



Private hospitals spend most on staff salary

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 @ New Delhi

A first-of-its-kind analysis of real cost of delivering healthcare in India has found that about 50 per cent of the total operational expenditure in private hospitals is spent on the salaries of medical staff including doctors.

The analysis, carried out by the Association of Healthcare Providers of India — a body of private hospitals — also says that hospitals spend 28-32 per cent on drugs and consumables while maintaining a bed in a super-specialty hospital takes about ₹15,000-₹25,000 every day.

In comparison, in tertiary care government hospitals, ₹9000-₹17,000 is spent to maintain a bed every day, says the analysis based on annual reports of hospitals in Delhi and Mumbai.

The study had been submitted to Arvind Kejriwal-led government in Delhi.

"We carried out this analysis because there was no report available on how hospitals are running, spending how much on which head and what is the cost of delivering healthcare services to patients," said Girdhar J Gyani, director-general of AHPI.

"It's important for both government and public to under-

stand that it takes huge amount of expenditure to run super-specialty and secondary care hospitals and things need to be viewed accordingly instead of having unrealistic expectations," Gyani said.

"One of the main points that have emerged is that even in government hospitals, cost of treatment does not come cheap but as it's heavily subsidised, people tend to think that private hospitals are indulged in massive profiteering."

The report stresses that private hospitals pay a lot of emphasis on super-specialist doctors.

"Their fee is much higher. Private hospitals also have higher staff to patient ratios. These hospitals cater to varying demands from different categories of patients, without too much of waiting time."

The report has suggested that governments should plan compensation based on risk based categorisation of hospitals or compensation should be linked with clinical outcomes so as to promote culture of safety within the health systems of the country.

The association, based on the report has also recommended that public hospitals, even while delivering free health services, must account for actual cost and make it known to patient.

This is how hospitals spend money

An analysis of real cost of delivering healthcare has found that about 50% of the total expenditure in private hospitals is spent on the salaries of staff & doctors



THE BREAK-UP OF EXPENDITURE BY HOSPITALS

18-22%
Doctor's salary

28-32%
Drugs and Medical consumable

18-20%
Administrative Cost

2-3%
Repair and maintenance

23-30%
Salaries for allied healthcare workers including nursing staff

5-7%
Cost of marketing and advertisement

4-5%
Power & Utilities

2-3%
Quality & Regulatory compliances

HOSPITAL OPERATIONAL COST PER DAY PER BED

Secondary Care
Govt Hospitals
₹5,000-₹7,000

Tertiary Care Govt
Hospitals
₹9,000-₹17,000

Tertiary Care
Private Hospitals
₹15,000-₹25,000

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In government hospitals, cost of treatment does not come cheap but it's heavily subsidised

Association of Healthcare Providers of India