

Opportunities for the Growth of Medical Tourism in India & Challenges Ahead

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ABSTRACT: It is a well-known fact that with the advent of globalization, new concepts like medical tourism have taken roots all across the globe. Among all other sectors, medical tourism has been the fastest growing with a rate of almost 30 percent growth per year. India has emerged as one of the most popular destinations for medical tourists. The prime reason behind this is the affordable and high quality treatment options available in India. Medical tourism can help India in earning significant amount of foreign exchange while the local medical institutions can be also benefited simultaneously. Medical tourists can be defined as persons of foreign or local origin who travel to another country or another region of their own country in order to get affordable medical treatment. Thus, people travelling within the country from one region to another in search of medical treatment can also be called as medical tourists. The capital of the country sees a huge number of medical tourists every year. Although, India sees a large number of medical tourists each year still, it has a potential to attract more. There are some hurdles and challenges before the country to achieve its maximum potential in medical tourism. The present research paper highlights opportunities for the growth of medical tourism in India and challenges ahead.

KEYWORDS: Medical Tourism, Economy, Technology, Low Cost, Healthcare Segment.

INTRODUCTION: Medical tourism is on a growth spree around the world. This consists of biomedical procedures which are undertaken by travelling to places. To describe the large scale movement of people across borders for high end medical treatment, the term 'medical tourism' was coined by mass media and travel agencies. Apart from India, various other Asian countries like Thailand and Malaysia are the hubs of medical tourism in the world. However, what gives

India edge over its competitors is the affordable and high end treatment. Also, Indian has a strong reputation in the advanced healthcare sector which sees a diversity of medical tourists from all across the globe. However, whatever strides have been made in medical tourism are made without any government initiative. Thus it is the duty of the government to take a coordinated effort to promote this industry. This will help in creating a mechanism for the hospitals where there is a uniform policy regarding pricing across the hospitals in the country. Medical tourism is going to be a multibillion dollar industry in the country in the years to come therefore, a sustained effort is needed to achieve this target. To achieve this private players and government would have to come on platform to attract medical tourists from around the globe. If planned meticulously, medical tourism can become a big contributor to the GDP of the country.

Concept of Medical Tourism: Most of the scholars agree to the fact that the roots of medical tourism can be tracked back ancient Greece. This is essentially a process of travelling within or across the borders for getting affordable medical treatment. The concept of medical tourism is getting a cost effective private medical care in collaboration with the tourism industry for overseas patients needing specialized treatment. Originally, the term referred to the travel of patients from less developed countries to developed nations in pursuit of the treatment not available in their homeland. According to World Health Organization (WHO), Medical Tourism is defined as a tourism associated with travel to health Spas or resort destinations, where the primary purpose is to improve travelers' physical well-being through a process comprising physical exercises and therapy, dietary control, and medical services relevant to health maintenance. As a result of globalization, increased number of people is travelling to other countries to get quality treatment at affordable prices. Health care attention i.e. both surgical and non-surgical procedures are another important factor for Medical Tourism. In developed countries, the cost of treatment is very high, further the patients have to wait for a very long time to get treatment or surgery. This has prompted people to look at other effective options. Among these options is looking for treatment in other countries having good treatment facilities at a very reasonable cost. Growth in the popularity of Medical Tourism has captured the attention of policy makers, researchers and the media. Today we are experiencing both qualitative and quantitative

shifts in patient mobility, as people travel from richer to less developed countries in order to access health services. The price of medical services in a country is in direct correlation with its economic status. This is the reason why developing Asian countries provide the same medical procedure with 30-70 percent lower prices as compared to developed economies like the U.S.A.

OPPORTUNITIES: People in developed countries face a huge burden of medical treatment which is where the developing countries like India step in. Medical institutions in India are providing for an estimated 20,000 to 30,000 doctors and nurses each year complimented with medical facilities driven by advanced technology and high quality procedures at par with hospitals in developed nations and at price that could be a fraction of what one would spend in their country. Therefore to cash on this demand, a number of travel agencies in India offer special medical packages to the tourists for medical treatments like cosmetic surgery, heart surgery etc. Apart from this, there is a number of factors which make India as a hub and favorable destination for Medical Tourism, these are as follows:

- India has allowed around 100 percent FDI in health sector, thus the fast growing economy of India has led to privatization of the healthcare sector. As a result, world class hospitals with latest technologies have sprung up across the country. They are managed by world renowned doctors at par with developed countries.
- Advancement in software industry of India, which has led to creating of an IT hub have also brought tremendous pace to the growth of healthcare sector.
- Pharmaceutical companies in India provide drugs of international standard at reasonable price as compared to developed nations like United States.
- The academic and research institutions of the country are at par with those of developed nations. These institutions produce world class physicians, surgeons and nurses.
- Hospitals in India have state of the art and cutting edge technology. These hospitals provide highly advanced treatment at a reasonable.
- The service of hassle free medical vision provided by Indian embassies around the world on a priority basis has also helped in promoting the growth of Medical Tourism in India.

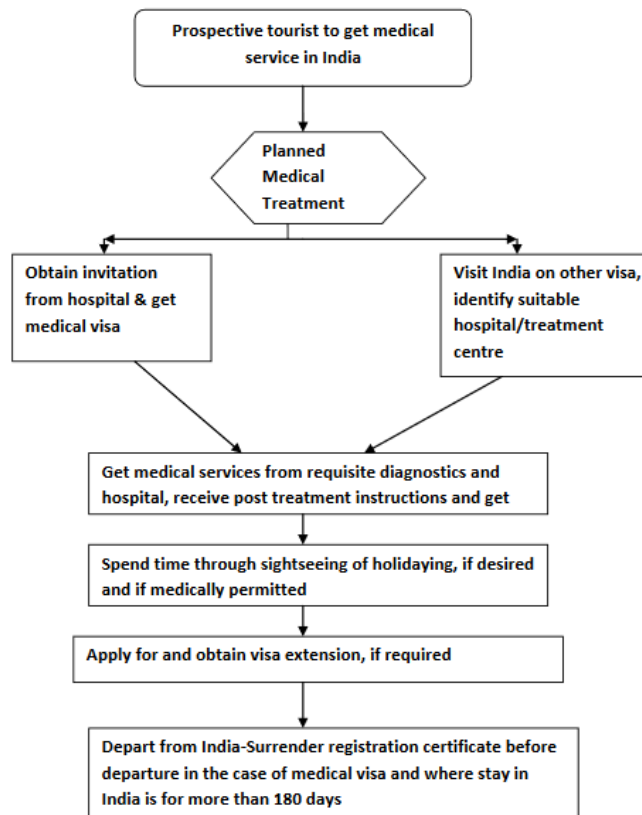
- Exchange rate in India are good for citizens of developed nations which makes India a lucrative destination for medical tourism.
- English is prominently spoken in India which is why there is a high qualified English speaking manpower to handle foreign medical tourists.

Table: Cost Comparison with Other Countries

Procedure	US	India	Thailand	Singapore
Heart bypass	1,30,000	10,000	11,000	18,500
Heart valve replacement	1,60,000	9,000	10,000	12,500
Angioplasty	57,000	11,000	13,000	13,000
Hip replacement	43,000	9,000	12,000	12,000
Hysterectomy	20,000	3,000	4,000	6,000
Knee replacement	40,000	8,500	10,000	13,000
Spinal fusion	62,000	5,500	7,000	9,000

(Source: <http://www.docstoc.com>)

Flow Chart of Medical Tourism Process in India



CHALLENGES: There is a huge potential for the development of medical tourism business in India but at the same time, there are also some challenges as under:

- **Over Reliance on Oil:** There is a monopoly of few countries on the oil across the world. Thus a continuous slump in oil industry has been a challenge for the Indian healthcare industry. Countries from some of the Middle-Eastern and African countries that traditionally patronized the Indian healthcare industry are tightening visa norms and finding ingenious ways to deny medical travel to India. Some of these oil economies are now promoting clinical teams on surgical trips to these countries to prevent their denizens from travelling to India and preserving loss of precious revenue. As a result, the citizens of these countries find it extremely difficult to visit India for medical tourism. Thus with the recovery of oil prices, the medical tourism can recover in India.

- **Socio-Political Instability & Visa Restrictions:** Due to security threats from terrorism, the visa norms in India are strict for some countries like the Middle Eastern countries. This has put immense pressure on the fledgling medical tourism industry even as hospitals find it difficult to obtain visa and travel documents for their international patients. There are sundry other documentation and formalities to be carried out on a regular basis when the patients are already in India for treatment. This may dampen the business sentiment in case the trend continues. Although, there is some relief in this regard when the government announced issuing e-visas to make travelling to the country for medical tourism easier.
- **Rising Competition:** According to a report, India was found to be a low cost and high quality medical tourism destination in the year 2015 as the country offers high end medical treatment with about one tenth the price in developed countries. Indian cost advantage accompanied by compatible quality speaks for itself. Various estimates put the treatment costs in India at around one-fifth to one-tenth of the price of comparable treatment costs in the US or the UK. Using US costs as a benchmark across a variety of specialties and procedures, average range of savings for the most-travelled destinations, a patient travelling to India can save anything up to 65-90%. The figure is 25-40% for Singapore, 50-75% for Thailand, 65-80% for Malaysia, 20-30% for Brazil, 30-45% for South Korea and 50-65% for Turkey. The competition for a share of the medical tourism pie is heating up. This is because most of these countries are gradually developing their healthcare sector. Also countries like Thailand come up with innovative travel packages which provided tourism along with medical treatment.
- **Quality Control:** Many substandard medical institutions have also come up in the country. Most of the Indian hospitals suffer from serious issues of hygiene and patient safety. Indian hospitals are notorious for their Infection Control norms with one of the highest proportion of post-operative infections. Much has already been spoken about the threat from NDM-1 (New Delhi Metallo-Beta-Lactamase) in the global media - an antibiotic resistant germ, which even the strongest antibiotic drugs cannot treat. Indiscriminate use

of antibiotics has made many pathogens resistant to drugs in India. So, in many post-operative infection cases, it is difficult to revive an infected patient. This problem is more acute in the organ & bone marrow transplant cases.

- **Interference by Middlemen:** Delhi and its surrounding areas has an estimated Rs. 1200 Crore medical tourism market in comparison to Chennai, which is much smaller market at Rs 300 Crores. NCR market is Healthcare Facilitators (HCFs) or tout driven in which the payouts can range anything up to 30-35% of the total bill. All this cost is passed down to the patient and can also lead to diversion of patients to facilities which do sub-optimal clinical work, at times leading to questionable outcomes. Tout business is fraught with risks as money is the main motivator and touts often sacrifice patient safety and outcomes in favor of easy money. Therefore, to facilitate smoother medical tourism, there is a need for efficient market regulation. This will help in avoiding the loss of medical tourism to other competing countries.
- **Legal Hurdles:** Healthcare tourism has often well or almost negligible law framework in most of the developing countries. This acts as a deterrent for medical tourism as the foreign patients have no legal recourse in case of any mis-happening. Problems in organ donation abound as to complications in donating an organ, legality, safety and pricing. Surrogacy is permitted in India since 2012 and India is one of the most favored markets for the same. The market has not been free from controversies and litigation though. Organ transplantation too has plethora of legal complications in who can donate organs and various permissions required by the needy recipient. Similarly, patients after a surgery go for a holiday or to home country and have limited post-operative care – management of complications, side-effects and post-operative treatment are then the responsibility of the health care system in the patients' home nation.
- **Maintaining International Standards:** Most of the inbound medical tourists aspire for world class medical standards. But, we have a limited number of JCI accredited hospitals – 24 in all today, a far cry from the global figure of 600; we have a long way to go if we want to be in the same league as the US, European, Singaporean, UAE, South African and

the Australian markets. Similarly, the number of NABH accredited hospitals needs to go up if we have to build a comprehensive medical tourism ecosystem.

- **Government Initiative:** Much needed work is to be done on part of the government to make India lucrative for medical tourism. For instance many competing countries like Singapore, Malaysia, Korea and others countries have established boards formed by tourism authorities, chambers of commerce, ministries of health and private organizations with single shared objective. Such joint effort of various authorities is also needed in India.

CONCLUSION: To conclude, it can be said that India has a huge potential to make medical tourism a big contributor to the GDP of India. However, the role of government is important to regulate the sector and attract foreign countries. The government should take action on the ground level against the touts. Apart from this, there is a need of comprehensive framework of laws so that foreign medical tourists can avail legal course in case of any mishap. This would spur the growth of medical tourism in the country. Apart from this, mechanism needs to be devised to grant visa to foreign tourists for medical purposes where patients can contact the Immigration Department at any point of entry for quick clearance. Tax incentives along with a decreased import duty on medical products will also give a significant boost to medical tourism in India. Although, India is a hub of medical tourism yet, these activities are mostly limited to Delhi and Mumbai only. Infrastructure needs to be developed across the country so that many other centers of medical tourism can come up in India. Like other competing countries, there is a need of coordinated effort between the tourism, health, information and communication departments. This will help in promoting India as a lucrative destination for medical tourism where quality and affordability go hand in hand.

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