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“The business of healthcare can’t be and should not be only on ownership and financial performance, it has to ensure both in equal measure”•

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India's healthcare sector is witnessing a wave of consolidation, digital transformation and growing private capital investments. Yet, the ownership structure of hospitals has remained largely unchanged—promoter-led institutions where clinicians drive patient care but rarely participate in ownership or strategic decision-making. Magnet Hospitals is seeking to disrupt that model by creating what it calls India's first doctor-led hospital network, introducing a 'clinical equity' framework that makes doctors and nurses stakeholders in the business. In an interaction with BioSpectrum India, Dinesh Madhavan, Founder and Managing Director, Magnet Hospitals, explains the thinking behind the company's ownership model, the mechanics of clinical equity, the roadmap for expansion, the role of AI in hospital operations, and why he believes aligning clinicians with ownership could fundamentally reshape the economics and delivery of healthcare in India.



Magnet Hospitals is positioning itself as India's first doctor-led hospital network. What is fundamentally different about this model compared to traditional corporate hospital chains like Apollo, Manipal, Narayana Health or Aster?

Magnet Hospitals is India's first model where each unit has clinical equity with clinicians and nurses, the very backbone of healthcare. In this Unique model each of the hospital will be led by a nurse and she / he will ensure the patient's first approach. Clinical & nursing ownership at an enterprise has never been done. Indian healthcare needs to learn and embrace what the IT sector has done.

Some industry observers compare your model to platform businesses like OYO, where independent assets operate under a common brand, technology, and governance framework. Is that a fair comparison? How should investors and industry stakeholders understand the Magnet model?

In the platform-based model, the assets are not owned by the platform. At Magnet Hospitals the assets are owned by Magnet Hospitals, clinicians and nurses.

You have introduced the concept of 'clinical equity'. Can you explain the ownership structure? Who owns the hospitals, who owns the holding company, and where do doctors and nurses fit into the cap table?

The holding company is owned by Magnet Hospitals, each hospital/unit is owned by Magnet Hospitals, clinicians and nurses. The doctors and nurses are at the Unit entity and at that cap.

How is clinician equity allocated? Is it linked to clinical outcomes, tenure, leadership responsibilities, profitability, or capital contribution? What safeguards prevent it from becoming merely an employee incentive plan?

Clinical equity is allocated based on the clinical leadership, seniority, domain knowledge, consistent outcome and time that is spent at Magnet Hospitals. It is not an incentive plan, since it is not linked to revenues or monetary benefits.

With doctors and nurses becoming shareholders, how do you balance governance between financial investors, promoters, and clinician-owners? Who ultimately drives strategic and capital allocation decisions?

In a co-ownership model there is place for all parties, each has a unique role and you respect that and ensure co-existence and growth for all. Clinical strategy will be driven by clinicians and capital allocation for that after measurable indicators by the investors and management team. Other strategy and investment decisions are by the management team based on enterprise growth and task.

Healthcare has traditionally separated ownership from clinical practice. What business problem does clinician ownership solve, and what evidence gives you confidence that it will improve both patient outcomes and financial

performance?

The business of healthcare can't be and should not be only on ownership and financial performance, in a social and more so with health it has to ensure both in equal measure. The west has shown a futuristic path that ensures this.

You have committed Rs 224 crore towards building the network. How will this capital be allocated across acquisitions, greenfield projects, digital infrastructure, AI, and clinician ownership programmes? What is the expected investment timeline?

We have committed Rs 224 crore for the network's expansion, with 65 per cent earmarked for acquisitions, 30 per cent for greenfield projects, and 5 per cent for AI and digital infrastructure. The investment will be deployed over the next 30 months.

Your target is to expand from 8 hospitals to 12 locations and around 1,200 beds within two years. Will growth primarily come through acquisitions, brownfield partnerships, or greenfield development? What economics underpin this expansion strategy?

Our expansion will follow a 65:35 mix, with around 65 per cent of growth coming through acquisitions and 35 per cent through greenfield development. The pace and choice of expansion will be guided by the quality of clinical partners we bring on board and the geographies we enter. Our focus is on building a sustainable network by partnering with high-performing clinicians and selecting markets that deliver long-term, value-accretive growth.

Hospital networks often struggle to maintain consistent quality across multiple facilities. What governance framework, KPIs, and clinical audit mechanisms will Magnet use to ensure uniform standards across the network?

We have co-developed the magnet clinical and nursing excellence model with clinicians and nurses. The parameters are defined and measurable, all KPI's are linked to that and will be closely monitored across the network.

You have announced investments in an Agentic AI platform. Beyond improving operational efficiency, how do you expect AI to impact clinical productivity, patient outcomes, and EBITDA margins over the medium term?

Our Agentic AI platform is currently focused on enhancing operational efficiency, improving service delivery, and strengthening patient engagement and consumer connectivity. At this stage, it is not being deployed for clinical decision-making, nursing workflows, or direct patient outcome improvements. The immediate objective is to streamline operations and elevate the patient experience, while any future expansion into clinical applications will be considered as the platform evolves.

Given the increasing consolidation in India's hospital sector, do you see Magnet Hospitals remaining an independent platform, or are you building a scalable model that could eventually attract strategic investors, private equity, or even a public listing?

Magnet Hospitals will scale and has a clear intent to attract clinical equity, investors and like-minded hospitals that will join the enterprise.

What are the three metrics that investors, clinicians, and industry stakeholders should track over the next 24–36 months to judge whether the doctor-led ownership model has been commercially and clinically successful?

Trust, transparency & compassion foremost. This will follow the financial performance that places patients and clinicians at the epicentre and able supported by the guiding light the nurses.

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