

In India, 'no frills' hospitals offer \$800 heart surgery (Update)

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What if hospitals were run like a mix of Wal-Mart and a low-cost airline? The result might be something like the chain of "no-frills" Narayana Hrudayalaya clinics in southern India.

Using pre-fabricated buildings, stripping out air-conditioning and even training visitors to help with post-operative care, the group believes it can cut the cost of heart surgery to an astonishing 800 dollars.

"Today healthcare has got phenomenal services to offer. Almost every disease can be cured and if you can't cure patients, you can give them meaningful life," says company founder Devi Shetty, one of the world's most famous heart surgeons.

"But what percentage of the people of this planet can afford it? A hundred years after the first heart surgery, less than 10 percent of the world's population can," he told AFP from his office in hi-tech hub Bangalore.

Already famous for his "heart factory" in Bangalore, which does the highest number of cardiac operations in the world, the latest Narayana Hrudayalaya ("Temple of the Heart") projects are ultra low-cost facilities.

The first is a single-storey hospital in Mysore, two hours drive from Bangalore, which was built for about 400 million rupees (7.4 million dollars) in only 10 months and recently opened its doors.

Set amid palm trees and with five operating theatres for cardiac, brain and kidney procedures, Shetty boasts how it was built at a fraction of the cost of equivalents in the rich world.

"Near Stanford (in the US), they are building a 200-300 bed hospital. They are likely to spend over 600 million dollars," he said.

"There is a hospital coming up in London. They are likely to spend over a billion pounds," added the father of four, who has a large print of mother Teresa on his wall—one of his most famous patients.

"Our target is to build and equip a hospital for six million dollars and build it in six months."

The Mysore facility represents his vision for the future of healthcare in India—and a model likely to burnish India's reputation as a centre for low-cost innovation in the developing world.

Air-conditioning is restricted to operating theatres and intensive care units. Ventilation comes from large windows on the wards.

Relatives or friends visiting in-patients undergo a four-hour nursing course and are expected to change bandages and do other simple tasks.

In its architecture, Shetty rejected the generic multi-storey model, which requires costly foundations and steel reinforcements as well as lifts and complex fire safety equipment.

Much of the building was pre-fabricated off site and then quickly assembled.

— Roll-out plans —

The Mysore facility will be followed by others in the cities of Bhubaneswar and Siliguri.

Each will owe its existence to Shetty's original success story, his pioneering cardiac hospital in Bangalore which opened in 2001.

About 30 heart surgeries are performed there daily, the highest in the world, at a break-even cost of 1,800 dollars. Most patients are charged more than this, but some of the poorest are treated for free.

Its success has made Shetty a wealthy man and earned him international renown. Al-Jazeera recently broadcast a six-part series on the hospital whose wards are packed with low-income farmers and labourers.

In the cramped waiting room, families from across South Asia wait for appointments with the boss who juggles them between stints in theatre.

"We saw him on TV recently and we could see his commitment to poor people and middle class people like us," said Ranjan Bhattacharya, a civil servant, who had brought his ill wife 2,000 kilometres (1,200 miles) by train from northeast India.

In its dealings with suppliers, the hospital group works like a large supermarket, buying expensive items such as heart valves in bulk.

By running the operating theatres from early morning to late at night, six days a week, it is inspired by low-cost airlines which keep their planes in the air as much as possible.

The British-trained surgeon sniffs at the output of Western counterparts who might do a handful of operations a week. Each of his surgeons does up to four a day on a fraction of the wages of those in the West.

"Essentially we realised that as you do more numbers, your results get better and your cost goes down," he said.

— Systemic 'collapse' —

Public spending on health in India amounts to just four percent of GDP, less than Afghanistan, according to the World Health Organization.

A lack of private insurance and a public system that has "collapsed" according to the country's rural development minister means an estimated 70 percent of healthcare spending is borne by Indians out of their own pockets.

So is Shetty a sharp-witted businessman who has spotted a gap in the market or a philanthropist?

"We believe that charity is not scalable. If you give anything free of cost, it is a matter of time before you run out of money, and people are not asking for anything free," he said.

His first foreign venture is a hospital on the Cayman Islands, targeting locals who would normally travel to the US for expensive treatment, and he says he would love to expand into Africa.

From 6,000 beds now in 17 clinics, he aims to expand privately-run Narayana Hrudayalaya Hospitals to a group with 30,000 beds in the next five years.

"The current regulatory structures, the current policies and business strategies (for healthcare) that we have are wrong. If they were right, we should have reached 90 percent of the world's population," he said.

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