

Review Article

Medical tourism: a new growth factor for Indian healthcare industry

Manoj Kumar Gupta^{1*}, Veena Rajachar¹, Chandra Prabha³

¹Department of Research, Institute of Health Management Research (IIHMR), Bangalore, Karnataka, India

²Department of Community Medicine, IMS, BHU, Varanasi, Uttar Pradesh, India

Received: 17 July 2015

Accepted: 11 August 2015

*Correspondence:

Dr. Manoj Kumar Gupta,

E-mail: drmkgbhu@gmail.com, manojkgupta@iihmr.org, www.iihmr.org

Copyright: © the author(s), publisher and licensee Medip Academy. This is an open-access article distributed under the terms of the Creative Commons Attribution Non-Commercial License, which permits unrestricted non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

ABSTRACT

Epidemiological transition has given the opportunity to grow the traditional system of medicine across the world. Indian healthcare system which is already famous for providing quality of medical services at affordable cost as compared to developed countries took advantage of this opportunity and created a 'basket of services' by merging traditional medicines in existing allopathic system to attract patients across the borders. Government has made efforts in the direction of promoting medical tourism in the country and this has been fuelled by the private players both nationally and internationally. Recently this medical tourism has proved a major growth factor for expansion of Indian economy. However, the growth in this sector is underscored in terms of market share and cost advantages due to various challenges. There is also a need for proper diversion of revenue by a clear cut mechanism to strengthen the nation's healthcare sector.

Keywords: Medical tourism, Indian economy, Epidemiological transition

INTRODUCTION

Medical tourism: a new growth factor for Indian healthcare industry

Demographic transition along with rapid structural changes in disease patterns, as a consequence of rapid changes in lifestyle, has led to the 'Epidemiological transition' across the world. The growing burden of non-communicable diseases changed the demand and supply pattern of healthcare services and increased the opportunities to grow the 'traditional systems of medicine'. Gradually, this 'indigenous system of medicine' gained popularity across the world because of its proven results and lesser side effects in long term consumption and started attracting patients across the borders. Indian healthcare system which is already famous for providing quality of medical services at affordable cost as compared to developed countries took

advantage of this opportunity and created a 'basket of services' by merging traditional medicines in existing allopathic system. This 'basket of services' became major point of attraction to increase the inflow of patients in the country. Healthcare sector in India has progressed at an impressive pace over the past five years and the "medical tourism" has proved as a major growth factor for the expansion of Indian economy. During this decade (2011-20), the market is expected to record a Compound Annual Growth Rate (CAGR) of 17 percent. Healthcare revenue in India is set to reach USD160 billion by 2017 and USD 280 billion by 2020.¹

GROWTH OF MEDICAL TOURISM IN INDIA

Medical tourism which is alternatively called "health tourism" or "wellness tourism" is an amalgamation of two distinct service sector 'healthcare' and 'tourism' with niche service features. Since ancient times, India is well

known for its rich cultural heritage, tourism potential and hospitality. Along with diversity of tourism destinations and experiences, presence of world-class hospitals, vast supply of skilled medical professionals of international reputation, quality service at affordable cost, strong presence in advanced healthcare, high success rate in treatment, less waiting time in the hospitals and patronage of age old therapies has strengthened India's position as a preferred destination for medical tourism. This is emerging as one of the most lucrative investment areas in the country and is likely to be the next major foreign exchange earner for India.²⁻⁵ Sustained growth of corporate hospitals and hospital chains across India and government patronage and promotion of medical tourism as part of public policy are other factors responsible for growth of medical tourism in India.⁶ As a silent revolution, medical tourism industry has become one of the fastest growing service sectors of 21st century. India ranks second as medical tourism destination in the world after Thailand⁷ and India hosts about 150000 medical tourists annually, and this number is expected to grow by 15 percent every year.⁸

This growing medical tourism has also given opportunity for reemergence of traditional medical care in India. Traditional medical sector is developing Traditional Knowledge Digital Library (TKDL) to prevent companies from claiming patents on such remedies. Among the most popular sought after treatments by the medical tourists in India are cardiac surgery, orthopedics, dental care, cosmetic surgeries, organ transplant and surrogacy.⁹

Several healthcare facilities of India had won international awards in the perspective of healthcare excellence in medical tourism.^{10,11} India is now moving into a new area of "medical outsourcing," where subcontractors provide services to the overburdened medical care systems in western countries.²

To maintain the quality of care at par with international standards, hospitals and healthcare setups started looking for quality accreditation/certification as mandatory requirements. To provide access of real time data from anywhere to the foreign patients, to reduce the frequency of travel for follow-ups, for easy maintenance of patient records, to standardize the quality of service delivery, control cost and enhance patient engagement, hospitals also started exploring the invasion of IT component in their setups. Foreign private players also started grabbing this opportunity for conducting profitable international business and to exploit the benefits, started investing in Indian healthcare market.

EFFORTS SO FAR

A lot of efforts have been made by Government of India in the direction of making healthcare services at par with international standards. The National Health Policy 2002 itself has effectively motivated the private hospitals for

importing medical equipment and instruments and thus, promoted many Indian medical institutions to reach the world-class level in the hardware device. Indian government has carried out 'star' standard management to divide medical institutions into three levels (three, four and five-star) based on their levels of hardware devices and health care services. This standard was formulated jointly by the Ministry of Tourism and the Ministry of Health. Some state governments also took measures to promote the development of local medical tourism in their respective states.¹² For instances, Karnataka is in the process of setting up of a Bangalore International Health City Corporation (BIHCC) to provide broad range of health care products and treatments to patients. In Maharashtra, the health and tourism industry in association with the State Government has set up Medical Tourism Council of Maharashtra (MTCM). Gujarat has declared a separate policy for medical tourism, with the objective of creating integrated medical tourism circuits based on the location of specialty hospitals, heritage and culture. Goa, which is known for attracting tourists for its beaches and exotic cuisine, has fine-tuned the hospitality skills into an art, and is now attracting healthcare tourists with focus on cosmetic treatments. In Kerala, medical tourism grew without much willful collective effort because of its famous Ayurveda health packages. Major hospitals like KIMS-Trivandrum, Lake Shore and AIMS in Kochi, and MIMS-Calicut have pioneered joining hands with the government for promoting Medical Tourism.

Govt. of India has also made efforts in the direction of modernizing and expanding airports in the country, introducing 'M' and 'MX' visa to ease the medical tourist arrivals, promoting many hospitals as centres of excellence in its tourism brochure, promoting quality care of healthcare institutions through establishment of National Accreditation Board for Hospitals (NABH), developing various promotional tools such as CDs, Pamphlets, Brochures, and other directories to promote health and wellness tourism in India. Indian government is also granting different incentives and tax rebate to various pharmaceuticals industries to provide medicines, surgical-equipments, and other medical facilities.¹³ Ministry of Tourism has conducted a campaign called "Incredible India", to promote 'Yoga and meditation / wellness tourism' in India, and have encouraged print and electronic media to persuade and attract the tourist for the same. It has also organized various road shows in West Asia (Dubai, Riyadh, Kuwait and Doha) to promote medical tourism. Market Development Assistance Scheme (MDAS) 2009 was also launched by Ministry of Tourism to provide financial assistance to different medical tourism service providers and wellness tourism service providers to participate in fairs, medical conferences, wellness conferences, wellness fairs and road shows.

CHALLENGES

However, in terms of market share the country enjoys only two percent of the global wellness market which evidently points at the under-utilization of the potential and wellness quotient that India treasures.¹⁴ Still there is an opportunity of hosting maximum number of foreign tourists from USA, UK, Germany, France and Canada, where demand of outbound medical tourism is very high because of high cost of treatment and long waiting lists.¹⁵ Whereas, in order to explore the untapped potential of these developed nations, market India has to make some effective measures on the status of community health and hygiene and need-based infrastructure especially in terms of connectivity, safety and security for the visitor travelling in the country.¹⁶ Besides that, a lot more is needed to tackle the parallel weakness of not having strong government initiative to promote medical tourism, lack of coordination between the various players in the industry (airline operators, hotels and hospitals), perception of customer about India as an unhygienic country, not having up to the mark regulation system for hospitals, improper waste management system and lack of uniform pricing policies across hospitals.^{2,3} The recent rape cases of foreign tourists and increasing crime rates in India further tarnished its tourism destination image.¹⁷ Ministry of Tourism has published and circulated a book named "Five challenges of medical tourism in 'Vulnerable' India", to focus on the problems of medical tourism.

The growth in the sector is also underscored by the cost advantage. Government of India considers medical tourism as a new supernova of Indian economy which can boost India's \$17 billion-a-year healthcare industry to grow by 13 percent in each of the next six years, which industry watchers say is growing at 30 per cent annually.² This revenue earned through medical tourism should be ploughed back to strengthen healthcare in the country. But such a clear cut mechanism is not in place. Besides that, corporate hospitals have repeatedly dishonored the conditions for receiving government subsidies by refusing to treat poor patients free of cost.⁶

Key messages

Medical tourism can be considered as a new supernova of Indian economy but, there is urgent need to tackle the challenges to exploit its full potential and to improve the healthcare of the country.

Funding: No funding sources

Conflict of interest: None declared

Ethical approval: Not required

REFERENCES

1. Frost & Sullivan. LSI financial services, Deloitte, Aranca Research, 2014. Available at:

- <http://www.ibef.org/download/Healthcare-August-2014.pdf>. Accessed 21 February 2015.
- Sagar R, Latha PV. Medical tourism - an emerging industry in India. *J Med Sci Res*. 2014;2(3):169-77.
 - Singh L. An evaluation of medical tourism in India. *Afr J Hosp Tourism Leisure*. 2014;3(1):1-11.
 - Wong KM, Musa G. Medical tourism in Asia: Thailand, Singapore, Malaysia, and India. In: Michael Hall, eds. *Medical Tourism: the Ethics, Regulation and Marketing of Health Mobility*. London and New York: Routledge; 2012: 167-186.
 - Wharton University of Pennsylvania. Healthy business: will medical tourism be India's next big industry? 2011. Available at: <http://knowledge.wharton.upenn.edu/article/healthy-business-will-medical-tourism-be-indias-next-big-industry/>. Accessed 10 March 2015.
 - Sengupta A. Medical tourism in India: winners and losers. *Indian J Med Ethics*. 2008;1(1):4-5.
 - Bose S. A study on problems and prospects of medical tourism in India with strategic implications. *Asia Pac J Market Manag Rev*. 2014;3(11):1-13.
 - India in 2014. Creating value with speed and quality: the new imperative. An annual review of key macroeconomic and sectorial trends. Accenture Institute for High Performance, 2014. Available at: <http://careers.accenture.com/in-en/Documents/pdf/India-in-2014.pdf>. Accessed 11 February 2015.
 - Swamy N. The preferred destination. *India today*, 2014. Available at: <http://indiatoday.intoday.in/story/world-class-treatmentand-cheaper-deals-medical-assistance/1/347252.html>. Accessed 23 March 2015.
 - Neild B. First medical tourism awards tout top treatment trips. *CNN*, 2014. Available at: <http://edition.cnn.com/2014/04/22/travel/medical-tourism-awards/>. Accessed 17 February 2014.
 - MTQUA (Homepage). World's best hospitals for medical tourists, 2013. Available at: <http://www.mtqua.org/providers/top-10-worlds-best-hospitals-for-medical-tourists-list/>. Accessed 22 February 2015.
 - Li Z. Attractive forces and risks of international medical tourism: a study based on India. *J Chem Pharmaceut Res*. 2014;6(8):125-9.
 - Sharma A. Medical tourism: emerging challenges and future prospects. *Int J Business Manag Invent*. 2013;2(1):21-9.
 - Mishra S. Prospects in medical tourism - India. *J Tourism Contemp Perspect*. 2014;1(1):13-7.
 - Mishra R, Shailesh K. Making Indian healthcare market a global medical tourism destination. *IOSR J Business Manag*. 2012;2(4):23-8.
 - Rai A, Chakrabarty P, Sarkar A. Forecasting the demand for medical tourism in India. *IOSR J Humanities Soc Sci*. 2014;19(11):22-30.
 - Rana P. Attacks on women rattle travelers to India. *The Wall Street Journal*, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304244904579278050017041212>. Accessed 24 January 2015.

Cite this article as: Gupta MK, Rajachar V, Prabha C. Medical tourism: a new growth factor for Indian healthcare industry. *Int J Res Med Sci* 2015;3:2161-3.