



# EMERGING TRENDS IN HEALTHCARE

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**“Of all the forms of inequality,  
injustice in health care is the most  
shocking and inhumane.”**  
— *Dr. Martin Luther King Jr.*

# HealthCare In India... Three Indias... Extreme Needs



	Population	Avg Healthcare spend per household
Low Income	825 Mn	<4k
Middle Income	325 Mn	15k
High Income	19 Mn	75k

# Healthcare Delivery... HIGHS & LOWS

Success rate of cardiac bypass in India is 98.7% vs. 97.5% in the U.S.

Medical Tourism is a \$2Bn market in India

Ayurveda is the earliest school of medicine known to humans

5<sup>th</sup> Gene behind brain disorder found by Indian geneticist & psychiatrist

Telesurgery & Telemedicine has gained prominence for outreach to inaccessible population

Jan 2010, CSIR have successfully mapped the first complete and entirely Indian genome.

Infant mortality rate: 70 deaths per 1,000 births Vs. 6 deaths in developed countries.

Maternal Mortality Rate: 25 per 10,000 births vs 7 in developed countries

2 deaths occur every 3 minutes from Tuberculosis

34 deliveries every minute... Births attended by skilled health personnel 47% vs 97% in developed countries

Life expectancy in India is 66 years compared to 78 years in developed countries

**Islands of Excellence in an Ocean of Inadequacy**



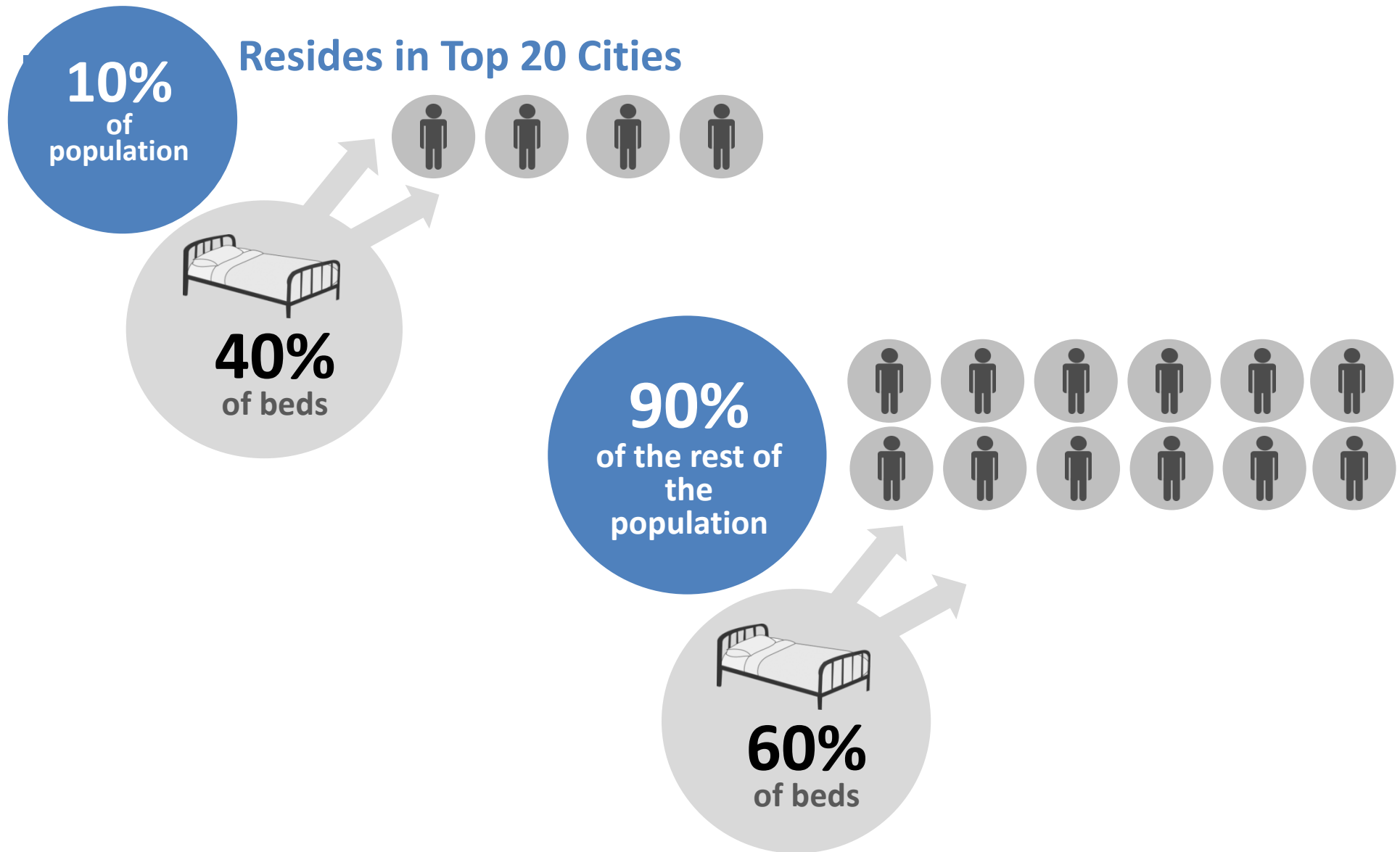
# Current Indian Health Care Scenario

## Infrastructure & Manpower

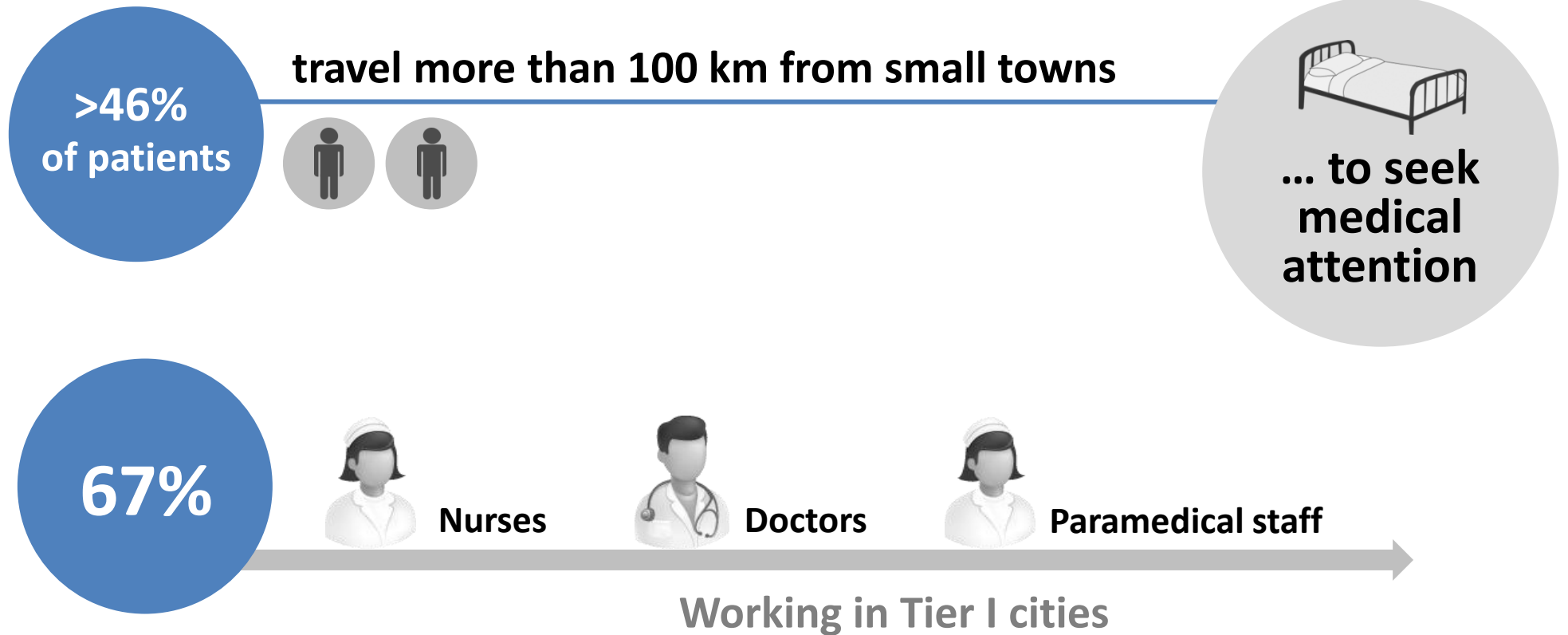
- Total Beds - 1.37 million
  - But Only 50% beds functional & relevant
- Hospital bed to Population ratio of **1.1 per 1,000**
  - World Average of **2.7**
- Doctor to population ratio is **1 : 1,722**
  - World Average Ratio is **1: 715**
- Nurses to population ratio is **1.3 per 1,000**
  - World Average of **9.7**
- OT to population ratio of **1 per 100,000**
- 77% of the population pays out-of-pocket for healthcare.  
Only 23% covered by insurance **77%** (private, social etc)



# Health Care Accessibility



# Health Care Accessibility

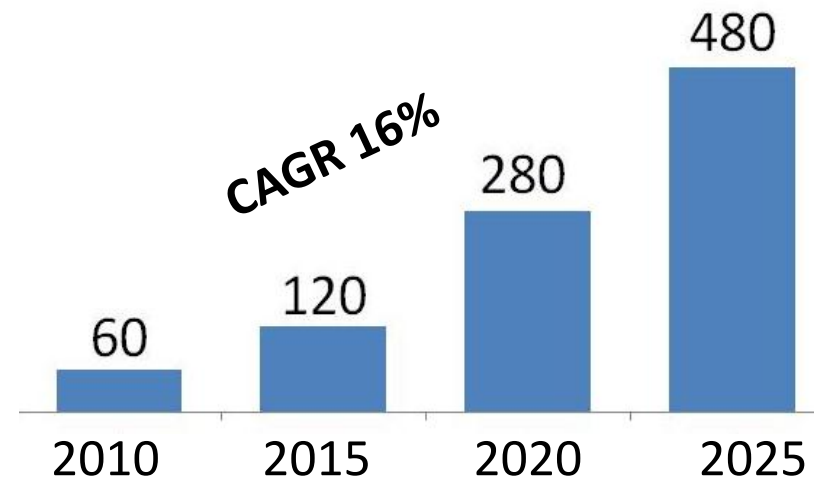


**Serious Lacuna in Tier II, III cities & rural India**

# Health Care in India... The Opportunity

- Healthcare contribution to GDP to grow from current ~4% to **5.5% of GDP**

Indian Healthcare Market – US\$Bn



- The avg. household healthcare spend will increase from **7% to 10%** in next decade
- 65 cities with 1mn+ population, 40 towns with 0.5mn+ population





# Health Care delivery formats across the World

## Canada:



70% of healthcare spend by Govt.  
Federally sponsored public funded  
medicare system with services provided  
by private sector

## UK:



90% Healthcare spend by govt.  
NHS completely funded by the  
government.  
Private practices to co-exist

## US:



45% spend by the govt.  
38% through the employers  
and 17% from private  
payment.

## France:

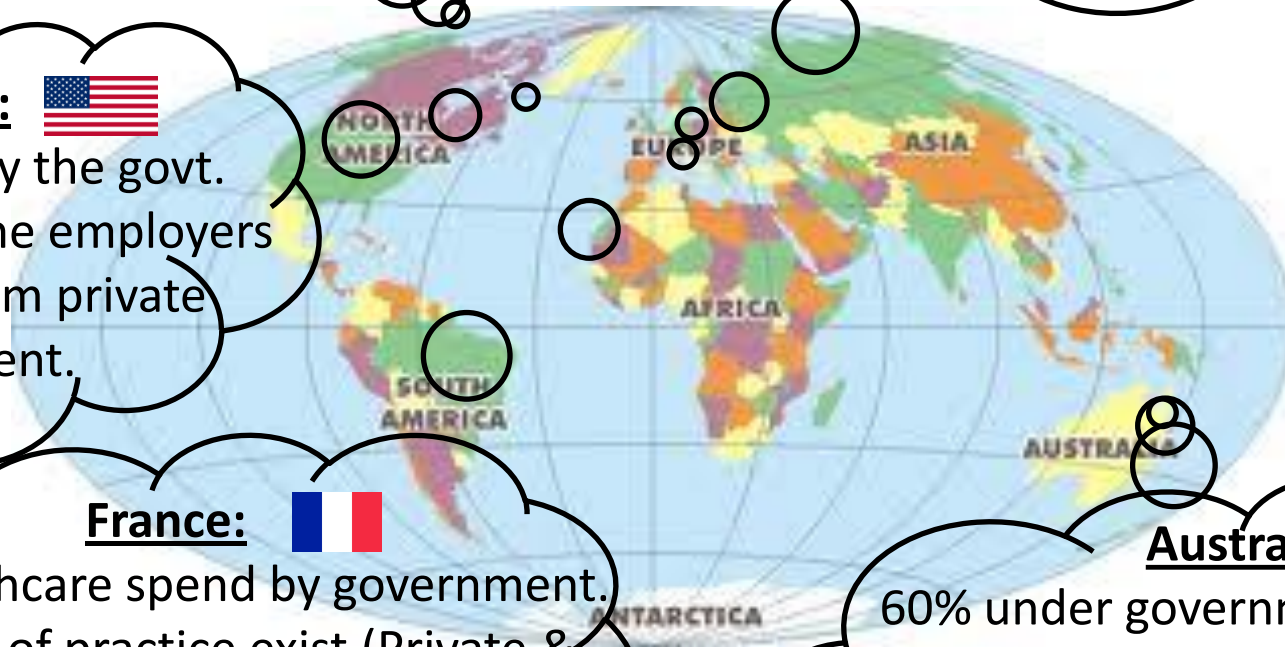


80% of healthcare spend by government.  
Both forms of practice exist (Private &  
Public).  
Govt. refunds 70% of most healthcare  
costs & 100% in costly or long term  
ailments.

## Australia:



60% under government Program –  
Medicare (Co-exists with Private)  
All legal residents are entitled to  
government paid public hospital  
including treatment by private  
doctors



## Government's Struggle in Healthcare Delivery in India

- Poorly equipped & managed hospitals and delivery centers
- Staffed inadequately
- Sub-standard consumables, antibiotics & paracetamol being used

# Healthcare roadmap for India... learning's from developed nations



## Government

- Centers of Excellence (AIIMS, Kidwai, NIMHANS)
- Research Institutes
- Regulatory / Monitoring Bodies
- Medical Colleges
- Provide Medical Insurance
- Provide preventive healthcare and provide basic amenities



## PPP

- Private Partnership in current government hospitals



## Private

- All Healthcare delivery in the hands of private players
- Tiered approach to healthcare delivery... ensure rural inclusivity
- Caters to all specialties including super specialties
- Simplify healthcare insurance process... One Procedure One Rate
- Innovative delivery models

# Innovative business models

**New horizons for healthcare delivery would be that provide:**

- Lower cost
- Addressing untapped markets
- Improved CapEx leverage
- Greater operating efficiency
- Enhanced patient experience

**Healthcare Space is already witnessing new delivery formats**

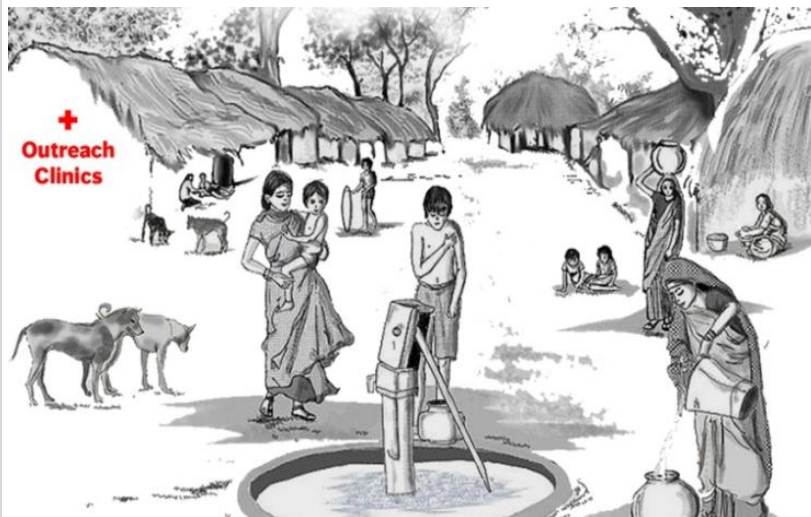
- Ambulatory Surgery Centers
- Single Specialist Hospitals / Chain
- Hub & Spoke
- Diagnostic clinics
- Primary care networks
- End-of-life Care Centres





# Taking Healthcare to the People

The Ideal Model How Lacunae will be filled...



- **Villages – Outreach Clinics**

- A consulting room
- Minimal diagnostics

- **For a few Villages – Primary Health Care Centre (PHC) – one for a few villages**

- Consulting
- Basic diagnostics
- Tests
- Small procedures



# Taking Healthcare to the People

The Ideal Model How Lacunae will be filled...

- **Towns - Ambulatory Surgery Centers – One in a town**
- Ambulatory Surgery Centers (ASC) or day / short stay surgery centers have following facilities:
  - a. Surgical procedures that can result in discharge within 2 – 72 hours.
  - b. Operating Theatres
  - c. OPD Suites for Consultation
  - d. Pre Op & Post Op beds
  - e. Lab, Radiology & Pharmacy facilities
  - f. Preventive Health check
  - g. Specialized Clinics
- Over 70% of all surgeries & nearly 1,400 procedures can be performed in a ASC
- ASC's can handle all non-critical surgeries





# Why Ambulatory Surgery Centers?

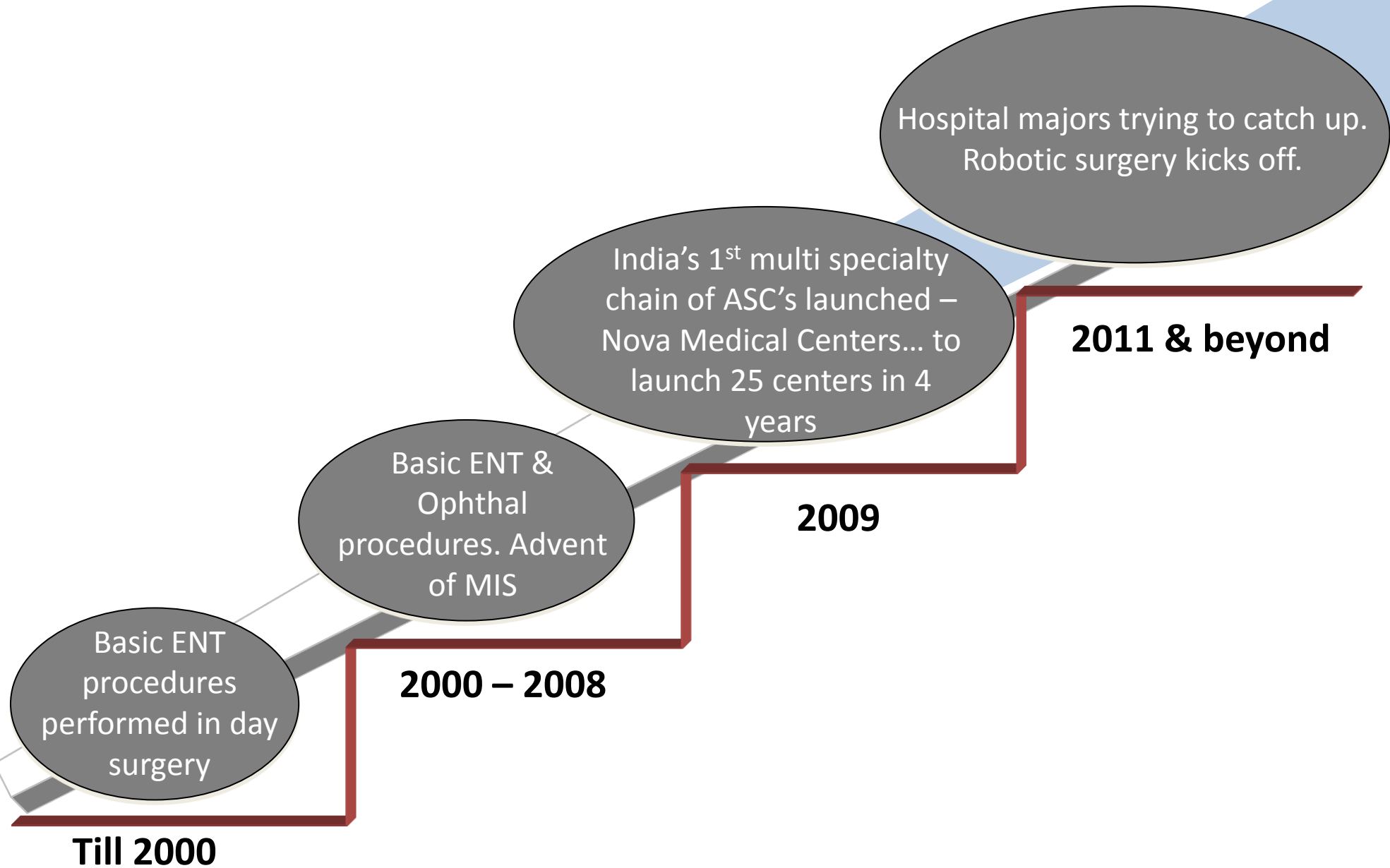
- Minimally invasive surgical techniques
- Cost savings:
  - Treatment - 20-25%
  - Stay, travel – 25-30%
- No scheduling delays as each center has 4 – 5 operating theatres
- High quality cost effective alternative to traditional tertiary care
- Hospital Acquired Infection can be significantly reduced
- Increases bed to patient ratio & OT to patient ratio



Hospital infections affect 2 million patients, leading to 58,000 deaths and costing \$4.5 billion annually

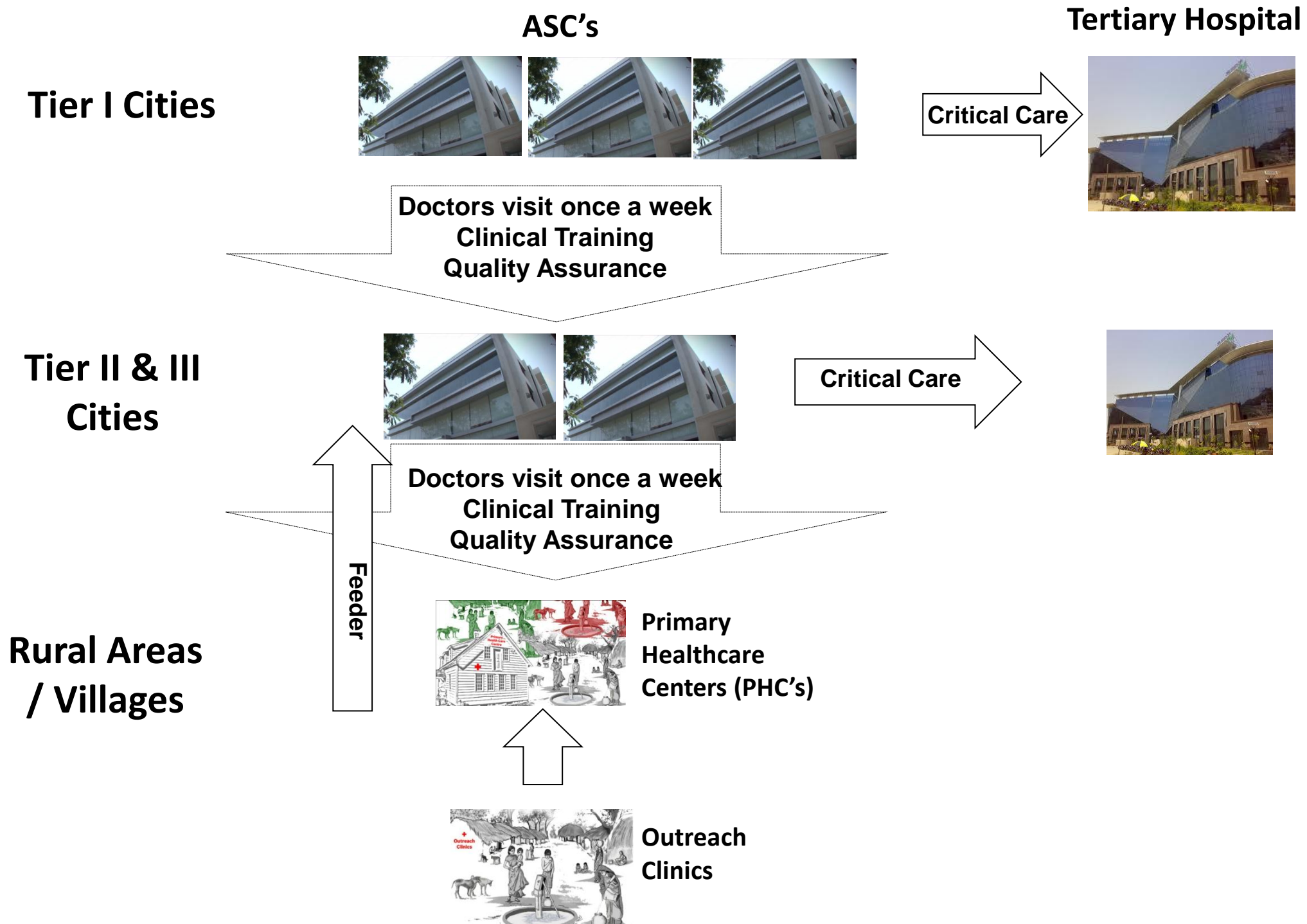


# Evolution of ASC's in India



**ASC's still very nascent in India... huge potential to make a substantial difference in healthcare delivery**

# Ripple down Effect of the ASC Delivery Model



# Ambulatory Surgery Center (ASC)...

## The Potential and Vital Cog in the Delivery Model

- The Ambulatory Surgery Centers are a 30 yr old concept in the West
- US has nearly 6,000 such centers doing 22mn+ surgeries annually
- India has the potential to accommodate 15,000 such centers
- ASC's are the vital cog for
  - Effective, World Class, High Quality and Affordable Healthcare





Thank You