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Medical Tourism in India: Opportunities and Openings

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Abstract

The advent of quality medical treatment and innovative technology which can cure diseases, that were formerly incurable, resulted in patients travelling beyond the boundaries of their homeland, which has led to the development of a novel tourism segment known as "Medical Tourism". The last three decades witnessed large scale movement of patients from developed countries to Singapore, Thailand, Philippines and India for their medical treatment. But India's Medical Tourist Arrivals (MTA) are relatively lower when compared to our neighbours. Indian Medical Tourism market is expected to grow exponentially to US$ 7-8 billion by 2020. If tapped to the fullest, Medical Tourism can be a prescription for many of the ailments that mar the growth of tourism in our country. Medical tourism will translate India to all season, 365 day destination irrespective of the season–offseason divide and insulate it from the catastrophe of global economic meltdown and recession. Through this paper an attempt is made to examine the pertinent issues that plague the growth of this segment and the seamless opportunities and openings for transforming India as *"the most affordable quality medical tourism destination of the globe."*

Key words : Medical infrastructure, Medical Tourist Arrivals, hospital accreditation, patient care, foreign exchange earnings

Introduction

Tourism has been interpreted differently by organisations and individuals and it varies from source to source. The United Nations World Tourism Organisation has defined it thus: "Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.*"(UNWTO)*

Tourists, lured to tourist destinations, like to engage in different activities during their holiday and make use of different facilities in these destinations based on their choice and requirement. The fact that every tourist is unique and that tourism industry cannot possibly cater for each individual interest separately, forms the basis of market segmentation which leads to various market segments in tourism namely - adventure, cultural, responsible, leisure, eco tourism, shopping, wellness and medical tourism.

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The last few decades had witnessed considerable rise in global per capita income, education and awareness level which led to people becoming moreconscious of their health hitherto ignored. The availability of disposable income has increased the spending capacity, enabling people to spend more on their health and avail better treatment by travelling beyond boundaries which has led to the development of Medical Tourism".

Tracing Medical Tourism

The annals of history has evidence for cross border journey of patients seeking rejuvenation/wellness or treatment. Epidauria in Greece was considered as the home of Asclepius, the God of Health and there was steady flow of patients from all over Mediterranean to this healing God for healing (Gahlinger, 2008).

Dead Sea, for centuries, has been believed to have skin cleansing properties and there is steady flow of people towards it even today(Goodrich, 1994). The mineral springs of Bath, had attracted ancient English and Romans for bathing in its mineral springs (Cook, 2008). Also Nile in Egypt attracted wealthy Germans to its spas. During the American war of independence, many Americans travelled to yellow springs in Philadelphia, Berkeley springs in Virginia and Stafford springs in Connecticut for healing purpose. The twentieth century saw rich people travelling to tuberculosis sanatoriums in Alps for specialised medical care.

In India, wellness is a concept which has been in vogue since vedic age. The concept of mental and bodily wellness were imbibed in the traditional wellness, medicinal and health practices like Ayurveda and yoga. The age old Indian systems of alternate healing " AYUSH" comprising Ayurveda, Sidha, Unani and yoga had attracted people from various parts of the globe. As early as 5000 years ago, constant streams of medical travellers and spiritual bugs flocked to India to imbibe the benefits of these alternative-healing practices which were unique to this land.

The movement of people seeking medical treatment to different countries other than their place of residence is termed as Medical tourism. Carrera and Bridges (2006) define health tourism as "the organised travel outside one's local environment for the maintenance, enhancement or restoration of an individual well being in mind and body". Awadzi and Panda (2005) equate "medical tourism to the offshore provision of medical services in combination with the other tourism opportunities by using comparative cost advantage as the leverage point". Medical tourism involves not only travelling for medical treatment, but also searching for destinations that are the most technically advanced at the most competitive prices (Dawn & Pal).

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Contributors to the growth of Medical Tourism

There are a multitude of reasons attributed to the growth of medical tourism of late. Comparative low treatment cost, fastest adoption to recent medical technologies, growing compliance on international quality standards and patient care and health insurance portability have led to the trans-border travel of patients to avail the treatment in other countries.

The major reasons attributed for the increase in Medical tourism are highlighted below.

a. The low cost of treatment in developed countries: In developed countries cost of treatment is high and it is unaffordable to people sans medical insurance. Medical tourism facilitates option to patients across the globe, an alternate destination for treatment for the un insured and underinsured.

b. The long queue for treatment in developed countries due to limited availability of patient care services forces them to avail treatment abroad rather than to be in waitlist bearing discomfort. This can also avoid waiting time and provide Quick Access to Treatment (QAT)for those who require emergency medical attention.

c. Emergence of globally certified hospitals with international quality accreditations like Joint Commission International (JCI), advanced medical technology facilities, availability of experienced health care professionals with multilingual proficiency influences patients to avail the benefits of medical tourism.

d. The growth of aviation sector providing accessibility or connectivity to various destinations with affordable air fares, better connectivity, growth of internet, telemedicine and other communication channels and presence of quality hotels and resorts in these destinations where medial tourists can recuperate after their treatment.

e. Other factor which stimulated the growth of this sector is the influence of social media which promotes better hospitals and medical tourism destinations across the globe and online patient review websites

f. Another major stimulant of medical tourism is the Longevity factor. The average life expectancy in Europe is 73.3 years in 2019. This will form 604 million or 10.8 percent of the global population in 2019. This demographic profile will have greater pressure for health care needs and will put a strain

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on the National Health Service system of developed countries which will stimulate travel abroad for treatment purpose.

g. The proliferation of Life style Diseases is having serious repercussions in developed countries. Obesity, cardiovascular diseases, hypertension, and dementia are becoming persistent and contribute to NCD disease profile. NCDs not only deter growth of economy of these countries but adversely affect productivity of people and divert resources from productive purposes to treating diseases. The high patient care costs, the cost of medicine along with long waiting time for treatment force patients, who are uninsured or underinsured, to seek health care from other developing countries.

h. Medical visa norms have been simplified to ensure a hassle-free travel, stay and treatment for the medical patient and attendant. The medical visa offers multiple entry and long term stay for medical care. Government have recently launched e–medical visa to facilitate and ease the visa problems.

i. Demand for cosmetic and dental surgeries, which are not covered under the medical insurance in developed countries, brings patients to these destinations for quality and cost effective treatment.

Medical Tourism - India Scenario

The global medical tourism market was valued at USD 16,761 million in 2018, and it is expected to reach USD 27,247.6 million by 2024, while registering a CAGR of 8.5% during the forecast period, 2019-2023.(MEDICAL TOURISM MARKET - GROWTH, TRENDS, AND FORECAST (2019 - 2024), (2019)). Indian Medical Tourism market is expected to grow exponentially from its current size of US$ 3 billion to US$ 7-8 billion by 2020. Medical tourism footfalls grew phenomenally from 2015, 2016 and 2017 are 2,33,918 in 2016 to , 4,27,014 in 2016 and 4,95,056 in 2017 respectively (https://pib.gov.in/newsite/PrintRelease.aspx?relid=186971, 2018).

The country is expected to receive 1.1.million Medical Tourist Arrivals by 2024. India received US $ 21071 million only as foreign exchange earnings (FEE) in 2015 which is 1.71 % of the global foreign exchange earnings. (India tourism statistics at a glance 2015) Our foreign exchange earnings from medical tourism in 2015 is estimated around US$ 3000 million (Ministry of Tourism website).

From the below figure it is evident that India has not yet been able to reap the benefits of medical tourism whereas the neighbouring competitors have made significant impact on this market.

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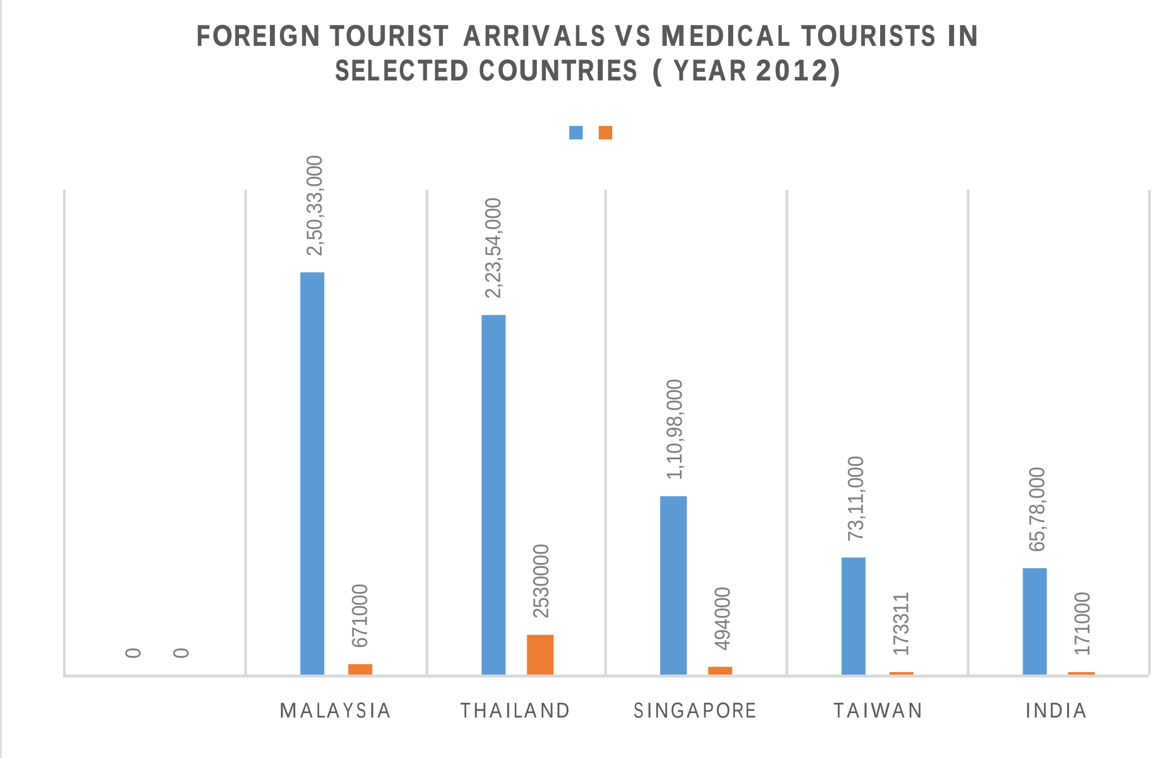
Figure No. 1



Source: Compiled from UNWTO Tourism highlights 2015 edition & CII & KPMG study report

State-of–the-art infrastructure

In India around 75% of total hospitals and 40% of total hospital beds, in the secondary and tertiary segments, are in the private sector which provide necessary infrastructure support for medical tourism.The major share of this global patient market is shared by Singapore, Thailand, Malaysia, South Korea, Taiwan, Mexico Costa Rica and India.

Among the above countries listed in figure 1, India has the second largest number of internationally accredited health institutions. Joint Commission International (JCI) is the oldest and largest standards-setting and accrediting body in health care; it evaluates and inspires health care institutions to excel in providing safe and effective care. Accreditation with JCI is considered as the premium standard in global patient care and is bench mark of global standards on quality conscious patient confidence and security. More the number of accredited hospitals a country has, the better is positioning in the global medical tourism map. Medical insurance companies in Europe consider JCI accreditation as a mandate for its patient cover for treatments abroad. While JCI is global accreditation, hospitals certified by national boards such as National Accreditation Board for Hospitals and Health care

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providers (NABH) also meet global standards of patient service delivery. Currently India has 425 NABH accredited hospitals (NABH website).

Following figure illustrates the distribution of Joint Commission International (JCI) hospitals in selected medical tourism destinations.

Figure No. 2

Country	Number of JCI Accredited Hospitals
India	39
Thailand	68
Singapore	20
South Korea	24
Malaysia	13
Turkey	43

High Moderate Low

Source: India : Building best practices in healthcare services globally(FICCI – Ernst & Young Report 2019)

As of 2019 India ranks second with 39 Joint Commission International (JCI) accredited hospitals next to Thailand which has 68 JCI accredited hospitals. Though the number of internationally accredited hospitals is more in India, the same is not reflect in the medical tourist arrivals. Internationally and nationally accredited hospitals with state of the art medical equipment's, advanced infrastructure and medical professionals with specialized set of skills are the back bone of medical tourism.

Competitive Treatment Cost in India

Competitive treatment cost in India when compared to other medical tourist destinations is a key differentiator and this cost advantage enable India to be a leading medical tourism destination. Cost of surgery / treatment in India is 30 – 70 percent cheaper than in Europe. Along with this, the falling rupee is an advantage for medical tourists. The following table depicts the treatment cost effectiveness for treatments in selected countries compared to United States of America.

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Table No. 1

Comparison of medical treatment cost across major medical tourism destinations in US Dollars

Medical procedure	India	Thailand	Malaysia	Singapore	Turkey	S. Korea
Heart Bypass	7900	15000	12100	17200	13900	26000
Angioplasty	5700	4200	8000	13400	4800	17700
Heart Valve Replacement	9500	17200	13500	16900	17200	39900
Hip Replacement	7200	17000	8000	13900	13900	21000
Hip Resurfacing	9700	13500	12500	16350	10100	19500
Knee Replacement	6600	14000	7700	16000	10400	17500
Spinal Fusion	10300	9500	6000	12800	16800	16900
Dental Implant	900	1720	1500	2700	1100	1350
Lap Band	7300	11500	8150	9200	8600	10200
Gastric Sleeve	6000	9900	8400	11500	12900	9950
Gastric Bypass	7000	16800	9900	13700	13800	10900
Hysterectomy	3200	3650	4200	10400	7000	10400
Breast Implants	3000	3500	3800	8400	4500	3800
Rhinoplasty	2400	3300	2200	2200	3100	3980
Rhytidectomy	3500	3950	3550	440	6700	6000
Liposuction	2800	2500	2500	2900	3000	2900
Abdominoplasty	3500	5300	3900	4650	4000	5000
Lasik (both eyes)	1000	2310	3450	3800	1700	1700
IVF Treatment	2500	4100	6900	14900	5200	7900

Low price   Moderate price   High price

Table 4: Price of medical procedures across major destination countries in USD
Source: Medical Tourism Association, 2019

Source : Medical Tourism Association, 2019

The above table clearly highlights the cost effectiveness for complex surgeries and other medical treatments in hospitals in India when compared to United States of America and other major medical tourism destinations across the globe.

An attempt is also made to compare the cost of treatment in percentage of savings between India and selected medical tourist destinations, as given below.Affordability is the key for the popularization of Medical tourism and the emerging medical tourism destinations have rates much lesser than the rates in many developed countries.

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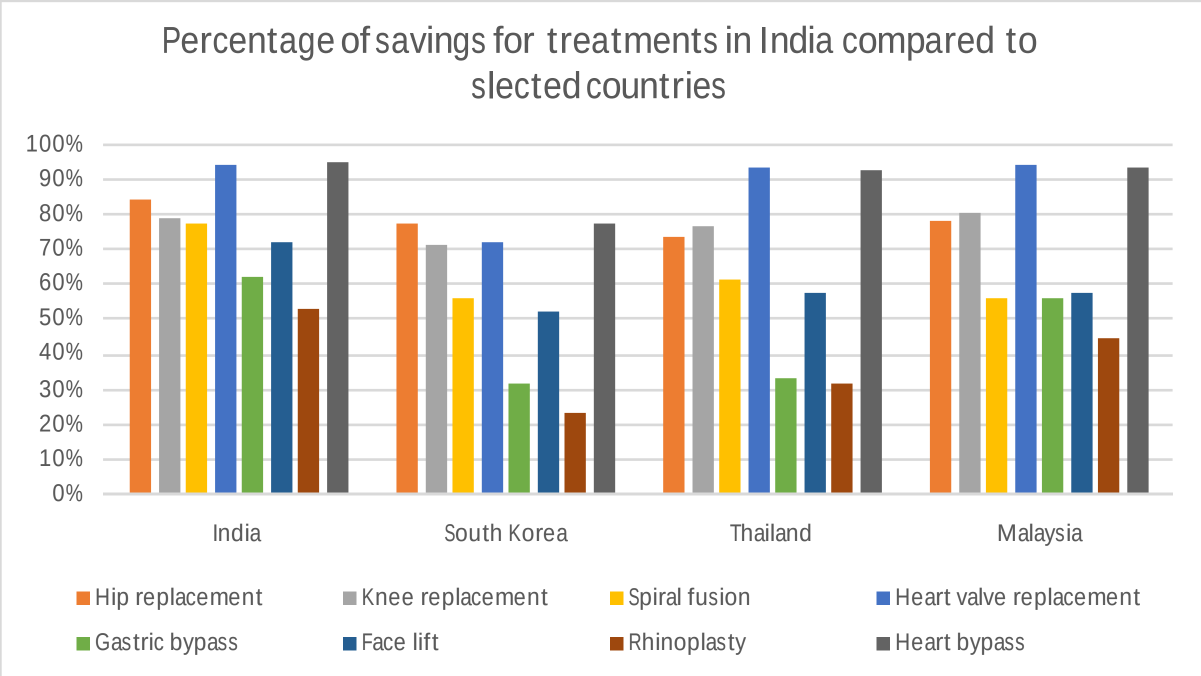
Figure No. 3



Source : Complied from CII - Grant Thronton Report on "Transformative Evolution: From 'wellness' to 'medical wellness' tourism in Kerala

For Hip replacement, the cost in India is84 percent lower than the cost for the same in United States. Similarly for the complex heart bypass surgery our cost is 95 percent less than the cost in Americas. Knee replacement is lesser by 79 percent compared to the cost of USA. Also for the intricate heart valve replacement cost in Indian hospitals is 94 percent lesser then the same treatment in United States of America.

For face lift and gastric bypass the cost in Indian hospitals is 40 percent lower than hospitals in Singapore. When compared to cost in Thailand the rates are cheaper by 20 percent for Rhinopalsty and facelift. It is very evident that medical treatment costs in India are phenomenally lower than the other Asian countries like Singapore, Malaysia and Thailand.

More over the flying time to these countries from Europe and other major source markets are comparatively longer than flying to India. Also India offers unparalleled natural, cultural, traditional and man-made attractions to the tourists.

Around 80% demand for medical tourism world wide is driven by cost savings and quality care. If India could effectively reach out to the source markets with these

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twin advantages, medical tourist foot falls and resultant revenue will see an exponential enhancement.

Presently there is no dearth of corporate hospitals in India which are equipped with high-end technology, state-of-the-art laboratories, cathlabs and operation theatres. Some of the known hospitals in India which cater for medical tourism are Apollo group of Hospitals, Amritha Institute of Medical Sciences and Research Institute, Aster Medicity, Fortis, Wockhardt Hospitals, MIOT Hospitals, Medanta Hospital, Manipal Hospital, Lilavathi Hospital and Research Centre, Kokilaben Dhirubhai Ambani Hospital and Medical Research Institute, Columbia Asia Hospital, Narayana Hridayala, Lakeshore hospital, Renai Medicity and Kerala Institute of Medical Sciences.

Human resources in Medical care

Availability of quality human resource for health services is described as "heart of health system in any country" and quite vital for the augmentation of medical tourism. India has large repository of well-trained, experienced medical professionals and paramedics with good communication skills. India, with its 539medical colleges and 313 dental colleges, churn out adequate number and more qualified human resources needed for the patient care in the country. The country has **11,54,686** registered MBBS doctors and **2,54,283** dental surgeons as 31. 03. 2015 (National health profile 2019).

Table No. 2

Source: Compilation from websites of Medical council of India, Dental Council of India and National Health Profile 2019

Sl. No.	State	No. of Medical	No. of Registered	No. of Dental Colleges	No. of Dental
		Colleges	Doctors		Doctors
1	Andhra Pradesh	31	13372	25	19986
3	Assam	6	1375	1	2261
4	Bihar	15	40649	5	8596
5	Chhattisgarh	10	8771	6	236
6	Delhi	9	21394	3	14366
7	Goa	1	3840	1	1106
8	Gujarat	30	66944	13	12390
9	Haryana	12	5717	11	11602
10	Himachal Pradesh	6	3054	5	2738

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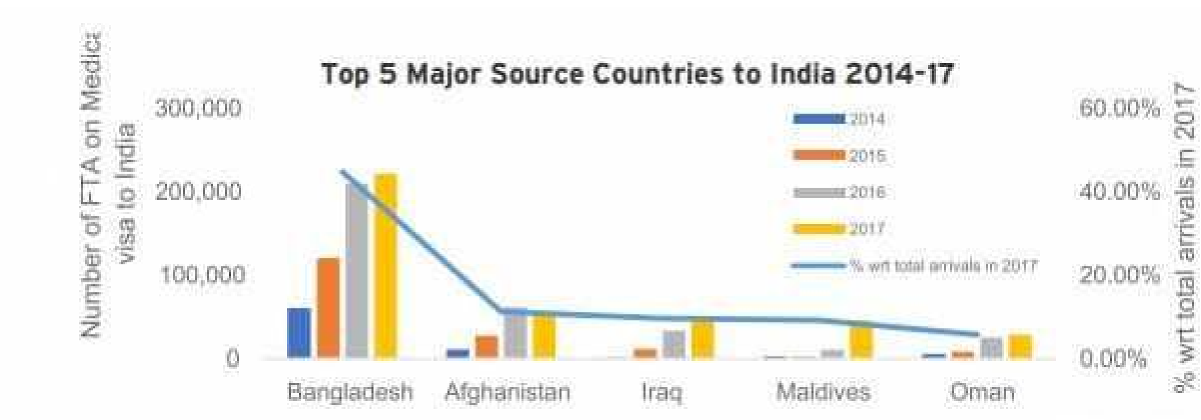
11	Jammu and Kashmir	8	15038	3	1875
12	Jharkhand	3	5764	3	470
13	Karnataka	58	120261	46	41601
14	Kerala	33	59353	26	19244
15	Madhya Pradesh	23	38180	15	4408
16	Maharashtra	52	173384	38	38542
18	Odisha	12	22521	4	1875
19	Punjab	8	48351	16	15544
20	Rajasthan	22	43388	16	6094
22	Tamil Nadu	48	133918	29	20498
23	Telegana	31	4942		90
24	Uttar Pradesh	54	77549	26	19184
25	Uttarakhand	6	8309	2	579
26	West Bengal	23	72016	5	5092
27	Others	38	166596	14	5906
	Total	**539**	**1154686**	**313**	**254283**

Medical tourism – waiting for take off

Though India receives medical tourists from all over the world, a major slice of the Medical Tourist arrivals are from developing and underdeveloped countries, especially our neighboring countries like Bangladesh, Maldives, Afghanistan and Srilanka. Their cumulative share in the medical tourist arrivals is around51 percent.

Figure No. 4



Source : Compiled from Ministry of Tourism tourist figures

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The number of MTA's from USA and UK are significantly less, around 3.4 percent only. Both USA and UK have around 30 percent share in the Indian inbound market , though these are major contributors in Foreign Tourist arrivals. Bangladesh and other adjoining underdeveloped countries contribute approximately 5 percent of the total number of medical tourists to India. (Indian healthcare services, JP Morgan Asia pacific Equity research, 12March 2014)

As the major share of Medical Tourist Arrivals is from these developing countries, the foreign exchange earnings will be comparatively lower than the European market. Only when we are able to get in to the global medical tourist source markets our medical tourist arrivals and foreign exchange earnings can go significantly soar.

Medical Tourism: Seamless Opportunities & Openings

Though the top three medical tourist destinations are far off from major medical tourist source markets, with fewer international accredited hospitals, medical professionals and relatively low tourist attractions but have more medical tourism arrivals than India. With more than twenty international airports, more than 60 international airlines operating to the country, numerous world class hospitals equipped with advanced medical technology with international and national quality accreditations, availability of experienced health care professionals with English proficiency, India should naturally evolve as the global leader in medical tourism. Recent studies and reports reveal that India is still the most affordable medical tourist destination. Still we are not the leaders but lag way behind in the ladder of medical tourism destinations.

This necessitates aggressive campaign to reinvent ourselves positioning us as the most affordable, hospitable, quality medical tourism destination of the world. The benefits from this is not limited to enhanced foreign exchange earnings, openings in employment, but also result in augmented infrastructural investment in health care institutions throughout the country. The nations which are already a hub for medical education relied on brain drain for employment can retain their professional career within the country. Any investment or upgradation or new hospital projects will also deliver quality health care also for citizens of the country at affordable cost as well as for the medial tourists.

To enable India as numero uno destination for global patient care, there must be coordinated and concentrated synergy between public and private sectors."National Medical and Wellness Tourism Promotion Board" piloted by Government of India has to initiate efforts for channelizing multisectoral efforts in this regard.

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The Medical visas (M Visas) need to be issued without time delay to facilitate overseas patients who need quick access to health care.

Lastly, tourism in India is highly seasonal in nature with 65 % of the tourist foot falls happening between October and March and the rest 35 % from April to September. To promote India as a 365-day all season destination, we need unique and innovative tourism products which shall lure tourists with specific interests and ensure repeat visits. Getting treated is a need rather than a want, so medical tourism will not be plagued by the normal deterrents of tourism.

In short Medical Tourism is a good prescription to the public health system of the country plagued by resource crunch, dearth of man power and technological advancements. Through meticulous marketing and product development India can figure globally as "the most affordable quality medical tourism destination of the globe". The benefits resulting from this growth of this sector is not limited with the enhanced foreign exchange earnings but will lead to augmented infrastructural investment in health care institutions throughout the country.

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