

# HEALTHCARE RADIUS

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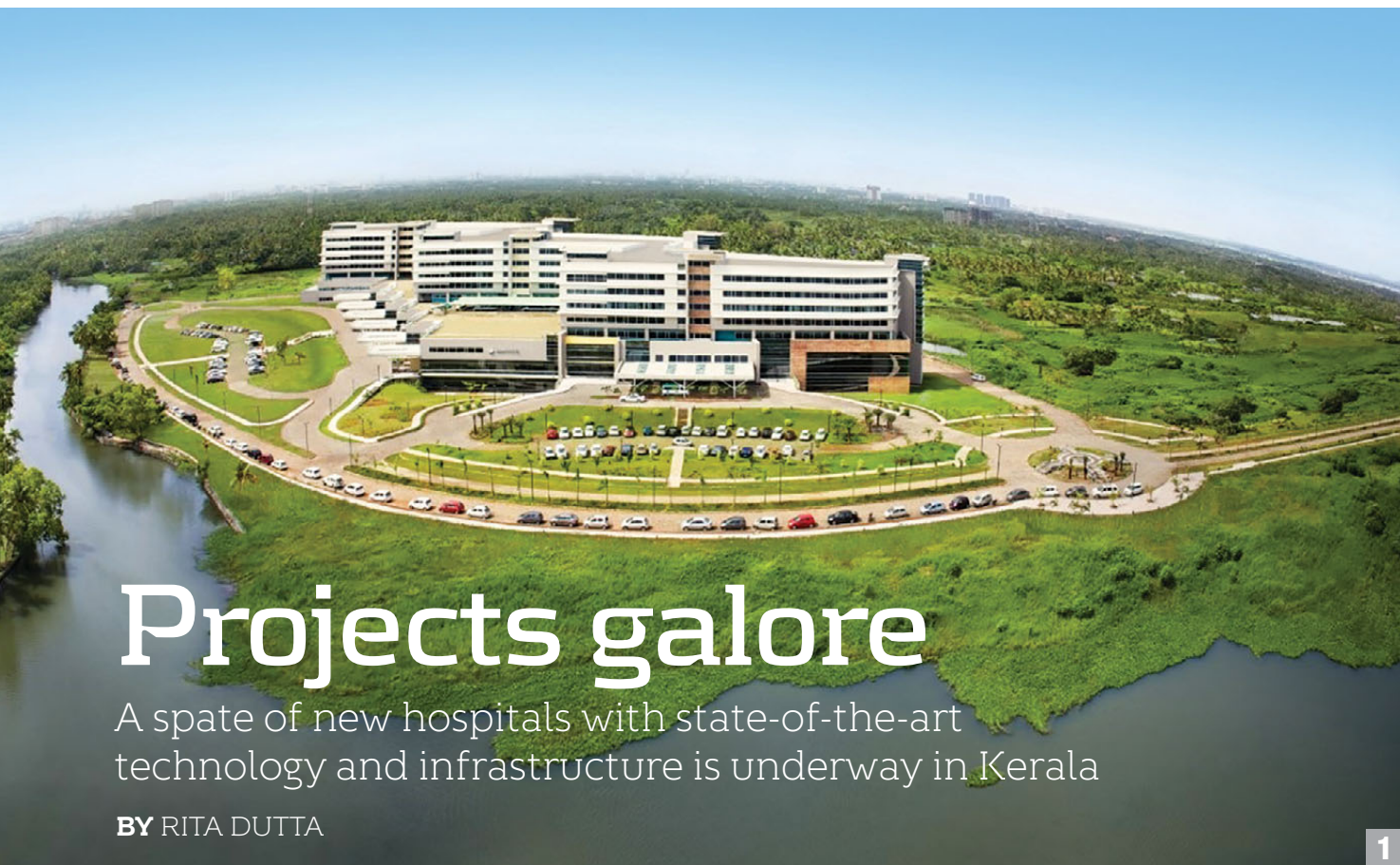
**KERALA SPECIAL**  
**PRIVATE HEALTHCARE BOOM**

**IT**  
**LEVERAGING IT FOR**  
**HOME HEALTHCARE**

## BEST OF THE WEST

**DR LLOYD NAZARETH, GROUP CEO, AMERICAN  
ONCOLOGY INSTITUTE, ON HIS ENDEAVOUR TO BRING  
WORLD-CLASS CANCER CARE TO SOUTH-EAST ASIA**





# Projects galore

A spate of new hospitals with state-of-the-art technology and infrastructure is underway in Kerala

BY RITA DUTTA

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Private healthcare in the state of Kerala is witnessing an influx of Greenfield hospital projects with state-of-the-art technology and infrastructure. And the existing ones are slated for expansion and technology upgradations. For instance, Aster DM Healthcare, which has 2,000 beds in Kerala, has announced investment to the tune of Rs 600 crore in Kerala in various projects in the next three years. The group has planned for hospitals in Thiruvananthapuram, Kannur and Kozhikode.

Thiruvananthapuram's KIMS group is adding more than 100 beds in each of its units in Thiruvananthapuram, Thonaikkal, Kollam, Kottayam and KIMS Alshifa. UAE's VPS Health has recently acquired Lakeshore Hospital and announced an addition of 2 lakh square feet block. With an investment of around Rs 300 crore, this will be operational shortly.

Another project presently underway is MEITRA, a 200-bed project in Kozhikode, promoted by the UAE-based KEF group.

This facility is the first of its kind built on offsite construction technology. UAE-based NMC Healthcare is exploring for projects in Kerala. Reportedly, the group has taken up an existing facility in Thiruvananthapuram and plans to upgrade and expand the facilities.

Several of the large projects are located in and around the cities of Kochi and Kozhikode and funded by NRI business tycoons. There has also been a spate in PE investment into the sector as well. Leading PE fund True North (formerly India Value Fund Advisors) has announced an investment of \$200 million in KIMS. True North acquired 40% stake in KIMS held by existing investors—Ascent Capital Advisors India Pvt. Ltd and OrbiMed Advisors.

According to Johnson Vazhappilly, executive director & CEO, Rajagiri Hospital, a tertiary care hospital in Kochi, "Today, Kerala, particularly Kochi, has grown into a hub of quaternary healthcare with private and corporate players leading the way in the fields of multi-organ transplants, hi-end cancer care and robotic surgery. The rate of increase



P Neelakannan, group COO, KIMS

1. Aster Medcity Kochi - a 670-bed quaternary care hospital.

in the number of beds in the super specialty category has increased considerably when compared to a negligible increase in the bed strength among small and medium category hospitals. Considering the rise in life expectancy, Kerala has also been leading the way in palliative and geriatric medicine.”

Medical centres of excellence like Sree Chitra Thirunal Institute of Medical Sciences and Technology, Thiruvananthapuram, Amrita Institute of Medical Sciences, Kochi, Regional Cancer Centre Thiruvananthapuram, KIMS Thiruvananthapuram, and several mission run and faith based hospitals and health facilities dot the healthcare landscape and have pioneered medical technology and healthcare services in the region. Kerala today boasts of four JCI certified and around 25 NABH accredited hospitals. According to analysts, the organised healthcare in Kerala can be traced back to the missionary hospitals. Explains Dr KG Alexander,



#### AT A GLANCE

- Some of the new hospital projects recently commissioned or upgraded include:
- Aster Medcity Kochi
- VPS Lakeshore Hospitals, Kochi
- Rajagiri Hospital, Kochi
- St Gregorios International Cancer Care Hospital Parumala
- Starcare Hospital, Kozhikode
- Al Shifa KIMS Hospital, Perinthalmanna



chairman & managing director, Baby Memorial Hospital, Kozhikode, “The initial period of rapid growth in health facilities was dominated by the government sector up to the 1980s. By the mid 1980s, there was a slow-down in the growth of government health institutions because of fiscal problems. However, the private sector was geared up for growth and took a lead in the development of healthcare facilities in Kerala.” The current boom began in the 1980s and has been attributed to rising levels of education, increase in household incomes and greater health consciousness among Keralites. An ageing population also led to more and more people seeking quality healthcare.

The healthcare landscape in Kerala is ahead in many parameters when compared to other states. Kerala has taken a lead in infant mortality, maternal mortality and also in the longevity of life. This progress is attributed to the good infrastructure of primary healthcare as well as improvement in the secondary and tertiary care. More than 25 super specialty hospitals, 15 medical colleges dot the private sector, along with eight medical colleges and four dental colleges in government sector R&D facility, paramedical and nursing institutions and medical device manufacturing.

Says Dr Harish Pillai, head - Kerala Cluster, Aster DM Healthcare, “Though the state has the highest life expectancy, it also has the highest morbidity rate in the country. This



Johnson Vazhappilly, executive director & CEO, Rajagiri Hospital



Faizal Kottikollon, chairman, Meitra Hospital

2. VPS Healthcare is redeveloping Kochi's Lakeshore Hospital.





John Punnoose,  
advisor, Muthoot  
Healthcare



Dr KG Alexander,  
chairman &  
managing director,  
Baby Memorial  
Hospital

**3.** St Gregorios International Cancer Care Hospital was recently commissioned in Parumala.

## KERALA INSTITUTE OF MEDICAL SCIENCES

Thiruvananthapuram's KIMS Group has the following presence in Kerala: Thiruvananthapuram with 650 beds, KIMS Al-Shifa, Perinthalmanna with 400 beds, Kochi with 185 beds, Kottayam with 90 beds and Kollam with 100 beds.

Says P Neelakannan, group COO, KIMS, "In the coming years, KIMS, Thiruvananthapuram is adding another 225 beds with an investment of Rs 250 crore. KIMS Thonaikkal, Thiruvananthapuram, will be a rehabilitative and holistic medicine centre with 200 beds at a cost of Rs 100 crore. Also, KIMS Kollam has completed the project of additional 100 beds facility at a cost of Rs 75 crore and be ready to occupy by July 2017." Additionally, KIMS Kottayam is adding another 125 beds to its existing facility. And KIMS Alshifa will be adding another 200 beds in a year with an additional investment of about Rs 50 crore.



means we might be sitting on a time bomb. The rapid demographic transition resulting from low fertility rates and growing population of geriatrics, estimated to be currently above 4 million, contributes to this demand."

According to John Punnoose, advisor to Muthoot Healthcare and St Gregorios Medical Mission Parumala, "Kerala spends 6.5% of its Gross State Domestic Product (GSDP) on healthcare, out of which public expenditure constitutes 1.5% of the GSDP, as per 2013-14 figures." In terms of the money spent, the State's average annual expenditure on health is about Rs 25,000 crore. Out of this, the governments expenditure comes to about Rs 6000 crore while the rest is private expenditure.

"Kerala has the highest per capita expenditure on health in the country during 2013-14 at Rs 7,636. Out of this, the public per capita spending comes to about Rs 1,765 still one of the highest in the country," adds Punnoose.

Analysts say that in early 1990s, the private medical sector in Kerala was much more aggressive as compared to the rest of India. In the year 2000, there were about 70,000 beds in the private sector as against 45,684 in the government sector. During the same year, the number of doctors in the government sector was less than 6,000, while the private sector employed over

### MEITRA HOSPITAL

MEITRA Hospital, to be launched by August, 2017, and is one of the fastest completed hospital projects in the country. The project end to end completion time was just 18 months. Says Faizal Kottikollon, chairman of the board, Meitra Hospital, "Using the latest technology in offsite construction, we were able to bridge the gap between architecture, engineering and technology while reducing considerable environmental impact." Hundred per cent the hospital's design and 70 per cent of the manufacturing was done offsite at KEF Infra's state-of-the-art factory at Krishnagiri, Tamil Nadu. The built-up area of the hospital is 3,50,000 square feet, with a 500-bed strength (in two phases) including 52 individual intensive care suites to ensure world-class patient care. The hospital will also host 28 consulting rooms, seven operating theatres and 6 emergency units – treatment bays, setting global benchmarks in healthcare experience.



12,000. There are more than 300 hospital beds per 1,00,000 populations, which is probably one of the highest ratios in the developing world.

Specialty care in Kerala is far ahead several other states of India. For instance, cancer care infrastructure like radiotherapy and diagnostic facilities are available at cancer care centres across the state. "It is estimated that there are over 20 linear accelerator installations and over 10 PET CT installations across the State. Similarly, over 50 catheterisation labs across the state perform cutting edge cardiac procedures," says Punnoose. Kerala is also seen as an exporter



### ASTER DM HEALTHCARE

The group's projects in Kerala include Aster Medcity Kochi – a 670-bed quaternary care hospital; Aster MIMS Calicut – a 600-bed tertiary care hospital; Aster MIMS Kottakkal – a 200-bed secondary care hospital; DM WIMS, Wayanad- a 575-bed hospital and medical college.

Says Dr Harish Pillai, head – Kerala Cluster, Aster DM Healthcare, "We currently have three upcoming projects in Kannur, Kochi and Thiruvananthapuram. The Kannur project will be a 250 bed multi-specialty hospital that would complement the existing facility at Kozhikode. The project at Thiruvananthapuram will have over 700 beds. There is also a phase II expansion plan for Aster Medcity, as phase I is nearly completed now." The group has committed a sum of Rs 600 crore for the expansion of projects.

or provider of healthcare professionals not only for India but for the world.

The state is also getting touted as the most preferred destination for health and holiday seekers due to its ease and affordability of international travel, access to high quality medical care and hospitality services, excellent year round tropical weather like conditions and close proximity to the Middle Eastern and South Asian countries. Hospitals in Kerala regularly treat patients from countries like Maldives, Sri Lanka, Seychelles, Mauritius, the Middle East and Africa.

Medical tourists from developed countries of the world like the US and Switzerland visit the state's Ayurveda hospitals. However, patients from West Asia and other developing countries seek treatment in the allopathic hospitals. A CII-McKinsey report indicated that medical tourism industry in Kerala is expected to be worth a staggering \$4 billion by 2017.

"Currently, Tamil Nadu attracts 40-50% of medical tourists arriving in the country fol-



Dr Harish Pillai, head – Kerala Cluster, Aster DM Healthcare





## MUTHOOT HEALTHCARE

The healthcare division consists of two multi specialty hospitals with 300 operational beds each, two nursing schools and an allied health educational institution. All these institutions are located in the Central Travancore area in the Pathanamthita district of Kerala. The group also owns and operates around 18 diagnostic centres in Kerala. Ten of these centres are equipped with state-of-the-art CTs and MRIs, making Muthoot Healthcare the largest diagnostic chain in Kerala.

Says John Punnoose, advisor to Muthoot Healthcare, "The group is now exploring opportunities in other parts of Kerala and outside Kerala. The group is currently in discussion with hospitals in Thiruvananthapuram, Chennai and Bengaluru for potential M&A opportunities."

lowed by NCR. Kerala currently attracts only 5-7% of the medical tourist's arrival. The year 2020 would see a revenue footfall of \$1 Billion being generated in translation to 10-15% increase of medical value travellers arriving in Kerala," says Dr Pillai of Aster.

**Adds Faizal Kottikollon, chairman, Meitrah Hospital, "Kerala is poised to become India's hub for healthcare tourism by 2020. Well connected to the rest of India, Sri Lanka and the Middle East, the state is witnessing an emergence of specialty hospitals, housing world-class medical experts providing affordable treatment."**

Out-of-pocket health expenditure is on the rise in Kerala. Says P Neelakannan, group COO, KIMS, "Thirty three per cent of the State's population are contributing out of their own pockets towards the total health expenditure. Out of this, one per cent with chronic and debilitating illnesses, diabetes and cancer, primarily - are spending the most." Significantly, it is chronic diseases and the recurrent expenses of treating these diseases which are keeping the health expenditure high, point out analysts.

The average annual out-of-pocket spend-

ing by a person with chronic illnesses was about Rs 38,000. "The average out-of-pocket expenditure of a person in visiting OP clinics in the Government sector was Rs. 4,034 in a year. In the private sector, this OP expense was not very different at Rs. 4,739," adds Neelakannan. However, when it came to IP expenditure, the average annual out-of-pocket expenditure was Rs 6,267 against the figure of Rs. 30,800 in the private sector.

In the coming years, Kerala's palliative care model is likely to be adopted nationwide. A discussion note prepared by the WHO of Indian office and health ministry has identified Kerala as the only state that has palliative care policy in line with WHO's approach on public health. A state with countries three percent of population houses two-thirds of a total of nearly 500 palliative care centres in India.

Kerala is all set to float its experiment at achieving 'universal access to equitable, affordable, and quality health care services' or Universal Health Coverage (UHC), as envisaged in the 12th Plan by initiating pilot healthcare models in select districts.

The National Rural Health Mission has mooted a proposal for piloting a primary care model in one district (Thiruvananthapuram), last year. "The Union Health Ministry has now proposed that it will directly implement district health system pilots in two more districts in the State," says Neelakannan. Also, Aardram is a recent initiative by the Kerala Government to restructure and revamp public health systems in the Government hospitals. "The scheme aims at patient friendly approach and quality healthcare, super speciality services in district and taluk hospitals, primary health centres become family health centres," adds Neelakannan.

According to Dr Pillai, "There will be increased thrust on single specialty clinics, digital health and home care services along with more assisted care living homes coming across the state. We will also witness the resurgence of family practitioner and GPs." 