



Non-Profit Organisations in Healthcare and Their Contributions to the Nation's Development - SSSIHMS: A Case Study

M Sai Saranya ^{1 (*)}, Dr. M R Geetha Bala ²

- 1 Department of Humanities and Social Sciences, Economics, Sri Sathya Sai Institute of Higher Learning, Anantapur Campus, Anantapur -515001, India
- 2 Associate Professor, Department of Humanities and Social Sciences, Economics, Sri Sathya Sai Institute of Higher Learning, Anantapur Campus, Anantapur- 515001, India

Email *: msaisaranya4@gmail.com

Abstract

Healthcare organisations charge hefty medical fees for the treatment provided to patients. These fees impact the economic behaviour of patients, as they incur additional expenses and take time to achieve economic stability. Meanwhile, Non-Profit Organisations (NPOs) in the health sector minimise healthcare expenses and provide similar medical treatments. Choosing treatment at these NPOs allows patients to save the money they would otherwise spend on medical expenses. Patients can achieve financial stability and earn income from their jobs while in good health. Furthermore, a qualitative analysis will reveal that patients are generally more satisfied with the treatments received at NPOs. For this project, Sri Sathya Sai Institute of Higher Medical Sciences -SSSIHMS, a non-profit healthcare centre, is chosen as a case study.

Keywords: Non-profit organisations, Philanthropy, Healthcare

Healthcare is crucial for human development, impacting both individuals and society. In many developing countries, financial barriers limit access, particularly for low-income populations. While profit organisations cater to those who can afford care, non-profit organisations help to widen access, ensuring marginalised groups receive necessary services.

In India, healthcare faces challenges of access, affordability, and quality. While the government has made progress, a large population and limited infrastructure hinder equitable access. Non-profit healthcare institutions have emerged to address these issues by offering services without the financial burden of commercial providers.

The Sri Sathya Sai Institute of Higher Medical Sciences (SSSIHMS) is a prominent non-profit healthcare organisation in India. This case study examines its role in providing free, high-quality healthcare, focusing on its impact on national development. The research explores how SSSIHMS contributes to public well-being, social equity, and national progress, measured by health outcomes, economic productivity, and social stability.

2. Impact of Health on Development

Economic development is often measured by GDP growth or national income, but a more holistic approach includes health, education, and income levels. A 2017 World Bank study found that life expectancy, a health indicator, significantly influences development and GDP growth. The study, based on data from 1960 and 2015, showed that higher life expectancy boosts GDP. Additionally, research by Shastri and Weil (2003) demonstrated a positive link between health and labour productivity, with health accounting for 10% to 33% of aggregate income. ⁽¹⁾

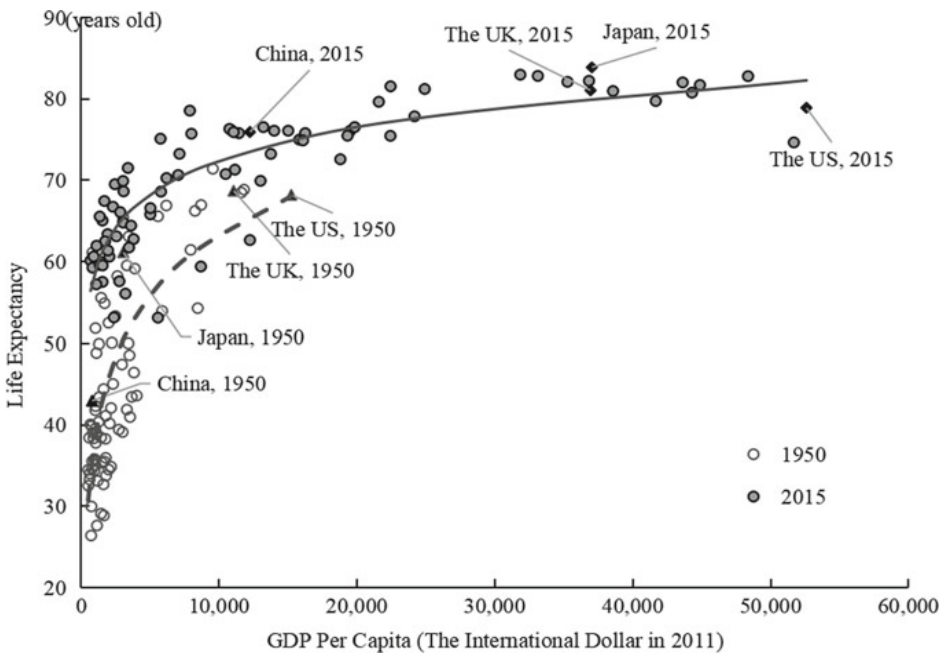


Fig. 1 - Preston Curves from the years 1950 to 2015 as per the World Bank report of 2017. ⁽¹⁾

A similar example has been taken here, following the method of the previous studies. The life expectancy rates of India from the year 2005-2020 have been taken along with the GDP growth of India from the year 2005-2020. ⁽³⁾

YEAR	GDP (billion \$)	ANNUAL PERCENTAGE CHANGE	LIFE EXPECTANCY	ANNUAL PERCENTAGE CHANGE
2005	820.38	-----	64.31	-----
2006	940.26	8.06	64.72	0.63
2007	1216.74	7.66	65.12	0.63
2008	1198.90	3.09	65.53	0.62
2009	1341.89	7.86	65.98	0.68
2010	1675.62	8.50	66.43	0.68
2011	1823.05	5.24	66.87	0.67
2012	1827.64	0.25	67.32	0.67
2013	1856.72	6.39	67.77	0.67
2014	2039.13	7.41	68.07	0.44
2015	2103.59	8.00	68.37	0.44
2016	2294.80	8.26	68.67	0.44
2017	2651.47	6.80	68.97	0.43
2018	2702.93	6.45	69.27	0.43
2019	2835.61	3.87	69.5	0.33
2020	2671.60	-5.83	69.73	0.33

Table 1- Data on life expectancy rates and GDP from years 2005-2020⁽³⁾.

From the above table, we find that:

- From 2007 to 2008, Gross Domestic Product (GDP) growth decreased to 3.09%, and Life Expectancy (LE) growth dropped to 0.62%.
- From 2008 to 2009, GDP growth increased to 7.86%, while LE growth rose to 0.68%.
- From 2010 to 2011, GDP growth decreased to 5.24%, and LE growth fell to 0.67%.

- From 2016 to 2017, GDP growth dropped to 6.80%, as LE growth decreased to 0.43%.
- Similarly, between 2018 and 2019, both GDP and LE growth declined to 3.87% and 0.33%, respectively.
- The only exception to this trend occurred between 2013 and 2014, when GDP growth increased to 7.41%, while LE growth declined to 0.44%.
- In 2019-2020, GDP growth dropped to -5.83%. Although LE change remained relatively stable, studies indicate a significant negative growth in life expectancy for individuals aged 35-79 due to increased mortality rates from the COVID-19 pandemic. ⁽⁴⁾

Comparing the data reveals a direct relationship between life expectancy and GDP growth. Improved life expectancy indicates better healthcare services, and a healthier population boosts productivity, leading to higher national income and a better standard of living.

Proper medical intervention during illness has been shown to increase life expectancy. Studies show that medical intervention that makes patients healthy at baseline would increase years of healthy life by 6 months, in a cohort beginning at age 65. Similar improvements can be achieved by increasing the recovery probability of a sick person by 16% or reducing the likelihood of death by 15%. ⁽⁵⁾⁽⁶⁾

Health plays a pivotal role in development, as a healthy population can work better. In India, healthcare facilities are unevenly distributed, with just 1.4 beds per 1,000 people on average. To improve national health standards, the focus must be on providing adequate and quality healthcare to all individuals (Fig.2).

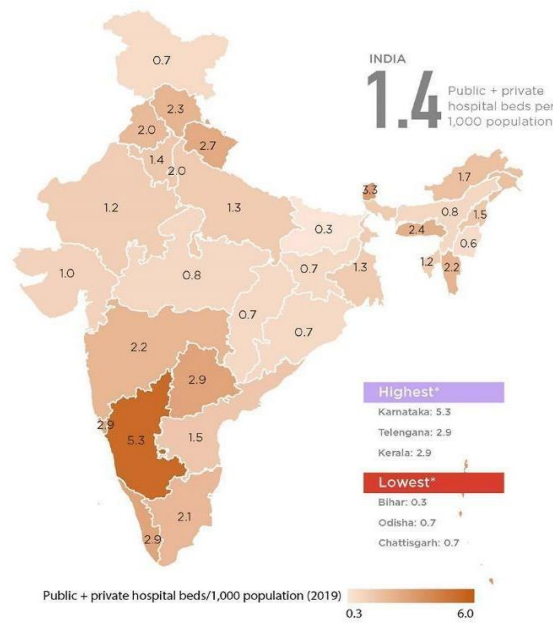


Fig.2 - A map showing access to healthcare facilities in different areas in India. ⁽⁷⁾

3. Role of NPOs in Healthcare

Healthcare in India is provided through three main channels: government hospitals, private hospitals (commercialised healthcare), and non-profit organisations (NPOs). This study focuses on NPOs within the healthcare sector.

A major challenge in healthcare is the high medical cost associated with treatment. Commercialised healthcare providers charge significant fees, while government hospitals offer subsidised care, but often with lower

quality. Healthcare quality is evaluated based on factors such as staff availability, medicines, equipment, and hospital readmission rates.

According to the 75th round of National Statistical Survey (NSS) survey, the average medical expenses (not specific to any ailment) came up to Rs.30,000 in 2018, which is a considerable amount of additional expense for any household, be it rural or urban. Also, the funding for the treatment will mainly be from the patient's or his/her family's savings. The other sources could be borrowing from friends/relatives, health insurance, or medical expenditure coverage from the employer or the government.

But 85.9% of the rural population and 80.9% of the urban population in India do not have medical insurance. ⁽⁹⁾

In such cases, medical expenses can significantly impact a patient's household income and savings, leading to a decline in both income levels and standard of living.

NPOs address the need for quality, affordable healthcare by offering free or low-cost treatment with benefits like commercial healthcare, ensuring convenient access for patients.

As of 2018, it has been stated that 55.3% of the patients go to private hospitals for their treatment and 42% avail treatment in government hospitals, and the remaining 2.7% population approaches NPOs for their treatment. ⁽⁹⁾

NPO hospitals are fewer in number than private or government hospitals, leading to fewer patients choosing them. However, they help reduce medical expenses, offering financial relief to patients and families. Without NPOs, patients would spend a significant portion of their income on treatment, resulting in financial strain, especially if the patient or caretaker is the primary earner. In contrast, though private hospitals generate income from patient payments, contributing to national revenue, patients' financial position deteriorates.

The NPOs indirectly contribute to the nation's development. As stated before, the medical expenditure that the patient would otherwise incur is still in the form of the patient's income, with the patient. This will affect the nation positively as economic stability, purchasing power, as well as

the standard of living increase. This shows a two-fold effect- an increase in personal income combined with an increase in the health standards of a nation. From the micro perspective, they enable the patients to be economically stable, and from the macro perspective, they ensure that the patients are contributing to the national income.

Non-profit hospitals make up about 20-25% of the total healthcare facilities in India. According to estimates, there are around 15,000 to 20,000 non-profit hospitals across the country ⁽⁹⁾. Non-profit organisations tend to have fewer advanced medical technologies compared to private institutions. They provide a significant portion of the nation's healthcare workforce, though they may not attract as many high-level specialists as private hospitals due to lower compensation.

Private healthcare organisations in India are a dominant force, particularly in urban areas. The private sector accounts for about 40-45% of the country's healthcare facilities, with more than 40,000 private hospitals operating nationwide. These private hospitals contribute over 500,000 beds, offering specialised care in fields such as cardiology, orthopaedics, oncology, and advanced surgeries. The private sector treats more than 60% of India's hospital admissions, especially for high-demand, high-cost treatments. They are often not affordable for lower-income groups, contributing to significant healthcare disparities, as has been mentioned previously. Despite this, the private healthcare sector continues to dominate, with better infrastructure, technology, and overall capacity compared to the nonprofit and public sectors ⁽⁹⁾.

Another factor to be considered while dealing with non-profit healthcare is the waiting time for patients in the hospitals. Non-profit hospitals typically experience longer waiting times compared to private hospitals due to higher patient volumes, limited resources, and reliance on donations and government funding. Average waiting time is around 1–3 hours for outpatient services and 30 minutes to 2 hours for emergency care, with surgical procedures often having wait times of 1 week to 3 months. In contrast, private hospitals, especially in urban settings, are better equipped and more efficient, offering shorter waiting times—around 15 minutes to 1 hour for outpatient consultations, 15 minutes to 1 hour for emergency services, and 1 day to 2 weeks for elective

surgeries. Private hospitals, with their advanced infrastructure and specialised staff, tend to handle patient flow more efficiently but at a higher cost, which limits access for lower-income groups ⁽¹²⁾.

3.1 Non-Profit Healthcare: A Global Perspective

NPOs prioritize public good over profit, playing a key role in addressing healthcare gaps, especially in underdeveloped regions. In many developing countries, they fill gaps left by underfunded government systems by offering services like maternal and childcare, emergency care, disease prevention, health education, and subsidized treatments for low-income populations.

4. SSSIHMS: A Case Study of An NPO In Healthcare

In India, NPOs play a crucial role in healthcare by complementing government hospitals, offering specialized care, reducing overcrowding, and serving vulnerable communities. Beyond medical care, NPOs promote health equity, tackle social determinants of health, and contribute to the nation's broader development goals.

Sri Sathya Sai Central Trust, through the Sri Sathya Sai Institute of Higher Medical Sciences (SSSIHMS), provides free medical care at primary, secondary, and tertiary levels. With a compassionate, dignified approach to healthcare, SSSIHMS ensures that economically disadvantaged individuals receive life-saving treatments, benefiting thousands of patients who otherwise couldn't afford private care.

SSSIHMS, in addition to providing medical care, also serves as a hub for education and research, training healthcare professionals to address India's healthcare challenges. The Whitefield, Bengaluru branch is the focus of this case study. Founded by Bhagawan Sri Sathya Sai Baba, the hospital's mission is to offer free medical care with dedication and love, aiming to heal the body, mind, and spirit. Its vision is to provide healthcare at no cost in a loving and compassionate environment.

designed in the shape of the letter 'K' to symbolize compassion ('Karuna'). It is equipped with advanced diagnostic tools, 12 operating theatres, high-tech labs, and a Hospital Information System (eHIS).

The hospital offers treatment in Cardiology and Neurology, along with other services like Anaesthesiology, Cardiac Surgery, Neurosurgery, Ophthalmology, Orthopaedics, ENT, Dental, Obstetrics, Gynaecology, General Medicine, and General Surgery.

SSSIHMS operates on a de-commercialized healthcare model, providing free treatment, food, and accommodation for patients and attendants. Critical patients also receive railway concessions for travel. The hospital's funding is dealt with by the Sri Sathya Sai Central Trust.

SSSIHMS embraces the globalization of healthcare by offering services to all, regardless of caste, religion, nationality, or financial status, ensuring equal access for every patient.

The hospital also focuses on humanizing healthcare, creating an atmosphere of love and compassion that aids patient recovery. What sets the hospital apart in its healing approach is that the doctors, caregivers, and volunteers emphasize on the human values like Truth, Righteousness, Peace, Love, and Non-violence.

Spiritualization of healthcare is another key principle, aiming to heal not just the body but also the mind and spirit. Competent doctors, dedicated nursing staff, and volunteers—who follow the principle "Service to Mankind is Service to God"—work together to provide holistic care to patients.⁽¹⁰⁾

4.1 Impact of SSSIHMS on National Development

SSSIHMS contributes to national development through health outcomes, economic impact, and social equity:

- **Health Outcomes:**

The hospital improves public health by offering free treatments in specialties like cardiology and ophthalmology, reducing preventable diseases, and increasing life expectancy. Its health camps and outreach programs also bring medical care to remote areas, helping to reduce health disparities.

- **Economic Impact:**

By providing affordable healthcare, SSSIHMS helps patients recover and return to work, boosting national productivity. The financial savings from free treatment allow patients to improve their standard of living, reduce poverty, and increase disposable income.

- **Social Equity and Empowerment:**

SSSIHMS promotes social equity by offering healthcare to all, regardless of socio-economic status, empowering marginalized communities and ensuring they access essential treatments. This inclusivity strengthens social cohesion and supports a more equitable society, vital for long-term national development.

- Human Development Index (HDI) and Sustainable Development Goals (SDGs):

SSSIHMS aligns with global development frameworks like the HDI and SDGs. Improving healthcare access raises the health dimension of HDI and contributes to SDGs, such as good health and well-being (SDG 3), reduced inequalities (SDG 10), and decent work and economic growth (SDG 8).

5. Comparative Analysis of The Profit and Non-profit Healthcare Based on Expenses

For this study, a sample of 50 patients has been identified from SSSIHMS. The details of the patient and the patient's treatment have been included for this process. The list of patients and their treatment, number of days they stayed in the hospital for treatment, and their annual income is as follows:

Patient No.	Treatment	Hospital Stay (in days)	Annual Income (in ₹)
1	Lumbar Laminectomy Total Excision, Thoracic Pedicle Screw Fixation	14	1,20,000
2	Retro-mastoid Sub- occipital Craniectomy Total Excision	13	2,40,000
3	Left Anterior and Middle Cerebral Artery Territory Infarct	14	24,000
4	Transnasal Transsphenoidal Approach Decompression	15	1,20,000
5	Craniotomy Pterional Decompression	19	1,20,000

6	Retromastoid Sub Occipital Craniectomy Sub Total Excision	23	36,000
7	Encephalo dural Myosynangiosis, Superficial Temporal Artery to Middle Cerebral Artery	15	1,80,000
8	Dethethering Repair	14	2,40,000
9	Ventricular Peritoneum Shunt, Laparotomy + Proceed, Ventricular Peritoneum Shunt	28	1,20,000
10	Lumbar PLIF Pedicle Screw Fixation, Lumbar PLIF Pedicle Screw Fixation		
11	Tracheostomy (Planned - Multiple Steps), Sub Occipital Craniectomy, Total Excision	25	1,20,000
12	Foramen Magnum Decompression	12	1,20,000
13	Endoscopic Third Ventriculostomy	12	1,20,000
14	Retromastoid suboccipital craniectomy decompression, coronary angiogram	21	2,40,000
15	Cervical Decompressive Laminectomy	11	1,20,000
16	Radical mastoidectomy, retromastoid sub occipital craniectomy decompression	28	2,40,000
17	Cervical Corpectomy, Bone Grafting, Lumbar Pedicle Screw Fixation	13	1,20,000
18	Repair, Theco Peritoneal Shunt	16	1,20,000

19	Midline Sub-Occipital Craniectomy Total Excision	20	1,20,000
20	Endoscopic Third Ventriculostomy, Endoscopic Third Ventriculostomy	11	96,000
21	Thoracic Laminectomy Total Excision	10	60,000
22	Craniotomy Orbitozygomatic Sub Total Excision	10	1,80,000
23	Occipito Cervical Fusion	10	24,000
24	Craniotomy Pterional Clipping	10	1,20,000
25	Tracheostomy, Craniotomy Pterional Decompression	48	1,20,000
26	Ventricular Peritoneum Shunt	16	2,60,000
27	Transnasal Transphenoidal Approach Near Total Excision	14	12,00,000
28	Debridement, lumbar decompressive laminectomy, debridement	48	1,20,000
29	Cervical pedicle screw fixation	12	36,000
30	Craniotomy Parietal Sub Total Excision, Resuturing , Re-exploration Decompression, Re-exploration	32	1,80,000
31	Anterior cervical screw fixation	10	40,000
32	Foramen magnum decompression	10	2,40,000
33	Burr hole stereotactic biopsy, craniotomy bifrontal subtotal excision, craniotomy frontal subtotal excision	10	1,20,000

34	Thoracic laminectomy sub-total excision	14	2,40,000
35	Transnasal transphenoidal approach total excision, transnasal transphenoidal approach total excision	20	2,40,000
36	Detethering of cord, lumbar puncture, detethering of cord, resuturing	27	1,20,000
37	Craniotomy, temporal sub- total excision	15	1,50,000
38	Cervical Corpectomy Bone Grafting without Plating, Cervical Pedicle Screw Fixation, Anterior Cervical Screw Fixation	17	1,20,000
39	Superficial Temporal Artery to Middle Cerebral Artery Bypass	37	2,40,000
40	Transnasal transphenoidal approach near total excision	31	2,40,000
41	Lumbar discectomy, coronary angiogram, percutaneous transluminal coronary angioplasty	15	1,20,000
42	Cervical decompressive laminectomy foraminotomy, anterior cervical discectomy	14	2,40,000
43	Retromastoid Sub Occipital Craniectomy Total Excision, Ventricular Peritoneum Shunt, Retromastoid Sub Occipital Craniectomy Decompression	19	1,20,000
44	Midline Suboccipital Craniectomy Decompression	10	2,40,000

45	Encephalodural Myosynangiosis, Re-exploration Decompression, Superficial Temporal Artery to Middle Cerebral Artery Bypass	19	1,80,000
46	Craniotomy Pterional Sub- Total Excision	24	1,20,000
47	Encephalodural Myosynangiosis	14	1,20,000
48	Ventriculostomy, Craniotomy Bifrontal Subtotal Excision	15	1,20,000
49	Re-exploration Decompression,	29	3,60,000
50	Craniotomy Bifrontal Total Excision	11	1,25,000

Table 2 – Details of the 50 patients in the study ⁽¹¹⁾

Analysing the two treatment alternatives for patients: Case 1 (treatment in a private hospital in Bengaluru) and Case 2 (treatment at an NPO like SSSIHMS). The table below shows the net income of patients for both cases, based on the following assumptions:

- Usual Expenses: The patient's general expenses (outside of medical treatment) are constant and not considered in the analysis, as the focus is on medical expenditure.
- Medical Expenditure: This includes costs such as treatment fees, doctor's fees, medicines, diagnostic tests, bed charges, and other related expenses.
- Adjusted Annual Income: This is calculated by subtracting the patient's potential loss of income during the treatment period (due to hospitalization) from their annual income. Only the duration of the hospital stay is considered for this calculation, making it an approximate figure.

This approach helps in evaluating the financial impact of choosing private vs. NPO healthcare.

The net income of the patients for both cases is presented below, considering the cost of treatment as well as the potential loss of income during the treatment period.

CASE 1 - Patients approaching commercialized healthcare

S.no	Period of treatment (days)	Annual Income	Adjusted Annual Income	Average Cost of Treatment	Net Income
1	14	1,20,000	1,15,500	2,75,000	-1,59,500
2	13	2,40,000	2,31,500	3,75,000	-1,43,500
3	14	24,000	23,050	2,75,000	-2,51,950
4	15	1,20,000	1,15,000	4,25,000	-3,10,000
5	19	1,20,000	1,13,500	3,25,000	-2,11,500
6	23	36,000	33,700	3,75,000	-3,41,300
7	15	1,80,000	1,72,500	4,25,000	-2,52,500
8	14	2,40,000	2,30,500	3,25,000	-94,500
9	28	1,20,000	1,10,500	2,25,000	-1,14,500
10	16	1,20,000	1,14,500	3,25,000	-2,10,500
11	25	1,20,000	1,11,500	3,75,000	-2,63,500
12	10	2,40,000	2,33,500	2,75,000	-41,500
13	12	1,20,000	1,14,000	2,75,000	-1,61,000
14	21	2,40,000	2,26,000	3,75,000	-1,49,000
15	11	1,20,000	1,16,500	2,75,000	-1,58,500
16	28	2,40,000	2,21,500	3,25,000	-1,03,500
17	13	1,20,000	1,15,500	3,25,000	-2,09,500
18	16	1,20,000	1,14,500	3,12,500	-1,98,000
19	20	1,20,000	1,13,500	3,75,000	-2,61,500
20	11	96,000	93,000	2,75,000	-1,82,000
21	10	60,000	58,500	3,25,000	-2,66,500
22	10	1,80,000	1,75,000	3,10,000	-1,35,000
23	10	2,40,000	2,33,500	4,25,000	-1,91,500
24	10	1,20,000	1,16,500	4,25,000	-3,08,500
25	48	1,20,000	1,07,500	3,75,000	-2,67,500
26	16	2,60,000	2,46,500	2,75,000	-28,500
27	14	12,00,000	11,53,500	4,50,000	7,03,500

28	48	1,20,000	1,07,500	2,87,500	-1,80,000
29	12	36,000	34,800	2,75,000	-2,40,200
30	32	1,80,000	1,64,000	3,25,000	-1,61,000
31	10	40,000	35,000	3,25,000	-2,90,000
32	10	2,40,000	2,33,500	2,75,000	-41,500
33	10	1,20,000	1,16,500	3,25,000	-2,08,500
34	14	2,40,000	2,30,500	3,75,000	-1,44,500
35	20	2,40,000	2,26,500	3,75,000	-1,48,500
36	27	1,20,000	1,11,000	3,25,000	-2,14,000
37	15	1,50,000	1,43,500	4,25,000	-2,81,500
38	17	1,20,000	1,14,500	3,75,000	-2,60,500
39	37	2,40,000	2,15,500	4,75,000	-2,59,500
40	31	2,40,000	2,19,500	4,25,000	-2,05,500
41	15	1,20,000	1,75,000	2,75,000	-1,00,000
42	14	2,40,000	2,30,500	3,25,000	-94,500
43	19	1,20,000	1,13,500	3,75,000	-2,61,500
44	10	2,40,000	2,23,500	4,25,000	-2,01,500
45	19	1,80,000	1,70,500	3,12,500	-1,42,000
46	24	1,20,000	1,12,000	3,75,000	-2,63,000
47	14	1,20,000	1,15,500	3,12,500	-1,97,000
48	15	1,20,000	1,15,000	3,75,000	-2,60,000
49	29	3,60,000	3,31,000	2,75,000	56,000
50	11	1,25,000	1,22,000	4,25,000	-3,03,000

Table 3 – Net Income of Patients in Case 1

CASE 2 – Patients approaching NPOs for treatment**(SSSIHMS in this case)**

S.no	Period of treatment (days)	Annual income	Adjusted annual income	Average cost of treatment	Net Income
1	14	1,20,000	1,15,500	0	1,15,500
2	13	2,40,000	2,31,500	0	2,31,500
3	14	24,000	23,050	0	23,050
4	15	1,20,000	1,15,000	0	1,15,000
5	19	1,20,000	1,13,500	0	1,13,500
6	23	36,000	33,700	0	33,700

7	15	1,80,000	1,72,500	0	1,72,500
8	14	2,40,000	2,30,500	0	2,30,500
9	28	1,20,000	1,10,500	0	1,10,500
10	16	1,20,000	1,14,500	0	1,14,500
11	25	1,20,000	1,11,500	0	1,11,500
12	10	2,40,000	2,33,500	0	2,33,500
13	12	1,20,000	1,14,000	0	1,14,000
14	21	2,40,000	2,26,000	0	2,26,000
15	11	1,20,000	1,16,500	0	1,16,500
16	28	2,40,000	2,21,500	0	2,21,500
17	13	1,20,000	1,15,500	0	1,15,500
18	16	1,20,000	1,14,500	0	1,14,500
19	20	1,20,000	1,13,500	0	1,13,500
20	11	96,000	93,000	0	93,000
21	10	60,000	58,500	0	58,500
22	10	1,80,000	1,75,000	0	1,75,000
23	10	2,40,000	2,33,500	0	2,33,500
24	10	1,20,000	1,16,500	0	1,16,500
25	48	1,20,000	1,07,500	0	1,07,500
26	16	2,60,000	2,46,500	0	2,46,500
27	14	12,00,000	11,53,500	0	11,53,500
28	48	1,20,000	1,07,500	0	1,07,500
29	12	36,000	34,800	0	34,800
30	32	1,80,000	1,64,000	0	1,64,000
31	10	40,000	35,000	0	35,000
32	10	2,40,000	2,33,500	0	2,33,500
33	10	1,20,000	1,16,500	0	1,16,500
34	14	2,40,000	2,30,500	0	2,30,500
35	20	2,40,000	2,26,500	0	2,26,500
36	27	1,20,000	1,11,000	0	1,11,000
37	15	1,50,000	1,43,500	0	1,43,500
38	17	1,20,000	1,14,500	0	1,14,500
39	37	2,40,000	2,15,500	0	2,15,500
40	31	2,40,000	2,19,500	0	2,19,500
41	15	1,20,000	1,75,000	0	1,75,000
42	14	2,40,000	2,30,500	0	2,30,500
43	19	1,20,000	1,13,500	0	1,13,500
44	10	2,40,000	2,23,500	0	2,23,500
45	19	1,80,000	1,70,500	0	1,70,500
46	24	1,20,000	1,12,000	0	1,12,000
47	14	1,20,000	1,15,500	0	1,15,500

48	15	1,20,000	1,15,000	0	1,15,000
49	29	3,60,000	3,31,000	0	3,31,000
50	11	1,25,000	1,22,000	0	1,22,000

Table 4 -Net Income of patients in Case 2

This approach helps in evaluating the financial impact of choosing private vs. NPO healthcare.

The tables indicate that medical expenditure significantly impacts patients' earnings. In Case 1 (private hospitals), the income levels of patients are much lower compared to Case 2 (SSSIHMS). For many in Case 1, income drops to negative levels, highlighting their economic vulnerability. Financing hospitalization expenses becomes challenging, and patients often rely on savings, borrowing from family or friends, selling assets, or health insurance to cover costs. If these patients had chosen private hospitals (Case 1), their income would have gone down considerably, making it more difficult to maintain financial stability. In contrast, opting for treatment at SSSIHMS (Case 2) provides them with free care, thereby avoiding this financial strain.

Analysing the income difference between the two cases, we see that the gap in income (excluding general expenses) highlights that, on an individual or micro level, opting for an NPO like SSSIHMS for medical treatment is a more financially sustainable choice compared to commercialized healthcare. The reduced financial burden allows patients to maintain a better standard of living and avoid significant income loss, making NPOs a better alternative for those who are economically vulnerable.

6. Contribution to The Nation's Development

Through the comparison, we see that opting for NPOs like SSSIHMS for medical treatment is economically viable at the individual level.

However, the benefits extend beyond the individual, impacting the broader economy positively.

While calculating national income, the medical expenditure of the patients in Case 1 (private hospitals) is considered part of the private hospital's income, as the income of the patients is spent and is transferred to the hospital, thereby reflecting the hospital's income. In Case 2 (SSSIHMS), it is considered part of the household income, as the same amount is withheld from the patients and is not spent. While the national income remains the same at an aggregate level, the key difference lies in the time required for patients to recover their medical expenditure.

In Case 1, patients take longer to cover the medical expenses, meaning they are not generating income during this period. Their potential income during the treatment period is lost and not added to national income. In contrast, in Case 2, patients do not incur medical expenses and continue to earn, thus contributing positively to national income without interruption.

Therefore, while the aggregate national income may be similar, the real difference comes after the treatment period, where patients treated in NPOs (Case 2) contribute more to national income by continuing to work and spend. This highlights the broader economic benefit of NPO healthcare systems, as they allow individuals to remain financially active and contribute to the economy.

The time required to cover the medical expenses in years is calculated for both cases respectively-

S.no.	Annual Income	Medical expenditure	Time required to cover the expenses
1	1,20,000	2,75,000	2.0
2	2,40,000	3,75,000	1.5
3	24,000	2,75,000	11.0
4	1,20,000	4,25,000	3.5
5	1,20,000	3,25,000	3.0
6	36,000	3,75,000	10.0
7	1,80,000	4,25,000	2.0

8	2,40,000	3,25,000	1.0
9	1,20,000	2,25,000	2.0
10	1,20,000	3,25,000	2.5
11	1,20,000	3,75,000	3.0
12	2,40,000	2,75,000	1.0
13	1,20,000	2,75,000	2.0
14	2,40,000	3,75,000	1.0
15	1,20,000	2,75,000	2.0
16	2,40,000	3,25,000	1.0
17	1,20,000	3,25,000	2.5
18	1,20,000	3,12,500	2.5
19	1,20,000	3,75,000	3.0
20	96,000	2,75,000	3.0
21	60,000	3,25,000	5.5
22	1,80,000	3,10,000	1.5
23	2,40,000	4,25,000	1.5
24	1,20,000	4,25,000	3.5
25	1,20,000	3,75,000	3.0
26	2,60,000	2,75,000	1.0
27	12,00,000	4,50,000	0.5
28	1,20,000	2,87,500	2.0
29	36,000	2,75,000	7.5
30	1,80,000	3,25,000	2.0
31	40,000	3,25,000	8.0
32	2,40,000	2,75,000	1.0
33	1,20,000	3,25,000	3.0
34	2,40,000	3,75,000	1.5
35	2,40,000	3,75,000	1.5
36	1,20,000	3,25,000	2.5
37	1,50,000	4,25,000	3.0
38	1,20,000	3,75,000	3.0
39	2,40,000	4,75,000	2.0
40	2,40,000	4,25,000	1.5
41	1,20,000	2,75,000	2.0
42	2,40,000	3,25,000	1.0
43	1,20,000	3,75,000	3.0
44	2,40,000	4,25,000	1.5
45	1,80,000	3,12,500	1.5
46	1,20,000	3,75,000	3.0
47	1,20,000	3,12,500	2.5
48	1,20,000	3,75,000	3.0

49	3,60,000	2,75,000	0.9
50	1,25,000	4,25,000	3.0

Table 5 – Time required to cover expenses in Case 1

S.no	Annual Income	Medical Expenditure	Time required to cover the expenses
1	1,20,000	-----	-----
2	2,40,000	-----	-----
3	24,000	-----	-----
4	1,20,000	-----	-----
5	1,20,000	-----	-----
6	36,000	-----	-----
7	1,80,000	-----	-----
8	2,40,000	-----	-----
9	1,20,000	-----	-----
10	1,20,000	-----	-----
11	1,20,000	-----	-----
12	2,40,000	-----	-----
13	1,20,000	-----	-----
14	2,40,000	-----	-----
15	1,20,000	-----	-----
16	2,40,000	-----	-----
17	1,20,000	-----	-----
18	1,20,000	-----	-----
19	1,20,000	-----	-----
20	96,000	-----	-----
21	60,000	-----	-----
22	1,80,000	-----	-----
23	2,40,000	-----	-----
24	1,20,000	-----	-----
25	1,20,000	-----	-----
26	2,60,000	-----	-----
27	12,00,000	-----	-----
28	1,20,000	-----	-----
29	36,000	-----	-----
30	1,80,000	-----	-----
31	40,000	-----	-----

32	2,40,000	-----	-----
33	1,20,000	-----	-----
34	2,40,000	-----	-----
35	2,40,000	-----	-----
36	1,20,000	-----	-----
37	1,50,000	-----	-----
38	1,20,000	-----	-----
39	2,40,000	-----	-----
40	2,40,000	-----	-----
41	1,20,000	-----	-----
42	2,40,000	-----	-----
43	1,20,000	-----	-----
44	2,40,000	-----	-----
45	1,80,000	-----	-----
46	1,20,000	-----	-----
47	1,20,000	-----	-----
48	1,20,000	-----	-----
49	3,60,000	-----	-----
50	1,25,000	-----	-----

Table 6 – Time required to cover expenses in Case 2

The income from this period, which would otherwise be required to cover the medical expenses, will be added to the national income in Case 2. A rise in national income thus also raises the Per Capita Income (PCI). An increase in PCI shows a higher standard of living, and hence a greater index of development. For example,

- Patient no. 1 earns an annual income of Rs.1,20,000 and the cost of his/her treatment in Case 1 is Rs.2,75,000. To recover this expense, he/she must forego the income for nearly the next 2 years of the income.
- Similarly, Patient no. 8 with an annual income of Rs 2,40,000 and medical expense of Rs. 3,25,000 would require a minimum of 1 year to recover the expenses.

- In the case of patient no. 20, the annual income of the patient is Rs 96,000. To cover the medical expense of Rs 2,75,000, the patient would require approximately 3 years.

The time required to recover medical expenses is longer because patients still have ongoing consumption needs, regardless of income levels. They cannot dedicate their entire income to medical expenses, as they still need to cover basic living costs. As a result, it takes a much longer time to fully recover from medical expenditure. In this case study, focusing on 50 patients, the total contribution to national income from those who received treatment at SSSIHMS, an NPO, is Rs. 1,71,85,000. By receiving free care at an NPO, these patients were able to continue contributing to the national income, which in turn helped increase the Per Capita Income (PCI), a component of the Human Development Index (HDI). On a larger scale, NPOs in healthcare play a significant role in nation-building. They not only meet economic goals by helping individuals continue contributing to the economy but also achieve social goals by improving public health and providing quality care to underserved populations.

This shows how NPOs indirectly contribute to national development, enhancing both health outcomes and economic growth.

7. Integrating Philanthropy with Healthcare

The quantitative analysis highlighted how NPOs contribute to the nation's development through improvements in life expectancy, cost-effectiveness, increased National Income, and higher Per Capita Income (PCI). These economic benefits are significant, but a qualitative analysis adds another dimension, showing that patients are more satisfied with the treatment provided by NPOs.

For the qualitative study, 50 patients from SSSIHMS were surveyed using a questionnaire about their treatment experience and their opinion on the hospital's approach to healthcare. The responses were overwhelmingly positive, with patients expressing that the care they

received at SSSIHMS had a significant positive impact on their health and well-being.

In addition to these responses, a chart outlining the geographic distribution of the 50 patients is included, which can further illustrate the reach and impact of the hospital across different regions. This qualitative perspective highlights the value of NPOs in healthcare not only from an economic standpoint but also in terms of patient satisfaction and the quality of care provided.

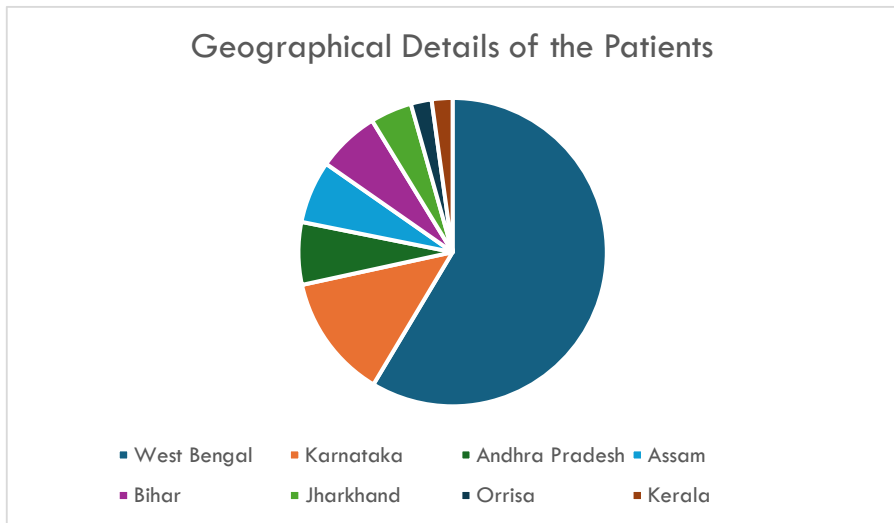


Fig.3 – Graphical representation of the geographical details of the patients ⁽¹¹⁾

Most patients at SSSIHMS are from West Bengal, a state with limited access to healthcare, ranked 4th in healthcare access across India. These 50 patients come from low- to middle-income families, with annual incomes ranging from Rs. 24,000 to Rs. 12,00,000. Affording healthcare is a major concern for them ⁽¹¹⁾.

Patients often face challenges like medical costs, accommodation, treatment access, and emotional stress. However, all respondents reported positive experiences at SSSIHMS, highlighting significant health improvements, especially compared to previous treatments at private and government hospitals.

SSSIHMS provides regular counselling sessions alongside medical treatment, addressing both physical and mental health. The hospital's unique approach, which incorporates spirituality and compassion, fosters a sense of belonging and gratitude in patients, enhancing their quality of life and contributing to qualitative development. The concept of integrating philanthropy in healthcare is unique, and to some extent, it is required, since health stands out as a major key to better living. Focus on improving healthcare is the need of the hour. With high-end technology and new innovations in healthcare, an element of affordable healthcare adds on to the effectiveness of the treatment. Following this approach can make the healthcare system more efficient. While NPOs face challenges like expansion and accessibility, their benefits outweigh these obstacles. The patients believe more NPOs should exist in healthcare, as organisations like SSSIHMS prioritise purpose over profit, offering affordable care. This philanthropic approach improves healthcare for patients, families, organisations, society, and the nation. By combining advanced technology with affordable care, NPOs enhance treatment effectiveness, proving philanthropy in healthcare is both unique and essential.

Conclusion

The case study of the Sri Sathya Sai Institute of Higher Medical Sciences (SSSIHMS) highlights the crucial role non-profit healthcare institutions play in addressing the healthcare challenges faced by marginalised populations in India. By providing free, high-quality medical services, SSSIHMS not only alleviates the financial burden on patients but also contributes to their long-term economic stability and overall well-being. The institute's efforts in making healthcare accessible, regardless of socioeconomic status, demonstrate the significant impact non-profit

organisations can have on public health, social equity, and national development. As a result, non-profit healthcare institutions like SSSIHMS play a pivotal role in enhancing health outcomes, improving economic productivity, and fostering social stability, ultimately contributing to the broader goal of inclusive and sustainable development.

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