Apollo Hospitals – A Lifeline for Sri Lanka

by Angie K'singam

The name Apollo, the Sun God in Greek mythology is appropriate for a Hospital Chain that is a beacon of hope to patients all over the world. Headed by Pratap C Reddy, the renowned cardiologist, the Apollo Hospitals Group has carved a niche for itself in India, by introducing the concept of Corporate Healthcare, earning an international reputation in the process. From cancer treatment to kidney transplants and by-pass surgery, Apollo Hospitals have provided patients from all over the world, access to high-quality specialised treatment at affordable prices.

Dr Reddy points out that the best treatment automatically brings down costs because the convalescent period in hospital is less. A bypass operation that costs between US$ 25,000 to 40,000 in any western country can be done at the Apollo Hospitals within USS 3,500. The point is underscored by the fact that Apollo Hospitals had only a 1.4% mortality rate despite conducting 17,500 open heart surgeries at its hospitals in India, last year. The hospital infection rate has been brought down to a negligible 0.4% last year, which is considered a better rate than most other hospitals in the world. Such work ethics have made the Indian Hospitals Corporation Ltd. (HCL), which is at the nucleus of the Apollo Hospitals, one of the largest and fastest growing hospital groups in Asia. The IHCL networks the entire group of Apollo Hospitals ensuring that they all maintain uniform standards of excellence. The group has over 1,075 hospital beds and more that 20 hospital projects at various stages of implementation. The performance in 1994-95 over the previous year has seen a rise of Rs 11 crores (SL Rs. 110 million) in turnover and a 14.5% increase in profits representing an all-time high. Now,

A new hospital project offering advanced facilities and tertiary level care will offer a comprehensive healthcare package to Sri Lankans

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Apollo Hospitals is poised to enter Sri Lanka with the construction of a 350-bed hospital in Colombo commencing soon. In an interview, Dr Reddy remarked that the

tremendous results they have achieved in this span of ten years has inspired them "…to reproduce in Sri Lanka what we have done qualitatively and quantitatively in India."

Sri Lankans have benefited by the affordability of the Apollo Hospital facilities. A Sri Lankan was the first to have a bone-marrow transplant carried out at the recently opened cancer hospital of the Apollo Group at Madras. The operation which would have cost over sterling pounds 150,000 in the UK was carried out for around Rs 6 lakhs (S. IS 0.6 million). The patient has written to Dr Reddy expressing gratitude, saying, "the cost at Apollo Hospitals, Madras, works out to less than a fraction it would have cost me if I were to have gone to the UK for the same treatment."

Over the last five years, Apollo Hospitals have treated around 4,000 Sri Lankans as out patients and approximately 1,500 Sri Lankans as in-patients. Hospital authorities say that the number of patients from Sri Lanka have doubled in the last five years. 80% of the patients are those undergoing cardiac surgery and kidney transplants and the rest are those who suffer from serious ailments. Dieticians at Apollo encouraged by the influx of Sri Lankans have enterprisingly introduced a Sri Lankan diet plan for patients.

The message is very positive. Statistics indicate that Apollo's advent in the country is well timed. Heart and Kidney Specialists from IHCL have been shuttling to Sri Lanka for the last few years and assisting in training our local doctors. Dr Girinath, a leading heart surgeon, is a household name in the country. He has achieved the rare distinction of performing over 10,000 open heart surgeries in a single hospital within a decade, with a record success rate of 98.5%.

The Sri Lankan healthcare system compares favourably with other countries in the South Asian region. The concern of successive governments in this area is amply demonstrated by the finances invested in healthcare. Last year saw 5% of the Government's total expenditure channelled into health services, an increase of 30% over the previous year. The patient to bed ratio is one of the best in the region even surpassing some South-East Asian countries. However, one important factor is that about 66% of the available beds are in general medicine, surgery and maternity and not super-speciality. The Project Manager of IHCL says that the demand for beds, excluding general and maternity within the Colombo City and surrounding areas is around 2,000 while the supply is only 800. This will be the local Apollo Hospital's principal market and it will bridge the shortfall with its composition of 40 beds in ICCU (Intensive Coronary Care Unit), 12 beds in Emergency/trauma care and 60

beds in the general wards in addition to 140 normal rooms, 20 deluxe single rooms, 75 beds in semi-private rooms and 3 beds in isolation wards.

It was also revealed that there is a serious void in tertiary level healthcare in Sri Lanka. Patients are often referred to Apollo Hospitals in India for follow-up treatment, a trend that will be changed with the advent of the new hospital complex. The local hospital will have a wide range of specialities and facilities of an investigative preventive and therapeutic nature This will attract the return of a large number of Sri Lankan specialists now practising overseas, to the Apollo team, a trend that Dr Reddy saw in India with the establishment of his first hospital in 1983.

The 350-bed Apollo Hospital will cover 230,000 square feet and will be located in four acres of prime land with an option to purchase a further three acres. It is defined as a super-speciality, multi-disciplinary hospital with state-of-the-art equipment. It will have a fleet of ambulances on call at strategic locations in Colombo, a twenty-four hour pharmacy and an affiliated Nurses Training Institute.

The concept of a Corporate Hospital is not new to Sri Lanka. However, the specialised expertise that Apollo will bring into the country will be relatively new. It will usher in a new era where kidney transplant operations, open-heart surgery, and other super speciality treatment will be carried out as a routine facility at local hospitals, stemming the foreign exchange outflow. In an interview with Rupavahini, the Chairman of Apollo Hospitals reiterated that the rationale behind the project is the establishment of a better health-care system, regionally.

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The Brand name Apollo itself is synonymous with excellence, he explained. “Everyone in Sri Lanka knows the name and that in itself is a factor that will inspire confidence.”

The project is scheduled to be completed by early 1998. The total cost of the project is expected to be in the region of US$ 25 million. The main investors will consist of Indian and Hong Kong investors, local private investors and a consortium of local banks and lending institutions headed by the National Development Bank (NDB). The NDB as the lead financier will be at the helm of the consortium to provide the loan requirement of the project, to contribute to such loan syndication, take up a substantial proportion of term loans and invest around Rs.30 million in equity in the form, of 3 million shares. A public issue is also envisaged if market conditions are favourable. The projected ROI (Return on Investment) for the first year of operation is around 10.8%, a figure that is somewhat speculative in view of the long-term nature of the estimate, according to the General Manager of NDB. Dr Reddy remarked that in view of the advances that would be made in the field of medicine in the next few years, the Sri Lankan Apollo Hospital would undoubtedly be ahead of its Indian counterpart in terms of facilities. The General Manager of the NDB noted that professionalism and skill levels would be second to none. Elaborating on the point Dr Reddy stated, that local professionals need not fear that Apollo Hospitals would take away their practice. Apollo Hospitals have traditionally been associated with the best, and while the core staff will be Apollo personnel, professionals would be called in from every sphere of medical service on a consultancy basis, or fee paying basis.

Indian Hospitals Corporation Ltd. (HCL) will enter into a management contract with Apollo Hospitals Lanka (Pvt) Ltd., for a minimum period of ten years. IHCL will send a team of professionals to the local hospital while simultaneously training local staff to take on increased responsibilities. Nurses will be trained initially in Madras. However, as part of the project a Nurses Training Institute will be set up with the hospital in Colombo to train nursing staff in the future. It will also offer training facilities to other hospitals on a fee levying basis. The local Apollo Hospital will benefit from the Indian Hospital Group's large resource base and expertise. The Group has two nursing schools in Hyderabad and Madras and has various collaborative ventures with foreign hospitals and healthcare organisations. The group has an active pool of distinguished professionals drawn from the UK, US, Australia and the Middle East and has various research programs with affiliated institutions.

The Indian Apollo Hospitals are now able to offer advanced facilities to their patients which includes the Apollo Heartline, which allows an ECG to be transmitted via telephone and an immediate reading to be given on a 24-hour basis by the Apollo Heart Centre. The introduction of Steriotactic Radiotherapy and Radiosurgery Techniques enables complicated brain tumours to be located and treated using computer technology and neuro imaging. They also offer a complete health care package, a recent introduction being the Family Health Plan that enables an entire family to have regular checkups and treatment as a preventive measure, at little or no cost. Dr Reddy cited the United States as a model in this respect. "The incidence of cervical cancer in the States is nil as a result of the Family Health Plan, which enables women to have regular smears and check-ups at no cost. These facilities

will eventually be introduced in Sri Lanka and the launch of the project is only the beginning of a series of pioneering steps in health care that we plan to take. To treat suffering is important, but to prevent suffering is a passion for me", says Dr Reddy. The IHCL has increasingly focused on setting up state-of-the-art diagnostic cum medical centres at various strategic locations in India for this purpose.

Its consultancy service is one of the best in the world and provides valuable expertise in the highly specialised area of project management and hospital design. The IICL's early hospital project management consultancy was recognised as a Centre of Excellence by the Government of India. The IHCL, in fact has been commissioned by the Government to build hospitals in Nepal and Bhutan as part of its health plan. Super-speciality hospitals on the lines of the Sri Lankan model are being built in Bangaladesh and Dubai and plans to move further afield are on the drawing boards.

"The social and economic development taking place in the Asian environment has a bearing on the healthcare sector. The mega forces that are operating with parallel investments in other areas will trigger new demands for better health care facilities, for development cannot be achieved in the nation without a planned and scientific investment in healthcare and education. We are meeting the needs of the future in establishing this hospital in Sri Lanka. Certainly, we envisage it becoming a Centre of Excellence where, in the future, it will draw patients from overseas to the country for treatment and reverse the negative trends of the past", says the Chairman of Apollo Hospitals. If the Indian Apollo Hospitals' record is anything to go by, this idealistic vision will be a practical reality for Sri Lanka in the near future.