumar, 2026). In addition, the role of institutional efficiency and governance in the transformation of tax reforms into health care results is of critical importance (Matonytė, 2006; Jahedi *et al.*, 2025). GST can be a policy instrument to promote the efficiency of the population in case it is matched with the healthcare goals. Nevertheless, it can unintentionally contribute to the decrease in the accessibility gap, which is why the balanced and inclusive fiscal policy is of high importance (Carmona Marques *et al.*, 2025; Duckett, 2025).

Major Findings

The analysis concludes that GST can influence immensely but in a complicated way the health care accessibility and the efficiency of health among the population. Among the most significant results, one can distinguish that GST has increased transparency and minimized tax cascading, which has increased the efficiency of the operation in the healthcare supply chain (Rao, 2015; Sengupta and Jha, 2021). This has been a boost to the supply and supply of medical commodities and services. Nevertheless, it is also found that the implementation of GST on some healthcare provisions has resulted in more cost to patients, especially to those who are economically disadvantaged (Petchey, 2009; Wallace, 2016). The other key observation is that a GST effectiveness in enhancing the healthcare accessibility, particularly in exemptions and varying tax rates on essential healthcare provision, depends on policy design, in this case (Ansari, 2013; Thomas, 2022). This will be essential in reducing adverse effects and facilitating fair access through the incorporation of government programs and special subsidies (Garg *et al.*, 2025; Kumar, 2026). According to the study, the mechanisms of efficacy of these institutions and governance play a vital role in converting GST advantages into better healthcare results (Matonytė, 2006; Jahedi *et al.*, 2025). In general, GST is capable of improving the efficiency of the population in terms of providing inclusive and health-oriented fiscal policy (Carmona Marques *et al.*, 2025; Duckett, 2025).

Conclusion

The research finds that GST as an all-inclusive indirect system of taxation has a high potential to impact the accessed healthcare and effective population health. Although GST has

helped to enhance transparency, minimize cascading, and efficiency of the healthcare supply chain, its effect on affordability is a crucial issue (Rao, 2015; Sengupta and Jha, 2021). According to the findings, even though GST makes the tax system easier, the fact that some healthcare goods fall within the taxable category can have the effect of increasing out-of-pocket spending, hence restricting the accessibility of economically disadvantaged population groups (Petchey, 2009; Wallace, 2016).

Besides, the success of GST in attaining fair healthcare results greatly relies on the design and implementation. It is important to be inclusive by creating strategic exemptions, reduced payable taxes on basic medical services and coherence with government healthcare plans (Ansari, 2013; Thomas, 2022; Garg *et al.*, 2025). The administration efficiency, institutional quality, and governance also define the effectiveness of GST policies in converting them into real-life healthcare gains (Matonytė, 2006; Jahedi *et al.*, 2025). To sum up, GST may also become a highly effective policy tool to promote the efficiency of the population health in case it is properly coordinated with the purposes of healthcare. To make sure that economic efficiency is not at the expense of the access to health care, a balanced and inclusive fiscal strategy is required (Carmona Marques *et al.*, 2025; Duckett, 2025).

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