

**COST OF HEALTHCARE IN INDIA: THE PRIVATE HOSPITAL DIVIDE****K. Sumangala Bhat**

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Article Info: Received 04 July 2020; Accepted 25 July. 2020**Address for Correspondence:** K. Sumangala Bhat**Disclosure statement:** *The authors have no conflicts of interest.***Abstract:**

Private hospitals in India have emerged as prominent service sector acting as the comfort zones for patients during the last couple of decades, catering to the healthcare needs of the stratified society. During this process, private hospitals have undergone a marked stratification into various levels of luxury similar to the other service industries like the entertainment, hospitality, etc. Accordingly, the hospital fee structure also got diversified and escalated to a large extent especially in the high-end hospital sector. This has led to a common understanding that private hospitals are too much expensive. This study has attempted a practical analysis of the fact by collecting real data on the fee structure of corporate hospitals and nursing homes. The fees charged for 5 common medical conditions demanding hospitalization and surgical intervention, such as Appendectomy (laparoscopic), Cholecystectomy (laparoscopic), Normal delivery, Caesarean section, and Tonsillectomy across 6 cities of India in corporate hospitals and nursing homes have been collected and analysed. The study has indicated variations in the hospital fees for the same procedures across the cities and within the cities among different hospitals. Analysis of the data has confirmed the average fees collected by the corporate hospitals are 58.5% more than that of the nursing homes. Laparoscopic surgeries are more highly-priced in corporate hospitals when compared to other procedures.

Keywords: Normal delivery, Caesarean section, Tonsillectomy, Cholecystectomy, Appendectomy, Laparoscopic.

1. Introduction

Private healthcare service in India dates back to pre-independence period. However, this service sector has witnessed a growth trend during the late 1970s. But a remarkable pace in growth of this sector has been reported from the year 1990 onwards and has been linked with the liberalization of the Indian economy¹. The steady growth of the private health sector is quite evident through the volume of its service. Private doctors and allied health service support groups were catering 5-10% patients during 1947 and reached to the level of addressing 82% of outpatients and 58% of inpatients in hospitals, besides serving the medical attention for 40% of births in institutions² during the recent years. In addition to this, the Indian private hospitals have commenced catering overseas patients from Bangladesh, Africa, Pakistan, and the Middle East³ recently. The private hospitals have undergone a paradigm transformation during the last couple of decades with reference to their infrastructure, way of functioning, and approach towards patients. Today we can see the stratified status of private hospitals, comparable with any other service industries like the entertainment, hospitality, tourism, etc., catering the needs and expectations of different societal strata. The private healthcare service can be broadly categorized into corporate hospitals and nursing homes with respect to their organization status and type of service being offered. This study seeks to analyse the cost for common inpatient surgical procedures between corporate hospitals and nursing homes for deciphering the false notion regarding hospital fees in the private sector.

2. Materials and Methods

The fees charged by corporate hospitals and nursing homes for common inpatient procedures such as Appendectomy (laparoscopic), Cholecystectomy (laparoscopic), Normal delivery, Cesarean section, and Tonsillectomy across Bangalore, Chennai, Mumbai, Hyderabad, Kolkata, and New Delhi. More than 60 hospitals across the selected cities have been screened for each procedures and the fees collected for individual procedures were recorded from online sources under corporate hospital and nursing home categories separately.

The mean cost to each procedure across hospitals in the same city and also across the different cities were compared. Mean, median, standard deviation, and independent sample T-test has been carried out for data analysis.

3. Results and Discussion

The data collected for the study are from online sources. The fees charged by a minimum of 5 corporate hospitals/nursing homes have been compared for individual procedures in each city. The mean values of the fees for individual procedures in each city at corporate hospitals (Table 1) and nursing homes (Table 2) have been calculated. Comparison of the median values of the fees for individual procedures across the six cities surveyed (Fig.1) has confirmed higher fees for each procedure in the corporate hospitals, except for tonsillectomy. The difference in the mean values of fees for all the procedures evaluated in the current study (Fig.2) has been proved statistically significant ($t > P$). The overall percentage difference in the fees of corporate hospitals and nursing homes is 58.5%, with the former charging higher fees.

Table 1: Fees for selected inpatient procedures in corporate hospitals in Indian cities^{4,5 *}

Sl. No	Cities	Fees in INR				
		Appendectomy (laparoscopic)	Cholecystectomy (laparoscopic)	Normal delivery	Caesarean section	Tonsillectomy
1	Bangalore	59420	123324	62166	85833	19600
2	Chennai	61900	138623	35400	49600	28400
3	Mumbai	68800	146100	37800	56400	32975
4	Hyderabad	56600	156699.6	49800	64400	22600
5	Kolkata	60000	108886	15520	28320	26668
6	New Delhi	61000	158535.2	30420	47080	46265

*Values are Means of different hospitals and average of charges for different types of wards

Table 2: Fees for selected inpatient procedures in nursing homes in Indian cities^{4,5 *}

Sl. No	Cities	Fees in INR				
		Appendectomy (laparoscopic)	Cholecystectomy (laparoscopic)	Normal delivery	Caesarean section	Tonsillectomy
1	Bangalore	26435	53335	25000	55000	20500
2	Chennai	41050	44466.67	24375	47900	27175
3	Mumbai	45472.73	56200	28850	55211.76	28277.7
4	Hyderabad	31200	40000	25000	37500	28333.3
5	Kolkata	41366.67	48203.85	34166.67	52464.29	31000
6	New Delhi	47375	47200	32500	45500	44666.67

*Values are Means of different nursing homes and average of charges for different types of wards

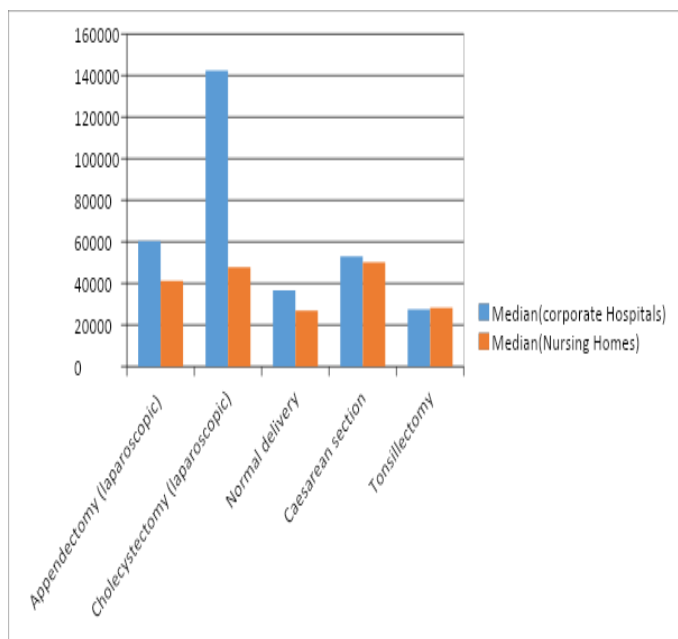


Figure 1: Comparison of fees: corporate hospitals and nursing homes for selected inpatient procedures

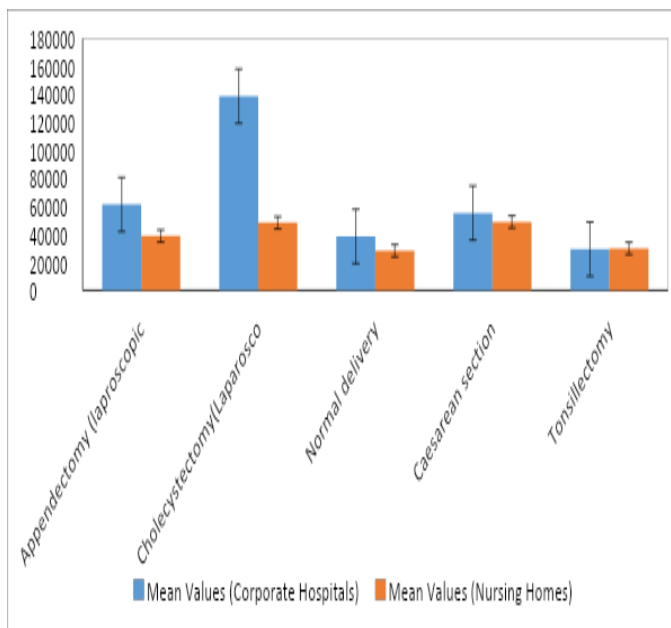


Figure 2: Analysis of the fees difference in corporate hospitals and nursing homes for selected inpatient procedures

t(2. 571)>P (0.000197637, 0.000197637, 0.12941874, 0.237371451, 0.455953341)

The current study has provided data-driven evidence on the fees structure divide among private hospitals in India, considering six cities spread over all regions of the country and 5 common inpatient procedures. Several studies/reports have presented cases of exorbitant fees charged by private hospitals for healthcare services^{1,6}. Another factor associated with the fees-divide across corporate hospitals and nursing homes, less projected in analyses is the difference in the nature of the service provided by the two categories. Nursing homes in general, limit their services to the basic medical requirements, while corporate hospitals provide several add on advantages of personalized services, to compensate the extra fees collected from the patients.

Normal delivery and cesarean section are two very common inpatient procedures performed in hospitals. Private sector healthcare providers in India contribute to a notable share of institutional deliveries across the world⁷. This service has got elevated from the basic child delivery and neonatal care into a total pre-natal and post-natal parenting advisory service during the recent years, with hospitals, specialized for the purpose, providing end to end service at a huge cost⁶. This can be considered as a typical case in comparing the private hospital service sector evolution in India during the last few years. Despite these developments, there is a large scope for improvement of the standards of the maternity service provided by private sector hospitals on child birth⁸. In the present study, the average difference of fees for maternity services between corporate hospitals and nursing homes has been found as 24.5%, with the former costing more. Another hospital procedure compared in this study is common laparoscopic surgeries like appendectomy and cholecystectomy. These are considered because they represent two common surgical interventions performed using relatively modern technology and available in many of the nursing homes also. A comparison of the fees for these procedures has confirmed a huge difference of 122. 72% between corporate hospitals and nursing homes, with the former pricing it higher. Within this study, it is well evident that the technology-enabled procedures to contribute more to the price-divide among the private hospitals. The inequality created by the corporate hospitals in the healthcare sector is considered as a major cause of concern and

some are of the opinion that a single level health care service is needed for harmony in the system and the society⁹.

4. Conclusion

The cost of surgical procedures varies across cities and also across hospitals within the same city. There is a significant difference between private hospitals with reference to the fee structure for individual surgical procedures across all the cities analysed. The average fees collected by the corporate hospitals is 58.5% more than that of the nursing homes. Laparoscopic surgeries are more highly priced in the corporate hospitals with an average of 122. 72% of the price in private nursing homes. This study has established the price-divide existing among private hospitals in India.

Conflict of interest:

The author declares that she has no conflict of interest.

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