

Table of Contents

1	Overview of the Indian Healthcare Sector	5
2	Overview of the study	8
2.1	<i>Scope and objectives.....</i>	8
2.2	<i>Methodology for the study.....</i>	9
2.2.1	Details of the Quantitative Survey.....	10
2.2.2	Qualitative survey	11
2.3	<i>Limitations of the primary research.....</i>	12
3	Foreign Presence in Hospitals in India	14
3.1	<i>Foreign direct investment in hospitals.....</i>	15
3.1.1	Status of FDI in hospitals.....	16
3.1.2	Prospects for FDI in hospitals	19
3.2	<i>Other sources of foreign investment in hospitals</i>	21
3.3	<i>Pattern of financing in major corporate hospitals.....</i>	22
4	Constraints to foreign investment in hospitals in India	25
4.1	<i>External factors</i>	25
4.2	<i>Domestic factors</i>	26
4.2.1	Initial establishment issues: land and set up issues	28
4.2.2	Medical equipment and technology	29
4.2.3	Manpower availability and quality issues.....	31
4.2.4	Health Insurance.....	33
4.2.5	Other regulatory issues and policy directions	35
5	Impact of foreign investment in hospitals	37
5.1	<i>Key findings from the survey.....</i>	37
5.1.1	Services and procedures	38
5.1.2	Physical infrastructure and medical staff	40
5.1.3	Human resources: Remuneration and quality issues	43
5.1.4	Costs of services	45
5.1.5	Other features.....	49
5.2	<i>Perceived impact of foreign investment in hospitals</i>	52
5.2.1	Positive implications.....	52
5.2.2	Areas of concern	55
5.3	<i>Summarizing the implications and further inferences.....</i>	58
6	Implications for GATS commitments in hospital services	60
6.1	<i>India's autonomous and multilateral liberalization in hospital services</i>	60
6.2	<i>Strategy for multilateral liberalization in hospital services.....</i>	61
7	Summary of findings.....	63

List of Tables

Table-1.	Hospitals covered by the quantitative survey	11
Table-2.	Target groups covered for the in-depth qualitative discussions	12
Table-3.	Approved FDI Hospitals by DIPP (January 2000-June 2006)	17
Table-4.	Summary of pros and cons of financing sources for hospitals	24
Table-5.	Summary of key operating and other ratios of major corporate hospitals in India (March 2006 figures)	27
Table-6.	Availability of Services in surveyed hospitals	38
Table-7.	Availability of Medical Procedures in surveyed hospitals	39
Table-8.	Availability of Infrastructure and Medical Facilities	41
Table-9.	Availability of Medical Staff	41
Table-10.	Average monthly remuneration for staff (Rs.)	43
Table-11.	Status matrix for committed and offered liberalization in India's hospital services	60

List of Figures

Figure- 1.	Structure of Borrowings.....	23
Figure- 2.	Domestic Medical Equipment Market	30
Figure- 3.	Health Insurance Penetration in India	34
Figure- 4.	Cost comparison for neurology procedures (Rs.)	45
Figure- 5.	Cost comparison for Gastroenterology procedure (Rs.)	45
Figure- 6.	Cost comparison for dialysis (Rs.)	46
Figure- 7.	Cost comparison for Cardio-thoracic surgery (Rs.).....	47
Figure- 8.	Cost comparison for diagnostic service (ultrasound) (Rs.)	48
Figure- 9.	Cost comparison for diagnostic service (ECG) (Rs.).....	48

List of Boxes

BOX- 1	Major Medical City Projects: Proposed and Newly Established.....	19
BOX- 2	Stakeholder views on public private partnership arrangements in hospitals	50
BOX- 3	Perceived implications for affordability of healthcare.....	57