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## Survey

### Indian Hospital Best Practices Survey Study Highlights Challenges and Opportunities

#### Affordability of the high cost of technology by consumers of healthcare in India will necessitate significant adaptations to technology

India's hospital industry faces significant shortage of qualified manpower in all categories of doctors, nurses and paramedical staff. This is perceived to be the single most important challenge that Indian hospital industry will have to reckon with. Additionally, building hospitals without a mandatory 'needs analysis' in light of catchment area requirements will lead to an uneven development of healthcare delivery infrastructure and hamper optimal utilisation of scarce resources.

Affordability of the high cost of technology by consumers of healthcare in India will necessitate significant adaptations to technology in the context of Indian markets. This is especially important in light of the escalating costs of material and equipment.

Hospitals also face limitations due to significant bureaucratic hurdles in obtaining clearances for setting up new facilities. The other Governmental policies that will hinder growth are lack of a consistent policy on accreditation of healthcare delivery institutions, existence of arcane rules that inhibit participation of private sector in owning and operating medical and paramedical educational institutions, lack of availability of health statistics which could promote proper planning of facilities and low government budget allocation to healthcare as an industry.

These challenges to the Indian hospital industry are part of the findings of a recently released report—Sustaining & Growing, a survey of hospital CEOs in India, authored by Accelerator Group LLC. Accelerator Group is a US and India based investment banking firm specialising in healthcare. Respondents included national leaders such as Max Healthcare, Fortis Healthcare Limited and regional hospitals such as Rockland Hospital, Heritage Hospital, Soni Hospital, Sahyadri Hospital, Kerala Institute of

Medical Sciences etc.

This study focused primarily on the private sector to better understand best practices, which are being employed by senior management in India's hospital industry. These included revenue enhancement, cost containment strategies, recruitment and retention strategies.

Seema Chaturvedi, Managing Director of Accelerator Group, emphasised the importance of these findings in light of the dominance of private sector in delivery of healthcare in India. Additionally, she noted, "With almost 80 per cent of healthcare consumption being financed by private payers, especially through out-of-pocket means, it is critical that CEOs share best practices through such forums to allow for a multiplier effect that leverages the knowledge pool and optimises resources." The study highlights the extremely high level of optimism among all participants for the sustained growth of the industry. Despite the high capital intensity of the industry, most respondents are planning significant scale-up of the delivery infrastructure. A key issue in seeking financing for these expansions was the still prevalent commercial terms that are extended by most commercial banks. Respondents underscored the substantial benefits of a strong public-private partnership (PPP) model for healthcare delivery and education as a powerful mechanism for improving healthcare delivery outcomes. Improved awareness of diseases and prevention, mandatory accreditation of hospitals, and provision of a grading mechanism to rank hospital facilities were cited as policies that can lead to favorable healthcare delivery outcomes.

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