Technology & hospitals loot—Not Doctors.

Understand health-care economics

“Doctors loot” “doctors mint money” and everybody nods -“agreed”. The highly publicized case of the eight year old girl suffering from Dengue in Noida is shown as a “clear proof”. Patient died after 8 days of admission in a five -star Hospital, Intensive Care unit. The bill - a whopping Rs. 14 lakhs! What more proof is needed to show that “doctors swindle”? In everyday life, too, patients experience exorbitant charges, unnecessary costly investigations, and operations with modern technology at a cost reaching the skies. However doctors point out that, in the Noida case of the child, 4 specialist doctors collected only Rs. 90000 for their 8 days of intensive efforts—about Rs. 20 to 25 thousand for each of them. The rest of the bill was HOSPITAL CHARGES. So, what is the truth? Health Care Services is a very complex subject. One must understand the economics of this highly complex industry where both the giver and the receiver are human beings whose behavior is variable . Let us begin.

Medical practice was an ART for ages. Science has grown tremendously in the nineteenth century, when Gray described the whole anatomy, Harvey and Cushing described the whole Physiology. When microscopic germs were discovered (Leevenhock) and later proved to be the cause of most infections (Robert Koch), Lord Lister established the modern technique of “antiseptic and aseptic” surgery. A dentist (Horace Wells) had already shown that pain can be removed by inhalation of Nitrous Oxide. Thus the stage was set; between 1880 and 1920, surgery made rapid advances. After the discovery of anti-bacterials and blood transfusion etc, there was an immense improvement in medical management, too, and clinical practice added a substantial component of “science”. “Commerce” existed from ages. Now, clinical practice has become a beautiful mixture of art, science and commerce—the components cannot be easily separately identified.

Thus far, there were only two parties – the patient and the doctor. There was faith and intimacy and because of Intimacy, the doctors offered services that the patient could afford. So the allegation of “swindling” was minimal. The situation changed drastically around 1980 when MODERN TECHNOLOGY entered clinical practice. It created wonders. Now every part of the body at any depth could be visualized, reached and remedied. Heart could be repaired, narrowed vessels could be widened, babies could be developed “*in vitro”* (outside the female body) and new tissues could be developed or transplanted when deficient. “spare part” surgery became a day-to-day affair. The world was spellbound. However technology was/is costly and needs large space; and therefore industrialists entered the field, built large hospitals and installed the modern equipment. *Health care service became health care industry*. With this change MANAGEMENT became the principle and PROFITS became the motive. The technology was widely marketed, first by technology manufacturers and later by hospital owners. They made it far more glamorous than what it really is. The modern technology expanded, it spread its tentacles so wide that – like the proverbial camel in the tent—it occupied the whole field of medical practice -including the public sector- and DISPLACED THE DOCTOR TO A SECONDARY POSITION and occupied the prime position. When the doctor was primarily responsible for the care of the patient, service was the main objective and earning was essentially for his own needs*. They gave service and earned* for sustaining themselves. Now that the industrialist has occupied the prime position, the prime object of the modern high technology hospitals has changed to earning PROFITS on the investment. Now*, hospitals give service to earn profits-* irrespective of whether the patient really needs it or not. This is done through the specialist doctors, who are employed by them or are totally dependent on them for their own earning. So, the public blames doctors curses them when the patient is forced to pay exorbitant charges. Do they not earn from this amount? Yes. The small percentage of super-specialists attached to the hospital do earn better but the remaining 90% of the doctors suffer miserably. The rising compulsion for prescribing these services makes them to order these costly investigations and costlier procedures wherein they earn nothing but curses. On the other hand, the rising costs shrink their population-base, as many just cannot bear the rising costs of modern management. There are less and less patients attending their clinics; their earnings are reduced and many doctors are getting frustrated, developing heart attacks or committing suicide. Unfortunately, **the society refuses to understand that the doctor and the hospital are two distinctly different entities – with (sometimes) conflicting interests.** While blaming the doctors, the same society continues to demand more and more of this modern technological approach, little knowing that it is the root cause of exorbitant rise in the costs of health care services- even in the public sector hospitals. Let us look at the Noida child case again. The bill was more than Rs. 14 lakhs but the four specialist doctors got only Rs.90000 for their strenuous efforts of 8 days- about Rs.20 to 25 thousand each. The *hospital earned Rs. 13 lakhs or more.* Let us understand how the Hospital costs rise.

Take the example of a modern operation theatre. The cost of an operation table (on which the patient lies) is Rs. 6 lakhs, the multi-dome light Rs. 4 lakhs, the machine to make the patient unconscious-anaesthesia machine- Rs. 4 lakhs, the machine to cut and burn and stop the bleeding -Cautery machine—Rs. 2 lakhs. The multi-channel monitor to record the pulse, B.P., respiration Rs. 5 lakhs, some sort of air purifiers Rs. 3 lakhs – a minimum cost of about Rs. 24 lakhs. The general rule for all readers to understand the economics is—**AT LEAST ONE THIRD OF THE COST MUST BE RECOVERED EVERY YEAR-JUST TO RECOVER THE INPUT COSTS.** Therefore, the owner must earn about Rs. 8 lakhs just to recover the costs of all the machines. Presuming that the operation theatre works for 300 days, it must earn about Rs. 2670 per day to recover the equipment costs alone. All consumables, medicines, costs for trained staff and nurses, and costs of space, electricity, water etc are separate added costs . Profits are added to that. How can the total bill be other than costly? Earlier, the equipment was simpler and the system relied more on the skills of the doctors. The equipment costs were one tenth (or less) than those at present.

Am I exaggerating to, somehow, exonerate the profession of “cheating and fraud”? Let us look at the costs involved in a public hospital. Lokmanya Tilak Hospital- popularly known as Sion Hospital- is a major municipal hospital reputed as *the* hospital for the poor. No commercialization but unfortunately equally influenced by “modern technology”. In 2018-19, it spent around Rs. 400 crores on 72000 indoor patients, with nearly 100 Intensive care beds (I.C.U.beds) and 1200 general beds. The hospital performed 32000 operations in that year and the average stay of the patients was 7`6 days- -probably the lowest in the country, showing how economical its services are. Considering that the costs are 8 times in I.C.U.s compared to the costs in general wards, the hospital spends Rs. 7500 per day on general ward patients and Rs. 60000 per day on patients in I.C.U.s. This is only running cost; no question of profits, no consideration for initial investment on land, structures and equipment. Is the bill of Rs.1 to 1`20 lakhs per day “exorbitant” in the private sector in a 5-star hospital? The bill in Noida hospital could have been reasonably Rs. 9 lakhs for 8 days of hospitalization in I.C.U.; it was Rs. 13 lakhs. The general public feels it to be exorbitant because they do not know what it really costs. And that is because they do not pay in public hospitals. THE ROOT CAUSE OF RISING HEALTH CARE COSTS IS BLIND ACCEPTANCE OF MODERN TECHNOLOGY. Modern technology has immensely benefitted 10% of the patients who were suffering from (previously) incurable diseases but is causing immense financial hardships for the rest of the 90% of the patients who were getting similar relief by previous method of treatment at a much lower cost.

Now the doctors are divided in three major groups. The first group is small (could be around 10%) but determined to stick to the morality of the service. There are still many doctors – mainly in semi-urban areas—who depend on old clinical methods and refuse to ask for unnecessary investigations and procedures. They are very popular in the middle class and lower-class population but are silent. The second group-the largest (more than 60%)-are those who meekly follow the trend and join in suggesting the modern investigations and management protocols; they do not wish to antagonize the “powerful”, even when they know that it will not help the patient much. In Marathi, Ramdas-swamy advised “don’t take the difficult path often—follow the rest” (Dhopatamarga sodu nako). Why take the risk and get beaten up or sued? They cannot be blamed as ‘looters’. It is the third group which is truly “looters”; they take every opportunity to prescribe the modern technological approach -for a price, of course- and make money. Undoubtedly, this group is growing and could form about 15 to 20% of the doctors. They are bringing disrepute to the medical profession. The people are losing faith in doctors due to this group; although most people still have faith in their own doctors, “luckily, we have a good doctor” they would say. Overall doctors have NOT lost their conscience and they try to do their best, *under the given circumstances*. After all it is unfair to expect the doctors to be very moral when the society in general is hopping mad to earn unscrupulously. George Bernard Shaw rightly said – a 100 years ago- “as far as conscience goes, doctors have it just as much as all other sections of the society—not a little more, not a little less”

**How can we improve the situation?**

**Public sector expansion & cost / Benefit Analysis**

Once we realize that doctors are displaced by investors and profits have gained over service, the solution appears simple. DISPLACE THE INVESTOR AND BRING BACK THE DOCTOR IN PRIME POSITION. This can be done only by EXPANDING THE PUBLIC SECOR AND MAKE IT COMPETITIVE to the private sector. At present, public sector is NOT competitive. It serves the population not needed by the private sector; the poor, the disabled, “risky” emergencies, and similar sections. The affordable dare not go to the over-crowed public sector hospitals or neglected primary health centers. This must change and the public sector health care centers must become more easily approachable and more useful to, at least, the middle class even if they have to pay reasonable charges. The middle class will readily pay, because they are the worst affected by the extra-ordinarily exorbitant charges in the private sector due to gross abuse of Modern Technological approach. Unfortunately, the reverse is happening. The government is going for “privatization” getting rid of its responsibility of giving health care and handing it over to Insurance companies and the private sector. EVEN THE GOVERNMENT OWNED INSURANCE COMPANIES WORK FOR PROFITS ONLY. So, the investors and the insurance companies will now work hand in hand and offer services wherein THERE ARE PROFITS AND NEGLECT THOSE WHICH AFFECT MAINLY THE POOR AND/OR WHICH GIVE LOW RETURNS- even if essential. **We are waiting for disaster.** Instead, if the public sector hospitals were to reserve about one third of the beds and O.P.D. time for the semi-affording middle class- WITH REASONABLE (CALCULATED) CHARGES – It will create a revolution. The middle class will be happy, the hospital will collect revenue and will therefore, expand further. Even at present the government is spending hardly 1`1% of G.D.P. on health and the people are spending 2`9% from their own pocket on health care services. Now some of this personal expenditure will be spent in public hospitals and that will help the public sector. Most important - - **when health conscious, knowledgeable class joins the hospital and *pays for the services, the standard of the hospital automatically improves*. The service providers become more accountable. Hospitals *for the poor, with poor budgets remain poor, inefficient and never improve.* We need to make the public sector competitive.**

But how can we reduce the undue influence of the technology in public sector? Without that, the costs will not be reduced substantially. Another Technology will help. Computerization and data analysis. At present, patient registration, purchase and distribution of drugs and medicines, all investigations are recorded computerized. If the clinical records of the patients are also computerized, it will be VERY EASY TO MAKE THE BILL (let us call it COST ESTIMATE) FOR EACH PATIENT. Such a “bill” , if given to each patient as also to the doctors who have treated that patient, will go a long way in creating COST-CONSCIOUSNESS among all—the patients, doctors, the administrators and the corporators/ M.L.A.s the political masters. Not more than 1% of extra budget will be required for this “Department of Data Analysis”. Once the cost becomes known, everyone will know what health benefit he/she got at what cost. Some specialists will be motivated to try to reduce the costs by avoiding unnecessary investigations, unnecessary procedures, and unnecessary costly medicines and GIVE SAME OR IMPROVED RESULTS AT MUCH REDUCED COST. When such data is published in medical journals, it will receive universal acclaim as the whole world is looking for reduction of health care costs. Administration will now be in a position to question others why they cannot reduce the costs and over the time, promotions and salaries could be based on Merit of performance-Not on seniority. THERE WILL BE ANOTHER REVOLUTION. To-day, nobody knows the costs of management of any patient- neither the dean, nor the specialist nor the resident doctors- least of all, the patients and the politicians. When the cost is not known, how can you reduce it? Cost-consciousness is essential. It will initiate the most important question, “WHAT ACTUAL HEALTH BENEFIT AT WHAT COST?” Technology will get a jolt.

The biggest obstacle to such an effort is the present strain in the relationship between patient and the doctor. Till the 1980s, the patients had immense faith in the doctors. Things did go wrong even in those days and possibly the patient or the relatives did get angry or emotionally disturbed. However in the end, they adopted a fatalistic attitude- “will of God” “ our misfortune” “fate” – but the faith in the doctors, in general, remained unshaken. FAITH IS A GREAT HEALER. A peaceful, optimistic mind helps the body to fight the disease and get well. On the other hand, a suspicious mind causes severe anxiety; that produces a chemical-adrenalin—which increases pulse rate, blood pressure, causes distention of the stomach, and sleeplessness which, in turn, makes things worse. More investigations are called for, more medicines and further increase in the cost of treatment. The doctors, too, get more anxious and, in the present atmosphere of assaults, destruction of property, and law-suits, they rapidly go defensive. They call more specialists, shift the patients to I.C.U.s, and /or prescribe the “latest” costly medicines or costly modern procedures by super-specialists. As explained earlier, in the end, they lose too. Their day-to- day practice dwindles. RESTORING FAITH IN THE DOCTORS IS URGENTLY NECESSARY, in the interest of patients, doctors and the society, in general. **The biggest obstacle in this, is Consumer Protection Act**, being made applicable to the medical profession. **Basically, it destroys faith.** It supports an attitude of suspicion, of “fighting against the wrong” done by the doctor. It creates enmity- at least – antagonism. Strangely, it does NO HARM TO THE CONCERNED DOCTOR. He has to pay a compensation for which he can easily make adequate provision. Presuming he sees just 3 patients a day for 300 working days in a year, he can insure against such litigation by adding Rs.40 in his fees for each patient equal to an annual Rs.36000 – the annual premium for Rs. 50 lakhs. He has already increased his fees by Rs.100 – making “profit”—but he is not happy. **It is very important that the society, activists of patient-rights in particular, join hands with the medical professionals to demand abolition of consumer protection act against medical profession. It is harming all. Instead, a “no fault compensation” could be given to the “bread earner” if he is crippled for life or dies.**

It does not mean doctors should be given a free hand to do what they please. The decisions taken by the doctors are legally “expert opinion” and expert opinion cannot be challenged. Hence, C.P.A. provides that the complaint must be supported *by another expert.* The medical field is very complex; the decision to treat the same illness by a certain protocol may not be valid for another patient with totally different circumstances. Therefore, the expert treating the patient of upper strata may be totally irrelevant to treat the patient in lower strata. In actual practice, the treatment ought to be specially “tailor made” for each individual. THE DECISION SHOULD NOT BE CHALLENGEABLE BUT THE BEHAVIOUR CAN BE AND MUST BE. Was he qualified OR did he have previous adequate experience? Is the hospital /Nursing home duly certified? Did he attend in time, write notes, did he explain the *salient* aspects of the illness and the plan of action (he must keep that in writing with witnesses from the patient’s side). Did his team attend in time when the condition worsened? Norms could easily be formulated and if the doctor has followed the standard norms, he cannot be charged with negligence. Yet another criterion would be the cumulative data of his performance. What were his results in the last few years? If the outcome of his method of management were comparable to the average outcome in the region/ state, he must be exonerated. This will make it imperative for all doctors to maintain very good records AND THAT ITSELF WILL LEAD TO SUBSTANTIAL IMPROVEMENT IN THE PROTOCOLS THEY ADOPT. The present distrust will be minimized and faith will be restored; that will help in reducing the healthcare costs -still maintaining the standard of healthcare services.

This is a big challenge but worth fighting for. Money, power and influence are with the modern technology. Yet the modern technological approach must be resisted as it strongly smells of commercialization. It must be curbed—without losing its fantastic advantages to the few (previously) untreatable patients.

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