

FICCI provides a Rational Costing Solution for COVID Treatment at Private Hospitals

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**Federation of Indian Chambers
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FICCI member hospitals self-regulate and pledge display of COVID-19 treatment costs on their website to promote transparency credibility

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In an effort to serve with transparency, ethics and compassion, despite the strain that the healthcare sector is under, FICCI COVID-19 Response Task Force under the FICCI Health Services Committee, in a series of meetings, have worked on creating a rational costing framework which will allay any fears of the patients and the community about COVID treatment.

As India's COVID infection count surges, there has been an increase in the trust deficit between the providers and the government, providers and insurers as well as with the public at large on the issue of cost of COVID treatment. The clinicians from India and across the globe are still grappling with defining treatment protocols for COVID-19, making it extremely difficult to recommend a treatment especially for patients with comorbidities.

In these times of national emergency, private healthcare providers have been at the forefront of COVID crisis, supporting the government by suggesting strategy for COVID-19 management in the country, providing dedicated infrastructure and manpower support for COVID 19 treatment. It is prudent to point out that like all other sectors, private healthcare too has been impacted by the lockdown facing acute financial crisis, restricted mobility of doctors, nurses and healthcare workers, absence of frontline healthcare workers and doctors owing to contacting infection on duty, unavailability of drugs and PPEs at affordable rates and a viable costing framework.

FICCI COVID-19 Response Taskforce, with representatives from leading private hospitals in India, have brainstormed and developed an accounting methodology to help bring in a standardisation of cost of COVID treatment in the national interest. This has been categorised according to government referred patients, patients paying from out of pocket and for patients who are covered by TPAs and further been sub-categorised to three levels depending on the severity of the case:

- Patients who do not require intensive care but must be kept in isolation (Isolation ward)
- Patients requiring intensive care but are not ventilated (ICU without ventilator)
- Patients requiring intensive care and ventilator support (ICU with ventilator)

According to this recommendation, a patient who is paying from out of pocket should pay INR 17,000 per day for treatment in an isolation ward and INR 45,000 per day for ICU (with ventilator). These rates include medicines, consumables and basic diagnostics, but exclude PPE costs, high end drugs and any co-morbidities. Also, they are indicative rates and there may be individual variations to the extent of 5-10%.

Sharing the above details, Dr Sangita Reddy, President, FICCI and Joint MD, Apollo Hospitals Group, said, "in these difficult times, the private healthcare sector is doing its best to serve with high standards of ethics, transparency, professional competency and compassion".

Dr Alok Roy, Chair- FICCI Health Services Committee and Chairman- Medica Group of Hospitals, further shared that there is an imperative need to acknowledge that COVID treatment costs are difficult to rationalise essentially due to the unknown nature of treatment required and various comorbidities associated with it. Additionally, segregating the COVID and non-COVID patients is essential which needs huge investments in infrastructure. We have recommended these costs which may not be viable for the private sector, as we are in a national crisis and believe that it is our ethical responsibility to serve our patients with the best treatment possible at reasonable costs.

FICCI is working with the government to resolve this evolving and dynamic issue and has submitted the costing framework to the Union and State Health Ministries. In the month of April, FICCI had submitted the first cut of the costing strategy which was based on hypothesis. This revised version is worked out based on analysis of actual data of 150 cases of COVID treatment in major private hospitals. FICCI is also working with other Healthcare Associations who have also developed the COVID costing framework that is aligned to the FICCI recommended costs. FICCI member hospitals have pledged to adopt these cost recommendations and display it transparently on their hospital website in their endeavour to fight this war against COVID-19.

At the same time, FICCI also urged that it is important that the government considers and adopts a scientific, plausible and coherent reimbursement criterion for any treatment, that is viable for the providers. FICCI has been advocating for adoption of a scientific costing framework to derive rational reimbursement rates. To present evidence, in 2018, FICCI conducted a sample costing study based on Time Driven Activity Based Costing (TDABC), an internationally recognized bottoms-up costing approach for estimating costs of processes used in patient care, which was submitted to the government.

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