Is India prepared for rising Medical Tourism?

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Abstract
Medical Tourism is known concept in Indian Healthcare Industry which is rising very fast. It is catering lot of foreign patients these days. To be precise, Medical Tourism refers to the tourists traveling to foreign countries for a specific medical treatment being done for better services and lower costs. Travellers prefer to go beyond the geographical boundaries for the treatment as the cost of travelling in addition to medical treatment is much lesser than the individual treatment in home countries. The prime reason is attributed to the cheaper labor in destination countries.
The current study is directed towards the Healthcare Industry & rising Medical Tourism in India. The study discusses the potential available in this field in Indian conditions and whether India is fully prepared to combat with such large inflow of tourists. The views from hospitality industry, healthcare industry and general foreign patients are taken in account to analyze their concerns for treatment and travelling in India. With such variables, the basic layout plan is presented which includes potential areas of improvements.
The data analysis is both Qualitative and Quantitative through primary and secondary resources. The analysis reveals some major areas of improvements in the field of Medical Tourism which ranges from tourist’s safety to maintenance of International standards within the hospitals. The results and recommendations will be helpful for the healthcare and hospitality department to notice the weaknesses from tourist’s point of view and can implement a better plan to develop better facilities required in this area.

Keywords
Medical Tourism, Health Sector, Marketing Strategies, Strategic Management, Medanta-The Medicity

Introduction
India is one such country that is becoming one of the favorite spots for the medical tourists (Prasad, 2007; Kaur, 2007; Bhangale, 2008; Singh, 2011). It offers high quality health services in the lowest possible costs of all the other medical tourism destinations. Various hospitals have been given accreditation by Joint Commission International (JCI). These hospitals have good physicians and well trained staff to handle the responsibilities. Many hospitals also bundle the services into a package deal that includes the medical procedure as well as the cost of treating any complications. Few notable hospitals even have hotel rooms or can offer discounts for the hotels nearby the locality of that hospital.
As per a report by Corporate Catalyst India (CCI, 2012), the growth of Indian Healthcare Industry will be 15% compounded annually with 90% of players being from private sector. According to MD & CEO, Yes Bank, Mr Rana Kapoor, who has recently conducted research in the area of healthcare tourism in India along with apex chamber of commerce FICCI, “India has been ranked among the top five destinations for medical tourism”. Anupama Sharma, assistant professor at Maharaja Surajmal Institute, in her article (Sharma, 2013) “Medical tourism: emerging challenges and future prospects”, says, “The Indian medical tourism industry is presently at a nascent stage, but has an enormous potential for future growth and development.”

Factors affecting rise in Medical Tourism
According to the reports referred in the article by Herrick, approximately 250,000 medical tourists toured to Singapore, around 1 million traveled to Thailand, while around 500,000 sought medical care in India (Herrick, 2007).
There are several reasons that stir the purpose of travelling as the medical tourists. Low cost and high quality are of course on the top of the list. Though no one would prefer crossing the borders in order to
save just $200 or less, according to a recent nationwide survey on Americans’ willingness to travel for health care, fewer than 10 percent only would travel to save $500 to $1,000 (Herrick, 2007). The survey reports further says that about one quarter of uninsured citizens and only about 10 percent of the people with medical insurance would travel abroad for the health care if that could save $1,000 to $2,400. Also, about 38 percent of those who are not insured along with 25% of the insured would care to travel abroad for the treatments for the savings exceeding $10,000.

The wide range of differences in the costs of the medical treatments and surgeries between any two different countries saves the strain caused on the pockets of, majorly, middle class families. For instance, for a partial hip replacement Argentina, Singapore or Thailand charge $8,000 to $12,000- that is one-half the price charged in the United States or Europe (Herrick, 2007; Krasner, 2012). Comparing the cost for the cardiac surgery that is $30,000 in the United States, Apollo Hospital in New Delhi, India, charges only $4,000. For a knee replacement, $18,000 is charged in the hospitals in Singapore, $30,000 is charged in the United States, whereas in India the treatment costs only for $12,000. Even non-surgical procedures and tests, like MRI, are lesser expensive abroad, that is, what might account for more than $1,000 in the Unites States costs from $200 to $300 in Brazil, Costa Rica, India, Mexico, Singapore or Thailand.

These wide ranges of differences in the cost of medical treatments, surgeries and other non-surgical tests among different countries could be due to a number of reasons- one such reason being the differences in the labor cost. Comparing with the countries where the prices for the health care are skyrocketing, wage rates and other labor costs are lower in the countries that provide medical treatments at lower costs. Labor cost equals more than half of the hospitals’ operating revenue in the United States. In contrast to that, the salaries of median nurses in India are one-fifth to one-twentieth of those in the United States (Herrick, 2007). Unskilled and semi-skilled labors, such as janitors and orderlies, are also paid much less. Even the doctors in India earn about 40 percent less than the comparable physicians in the United States.

Apart from easily affordability, high quality services for the medical tourists are also ensured. Foreign health care providers provide physicians with internationally respected credentials, many of them being internationally trained in overseas area like the European Region, Australian region and Canada region or even at the States. Where on one hand some countries adopt their own accrediting standards, around 20 hospitals abroad are accredited through the International Standards Organization, while on the other hand more than 120 are accredited by the Joint Commission International (JCI) (Keckley, 2008; Mishra and Shailesh, 2012). Also, some prestigious American universities or health care systems such as Johns Hopkins International and the Cleveland Clinic manage, own or affiliate some foreign hospitals that are sometimes the centers of medical tourists’ attractions.

The residents of countries like Canada and the United Kingdom that are offered national health insurance, often travel to the other countries because they do not get timely access to elective procedures due to rationing. In Canada, if some medical treatment is covered under the government health plan (Medicare), then those treatments cannot be treated privately by the physicians. Also, sometimes, some particular patients are denied treatments by national health systems due to their age or physical condition, or due to any other reason as per their respective laws. In addition, some of the medical treatments are unaffordable by the fellow residents.

In the United States, millions of Americans commit to low-budget plans due to high premium for health insurance. These low-budget plans include only a handful of health services. Also, the reductions in the health insurance and its benefits for the retirees and the employers deprive a large number of the citizens availing the apt health services. Hence people are unable to afford the cost of their medical treatments when they suffer any medical problem which results in the avoidance of the hospitals or physicians and cause a major hurdle in the timely treatment to their illness. Thus, it is seen, that the sector of health tourism is of great and immediate importance.

With the emergence of the trend of medical tourism, many medical treatment brokers are also emerging for the convenience of the people opting for medical tourism. These agencies help in searching for the best suitable facilities under the client’s budget and interest. These agencies, sometimes, helps in hotel reservations or in finding any other means of accommodation, in
negotiating prices and in transferring medical records. People can also make use of social media sites, search engines, or emailing directly to compare and contrast between the hospitals or the health care centers of different countries with the best affordable care and better results. Online communities could also be used to get information on the safe practices that are followed and quality of the health service providers by reading the feedbacks and the testimonials of the ex-patients who have had surgeries or treatments abroad. Also, some hospitals advertise themselves through web media, print media like magazines, running campaigns, international patient centers or provide a 24-hour call centers to attract patients by giving them the required insights of their services and to make themselves easily accessible to the people across the borders that have got their needs synchronized with the services these hospitals provide.

Why India?
India ranks second in the world for the medical tourism (Sharma, 2012). Though it spends less than 1.2 percent of its GDP on the medical services, but makes extra efforts to provide extra care and services to the foreign tourists while dealing with them. Because of the low cost and good range of medical treatments, India has a high potential in the medical tourism. As per the report by the Delhi-based RNCOS that specializes in industry intelligence and creative solutions for the contemporary business segments, in the global medical tourist industry India’s share will reach around 3 percent by the end of 2013 (Wharton, 2011).

As suggested by the report “Booming Medical Tourism in India”, (RNCOS, 2013), the Indian Tourism Industry should generate revenues of around US$3 billion by the end of 2013. India not only offers high quality treatment at sensational pricing but the infrastructural standards are now at par with the global best practices (MTC, 2013). Today, some hospitals in India have such equipment and infrastructure that competes with the best hospitals across the globe. The rise of Medical tourism is hence seen as a milestone for the growth of Indian economy (IBEF, 2012). And one of the preferred and emerging cities in India is New Delhi (Cati, 2013; Grewal, 2009).

Risk Factor Management
However, with the pros of selecting India as a medical tourism destination (Dawn and Pal, 2011), there are some cons attached as well (Gopal, 2008; IITTM, 2011; Maini, 2013; Swain and Sahu, 2008). While on one hand some of the Indian hospitals are JCI-accredited and internationally affiliated, many other hospitals are there that are unable to cope up with the demands of even the residents. Despite having highly qualified and well-trained doctors and best service providing nurses, hospitals’ management is still lagging behind somewhere. With the present scenario of infrastructure availability and high quality, India is no doubt becoming a favorite of the foreign patients. But when it comes to attracting and accommodating large number of foreign travellers, there arises a need to check out whether India is effectively ready to take up the challenge to become the best medical tourism destination or not.

On one hand where India displays its most posh and sophisticated places, a poor nation is still residing at the core of India’s heart. Maybe, at one hand, that might be the cause of lower prices of the medical treatments, but the unhygienic environment that sustains within the grooves of its roads is a big hurdle in attracting foreign patients. The problem increases when such unhygienic conditions exist in the hospital venues, which might be a government or private hospital destination, and the doctors are highly qualified and well-trained beside the low costs of the services. Hence, necessary steps must be taken to make the country clean and hygienic. Also, a good hygienic environment, to some extent, saves a good number of people, especially the locals, from getting ill.

The overpopulation of India could also be seen many a times in the long waiting queues at the hospitals. With such long queues, sometimes, there is ill-management in the hospitals that may cause a frustration to the patient’s patience and involve too much of their time than is necessary. Therefore, there the hospitals’ availability should be enough to overcome the required needs of the patients with good infrastructure and best technological instruments.

Though there are some hotels that have their own hotel rooms that they provide to the foreign patients, or at least can provide discount in the nearby hotels, not many hospitals gives this facility.
Accommodation might become a major problem in case there of heavy inflow of tourists in India for their medical treatment. In such a case, the Indian Healthcare Industry will be considered successfully booming up for medical tourism by measuring the inflow of the medical tourists but won’t be have necessary resources for its justifications. This makes it imperative to check out the availability of accommodation facilities for these patients.

In India, there are no stringent laws in case of the treatment failures or complications if the cause has been doctor’s malpractice or carelessness. Also, hardly any person is given a choice to sue the doctor. Since the practices and performances of doctors stand hand-in-hand with the lives of their patients, there must be strict laws against the malpractices and the mistakes committed by the doctors. A foreign patient of course would expect a legal action against any of their loss. Also, the insecurity of women has become one of the major area of concerns, and that too in the places like Delhi-NCR where the Medical Tourism for India is highly concentrated. Public transports, and that too during the night, could be highly dangerous. Even the looters and robbers never lose a chance on catching a sight of an innocent. Thus, a quick and efficient implementation of the safety laws should be ensured by the police and other concerned authorities.

Though the government has produced a medical visa (M Visa) which is easier to get, specific law on this has also been added, “Foreigners coming on Medical visa will be required to get themselves registered mandatorily well within the period of 14 days of arrival with the concerned Foreigners Regional Registration Office.” This has resulted in the lesser use of M visa and the foreigners are coming for the medical treatments on the normal tourist visa. This is, therefore, one of the things that too should be put in order to intensify the quality of medical tourism.

Another of the major flaws of Indian Healthcare Industry is that the patients that are recovering from diseases like cancer are not encouraged for the follow ups. Neither are the doctors supportive, nor are the patients active for the follow up care. This is very risky for a long term health commitment. Therefore, the health practitioners must value the health of the patients they have treated before aspiring to get more of the foreign patients (Anvekar, 2012).

This study will be conducted in order to understand the growing trend of Medical Tourism, to know the sufficiency of the present arrangements and infrastructure to cater the demands of the medical tourists and to understand the necessary development updates and upgrading of infrastructure for uplifting the quality of the health care provided in India.

**Medanta – The Medicity**

“Medanta – The Medicity”, situated in National Capital Region of India near New Delhi, is India’s largest multi-specialty hospital founded by eminent cardiologist of India, Dr Naresh Trehan. Understanding the importance of rising medical tourists in India, Dr Trehan established this institution with special focus on International patients. The hospital is equipped with all the International level facilities and is an important facet of India towards the rising medical Industry.

**Research Methodology**

In this study, all the prospects of the Medical Industry of India, especially Medanta – The Medcity, are reviewed to check out whether the marketing strategies are sufficient enough to equip the demands of the foreign patients. The objectives of this research revolve around identifying the fact that whether India is prepared to handle the large number of foreign patient’s demand for medical treatment or not.

The study is based on the qualitative analysis majorly with some quantitative analysis as well where the data has been collected from different categories of patients, hospital’s management committee and through referring various surveys, statistics and reports. The surveys were done by promoting different sets of questionnaires through internet for getting opinions and views of different types of audience in India and abroad. A total of 110 respondents’ responses were recorded.

**Key Findings**

The findings have been on the basis of Delhi NCR region to decipher the preparedness level for medical Tourists. International market targeted by Medanta is large and extensive. With small gestures and good
background research, Medanta has been able to keep up with the requirements of variety of International patients. There are few modern areas of marketing which are yet not very strong. Social media marketing plan has not been very strong to bind the various areas to attract and share a common platform for discussion.

Based on the data collected from the various foreign patients and hospitality staff in Delhi-NCR working towards arrangements for the medical tourists, the key points that emerged are:

- 57% said inadequate arrangement for post treatment arrangements is a concern where a patient may have to stay for some time to give recovery report to the doctor
- Another area which became prominent and was supported by 70% of the patients was fear of medical practitioners being not genuine and carrying fake certificate. Only trusted names like Dr. Trehan was known around the world from India but otherwise fraudulent cases have made them to think twice before referring to some doctor.
- Cumbersome visa process is also a concern for 63% where medically a patient needs to reveal many documents to support the candidature for India visit
- Hearing news for safety towards women and foreign nationals in Delhi makes 78% of the patients worried about their visit to India

The hospitality industry people raised the following key concerns:

- 68% said there is no common platform for enrolling a patient for medical treatment i.e. support from hospital’s infrastructure is less in coordinating with hotels and other hospitality area to give a good experience to the foreign tourist
- Only 29% agreed that there are sufficient numbers of good hotels in the nearby areas of the hospitals where foreigners visit frequently. Rest of them urged for better development in Hotels infrastructure.

The healthcare industry people presented their views through following key points:

- There is no support from the genuine medical agents to get connected to the patients.
- The reliability and trust is an issue for patients coming to the India for treatment
- Hospitals are less with international level equipment for the treatment

Discussion

The various points have been discussed in details regarding to Indian preparedness for Medical Tourists based on responses and data collected.

Indian Hospitals in general don’t have world class Infrastructure

The first of the viewpoint was that of foreign visitors who already had a treatment in India for their ailment in the past. More than 50% did not agreed to the fact that Indian Medical Infrastructure was up to the world class level. Just 33% agreed to good quality infrastructure and a meager 15% strongly supported this fact that went through the treatment of selected doctors of India.

The second viewpoint was from people who are willing to come to India for their treatment and want to be a part of medical tourism due to cheap cost treatment available in India. Out of the interested foreign visitors, except 15% of the respondents, rest 85% did not denied to the fact that infrastructure is a major hurdle in coming to India for medical tourism. In fact the role of media here is strong that the best of the infrastructure is being communicated and most of the patients were more aware of the Hospitals in Metro cities like Delhi-NCR and Mumbai. People looked forward to coming to India but infrastructure wasn’t the reason stopping them as per their sources and views. They had fair amount of impression about India and the conditions prevailing here.

The third viewpoint was that medical practitioners in India. They were practically involved in the Indian Medical industry and were more aware of the latest technologies being used here and what kind of Infrastructure exists in Indian conditions. More than 80% of them agreed to the equation of promoting medical tourism with existing infrastructure for medical treatments. Practitioners believed that latest technologies are reaching Indian territory and the procedure has seen a remarkable improvement since last decade. The practitioners were in favor of promoting medical tourism with
given set of resources and Infrastructure in a planned manner though other factors were really not favorable as per them.

The last viewpoint was taken from the people around the world from Tourism and Hospitality sector working towards tourism in India. They were all not from India and were present in different parts of the world. Almost 58% of the total respondents agreed that Indian Government and authorities should invest more in Infrastructure to provide a better tourist experience. Better facilities for tourism, travelling in India and medical infrastructure will boost up the number of visitors coming to India. The legalities and operational issues should be resolved in quick time in order to provide least botheration to the various visitors.

Overall the statement can be accepted given the mean responses of the questions based on this area. Though medical infrastructure has improved a lot but still actual users are still a bit hesitant about them. Right now they are in compromising situation due to high cost in their country, but if rival countries provide equally cheap medical treatment with world class infrastructure, the prospects for India may go down.

Indian Environment is not safe for foreign travelers

This concern got a strong support from almost all the sections of the respondents. Be it Indian respondent or outsider, this was a major issue supported by all the corners of the world. Almost 90% of the foreign visitors who got treatment in past were not agreeing to the good security and safety policies in India. The kind of incidents they saw in news and the kind of behaviors they experienced was not really matching. They expected a much safer environment in Indian scenario and were not comfortable in roaming around the vicinity of their destinations. Eve teasing and fraud cases were the most prominent cases they experienced in some or the other form and were really painful about them. With media getting involved full-fledged these days, the potential visitors for medical treatments are getting an overview of safety in India especially the female visitors. Almost 75% respondents agreed to the safety concerns in India and cited terrorism and rape cases as the biggest threat to travellers in India. They wanted an extreme care and support before visiting India for the Medical treatments. Even the medical practitioners were not really happy about the safety of foreigners in India. They were almost unanimous about the safety concerns in India with respect to the travellers. They wanted stringent policies against the culprits and more security cover should be provided to the visitors.

Same was the case with the Hospitality members who wanted an assurance before guiding foreigners to visit India. They were apprehensive about the recommendations to India on the grounds of lack of security and said the most common queries regarding the Indian visit is due to the safety policies in the country.

The point is thus strongly accepted in the given scenario of safety standards being followed in India. More work needs to be done in this Area and better security mechanisms needs to be followed to assure the travellers about their safety in the country for any type of tourism.

Indian Hospitality Industry is not well prepared for world class treatment

The visitors who got treated in India were happy about the hospitality in India. Almost 85% were agreed to the fact that hospitality was good in India and they were given good treatment on their visit for medical tour. They also recommended on coming back to India for treatment next time. More than 60% of the respondents said that they would like to return to India next time for medical visit. Those who denied were only concerned about the safety and if properly tackled, they would like to get their medical procedure being done at cheap rates in India.

With the potential tourists, more than 60% agreed to the fact that India looks a promising destination for the medical treatment and more than 50% said they would like to visit India for their medical treatments. Also with so many world heritage sites, visitors were excited to come to India via medical route so that once treated they can have a short sightseeing trip to get themselves engaged in the rich culture and heritage of India.

With the kind of medical treatment system available in India, medical practitioners believed that India should invest more in Medical Industry and integrate it with tourism industry in order to generate
more revenue. They were fine with the current hospitality standards and said some of the upcoming projects in India would be at par with world class facilities in Medical Industry in India. With the members from hospitality sector, 70% agreed that Indian Hospitality is not up to the international level and has must be raised in order to attract quality tourists in India. They were also supportive of the fact that more and more investments should be done in Infrastructure and hospitality sector so as to serve the needs of the patients in a better manner. Since the hospitality fraternity didn’t support the fact that we are well prepared in the Hospitality Industry for the medical tourists in India, we accept this statement as well.

Conclusion

Overall the results were more positive for medical tourism in India but there were many factors identified by the key people involved in this Industry. Medical practitioners were more or less concerned about safety standards for medical tourists. They were in favor of the existing medical practices and were supporting the case where promoting medical tourism can generate lot of revenue for India. They said the treatment standards are up to the mark can attract a lot of tourists if planned and promoted in a much more planned and positive manner. More than 60% of hospitality and tourism Industry people said that perception about medical treatment in India is good amongst the tourists and they are looking forward to visit India though much more emphasis should be laid on Infrastructural development and providing international level hospitality standards.

The past tourists said that undoubtedly the rates are really cheap in India for medical treatment as considered to western side or lesser developed countries. More than 70% of them also supported that no level of treatment and facilities are fine and can be improved as the time progresses. But the only concern for them was safety and security policies. They also said that the post-treatment follow up procedures needs improvements and can be dealt in much better manner.

The visitors, who want to come to India, are fine with the kind of facilities and infrastructure available at the moment. They had good reviews about cheap treatment available in India but the only concern about their visit is the lack of safety for foreign visitors in India. The cases that are depicted through media in the country are not supporting the cause and needs a better response from Indian Authorities.

Implications

With Medical Tourism showing such rising pattern, many hospitals can target Medical Tourists and provide them specific treatment for them and create specific environment for them. New models can emulate Medanta’s model of success by targeting correct segment and following their practices. Other allied industries can also be benefitted with rising medical tourism like hospitality, tourism and travel. So the networking between the allied industries gives openings to lot of new ventures and practices.

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