SUMMER TRAINING

At

AMRITT VENTURES

(April 2 –JUNE 27, 2015)

A Report on Healthcare and Hospital Industry of India

By

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Under the Guidance of

Dr. Anoop Khanna

MBA- Hospital and Health Management

2014-16

IIHMR UNIVERSITY

INSTITUTE OF HEALTH
MANAGEMENT RESEARCH
(WHO Collaborating Centre for District Health System Based on Primary Health Care)

IIHMR UNIVERSITY

Certificate

This is to certify that Vikram Chopra has completed his summer internship at Amritt Ventures from 2nd April 2015 to 27th June 2015 and has conducted the following study under my guidance,

A study on Healthcare and Hospital Industry of India

The approach toward the study was sincere and scientific. The work is Partial fulfillment to the course requirements recommended for the Master of Business Administration in Hospital and Health Management, 19th Batch from Institute of Health Management and Research, Jaipur.

I wish him success in all his future endeavors.

Col. Dr. Ashok Kaushik
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To
IIHMR University
Jaipur, Rajasthan

To Whom It Concern

It's our pleasure to report that Dr .Vikram Chopra has successfully completed his three month summer training with Amritt, Inc. here in California.

In this duration, Vikram worked he was part of our medical device practice worked on four Projects.

He had researched medical and dental device companies in the U.S.A and produced reports on their operations and future prospects internationally. He also researched regulatory affairs for entry to India. A couple of times, he accompanied us to client meetings and other corporate events. In other project he has formed spread sheet of all medical device distributor of American company in India.

In short mini project he has worked with our Consumer goods practice to find regulatory consultant in India and documentation required for registration. He has also helped us on monthly newsletters and improving medical web page of our web-site. He has written updated drafts on Hospital and Dental Research reports for us

It was pleasure to work with Vikram in this spring. Vikram's contribution toward our Organization is greatly appreciated. We wish him all the best in completing his degree, in his career and look forward to working with in the future, should the opportunity arise.

Gunjan Bagla

Managing Director

Amritt, Inc.

June 27, 2015

Preface

The MBA course is well structured and integrated course of business studies. The main objectives of practical training at MBA level are to develop skill in students by supplement to the theoretical study of business management in general. Professors give us theoretical knowledge of various subjects in the institute. But we are practically exposed of such subjects when we get the training in the organization. It is the training through which we come to know that what an organization is and how it works. During this whole training I got a lot of experience and came to know about management practices in real that how it differs from those of theoretical knowledge and the practically in the real life.

It's very beneficial to learn health care delivery system at various levels.

During my training I carried out a small study on. Indian Healthcare Industry and Drafted Research Report on Healthcare and Hospital Industry of India

I have tried to put my best effort to complete this task on the basis of skill that I have achieved during my studies in the institute.

ACKNOWLEDGEMENT

I have no adequate words to express ours loyalty to God for showering his blessings over us and guiding us in our path and career.

I would like to express our gratitude to Mr. Gunjan Bagla, Managing Director, Amritt Ventures, who has given opportunity for summer training in his Organization.

I would like to thanks Dr.Ashok Kaushik Dean Academics and student affairs and Dr Anoop Khanna for their kind support and supervision which helped me in fulfillment of this project report.

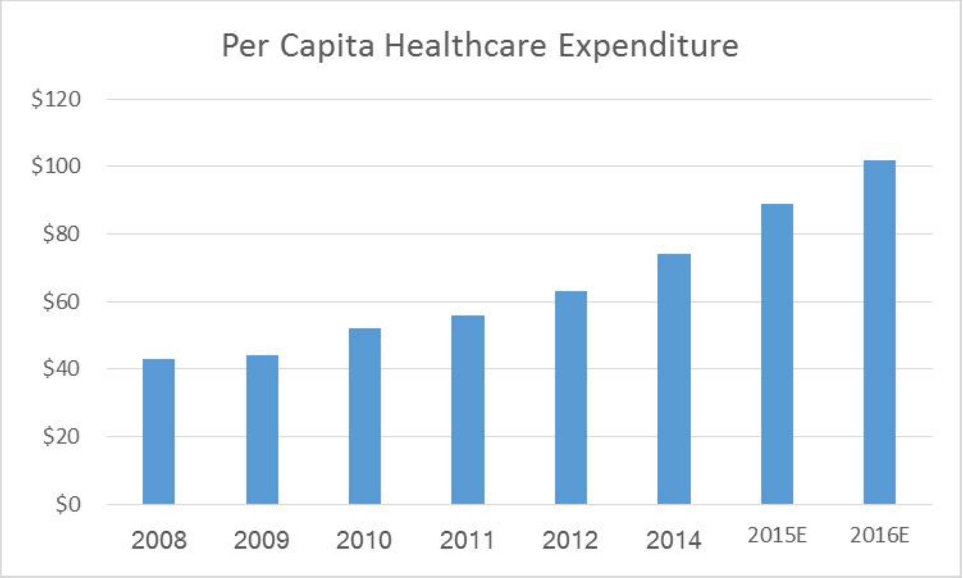
I would like to say thanks to all who facilitated for the kind help they rendered during the entire course with information regarding each data and additive guidance in finding what resource is available where & report writing.

Contents

Healthcare Industry in India

The Healthcare industry in India consists of medical care providers such as the hospitals, nursing homes and healthcare centers, diagnostic service and pathology labs, medical equipment manufacturers, contract research organizations like organizations who perform clinical trials and third party service providers as the insurance companies. It is one of the largest industries in India both in terms on revenue and employment generation.

The low cost of medical services, clinical research, encouraging government policies combined with promising growth aspects have offered great advancement opportunities for the healthcare services in India. There has been an increase in the medical tourism, attracting patients from all over the world due availability of talented and trained medical professionals and offerings of high quality medical services at an affordable cost.



Source: World Bank, BMI Report, Aranca Research

Per capita healthcare expenditure is estimated at a CAGR of 15.4 per cent during 2008–2016E to about USD 100 by 2016 This is due to rising incomes, easier access to high-quality healthcare facilities and greater awareness of personal health and hygiene greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade Economic prosperity is driving the improvement in affordability for generic drugs in the market

Research Aim

The aim of the study is to get an overview of Indian healthcare industy

Research objective

1. To find out the major player of Indian healthcare industry
2. To find out the different segment of the industry

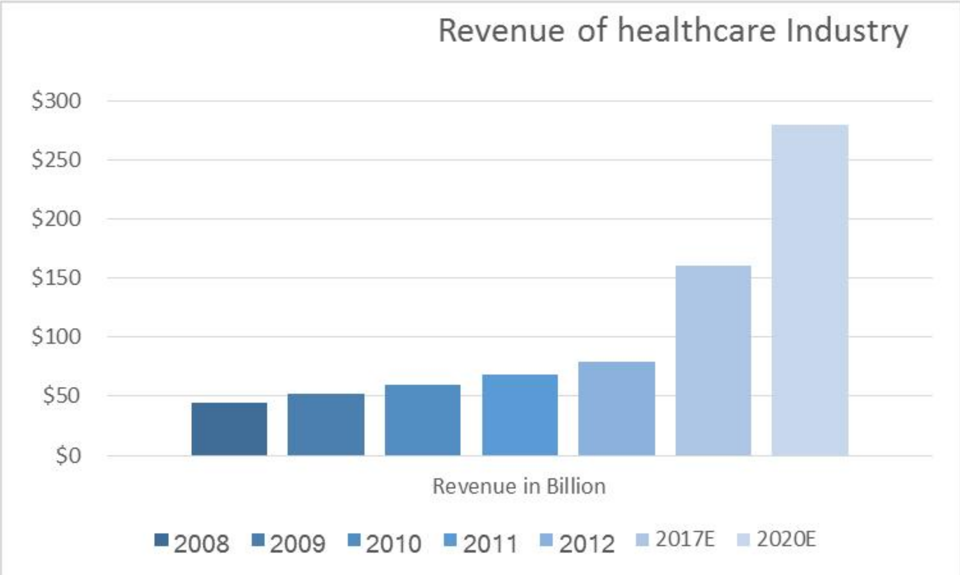
Methodology

The study was conducted in second week of june of 2015 the study was done on the basis of secondary data from internet journal articles and other sources

Investments in Healthcare

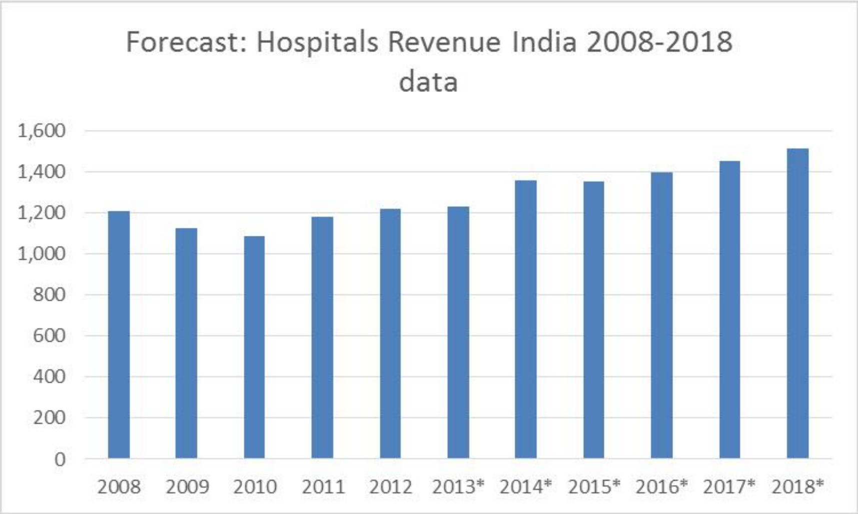
Healthcare Industry in India is being one of the fastest growing industries in India due to the rising income of the population, improved and easier access to the healthcare facilities and greater awareness of personal health and hygiene

It is expected to grow 15 % annually during the 2011-17 period $160 billion. The Indian HealthCare industry revenue was estimated to be worth about $ 65 billion as of 2012 and is predicted to be worth around $ 280 billion by 2020.



Source -Frost & Sullivan, LSI Financial Services, Deloitte, Aranca Research Notes: E - Estimate, F – Forecast

With a rising population, the Government of India's expenditure on health increased from $14 billion in 2008 to $23 billion in 2011.



Source: http://www.statista.com/forecasts/331215/india-hospitals-revenue-forecast-sic-8610

Of the revenue sources comprising the healthcare industries, hospitals form 71% of the market. While the pharmaceuticals contributed towards 13%, medical equipment and supplies towards 9%, medical insurance firms for 4% and diagnostic services contributed to 3%

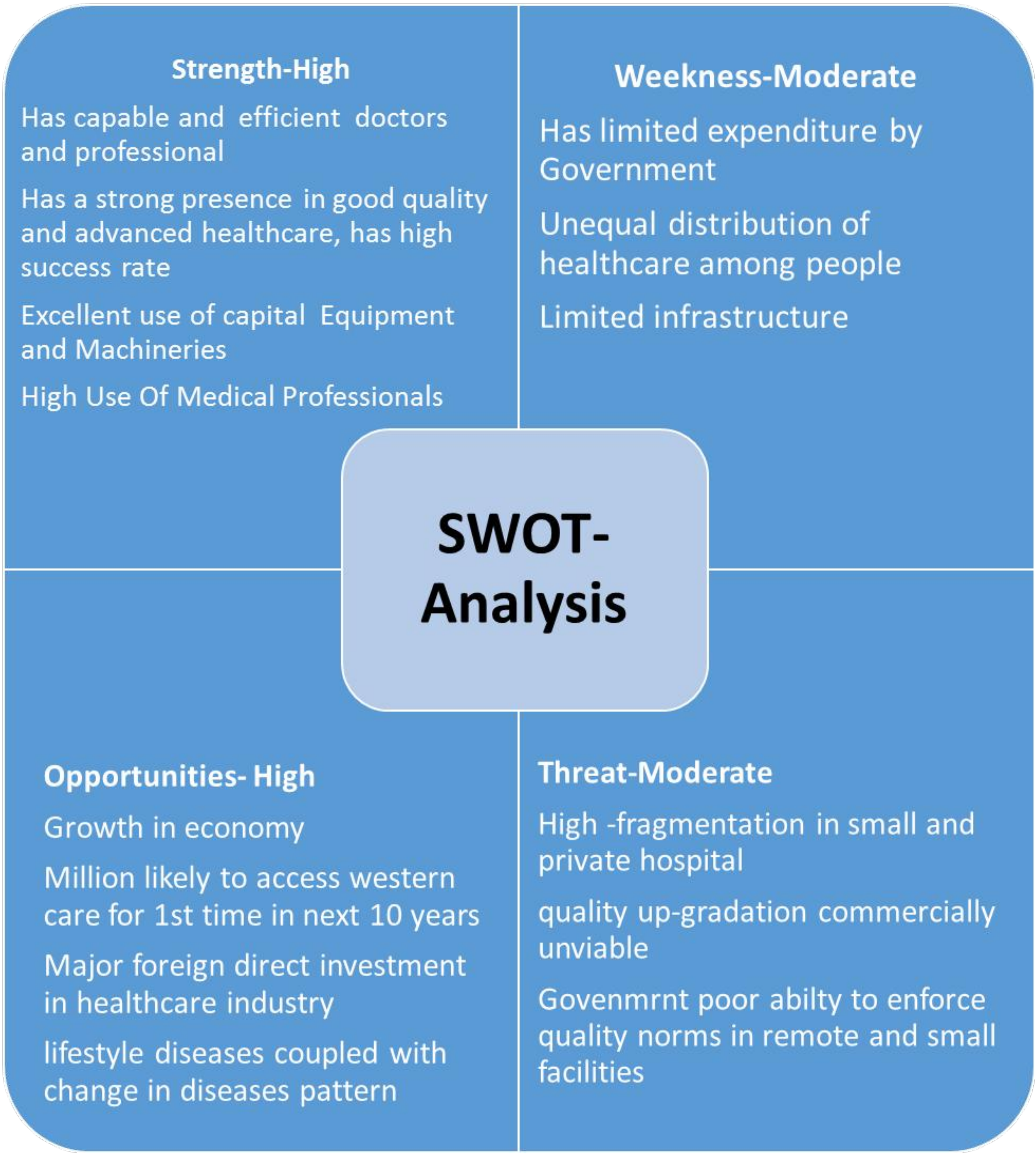
A major contributor to the support and growth of the healthcare industry has been corporate and family owned hospitals of various kinds. The Indian hospital service industry is projected to grow at a compounded annual growth rate of more than 9 percent. It's undergoing metamorphosis by broadening focus of the services by using technology, deliverables and newer applications. The Indian Healthcare sector is emerging as one of the fast-growing service sectors in India, contributing almost 7 percent to the country's Gross Domestic Product.

Many corporate hospital brands such as Fortis, Apollo, Max, Global and Care have started aggressive expansion in the country.

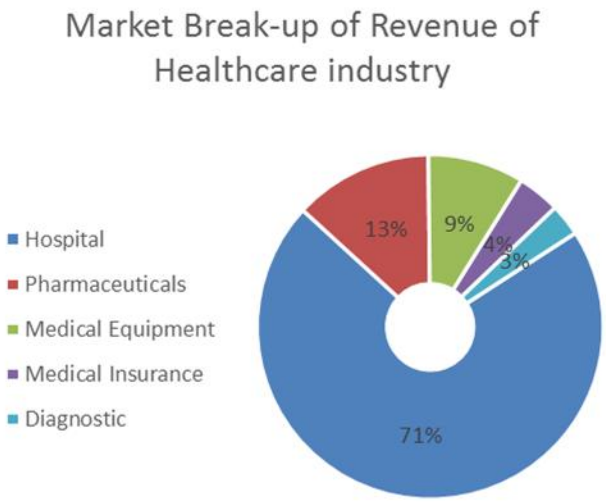
There is rapid and aggressive expansion of Big Hospitals. Apollo has expanded to 65 hospitals with 27% growth annually in terms of revenue while Fortis Hospital operate about 45 hospitals in India with 21% growth in terms of revenue and Max hospitals has 13 operating hospitals in New Delhi and surrounding NCR.

Foreign investors can play significant role in the development of the hospital sector. Foreign private equity and venture capital funds have invested over $2 billion in healthcare and life science sector over the past five years.

SWOT Analysis of Healthcare industry


Strength-High
Has capable and efficient doctors and professional
Has a strong presence in good quality and advanced healthcare, has high success rate
Excellent use of capital Equipment and Machineries
High Use Of Medical Professionals
Weekness-Moderate
Has limited expenditure by Government
Unequal distribution of healthcare among people
Limited infrastructure
SWOT-Analysis
Opportunities- High
Growth in economy
Million likely to access western care for 1st time in next 10 years
Major foreign direct investment in healthcare industry
lifestyle diseases coupled with change in diseases pattern
Threat-Moderate
High -fragmentation in small and private hospital
quality up-gradation commercially unviable
Govenmrnt poor abilty to enforce quality norms in remote and small facilities

Analysis of India’s Hospital Sector



Hospital sector revenues were about $58 billion in 2012 and growth is facilitated by private sector which contributes 82% of its total revenue. The overall market size of the hospital grew at 27% from 2009 to 2012 Most of this increase happened in urban India, both in the largest cities but also in the so-called Tier 1 and Tier 2 towns.

According to 2013 data from India’s government, there are total of 35,000 government hospitals including both urban and rural areas in India. This would include facilities run by India’s 29 states and also those run by the federal government such as for defense staff and retirees, for railways,

While there are no specific data is available on Private hospitals number is between 50,000 to 60,000 which include small hospitals and nursing homes.

Source- Amritt, Inc.

During the last two decades, the number of private hospitals has significantly increased, especially corporate chains: Apollo, Fortis, Max. However, the majority of private sector hospitals are small establishments for whom much less organized data exists
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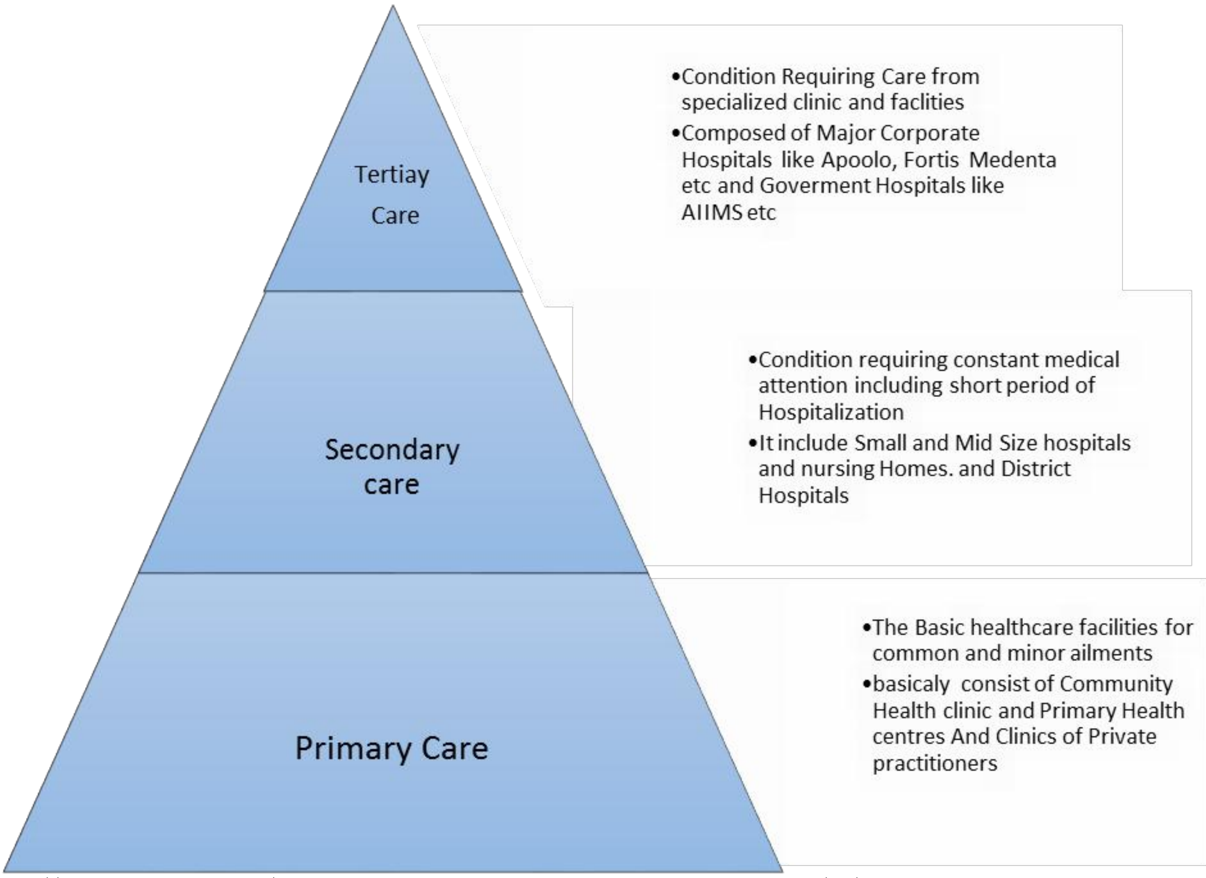

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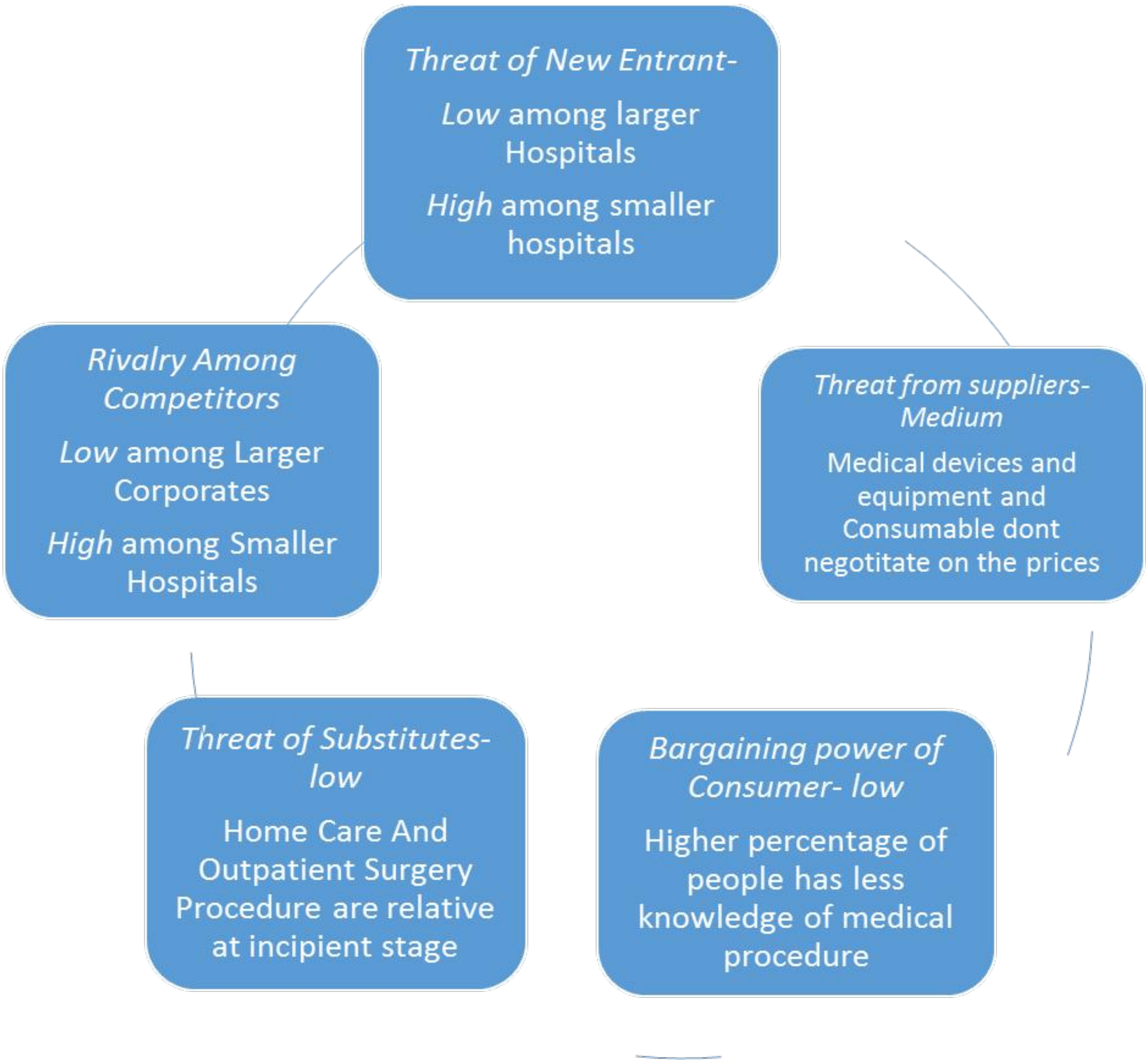
Small Hospitals

According to the Nursing Home Cell of the Delhi Government, there were about 700 private hospitals in the city as on 31 March 2011. About 85 per cent of them have less than 30 beds
As per the city-level reports of Northbridge Capital, an investment bank, out of an estimated 250 private hospitals in Hyderabad, about 150 have less than 50 beds; only 15 hospitals have more than 200 beds). In Pune, out of an estimated 240 private hospitals, 132 have less than 50 beds, while only 10 hospitals have more than 200 beds. A census of health facilities in Udaipur, Rajasthan pointed out that 94 per cent of inpatient facilities have an average of just four beds,

Porter's five point analysis for Hospitals

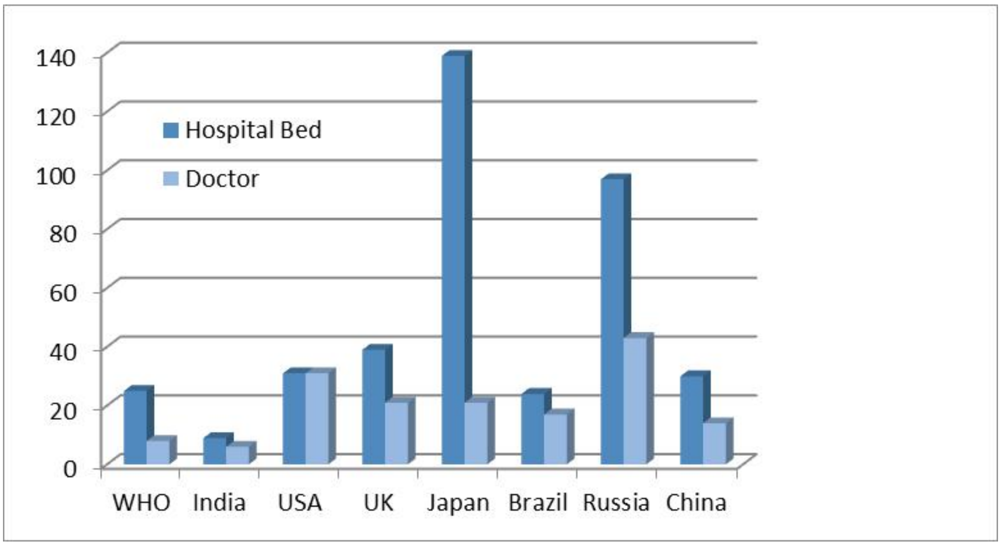


Source -Amritt, Inc.

Brief over View of Healthcare Providers in India

According to Medical Council of India as on December 2014 there are 936,488 registered medical doctors who practice Western-style medicine and 756,737 auxiliary nurse mid wife (ANM) and 1,673,338 registered nurses and paramedical staff.
Also there are 790,000 “traditional” medical practitioners who consist of Ayurveda, Yoga, Unani, Siddha, and Homeopathic specialization.
As per the report from 12th planning commission India has 19 health workers per population of 10,000 consisting of 6 doctor and 13 nurses and midwife which is lower than the United Nations, World Health Organization (WHO) norm of 25 per 10,000 of population.
Further India has only 13 hospital beds per 10,000 people-significantly lower than the WHO guideline of 29.

According IMS Health Survey Indian top tier cities like New Delhi Mumbai and other cities have high density of doctors. New Delhi has more than 40.000 doctors for population of 16 million people, which are 25 doctors per thousand populations. But southern city of Mangalore has highest density of doctor which is about 34 per thousand. Followed by Gurgaon, Patna, and Bangalore due to less population as compared to metro cities.

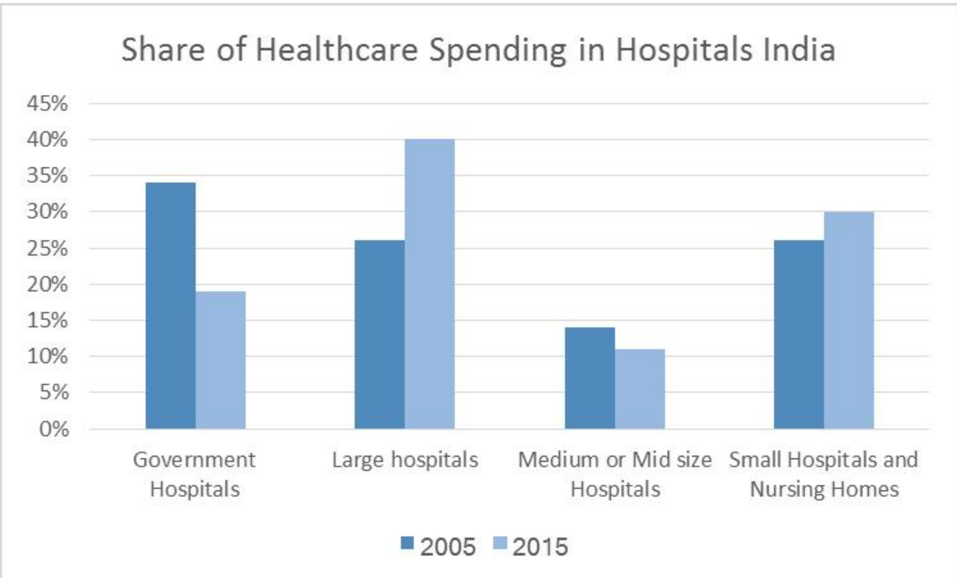


Source; http://www.kpmg.de/docs/healthcare_in_india.pdf

Classification of Hospital

Indian Hospital can be classified based on Ownership, number of beds, specialty, and size Based on Ownership hospital is classified as Public hospital and privately hospital. Public hospital is further classified as Ownership as central government and state government Public Hospital may be also classified as urban hospital and rural hospital.

Private hospital in India are generally Owned by Corporate, Charitable trust, Missionary hospital, Doctors or group of Doctors Hospital may also classified upon Based on Number of bed normally the range is from 0-25, 25-100,100-500, more than 500
Hospital are also classified based on specialty like Single specialty, Multispecialty, Super specialty hospital and based on size as Small hospitals and Nursing Homes consisting less than 25 beds, Medium or Mid-size hospitals consisting more than 25 bed but less than 100 beds and Large Hospitals consisting more than 100 beds



Source -A report on „Indian Hospital Services Market Outlook" by consultancy RNCOS, Grant Thornton, LSI Financial Services, OECD, Aranca Research

Growth Driver for hospitals

- Increasing Lifestyle Diseases this is one of the important Growth drivers for hospital industry. There is shift of Communicable Diseases to Non-communicable Diseases like cardiovascular diseases and other life threating diseases, So there is surge in hospital catering this diseases
- Surge in medical tourism- In Last couple of years with good infrastructure and affordable Care India has become prime destination for medical tourism with availability of Skilled professional with quality care provided at one tenth of cost of their home country, large hospital are catering international patients
- Government initiatives Propelling Investment- government has taken large initiatives to develop hospital industry. This initiatives are attracting many foreign institutional and Venture Capitalist to invest in Indian healthcare industry
- Growing Health Insurance market- with health insurance penetration increasing from 3% to 20% in next ten years , a common people who has health insurance will be affordable medical treatment in private sector
- Rising disposable Income- with increases of per capita income of population specially middle class there will rise in disposable income which they can spend on their healthcare

Source. Amritt, Inc.

Major Notable Hospital owned by Government

AIIMS- All India Institute of Medical Sciences, established in New Delhi in 1956, is home to many of India's most reputed doctors in their respective fields. AIIMS New Delhi has 47 departments and has 1323 doctors and 1810 staff nurses. It has 1766 bed in total. It is a hospital-cum-learning institute, where students can learn medicine on undergraduate and post-graduate levels. Since 2012 seven new AIIMS were opened by Government of India in the cities of Bhopal, Bhubaneshwar, Jodhpur, Patna, Raipur and Rishikesh. The Delhi location now has a local branch in Jajjhar.

The hospital has been able to maintain high standards of quality while seeing large numbers of patients (3.5 million in 2006) at very low cost to patients ₹10 (16¢ US)), many of whom live in extreme poverty.

The NIMHANS-The National Institute of Mental Health and Neuro Sciences, in Bangalore is a "deemed" university in India's leading brain and neurology disorders It provides specialized in and outpatient ,and casualty emergency care services with multidisciplinary approach in the field if mental health, neurological and neurosurgical problems. It is India's one of the top institute for research in field of mental and neuro health.

Christian Medical College and Hospital, Vellore (CMC Vellore) is an educational and research institute and a tertiary care hospital located at Vellore, Tamil Nadu, India. It is one of the prominent and well known medical destinations in India, having reputations nationally and internationally. It is one of the top ranked medical colleges in India.

Founded in 1900 by an American missionary, Dr Ida S. Scudder, the institute has made significant achievements in the past like starting the first college of nursing in India (1978),

It house total of 2700 bed of which 46 are for Emergency, 168 are in ICUs, 248 are in community facilities and 85 are for long-stay rehabilitation of physically disabled. The Annual running expenses is of Rs.4, 679 million

Postgraduate Institute of Medical Education and Research (or PGIMER) is a medical and research institution located in Chandigarh, India. It has educational, medical research and training facilities for its students.

The Institute was established in 1962 under the erstwhile state of Punjab. It was declared as an Institute of National Importance by an Act of Parliament

There are total of 1,948 beds in the hospital.

Large Private Hospital

Apollo Hospital-**Apollo Hospitals** is an Indian hospital chain based in Chennai, India. It is one of the largest integrated healthcare groups in the region. It was founded by Dr Prathap C. Reddy in 1983 and has hospitals in India, Sri Lanka, Bangladesh, Ghana, Nigeria, Mauritius, Qatar, Oman and Kuwait. Several of the group's hospitals have been among the first in India to receive international healthcare accreditation by America-based Joint Commission International (JCI). Apollo Hospitals is the forerunner of integrated healthcare in Asia.
Its presence encompasses over 8,600 beds across 64 hospitals, more than 2,200 pharmacies, over 100 primary care & diagnostic clinics, and 115 telemedicine units

The operating revenue of Apollo Hospitals $695 million with net profits of $50 million in 2014

Manipal Hospitals is a part of the Manipal Education and Medical Group (MEMG). Manipal Hospitals is the third largest healthcare network in India with a network of 15 hospitals and three primary clinics spread across 6 states. It serves more than 2 million patients annually.
Manipal Hospitals has a significance role in the overall healthcare industry of India and particularly in South India. It is country’s third largest healthcare group with a network of 15 hospitals and three primary clinics providing comprehensive care that is both curative and preventive in nature for a wide variety of patients not just from India but also from across the globe. The flagship quaternary care facility is located in Bangalore, India
Their Indian presence of Manipal hospital in Salem, Goa, Mangalore, Vizag, Vijayawada, Jaipur .The chain also has facilities in Malaysia and Nigeria
Manipal group has 1 Quaternary Care, 8 Tertiary Care, 7 Secondary Care hospitals it has more than 5,200 beds in 15 hospitals across 13 locations, across 6 states in India. It has two primary care clinics in India. There are over 2,000 doctors & 6,000 nurses, paramedics and support staff.

Fortis Healthcare Limited is India's second largest healthcare provider.
Starting with its first hospital which opened in 2001, Fortis Healthcare Ltd. now is a network of 45 hospitals with the capacity of 4800 Operational beds.
. These hospitals include multi-specialty hospitals as well as super-specialty centers providing comprehensive tertiary and quaternary healthcare to patients in India. Fortis has been growing through a combination of acquisitions, new builds and management contracts of existing facilities. In addition there are two hospitals in the company which are run in a public private partnership framework. The company's employee strength across the network has increased to over 10000.
As on March 2015, Gross revenue from hospital subsidiaries was about $100 million

Max Healthcare is a subsidiary company of Max India and operates . With over 1,900 beds and 11oup
hospitals in Delhi-NCR, Punjab and Uttarakhand, 2,224 doctors and 9,300 support staff, with 525 ICU beds it has treated more than 2.5 million patients in year 2014

HEALTHCARE
Caring for you... for life

According to annual reports of FY 2014- 15 the gross revenue of max group of hospital was $276 million annual growth of 24%.

Narayana Health formerly known as **Narayana Hrudyalaya**, is a multi-specialty hospital chain in India, headquartered in Bangalore. The hospital chain has 6,498 beds spread across 32 hospitals in 20 locations (as of April 2015). The chain has 1500 full-time Doctors and 15,000 employees spread across all these locations.
The chain is expanding, internationally at Cayman Islands, Kualalumpur and Malaysia. At Cayman Island, the company collaborates with Ascension Health Alliance a catholic charity.

The CARE Hospitals Group is a multispecialty healthcare provider, serving 9 cities across 7 states of India. It has 16 multi-super specialty hospitals. The regional leader in tertiary care in South/Central India CARE Hospitals delivers comprehensive care in more than 30 specialties in tertiary care settings.
It is recognized as the most advanced, complete cardiac care center in the country, powered by cross-functional teams with deeper skill sets and round-the-clock availability of cardiologists, cardiac surgeons, and critical care and emergency medicine specialists. The hospitals are models for high doctor-patient and nurse-patient ratios to ensure patient satisfaction.
The primary objective of CARE hospitals has been to maximize accessibility and provide high-quality care while ensuring affordability. CARE focuses mostly on middle income patients while employing a pricing structure which suits lower income customers as well. Low, middle and upper income groups comprise 25, 50 and 25 percent of the total patients, respectively.
Staff employed: Full-time professionals (100); nursing staff (1,000); additional support staff (1,850); the number of full-time employees has increased from 200 in the beginning to 2,500 at present

Columbia Asia headquartered in Malaysia is an international healthcare group operating a chain of modern hospitals across Asia. Columbia Asia Hospitals Pvt. Ltd.is one of the first healthcare companies to enter India through 100% foreign direct investment (FDI) route. The Columbia Asia Group is owned by more than 150 private equity companies, fund management organizations and individual investors

Columbia Asia hospitals are clean, efficient, affordable and accessible. The innovative design of the hospitals, from their manageable size to their advanced technology, is focused on creating positive experience for patients.

The first hospital in India commenced operations in 2005 in Hebbal - Bangalore. Currently Columbia Asia operates seven multispecialty hospitals, one referral hospital and a clinic. The group has presence in Bangalore, Mysore, Kolkata, Gurgaon, Ghaziabad, Patiala and Pune

Single & Multi Specialty hospital

Bombay Hospital aka BHIMS (Bombay Hospital Institute of Medical Sciences - Mumbai) is a private hospital in Mumbai, India. It was founded in 1950 by Rameshwardasji. Birla, one of India's foremost entrepreneurs at the time. It has 830 beds, 110 of which are in the critical care and recovery area. It has 22 operating theatres, 3,200 full-time employees, 240 eminent consultants and 200 resident doctors. It is ranked among top hospital in India and one of the best hospitals in Mumbai. Recently it has opened another center in Indore Madhya Pradesh.
In the *R D Birla International Cardiac Centre* associated with Bombay Hospital, there are 4 dedicated operation theatres, 2 Cath labs where 1,800 surgeries and 4,000 angiographies/angioplasties are conducted each year. The department of neurosurgery and neurology also has 4 dedicated operation theatres. The department of orthopedics has 5 dedicated operation theatres.

Asian Heart Institute has been set up with an aim to provide world-class cardiac care in India. In just 12 years, the hospital has treated more than 240,000 patients and has completed over 33,000 angiographies and more than 20,000 heart surgeries. It claims has a success rate of 99.3% in bypass surgeries and overall 99.83% in cardiac surgeries, among the highest in the world

Tata Memorial Hospital is situated in Parel, Mumbai in India. It is a specialist cancer treatment and research Centre, closely associated with the Advanced Centre for Treatment, Research and Education in Cancer. The Tata group is one of India's most prominent business conglomerate entities.

One of the fields of specialization of this hospital is in the treatment of acute lymphoblastic leukemia (A.L.L). The hospital claims cure 99% of the A.L.L patients.

Medanta – The Medicity is one of India's largest multi-super specialty institutes located in Gurgaon, a bustling town in the National Capital Region. It is founded and managed by cardiac surgeon, Dr. Naresh Trehan, who has previously served as personal surgeon to president of India and recipient of civilian award such as Padma Shri and Padma Bhushan

Spread across 43 acres, the institute includes a research center, medical and nursing school. It has 1,250 beds and over 350 critical care beds with 45 operation theatres catering to over 20 specialties. Medanta houses six centers of excellence which will provide medical intelligentsia, cutting-edge technology and state-of-the-art infrastructure with a well-integrated and comprehensive information system. The annual revenue of the hospital was about $174 million with profit of three million $ in 2014

For further development in research, it has signed memorandum of understanding with university of Texas for setting up Medical school in India

A one-of-its-kind facility across the world, where treatment is done with integrating modern medicine with traditional medicine such as Ayurveda Unani and Homeopathic Medanta through its research integrates modern and traditional forms of medicine is successful in providing accessible and affordable healthcare.

Earlier this year Medanta had opened it's another center in Indore.

Chains of Eye Hospital

Sankara Nethralaya (SN) is a not-for-profit missionary institution for ophthalmic care in Chennai, India. Sankara Nethralaya receives patients from India and internationally.

Sankara Nethralaya has 1,000 employees and serves 1,200 patients per day, performing 100 surgeries per day. The annual revenue as per the taxes is close to $100 million.

Sankara Nethralaya has been branching out very fast recently. Apart from the five centers in Chennai and in Kolkata and Rameswaram, the hospital is now present in Bengaluru, Tirupati, and Andhra Pradesh as TTD Sri Srinivasa Sankara Nethralaya.

Vasan Healthcare Group is one of the leading health care groups in India. , The group is based in Trichy and has more than 170 eye care hospitals and 30 dental care Hospitals across India, including two multi-specialty hospitals in Trichy. Vasan Eye Care Hospitals are day-care centers for treating eye ailments. The corporate office of the hospital is located in Chennai. With inflowing of capital from private equity investor like GIC Sequoia capital and West Bridge Capital, Vasan group have expanded its network in major cities including Metro cities of India.

Aravind Eye Hospitals is a hospital chain in India. It was founded by Dr. Govindappa Venkataswamy at Madurai, Tamil Nadu in 1976. It has grown into a network of eye hospitals and has had a major impact in eradicating cataract related blindness in India.

As of 2012, Aravind has treated nearly 32 million patients and performed 4 million surgeries, the majority of them being cheap or free making it the world's largest and most productive eye-care service group. The model of Aravind Eye Care hospitals has been applauded and has become a subject for numerous case studies across the world

Hospital specialty focused on indigent patients

Life Spring Hospitals is an Indian hospital chain, which provides maternity care to women from the low-income group in Hyderabad, India. Established in 2005, it is a 50-50 joint venture between $30-million Acumen Fund, a U.S.-based nonprofit global venture philanthropy fund and HLL Life Care Limited, a Government of India -owned corporation (which also happens to be the largest manufacturer of condoms in the world)

As of October 2013 it provided affordable healthcare to 3,500,000 women with its twelve hospitals in Hyderabad, providing maternity and pediatric care at 30-50 percent of market rates, and is the first healthcare chain to join the 'Business Call to Action' (BCtA), an initiative of United Nations Development Program (UNDP) and UN Global Compact amongst others, to reduce poverty, hunger, disease, and maternal and child deaths by 2015.

The hospital established a model of building a chain (25-bed urban hospitals specializing in maternity services. It also provides pediatric care, including immunizations, and offers diagnostic services, pharmacy and healthcare education to the local communities. It uses CRM to track customers in real time and runs a web-based patient database.

Glocal Healthcare was founded in June 2010, with its first hospital in Sonamukhi in the Bankura district of West Bengal. The objective of the organization is to provide high-quality and low-cost healthcare to the needy. Setting up standardized diagnosis and management protocol for the 42 diseases that 95 percent of the population suffered from, helped Glocal streamline its focus area, adding clarity in requirement analysis and design of hospitals.

It currently runs five hospitals in rural and semi-rural areas in the state of West Bengal. Each hospital has 75 –100 bed, offers primary and secondary care to patients covers a population of 0.5 million within a 9 mile radius. Glocal's basic business operating strategy has been to cut frills and keep costs at a minimum. The objective is to earn just 2.5 million rupees) or $4,000 per month.

Representative Examples of Mid-size Hospitals

Surana Hospital previously known as Surana-Sethia hospital is located in Chembur and Malad, both suburb of Mumbai. Surana Sethia Heart Center was launched in November 2006. The Center has performed thousands of cardiac interventional and surgical procedures, including complex and high risk cases, utilizing skills in caring for complex and very critical patients both in the ICU and Outpatient situations. The Surana Hospital, Malad is a 75 beds, acute care, and general medical/surgical hospital

Niramaya Hospital-

Niramaya hospital is 110 bedded multispecialty hospital located in Chinchwad, Pune. It catering to all classes of society and provides all the basic, sophisticated and modern amenities for Emergency care.

Source- Amritt, Inc.

Small Hospital and Nursing Home

In India majority of hospital fall under this classification, according to some statistics, there are more than 50,000 hospitals in India. They consist of small hospital and nursing home and have 25 to 30 beds. And managed by single doctor or group of doctors.

Source. Amritt, Inc.

Notable Trends

- Change in diseases pattern- in last decade India was able to control diseases like polio leprosy and tetanus but there is emergence of new lifestyle related diseases like diabetes obesity cardiovascular diseases. According to World Health Organization reports by 2025 India will have highest cases for diabetes and cardiovascular diseases. Preventing and managing of this lifestyle diseases is new area of opportunities for hospital in India
- Increases in demand for good quality and specialty healthcare- with increases in income in middle class there has been significant rise in demand of good quality and specialty healthcare in major cities Providing good quality specialty Healthcare to large number of middle class population is another field of opportunities for small as well as large corporate hospitals
- Consolidation of hospitals- There is large gap between demand and supply of quality healthcare services in India. Along with this gap ,there is growing capital demand due to operational cost and other factor which has pushed healthcare provider to expand by merger or acquisitions of Competitors or by in fluxing huge capital in to their system
- Emergence of Tier 2 and 3 cities in India- recently there has been tremendous growth in number of specialty and tertiary care hospitals in these cities. Due to saturation of market in tier 1 cities, many large hospitals are venturing into smaller cities for growth in revenue and brand appreciation.
- Increasing penetration of health insurance- the health insurance market is still in nascent stage but in last couple of years there is increases demand for health insurance among Indian population. The gross healthcare insurance premium is $2.9 billion in 2013 with cagr of 26% over FY 08-13. The expansion of health insurance is likely to continue in the future thus benefitting Indian hospital industry
- Tele-Medicine- Tele medicine is the one of fastest emerging sector in India providing treatment to various rural and inaccessible area of India. Many hospital like Apollo, AIIMS, NH have accepted this technology and entered into PPP with government to provide low cost consultation and diagnosis facilities to remotes area
- Increasing Investment in technology, medical devices and Equipment- many major corporate hospitals and midsize hospital are investing heavily on new technology, medical devices and equipment for rendering good quality care for their patients and to stay ahead in competitive market.
- Medical tourism- Presence of world-class hospitals with skilled medical professionals along with superior quality healthcare, coupled with low treatment costs in comparison to other countries, has strengthened Indian medical tourism market. Large number of patients from developing as well as from developed nation travel for their treatment to India.
- Re-emergence of Traditional medicine in India- there is gradual increases in traditional medical practices such as Ayurveda, Yoga, Unani, Siddha and Homeopathic (AYUSH) in urban India. Due to awareness for natural medication which has less or no side effect, these alternate practices for treatment is gaining lot of popularity among young as well as old populations.
- Diagnostic labs- Large numbers of doctors are increasingly prescribing various diagnostic and radiograph tests for diagnosis and treatment of the diseases. Many

AYUSH doctors are increasingly accepting the benefiting of modern diagnostic test and combining them for curing there patients.

- Management Contract – Many hospitals like Manipal hospital and Fortis Group are entering management contract to manage and run state owned hospitals to add revenue to the hospitals. such as Apollo hospital enterprise has got contract from Government of Karnataka to run Rajiv Gandhi super-specialty hospital in Raichur and Narayan Hrudyalaya and government of Karnataka for management of primary health center and tele- medicine and tele health project

Opportunities' in Hospital sector

- Insurance – With opening of health insurance to private players, the insurance sector is booming. With rising disposable incomes, and the highest population being the earning age group of 15-64 years ,the insurance reach is bound to increases from the two per cent to 20 per cent as estimated by industry experts. This will bring in demand for better quality care and a dominant role of insurer on choice of Hospitals or Health care provider for patients in reference to quality and professionalism.
- Single specialty Hospitals- there is huge opportunities for single specialty hospital in India. Specialty such as for cardiac, Cancer, respiratory, orthopedic and many more are increasing in near future, specialty hospital for this system will help hospital to provide good quality care to patients
- Medical tourism- with ever increasing medical cost in western countries coupled with skilled professionals and International accredited hospitals, India hospitals will be one of top destination for medical tourism
- Joint Ventures and PPP between government and private players- private hospitals can PPP or Joint Ventures with government to establish multispecialty hospitals. Many private hospitals can make contract to managed public hospitals
- Expand in smaller cities- as there is development of tier two and three cities, there is great opportunity for hospital to expand their network in this cities to provide healthcare services to rising population of this cities

Conclusion

With the personal disposable income rising by more than 70 per cent and over all income of the population rising, the demand for better quality in healthcare particular in hospital is bound to rise.

With only 20 per cent of healthcare delivery provided through public health units and the government not intending to spend more on capital expenditure, more PPP projects and private healthcare initiatives in Hospital would see the light of the day.

The projected penetration of insurance in the next 10 years is 20 per cent of the population, because the earning population of 15 to 64 year age group comprises of more than 50 per cent of the total population who can afford health insurance. And with rising awareness and the acknowledgement that insurance is the way to a healthy life, the demand for insurance will rise further Indian government has further taken various initiatives in social security of poor and indigent people in form of two schemes namely Pradhan Mantri Jeevan Jyoti Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY)

With the increase in population and to bridge the gap of number of beds, hundreds of quality healthcare units will spring up. However, demand for real estate also grows and further leads to making real estate capital investments for healthcare expensive and making operational margins tighter. This will lead to unconventional model of health care delivery by way of single specialty centers, life style units, and retails clinics, to bring in operational efficiencies and increase the EBITAs. A lot of earlier untapped models will be tapped and the consumers will have plenty to choose.

Technology will play a major role in bringing quality in healthcare, be it better nursing communication systems, patient monitoring devices or telemedicine to provide low cost diagnosis to remote patients etc.

Companies like HCL, HP and Microsoft are already investing heavily in healthcare technology and Google trying to ambitiously woo the consumers for a centralized healthcare database, what is in store for the future of healthcare is limitless.

Pneumatic chutes, PACS, automated laboratories and other technologies are on the verge of becoming norms in both public and private hospitals.

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