Chapter 155

Future of Small Hospitals in India

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INTRODUCTION

The future of small hospitals is a very sensitive topic and at the same time, a very important topic, because about 66–70% of health care services are delivered by the private sector in India. Out of these, private sector health providers, almost 80% services are provided by the small hospitals.

Small hospitals parse provide health care to almost 70% population of this country. Emergence of big hospitals and corporate hospitals can pose a threat to the small hospitals for the following reasons:

• Quality of services provided is good
• Insurance companies favor the big hospitals and hence the facilities of cashless insurance and others attract more customers
• All the facilities provided under one roof
• Most of the big hospitals are the beneficiaries of Government schemes which do not trickle down to the small hospitals
• Better equipped and staffed to provide good services
• Big hospitals are better equipped to deal with all the Government departments in the matters of various licenses and notifications because of having manpower.

These drawbacks of the small hospitals can pose a challenge in the management of small hospitals in the future. Hence, we have to evolve a working pattern of the small hospitals so that the services provided by the small hospitals will be at par with the big hospitals and affordable to the patients and at the doorstep of the patients.

Friend’s healthcare industry is the only booming industry. This is the only industry which shows an upward graph, whereas all other industries, may it be telecom, electronics, software industry show ups and downs. This is primarily because of the growing population of India. As the population grows, more and more people will need access to the health facilities. According to WHO standards, the number of beds required is 4 per 1,000 population, so there is a tremendous scope for growth. Out of this growth small hospitals will contribute to 80% of the beds. Presently, it is almost 600,000 crore industry.

There is a very widespread corporatization of the health services going on in the country. Corporate culture is growing and hence the small hospitals are facing a lot of difficulties. They seem to be becoming weak and the weakness of the small hospitals is the gain of the corporate hospitals.

Categories of Hospitals

• 1–25 beds: Single doctor managed hospital
• 25–100 beds: Single or multiple doctor managed
• 100–250 beds: Missionary
• 250 plus beds: Business families run hospitals
• 250–1,000 and above beds: Corporate hospitals.

Advantages of Small Hospitals

• More affordable to the patients
• Cheaper treatment cost than the corporate hospitals
• Quick response to the emergency
• Quality of treatment
• Personal care of the treating doctor
• Near to where they stay and easier to reach.

Difficulties of Small Hospitals

• Increased land cost and huge capital expenditure
• Equipment are expensive which become obsolete very fast
• Short of human resources:
  – Half million doctors
  – One million nurses
  – Fifty thousand hospital managers.

Challenges in Front of Small Hospitals

Clinical Establishment Act 2010

This Clinical Establishment Act was passed by the Parliament in 2010. According to the Act, the minimum standards of space, staff and equipment for granting of registration to the hospitals. The standards prescribed by the rules are almost impossible to comply with the small hospitals and single doctor run clinics. The Act also makes it mandatory for any clinical establishment to receive any serious patient and also stabilize him/her before transferring the patient to the higher center which is generally not possible in small hospitals. The Act also prescribes exorbitant fees for registration and also hefty fines for not able to comply with the standards. This will be very detrimental to the small hospitals and also force them to close shop.

Labor Laws

• Employee’s State Insurance Corporation
• Minimum Wages Act
• Affordable Care Act and many others, almost 40 Acts which apply to the hospitals:
  – Employees provident fund
  – Emergency Care Act.

All the clinical establishments have to comply with the various labor laws applicable in their respective states. Pay minimum wages. Do not employ underage persons.
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Problems with the Local Authorities

- Registration renewal
- Fire safety certificate
- Preconception and prenatal diagnostic techniques
- Medical termination of pregnancy registration, etc.

These are the problems one faces with the local authorities. Every time you go for registration they ask for some new documents like sanctioned map, no objection certificate (NOC) from neighbors, fire NOC. Most of the small hospitals of which are situated in the residential areas or in commercial buildings and which are running from the last so many years cannot get their premises sanctioned as hospitals now by providing a revised map because the development control rules have changed and you cannot modify the plan as per today’s rules. For example, now in an old building, it is impossible to provide the free space on all the sides of the hospital or parking space or a separate entrance or a separate staircase.

Fire safety norms have also changed over a period of time, which for the older hospitals are impossible to comply with and the fees charged for giving an NOC are also exorbitant.

Solutions for Effective Growth of Small Hospitals

- Change the image of the hospitals. Make the work culture of the hospital like that of a corporate hospital. Try to provide all the services under one roof. Provide affordable services
- Increase productivity by motivating the staff. Productivity in medical terms is getting more number of patients and treating them properly and improving the services. Make your staff work 100%. Counsel them to be courteous with the patients. Proper management and supervision. Marketing is also very important in getting more number of patients
- Reduce wastage
- Control inventory management. Keep proper inventory. Supervise as there should be no waste or pilferage from the inventory. Keep the cost of revenue leakages reduced
- Keep proper schedules of outpatient department (OPD) and operation theater
- Keep online medical records.

Cost Reduction

- Proper manpower planning
- Motivation of the staff
- Proper choice of equipment to be purchased and proper material management
- Use less expensive drugs.

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System Managing

- Reduce waiting time of the patients in OPD and for surgeries
- Identify and attend grievances of the patients and their relatives
- Provide a relaxing environment to the attendants and the patients
- Canteen
- Ambulance.

Innovative Schemes

- Outsourcing of various departments like radiology, pathology lab, laundry, kitchen
- Take advantage of Government schemes
- Use telemedicine in radiology, intensive care unit
- Launching of schemes for the benefit of the patients
- Identify service deficiency and correct
- Blue printing analysis
- Benchmarking
- Deficiency or break in chain should be rectified.

One should make a blueprint of what he wants to achieve and work toward that goal to achieve it. Benchmark some standards and work hard to achieve those standards and reach the benchmark. Try to find out the deficiency in your services and rectify them.

Marketing

- Retain your existing points by personal care
- Upgrade the infrastructure periodically
- Monitor and provide quality service
- Make the services more affordable
- Try to attract more number of patients
- Try to attract high profile clients
- Secure highly qualified and competent professionals
- Introduce innovative and creative ideas
- Try to get accreditation from National accreditation board for hospitals and healthcare or International organization for standardization
- Health insurance
- Medical tourism.

In conclusion, the small hospitals should not be afraid of the growing corporate culture, because in future, 80% of the private healthcare will be provided by the small hospitals. Just try to work as a corporate hospital and improve the services and provide quality healthcare. For small administrative problems, make Indian Medical Association (IMA) strong and take help of the IMA which can tackle all your problems with the local administration or with the Government.