

A Study On Emergence Of Medical Tourism As A Growth Factor For Indian Healthcare Sector

(Dr. Ashish Manocha Assistant Professor,Jaipur National University,Jaipur)

ABSTRACT

Medical Tourism is a direct consequence of the globalization of healthcare; this industry is coming up at an overwhelming pace. The practice of medical tourism is getting widely popular among the patients because they are getting aware of the benefits of medical tourism like the lower cost of medical procedures, better healthcare services, and even they enjoy their time in an exotic location during their recovery period. India is outstanding all through the world, for modern medical science as well as for its alternate AYUSH treatment. India has nearly everything which is fundamental for a prime medical tourism destination. As a result, India can have a reasonable possibility of developing as the most favored destination for international patients requiring different kinds of treatments, but the healthcare industry of India poses its own opportunities as well as challenges, that need an in-depth study.

Keywords: Medical Tourism, Health Tourism, Healthcare Travel, Indian Healthcare Sector, Healthcare Delivery.

INTRODUCTION

The inhabitants of the nations that lack advanced medical facilities travel abroad to get appropriate therapeutic and healthcare services. The practice of traveling from one country to another for obtaining advanced medical treatments and better healthcare services is termed as medical tourism or health tourism. Services commonly sought by such medical tourists include alternative medicine, health resorts, neurological disease treatment, fertility treatment, ophthalmic treatment, kidney dialysis, organ transplantation, complex specialized surgeries such as cosmetic surgery, dental surgery, obesity surgery, cardiac surgery, and joint replacement (hip, knee, etc.). Some of the neighboring countries of India do not have progressed and specialized healthcare accessible with them, as well some advanced countries, like USA and UK, face the issue of significant expenses of treatment, long waiting, and unreasonably expensive Insurance. Consequently, India can have a fair chance of emerging as the most favored destination for patients coming from these countries for the various types of treatments. Government of India support and the policies framed by various states like Gujarat, Kerala, Karnataka, Rajasthan, and Maharashtra, clearly replicate the plan to enhance the image of India as the most favored medical tourism destination.

OBJECTIVES OF THE STUDY

The aim of this study is to investigate and critically analyze the recent trends in the field of medical tourism in India. This study focuses to address the research gap that exists in similar studies conducted earlier. The aim is to address the gap between the available literature and

the demand for further research on the subject, thereby, making certain suggestions for improvement. Hence, the objectives of the current study are:

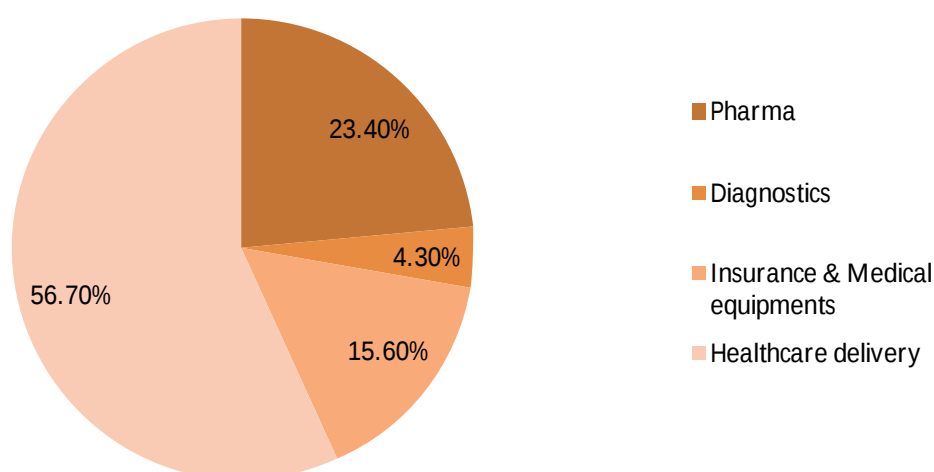
1. To determine the key factors that attracts medical tourism in India.
2. To analyze the issues which determine the success or failure of medical tourism in India.
3. To identify the challenges faced by medical tourism in India.
4. To understand the impact of the growth of medical tourism on Indian healthcare sector.
5. To make suitable suggestions for the improvement of medical tourism in India.

RATIONALE OF THE STUDY

The most important purpose behind choosing this topic for the study is to lay down before the readers, the present status of Indian medical tourism and the various opportunities and challenges that lie ahead in this sector. Apart from this, medical tourism is an area of interest to the researcher, as he is keen to analyze the related patterns and issues, as medical tourism finds its prominence in the practical and conceptual domains of research and publication in the Indian healthcare and tourism sector.

AN OVERVIEW OF INDIAN HEALTHCARE INDUSTRY

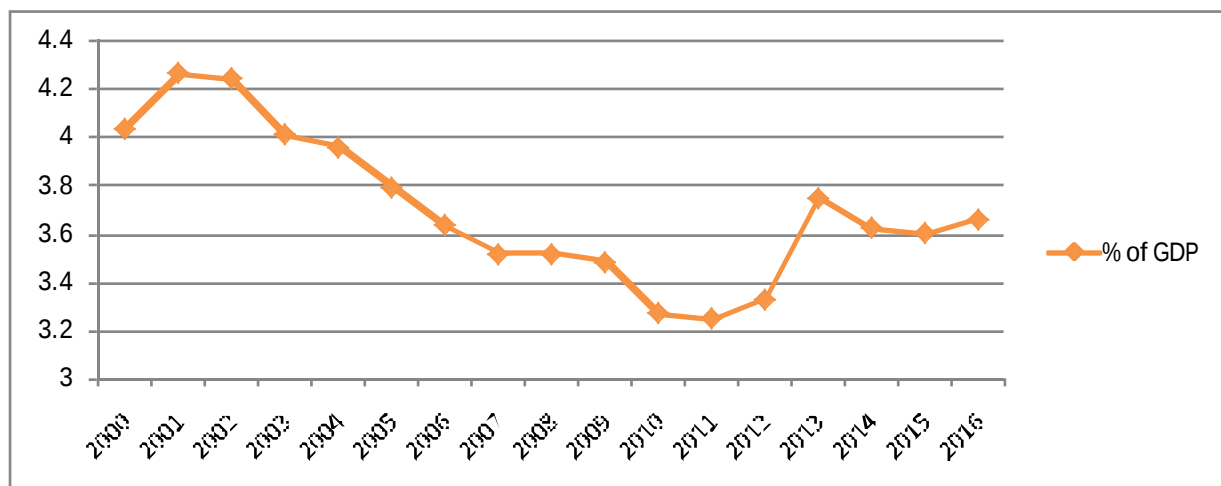
The healthcare industry is one of the largest sectors in India - both in terms of revenue as well as in terms of employment. Healthcare industry comprises hospitals, medical devices, medical equipments, clinical trials, diagnostics, outsourcing, pharmaceuticals, telemedicine, medical tourism, and health insurance.



Source: IMaCS Research (2017-18)

Fig. 1 – Segmentation of Indian Healthcare Industry

With the advancement in medical education & training, medical technology & diagnostics, pharmaceuticals manufacturing & sale, hospital construction & ancillary services, and coverage, there is greater access to medical care for the Indian public and a growing international patient base. Traditionally, the healthcare sector has been exceptionally subject to government delivery mechanisms and referrals from localized private practitioners. Since the 2000s, the Indian healthcare sector has experienced an auxiliary change and is progressively a blend of both private and public sectors, though the organized privately-owned sector is expanding its presence across the nation. Non-governmental organizations and civil society have also started playing a greater role. There is a recognizable move towards the corporatization of healthcare delivery. India's health expenditure was reported at 3.66% of GDP in 2016, according to the World Bank collection of development indicators. It is estimated to reach 7.5% by 2025.



Source: World Bank Data (Year 2000 to 2016)

Fig. 2 – Indian Health Expenditure as a % of GDP

HISTORY OF MEDICAL TOURISM IN INDIA

The practice of traveling abroad is a pattern that developed from the ancient period and there is a long history of individuals traveling to other nations for health purposes. It can be said that the idea of traveling for medical treatment is as old as the medicine itself.

Indian medical science is as old as the Indus valley civilization. The historical background of medical tourism in India can be traced back to around 5000 years when the Indians discovered Ayurveda, Yoga, Unani, Siddha, and Homeopathy (AYUSH) medicines and practices to mend the body and the mind. India has historically been a regional healthcare hub for its neighboring countries. Evidence of ancient hospitals offering healthcare facilities funded by local kings and monarchs can be found in medieval scripts and foreign explorers' records.

LITERATURE REVIEW

Medical tourism is a term coined in recent times but the practice seems to exist from the ancient period and the trends in medical tourism have changed with time. Medical Tourism is a new area for research and researches on medical tourism have started just a few years ago.

The medical tourism has the advantage of providing cost-effective medical care collaborating with the health care industry and with the traveling industry to the patients who need medical treatment in a location different from their home town. Thus, medical tourism occurs with the combination of healthcare services and the tourism domain. The medical tourism has not only gained social, economic, and political interest but it has also gained scant attention in tourism literature.

Pollock and Williams (2000) regard the health tourism as a separation between the ordinary and the extraordinary; the everyday lifestitched between work and home against the life combining health and tourism for recreational and leisure activities.

Ross (2001) after analyzing various factors and literature tries to define health tourism as any kind of tourism that involves a person or his family member for the purpose of wellbeing and he considers that health tourism mainly focuses on two main domains as pampering and wellness. Pampering includes services like massage, herbal wraps, and exfoliating scrubs; whereas wellness involves improving physical and mental state. Ross (2001) is of the opinion that several demographic, economic, and lifestyle factors are driving such medical tourism.

Bennett et al. (2004) recognizes that a broad meaning of health tourism would be 'any delight orientated tourism which includes a component of stress alleviation', this means, it is an enjoyable and relaxing activity, directed towards better health.

Schofield (2004) has a view that health tourism is a means to accomplish an improvement in physical, mental and social well being. Thus, Schofield defines health tourism as a way to escape from everyday routine and improve stress-free energizing life.

Henderson (2004) defines health tourism as 'a kind of travel where the basic objective is the treatment in the quest for better wellbeing' that may include 'hedonistic indulgences of spas and elective treatments', while medical tourism 'incorporates health screening, hospitalization, and surgical operations.

Bookman and Bookman (2007) portrays medical tourism as a part of tourism with the purpose of improving one's health, and furthermore defines it as an economic activity that involves exchange benefits in healthcare services and represents the splicing of at least two industries: the medical sector and the tourism sector.

Michael Moody (2007) demonstrates that the trend in medical tourism began when the residents of one country go to another country to have cosmetic or dental treatments while they are on vacation or to have recovery from such treatments.

Hun Kim and Batra(2009)concludes medical tourism and wellness tourism markets become more crowded and competitive, it will become increasingly important for countries to differentiate themselves around factors other than cost and quality.

Sanjay R. Ajmeri (2012), in his research, titled “Medical Tourism - A healthier future for India”, focuses on the origin of medical tourism in India, with certain realities and discusses the various core competencies, weaknesses, challenges, opportunities, and the fate of medical tourism in India.

Saravanan, M. (2013) in his research titled, “Medical Tourism - The New Face of Tourism”, features a couple of factors that may improve the medical tourism sector in India namely, cost competitiveness, service spectrum, and consumer profile. He comes out with the conclusion that the healthcare industry has effectively figured out to maintain the interest and consideration of not only the Indian Government but also the regional and international patients. The Indian patients are getting access to advanced innovations in the field of medicine and health, and the companies are constantly adopting the recent technology either through partnerships or developing them indigenously.

From the above literature review, it is apparent that research on medical tourism to date has been largely conceptual in nature, and major gaps exist in the evidence base supporting the research.

FACTORS DRIVING MEDICAL TOURISM IN INDIA

Affordability and accessibility of quality healthcare services at par with international standards along with assistance from tourism departments and local governments are the factors that drive the growth of the medical tourism market. In addition, the availability of the latest medical technologies is expected to fuel the market growth. Conversely, lengthy partial reimbursement by payers and difficulties associated with travel, language barriers, availability of documentation, and VISA approval issues impede the growth of the medical tourism market.

PERSONALIZED SERVICES PROVIDED TO INTERNATIONAL PATIENTS
Visa Assistance
Airport Pick-n-Drop Facility
Internet Access in the room
Hotel Reservations
International Cuisine & Newspapers
Language Interpreters
Arranging Travel & Health Insurance
Arranging Post-operative care

The factors such as the high cost of healthcare in developed countries, the long waiting list in government medical facilities and the reduction of airfare are the majority of reasons which contributed to the growth of medical tourism in India. The hospitals in India offer high-

quality medical treatment and care which is par with international standards in very cheap rates as compared to developed nations and has English speaking staff. Therefore, there are fewer chances of the language barrier for western patients. The level of professionalism in the country is also an important factor because tourists seek a country free from risk factors associated with safety, security, and accountability. (Lagiewski, 2007).

India has alternative therapies like Yoga, Naturopathy, Siddha, and Ayurveda. Indian hospitals excel in cardiology and cardiothoracic surgery, joint replacements, transplants, cosmetic treatments, dental care, and orthopedic surgery. Apart from this, a number of destinations within India developed as havens for rest and recuperation. Late during the 19th century, people began traveling India in search of an alternative lifestyle often focusing on yoga or meditation and following the footsteps of celebrities. India is building on these traditions as a wellness destination by developing expertise in medical tourism (Connell 2006).



Fig. 3 – Factors

in India

RECENT TRENDS

DIA

The medical tourism industry has grown significantly over the past decade and there exists high competition between the countries to promote medical tourism. The global medical standards and regulations have been implemented in different countries and this, in turn, raises the number of people seeking cost advantage and best treatment in their preferred destination. The market of medical tourism depends on awareness and application of significant issues such as social diversities, consumer benefits, branding of products, legal framework infrastructure, target markets, the actual product, and the communication channels (Dannell & Mugumba).

The one more key component in this medical tourism is the emergence of medical travel companies that act as a link between international patients and hospital networks (Lagiewski, 2007). They have a vital role in the tourist experience from planning, stay, and post stages of the trip. The medical travel guide meets the tourist at the airport and he is the local agent who works as an interpreter, guide, and assists the tourists in communication (Smith and Forgione, 2007).

In the year 2017, the number of international patients seeking medical care in India reached around 4.95 Lakhs. The top marketing segments for medical tourism in India are patients from Afghanistan, Bangladesh, Yemen, Oman, Maldives, Tanzania, Nigeria, Kenya, Uzbekistan, and Iraq (CNN, ManveenaSuri), with significant number of international patients also coming from USA, UK, Russia, Canada, and Australia (Katz, Alexandra).

“Medical tourism” is slowly becoming a significant segment of the Indian tourism industry and currently it holds immense growth potential. The medical tourism sector had experienced phenomenal growth in the flow of medical tourists. The global medical tourism market was valued at US\$ 53.7 billion in 2017, and it is expected to reach US\$ 131.6 billion by 2025, while registering a CAGR of 11.8% during the forecast period, 2018-2024. The Indian medical tourism market was valued at US\$ 4.2 billion in 2017, and it is expected to reach US\$ 16.4 billion by 2025, while registering a CAGR of 18.4% during the forecast period, 2018-2024.

Medical tourism is believed to be a great boon to economic growth for the Indian economy. Considering a joint study conducted by the global accounting and consulting firm, ‘Ernst and Young’ and the ‘Federation of Indian Chambers of Commerce and Industry’ (FICCI), it was concluded that the private hospitals in India earned INR 1,46,000 cores in fiscal year 2016 and revenues from the sector are expected to rise up to INR 4,16,000 cores (at current prices and exchange rates) in 2024, which represents an annual revenue growth rate of about 14 percent per annum.

SWOT ANALYSIS FOR MEDICAL TOURISM IN INDIA

INTERNAL ENVIRONMENTAL ANALYSIS	
STRENGTHS	WEAKNESSES
• High quality treatment in low cost. • Medical technology, equipment, facilities and infrastructure are at par with international standards. • Indian doctors are recognized as amongst the best at international levels. • Foreigners are also attracted to Indian Systems of Medicine like Homeopathy, Ayurveda, Yoga.	• Maximum medical tourist is from non English speaking parts of the world which highlights the need for training of linguists and interpreters. • As of 2019, India only had 38 JCI accredited hospitals which decrease the size of potential market especially for customers from developed countries. • Lack of uniform pricing policy.

EXTERNAL ENVIRONMENTAL ANALYSIS	
OPPORTUNITIES	THREATS
• Cost of medical treatment in developed western world remaining high, provides Indian medical tourism sector with a unique opportunity. • Patients from third world countries, where comparable quality medical care is not available, seek treatment outside their home countries. • Sharp rise in medical as well as tourism industry.	• High competition from other Asian countries like Thailand, Malaysia, Singapore, etc. • Lack of foreign accreditation in majority of the Indian hospitals. • Lack of Strategic alliances with International bodies.

GOVERNMENT OF INDIA SUPPORT

- The Indian government takes meticulous steps in promoting medical tourism and it tries to increase the growth of foreign medical tourists by providing visas on arrival and medical visas called m-visas. These visas are valid for six months and the Indian ministry of tourism has stocked its 18 overseas offices with information regarding these visas.
- The tourist literature produced by the Indian government portrays India as a country rooted in tradition and also sufficiently modern to offer western-style amenities (Bandhopadhyay and Morais, 2005)
- In August 2018, the Government of India has approved Ayushman Bharat-National Health Protection Mission as a centrally sponsored scheme contributed by both Union and State government in the ratio of 60:40 for all States, 90:10 for the hilly Northeastern States and 60:40 for Union Territories with the legislature. The Union government will contribute 100 percent for Union Territories without legislature.
- On September 23, 2018, the Government of India launched PradhanMantri Jan ArogyaYojana (PMJAY), to provide health insurance worth INR 500,000 (US\$ 6,482) to over 100 million families every year.
- The Government of India has launched Mission 'IndraDhanush' with the aim of improving coverage of immunization in the country. It will cover unvaccinated and partially vaccinated children in rural and urban areas of India and aims to achieve at least 95 percent immunization coverage by December 2020.

SUGGESTIONS FOR IMPROVEMENT OF MEDICAL TOURISM IN INDIA

India's healthcare industry is much diversified and is one of the fastest-growing sectors and the medical tourism sector in India is poised to become the next success story after the IT industry. India is recently experiencing 23 percent growth in medical tourism and this sector is

full of opportunities for players in the medical industry. The industry is expected to reach US\$ 9 billion by 2020 and US\$ 16.4 billion by 2025. Besides tremendous capital investment for advanced diagnostic facilities, Indian medical service consumers have become more conscious of their healthcare upkeep.

The growth and development of medical tourism in India will contribute a lot to the development of employment opportunities, national income, and infrastructure in medical and healthcare facilities. It will ensure adoption of new technologies in the area of medical science and surgeries. India offers vast opportunities in R&D as well as medical tourism.

India's competitive advantage also lies in the increased success rate of Indian companies in getting the Abbreviated New Drug Application (ANDA) approvals. The government of India, at full pace, should step in the role of a regulator and a facilitator of private investment in healthcare. An apex body for the industry needs to be formed to promote the Indian healthcare brand abroad and aid inter-sectoral coordination. Joint ventures/associations with overseas partners and also, the establishment of Medi-Cities will help in building a significant advantage and leadership position in the medical industry.

Hospitals should offer a full range of healthcare products and services. Hospitals should focus on maintaining their service quality by determining quality standards and governmental agencies should monitor them to achieve those standards through accreditation programs. Moving towards corporatization, Indian healthcare institutions need to adopt 'Value-based pricing', rather than 'Volume-based pricing'. More marketing and branding is needed, not just as a tourist destination but as a medical tourist destination. Infrastructure needs to be further improved. There exists a tremendous need to increase international collaborations, tie-ups, and partnerships for attracting more and more medical tourists. Marketing and internet strategies should be developed to face competition from other Asian countries.

CONCLUSION

The medical tourism is the outsourcing of healthcare services from high-cost nations to low-cost nations, providing services at international standards and well furnished with advanced medical equipment. It provides financial value for the growing burden of the costs in developed markets like the USA and the UK. It additionally offers an alternative for millions of uninsured people to access affordable and quality medical services from developing nations. India is a popular medical tourism destination for the past many years, but still, this segment is in an incipient stage due to a lack of branding and strategic promotions. The medical tourism industry offers vast opportunities for India, basically on account of its inherent advantages in terms of cost, quality, professionalism, infrastructure, and technology. The growth in medical tourism in India will be a boon for several associated industrial segments, including pharmaceutical industry, hospital industry, and medical equipment's industry. India is outstanding all through the world, for modern medical science as well as for its alternate AYUSH treatment. India has nearly everything which is fundamental for a prime medical tourism destination. India is turning into the "Global Health Destination", which needs to be accelerated through governmental policies and infrastructural development. There

is a critical need for careful policy intervention, so as to reap the full benefits from inherent advantages and enhanced capabilities.

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