

# Medical Tourism: Future of India

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**Abstract:** The paper provides an overview of nature of International trade in Health Services within framework provided by GATS and lessons that can be learnt from various National and International developments in this particular field. The study discusses the current scenario in Indian context and number of competitors. Main aim of this paper is to quantify the potential of Indian Industry, steps taken in this field, implications of these steps, various barriers towards successful implementation of these steps, Core competencies of Indian Health Tourism industry and suggesting a strategy for future. The analysis indicates that there has been very insignificant progress in this particular field till date. It emphasis the importance of adherence to uniform International standards as suggested by WHO, insurance portability in wake of increasing Globalization. Major objective of this paper is to suggest a strategy to tap the potential that India possesses in this particular field. Its about making of another Sunrise industry that will help put India on the World map.

**Keywords:** Medical Tourism, Health Services.

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## 1. CONCEPT OF MEDICAL TOURISM

Within GATS framework trade in health services can be classified into various forms, which are discussed as follows:

**I. Cross Border Delivery:** It includes shipment of Lab samples, diagnosis, clinical consultation, electronic delivery of health services. Telehealth services which include telepathology, teleradiology, telepsychiatry and cross border telemedicine initiatives such as telediagnosics, surveillance etc.

**II. Consumption abroad:** It includes movement of consumers driven by cost, quality and availability of treatment across countries, natural endowments, existence of alternate treatment procedures and movement of health professionals and students.

**III. Commercial Presence:** It includes establishment of hospitals, clinics, diagnostic and treatment centers

**IV. Movement of Health personnel:** It includes movement of doctors, nurses and specialists. Factors driving this movement are wage differentials, search for better working conditions, greater exposure, training and improved qualifications. Generally movement from India is driven to Gulf states, Middle Eastern countries on short term contracts and Economic migrants to US, UK and Australia.

All these factors together indicate towards the increasing Globalization in field of Health Services. Globalization has led to emergence of new kind of health care organizations, increased cross border delivery of health services, growing number of companies engaged in Joint Ventures and collaboration agreements and growth in terms of trade and Foreign Direct Investment which in turn has opened new avenues in the field of Medical Tourism for country like India.

### Current Scenario:

India is a prominent exporter of health care services. It has been exporting health providers such as doctors, nurses and technicians to Middle East, US, Canada and UK.

## 2. POTENTIAL OF INDIAN HEALTH CARE INDUSTRY

Various rating agencies have come up with evidence regarding great potential of Indian Health Industry, the next Sunrise industry. According to Messe- Berlin Indian healthcare Industry can earn US\$1 bn and can create 40 mn new jobs. As per recent findings by CII Medical tourists could enrich India's economy by US\$ 5bn. Mckinsey says that around Rs.5-10000 crores will be added to revenues by way of Medical tourists.

### **Major Competitors:**

In order to become Asia's Medical tourist hub competition is extremely high between Thailand, Singapore, Malasiya, Philippines and India. These players have already tapped niche markets such as Eco-tourism, Heritage tourism and Agro tourism. Globally it also faces challenge from Greece, South Africa and Jordan.

### **India's Edge:**

- **Cost Effectiveness:** As compared to rest of the developed world treatment in India is very cost effective. Liver transplant, which costs around 60-70 lacs in Europe, costs as less as around 15-20 lacs in India. Similar is the case for heart transplant and cardiac surgery.
- Besides cost effectiveness there is hardly any waitlist as compared to scenario in developed world
- Quality of treatment in Indian hospitals is comparable to the best in the world
- India is known for its better surgical interventions
- It churns out around 20,000 doctors every year
- Foreign companies think India to be good enough to set up registries centers – Centers approved by US Food and Drug Administration
- India has massive advantage in term of Eye – Care. It has got more Lasik center than developed countries – Arvind Eye Hospital, Madurai has conducted largest number of cataract surgeries in the world

### **Core Competencies:**

Indian hospitals have achieved excellence in Heart Care, Cardiology, Cardio thoracic surgery, joint replacement, orthopedic surgery, Gastroentrolgy, Ophthalmology and Urology.

## **3. PRE-REQUISITE FOR SUCCESS OF CONCEPT OF MEDICAL TOURISM**

- Need for Government support
- Aggressive International Marketing
- Networked Nodal organizations – Coordination between hospitals, airlines, Governments, tour operators, Car rental businesses to create tourist packages
- Accreditation from International agencies such as Joint Commission on Accreditation of International Standards, National Health Services

### **Steps Undertaken:**

- Govt. of Maharashtra and FICCI has formed a Council to promote Medical tourism and advertises hospitals next to hill stations
- Indian Airlines has teamed up with leading hospitals in Kolkata to give air passengers a 30% discount on diagnostic and therapeutic services in city hospitals
- Conducted road shows in UK and Middle East
- Indian hospitals are seeking International Accreditation to attract foreign patients
- Setting up labs in underdeveloped and developing countries to conduct cost effective research there
- Opened up health sector – some cases permitted 100% foreign equity

## **4. SUCCESS STORIES AND POTENTIAL AREAS OF IMPROVEMENT**

### **Kerela**

Kerela is a live success story. Ayur Vaidya Sala at Kottakal in Kerela is a hot spot for many of the International tourists. It combines health services with tourism packages. There is need to replicate such models in rest of India. There is need to augment health services to include spas, massage, thermal baths and rehabilitation services. **Great India Tours** is one such venture where they are making proper use of Kerela's beauty and Ayurvedic experience in order to attract foreign tourists to India for the purpose of Medical Tourism.

## **Gujarat**

Gujarat is the fastest emerging prime destination for tourists with Cardiological problems.

## **Success Stories**

Baby Noor Fatima, two and a half yr. Old Pakistani girl underwent Open Heart surgery that opened new vistas in field of Medical Tourism.

Terry Salo successfully got his hip replacement done.

## **International Models**

### **Thailand**

Thailand with a population of 60 mn. Is successful in attracting 1 mn. Health tourists due to world-class infrastructure. Prime reason for success of this model is aggressive International Marketing, Integration with traditional medicines and Service integration with tourism.

### **China**

It tried creating niche in alternative medicine market. It created agreements with foreign Governments and foreign Medical institutions. It opened traditional Chinese medicine facilities Overseas such as Acupuncture

### **Jordan**

It has successfully created niche in Medical Tourism on the basis of openness to foreign collaboration in health services and State of Art specialized technology.

### **Cuba**

Cuba has created Service differentiation by focusing on certain kind of skin diseases incurable in other countries. It created trading company to sell tourism and health care packages. Moreover, it has been sending health personnel on short-term remunerated contracts.

These International models provide guidelines and a sort of framework, which could be utilized for the purpose of furthering the cause of Medical Tourism in India.

## **5. IMPLICATIONS OF MEDICAL TOURISM FOR INDIA**

- Techniques like Telemedicine can help to cater to the needs of remote areas
- It will help to promote equity in provision of health services
- It will lead to generation of foreign exchange earnings and add resources for investment in this sector
- It will lead to upgradation of Infrastructure facilities, Medical health facilities and Technological capabilities.
- It will help to overcome shortages of human and physical resources
- It will help to generate additional resources for investment in infrastructure
- It will help to generate employment and will reduce unemployment
- It is an opportunity to widen knowledge and skills to work with superior health care facilities

## **6. AREAS OF CONCERN WITH REGARD TO MEDICAL TOURISM**

- It will lead to internal brain drain
- It will reduce equity and would lead to diversion of resources from serving poor to setting infrastructure for affluent population
- It will lead to creation of Dual market structure with criterion of higher quality segment catering to wealthy nationals and lower quality resource constrained segment catering to poor.
- It will lead to creation of a two-tier healthcare system- Corporatised segment and Public sector segment leading to problem of Internal brain drain i.e. movement of personnel from public to private sector
- It will have adverse implications for equity, quality and availability of health services

## **7. BARRIERS TO DEVELOPMENT OF MEDICAL TOURISM IN INDIA**

- Restrictions on entry and terms of practice by foreign health providers
  - Quantitative Limits on entry
  - Domestic regulatory measures – Manpower Planning Tests, tests are discriminatory in nature and are non transparent
  - Protectionist policy leading to minimum standards in profession
- Restrictions on FDI in health and related sectors
  - Common barriers – Limits on foreign equity participation, discriminatory taxation policy, restrictive competition policy and economic needs tests
  - Restrictive investment regulations in areas such as Insurance, education and Telecommunications
- Domestic infrastructural, regulatory and capacity constraints
  - Absence of well developed regulatory and Legal framework
  - Infrastructural financial and human resource constraints
  - Inadequate telecommunication facilities are constraint
  - Deficiencies in healthcare infrastructure
- Foreign Exchange Controls
  - Regulations on repatriation of earnings as well as on fees
  - Expenses of foreign health service providers
- Health Insurance cover limited to just rich class
- Infrastructure in India is limited to 1.5 beds per 1000 people as compared to average 4.3 beds per 1000 people in China
- Pressing need for qualified specialist nurses, paramedics and administrators
- Lack of uniform standards and Accreditation
- Hoteliers being dependent on largely unorganized sector
- Unsatisfactory performance of Third party administrators
- Discharge details, disease codings, ICD Codings and handling to records not in place

## **8. STEPS AND MEASURES TO BE TAKEN TO TAP AREA OF MEDICAL TOURISM**

- Address problem of brain drain
- Upgrade and invest in human and physical capital and prioritize these investments
- Promote linkages between Public and Private health care
- Exploit niches in alternative medicines
- Differentiate Services within sector
- Tap regional markets
- Integrate health care sector with other sectors of economy
- Promote International cooperation
- Bilateral cooperation between sending and receiving countries to address issue of brain drain
- Seeking cooperation in immigration and labor market policies
- Better prioritization of expenditure in health sector
  - Over investment in production of Medical graduates and specialists relative to absorption capacity
  - Less focus on training of nurses, generalists, technicians and lower health practioners leading to outflow of specialists and highly trained health professionals
- Increasing subsidization of land and making available soft loans for hospital construction
- Harvest back taxes collected from foreign owned commercial hospitals in Public health system

- Enforcing uniform standards of training and practice
- Monitoring systems to ensure effective implementation
- Start special flights targeted at International travelers
- Building dedicated Medical clusters outside Mumbai or Goa and effectively promoting them
- Concentrating on building retirement homes for aged

## **9. MARKETING STRATEGY FOR FUTURE**

- Undertake aggressive International Marketing in conjunction with Tourism industry. Integration with traditional Medicine and Service Integration
- Build Indian Healthcare brand synonymous with Safety, trust and excellence
- International marketing campaign targeted at select countries
- Establish one stop centers in key markets to facilitate inflow of patients
- Engulf or bracket alternatives to wellness concept such as old age homes
- Promote acceptability of offshore concept
- Improve service experience for customers
- Invest in promoting trials
- Align Legal and Regulatory framework

## **10. CONCLUSION**

Indian Medical Industry truly holds lot of potential for future. Need of the hour is to tap the alternate niches in this industry in order to be a Global player. For achieving these objectives several constraints have to be kept in mind and leanings can be drawn from successful experiences of some of International players. With increasing Globalization there is need to harmonize internal practices with needs and requirements of various Multilateral bodies such as WHO. It will help India to tap on to the potential of expanding market for Health Tourism worldwide. Price Differential and Medical practices and Intellact comparable to any of developed countries augurs really well for the future of Indian Medical Industry.

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