CHAPTER – I
INTRODUCTION

The Indian healthcare industry is set to explode. The industry, worth today Rs.100 billion, is poised to surge by Rs.15,000 Crore annually.

Often it is talked about speeding up the process of socio-economic transformation but less is done for human capital formation. Even in an age of hi-tech, the proverb “Health is above Wealth” is found relevant. It is the responsibility of all the institutions related to health to provide medical facilities to the mankind. Today, the major emphasis in providing health care services is on Corporate Hospitals.

The medical profession has widened its horizon world wide and India is no exception. Corporate Hospitals are emerging as new breed in health care industry in India. These hospitals are attracting a number of patients because of their super-specialties. There is a keen competition among these hospitals for market share. The emphasis is not only to provide specialized services more efficiently and effectively, but also to maintain the quality of overall services.

The major concern for corporate hospitals is on consumer satisfaction. In the service marketing\(^1\), it is evident that just not that four P’s, i.e. Product, Price, Place and Promotion play a vital role, but also other P’s like People, Physical Evidence and Process play an important role in satisfying the consumer.

Today, customer satisfaction is a growing field of research and teaching. An important reason for studying consumer satisfaction is evaluation of consumer groups with unsatisfied needs and desires. The essence of modern marketing concept is that all the elements of business should be geared for the satisfaction of consumers.

Quality Management and Patient Satisfaction:

In a significant shift toward customer focus in the health care industry, one of the hospitals recently announced that they would no longer reward physicians for controlling medical costs (a classic production mindset) and will instead tie physician

\(^1\) S.M.Jha, “Service Marketing”, Himalaya Publishing House, New Delhi, 1997
bonuses to patient’s satisfaction. What is found interesting in the ensuing public discussions of this initiative is the almost universal confusion over just what constitutes “Patient satisfaction.” Or the even more troubling term “Patient happiness”.

Again, such confusion is perhaps not surprising in an industry that has hardly distinguished itself by its customer orientation over the past few years. While enclaves of customer-focused health care do exist, consideration of customer needs and wants have rarely factored into the development of our current health care institutions. Instead, corporate financial objectives have driven “growth”. As a result-as is now being reported in the media – both patients and doctors are increasingly dissatisfied.

Much has yet to be learned about what it means to be customer-focused in the health care industry. Ask any group of physicians “How do they define quality in health care?” and the following responses will be received.

Care given in a current, up-to-date, on-time service at a reasonable rate for the greatest number of people. Health care quality\(^2\) is a measure of customer expectations and their experience. Quality-customer satisfaction consisting of sound medical treatment and education.

**Quality in health care:**

The procedures that either directly or indirectly contribute to the mission of an organization in providing timely, courteous and compassionate care. Good medical care in all its ramifications. Price is a separate consideration. Providing what is known as best medical practice to patients. True quality cannot be achieved without the patient’s willingness to receive “quality care” – the benchmark for “quality care” is ultimately defined by the patient.

\[ \text{Quality}^3 = \text{service provided} - \text{expectations} \]


Quality is determined by how well the services provided, fulfill the expectations of the patient receiving those services. Experience of the health care consumer results in the perception of value in receiving evidence-based treatment for a specific disorder with the goal of improving, eradicating, or preventing a disorder. What is perceived as being quality: Quality is

1. Warranted for the specific and general conditions
2. Cost efficient and
3. Patient/Payers expectations.

Quality refers to the closeness of an actual outcome to the outcome expected by the observer, as defined or agreed to by that observer.

Meeting or exceeding expectations by delivering appropriate care in a cost-effective and efficient manner. Quality – the best expected outcome in the treatment of a disease process, whether medical or surgical. Quality of care is the degree to which health services for individuals and populations are consistent with current professional knowledge and reflect the preferences of well-informed consumers with regard to the trade-off between increasing desired health outcomes and reducing their consumption alternatives.

In the above responses, you see two basic quality definitions. One is focused on clinical quality as measured by outcomes and the other is focused on service quality. Just a few years ago, these would have represented the majority view of physicians when asked” what is quality?” After all, clinical quality is what is focused on and taught in medical schools. In the above (arguably small and biased) sample, however, a number of responses reflect an understanding of service quality, which has got basic customer expectations and evaluations of performance.

Numerous studies have shown that health care customers tend to “assume” clinical quality form providers. That is, a diploma hanging on the wall is good enough for them. That makes sense as relatively few users of health care services are capable of evaluation clinical quality. Medical professionals themselves constantly disagree. What health care customers like customers for all other products and services do understand and base their quality evaluations on, however, are such things as how

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many times the phone rang before they got through to the office, how they were treated at the front desk and whether or not anyone seemed interested in their problem. These are customer satisfaction and service quality issues. These are the basis of patient satisfaction and, yes, patient happiness.

**Management of Behavior Hospital:**

Before one goes through the management of behavior in hospitals, it is essential to understand the perception of behavior. We are well aware of the fact that a theory is always based on logical reasoning. There are certain things, which represent the universal truths. Because we go through the perception of behavior of hospital management, it is right to consider behavior as a systematic effort to understand the behavior of people serving in Corporate Hospitals. Further understanding is required about the behavior of patients, users of Corporate Hospitals.

Thus understanding the people serving the Corporate Hospitals and understanding the patients nurturing the hospital becomes important in the behavior. Because we find the behavior a combination of large factors, it is pertinent to go through the psychological, sociological, political and economic factors substantially influencing the behavioral profile. In Corporate Hospitals the patients are motivated to use the service of the hospital based on the profile of Doctors and the reputation of the Doctors. Today Corporate Hospital attracts even financial incentives for using the services of a hospital.

**Psychological Influences:**

One cannot easily understand the instrumentality of psychological factors on the behavioral profile of patients, attendants, hospital personnel and Doctors. Since we go through the behavioral influences, it is essential to make it clear that hospital personnel need to go through the psychological problems because they have to satisfy the patients and attendants. On the other hand, the hospital personnel can counter the problem related to the departmental conflicts if they are well aware of the

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psychological factors influencing the behavior and shaping the expectations. This focuses attention on attitudes and motivation.

Attitudes:

In the hospital services, the attitude of patients and attendants are influenced by a number of factors. The educated segment of patients and attendants are guided with a different attitude. The level of income and family background also influence attitudes. The regional considerations become significant due to communication facilities. The expectations are influenced by all these factors. To be more specific the latest developments in the fields of communications technologies and information superhighway play a significant role in the level of expectations. If the patients and attendants are found aware of the recent developments in the medical sciences and the sophisticated services offered by some of the hospitals, patients expected the same quality of services from other hospitals. The hospitals managers bear the responsibility of satisfying the patients and the attendants and therefore they are supposed to know about the influences of psychological factors. In addition, it is also pertinent that the managers keep in their minds the comforts and conveniences of hospital personnel, so that they find it convenient to discharge their functional responsibilities up to the expectations of patients and attendants. It is in this context that we find the instrumentality of hospital managers in fulfilling the expectations of personnel to deliver world class services.

Hospital personnel – Patients Relationship:

The relationship of hospital personnel with the patients can be classified in two parts, viz., Doctor-patients relationship and Nurse-Patients relationship

Doctor- Patient Relationship:

Due weightage to the Doctor-Patients relationship in the management of hospital is given because the concept of good-patients care is based on the same. On account of conflicting perception in the minds of both, the problem is found a bit complicated. The doctors have expertise or specialization in a particular discipline.

They have professional excellence and are also supposed to have ethical and human values. The patients on the other hand are found in stress with high level of expectations because they consider Doctors thoughtful and warm person and committed to do everything for the welfare of patients. Such a situation increases the responsibility of a doctor. It is his/her professional excellence, personal-touch-in-services, humanitarian approach, ethical values that play a big role in satisfying the patients

**Nurse-Patient Relationship:**

Another important facet of hospital personnel-relationship is the nurse-patient relationship. Of course it was found that degeneration in the perception of relationship in the field of Medicare service. It is a well know fact that the nurses play an incremental role in the treatment process and therefore even a minor degeneration in their attitudes would result into a major loss to the patients. The nurses and sisters need to work with the service motto. Of course they also need financial incentives to fulfill their essential requirement but it is not to be forgotten that patients have a high level of expectations from them and their actions and behavior should not frustrate them. They have skills, they are also found personally-committed but the existing scenario and the increasing degeneration in the environment at the work place may disturb them and to counter the same, they need to be strong enough to face the multidimensional challenges.

**Behavioral Conflicts in Corporate Hospitals**

The services of hospital are based on teamwork. This requires an enormous cooperation of almost all the departments. The medical services, nursing services, food services, pharmacy services, radiology services, ward services, engineering services, outpatient services and may other services cannot be managed by a single departments would have a common goal of serving the patients. Thus, co-operation and co-ordination become essential for managing hospitals efficiently. There are different types of services and therefore, we find different heads of different departments but they are supposed to work with a common goal. The increasing inefficiency in the government hospitals draws our attention on conflicts found in different departments in different forms. The ego-conflict, interest conflict, priority-

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conflict are found making the quality of environment at the workplace unfriendly which has been degenerating the quality of hospital services. It is against this background that we need to go through the problem of behavioral conflicts. Since the hospital managers bear the responsibility of establishing and creating work environment, it is pertinent that they are serious to the problems obstructing the process.

**Concept of services:**

‘Services’\(^9\) to put in simpler terms are deeps, processes and performances. Services are not tangible that can be touched, seen and left, but rather are intangible. Hence, in corporate hospital it is very important the intangible things like ambience of hospital, caring aspect of nurses and ward boys and proper diagnosis of doctors attract more patients in that corporate hospital\(^10\). The characteristics of services in corporate hospitals are:

A) Intangibility
B) Heterogeneity
C) Simultaneous production and consumption (timely)
D) Perish ability

**The Service Marketing Angle:**

With reference to service marketing in Corporate Hospitals, three types of marketing must be successfully carried out and that all of them revolve around making and keeping promises to patients.

1. External Marketing – setting the promise
2. Internal Marketing – Enabling the promise
3. Interactive Marketing - Delivering the promise

**Health Care in India:**

Health care industry in India is an emerging industry as health has become of utmost importance to all human beings. The Indian are becoming more and more health conscious. The following contribute for the growth of industry.

The national average\textsuperscript{11} of proportion of household in the middle and higher middle-income group has increased from 14\% in 1990 to 20\% in 1996 and 48\% in 2010.

Private insurance will drive the healthcare revenues. Considering the rising middle and higher middle-income group we get a conservative estimate of 200 million\textsuperscript{12} insurable lives.

The population to bed ratio in India is 1 bed per 1000, in relation to the WHO\textsuperscript{13} norm of a bed per 300. In India, there exists space for 75000 to 100000 hospital beds. The Indian healthcare industry is worth Rs.100 billion today, and it is expected to grow by around 13\% to 15\% annually.

Corporate Hospitals failed a decade ago because they emerged in isolation and were not part of a larger phenomenon. However, now there are the insurance companies, the hospital hardware and the software companies, which have come together to create the boom.

**The major thrust areas in Health Care Industry are as follows\textsuperscript{14}:**

Factors attracting corporate to the Healthcare sector

- Locational Factors
- Marketing Strategies
- Sources of revenue
- The Future
- Role of technology
- Major corporate players
- Demographic details
- Number of hospitals


\textsuperscript{12} Mavalankar D and Bhatt Ramesh (2001), Health Insurance in India, Opportunities, Challenges and Concerns, New Century Publications, New Delhi


Factors attracting corporate to healthcare sector:

Recognition as an industry

In the mid 80’s the healthcare sector was recognized as an industry. Hence it became possible to get long term funding from the financial institutions. The government also reduce the import duty on medical equipment’s and technology, thus opening up the sector.

Since the national health policy\textsuperscript{15} (the policy’s main objective was ‘health for all’ by the year 2000) was approved in 1983, little has been done to update or amend the policy even as the epidemiological profile of the country changes and the new health problems arise from ecological degradation. The focus has been on medical care and not on comprehensive healthcare.

Socio-Economic Changes\textsuperscript{16}:

The rise of literacy rate, higher levels of income and increasing awareness through deep penetration of media channels, contributed to greater attention being paid to health, with the rise in the system of nuclear families, it became necessary for regular health check-ups and increase in health expenses for the bread earner of the family.

Brand Development

Many families run business houses have set-up charity hospitals. By lending their name to the hospital, they develop a good image in the markets, which further improves the brand image of products from their other business.

Extension to related business

Some pharmaceutical companies like Wockhardt and Max India have ventured into this sector as it is a direct extension to their line of business.

Opening of the insurance sector

In India, approximately 60\% of the total health expenditure comes from self paid category as against government’s contribution of 25-30\%. A majority of private hospitals are expensive for a normal middle class family. The opening up of the


insurance sector to private players is expected to give a short in the arms of the healthcare industry.

Health insurance will make healthcare affordable to a large number of people. Currently, in India only 2 million people (0.2% of total population of 1 billion), are covered under medical claim, whereas in developed nations like USA about 75% of the total population are covered under some insurance scheme. General insurance company has never aggressively marketed health insurance. Moreover, GIC takes up to 6 months to process a claim and reimburses customers after they have paid for treatment out of their own pockets.

This will give a great advantage to private players like CIGNA, ICICI, SUNDARAM, etc., are planning to launch smart cards that can be used in hospitals, patient guidance facilities, travel insurance etc.

The consults, financiers and insurance Agents are to benefit from this boom. The insurers will PPO’s that will grow into HMO’s to assume insurance risks on client’s behalf. Medical equipments, Medical software and Hospitals will see the biggest boom.

**Locational Factors:**
The major factors in deciding the location of the hospital are:

- A central place having easy accessibility.
- Space around the hospital for peacefulness and future expansion.
- Space to make provision for residential quarters for the staff.
- Hostel facility, if there is to be college on campus.

It is also beneficial if the hospital is in a place where there exists no other hospital around. For example, when Apollo opened in Delhi, there was no other tertiary care hospital around for 200 Kms, which proved to be a boon for Apollo.

Also disease, which could be a characteristic of a certain region, could affect the location. For example, Fortis’ research shows the North Indians are prone to cardiac diseases and so it has set up a 200 bed cardiac hospital and 12 smaller cardiac centers in and around Mohali (Chandigarh).
It case of Mumbai, where space is anyway a problem and a lot of hospitals are already present, super-specialty hospitals make most business sense.

**Marketing Strategies**\(^{17}\)

The hospitals are handicapped with government regulations, which does not allow them to advertise. As hospitals spend millions of rupees in technology and infrastructure, it becomes necessary, that they attract patients and generate funds. In order to do the same, the hospital follows various marketing and brand building exercises. Some of them are listed below:

- Many hospitals have eminent personalities from the industry in their Board of trustees. This indirectly leads to increase in, inflow of patients, working in the companies of these Trustees. Besides the presence of eminent personalities creates a sense of confidence in the minds of people.
- Private hospitals can attract their shareholders by offering discounts. For example, a special discount of 20% on all preventive health checks is offered to all shareholders of Apollo Hospitals Enterprise Limited.
- Hospitals have long-term understanding with PPO’s (Preferred Provider Organization), which further have understanding with corporate. Any case of sickness found in the employees of these corporate refer them to the PPO’s, which further sends them to the hospitals for check-ups and treatment.
- The success rate of crucial operations and surgeries, reflect the technological and knowledge based edge of the hospitals over the competitors. Such successes are discussed in health magazines and newspapers, which becomes a natural advantage for the hospital.
- Some hospitals by means of their past track record have created a niche market for themselves. For example, Hinduja Hospital is known for its high-quality healthcare at reasonable rates, whereas Lilavati Hospital is known for its Five-Star service.
- Hospitals hold seminars and conferences relating to specific diseases, where they invite the doctors form all round the country, for detailed discussion. This makes the hospital well known amongst the doctors, who could in future refer complicated cases to the hospitals.

• Hospitals can also promote medical colleges. This helps them to generate extra resources in form of fees, using the same infrastructure-consistently good pool of human resources.

**Sources of Revenue**\(^{18}\)

The general perception that large hospitals, with high bed-occupancy rate are profitable, is misleading. Global experience shows that hospital with more than 250 beds don’t do well. Many Indian hospitals are following the US healthcare industry, by decreasing the average length of stay of patients and increasing patient turnover. US research shows that 80% of the revenue form a patient comes in the first 72 hours post-admission. Hospitals generate a lot of revenues from General Inspection, because the patient turnover is very high.

A large percent of revenues come form specialized services like operations and surgeries. It is because of these reasons that many corporate are planning for a small 100 beds specialized hospitals, which caters to specific diseases like cardiac, cosmetic surgery, neurology etc. Research shows that there exist a lot of space for super-specialized hospitals with 100-150 beds, which generate revenues equivalent to large 500 bed general hospital. Typically large hospitals with approximately 500 bed capacity take about 9-10 yard to break even whereas super-specialty hospitals with about 100 beds take about 6-7 years to break even.

General room charges do not contribute significantly to the hospital revenues, unlike intensive care units (ICU). The general room to ICU/ICCU room ratio depends upon the type of the hospital. In case of general hospitals the ratio is about 8:2 whereas in case of a specialized hospital it is about 6:4. Hospitals have in-house based doctors and visiting consultants. The visiting doctors contribute a certain percentage (approx. 15%) of their billings to the hospital revenues.

Hospitals could also generate revenues from medicines\(^{19}\) if they are supplying them in-house. Some hospitals make it mandatory for the patients to buy medicines from the hospitals chemist shop. A margin of 15-20% can be charged for such

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\(^{19}\) Mackeigan, Linda D and Don D.Larson (1989), Development and Validation of an “Instrument to Measure Pa satisfaction with Pharmacy Services”, Medical Care, 157 (May) 522-38.
medicinal supplies. Though many hospitals run by Trusts do not earn this way, but new entrants or Corporate for whom pirate healthcare sector is a direct extension of their line of business (Eg. Pharma companies), can generate good returns from medicine supply. Hospitals promoting medical studies generate extra resources in form of fees, using the same infrastructure. Eg. Fees charged to foreign students at Manipal Hospital is US $20000 annually.

More and more overseas Indians fly home to visit their doctors here in whom they have complete confidence. They get world-class treatment at a fraction of the cost they would have to pay abroad, as liberalization has speeded up the entry of the latest state-of-the-art equipment. Also Indian doctors are amongst the best of the world. They prefer to consult these doctors for their chronic diseases such as high blood pressure, diabetes, neurological problems and even dentistry.

Medical charges in India\(^{20}\) are between one-tenth and one-thirtieth those of the US. For example, a bypass surgery, which costs $3000 in US, costs only Rs.35000-40000 in India with the same technologies and facilities.

Health plan packages can be provided by hospitals to family and corporate. For example Family Health Plan (FHP)\(^{21}\), a subsidiary of Apollo Hospitals does health management of employees of its clients. With a wide network of hospitals and healthcare providers countrywide, and a tie-up with General Insurance Corporation of India, FHP offers a range of services to employees and dependents, such as preventive Healthcare, Corporate Counseling, Welfare Programmes, Claims Administration, Patient-care Coordination and so on. So FHP’s healthcare packages, optimize the benefits while keeping the cost under control.

Apart from preventive healthcare, stress management programs could be provided. For example ‘Effective Stress Management Programme’ offered by Wockhardt Hospital. This programme provides a medical perspective of stress and is conducted by a medical professional. The programme includes a series of one-to-one sessions, with a clinical Psychologist highlighting the factors responsible for inducing


stress, and the methodologies, which can be adopted to cope with this phenomenon practically.

Third party Administrators (TPA)\textsuperscript{22}, can also play a major role by managing the healthcare needs of clusters of individuals. The TPA will negotiate better deals for the customers and sort out their medical claims for a fee. On the other hand a Preferred provider organization (PPO)\textsuperscript{23}, can manage almost all the healthcare needs of their customers. However these PPO’s can’t provide insurance cover, as they don’t assume the risk of their clients. But now with private insurance operators coming into picture, most PPO’s and TPA’s will turn into Health Maintenance Organizatons (HMO), by linking their products with insurance companies, or even hospitals. (As of today, HMOs aren’t allowed in India). The key aspect of these HMOs is that it carries the risk of its customers, and hence it will want to know the bioinformatics and the epidemiological data of its clients. Understanding disease trends helps in knowing which risk to carry and at what price.

Experience mostly in the US, has shown that HMOs have lowered the cost of treatment (its in their interest to make sure payouts to hospitals are reduced), ensured preventive care and made the healthcare industry by and large more professional.

For the healthcare boom to succeed, it’s imperative that hospitals don’t fail. Overseas, since HMOs have a say in the way hospitals are run, they keep a tight control of costs and revenues. HMOs are perhaps still sometime away, but PPOs. Thanks to the sheer quantum of business they bring, are already influencing the way hospitals are managed in the same way mutual funds keep companies they have invested in on their toes.

Hospitals can become integrated healthcare system i.e., when medicines, food services, laundry and linen etc. will become” purchased” services. These third-party operations will increase the profit margins.

The Future

Healthcare industry is booming all over the world. In the US it is already the largest service sector, and worldwide it is slated to be a $15 trillion market by 2012. A World Bank report in November 1999 points at the emergence of large-scale, investor-owned hospitals in the country as a “dramatic” development. The corporate Hospitals will play a positive role in the healthcare sector by taking the load off government hospitals, whose performance hasn’t been up to the mark.

In the last 5 years, approximately 750 mergers and acquisitions have taken place in USA hospitals. Major advantages of merging are more towards more integrated health-care systems that can achieve economies of scale, by rationalizing capacity and amalgamating functions as information technology, consultants, emergency transport, database and research and development. But healthcare is primarily a local market business and it is very important to consider the following factors before going in for mergers:

- Relative size of the hospitals
- Their geographical proximity
- Strength of ties with individual hospitals and physicians
- Degree of unity in leadership structures of separate institutions

Research in USA shows that merged hospitals in narrowly defined geographic areas25 few or no competitors have succeeded in exerting a factorable influence on the services. Key to success appears to be a strong orientation to performance, as well as standardizing integrating work processes, functions, suppliers and investments—but not necessarily on a centralized basis. For example, Apollo in Chennai, Hyderabad and Delhi will be separate hospitals post-merger, but functions will be centralized.

Some type of mergers could be for synergy of skills –i.e. to help the merged organizations benefit form one another’s individual strengths by applying them across the board. It also helps them to make joint investments in branding or information technology and also to react effectively to the changed market forces. Alternatively

hospitals can go in for Group purchases, as in USA. The buying power of large GPOs in USA like premier, VHA/UHC and AmeriNet gives them the clout to exert price pressure on suppliers, particularly for products in lower demand. And as GPOs have consolidated, manufactures have offered bigger discounts to hang on to their contracts so there exists a lot of supply management opportunity, which will affect spending productivity.

**Role of Technology**

Healthcare is racing towards high-tech, automated technologies and health agencies wanting to distinguish themselves from the pack will have to opt for leading-edge technologies. And that means healthcare delivery through application of telecommunications technology, or rather telemedicine. This will help transfer of electronic medical data, including high resolution images, sounds, live video and patient records from one location to another through telephone lines, ISDN, modem, Interest, satellites, video-conferencing etc.

Already healthcare systems for diagnosing and monitoring severe asthma and patients via the internet have been launched in the USA and UK. Those suffering from asthma or cardiac problems will use a portable monitoring device to record their breathing patterns. The data will be sent via a modern or a telephone line to a central management system, where it will be processed and results will be sent directly to the patient’s consultant. The system will record the date, time, temperature and humidity conditions (critical to analyzing the health of asthma patients) etc.

Apollo hospitals and Escorts Heart Research already have tele-cardiology systems, which help monitor the condition of cardiac patients. Here also, all the patient needs to do is, place the gadget near his heart and dial his hospital heart command center. Image of the heart and ECGs that the hospital receives (via satellite) help them to prescribe the immediate treatment or first aid required.

While there has been a frenetic activity in the global sphere to gear up for the anticipated e-commerce boom, this sector will not be left behind. One of the most noticeable elements in the internet strategy of many leading pharma companies is focusing on the key health problems or diseases which are being addressed by their

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products and creating content about them. For example, Novaritishealth.com gives information about hypertension and cholesterol. As it is no longer playing a supportive role, but has the power to reshape the business strategy itself, companies like Glaxo have pioneered the process of creating awareness of internet in the medical practitioners community by giving them exposure to medical applications on the Net, Tele-medicine etc. Also, Apollo has commissioned a Rs.35 crore telemedicine project and has launched a website. All this will result in better care at lower costs and the new technologies available will help streamline processes, integrate data and monitor care.

MAJOR CORPORATE PLAYERS IN INDIA

The Apollo Group of Hospitals

The Apollo group is India’s first corporate hospital, the first to set-up hospital outside the country and the first to attract foreign investment. With 2600 beds, Apollo is one of Asia’s largest healthcare players. The recent merger between its 3 group companies, Indian Hospitals Corporation Ltd., Deccan Hospitals Corporation Limited and Om Sindoori Hospitals Limited, will help the group raise money at a better rate and by consolidating inventory; it will save around 10% of the material cost. The group is planning to invest Rs.2000 crore, to build around 15 new hospitals in India, Sri Lanka, Nepal and Malaysia.

Fortis Healthcare

Fortis is the late Ranbaxy’s Parvinder Singh’s privately owned company. The company is a 250 crore, 200 bed cardiac hospital, located in the town of Mohali. The company also has 12 cardiac and information centers in and around the town, to arrange travel and stay for patients and family. The company has plans of increasing the capacity to around 375 beds and also plans to tie up with an overseas partner.

Max India

After selling of his stake in Hutchison Max Telecom, Singh has decided to invest around 200 crores, for setting up world class healthcare services in India. Max India plans a three tier structure of medical services—Max consultation and Diagnostic Clinics, Maxmed, a 150 bed multi-specialty hospital and Max General, a 400 bed

hospital. The company has already tied up with Harvard Medical International, to undertake clinical trials for drugs, under research abroad and setting up of Max University, for education and research.

**Escorts**

EHIRC located in New Delhi has more than 220 beds. The hospital has a total 77 Critical Care beds to provide intensive care to patients after surgery or angioplasty, emergency admissions or other patients needing highly specialized management including Telecardiology (ECG transmission through telephone). The EHIRC is unique in the field of preventive Cardiology with a fully developed programme of Monitored Exercise, Yoga and Meditation for Life style management.

Wockhardt & Duncans Gleneagles International also has major expansion plans. This report is prepared by Mona Pundit and Parin Mehta of Sydneham Institute of Management exclusively for India Info line as part of their project curriculum.

**NEED FOR THE STUDY**

It was understood that there is a need for the study of health care services of corporate hospitals in India. Today, corporate hospitals have been making lot of attempts to satisfy the patient needs by providing a variety of multi-specialty services under one roof. The expectations of patients and attendants have undergone lot of changes, the strategies of corporate hospitals have been changing frequently in response to changing expectations of patients. The legal framework relating to health care sector has also been frequently amended, as a result, the corporate hospitals have to make necessary changes in their strategies relating to health care services.

Amidst this back drop, a couple of major questions emerge for consideration

1. To what extent corporate hospitals are trying to provide better and improved health care services?
2. What are the perceptions of patients towards health care services provided by the corporate hospitals?

An attempt is made in this study, to examine the above and to assess the problems and prospects of healthcare services in India, mainly based on the opinions and perceptions of the patients.