

COVID-19: Enhancing healthcare infrastructure to combat the pandemic

The ongoing COVID-19 crisis has been compared to a world war, with the human race on one side and a deadly virus on the other. The Coronavirus disease has claimed over 131,037 lives (as on 16 April) in less than three months with many infected countries yet to hit their apexes of cases. On the frontline of this war are healthcare providers including doctors, nurses and healthcare support staff.

In order to collectively combat the COVID-19 pandemic, here's how hospitals can HALT and review their preparedness plan



Enabling social distancing in hospitals

- Almost all large hospitals are now offering online outpatient services wherever possible to cut down footfalls at any given time. Consultations are being performed through webcams, web portals, and WhatsApp video chats. Unfortunately, this cannot be implemented for consultations requiring physical examination like dental procedures, scans, etc.
- Most hospitals are either cancelling or performing online consultations for all routine check-up appointments.
- Planned procedures are being deferred based on medical evaluation of a patient's need and urgency.
- Lab samples are being collected from homes to prevent patients from going to hospitals. Reports are then emailed to patients.
- Guard rails have been installed to maintain distance between billing staff and patients
- Visiting hours are being curtailed; new limits on number of visitors per patient.
- Sanitisers placed at entry, exit and across strategic points in hospital.

Key focus areas

- Keeping high priority services (specially maternity tests, accidents and child and elderly care) open leads to additional crowd management.
- Security of internet lines and compliance with General Data Protection Regulation (GDPR) rules.



Ensuring continued supply of inventory

- Pharmacies and hospitals are scrambling to maintain adequate inventory of personal protective equipment (PPE) that are used to prevent the spread of the disease.
- Most hospitals maintain inventory that lasts up to 1 or 1.5 months. On account of the current rate of transmission, hospitals are increasing their inventory to last up to three months.
- While the industry agrees that hospitals and pharmacies have not seen a significant shortage so far, the facilities may run out of sanitisers, masks, antibiotics, and paracetamol medicines in future.
- Large pharmacy and hospital networks are buying from other local pharmacies and from any distributor who currently has stock of critical medicines in order to ramp up inventory.
- Panic-buying by patients could lead to a shortfall; this trend is likely to continue till the next quarter.

Key focus areas

- Cold storage for bulked up inventory.
- Lead time in transportation of medical supplies (given lockdown and lower capacity operations).





Maintaining adequate staff

- Hospitals have implemented Business Continuity Planning (BCP) protocols to ensure adequate doctor and nursing staff are available for patient care.
- Daily rosters have been modified to keep only 50% of staff in hospitals at any given time – both to ensure social distancing, and to make sure that all staff is not infected in case of exposure.
- All hospital staff is wearing masks, gloves, and using sanitisers with increased frequency to ensure safety of patients and visitors.



Raising necessary financing

- Hospitals require additional funding for these emergency preparedness measures, on account of:
 - Immediate capital investment in ventilators, enhancing ICU capacities
 - Additional inventory holding of critical medicines
 - Higher cost of procurement on account of limited supply and surge in demand
- Hospitals will look for funding through convertible/redeemable preference shares as opposed to increasing debt with a view to manage cash flows.

Key focus areas

- Medical staff's motivation and safety, given doctors will be in proximity of infected patients.



Key focus areas

- Ability to attract investors at fair value.
- Legal and compliance challenges in the lockdown, given they are not essential services.



Our healthcare systems are preparing for this pandemic while also managing the current surge in patients and need for medicines. At this time, hospitals should focus on the following priorities:

- Ensuring billing for all services when consultations are being performed online, especially on WhatsApp video calls
- Additional working capital requirement due to increase in inventory holding period
- Reworking budgets in light of higher cost procurement, higher logistics cost for picking up lab samples, etc.
- Maintaining optimum inventory levels of anti-infective medicines
- Leveraging online pharmacies to ensure supply of medicines to patients
- Following BCP protocols and ensuring patient safety in case of medical staff getting infected with COVID-19



Grant Thornton's Pharma team can help you navigate current business and operational challenges by drawing on years of experience of working with industry leaders.

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Click here to download the recently released Grant Thornton Halt-Plan-Refresh Guide on revisiting business priorities and plans



For more insights on the COVID-19 crisis, scan this barcode to see continuous updates on our website