SHAREHOLDER PRIMACY AND PATIENT EXPLOITATION IN INDIA'S LISTED PRIVATE HOSPITALS: A CRITICAL ANALYSIS OF CORPORATE GOVERNANCE AND LEGAL PROTECTION

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ABSTRACT

The increasing commercialization of private healthcare raises concerns about the financial burden placed on patients by listed hospital companies through their pricing and billing practices. Patients are directly affected by commercial decisions concerning medicines, consumables, hospital bills, diagnostic services and other aspects of treatment. Yet, unlike shareholders and security holders, patients have no clearly defined institutional position within the corporate governance structures of these companies. This study examines whether the existing corporate governance mechanisms adequately recognize and represent patients as stakeholders and whether the legal frameworks outside company law provide sufficient protection against commercial practices affecting their interests. The study therefore examines whether existing corporate governance mechanisms and legal protections are sufficient to safeguard patients' interests against the commercial practices of listed hospitals.

The study adopts a doctrinal and qualitative methodology, examining the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, with a focus on directors' duties, board committees, financial oversight and stakeholder grievance mechanisms. It also analyses selected regulatory findings and consumer disputes relating to hospital pricing and billing, along with relevant legal protections under the Clinical Establishments Act, 2010, Consumer Protection Act, 2019, Drugs (Prices Control) Order, 2013 and medical ethics regulations.

The study finds that the corporate governance mechanisms under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 primarily focus on corporate management and the protection of shareholders' and security holders' interests, without providing for formal patient representation. It further observes that existing legal remedies address specific forms of patient harm but do not ensure their participation in corporate decision-making. Accordingly, the study proposes a committee within listed hospitals to represent patients' interests in decisions affecting the affordability,

transparency and justification of hospital services

Keywords: Corporate governance; listed hospitals; shareholder primacy; commercialization; patient exploitation; stakeholder interests.

1. Introduction

In the last few decades, the private hospital industry in India has evolved from a scenario of independent practitioners, clinics and charitable trusts into a system dominated by corporatisation and commercialisation with listed hospital companies forming a part of this industry. Being listed companies, these hospitals fall under the ambit of corporate governance laws which are more focused on the corporate governance system that revolves around a company, its shareholders, and the capital markets. Patients are the main stakeholders of a listed hospital company as they are directly and substantially affected by the commercial conduct of such hospital. This paper investigates whether the interests of such patients who form the main stakeholders of a listed hospital company are being protected by corporate governance laws in India or the legal frameworks relating to healthcare industry or by both combined.

1.1 Significance of the Study

The current research combines two fields that have been traditionally researched independently: corporate law and healthcare policy. The paper discusses listed hospital corporations from the viewpoint of corporate governance laws that previous studies have paid little attention to. From an academic perspective, the study verifies whether the stakeholder-oriented wording of the Indian corporate law does indeed benefit the patients and whether the healthcare regulation protects the patients against the commercial behaviour of the listed hospitals. The study is significant because it is intended to find whether the patients are protected from commercial conduct of listed hospitals, to suggest reforms in case of gaps in protection and the same can be beneficial to people. The conclusions and recommendations of this study may also prove useful for law makers and other policymakers in ensuring patient accountability in corporate hospitals.

1.2 Review of Literature

In 2017, Naniwadekar and Varottil examined Section 166(2) of the Companies Act, 2013, which asks directors to act in the interests of employees, the community and the environment

as well as shareholders. The authors argue that the provision looks stakeholder-friendly on its face and gives all interests equal standing in its wording. But they find that it greatly limits what stakeholders can actually claim.[1] In my opinion, this study underscores the need for concrete methods to enforce the interests of stakeholders.

Based on 43 qualitative interviews and witness seminars conducted in Mumbai and Pune, Indira Chakravarthi, Benjamin Hunter, Shweta Marathe and Susan F Murray, in 2023, concluded that corporatisation in Indian private healthcare is not confined to the emergence of a few large hospital chains, but is a sector-wide structural and cultural shift - even long-established, not-for-profit trust hospitals have adopted corporate-style management, revenue targets, and marketing practices to remain competitive, often through operational tie-ups with for-profit chains.[2] This affirms that corporatisation and commercialisation have deep roots in private healthcare. However, the study does not suggest a reform or seek to establish any effective remedies to curb corporatisation of healthcare, a core reason for patient exploitation.

If corporatisation has indeed taken deep root, the question that follows is whether India's regulatory response has kept pace.

Shukla examines multiple forms of patient exploitation and the regulations of private healthcare in India. He describes the present position as a "regulatory stalemate" and argues for a move towards "socially responsive regulation".[3] This article only assesses the Clinical Establishments Act 2010, and seeks to establish multi-stakeholder oversight bodies at district levels and state levels and integration of healthcare regulation with public funded Universal Health Care. This study has not examined other regulations applicable in respect of protection of patients from exploitation and has not examined whether the structure of private hospitals in India and the regulations governing such structure are adequate for patient protection or not.

[1] Mihir Naniwadekar and Umakanth Varottil, 'The Stakeholder Approach towards Directors' Duties under Indian Company Law: A Comparative Analysis' in Mahendra Pal Singh (ed), The Indian Yearbook of Comparative Law 2016 (Oxford University Press 2017) 95–120 https://academic.oup.com/book/36465/section-abstract/321048693?utm_source=chatgpt.com accessed 30 October 2026

[2] Indira Chakravarthi, Benjamin Hunter, Shweta Marathe and Susan F Murray, 'Corporatisation in Private Hospitals Sector in India: A Case Study from Maharashtra' (2023) 58(11) Economic and Political Weekly 57–64 https://www.epw.in/journal/2023/11/special-articles/corporatisation-private-hospitals-sector-india.html?utm_source=chatgpt.com accessed 30 October 2026.

[3] Abhay Shukla, 'Breaking the Regulatory Stalemate: Moving Towards Socially Responsive Regulation of Private Healthcare in India' (2026) 17(1) Jindal Global Law Review 33–55 https://doi.org/10.1007/s41020-026-00289-3?utm_source=chatgpt.com accessed 1 November 2026.

1.3 Research Gap

The study of corporate law scholarship together with health policy scholarship on India's listed hospital sector shows a gap. The study examines whether the corporate governance mechanisms applicable to listed hospital in India offer any protection to its patients as its stakeholders, and if not whether the legal frameworks relating to healthcare offer such protection. The extent of stakeholder protection is generally studied by Naniwadekar & Varottil to find that the mechanisms are unable to offer stakeholders any kind of enforceable rights. Currently, no study has addressed the applicability of corporate governance mechanisms to the patients of listed hospital, in the capacity of stakeholders. Also, no literature is available to indicate whether the legal structure intended to regulate health care and ensure that patients are protected and described by Shukla as being in a stalemate, manages to compensate for the gap, if any.

1.4 Research Questions

I. How do India's corporate governance mechanisms - designed principally around the interests of shareholders and capital markets - operate or fail to operate, to protect the patient as a stakeholder in private hospitals structured as listed companies?

II. In what forms does the commercialisation of private healthcare in India manifest as exploitation of patients (e.g., excessive billing, unnecessary diagnostic tests and procedures, excessive markups)?

III. Does the existing legal framework outside corporate law — including the Clinical Establishments Act, 2010, the Consumer Protection Act, 2019, Pricing Regulation under the Drugs (Prices Control) Order, 2013, Medical Ethics Regulations and Article 21 of the Constitution - adequately protect patients from shareholder-driven commercial conduct?

IV. Is there any legal mechanism that renders a listed hospital's shareholders or governing body directly accountable to the patient's interest, and if not, what reforms - whether within corporate governance law or within the external legal framework - are necessary to close this gap?

1.5 Hypothesis

India's corporate governance mechanisms are designed principally to protect shareholders. When these same mechanisms are applied to hospitals structured as listed companies, they produce the same effect: protection is extended to shareholders, not to the patients as stakeholders. The existing legal framework governing healthcare also does not adequately protect patients from the commercial conduct of these hospitals or make the hospital accountable to the patients. Patients are, as a result, left without meaningful legal protection against the corporatisation and commercialisation of listed private hospitals in India.

1.6 Research Methodology

This study adopts a doctrinal and qualitative research methodology to examine the adequacy of corporate governance mechanisms and the legal framework for protecting patients in India's listed private hospital sector. It analyses the extent to which the existing corporate governance framework considers patients as stakeholders and whether external legal protections adequately address commercial practices that may adversely affect patients.

The study primarily relies on secondary sources, including statutory provisions, judicial decisions, regulatory orders, reported instances of hospital pricing and billing practices, academic literature and relevant policy materials. The principal legal sources examined include the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the legal frameworks governing healthcare establishments, consumer protection, drug-price regulation and medical ethics.

The research first examines the corporate governance framework applicable to listed hospital companies along with SEBI (LODR) Regulations, 2015, with particular attention to directors' duties, independent directors, audit committees and the Stakeholders Relationship Committee. It evaluates whether these mechanisms provide patients with a distinct institutional role and voice in corporate decision-making or primarily address other corporate governance concerns.

The study then undertakes a qualitative examination of selected reported instances and legal proceedings concerning hospital pricing and billing practices. These materials are analysed to identify the nature of the concerns raised, the findings made by the relevant authorities or adjudicatory bodies, and their implications for patient protection. The study distinguishes

between allegations, reported evidence and established legal findings. The selected instances are used as illustrative case studies and are not treated as representative of the practices of all listed hospital companies.

Finally, the study evaluates the scope and limitations of the external legal frameworks applicable to patient protection. It considers whether these frameworks, comprehensively address the commercial practices identified and whether they adequately complement the corporate governance mechanisms applicable to listed hospital companies. On this basis, the study identifies potential gaps in patient protection and considers targeted legal and corporate governance reforms.

The research is analytical and evaluative in nature. It does not seek to establish the prevalence of commercial exploitation across the entire private healthcare sector through statistical or empirical fieldwork. Instead, it assesses the adequacy of the existing legal and regulatory framework through doctrinal analysis and the critical examination of selected documented instances of hospital conduct.

2. CORPORATE GOVERNANCE IN INDIA: A SHAREHOLDER-ORIENTED FRAMEWORK, AND ITS APPLICATION TO LISTED PRIVATE HOSPITALS.

2.1 Shareholder Primacy and Stakeholder Theory

For years, the issue of what the goal of corporate existence is, has been an area of contention in corporate governance research. The shareholder primacy model views the firm as primarily existing to maximize shareholder value. Thus, from this model, it is clear that stakeholders' interest may be included in the shareholder primacy model but not to the point where it contradicts the interest of the shareholders. On the other hand, stakeholder theory suggests that the company should have a responsibility towards all the parties that are affected by its actions – the employees, customers, and society at large.

The Companies Act, 2013 recognises stakeholder interests in its wording, but, as the analysis below shows, its operative mechanisms function closer to the shareholder model. The mechanisms examined below are the primary body of law governing a listed hospital company, and so the first place to look for protection of patients against commercial exploitation. Each is tested against one question: does it create a duty, remedy or oversight function that runs to

the patient, or that reaches the commercial conduct this thesis is concerned with?

2.2 The General Mechanisms, and Whom They Protect

2.2(i) Section 166(2) of the Companies Act, 2013

Section 166(2) recognizes interests beyond those of the company's members, including employees, shareholders, the community and the protection of the environment. On its wording, the provision appears to bring the interests of all stakeholders within the director's duty. The true test, however, is whether each and every stakeholder can enforce it The duty is largely owed to the company, rather than the stakeholders, and that while the wording gives all these interests equal standing, the remedies do not .[4] The class action under Section 245 is open only to members and depositors, and the derivative action, which is not codified, is open only to shareholders under common law.[5] Patients affected by the operations of a hospital company may potentially fall within the broader category of community, a category too vague to give stakeholders a right of action.[6] This means that the provision does not expressly identify patients as stakeholders nor does it provide the patients any right to seek direct enforcement as a right merely in that capacity. Consequently, the limitation acknowledged is not that the patients are completely excluded from the provision but the absence of specific mechanism for patient representation.

2.2(ii) Section 149 of the Companies Act, 2013

Section 149 and Schedule IV have broader functions among which it requires listed companies to appoint independent directors to check promoter and management self-dealing. Schedule IV, the Code for Independent Directors, assigns them the task of safeguarding "the interests of all stakeholders, particularly the minority shareholders".[7] The wording recognises every stakeholder but gives emphasis on minority shareholders. The functions listed by Schedule IV including judgment on strategy and risk, scrutiny of management performance, the integrity of financial information, remuneration, and arbitrating between management and shareholders, are all directed at the company's management, finances and its internal relationships. These provisions do not expressly state patient as a stakeholder or require independent directors to

[4] Naniwadekar and Varottil (n 1).
[5] Companies Act 2013, s 245(1); Naniwadekar and Varottil (n 1).
[6] Naniwadekar and Varottil (n 1).
[7] Companies Act 2013, s 149(4) and sch IV, pt II.

safeguard the adverse impact caused by a listed hospital's commercial conduct on patients. However, it can be construed that it also includes patient as a stakeholder. But the provision cannot be regarded as a specific mandate for patients as a patient harmed by a hospital's billing or treatment practices has no direct means of invoking these duties merely in their capacity as a patient.

2.2(iii) Section 177 of the Companies Act, 2013

The Audit Committee under Section 177 must have a majority of independent directors. It examines the financial statements and the auditor's report, approves related-party transactions, and evaluates internal financial controls and risk management systems.[8]The main function of audit committee is financial oversight and internal controls. This means that the committee may have a role where a specific billing raises financial or reporting concerns but may not have a role in hospital bills inflated through unjustified treatment procedures or procedures and services not provided. Thus, if an inflated bill is recorded as genuine, the audit committee cannot be interpreted to have a duty to ask whether the hospital bills are unethically inflated or not. The vigil mechanism required under Section 177(9) allows directors and employees report concerns, but a patient has no right to make use of it. Hence, the mechanism limit itself to directors and employees and does not extend to stakeholders in the capacity of patients.

2.2(iv) Section 178 of the Companies Act, 2013

The Nomination and Remuneration Committee under Section 178 recommends the appointment and removal of directors and senior management and sets their remuneration policy, which must link pay to performance benchmarks of the company.[9] Those benchmarks are the company's own, and nothing requires the committee to consider patient welfare or the effect of such incentives on clinical and billing decisions. Patients have no role in setting or reviewing them.

2.2(v) Section 135 of the Company's Act 2013

Section 135 requires companies above specified financial thresholds to spend 2% of their average net profits on the Corporate Social Responsibility activities listed in Schedule VII.[10]

[8] Companies Act 2013, s 177(2), (4) and (9).
[9] Companies Act 2013, s 178(2)-(4), particularly s 178(4)(b).
[10] Companies Act 2013, s 135(1), (5) and sch VII.

This is a spending obligation in respect of corporate social responsibility attributed to corporations and not a rule on how the company conducts its business. A hospital company can meet it in full, on any Corporate Social Responsibility activity, while its own billing and treatment practices remain untouched, and no patient has any right to enforce it.

2.2(vi) SEBI (LODR) Regulations, 2015

Regulation 20 of the SEBI (LODR) Regulations, 2015 requires a listed company to constitute a Stakeholders' Relationship Committee.[11] The committee carries the word "stakeholder" in its name, but it deals only with the grievances of shareholders, debenture holders and other security holders. The same committee is also required under Section 178(5) of the Companies Act, 2013, which applies it to companies with a large number of security holders.[12] A patient is not a security holder and has no grievance route through it. The Risk Management Committee, required of the largest listed companies under Regulation 21, oversees risks to the company.[13] Where billing controversies, reputational or operational risk are considered by the committee, it may also consider billing misconduct and related patient harm. This shall not mean that these regulations establish a dedicated patient protection mandate or require patient representation in the risk management framework.

2.3 Shareholder primacy and The Structural Exclusion of Patients from Corporate Governance

Corporate responsibility should extend beyond its shareholders to the people who are affected by its business operations. The above analysis clearly depicts that the corporate mechanisms in the Companies Act, 2013, that is assumed to address stakeholder interests largely excludes them. And, instead substantially protects the minority shareholders, security holders and debenture holders. Also, though it appears to protect "the community", the term cannot be said to expressly include patients as stakeholders.

The above analysis also shows that listed companies are subjected to extensive governance mechanisms, but mostly aimed at shareholder welfare. Listed hospital companies are subject

[11] Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, reg 20(1), (4) and sch II, pt D.
[12] Companies Act 2013, s 178(5)-(6).
[13] Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, reg 21.

to same set of extensive governance machinery in Indian law: a board with independent directors, special set of directors' duties, specialised committees like Audit Committees and Stakeholder Relationship Committee, and oversight by SEBI. India's major hospital chains, among them Apollo Hospitals, Max Healthcare, Fortis Healthcare and Narayana Hrudayalaya, are listed companies, and the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 treat them like any other listed company.[14] Neither contains a provision specific to listed hospital companies and none of it is directed at the person whose treatment generates the hospital's revenue. A patient who is overbilled, advised to undergo clinically unjustified procedure, or treated under a clinician's revenue target has no seat in this system, no committee to seek redressal, and no right to invoke any of its duties. Patients are the stakeholders most directly affected by what a hospital does, and the one the above framework leaves out. The mechanisms protect shareholders and the integrity of the market, the very purposes for which they are implemented. Absence of comprehensive protection of patient stakeholders in listed hospitals have led to a list of patient harm consequences, which the section ahead documents**.**

3. COMMERCIALISATION AND PATIENT EXPLOITATION IN LISTED HOSPITAL COMPANIES IN INDIA: EVIDENCE FROM PRICING AND BILLING PRACTICES

The section focuses on three principal forms of patient harm: excessive markups on medicines and consumables, inflated hospital bills and charges for services not provided, and concerns about the pricing of diagnostic tests. It also considers the extent to which the available evidence establishes unnecessary tests or procedures. The objective of this section is not merely to identify instances of high hospital charges, but to examine how commercial practices affect patients and what these incidents reveal about the position of patients within the corporate governance framework of listed hospital companies. The section therefore examines the remedies available to patients, the extent to which their interests are considered in decisions affecting them, and whether they have a recognised position within the corporate governance framework of listed hospital companies.

[14] National Stock Exchange of India Ltd, 'Apollo Hospitals Enterprise Limited' https://www.nseindia.com/get-quote/equity/APOLLOHOSP/Apollo-Hospitals-Enterprise-Limited accessed 18 October 2026; National Stock Exchange of India Ltd, 'Max Healthcare Institute Limited' https://www.nseindia.com/get-quote/equity/MAXHEALTH/Max-Healthcare-Institute-Limited accessed 18 October 2026; National Stock Exchange of India Ltd, 'Fortis Healthcare Limited' https://www.nseindia.com/get-quote/equity/FORTIS/Fortis-Healthcare-Limited accessed 18 October 2026; National Stock Exchange of India Ltd, 'Narayana Hrudayalaya Ltd' https://www.nseindia.com/get-quote/equity/NH/Narayana-Hrudayalaya-Ltd. accessed 18 October 2026; Companies Act 2013; Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

3.1 Forms of Patient Harm

The evidence is drawn from many sources like regulatory investigations, consumer disputes and reports concerning hospitals associated with listed hospital groups. Throughout this section, an attempt is made to clearly distinguish an allegation, an investigative finding and an adjudicated conclusion. Some of the incidents discussed in this section did not result in a finding of legal violation. Yet they are included where relevant, to distinguish between a conduct that has been legally established as unlawful and pricing or billing practices that may raise concerns about patient affordability, transparency and protection, while without any illegality. This is to ensure that the assessment of patient exploitation rests on documented practices rather than assumptions about the commercial nature of listed hospital companies.

3.1(i) Excessive Markups on Medicines and Medical Consumables

Medicines and medical consumables are a substantial component of the expenses incurred during hospitalisation. Patients admitted to hospital facilities largely depend on the hospital for items such as syringes, gloves, infusion sets, injections and other supplies required for treatment. Where these items are supplied through the hospital, patients have limited ability to compare prices in real time or obtain alternatives especially during an admission.

A significant example regarding the same can be seen in the case of Fortis Memorial Research Institute, Gurugram, associated with Fortis Healthcare Limited, a listed hospital company. In 2017, the National Pharmaceutical Pricing Authority (NPPA) examined the bills relating to the treatment of seven-year-old Adya Singh, who died of dengue after being admitted to the hospital. Her family was reportedly charged approximately ₹16 lakh for fifteen days of treatment at the hospital. According to the NPPA findings reported by *The Indian Express*, the hospital had procured a three-way stopcock for ₹5.77 but billed the family ₹106 for the item. A disposable syringe procured for ₹15.29 was reportedly charged at ₹200. In Adya Singh's case, the report stated that the family had been charged for 611 syringes and 1,546 pairs of gloves during the admission period, the price of which combined turn into a substantial amount.[15]

[15] Abantika Ghosh, 'Dengue Death: Fortis Kept Profit Margin as High as 1,737 Per Cent, Finds NPPA' The Indian Express (16 December 2017) https://indianexpress.com/article/cities/delhi/dengue-death-fortis-hospital-national-pharmaceutical-pricing-authority-4984840/accessed 20 October 2026.

The evidence apparently shows the difference between the cost at which the hospital obtained an item and the excessive amount charged to the patient, for the same item. Such differences can accumulate and contribute to huge hospital bills when consumables are used repeatedly during prolonged hospitalisation. The concern is therefore not confined to the excessive price charged of a single item but extended to the cumulative financial burden imposed on the patient's family.

Consequently, substantial markups automatically increase the cost of hospitalisation and make treatment more expensive for patients and their families. Although a high markup does not, by itself, establish a violation of law, it raises concerns about whether patients are charged justified and transparent prices for essential medical supplies.

Another aspect is that, Fortis Healthcare disputed the allegation that the reported margins established wrongdoing. It stated that its charges did not exceed the maximum retail price (MRP) and maintained the view that the prices charged to patients should be considered in the context of the hospital's overall financial performance.[16] The response highlights the hospital's justification of its pricing practices which is largely profit oriented, which in turn pose a financial burden upon the patients. The case also raises a governance question concerning the interests considered when a listed hospital company determines its pricing and billing practices.

The incident demonstrates how the commercial pricing of medical consumables can adversely affect patients who have little control over the quantity of items used during treatment or the prices charged for them. The evidence does not establish that every high markup is unlawful or that all listed hospital companies follow the same practices. However, it demonstrates why the financial interests of patients should be considered when assessing the corporate governance of listed hospital companies.

3.1(ii) Inflated Hospital Bills and Charges for Services Not Provided

Inflated billing and excessive billing present another distinct form of patient harm. Inflated billing may involve charges for services that were not provided, duplicate entries or items whose use cannot be adequately substantiated. Such practices directly affect patients because

[16] Press Trust of India, 'No Violation of Drug Price Control Orders, Claims Fortis Hospital' The Indian Express (16 December 2017) https://indianexpress.com/article/india/no-violation-of-drug-price-control-orders-claims-fortis-hospital/ accessed 20 October 2026.

the amount demanded may exceed the cost of the services actually received.

A relevant example is the decision of the District Consumer Disputes Redressal Commission-II, Chandigarh, in *V K Agarwal v Max Super Speciality Hospital and Others*, decided on 4 June 2024. Max Healthcare Institute Limited is a listed hospital company associated with the Max Super Speciality Hospital network, although the hospital's operating entity is legally distinct from the listed company.[17] The corporate relationship is reflected in the Integrated Annual Report 2023–24 of Max Healthcare Institute Limited, which identifies Hometrail Buildtech Private Limited as its wholly owned subsidiary and records that Hometrail operates Max Super Speciality Hospital, Mohali, under a public-private partnership arrangement with the Government of Punjab.[18] The complainant, a 76-year-old patient, had been admitted to Max Super Speciality Hospital, Mohali, for COVID-19 treatment between January and February 2021. The hospital raised a bill of approximately ₹7.62 lakh, of which ₹1,11,851 was paid by the patient and the remaining amount was dealt with through the insurance arrangement.[19] After discharge, the patient disputed several entries in the bill. These included charges for dietician visits and physiotherapy which were allegedly not provided, repeated charges for consumables, and a charge of ₹6,620 for CT contrast which the patient claimed had not been administered to him. The hospital disputed the allegations and maintained that its bill was prepared in accordance with its tariff and its agreement with the insurer.[20]

In this case, the Commission found that the hospital had failed to produce cogent and convincing documentary evidence to justify the disputed charges. The commission concluded that the hospital had exaggerated the medical bill by including charges for services that had not been provided, amounting to deficiency in service and an unfair trade practice. The complaint was partly allowed, and the hospital was directed to pay ₹1.20 lakh as compensation for financial loss, harassment, mental agony and litigation expenses.[21]

The decision in *V K Agarwal v Max Super Speciality Hospital and Others* serves as evidence of both the financial and non-financial harm that unjustified hospital billing can inflict on

[17] V K Agarwal v Max Super Speciality Hospital and Others (Consumer Complaint No 482 of 2022, District Consumer Disputes Redressal Commission-II, UT Chandigarh, 4 June 2024) https://medicaldialogues.in/pdf_upload/chandigarh-dcdrc-241077.pdf accessed 20 October 2026.
[18] Max Healthcare Institute Ltd, Integrated Annual Report 2023–24, 'Subsidiaries' section (Hometrail Buildtech Private Limited).
[19] V K Agarwal (n 17) 1–2.

[20] ibid 1–2.
[21] ibid 3.

patients. Accordingly, the decision is used in this study to demonstrate an adjudicated instance of patient harm arising from billing practices at a hospital within the Max Healthcare network, a listed hospital company. It is be noted that this evidence is not treated as proof that Max Healthcare Institute Limited itself was held liable, nor as evidence that the listed company directed or authorised the disputed billing practices. Its evidentiary value lies in illustrating the patients' plights of facing consequences of hospital billing practices, which are relevant to the broader examination of patient protection within the corporate governance framework of listed hospital companies.

The case illustrates the financial and procedural burden which can be imposed on patients due to inflated billing. In the above scenario, the patient was required to identify the disputed charges, challenge the bill and approach a consumer commission. The infringement of rights of the patient in respect of transparent billing was acknowledged by the commission through a compensation order, for both financial loss and non-financial harm, including harassment and mental agony. Such circumstances are relevant to the research because the patient's interest in receiving an accurate and substantiated bill is directly affected by the hospital's commercial billing practices.

3.1(iii) Pricing of Diagnostic Tests, Medicines and Other Inpatient Services

Pricing concerns in listed hospital companies extend beyond individual medical consumables to diagnostic tests, room charges, medicines and other services provided during inpatient treatment. Patients are often dependent on the hospital's diagnostic facilities and in-house pharmacy during admission. In such circumstances, their ability to compare prices or obtain alternatives may be limited, particularly when treatment is urgent or the patient has already been admitted.

The Competition Commission of India (CCI) examined allegations concerning the pricing practices of twelve super-speciality hospitals in Delhi-NCR, including hospitals associated with Max, Fortis and Indraprastha Apollo. The proceedings emanated from a complaint regarding the excessive pricing of disposable syringes which also involved allegations relating to room rent, diagnostic tests, medical devices, consumables and medicines.[22] These

[22] S N Thyagarajan, 'CCI Closes Abuse of Dominance Case Against 12 Delhi-NCR Super-Speciality Hospitals for Overcharging Patients' Bar and Bench (22 May 2026) https://www.barandbench.com/news/litigation/cci-closes-abuse-of-dominance-case-against-12-delhi-ncr-hospitals-for-overcharging-patients accessed 20 October 2026

proceedings are relevant to this study because they concern the pricing practices of hospitals associated with large hospital groups, including listed hospital companies. The CCI closed the proceedings on 21 May 2026 without finding a contravention of section 4 of the Competition Act 2002 in the matter concerning Fortis Escorts Heart Institute.[23] The closure of the proceedings does not establish that every price charged by the hospitals was reasonable, nor does it prove that the hospitals unlawfully overcharged patients. It means that the material considered in the relevant proceedings did not establish the alleged contravention of section 4. The distinction is important because a pricing practice may raise concerns about affordability or transparency without necessarily satisfying the legal requirements for establishing an abuse of dominance.

For this study, the CCI proceedings demonstrate the distinction between proving a competition-law infringement and addressing the broader concerns of patients regarding the affordability and transparency of hospital services. Patients may have limited opportunities to compare prices or make independent purchasing decisions during hospitalisation, particularly where medicines, consumables and diagnostic services are provided as part of ongoing treatment. The absence of a finding of competition-law infringement does not, by itself, resolve these wider concerns. Rather, it highlights the need to examine whether the legal and corporate-governance frameworks provide adequate protection for patients against unjustified charges and insufficient price transparency.

3.1(iv) Patient Harm Arising from Commercial Pricing and Billing Practices

The incidents examined in this section demonstrate different forms of harm associated with the commercial practices of hospitals linked to listed groups. The Fortis example concerns substantial markups on medicines and consumables billed during a prolonged admission. The Max Mohali decision records an adjudicated finding that the hospital included charges for services that it could not adequately substantiate, resulting in compensation for the patient. The CCI proceedings demonstrate the scrutiny that allegations of excessive pricing can attract, although the proceedings ended without a finding of abuse of dominance.

They establish that pricing and billing practices can raise significant concerns for patients. The

[23] Vivek Sharma v Fortis Escorts Heart Institute and Research Centre Ltd (Case No 77(8)/2015, Competition Commission of India, 21 May 2026) https://www.cci.gov.in/antitrust/orders/details/1247/0 accessed 20 October 2026

harm is not confined to the financial burden. It may also include the difficulty of understanding an itemised bill, the limited ability to challenge charges during treatment, the time and expense involved in seeking a remedy, and the uncertainty faced by patients who depend on hospital-provided medicines and services.

The evidence therefore provides a basis for examining the structural position of patients in listed hospital companies. Patients bear the financial consequences of commercial decisions, yet they do not ordinarily participate in corporate governance in their capacity as recipients of the hospital's services.

One key difference between these cases is that a case about a patient complaint against hospital fees and a more general case about how commercial activities impact patients need not necessarily be identical. In a consumer case, the issue is whether the specific charges complained about were reasonable, whereas in a competition case, the issue is whether the conduct meets the criteria required to take action under the competition law framework. On their own, neither test answers whether patients' interests have been sufficiently considered in the formulation of hospital company policies on fees and billing practices. The relevance of these cases lies not only in the outcomes of each proceeding but in the extent to which they indicate that the current processes are more remedial than preventive.

3.2 What the Evidence Reveals About Patient Protection

The incidents examined in this section reveal various concerns arising from hospital pricing and billing practices. The Fortis example highlights the financial burden that substantial markups on medical consumables can impose on patients. The Max Mohali decision demonstrates that disputed charges for services not provided may require patients to pursue legal proceedings before obtaining relief. The CCI proceedings, meanwhile, show that concerns about hospital pricing do not necessarily result in a finding of a competition-law violation.

Taken together, these examples highlight the difficulties patients may face in the form of high markups, inflated billing and understanding, challenging and obtaining redressal in respect of hospital charges. They also raise a broader question about whether the interests of patients are adequately considered in the commercial practices of listed hospital companies. It highlights the need to assess whether the existing governance and legal frameworks provide sufficient

safeguards for patients.

The subsequent section examines whether the external legal frameworks governing healthcare establishments, consumer protection, drug pricing and medical ethics adequately address these concerns, and whether further protection is needed.

4. LEGAL FRAMEWORKS TO CURB EXPLOITATION: AN ADEQUACY ANALYSIS

This section evaluates whether the external legal framework in respect of healthcare, adequately addresses the commercial conduct of listed hospitals, identified in this study. It examines the scope and operation of these frameworks to identify whether, when taken together, they comprehensively address the commercial exploitation of patients. The section further analyses whether these laws compensate for the absence of a formal mechanism for considering patient interests within corporate governance.

4.1 The Adequacy Analysis

4.1(i) Article 21: Constitutional Protection Against Commercial Exploitation

Article 21 guarantees the right to life, which the Supreme Court has interpreted to include medical facilities as an essential component in *Siddharth Dalmia v Union of India*.[24] The petitioners challenged the alleged practice of private hospitals compelling patients to purchase medicines, medical devices, implants and consumables exclusively through hospital pharmacies, where prices were alleged to be excessive. The Supreme Court recognised that access to medical facilities is an essential component of Article 21 and acknowledged the public importance of protecting patients from unreasonable charges and exploitation. Nevertheless, the Court considered the regulation of such pricing practices primarily to be a matter for policymakers. However, it declined to issue mandatory directions prescribing a regulatory model and directed State Governments to consider the issue and take appropriate policy decisions.

The decision is significant because it connects the issue of unreasonable charges in private

[24] *Siddharth Dalmia v Union of India* 2025 INSC 351, Writ Petition (Civil) No 337 of 2018 (Supreme Court of India, 4 March 2025) https://lawbeat.in/sites/default/files/2025-03/Siddharth%20Dalmia%20%26%20Anr%20Vs%20Union%20of%20India%20%26%20Ors.pdf?utm_source=chatgpt.com accessed 26 October 2026.

hospitals with the constitutional framework governing right to healthcare. The court did not hold that alleged pricing practices themselves violated Article 21, nor did it establish a separate fundamental right against every form of commercial exploitation in private healthcare system. Its principal significance is that the court recognised the problem and called for regulatory consideration of measures to protect patients from commercial exploitation. The judgement also highlights the limits of judicial intervention where broader policy measures are required.

Article 21 therefore can be said to provide a constitutional basis for the argument, that patient protection is an important concern which requires regulation in private healthcare sector. It supports the need for measures addressing unreasonable charges and practices that undermine patient protection. However, the extent of the State's obligation and the specific safeguards required remain matters for legal and policy development. The decision also does not establish a constitutional right to patient representation on the boards of listed hospital companies. Such representation remains a possible governance reform rather than an existing entitlement recognised under Article 21.

4.1(ii) Clinical Establishments (Registration and Regulation) Act, 2010

The Clinical Establishments Act, 2010 regulates clinical establishments through registration, prescribed minimum standards and conditions governing the provision of healthcare services. Section 12 of the Act requires compliance with prescribed standards relating to facilities, services, personnel, records and other conditions.[25] Rule 9(i) of the Clinical Establishments (Central Government) Rules, 2012 requires clinical establishments to display the rates charged for each type of service and the facilities available. Rule 9(ii) further provides that the charges for each type of procedure and service shall be within the range of rates determined by the Central Government from time to time, in consultation with the State Governments.[26] These measures are relevant to patient protection as minimum standards address the quality of services, while disclosure of rates affords patients information about the charges imposed. However, the Act is not applicable throughout India and disclosure of rates and regulation of standards cannot automatically protect patients from overpricing, improper billing practices and clinically unjustified diagnostic tests. Displaying a rate does not, by itself, establish that

[25] Clinical Establishments (Registration and Regulation) Act 2010, s 12.
[26] Clinical Establishments (Central Government) Rules 2012, r 9(i)–(ii) https://thc.nic.in/Central%20Governmental%20Rules/Clinical%20Establishment%20%28Central%20Government%29%20Rules%2C%202012.pdf?utm_source=chatgpt.com accessed 30 October 2026.

the charge is reasonable or affordable, nor does it necessarily prevent charges for services not provided or clinically unjustified procedures. Consequently, the Act offers an important measure of patient protection, but its provisions alone are insufficient to address the commercial practices of listed hospitals examined in this study.

4.1(iii) Consumer Protection Act, 2019: Redress for Unjustified Charges

The Consumer Protection Act, 2019 seeks to protect consumers against deficient services and unfair trade practices by providing legal remedies through consumer dispute redressal commissions. Further, Section 2(6)(iv) of the Consumer Protection Act, 2019 includes within the definition of a 'complaint' an allegation that a trader or service provider has charged a price exceeding the price fixed by or under any law, the price displayed on the goods or any package containing them, or the price displayed on a price list exhibited by the trader or service provider, or agreed between the parties.[27] Its relevance to healthcare services is supported by *Indian Medical Association v. V P Shantha*, in which the Supreme Court held that medical services provided for consideration generally fall within consumer-protection law, subject to recognised exceptions.[28]

Under the 2019 Act, a patient may seek redressal when there is an alleged deficiency in service or an unfair trade practice. The Act also addresses specified instances of charging a price exceeding the price fixed by law, displayed on a legally required price list, or agreed between the parties.[29] These provisions may be relevant where prices exceed those fixed by law, displayed on a legally required price list, or agreed between the parties. However, their scope does not comprehensively address the other forms of commercial conduct by listed hospitals examined in this study.

The decision in *V K Agarwal v Max Super Speciality Hospital and Others*, discussed in the previous section, illustrates how consumer law can provide relief to a patient, where the hospital is unable to substantiate disputed charges.[30] The availability of such relief demonstrates that patients are not wholly without legal protection.

The Act do not necessarily prevent commercially driven practices from recurring across a

[27] Consumer Protection Act 2019, s 2(6)(iv).
[28] Indian Medical Association v V P Shantha (1995) 6 SCC 651.
[29] Consumer Protection Act 2019, ss 2(11), 2(47) and 39.
[30] V K Agarwal (n 17).

hospital company, nor do they provide patients with a formal role or voice in the company's commercial decision-making. Consumer law therefore offers a meaningful remedy for particular instances of harm, but the remedies are generally directed towards particular legally recognized grievances and do not themselves create patient participation in corporate governance.

4.1(iv) Drug-Pricing Regulation: Drugs (Prices Control) Order, 2013

The Drugs (Prices Control) Order, 2013 regulates the prices of medicines within its scope, provides for ceiling prices of scheduled formulations and regulates increase in the maximum retail prices of non-scheduled formulations. The National Pharmaceutical Pricing Authority monitors compliance and can take action where manufacturers sell formulations above the permissible prices.[31]

The issues brought up in the previous section about the costs of medications provided during hospital treatment are pertinent to this framework. The limitation of the DPCO is that it does not restrict every amount a hospital may charge for treatment; rather, it is only focused on price control provisions. Whether a charge on a particular medicine violates the applicable price-control provisions depends on the medicine involved and the relevant pricing rules. Another limitation is that, a difference between a hospital's procurement cost and the amount charged to a patient does not, by itself, establish a DPCO violation.

Moreover, adherence to drug-price limits does not guarantee that the total cost of hospital treatment is reasonable. Therefore, while other aspects of hospital billing remain subject to other legal frameworks, the DPCO offers tailored protection against specific types of drug-price overcharging. Also, DPCO fails to address any other forms of patient harm induced by commercially driven practices.

4.1(v) Medical Ethics Regulations: Professional Conduct and Commercial Pressure

Medical ethics regulations require registered medical practitioners to follow professional duties, including protecting patient welfare, maintaining professional integrity and exercising proper clinical judgment. The Indian Medical Council (Professional Conduct, Etiquette and

[31] Drugs (Prices Control) Order 2013, SO 1221(E), 15 May 2013, paras 4 and 20; National Pharmaceutical Pricing Authority, 'Drugs (Prices Control) Order 2013' https://www.nppa.gov.in/en/drugspricescontrolorder2013?utm_source=chatgpt.com accessed 1 November 2026.

Ethics) Regulations, 2002 remain relevant following the placing in abeyance of the 2023 Registered Medical Practitioner (Professional Conduct) Regulations.[32]

These professional obligations are pertinent when commercial operations involve clinically unjustified investigations, compromised professional judgment or referral incentives that conflict with ethical duties. However, the existence of financial targets or a high number of diagnostic tests does not, by itself, prove that a procedure was superfluous or that a practitioner violated an ethical duty.

Significantly, these professional regulations primarily deal with the conduct of individual practitioners. They do not, by themself, establish a comprehensive system for regulating a listed hospital company's pricing policy or requiring its governing body to consider patient interests in commercial decisions. Medical ethics regulations may therefore address individual professional misconduct without resolving the wider gap between patient protection and corporate governance.

Different legal frameworks discussed in this section pertain to specific areas of protection of the patient's interests and need to be evaluated based on the nature of the problem they are meant to solve. For instance, a concern related to the cost of the regulated medication may need to be evaluated under drug price regulation rules, while a dispute regarding fees for unprovided services would have to be assessed based on consumer legislation. In addition, the question of clinical justification of the investigation procedure is related to different issues compared to the issue of clarity of the hospital's policy of pricing. One type of legal protection will not be able to solve the problem that falls into the domain of a different kind of protection. The real issue is whether patients are able to get proper protection if there are overlapping problems associated with pricing, billing, service and professional conduct.

4.2 Overall Adequacy of the Legal Framework

The frameworks examined above provide different forms of protection. Article 21 supplies a constitutional foundation for the right to medical services and supports State consideration of safeguards against unreasonable charges. The Clinical Establishments Act and applicable Rules

[32] Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations 2002; National Medical Commission Registered Medical Practitioners (Professional Conduct) (Amendment) Regulations 2023, Notification No R-12013/01/2022/Ethics, Gazette of India, Extraordinary, pt III, s 4 (24 August 2023) accessed 30 October 2026.

address registration, standards and disclosure. Consumer law provides remedies for qualifying deficiencies and unfair practices, drug-pricing regulation controls specified medicine prices, and medical ethics regulations govern professional conduct.

The difficulty is not that these laws provide no protection. Rather, each operates within its own scope, legal standards and enforcement structure. A disputed hospital bill, a breach of drug-price controls and alleged professional misconduct may require different evidence and remedies. The existence of these separate mechanisms does offer protection of patients from specific harms not, but they do not comprehensively address all aspects of commercial conduct in listed hospital companies or necessarily prevent practices that may adversely affect patients. Further, they establish the need for a formal patient-oriented dimension in a listed hospitals' corporate governance through which patient interests can be represented in the listed hospital company's commercial decision-making.

This section also depicts that listed hospital objectives seldom extend beyond its financial interests. Patients are directly and substantially affected by commercially driven corporate decisions of listed hospitals. Therefore, while such decisions are being made, the patients must be given an opportunity of being heard. This can be achieved through the introduction of formal patient representation as a corporate mechanism in the governance of listed hospitals in India. Also, as an institution of public importance, catering the health and physical wellbeing of the people in a developing country, listed hospitals in India must balance its economic objectives with social responsibilities that a hospital is legitimately expected to possess, so that profit-making goes hand-in-hand with affordable and transparent healthcare.

5. FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 Findings

The study finds that corporate governance mechanisms under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 do not expressly provide patients with formal representation in the corporate governance of listed hospitals in making decisions affecting them.

The listed hospital work within the framework of corporate mechanisms in the same manner as it applies to any listed company. The existing provisions regarding duties of the Directors or the audit committee or the remuneration committee or stakeholder Relationship Committee and

that all these mechanisms are designed largely to benefit the company through financial oversight, transparency and by improving protection of shareholders' and other security holders' interests. Although it can be said that the provisions acknowledge protection of interests of stakeholders of a company, they do not expressly provide patients with a distinct institutional role in the governance of listed hospital companies.

The evidence examined demonstrates concerns regarding hospital pricing and billing practices, including substantial markups on medical consumables and an adjudicated instance of charges for services not provided. However, these incidents do not establish that all listed hospitals engage in such practices or that every high charge is unlawful. They depict how the existing mechanisms of corporate governance on its own have not been successful to offer protection to the patients of listed hospitals, and by reason of which they are subjected to commercial exploitation.

The examination of external legal frameworks also finds that existing legal frameworks aimed at licensing of healthcare establishments, controlling drug prices, medical ethics and consumer protection provide protection against specific forms of patient harm, but their scope remains limited to particular issues and remedies. Taken together, these frameworks do not comprehensively address every form of commercial conduct affecting patients or ensure that patient interests are represented in corporate decision-making.

5.2. Suggestions

5.2.(i) Formal Patient Representation in Corporate Governance through a committee.

There shall be provisions for formal representation of the patients in governance of listed hospitals. This is proposed to be achieved through a mandate in the corporate governance framework directing the listed hospitals to set up a committee whose sole objective is to look after the interest of the patients. Such committees must have powers to evaluate the policies and practices adopted by the firm that impact the patients, especially the pricing, billing, clinically unjustified diagnostic tests etc. Such committees could also have the power to report any practice adopted by the firm for commercial interests which could be detrimental to patients' interests. This may improve accountability of listed hospitals towards patients.

5.2.(ii) Independent Review of Patient Complaints and Billing Practices

The committee suggested above should not function merely as another administrative body within the hospital. If its members are directly controlled by the hospital management, there is a possibility that patient complaints may not receive independent consideration. Therefore, its composition and functioning should be designed to maintain a reasonable degree of independence.

The committee may include independent members with backgrounds in consumer protection, law, healthcare administration or public health, along with representatives who can communicate the concerns of patients. The members should not have financial or administrative interests that may affect their ability to examine complaints fairly. They should also be required to disclose any conflict of interest before participating in a particular matter.

The committee should have access to the relevant billing documents, complaints logs, and the hospital policies with regards to pricing and services offered. This should be done taking into consideration any confidentiality concerns pertaining to the patient. The committee should be able to request clarifications from the respective departments and report back their findings to the board of directors. In case there are recurring complaints, suggesting a policy issue in the hospital, the committee should make recommendations.

The committee shall not affect the independent decision-making process of the doctor and the assessment of whether or not a particular treatment was needed by the patient. Their job will merely be limited to looking into the matter of whether patient's concerns were taken into consideration, whether their claims are reasonable and how they were handled. This way, the proposed procedure would not become a hindrance in the actual medical process.

5.2.(iii) Responsibility of the Board to Consider Patient-Related Recommendations

It will be of no use to establish a committee of patient interest if the board of directors does not have an obligation to take into account the findings of such a committee. It is therefore recommended that the committee should provide reports to the board on a regular basis with regard to the common grievances and billing issues.

The board of directors must be required to take into consideration these reports and document the action taken on the recommendations made. A recommendation not accepted by the board

shall also be documented along with its reason. This will ensure that all the patient-related issues do not get stuck at the level of customer service department but reach the level of business policies.

Such a system would not necessarily involve the board taking all recommendations into account when put forth by the committee. The hospital has to continue to take into consideration its financial standing and operation capability. However, decisions that relate to the patient need to be viewed not just from a revenue and cost perspective. This way, there would be a balance to the decision-making process for the corporation.

Finally, the intention behind these changes is not to ensure that these hospitals do not make any profit. The reason for these reforms is to ensure that the achievement of these commercial goals is done with due regard to those people who need these facilities to get treated. These hospitals need to survive commercially, but their commercial policies should be fair as well.

5.2.(iv) Patient Grievance Redressal at the Institutional Level

Other than the committee, the designated hospitals of India must have an adequate internal mechanism to handle complaints by patients. Currently, in case a patient has to face a problem related to billings, prices, or any other service, he may need to approach various departments of the hospital to seek an explanation for himself. It might be problematic for the patients as well since they are undergoing treatment already.

This implies that it is important for every hospital in the list to have a mechanism through which the patient can make his/her complaint known. This includes making complaints about the charges which cannot be explained, about the medicines and consumables which the patients are charged for, the services not offered by the hospital, and problems getting a detailed bill of the hospital's services. The hospital should respond to these complaints in a logical manner within a reasonable time. The reason behind charging a certain amount should also be explained.

The proposed patient interest committee shall periodically examine the nature of complaints received and the manner in which they have been resolved. This would help the committee identify whether a complaint is an isolated incident or whether similar concerns repeatedly keep being raised by different patients. This arrangement would allow the hospital to address

problems at an institutional level instead of leaving every patient to pursue an external remedy separately.

5.2.(v) Transparency with Privacy Safeguards

It is suggested that the listed hospitals maintain accounts of all patient complaints and billing disputes along with how those disputes have been resolved. This data can be used by the patient interest committee for further evaluation if required, without disclosing the identity of the patients concerned.

5.2.(vi) Patient Impact Assessment of Commercial Decisions

Listed hospital companies should consider and assess the likely effect and impact on patients before implementing any major commercial policies, especially those affecting the cost of treatment and access to healthcare services. This would encourage the company to consider patient welfare before a decision is implemented, rather than relying solely on remedies after harm has occurred. The listed hospital shall also assess the outcome of such commercial policies after implementing them to ascertain whether such policies actually aid in patient protection or have caused any patient harm.

5.2.(vii) A Comprehensive Legal Framework for Patient Protection

A specific legal regime or amendment to the current legislation is required to protect the interests of patients in terms of listed hospital business activities, which cannot be regulated by current laws. This framework will clearly outline the obligations regarding hospital bills, payment for unprovided services, pricing policies and handling complaints of patients in case of violations of these obligations. The framework should complement existing healthcare, consumer protection and drug-pricing laws rather than duplicate them.

5.3 Conclusion

The study therefore concludes that corporate governance mechanisms applicable to listed companies do not offer protections to the patients as stakeholders of a listed hospital company. The central gap lies not in the complete absence of legal protection, but in the lack of a formal patient-oriented dimension within the corporate governance of listed hospital companies. This finding supports the consideration of targeted reforms that strengthen patient protection and

ensure that interests of patients should receive appropriate consideration in the governance of listed hospitals, while complementing existing legal safeguards.