



## Strategical issues of medical tourism in India

Ajay Kumar

Assistant Professor, Department of Commerce, National College for Women, Machhiwara, Ludhiana, Punjab, India

### Abstract

India has emerged as one of the world's fastest growing economy in promoting medical tourism, India rank second for medical tourism in the world with the privatization, less waiting time and cost effective medical care, Indian health care sector is considered one of the largest in terms of revenue and skilled workforce. Indian 'medical tourism' industry is expected to reach \$6 billion by 2018 and growing @30% annually. the driving force behind medical tourism is its cost effectiveness with world class treatment, medical care with traditional therapies like yoga, meditation, ayurveda, allopathy etc. Indian public and private medical centre are excel in all medical sources specifically in south Indian cities like Chennai, Kerala, Mumbai etc.

The number of people arriving for medical care set to double over next four years. currently the size of medical tourism industry is a little over \$ 3 billion, with tourist arrivals estimated at 230000, the present paper highlights reasons why the developing country like India attracts foreign tourists for the medical treatment and various opportunity and challenges faced by medical tourism industry in India.

**Keywords:** medical, tourism, issues, ayurveda, and allopathy

### Introduction

Medical tourism is India has emerged as the fastest growing segment of tourism industry despite the global economic downturn. High cost of treatment in developed countries, particularly the USA and UK has been forcing patients from regions to look for alternatives and cost effective destinations to get their treatment done, so Indian hospitals are cost effective than many develop countries.

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 exercise and therapy, dietary control, and medical services relevant to health maintenance, transparency market research report on medical tourism states that the global medical tourism market was valued \$ 10.5 billion in 2012 and is expected to reach at \$32.5 billion in 2019. A recent study by PHD chamber of commerce and industry (PHDCCI) on medical and wellness tourism opportunities in India (2014) estimated to touch us \$ 6 billion and (around rupee 36000 crore) by 2018, with the number of people arriving in the country for medical treatment set to double over the next four years, currently, the size of the medical industry of India in value terms is estimated at a little over 3 billion, with tourist arriving estimated 230000.

Within Asia India, Thailand and Singapore are the three countries that receive maximum medical tourist. The driving force behind this is cost effective, less waiting time with modern and traditional therapies like yoga and *ayurveda* etc. many hospitals in India are accredited by international institutes and are offering world class treatment at that cost which is comparatively 40 to 50 % less than that of any European and American country can offer, genially medical

visa is valid for one year or the period of treatment whichever is less. This period can be extended for one year with the permission of state government now the govt. has introduced a new category of medical visa (M-visa) which can be given for specific period to foreign tourists coming to India medical treatment.

India has become medical tourism capital of modern world, medical tourism is growing sector in India and is expected an annual growth rate @ 30%, making it a \$6 billion market by 2018 an estimated 230000 people from the foreign countries travel to India for health care procedures every year, primarily due to combination of factors that have developed steadily over the past few years like cost effective, less waiting time, world class hospitals, personalized sources and rich cultural heritage. Such a scenario provides opportunities for Indian healthcare sectors. The objectives of the study have been mentioned as following:

### Objectives of the Study

1. To study the concept of medical tourism.
2. To assess the potential and reasons of growth of medical tourism in India.
3. To evaluate the challenges faced by medical tourism industries in India.
4. To provide some suitable suggestions to development of medical tourism industries in India.

### Research Methodology

This research paper is based on secondary data. The data and information has been collected from books, magazines, journals, reports and the documents of the ministry of tourism, India.

### Why Foreign Tourists Attracted by Indian Medical Tourism

The cost effective, less waiting time and world class quality hospitals are main selling point for the development of medical tourism industries in India. Transparency of medical research report states that the global medical tourism market was valued at us\$ 10.5 billion by the year 2012 and is expected to reach us\$ 32.5 billion in 2019. The medical industry is growing at fast rate of 30% per year which is much higher as compare with other industries. The following are the main benefits provided by the medical tourism industry.

▪ **Increase in Number Of Medical Tourists' Arrival**

In India the number of tourist arrival is continuously increasing. This has provided a great platform for the medical care industry to provide quality cost effective facilities to them, it also build the positive image in front of them. Currently in India, there are more than 10 hospital chains that are accredited by the joint commission international, these are fortis health care, apollo hospitals, medanta medicity, max health care etc.

**Table 2:** India's Cost comparison with other countries in case of different surgeries during year 2012.

S. No	Procedures	United States	Thailand	Singapore	AHMT-India
1.	Coronary artery bypass surgery	\$70,000-133,000	\$22,000	\$16,300	\$7,500
2.	Bypass surgery with heart valve replacement	\$75,000-140,000	\$25,000	\$22,000	\$6,500-7,000
3.	Hip replacement	\$33,000-57,000	\$12,700	\$12,000	\$6,200
4.	Knee replacement	\$30,000-53,000	\$11,500	\$9,600	\$6,000
5.	Prostate surgery	\$10,000-16,000	\$4,400	\$5,300	\$3,600
6.	Kidney transplant	\$40,000-45,000	\$20,000	\$25,000	\$12,000-15,000

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

▪ **Less Waiting Time**

In many develop countries due to overburden of medical delivery system, the patients have to wait for a lot of time to avail the facilities. The above table show that the patient have to wait for more than 7 to 9 months to get one heart surgery,

**Table 1:** FTAs in India for medical treatment during year 2009-2012.

S. No	Year	FTAs in India (number)	Percentage of FTA for medical treatment
1.	2009	5167699	2.2
2.	2010	5775692	2.7
3.	2011	6309222	2.2
4.	2012	6577745	2.6
5.	2013	6989795	2.8

Source: India tourism statistics, year 2012.

▪ **Cost Effective Treatment**

In India the patients are getting cost effective medical care services with modern infrastructure facilities, highly educated doctors and sporting staff, the cost of medical tourism which is comparatively 40 % less than offer by Europe, USA and UK countries so India is becoming a popular destination for tourism to travel and get a quality medical treatment at low cost. The Table no: 2 shows that the comparison of medical treatment cost in India with others counties. The bypass surgery cost in USA is \$75000, in Thailand \$22000 but in India its cost \$6500, similarly knee replacement cost in USA \$ 30000, in Thailand \$ 11500 but in India \$6000.

for 8 to 12 months for neutron surgery, 7 to 9 months for complex spine surgery and nearly 4 to 6 months for brain tumor surgery etc often, often such waiting times cause unprecedentedly complications. But in India these surgeries are provided with less time waiting.

**Table 3:** The cost and waiting time comparison

S. No	Nature of treatment	Approximate cost in India (\$)	Cost in other major healthcare destination (\$)	Approx. waiting time in USA / UK (in months)
1.	Open heart surgery	4,500	>18,000	9-11
2.	Cranio-facial and skull base surgery	4,300	>13,000	6-8
3.	Neuro surgery	6,500	>21,000	12-14
4.	Complex spine surgery	4,300	>13,000	9-11
5.	Simple spine surgery	2,100	>6,500	9-11
6.	Brain tumor surgery	4,300	>10,000	6-8
7.	Parkinsons (dbs)	17,000	>26,000	9-11
8.	Hip replacement	4,300	>13,000	9-11

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

▪ **Treatment with Modern and Traditional Approach**

The treatment of patients is done with both modern technology, as well as traditional therapies from the ancient time India is famous for its traditional medical facilities therapies provided by Yunani, Auyvedic, Allopathic, homeopathy and naturopathy, many states of India are well known for its medical tourism like Kerala and Karnataka has emerged as a hub for Ayurvedic treatments and being

specialized in healing the patients with the virtue of natural herbs, Utrakhand is joining important for healing the patients with yoga and meditation.

▪ **Government Support**

The ministry of health and family welfare and ministry of tourism jointly formed a task force with a view to promoting medical tourism. the government of India has introduced a

new category of medical visa (M-visa) which can be given for specific period to foreign tourists coming India for medical treatment, the center and many states government are encouraging healthcare companies to participate in international fairs. the states government of Kerala have announced customized policies to attract healthcare tourism. the government has set up national accreditation board for hospitals to provide accreditation to public and private hospitals ensuring quality In healthcare foreign direct investment is permitted up to 100 percent for setting up of hospitals and tourism projects in India.

#### ▪ **Specifics Tour Package**

Indian government provides various schemes and programmes to promote medical tourism and inviting foreign and private investors to invest in healthcare infrastructure. India is granting various incentives and tax rebate to pharmaceuticals industries to provide medicines, surgical equipments etc. these specific tour packages includes, appointment with specialist, makes arrangements for transportation and accommodation, helps in obtaining medical visa, make arrangement for their treatment and other medical facilities etc.

#### ▪ **International Collaboration**

Corporate hospitals in developed countries lives with Indian corporate hospitals and help in referring patients when their own queues are very long, this international healthcare collaboration helps the medical tourism industries in improving healthcare services. in India major hospitals are forming partnership and international linkages with other countries.

#### **Present position of India**

In south Asia, India accounts for 65.8% of the regional tourism receipts. its direct contribution to India's GDP is 2%.the number of international tourists inflow to India is increasing at the growth rate of 5.6% this is much greater then worlds growth rate of 2 to 3 % for international tourist.

People traveling abroad for medical services usually these categories like dental, cosmetics, orthopedic etc. a report by mokinsey and company states that 40% of medical travelers seek advance technology, while 30% seek better health care another 15% seek faster medical services while only 9% travelers seeks lower cost as their primary consideration

Medical tourism in India is an the peak, now various private investors and pharmaceuticals companies are coming forward to provide health care services to foreign patients. so medical tourism has been gaining a lot of momentum in India from a past few years. now people on holidays avail yoga Ayurvedic vacations along with availing meditation medical treatments of world standards

#### **Challenges**

##### ▪ **Lack of Infrastructure**

The major constraint in the expansion of medical tourism is inadequate infrastructure facilities including air seat capacity, accessibility of tourist destinations, lack of hotel and accommodation, poor hygienic conditions, lack of capital, lack of community participation and awareness, complex visa

procedures are the main challenges faced by Medical Tourism Industries. The infrastructure facilities such as air, rail, road connectivity and hospital service at these destination are inadequate.

##### ▪ **Negative Perceptions**

The negative perceptions about India, with regard to public sanitation, hygiene principles, quality of health care services provided in public sector hospital, lack of waste management practices, set off the positive vibes created by low cost treatment.

##### ▪ **Marketing and Promotion**

Lack of adequate budgetary support for promotion and marketing is also a challenge for Indian Medical Tourism Industry. India is still using traditional marketing approach, so there is need to develop a unique market strategies and Brand Positioning statement should be used to attract the eyes of foreign patents. There is need to convey an image of the product to a potential customer.

##### ▪ **Lack of Hygienic Medical Facilities**

Hospitals of India are lacking in providing the hygienic medical facilities and room services including hygienic food to the patient, as a result Indian hospitals are losing trust of foreign patients. The government should play a very important role for hygienic medical facilities. The government starts new campaign i.e 'Swachh Bharat' which helps to make environment cleaner and green.

##### ▪ **Lack of professional Staff**

India has been producing a lot of young professionals in the field of medicine, including specialization in traditional Ayurveda System. But still Indian hospital are facing the problem of shortage of skilled professionals, according to planning commission, India is facing a short of a phenomenal 6,00,000 doctors, 1 Million nurses and 2,00,000 dental surgeons. Our community health centers are suffering from the shortfall of doctors such as obstetricians and gynecologists (56%), paediatricians (67%), surgeons (56%) and medical specialists (59%).

##### ▪ **Attitude of Government**

Government regulation and poor attitude towards development of infrastructure is also a major constraint in the development of Medical Tourism Industry. There are complex procedures to get visa for medical tourism but are competitive countries are providing the services of visa on arrival. So India should provide visa on arrival at least for certain categories and government may be compelled to grant the various subsidies and exemptions from tax etc. For the development of Medical Tourism Industry.

##### ▪ **Lack of Co-Operation between Different Players**

In India lack of co-operation between different players of the industry like hospitals, tour operations and respective government. All these players have different policies, rule and regulations. So there is need to build a team and co-operation for the growth of Medical Tourism Industry.

### **Opportunity of Medical Tourism in India**

Cost effective medical treatment is provide great opportunities. The cost of medical treatment is high in developing countries; the patients from USA, UK and Europe are seeking cost effective and quality medical treatment. The medical tourism industries are growing at faster rate i.e. 30%. With the growth of medical tourism industries the scope for the development of Insurance sector is high. Now Insurance companies are offering packages where customers can choose a lower premium but will have to get them treated at hospitals with comparable quality outside the country, with which they have tie-ups. Indian accredited hospitals can choose to compete a shore of this segment.

There are also opportunities in Infrastructure sector with the development of health care sector, due to increase in number of patients. There will be more demand for travel like airlines, road, rail, hotel etc. The new models of campaigning provide business opportunities for communication sector. So medical tourism provides business to various sectors like health insurance, tourism, infrastructure, communication, media, marketing and promotions are likely to get benefits with the growth of medical tourism in India.

With the cost effective medical treatment, less waiting time is providing competitive age as compare with other develop countries. India could also create 40-50 million jobs in the various area of medical tourism industry like hotel, insurance, air travel etc. There are lots of jobs as brokers in medical tourism. The demand for health care has contributed to emerging smart enterprising people with connections in the medical and health insurance sector, ready to help patients to avoid waiting lists, to negotiate prices on their behalf etc. So these activities provide employment to various people in different sector of the medical tourism industries.

Transpany Market Research report on medical tourism state that the global medical tourism market was valued at \$10.5 billion in 2012 and is expected to reach \$32.5 billion in 2019. The top global medical tourism destination includes Malaysia, India, Singapore, South Korea, Taiwan, Thailand etc. India healthcare industry today caters to about 1.25 billion Indian and approximately close to 6,00,000 medical tourists travelled to India in 2015. The depreciation of rupee against dollar provide boom to medical tourism and has made the costs of treatment far cheaper. Thus further enhancing the attractiveness of Indian medical tourism industry.

### **Suggestions**

#### **▪ Accreditation**

One of the ways to prove ourselves quality aware is to get international accreditation of healthcare facilities. There are only few hospitals that have been accredited by international agencies such as Joint Commission International although India should established a national accreditation system for healthcare services providers in improving their overall good healthcare services, patients are assured of quality services. Hence, Indian hospitals need to go for national as well as international accreditation to remain competitive.

#### **▪ Ensuring Sustainability**

In order to ensure sustainability in medical tourism, even successful clinical should follow-up all outcomes.

Complications, side effects and post-operative care should be taken with responsibility. There is need to provide quality food and drug, speedily approval for treatments, and therapies and to set benchmark for providing quality services.

#### **▪ New Area of Market**

A special effort should be targeted to SAARC countries for attracting health tourist, because quality of health services is not available on these countries. So special effort should be taken to explore new area of market.

#### **▪ Proper Transportation Facilities**

Tourist should be facilities with proper transportation system. Major distances are covered by trains or planes. There is need to improve the infrastructure relating to the rail and air transport and they must provide in time without any delay. There should be proper co-ordination between air and healthcare industries. India needs to enforce its traffic laws and reduce railways overcrowding, so that visiting tourists will have an easier time travelling from place to place.

#### **▪ Healthcare Infrastructure Facilities**

The hospitals should provide the state of art infrastructure equipped with latest technology. The government should take initiative in putting proper civic infrastructure in place like airport, good roads, ports, timely air and rail system and should maintain proper law and order, hospitals, tour operators and respective state government should came together to promote medical tourism. Good healthcare infrastructure facilities and quality of services also show the economic development in the region. So government should make policies for sizeable investments for strengthening, up grading and expanding the healthcare infrastructure in India. India also needs to improve its sanitation standards, health awareness, availability of safe drinking water and nutrition.

#### **▪ Role of Government**

Government should play more supportive role to develop the healthcare industries. The Centre and State government should encourage healthcare firms to participate in International Fairs. The government announced a policy framework for issue of medical visa to ease the immigration procedures of healthcare i.e. visa on arrival. More efforts should be made to bring Foreign Direct Investment in all area of medical tourism industries. Fiscal policies to be made more conducive by providing loans at low interest rate. The government should acts as facilitator for encouraging private investment and policy making, invest in accommodation sector, reduce bureaucratic road blocks, improve airport facilities, improve community participation and awareness etc. For the improvement of medical tourism.

#### **▪ International Healthcare Collaboration**

It is important for hospitals to have international collaboration and requisite standardization system in place, which would help them to attract international patients, Indian hospitals should also tie up with more multinational insurance companies to minimize the insurance related problems like reimbursement of expenses of medical treatment etc. These collaboration normally improving health care access and



quality of care across diverse populations. International healthcare collaboration helps the medical tourism providers in improving their overall efficiency and management of healthcare services. Indian hospitals should develop links with hospitals in developed countries for referring cases and Indian hospitals should form partnership.

#### ▪ **Medicine Insurance coverage**

In recent years, there has been a liberalization of the Indian healthcare sector to allow for private insurance market to emerge. Moreover, the IRDA has removed tariffs on general insurance, making healthcare more affordable to people and tourists. Indian government should bring more transparency and law regarding insurance to match the international standard. Indian hospitals should tie up with more and more multinational insurance companies to minimize the insurance related problem like cost of medical treatment, cost of room accommodation and post healthcare expenses and reimbursement of medical expenditure etc.

#### ▪ **Competitive Pricing Policies**

Competitive pricing policies coupled with internationally acceptable medical practices would position India as an attractive healthcare destination. Indian hospitals are cost efficient than many developed countries. Such a scenario provides opportunities for Indian healthcare sector although India.

#### ▪ **Control on Environmental Pollution**

Another issue that adversely affects an India's medical tourism industries is its environmental pollution. Since there are no law enforcement to prevent gross polluters. The pollution is increasing day by day. There is need control all types of pollutions like noise, air, water etc. The present government takes many steps to aware the people under special campaign 'Swachh Bharat'. So measures should be taken and strictly implementation of provisions of Environmental Protection Act, it will help in flourishing the tourism industry.

#### ▪ **Value Added Services**

Over the years hospitals in India have adding more and more value added services like online consultancy, arrangement of interpretations providing international cuisine, electronic transfer of records multiple terms of payment, appointment scheduling, availability of business centers and so on however all that can still be done to increase the convenience for the patients in terms of sightseeing tour services, medical transportation, one to one nursing care services, overseas diagnostic and follow up centers and so on.

#### ▪ **Competitive Pricing Policies**

Although India is known for providing high standards, low cost, medical treatments; a lot is required to be done to streamline the pricing policies. The patients often find that their cost budget shoots up after arrival due to various cost not known before hospitals are also found to have different price for pre and post procedure care and arrangements. A uniform pricing policy will definitely increase the credibility of the hospital and in India as medical tourism.

#### ▪ **Enhancement of the Quality**

It must be ensured that treatment of world class quality should be provided to patients. For this there is segment of well infrastructure facilities, qualified doctors and supportive staff. The quality of the doctors and medical procedures is considered good in India however shortage of doctor and trained Para-medical staff is treated as major threats to medical tourism industry. More doctors and medical staff are required to be trained to provide specialized services demanded by foreign patients. Joint Commission International (JCI) and National Accreditation Board for Hospitals and Healthcare (NABH) provide accreditation to Indian hospital for quality. More and more hospitals are required to be covered by these institutions.

#### **Conclusion**

The study indicates that there is more scope in medical tourism industries which is growing at the faster rate. The patients from all over the world also getting cost effective medical treatment, sound physical and technological infrastructure with qualified doctor. There is also need of co-operative approach with various players of same industry like tour operator, airline industries and respective government. In addition the strategic decision should be taken at each stage of medical tourism industries for providing better service to foreign patients, encourage hospitals to establish standardized procedure to facilitate foreign patients in selecting healthcare facilities.

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