

Medical Tourism: Opportunities, Challenges and Strategies for India

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Abstract

This research paper explores the rapidly growing sector of medical tourism in India and strives to comprehend the ways by which India is developed as a global healthcare destination. Generally, medical tourism can be defined as the provision of 'cost effective' private medical care in collaboration with the tourism industry for patients requiring surgical and other forms of specialized treatment. Growing demand for advanced medical services saw the expansion of health tourism within the private sector in the past two decades. People from all over the world are travelling to other countries to procure medical, surgical and dental care. While at the same time having leisure and fully experiencing the attractions of the countries being visited by them. Medical tourism is perceived as the fastest growing segment in marketing India as a destination. Promotion of medical tourism will raise the standards of health care across the country through competitive market practices, which will translate to an increase of the standards in the public sector.

Keywords :Medical tourism, hospitality, brand image, healthcare, advertisement.

1 Introduction

Medical tourism can be broadly defined as the provision of 'cost effective' private medical care in collaboration with the tourism industry for patients needing surgical and other forms of specialized treatment. This process is being facilitated by the corporate sector involved in medical care as well as the tourism industry - both private and public.

Medical tourism has risen from the rapid growth of an industry where people from all around the world are traveling to other countries to obtain medical, dental and surgical care while at the same time touring, vacationing, and fully experiencing the attractions of the countries that they are visiting. A combination of many factors has led to the recent increase in popularity of medical tourism: exorbitant costs of healthcare in industrialized nations, ease and affordability of international travel, favorable currency exchange rates in the global economy, rapidly improving technology and standards of care in many countries of the world, and most importantly the proven safety of healthcare in select foreign nations. More and more people are traveling abroad as an affordable, enjoyable, and safe alternative to having medical, dental, and surgical procedures done in their home countries.

Growing integration of world economies has led to the emergence of outsourcing of an ever-widening assortment of services in the country, the latest of which is Healthcare Services. Medical Tourism is perceived as the fastest growing segment in marketing India as a destination. The concept, if rightly propa-

gated will sell as a hot cake and lure multitudes of Europeans, Asians and NRIs to undertake international travel for health purposes. All that is needed is a group of trained practitioners, world-class infrastructure and nurturing care, which comes "naturally" to Indians. Indian hospitality itself extends a great healing touch.

1.1 Some Facts and Figures

- In 2003, 150,000 foreigners visited India for medical procedures and the number is increasing at the rate of 15% a year, according to Zakariah Ahmed, a health care specialist at the Confederation of Indian Industries.
- A study by the McKinsey consulting firm estimated that India's medical tourist industry could yield as much as \$2.2 billion in annual revenue by 2012. Even a small fraction — 2% of spending on health care in developed countries — could mean a \$50bn industry for India.
- India's healthcare industry is growing at 30 per cent annually and the Apollo group alone has so far treated 95,000 international patients, many of whom are of Indian origin.
- Of the 5,200 hospital beds run by the Apollo hospital group, foreign patients, mostly from the Middle East, Africa and countries of south Asia, usually occupy about 100 beds.

Though relatively unexplored, the area is now receiving special attention by the Ministry of Tourism, Gov-

ernment of India as part of their initiatives of promoting Brand India. Maharashtra Government has been a pioneer in identifying this opportunity and has become the first state government in June 2003 to form a committee on these lines. The committee consists of members of the tourism ministry and the health ministry, along with major hospitals and pathology service providers.

1.2 Growth of the Medial Tourism Industry

In many developing countries its finds aggressive promotion in the Government's official policy. India's National Health policy 2002, for example, says: "To capitalise on the comparative cost advantage enjoyed by domestic health facilities in the secondary and tertiary sector, the policy will encourage the supply of services to patients of foreign origin on payment. The rendering of such services on payment in foreign exchange will be treated as 'deemed exports' and will be made eligible for all fiscal incentives extended to export earnings". The formulation draws from recommendations that the corporate sector has been wakening in India and specifically from the "Policy Framework for Reforms in Health Care", drafted by the prime minister's Advisory Council on Trade and Industry, headed by Mukesh Ambani and Kumaramangalam Birla.

Countries where Medical Tourism receives state patronization include Greece, South Africa, Jordan, India, Malaysia, Philippines and Singapore. India is comparatively a late entrant. Medical tourism to India started fairly recently when NRIs (non-resident Indians – those living and working in the West) began to go "home" to India seeking not just their "roots" but also their "root canals". Baby Noor, a two and a half year Pakistani girl, undergoing open heart surgery in India reminded India and the world of the vast potential inherent in Medical Tourism. The Ministry of External Affairs leveraged this opportunity to encourage medical diplomacy, by facilitating the visit of ministers and provincial leaders for treatment to India. Merging medical care and tourism became a government policy when in 2003 budget the former finance minister Jaswant Singh called for India to become a "Global Health Destination".

1.3 Initiatives at Corporate Hospitals

- Apollo Hospital has been a forerunner in Medical Tourism. Apollo Hospitals Group is restructuring its medical tourism initiatives. It is clubbing the telemedicine and information centers in international markets through the franchisee route. The entire business is looked after by its wholly owned subsidiary, Apollo Health and Lifestyle Limited (AHLL). Through these clinics it plans to highlight the standards of its medical care. Markets with sizeable Indian popula-

tion have been identified for this, because the Indian population will help the company in its brand building exercise in the overseas market. South East Asia, West Asia, Africa, US and UK are targeted through this model. The group has tied up with hospitals in Mauritius, Tanzania, Bangladesh and Yemen besides running a hospital in Sri Lanka, and managing a hospital in Dubai. In India, the group has treated 95,000 international patients, a majority of whom is of Indian origin.

- Escorts claims to have treated 1200 overseas patients in 2004.
- Recently, the Ruby Hospital at Calcutta has entered into a contract with the British insurance company, BUPA. The management hopes to get British patients from those waiting for long in the queue in the National Health Services.

1.4 Medical Tourism the Kerala Experience

Kerala, Gods Own Country, was the first state in to capitalize on the concept of Medical Tourism. It is marketed as a health destination mainly because of its Ayurveda packages. Kerala and Ayurveda have become synonymous with each other. The bias towards health tourism in Kerala is so strong that Kerala Ayurveda Centers have been established at multiple locations in various metro cities, thus highlighting the advantages of Ayurveda in health management. The Great India Tour Company (GITC) launched special Medical Tourism packages under the brand name "Heavenly Healing" in the international tourism marts in association with Kerala Institute of Medical Sciences (KIMS). Such a treatment is said to pamper the soul and recuperate the body. Major hospitals like KIMS, Trivandrum, Lake Shore and AIMS in Kochi have pioneered joining hands with the government in promoting Medical Tourism.

1.5 Medical Tourism and Karnataka

The recent operations of children from Pakistan in Karnataka have carved a place for Karnataka on the world health map. Not only has it brought revenues, but also brought also fostered the spirit of goodwill, fraternity peace and harmony between the two nations. The government contemplates to set up a Bangalore International Health City Corporation which will cater to patients for a wide variety of health care products and treatments. The state also has the unique property, Golden Palms Spa & Resort, which is the one and only resort in the country where a guest can have a complete range of pathological tests, dental treatment, electro -cardiograms, stress tests, X-rays, and even sonography tests. There is even a mini-operation theatre for cosmetic surgery performed by world-renowned surgeons in the field.

1.6 Maharashtra's Foray Into Medical Tourism

There is a vast array of hospitals that promote Medical Tourism. Those of substantial significance include Lilavati Hospital, Jaslok Hospital, Bombay Hospital, Hinduja Hospital, Wockhardt Hospital and Apollo NUSI Wellness Retreat. A recent addition to this is the Asian Heart Institute in the Bandra-Kurla Complex. It offers a treatment for all types of heart complications, even provides preventive cardiologic treatment to avoid heart ailments and also to keep under control a host of heart problems. The institute, which has collaboration with the Cleveland Institute, USA, offers 'five-star' services at reasonable prices. Various trusts associated with the institute also offer financial assistance to the patients.

The state also has Hotels like Hyatt Regency, JW Marriott, Renaissance and Resort, also offer extensive spa facilities aimed at rejuvenating both the domestic and international tourist.

1.7 Medical Tourism at Tamil Nadu

Chennai has a number of speciality hospitals like Apollo, Sankara Nethralaya, MIOT and Madras Medical Mission, which have been attracting patients from other States and also from SAARC countries, West Asia and from Southeast Asia. A sustained campaign on the world-class facilities and the cost-effectiveness would bring in more patients. In the last fiscal, Tamil Nadu saw an increase of 12 per cent in tourism arrivals (both domestic and international) compared to the 2-3 per cent in the previous two years. For instance, there were a number of tourists from Malaysia opting for the Tamil Nadu Tourism Development Corporation (TTDC) packages for budget hotels. The impacts of the sustained campaign 'Enchanting Tamil Nadu' together with the State's presence in the tourism fairs were some of the factors that increased the number of tourist arrivals. The State also played host to foreign writers who visited Tamil Nadu and wrote about it. All these efforts have resulted in Tamil Nadu coming on the 'tourism radar screen.' Kanyakumari, at the southern tip of the State, is being developed for tourism. The Union Government has sanctioned Rs 8 crore for the development work in and around places of tourist interest. The State Government has also allocated a budget of Rs 11 crore with a matching investment to be made from MLAs funds. Recently, two of Tamil Nadu's great Chola temples, of the 11th and 12th century at Gangaikondacholapuram and Darasuram respectively, were declared as World Heritage Sites. The sites are under the Archaeological Survey of India and State Government has provided access roads, rest rooms and toilets. TTDC has introduced an online reservation system, which would make payment and confirmation of bookings easier.

1.8 Individual Initiatives

Naresh Trehan, cardiologist at Escorts Heart Institute and chairman of the Confederation of Indian Industry's National Health Care Committee is establishing a medical city by '07 in Gurgaon with 2,000 beds. At 75 patients per year per bed, that is almost 1, 50,000 patients. Even if one presumes revenue of \$10,000 per patient, this is almost \$1.5bn from one medical city. With 15-20 such cities, India could service up to 3mn patients and earn revenues of \$30bn. "We need to get our act together and deliver quality services consistently, get accreditation and have uniform prices," said Naresh Trehan.

2 Strategies for Marketing India as a Medical Tourism Destination

2.1 Creating Awareness

Creating awareness by disseminating information about the state of the art technology, unparalleled service, and economy of treatment in India. A heart surgery abroad costs \$20,000 whereas in India it is around \$5,000. The cost of knee replacement surgery in India is about one fourth of that incurred abroad. A Heart Surgery in the US costs US\$ 30,000 while it costs US\$ 6,000 in India. Bone marrow transplant in the US costs US\$ 2, 50,000 while it is US\$ 26,000 in India, CII points out. This comparative cost advantage is a powerful selling proposition, which should be leveraged upon. The First World health care at Third World prices needs to be highlighted.

2.2 Positioning the Competence of Health Care Providers

Positioning the competence of our health care providers in the minds of the prospective client. According to Dr. Trehan, a cardiovascular surgeon of world fame, the death rate for coronary bypass patients at Escorts is .8 percent. The same at Presbyterian Hospital where Bill Clinton underwent bypass surgery was 2.35 percent, according to a 2002 study by the New York State Health Department. These facts need to be highlighted in all communications.

2.3 Tailoring Other Services for International Cientele

Besides the core product, health care, the other services need to be tailored to for foreign patients, such as airport pick-ups, internet equipped rooms and package deals that combine medical treatment with several nights stay in a Maharaja's palace or a visit to the famous destinations or some side trips. The patients and their relatives need to be accommodated in the hospital complex with all the luxuries that a

hotel offers. In Thailand, the hospitals treating international patients have interiors like that of a hotel with restaurants and boutiques in the lobby.

2.4 Image Revival Drive for India

The patients from the developing countries of Asia, Africa and Middle East are the most frequent medical tourists to India. Patients from Europe and US are still rare because India's image of being a poverty stricken nation, of snake charmers and rope sticks, with poor hygiene acts as a major deterrent. The communication messages should act proactively to counter this myth the prospective medical tourist is bearing in the unconscious and conscious realm of mind. The prejudice associated with healthcare in developing countries needs to be shattered.

2.5 Reducing the Waiting Time

Economy of treatment and timely attention is what which a patient needs. Developed countries have a huge backlog. Given such a situation, patients from developed nations are not reluctant to come to even the Third World Nations, provided they are convinced that the facility provided is well equipped to deal with illness or surgical procedure.

Slashing the waiting time can attract patients from Canada and Britain where patients are fed up with long queues for elective surgery under overstretched government health plans, though their treatment is free under such plans. These include surgeries for knee and hip replacement and coronary bypass. Such a long waiting time can have lethal consequences. For instance, a patient who is asked to wait for bypass surgery for two years may not need it after two years or may be no longer be alive to avail of it. England's Guardian newspaper has reported on India's success as an alternative to dying-while-u-wait on the British National Health. It cites 73-year-old George Marshall, a violin repairer who was diagnosed with coronary disease and told he would have a six month wait for an operation. He considered private treatment, but it would have cost £19,000 (approx. \$35,000). Instead, he flew to Bangalore, "where surgeons at a specialist hospital and heart institute took a piece of vein from his arm to repair the thinning arteries of his heart." The cost was \$9,000, including the flight. Marshall said he would not hesitate to come back

To cope with its backlog of cases, Britain's National Health Service is now referring patients to Spain and France. Such a clientele needs to be identified and tapped.

Now patients from the US are following suit, as their insurance companies have entered into tie-ups with private Indian hospital chains.

2.6 Tie Ups

Tie ups with several African nations, Gulf nations and SAARC nations can be envisaged. Miot Hospitals

group in Chennai has such an arrangement where people from these countries come for orthopaedic, cardiac and neurosurgical interventions. 5 to 7 per cent of the hospital's income comes from patients abroad.

2.7 Right Packaging of the Healthcare Product

Medical care, packaged with traditional therapies like yoga, meditation, ayurveda, allopathy, and other traditional systems of medicines, attract high-end tourists especially from European countries and the Middle East.

3 Creating Synergies

Competitive cost is not enough to attract patients. Health and tourism industries need to pool their resources to improve medical standards, clinical expertise, insurance coverage and appropriate infrastructure to create business synergies.

3.1 Participation in International Health and Tourism Exhibition

There will be an India Medical tourism Expo from 2-4 June 2005 at Alexandra Palace, Wood Green, London in association with the Government of India, India Tourism-UK, High Commission of India-UK, Delhi Tourism. The event would be instrumental in promoting the services of Indian Medical care and allied sector. It will provide an ideal platform to understand the industry growth trends, our achievements in the field, our strengths, opportunities and underlying competition etc. It will be by far the largest and most extensively publicized event on Indian Medical Tourism on an international platform.

One event of this genre was organized in Bahrain in December 2004, in which the Department of Tourism of Karnataka participated. The participants include Manipal Hospital, Soukya-the International Holistic Health Center, Vikram Hospital and Healthcare, A.J Hospital and research Center, Gunasheela IVF Center. The exhibition brought to the forefront the variety of available medical treatments in Karnataka to the region and build relationships with the medical fraternity in the region.

3.2 Insurance

At wockhardt hospitals, health insurers Blue Cross and Blue Shield insure patients treated at the group's hospitals. The British health insurer Bupa also insures the costs of treatment at Wockhardt hospitals.

3.3 Targeting the Expatriates

Well to do first and second generation expatriate Indians are aware of the hitech healing with high qual-

ity and low cost hospitals. Estimates say that there are about 12 million expatriate Indians who combine regular visits to India and save money and time by undergoing elective procedures like cataract surgery, dental work, knee surgery and cosmetic surgery.

3.4 Tripartite Synergy Between Hospitals, International Tour Operators and The Respective State Governments

Apollo Hospital is in talks with Thomas Cook, a holiday tour operator, to offer a package deal for patients wishing to avoid long National Health Service queues at home. The impending deal, if materialized, would give a huge boom in revenues. Negotiations are also in progress between Apollo and Sita Travel to offer medical treatment at nine pre-designated hospitals in India and Sri Lanka.

3.5 Offering Holistic Health Solution

Making effective use of alternative medicine systems India can bill itself as a holistic health solution. This would mean a strong clubbing of a number of 'pathies' like naturopathy, homeopathy, yoga, ayurveda, meditation etc. This unique basket of therapies is an unmatched offering, which perhaps no other country can offer. This will take the 'Incredible India' campaign forward.

3.6 Standardization of a Price Band

According to Joy Chakraborty, Deputy Administrator, Shri Ramachandra Medical Centre there should be a price band for graded hospitals and a quality assurance model be taken up immediately to take Medical Tourism ahead. CRISIL and ICRA are working on it but there are some roadblocks. The government is initiating the idea of rating specialized hospitals to attract foreign tourists visiting the country for medical treatment. "We are trying to fix a price band through star ratings to facilitate medical tourism," Union minister of tourism Renuka Chowdhury said it would work just like the hotel business. A star rating of a hospital or a price band will allow the patients to know and assess in advance the medical facilities available. "It would help one check his expenses also well in time," she added. The tourism ministry is working out the rating system in consultation with its health counterpart and the private sector. It has also roped in the Confederation of Indian Industry for help. Incentives are also being offered to the private sector to help boost medical and cruise tourism.

4 Conclusion and Accreditations

Pratahap C. Reddy's Indraprastha Medical Corporation (IMCL) Delhi would be the first hospital in In-

dia to get the gold quality seal from Joint Commission International (JCI) of the US. IMCL is modeled on the Hospital Corporation of India (HCA). Reddy hired Anne Marie Moncure, formerly a director at one of the HCA Hospitals with 2 years experience behind her, as managing director of IMCL. 10 months after she actually took over and after 5 days of inspection, IMCL was recommended for accreditation by JCI on 17 June. JCI seal is the most coveted seal for all corporate hospitals in India. In the queue after IMCL are Wockhardt Mumbai, Apollo Chennai, Manipal Hospital in Bangalore, Sri Ramachandra Medical Centre (SRMC) in Chennai. The JCI seal would convince the overseas patients that the hospital in India measures to the best in the US in terms of patient care and safety. It would make it easier for these hospitals to be eligible for cover by the US insurers (though the decision would be insurer's). All this, in turn, will attract more health travelers.

Medical Tourism has legs, but what is needed is Government help in order to become a hub for Medical Tourism. Countries like Singapore, Malaysia and Thailand are ahead of India in the marketplace. The Indian government needs to spend on infrastructure for hospitals, and create specialty tourist packages to include medical treatments to promote medical tourism. All this when accomplished, the day is not far when the distance between the two countries will not be a daunting factor for Americans.

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