

Case Study on Strategy: Road Ahead for Atri Hospital

Anuja Thakur¹ and Amol Charegaonkar²

¹Consultant, Maruma Consultancy, Pune

²Director, SwiftAMD Solutions LLP, Pune

Introduction to the Case

Today management professionals are expected to solve problems far beyond classic theory and administrative roles. They are expected to suggest solutions to complex problems, measure the success or failure of management decisions and practices based on the organizational goals in regulatory framework. This case is based on real life problems faced by hospital management in recent times in a tier II city of Maharashtra. The case is developed with unique approach to bring cases from corporate consultancy experience to help budding manager for developing skill-set and thinking ability to solve management problems in various walks of corporate life. It will help management learning facilitators to have access to one more Indian case and it is expected that students should review changes in regulatory framework in healthcare sector post-2014. This case also addresses issues like recruitment, manpower planning, learning and skill-set development for nurses and technical staff in healthcare sector. In this case students are expected to provide strategic path to “Atri Hospital” for next 5 to 10 years. Students are expected to offer solution to problems faced by Atri Hospital, create strategic plan and objective recommendation. This case study is of moderate level of difficulty for management students.

Atri Hospital

Background

Dr. Anil Mahajan is 60-year-old, very famous cardiologist in the Vardha region. Since his schooling days, he had a motivation to become a doctor for rendering healthcare services to a large number of needy people at affordable cost. Dr. Mahajan is from a very small village named Barshi from Solapur district. He completed his MD in 1980 from Pune and came to Hingoli with just an ECG machine and 3 sets of clothes. Since then he has devoted his life for his patients.

In Hingoli, he started with his OPD in a small rented room. As he started his practice, within a few years, he realized that there is no other hospital in the periphery (either governmental/ rural/ district or private hospital) which will provide various services to the patients. Patients used to travel approximately 90 km to Nanded to avail medical services. By seeing this practical difficulty, Dr. Mahajan visualized his old dream to start a multispecialty hospital in the periphery, at an affordable cost to avoid inconvenience to patients. The biggest problem in completing his dream was the capital.

Dr. Mahajan started a hospital named 'Atri Hospital' by investing all his saving and wife's jewellery. Initially started with general ward with 4 beds, in the last 20 years, hospital eventually has grown to become 75 beds hospital, including 25 general rooms, 8 special rooms, ICU, 2 operation theatres, stress test room, blood test machine and urine test machines in the hospital. The structure of the hospital is slightly different. As Dr. Mahajan started acquiring money, he used to buy the rooms as per the availability of the funds in same, or opposite building. Now this hospital is divided into two buildings opposite each other. Dr. Mahajan is such a devotee that even after 35 years of successful practice, his day starts at 6:30 am in the morning and he is available continuously in the hospital till 11:30 pm. Dr. Mahajan has made a lot of sacrifices on personal front (he was not there with the family when his children wanted him the most; like school annual days or convocation ceremony). He never attended any private function in his family. He devoted his life to achieve his dream to serve the society. Dr. Mahajan's children are studying medicine. An elder daughter is perusing ophthalmology whereas younger son is perusing cardiology.

Though his specialty was in cardiac, people used to come for various problems along with cardiac. Dr. Mahajan used to treat for everything and used to charge a very minimal amount as his fees. With no facility available to diagnosis like sonography, X-ray, CT scan, Dr. Mahajan connected with some local doctors in the periphery and asked them to contribute a little amount of money to start various services such as dialyses, MRI, CT Scan, blood bank etc. This initiative is named by Dr. Mahajan as 'co-operative medico'.

Hospital recruited experienced consultants, doctors to save time on training. Nurses and staff in the hospital (as and when there is a requirement), are generally recruited through referral from existing staff. Many times, due to unavailability, even untrained nurses are recruited and eventually trained by giving on-the-job training and using job rotation. Dr. Mahajan has a tradition of having long term relationship with his doctors, consultants and even with the nurses. For example, Mr. Pradeep Patil is the 1st RMO in the hospital and still he is attached with the same hospital. Dr. Mahajan planted a seed of healthcare in Hingoli which has now grown as a big tree as a 75-bed hospital. The hospital became a Private Limited company in the year 2001.

Dr. Mahajan (Owner-Director) is always busy looking after the patients and has no time to look after any administration work, apart from medicine-related technical aspects in the hospital. Dr. Mahajan's wife Dr. Mrs. Savita Mahajan is an ophthalmologist. Along with practice, Dr. Mrs. Savita Mahajan looks after the areas such as logistics, accounts and HR in the hospital. She has given homely touch to the hospital by keeping very cordial, informal and friendly relationships with other consultants, RMOs, sisters and nurses. As the hospital has grown from 4 beds hospital to 75 beds, Mrs. Dr. Mahajan (other Owner-Director) has to give up her ambitions as medical practitioner and look after hospital administration. Within a span of 3-5 years, she brought in a lot of discipline and system to the hospital management. She established various departments to ensure smooth flow in operations. This ensured proper financial discipline and cost saving.

Since profit is not the primary motive for Mahajan family, the salary structure in hospital is at par with any good hospital. Still considering that Hingoli is tier III city, people are reluctant to

relocate. The nearest good medical college is 200 Km away from Hingoli in Nizamabad city in the state of Telangana. Due to the presence of a medical college in the vicinity, Atri Hospital is never short of skilled doctors. However, Dr. Savita Mahajan faces basic problem of acute shortage of skilled manpower. Hence, hospital has to recruit whoever is ready to join in case of nursing and other staff.

Local Member of Parliament Mr. Satish Jaiswal is very supportive to Dr. Mahajan as he appreciates his efforts to run hospital and treat patients at affordable cost. There is no good hospital in nearby area (50 sq. km).

In 2014, Central Government and National Accreditation Board for Hospitals and Healthcare Providers Association (**NABH**) established norms for hospital and published the same. It is now mandatory for all hospital to adhere to those norms. During the last visit at Atri Hospital, the team of experts from NABH wrote about a few major and minor Non-Compliances (NCs). Failing to adhere to the norms and NCs within the next two years, there is a good chance that the hospital would face strict action and there is a chance that may be asked to close the operations.

Non-Compliances:

1. Nurses that have never taken any skill training/ certification course–20%
2. Nurses that has inadequate/ insufficient qualification–46% (Unskilled staff doing skillful Jobs)
3. Overtime working/ extra work loaded skilled staff–80% (Shift working is sometimes 12 hours for skilled and experienced staff)

Staff Shortage

Type	Norm	Atri Hospital	Skilled	Inadequate or Untrained
Doctors	32	31	29	2
Paramedical	77	68	37	31
Admin Staff	15	11	3	8
Operation Theater	14	13	12	1

Status of Norms

Norms	Inadequacy Status
Size of the hospital	Inadequate
Bed requirement–65 to 85 sq metre per bed (area will include the service areas such as waiting space, entrance hall, registration counter, etc.)	45 square meters per bed
Fireproof and floodproof buildings	Adequate
Quakeproof	Inadequate
Provision should be made for water harvesting	Not done
Generating back-up, solar energy/ power back-up	Yes
Administrative Block: hospital along with provision of office and other staff	Inadequate
Circulation areas like corridors, toilets, lifts, ramps, staircase and other common spaces etc.	Inadequate
Ambulatory Care Area (OPD), Waiting Spaces, Registration, assistance and enquiry counter	Inadequate

Table (Contd.) ...

... Table (Contd.)

Norms	Inadequacy Status
Clinics for infectious and communicable diseases (located in isolation)	Adequate
Dressing room, side laboratory, injection room, social service and treatment rooms, diagnostic services, clinical laboratory, separate Reporting Room for doctors, Changing room	Adequate
Blood Bank, General Wards: Male/ Female, Private Wards, Pharmacy (Dispensary)	Adequate
Intensive Care Unit and High Dependency Wards, Critical Care Area (Emergency Services)	Adequate
X-ray and Pathology Facilities	Adequate
Operation Theatre	Adequate
Waste Disposal System, Theatre refuse, used instruments and other disposable/ non-disposable waste	Adequate
Dirty linen is sent to laundry through a separate exit	Inadequate
Hospital Kitchen (Dietary Service)	Adequate
Central Sterile and Supply Department (CSSD)	Adequate
Medical and General Stores	Adequate
Mortuary	Inadequate
Emergency Lighting, Call Bells, Ventilation	Adequate
Drainage and Sanitation	Adequate
Telephone and Intercom	Inadequate
Medical Gas/Cooking Gas: Liquefied Petroleum Gas/Laboratory Gas: Liquefied Petroleum Gas	Adequate
Parking: Sufficient Parking Place	Inadequate
Administrative Services: Section (i) General section to deal with overall upkeep of the hospital and welfare of its staff and patients	Adequate
Administrative Services: Section (ii) Medical Records section	Inadequate

In the recent meeting of family over a dinner Dr. Anil Mahajan said loudly, "I have taken efforts single handedly and lived my dream of serving poor and needy. Savita and I nurtured this family of more than 10000 people for 3 decades which now turned into a *Vasudhaiv Kutumbakam* in real sense. With all the governmental norms coming into play, I am left wondering whether I should close down my hospital or do something radically differently." He took his last bite, gulped down glass of water and walked towards bedroom quietly.

Questions and Discussions

The dilemma: Atri hospital has two options: either make an investment of approximately. Rs. 200 Cr in buying a new land and construct new hospital fulfilling new norms or close the present hospital.

In the above case study, supposing you are the consultant to owner of Atri Hospital your task is to examine the above documentation in order to produce objective recommendations for Atri Hospital.

You are expected to state your plans and recommendations, fully explaining the basis of your decisions:

1. Ideas and opportunities for improvement in situation (way forward for Dr. Mahajan and appropriate strategy for Atri Hospital);

2. Issues of staffing, manpower planning process, continuous learning and development, talent management regarding skillful nurses and technical staff in hospital, IT and systems, finance, and premises implications;
3. Design recruitment plan for hospital;
4. Managing regulatory requirements

References

- [1] <http://www.nabh.co/shco-standard.aspx>
- [2] Norms of Manpower for 50 to 100 Beds Hospital, http://www.pbnrh.org/downloads/51_to_100_sdh.pdf (page 31)