Surgical Specialty Hospitals: Profits beyond Margins

IPSC Model: Revolutionizing Healthcare with Smart Hospitals

Bengaluru, Karnataka Dec 6, 2023 (Issuewire.com) - Dr. Swati Bhat, Director of IPSC Pain and Spine Hospitals, discusses the effectiveness and financial benefits of the smart healthcare model for specialty hospitals and smaller healthcare organizations.

Introduction

We all expect and deserve affordable and high-quality but despite good expertise, efforts and recourses, we experience a dearth of outcomes that are up to mark. With improved knowledge and understanding of the disease process, and remarkable advancements in technology new fields of medicine are coming up and they need to be taken to higher levels with the enormous clinical experience we have and further research. Focusing on a particular system can make healthcare affordable, safer, easily manageable, and hence a highly efficient system. Customized solutions and specialized infrastructure may help in reducing the gestation period of chains of such specialty centers.

What defines Single Specialty Hospitals:

A Single specialty hospital like IPSC Hospital in New Delhi can be defined as a healthcare facility that provides end-to-end specialized care and treatment to patients suffering from a specific illness, along with all other supportive fields of medicine under a single roof ensuring enhanced comfort and patient satisfaction resulting in greater compliance to treatments.

They are more focused on planning the entire infrastructure, budgeting execution and development based on the specific needs of patients suffering from the same set of illnesses. A network of teams plunges into specialized care, resource utilization, and to bring efficiency, quality care, and value-added for money. With an increasing incidence, the demand for high-quality and specialized care centers is increasing in Tier II and III cities. This gives an opportunity to smaller hospitals to expand across borders as fraternal units leading to the development of hospital chains.

What makes it more attractive to the entire spectrum of healthcare

Capital Requirement:

Specialties offering day care and short stay procedures and surgeries are ideal to scale up as single specialty units. In order to attain higher profitability, they can shift the focus from bed occupancy to number of procedures. The number of In-patient beds required is lesser and hence smaller infrastructure requirements and lower capital expenditure. The CAPEX of a large multispecialty hospital, on high real estate costs, and the requirement of high support infrastructure, could amount to INR 80 lakh-1.0 crore per bed. Whereas, we can reduce this exorbitant cost to almost one-third at the same time ensuring higher productivity per bed.

Working Capital:

The efficiency of staff increases when they are engaged in a particular set of work. Such staff with refinement over a period of time turns into a specialist staff. In addition to the clinical acumen, they get trained to handle the administrative work related to their field.

Specialist doctors with administrative qualities and keen management skill development can amicably fit into administrative roles. This decreases the need to hire additional administrative heads to manage them, which in turn decreases the running expenditure of the organisation.

Easy management:

With specialty doctors, understanding their patients' demands the best, and taking an administrative role serves an additional advantage. This aids in preparing the marketing strategies, simplifies management issues, and results in faster decision making and prioritizing budget investments in technology and equipment yielding high quality services.

End to End solution: Brand in itself

Better education and awareness have led to the development of preference among patients for seeking a specialist doctor even for minor ailments. This also gives them more autonomy to choose the modality, if multiple modes of treatment for a particular disease are available under a single roof.

Easy and multiple searches also bring the brand to the top of the search engines.

Investors friendly business model

Over the last decade, especially with the second wave, more than USD 625 million in capital has been invested by Private Equity and Venture Capital to single specialty hospitals specializing in Oncology, Ophthalmology, Gynaecology, Paediatrics, Orthopaedics, and single-specialty day cares specializing in IVF, Nephrology, and Dentistry. The rising investment in single specialty hospitals is due to an easily comprehensible financial model. Financial viability and better returns on investment expected by is the core strength of, single specialty projects in terms of the. Breakeven is early and due to less complexity in the model, scalability is faster. Niche or early investors can make an early exit with better returns on their investments.

Academics and research opportunities.

Doctors working in get the opportunity to develop skills and individual talent. The expertise and practice in managing a highly specialised field not only make them more efficient at targeted delivery but also reduces the complication rates. A multidisciplinary team approach under one roof gives them a holistic view of managing cases expanding the horizon of a single specialty. It ceases the development of a defensive practice that may arise out of peer specialties nevertheless doctors enjoy more professional autonomy. With physicians, nurses, and technicians all working in a union, fellows have better access to the volume of the cases and the latest medical advancements, and the opportunity to do research work.

#Value_based_healthcare

The model is expected to be more successful with specialties involved in daycare or short stay procedures. , and, and interventions usually do not require admissions and most of the procedures can be done in daycare settings. This increases the turnover time and more procedures can be performed in a low-cost infrastructure. Typically 15–25 bedded hospitals are sufficient for specialties where admissions are required to perform procedures. Asset light infrastructure, low operation cost, and larger volumes lead to decreased cost of the treatment. Experienced and well-trained staff and doctors, not only increase the efficacy but can also perform faster with precision. This adds to the quality of care services. Standardization of protocols helps in replicating the same models and maintaining the quality in every single unit.

Every opportunity comes with its own challenges

The ability to offer a customized solution for a specific requirement coupled with specialized infrastructure and specialist doctors is driving the growth in the single specialty chain of hospitals. Standardized protocols and infrastructure can be replicated but the biggest challenge would be the supply of doctors, trained best to handle and manage cases independently.

Summary

● Single specialty hospitals are the need of the world fulfilling the demands of the customers for specialized care that is affordable and up to the best quality

● They provide huge opportunities for doctors to utilize their skills and knowledge to work out their growth independently at a relatively younger stage.

● A super-Specialized center of excellence may be a good option for all the research and referral needs of the chain of hospitals.

● Promoters' vision plays a vital role. Building a brand, promoting the best practices, and building a solid foundation help in early growth and faster replication.

● Training and creating more experienced physicians with some additional training in healthcare management will help in scaling up the model and reaching tier 2 and 3 cities fast.

● Single specialty hospitals are not just a profitable business to the promoters and investors but also provides affordable and best quality and specialized services to the need of the patients. They also help doctors establish themselves at a much younger stage and grow in their respective fields.

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