CHAPTER – II

MEDICAL TOURISM INDUSTRY – AN OVERVIEW

2.1 INTRODUCTION

Global competition is emerging in the health care industry. In earlier days, wealthy patients from developing countries have long traveled to developed countries for high quality medical care. Now, growing numbers of patients from developed countries are traveling for medical reasons to regions once characterized as “third world.” Many of these “medical tourists” are not wealthy, but are seeking high quality medical care at affordable prices.

Medical tourism is being perceived as one of the fastest-growing segments in India, as well as other developing countries. Outsourcing is now making inroads into medical care where “doctor shopping” is one of the phrases that is commonly heard. Some of the drivers of the phenomenon include, soaring costs at home, new technology, internet access and skills in developing countries with reduced transportation costs.

India promises to offer a range of services and quality healthcare at an affordable cost. This has become possible because of quality manpower, low priced drugs and other infrastructure. Hence the cost effectiveness is the key factor attracting foreign patients and non-resident Indians.

In India Apollo group of hospitals, Hinduja hospital, Max health care, Fortis heart institute, Breach Candy hospital, Asian heart institute and many more are
forerunners in this race. These groups have tie-ups with many chains of hospitals in Mauritius, Tanzania, Bangladesh and Yemen besides running a hospital in Sri Lanka and managing a hospital in Dubai.

Medical Tourism industry offers tremendous potential for the developing countries because of their low-cost advantage. The advantages of medical tourism include improvement in export earnings and healthcare infrastructure. No doubt a lot of countries—India, Thailand, Malaysia, Singapore, South Africa, Cuba, Jordan and Lithuania are fighting for a share of the market. In order to realize the full potential of the industry, it is imperative for these countries to develop a strategic plan for coordinating various industry players—the medical practitioners, private hospitals, policy makers, hotels, transportation services and tour operators. This chapter deals with history, global scenario, and various features of medical tourism industry in India.

2.2. HISTORY OF MEDICAL TOURISM

The concept of medical tourism was almost as old as medicine itself. Medical tourism has been around for centuries, though the concept of travelling for a specific medical procedure has gained enormous popularity in recent years. Its roots can be traced back to Greek pilgrims, who travelled to the small Mediterranean town of Epidauria in the Saronic Gulf. This area was the sanctuary of Asclepios, the god of
healing, so Epidauria emerged as the world’s first recorded medical travel destination.¹

2.2.1. MEDICAL TOURISM - ANCIENT TIMES²

Studies of ancient cultures depict a strong linkage between religion and healthcare, which dates back thousands of years. Most ancient civilizations recognized the therapeutic effects of mineral thermal springs and sacred temple baths. The following are some of the earliest civilizations.

The Sumerians (circa 4000 BC) constructed the earliest known health complexes that were built around hot springs. These healthcare facilities included majestic elevated temples with flowing pools.

During the Bronze Age (circa 2000 BC) hill tribes in what is now known presently as St. Moritz, Switzerland recognized the health benefits in drinking and bathing in iron-rich mineral springs. The same bronze drinking cups that they used were found in thermal springs in France and Germany, which could signify health pilgrimages within these cultures.

The Ancient Greeks were the first to lay a foundation for a comprehensive medical tourism network. In honor of their god of medicine, Asclepius, the Greeks erected the Asclepia Temples, which became some of the world's first health centers. People from all over traveled to these temples to seek

¹ <http://en.wikipedia.org/wiki/Medical_tourism>
cures for their ailments. Other therapeutic temples flourished under the Greek domain by the year 300 BC. One facility called the Epidaurus was the most famous and includes services like a gymnasium, a snake farm, a dream temple, and thermal baths. Other temple spas include the Sanctuary of Zeus in Olympia and the Temple of Delphi.

In India, the history of medical tourism was also slowly unfolding with the popularity of yoga and Ayurvedic medicine. As early as 5000 years ago, constant streams on medical travelers and spiritual students flocked to India to seek the benefits of these alternative-healing methods. When Rome became a global power, several hot-water baths and springs called thermae came into existence and gained popularity among the elite. These baths were not only healthcare facilities, but became commercial and social networking centers for the rich and the elite.

2.2.2. MEDICAL TOURISM - THE MIDDLE AGES

With the downfall of the Roman Civilization, Asia continued to be the prime medical tourism destination for healthcare travelers. Temples gave way to hospitals that provide clinical services to travelers seeking healthcare. These institutions are chronicled in medical tourism history.

In Medieval Japan, hot mineral springs called onsen became popular throughout the nation due to their healing properties. The warrior clans soon took notice of these springs and began using them to alleviate pain, heal wounds, and

---

3 Ibid.,
recuperate from their battles. Many early Islamic cultures have established a healthcare system that also caters to foreigners. In 1248 AD, the Mansuri Hospital was built in Cairo and became the largest and most advanced hospital in the world of that time. With the capacity to accommodate 8,000 people, this hospital became a healthcare destination for foreigners regardless of race or religion.

2.2.3. MEDICAL TOURISM - THE RENAISSANCE PERIOD

The Renaissance Period during the 14th to 17th century not only highlighted the rebirth of art and culture in Europe and England, but it was also a period where medical tourism flourished.

A village known as Ville d'Eaux or Town of Waters, became famous throughout Europe in 1326 when iron-rich hot springs were discovered within the region. Prominent visitors like Peter the Great and Victor Hugo visited these wellness resorts. The word “spa”, derived from the Roman term “salude per aqua” or health through waters, was first used here. During the 16th century, the rich and the elite of Europe rediscovered Roman baths and flocked to tourist towns with spas like St. Mortiz, Ville d'Eaux, Baden Baden, Aachen and Bath in England. Bath or Aquae Sulis enjoyed royal patronage and was famous throughout the known world. It became the center of fashionable wellness and became a playground for the rich and famous.

4 Ibid.,
2.2.4. MEDICAL TOURISM - THE POST-RENAISSANCE PERIOD

Towards the end of the Renaissance period, aristocrats from around Europe continued to swarm to Bath for healing and therapeutic cleansing.

In the 1720s, Bath became the first city in England to receive a covered sewage system and was ahead of London for several years. The city also received technological, financial, and social benefits. Roads were paved, streets had lights, hotels, and restaurants were beautified – all because of Medical Tourism. The most noteworthy traveler in the history of Medical Tourism is Michel Eyquem de Montaigne, the French inventor of the essay, and was believed to be the father of luxury travel. He helped write the earliest documented spa guide in medical tourism history. The discovery of the New World brought new destinations for European medical travelers. During the 1600s, English and Dutch colonists started building log cabins near mineral springs rich with medicinal properties. During this time, it was noted that the Native Americans in the New World were adept in the healing arts. Knowledge in herbal medicine was exceptional and rivaled those in Europe, Asia or Africa. During the 18th and 19th century, several Europeans and Americans continued to travel to remote areas with spas and health retreats hoping to cure various ailments like tuberculosis.

\[5\] Ibid.
2.2.5. MEDICAL TOURISM FROM THE 1900S TO 1997

During this time, the USA and Europe were not only the commercial and industrial centers, but they were also the center of the healthcare world. Medical travel was limited to the affluent rich who traveled to these countries in order to receive high-end medical services.

In 1933, the American Board of Medical Specialties (ABMS) was established and became the umbrella organization for the medical specialty boards in the United States. The ABMS established educational and professional policies, which became the blueprint of standards around the world.

In 1958, the European Union of Medical Specialties (UEMS) was formed. The UEMS is made up of different National Medical Associations from member nations of the European Unions. During the 1960s, India became a destination of choice for pilgrims when the New Age movement began in the USA. The flower child movement, which drew the elite and socialites of America and the UK, eventually developed into a full-fledged medical tourism industry, with yoga and Ayurvedic medicine rediscovered. With the cost of healthcare rising in the 1980s and 1990s, American patients started considering offshore options, like dental services in Central America. While US doctors were appalled at the idea of seeking healthcare in foreign hospitals during these periods, Cuba started programs luring foreigners for eye surgeries, heart and cosmetic procedures.

Ibid.,
2.2.6. MEDICAL TOURISM FROM 1997 TO 2001\(^7\)

The Asian economic crisis in 1997 and the collapse of Asian currencies prompted government officials in these nations to direct tourism efforts in marketing their countries as premiere destinations for international healthcare. Thailand quickly became the hub for plastic surgery, with fees charged at a fraction of what Western countries offer. It was in 1997 that the Joint Commission International (JCI) was formed to check and investigate international healthcare facilities for conformance to international standards due to the emergence of health providers around the world.

2.2.7. MEDICAL TOURISM FROM 2001 TO 2006\(^8\)

After the events of 9/11 and the construction boom in Asia, medical tourism continued its massive growth with as many as 150,000 US Citizens traveling to destinations in Asia and Latin America in 2006. During this time, the dentistry and cosmetic surgery industries reached new heights in these countries.

Thailand, Singapore and India became legitimate medical destinations due to JCI accreditation. Other Southeast Asian and Latin American countries are emerging as healthcare destinations as well with JCI accreditation and partnerships with prominent US-based health providers.

\(^7\) Ibid.,
\(^8\) Ibid.,
2.2.8. MEDICAL TOURISM IN 2007 AND BEYOND

The number of American medical tourists swelled to 300,000 in 2007, the largest ever in medical tourism history. This figure is estimated to reach over a million by 2010, as patients continue to pack suitcases and board airplanes for offshore procedures such as face-lifts, bypass surgery and fertility treatments.

In 2008, several healthcare and insurance companies in the United States have considered medical outsourcing. Offering their members to get non-emergency procedures and surgeries in other countries. Many are also considering foreign medical procedures as part of health plan coverage.

2.3. MEDICAL TOURISM GLOBAL SCENARIO

In the global medical tourism industry, there is a growing number of less-affluent patients from developed countries traveling to regions once characterized as “third world”, where seeking high quality medical care are available at affordable prices. McKinsey & Company and the Confederation of Indian Industry estimate that the gross medical tourism revenue at more than $40 billion worldwide in 2004. Others estimate the worldwide revenue at about $60 billion in 2006. McKinsey & Company projects that the total will rise to $100 billion by 2012.

---

9 Ibid.
2.3.1. MEXICO

Americans, particularly those living near the Mexican border, now routinely cross to Mexico for medical care. Popular specialties include dentistry and plastic surgery. Mexican dentists often charge one-fifth to one-fourth of US prices, while other procedures typically cost a third what they would in the US.

This trend has alarmed American healthcare providers who, fearing a loss of business, warn patients away from Mexico. "The phenomenon has unsettled US-based dentists who tell horror stories of rampant infections, undetected cases of oral cancer and shoddy work south of the border", claims hotly disputed by Mexican dentists. "In Texas, legislators explored the possibility of allowing health maintenance organizations to operate on both sides of the border. However, physicians in south Texas lobbied against the changes, arguing that local doctors could not compete with the lower costs in Mexico".11 US doctors point out that the Mexican legal system makes it almost impossible to sue Mexican doctors for malpractice.

However, many who travel to Mexico for care report that they are satisfied. According to a report commissioned by Families U.S.A., a Washington advocacy group for health-care issues, "About 90 percent [feel] the care they had received in Mexico had been good or excellent. About 80 percent rated the care they had received in the United States as good or excellent".

Indeed "some U.S. dentists ... have conceded to the competition and begun a 'reverse migration' opening offices in Mexico to take advantage of lower costs". More American insurers are providing coverage for travelers, as the out-of-pocket costs to them are much lower. "With healthcare costs in the United States continuing to rise, many employers in Southern California are turning to insurance plans that send their workers to Mexico for routine care, plans that are growing by nearly 3,000 people a year."

In addition to dental and plastic surgery, Mexican hospitals are popular for bariatric surgery for weight loss, considered an elective procedure that is not covered by some US insurers. A popular bariatric procedure, lap band surgery, which was approved by the FDA in the US in 2001,\(^\text{12}\) has been performed for longer by Mexican surgeons.

Mexican physicians have a thriving business treating American (and Canadian) retirees searching for low-cost drugs, dental care and physician services. Prices in Mexico are about 40 percent lower than in the United States. Cash-paying, uninsured Americans can find better deals on procedures in Mexico, including price quotes and package prices, which most American hospitals do not offer.

2.3.2. THAILAND

Medical tourism has been a growing segment of Thailand's tourism and health-care sectors. In 2005, one Bangkok hospital took in 150,000 treatment seekers from abroad. In 2006, medical tourism was projected to earn the country 36.4 billion baht.\(^{13}\)

Treatments for medical tourists in Thailand range from cosmetic, organ transplants, cardiac, and orthopaedic treatments to dental and cardiac surgeries. Treatments also include spa, physical and mental therapies. One patient who had coronary artery bypass surgery at Bumrungrad International hospital in Bangkok said the operation cost him US$12,000 (8,200 euros), as opposed to the $100,000 (68,000 euros) he estimated the operation would have cost him at home. Bumrungrad treated approximately 55,000 American patients in 2005 alone, a 30% increase from the previous year.\(^{14}\)

Hospitals in Thailand are a popular destination for other Asians. Bangkok Hospital, which caters to medical tourists, has a Japanese wing, and Phyathai Hospitals Group has interpreters for over 22 languages, besides the English-speaking medical staff. When Nepal Prime Minister Girija Prasad Koirala needed medical care in 2006, he went to Bangkok.


Many Thai physicians hold US or UK professional certification. Bumrungrad International hospital states that many of its doctors and staff are trained in the UK, Europe and the US. Bumrungrad International was accredited most recently in 2005 by the Joint Commission.15 Some of the country’s major hospitals have also achieved certification by the International Organization for Standardization’s ISO 9001:2000. However, ISO 2000 is not an accreditation scheme.

The World Health Organization's 2000 ranking put the Thai healthcare system at number 47, below the USA's ranking at 37 and the United Kingdom's ranking at 18.

Serious political problems during late 2008, including mass demonstrations and the complete closure of major airports, have made travel to Thailand less appealing than in the past, and the US State Department has issued a travel alert for the country.

2.3.3. SINGAPORE

Singapore has modern, high-quality hospitals and is home to three hospitals accredited by the JCI. Prices are higher than in Thailand or India but are much lower than in the United States. Singapore has a dozen hospitals and health centers with JCI accreditation. In 1997 (published 2000), the World Health Organization ranked Singapore's health care system sixth best in the world and the highest ranked system in Asia.

"Singapore Medicine" is a multi-agency government-industry partnership committed to strengthening Singapore's position as a medical hub and promoting Singapore as a destination for advanced patient care. Patients come from neighbouring countries, such as Indonesia and Malaysia, and patient numbers from Indo-China, South Asia, the Middle East and Greater China are growing. Patients from developed countries such as the United States and the UK are also beginning to choose Singapore as their medical travel destination for relatively affordable health care services in a clean cosmopolitan city.

2.3.4. ISRAEL

In 2006, 15,000 foreigners travelled to Israel for medical procedures, bringing in $40 million of revenue. Medical tourists choose Israel for several reasons. Some come from European nations such as Romania where certain procedures are not available. Others come to Israel, perhaps most commonly from the US, because they can receive quality health care at a fraction of the cost it would be at home, for both surgeries and in-vitro fertilization treatments. Other medical tourists come to Israel to visit the Dead Sea, a world-famous therapeutic resort. The Israel Ministry of Tourism and several professional medical services providers have set out to generate awareness of Israel's medical capabilities.

2.3.5. JORDAN

Jordan is an emerging medical tourism destination, with related revenues exceeding one billion dollars in 2007. More than 250,000 patients from other countries sought treatment in Jordan that year. This included an estimated 45,000 Iraqis and approximately 25,000 patients each from Palestine and Sudan. An estimated 1,800 US citizens, 1,200 UK citizens, and 400 Canadians also sought treatment in Jordan that year. Treatment costs can be as low as 25 percent of costs in the US.18 The kingdom was rated as number one in the region and fifth in the world as a medical tourism hub in a study by the World Bank.19

2.3.6. UAE

Hospitals in Dubai and other emirates have expressed intent to develop in medical tourism.20 Some have American-sourced international healthcare accreditation, while others are looking towards the UK, Australia and Canada for accreditation services.

2.3.7. BRAZIL

Brazil has long been known as a destination for cosmetic surgery. For non-cosmetic procedures, Brazil is only now entering the global market. However, Albert Einstein Jewish Hospital in São Paulo was the first JCI-accredited facility outside of the US, and more than a dozen Brazilian medical facilities have since been

---

19 ibid.
similarly accredited. Brazil requires visas for US citizens based on a reciprocal arrangement since Brazilians are required to obtain a visa to visit the US. Unlike in the U.S and other countries where medical procedures are simply done in an office, Plastic surgery in Brazil is done in specific plastic surgery hospitals only.

2.3.8. CANADA

Medical Tourism in Canada is fast becoming popular to foreign patients particularly to the Americans. Health experts around the world have cited that the quality of healthcare in Canada is equal or even better than what the United States can offer. But what attracts foreigners even more is the fact that they can save 30 to 60 percent on the costs of medical treatments in Canada than in the US.

The cost of in-hospital treatment in the US is definitely higher, usually double the price than in Canada. There are also more medical staff like nurses in Canada. Medicines are also more affordable in Canada than in the US.

Some of the facts and figures of Medical tourism in Canada are: Average in-hospital treatment costs are nearly twice as much in the U.S. ($20,673 U.S. vs. $10,373), there are 9.9 qualified nurses per 1000 population in Canada as compared to 7.9 nurses per 1000 population in US, the number of acute care hospital beds in Canada is 3.0 per 1000 population as compared to 2.8 in US and In-hospital

---

21 http://www.jointcommissioninternational.org/JCI-Accredited-Organizations/
cost of coronary artery bypass graft surgery (CABG) in the U.S. is 82.5 % higher than in Canada.\textsuperscript{22}

Aside from excellent health care and affordable costs, Canada also offers medical tourists a chance to explore beautiful places of interest in its various cities. It's a great opportunity to recuperate, relax and unwind after the medical treatment.

2.3.9. COSTA RICA

Costa Rica's popularity in the medical tourism industry has been growing steadily over the years. Currently there are three JCI accredited hospitals all of which are currently located in San Jose, Costa Rica. For a total there are over six major private hospitals and 22 public hospitals.

Costa Rica offers different levels of care ranging from Intermediate Life Saving capabilities to Complex Life Saving Treatment Capabilities, Advanced Life Savings Treatment Capabilities, and Life Style Treatment Services (Full range of dental work and cosmetic surgery).\textsuperscript{23}

Because of Costa Rica's close proximity to the USA, the country is able to attract over 20,000 US patients a year. It is also the prices of medical services that are quite attractive to consumers seeking quality care at an affordable price. The

\textsuperscript{22} "Medical Tourism in Canada". \textlangle http://www.understanding-medicaltourism.com/medical-tourism-canada.php\textrangle

\textsuperscript{23} "Medical Treatments in Costa Rica Traveling for Health inc". \textlangle http://www.traveling4health.org/best-places/costa-rica/Medical-Tourism\textrangle
Deloitte Center for Health Solutions, in their 2009 report "Medical Tourism Consumers in Search of Value" reported cost savings average of between 30-70% of US prices.

2.3.10. CUBA

Cuba has been a popular medical tourism destination for more than 40 years. Thousands of patients travel to Cuba, particularly from Latin America and Europe, attracted by the "fine reputation of Cuban doctors, the low prices and nearby beaches on which to recuperate". In 2006, Cuba attracted nearly 20,000 health tourists.24

Medical treatments included joint replacement, cancer treatment, eye surgery, cosmetic surgery and addictions rehabilitation. Costs are about 60 to 80 percent less than US costs.

Cuba has hospitals for Cuban residents and others that focus on serving foreigners and diplomats. In the 2007 American documentary film, Sicko, which criticizes the US healthcare system, producer Michael Moore leads a group of uninsured American patients to Cuba to obtain more affordable medical treatment. Sicko has greatly increased foreigners' interest in Cuban healthcare.

recent Miami Herald story focused on the high quality of health care that Canadian and American medical tourism patients receive in Cuba.25

The Cuban government has developed Cuban medical tourism to generate income for the country. Residents of Canada, the UK and most other countries can travel to Cuba without any difficulty, although a tourist visa is generally required. For Americans, however, because of the US trade policy towards Cuba, travelers must either obtain US government approval, or, more frequently, travel to Cuba from Canada, Mexico, the Bahamas, Jamaica or the Dominican Republic. Cuban immigration authorities do not stamp the passports of US visitors so that Americans can keep their travels a private matter. To date no Cuban facility has achieved JCI Accreditation.

2.3.11. PANAMA

In Panama, health and medical tourism is growing rapidly. Factors drawing medical tourists include Panama's tourist appeal, position as a hub for international travel, and use of the American dollar as the official currency. Many of Panama’s doctors are bilingual, board certified, and accustomed to working with the same medical equipment and technology used in the United States and Europe. On most procedures, Panama offers savings of more than 50% compared to the US and

---

<http://www.miamiherald.com/548/v-print/story/263172.html>
No Panamanian hospitals currently have international healthcare accreditation, whether through US, British, Australian or Canadian sources.

2.3.12. UNITED STATES

Although much attention has been given to the growing trend of uninsured Americans traveling to foreign countries, a McKinsey and Co. report from 2008 found that a plurality of an estimated 60,000 to 85,000 medical tourists were traveling to the United States for the purpose of receiving in-patient medical care; the same McKinsey study estimated that 750,000 American medical tourists traveled from the United States to other countries in 2007 (up from 500,000 in 2006). The availability of advanced medical technology and sophisticated training of physicians are cited as driving motivators for growth in foreigners traveling to the U.S. for medical care, whereas the low costs for hospital stays and major/complex procedures at Western-accredited medical facilities abroad are cited as major motivators for American travelers. Also, it has been noted that the decline in value of the U.S. dollar is offering additional incentive for foreign travel to the U.S., although, costs differences between the US and many locations in Asia far outweigh any currency fluctuations.

Several major medical centers and teaching hospitals offer international patient centers that cater to patients from foreign countries who seek medical treatment in the U.S.\textsuperscript{29} Many of these organizations offer service coordinators to assist international patients with arrangements for medical care, accommodations, finances and transportation including air ambulance services.

It should be noted that many locations in the US that offer medical care comparable in price to foreign medical facilities are not Joint Commission Accredited.

\textbf{2.3.13. URUGUAY}

Uruguay recently entered the medical tourism market. A private medical tourism initiative, Uruhealth, has been created with support from the Ministries of Tourism\textsuperscript{30} and Public Health. The initiative involves the infrastructure, human resources and experience of two healthcare companies: MP Personalized Medicine (Montevideo) and SEMM-Mautone Hospital (Punta del Este).

\textbf{2.3.14. CHINA}

China is fast emerging as a desirable destination for individuals seeking medical care in a wide range of medical specialties, including cardiology, neurology, orthopedics and others. A number of private and government hospitals in major cities have established international departments. Many leading hospitals provide treatments integrating Traditional Chinese Medicine with Western medical

\textsuperscript{29} International Medical Services, Stanford Hospital & Clinics. \url{http://stanfordhospital.org/forPatients/patientServices/internationalMedicalServices.html}

\textsuperscript{30} Uruguay natural, June, 2010. \url{http://www.turismo.gub.uy/}
technology and techniques.\textsuperscript{31} China is home to leading stem cell research and treatment hospitals that offer Westerners who want to take advantage of stem cell treatments that are still considered experimental or have yet to be approved in their home country.

2.3.15. HONG KONG

As of 2006, Hong Kong had 12 private hospitals and 39 public hospitals, providing 3,124 and 27,755 beds respectively. A wide range of health care services are offered. All 12 of Hong Kong's private hospitals have been surveyed and accredited by the UK's Trent Accreditation Scheme since early 2001.\textsuperscript{32} This has been a major factor in the ascent of standards in Hong Kong's private hospitals. The Trent scheme works closely with the hospitals it assesses to generate standards appropriate to the locality (with respect to culture, geography, public health, primary care interfaces etc.), and always uses combinations of UK-sourced and Hong Kong-sourced surveyors. Some of Hong Kong's private hospitals have now gone on to obtain dual international accreditation, with both Trent and JCI (and have therefore attained a standard surpassing some of the best hospitals in Thailand and Singapore). Others are looking towards dual international accreditation with Trent and the Australian group. Hong Kong public hospitals have yet to commit to external accreditation.

2.3.16. REPUBLIC OF KOREA

Listed on CNN.com as one of the “hot destinations” for medical tourism, Korea is quickly establishing itself in the field of medical tourism. However, The Korea Times reported in a series of articles that Korean hospitals have adopted a discriminatory pricing policy, charging foreigners two to three times more than the full-fee for locals.

It also claims that the government is overlooking soaring medical fees on foreign patients, who are unprotected from malpractice, discriminatory charging, over pricing and patient privacy rights under the Korean Medical Law.

In 2008, Korea had 27,480 foreign-based patients and the Korean health ministry expects that number to increase to 140,000 by 2015. Due to legislation passed in May 2009, state-licensed clinics and hospitals are now allowed to directly seek out foreign patients through various promotional activities.

Korean hospitals and clinics provide a variety of medical services for medical tourists including comprehensive health screening, cancer treatment, organ transplantation, joint/rheumatism care, spinal treatment, ophthalmology, dental care, infertility treatment, otorhinolaryngology, and Korean traditional medicine. Currently, the most popular treatments for medical tourists are cosmetic procedures such as eyelid surgery, nose jobs, facelifts, and skin lightening.

Over 30 Korean hospitals and clinics are member providers under the Council for Korea Medicine Overseas Promotion (CKMOP). Among these providers, the most popular are the “Big Four” – Seoul National University Hospital, Samsung Medical Center, Asan Medical Center, and Yonsei Severance Hospital.

2.3.17 MALAYSIA

Malaysia is well on its way to develop itself as a medical tourism hub. The country has excellent hospitals, English is widely spoken, and many staff has been trained to a high level in the UK or in the US. There is a highly active Association for Private Hospitals of Malaysia working to develop medical tourism. However, while Malaysia has a national accreditation healthcare scheme Malaysian Society for Quality in Health (MSQH) and many Malaysia's hospitals are currently firmly on the way to achieve international healthcare accreditation.

Malaysian hospitals International Specialist Eye Centre, Penang Adventist Hospital and many others such as Gleneagles Hospital Kuala Lumpur have or are going to be JCI accredited. The Ministry of Health has launched a medical tourism page with medical tourism portals such as Wellness Visit.

2.3.18 NEW ZEALAND

New Zealand is a relatively new destination to medical travel. It has all the hallmarks of a very successful destination especially for North American based patients. This includes being a first world, developed economy with a sophisticated
and comprehensive medical system. It is first and foremost English speaking with a rich heritage of producing world class doctors and medical research.

Many of its private hospitals are internationally accredited, state of the art and offer an integrated package of care. The surgeons in New Zealand are trained both in New Zealand and abroad, usually spending years of their training in either North America or Western Europe.

While New Zealand is aligned medically and culturally to North America, the cost of the surgical care is significantly cheaper. On average it is considered that New Zealand’s surgical costs are around 15 to 20% the cost of the same surgical procedure in the USA. One patient who had his prosthetic hip replaced in New Zealand said the total cost including travel, lodging and the surgery at a private hospital was $20,000, as opposed to the $80,000 - $140,000 he was told the operation would have cost at home.

Added to this the personalized level of medical care, the world renown natural beauty and tranquility, the fact that New Zealand is one of the safest places in the world and only 12 hours direct flight from the west coast of North America, then New Zealand as a medical travel destination looks set to develop.

---


2.3.19 PHILIPPINES

The Philippines has been growing as a destination for medical tourism. The US Medical Tourism Association magazine reported that this services sub-sector grew 8.0% in 2007. The number can be expected to grow as American health-care costs rise, or if pending legislation results in an increase in patient wait times for surgical procedures (as has been seen in other countries where care has been nationalized), due to the traditional political, economic and cultural connections between the United States and the Philippines.

The Philippines is one of a few countries that sends qualified nurses, physicians and dentists to the US, the thousands serving in American medical facilities being a testament to its quality of medical education. According to year 2000 WHO rankings of the world's health systems, the Philippines takes its position on number 60.

2.3.20 TAIWAN

The Taiwanese government has declared its determination for the country to become a medical tourism center. In 2007, the Department of Health launched a campaign to promote inbound medical tourism, focusing on integrating the resources of the government and academia to build Taiwan's brand as a medical

tourism destination. Costs for procedures remain comparatively low. Taiwan is known for liver transplants, joint replacement surgery, bone marrow transplants, and reconstructive and plastic surgery.

2.3.21 GERMANY

Germany is a destination for patients seeking advanced medical technology, high standards, safety, and quick treatment. All German citizens have health coverage, resulting in a high hospital density, with twice as many hospitals per capita as the United States. The high hospital density results in shorter waitlists for treatment. Costs for medical treatment compete well with other developed European countries and are commonly 50% of those in the USA.

Germany is an attractive destination for patients from the Middle East since traveling to the USA has become more difficult for them since the September 11 attacks. US citizens sometimes travel to Germany to seek treatments such as artificial cervical disc replacements that are not US Food and Drug Administration (FDA) approved.

---

2.3.22 POLAND

Since 2004, when Poland joined the European Union, it has become another locale for people seeking cheaper medical treatments. The quality of care in Poland must comply with EU standards.

2.3.23. TURKEY

Turkey has since many years attracted medical tourists from Europe and the Balkans, the United States, Eurasia and the Middle East.\textsuperscript{40} The Turkish private healthcare system is striving to become a strategic global health service provider manufacturing center. Web site www.healthinturkey.org has been established by the DEİK-Foreign Economic Relations Board of Turkey Healthcare Committee and the Accredited Hospitals Association of Turkey. The site contains information on prices and hospital statistics, information about the healthcare, pharmaceutical and insurance environments as well as an international patient guide.

Turkey has the highest number of JCI accredited healthcare institutions in the world except for the US. The German Hospital in Istanbul operates the country's first ISO-certified IVF center, while Memorial Hospital was the first private hospital to receive American JCI accreditation. Since then, over 34 hospitals and medical institutions have achieved Joint Commission International accreditation.

\textsuperscript{40} “Americans prefer Turkey for low cost health services”, 17 August, 2009. 
2.4 MEDICAL TOURISM IN INDIA

Medical tourism is not new to India, Foreign and Non-Resident Indian (NRI) patients have been coming to India for the past 25 years. But the difference is that it was not structured as it is being done now.41

Atithi Devo Bhava – This old saying reveals the hospitality of Indian culture towards its guests. Along with tourism in general, eco tourism, medical tourism and other forms of environment-friendly tourism are emerging quite rapidly in India. In this era of privatization, medical tourism is gaining prominence in developing countries like India. The Government of India, the State Tourism Boards and private sector hospitals are exploring the opportunities offered by medical tourism.

Dr. Prathap C Reddy, chairman of Apollo Hospitals, has rightly said, “we have well equipped, state-of-the-art hospitals and we can offer the same level of care as anywhere else in the world. There is no reason why we should not become the healthcare destination of the world”.42

The low cost treatment in India attracts many foreign patients from all over the world. The following slogan is absolutely true for India: “First world treatment at third world price”. Some third world countries like South Africa, Thailand and Malaysia were the first to try and tap medical tourists, and all of them

geared their systems to attract the growing American clientele. India also has a big opportunity in promoting a wide variety of treatments. Dr. Reddy says: “Beauty, youth and wellness is huge area for growth and we need to promote it aggressively.”

India is in the process of becoming the "Global Health Destination" owing to the following advantages:

- The cost of medical services in India is almost 30% lower to that in Western countries and the cheapest in South-East Asia.

- Language is a major comfort factor that invites so many foreign tourists to visit India for medical and health tourism. India has a large populace of good English speaking doctors, guides and medical staff. This makes it easier for foreigners to relate well to Indian doctors.

- Indian hospitals excel in cardiology and cardiothoracic surgery, joint replacements, transplants, cosmetic treatments, dental care, orthopaedic surgery and more.

- The medical services in India include full body pathology, comprehensive physical and gynecological examinations, audiometry, spirometry, chest X-ray, 12 lead ECG, 2D echo Colour Doppler, gold standard DXA bone densitometry, body fat analysis, coronary risk markers, cancer risk markers, high strength MRI etc.

- All medical treatments and investigations are done using the latest, technologically advanced diagnostic equipments.
• Indian doctors have got an expertise in performing successful cardiac surgeries, bone marrow transplants, liver transplants, orthopaedic surgeries and other medical treatments.

• The cost of infertility treatments in India is almost 1/4th of that in developed nations. The availability of modern assisted reproductive techniques, such as IVF, and a full range of Assisted Reproductive Technology (ART) services have made India the first choice for infertility treatments.

2.4.1 FACILITIES AND INFRASTRUCTURE IN INDIA

As the Indian healthcare delivery system strives to match international standards, it will be able to tap into a substantial portion of the global medical tourism market. Already 16 Indian hospitals have been accredited by the Joint Commission International (JCI). Accreditation and compliance with quality expectations are important since they provide tourists with confidence that the services are meeting international standards. Reduced costs, access to the latest medical technology, growing compliance to international quality standards and ease of communication all work towards India’s advantage. In order to attract foreign patients many Indian hospitals are promoting their international quality of healthcare delivery by turning to international accreditation agencies to standardize their protocols and obtain the required approvals on safety and quality of care.43

Indian corporate hospitals excel in cardiology and cardiothoracic surgery, joint replacement, orthopedic surgery, gastrentrology, ophthalmology, transplants and urology to name a few. The various specialities covered are Neurology, Neurosurgery, Oncology, Ophthalmology, Rheumatology, Endocrinology, ENT, Pediatric Neurology, Urology, Nephrology, Dermatology, Dentistry, Plastic surgery, Gynecology, Pulmonolgy, Psychiatry, General Medicines and General Surgery.

The various facilities in India include full body pathology, comprehensive physical and gynecological examinations, dental checkup, eye checkup, diet consultation, audiometry, spirometry, stress and lifestyle management, digital chest X-ray, 12 lead ECG, 2D echo colour Doppler, body fat analysis, coronary risk markers, cancer risk markers, carotid colour Doppler, spiral CT scan and high strength MRI. Each test is carried out by professional M.D. Physicians and is comprehensive yet pain-free.

There is also a gamut of services ranging from General Radiography, Ultra Sonography, Mammogrophy to high end services like Magnetic Resonance Imaging, Digital subtraction Angiography along with intervention procedures, Nuclear imaging. The diagnostic facilities offered in India are comprehensive to include Laboratory services include biochemistry, hematology, microbiology, serology, histopathology, and transfusion medicine.

The Apollo Group, Escorts Hospitals in New Delhi and Jaslok hospitals in Mumbai are to name a few which are established names even abroad. A
list of corporate hospitals such as Global hospitals, CARE and Dr.L.V. Prasad eye hospitals in Hyderabad. The Hindujas and NM Excellence in Mumbai also have built capabilities and are handling a steadily increasing flow of foreign patients. India has much more expertise than say Thailand or Malaysia. The infrastructure in some of India’s hospitals is also very good. What is more significant is that the costs are much less, almost one-third of those in other Asian countries.

In order to allay suspicions regarding the quality of care in a developing country, Indian corporate hospitals are getting certified by international accreditation schemes. Corporate chains such as Apollo Hospitals and Wockhardt Hospitals Group are working through agencies like IndUShealth, Planet Hospital and the Medical Tourist Company in Britain to build business across the West.

2.4.2. INDIAN MEDICAL TOURISM INDUSTRY – SWOT ANALYSIS

Given below is a SWOT Analysis of the Indian Medical Tourism Industry in its current state:

---

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weakness</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Service at Affordable Cost</td>
<td>No strong government support / initiative to promote medical tourism</td>
</tr>
<tr>
<td>Vast supply of qualified doctors</td>
<td>Low Coordination between the various players in the industry— airline operators, hotels and hospitals</td>
</tr>
<tr>
<td>Strong presence in advanced healthcare e.g. cardiovascular, organ transplants – high success rate in operations</td>
<td>Customer Perception as an unhygienic country</td>
</tr>
<tr>
<td>International Reputation of hospitals and Doctors</td>
<td>No proper accreditation and regulation system for hospitals</td>
</tr>
<tr>
<td>Diversity of tourism destinations and Experiences</td>
<td>Lack of uniform pricing policies across hospitals</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased demand for healthcare services from countries with aging population (U.S, U.K)</td>
<td>Strong competition from countries like Thailand, Malaysia, Singapore</td>
</tr>
<tr>
<td>Fast-paced lifestyle increases demand for wellness tourism and alternative cures</td>
<td>Lack of international accreditation – a major inhibitor</td>
</tr>
<tr>
<td>Shortage of supply in National Health Systems in countries like U.K, Canada</td>
<td>Overseas medical care not covered by insurance providers</td>
</tr>
<tr>
<td>Demand from countries with underdeveloped healthcare facilities</td>
<td>Under-investment in health infrastructure</td>
</tr>
<tr>
<td>Demand for retirement homes for elderly people especially Japanese</td>
<td></td>
</tr>
</tbody>
</table>

The SWOT analysis clearly focuses the opportunities available for the growth of medical tourism in India and also highlights the strengths, weaknesses and
threats. It is very useful for the formation of suitable strategy for attracting international inbound tourists.

2.4.3. ROLE OF INDIAN GOVERNMENT IN PROMOTING MEDICAL TOURISM:

The Government of India has recognized the vital role of medical tourism in the Indian economy from the perspective of revenue generation as well as in terms of visibility of India on the world medical tourism map. The government is, therefore, playing an important role in promoting medical tourism in the country in the following ways:

1. The National Health Policy, 2002, makes it clear that government policy supports medical tourism: “To capitalize 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”.

2. Since 2006, the government started issuing M (medical) visas to patients and MX visas to the accompanying spouse.

3. The Government has promoted the National Accreditation Board for Hospitals and has started the process of granting accreditation to about 70 hospitals across the country.
4. The Tourism Ministry has developed a logo to mark out Ministry approved centers of health care.

5. The state governments too have initiated efforts to promote medical tourism in their respective states.

6. The Government owned domestic air carrier Indian Airlines has collaborated with leading city hospitals in Kolkata to give air passengers a 30% discount on diagnostic and therapeutic services in city hospitals.

7. Tamil Nadu Tourism Development Corporation (TTDC) has joined hands with Apollo hospitals to launch a Traveler’s Privilege coupon.

8. India's Ministry of Tourism organised four impressive ‘Road - Shows’ during October, 2009 in the high potential markets in the Middle East at Dubai, Doha, Kuwait and Jeddah. These ‘Road-Shows’ were supported by Indian Medical Travel Association (IMTA) and many of IMTA's leading members that included leading lights from Indian Hospitals, Wellness services providers, Government and medical tourism facilitators participated in these events.

2.4.4. ROLE OF PRIVATE HOSPITALS IN MEDICAL TOURISM PROMOTION:

Private hospitals are also making sincere efforts in promoting medical tourism in India in the following ways:
1. Private hospitals like the Apollo group of hospitals, Hinduja hospitals, Max Health Care and The Fortis Heart Institute, project India as a health care destination through the Indian Health Care Federation.

2. Private hospitals offers services such as airport pick-ups, internet equipped private wards and package deals.

3. Several hospitals have coordinated with hotels, airlines, tour operators and car rental business to offer package deals that include medical cost, hotel tariff, etc.

4. Private hospitals also provide traditional Indian healing to attract foreign tourists.

5. The JCI accredited hospitals join hands with agencies like IMTA and FCII and organize medical tourism promotional shows in the potential countries to attract more international patients.

6. Hinduja Hospital has set up a coordination centre in London for the registration of patients from Europe.

7. Private hospitals are also focusing on providing more value to foreign customers.
2.4.5. INSTITUTIONAL SUPPORT TO INDIAN MEDICAL TOURISM INDUSTRY

2.4.5.1. INDIAN MEDICAL TRAVEL ASSOCIATION (IMTA)

Indian Medical Travel Association is a non-profit body aimed at preparing India for facing the challenges of global competition in medical tourism space and actualises the tremendous opportunity for India to become a leading global healthcare destination. IMTA's membership has a diverse base of India's leading JCI, NABH accredited hospitals, Indian system of medicine and wellness service providers, travel industry, insurance, assistance and medical tourism facilitation companies.

2.4.5.2. NATIONAL ACCREDITATION BOARD FOR HOSPITALS AND HEALTHCARE PROVIDERS [NABH]

National Accreditation Board for Hospitals and Healthcare providers [NABH] has designed an exhaustive healthcare standard for hospitals and healthcare providers. This standard consists of stringent 500 plus objective elements for the hospital to achieve in order to get the NABH accreditation.

To comply with these standard elements, the hospital will need to have a process-driven approach in all aspects of hospital activities – from registration, admission, pre-surgery, peri-surgery and post-surgery protocols, discharge from the hospital to follow-up with the hospital after discharge.
2.4.5.3. INTERNATIONAL SOCIETY FOR QUALITY IN HEALTH CARE (ISQua)

The International Society for Quality in Health Care, is a non-profit, independent organisation with members in over 70 countries. ISQua works to provide services to guide health professionals, providers, researchers, agencies, policy makers and consumers, to achieve excellence in healthcare delivery to all people, and to continuously improve the quality and safety of care. ISQua is formally recognized by the World Health Organization as being in "Official Relations" with WHO in various healthcare initiatives. Hospitals like KIMS, Trivandrum are accredited with ISQua.

2.4.5.4. JOINT COMMISSION INTERNATIONAL (JCI)

Joint Commission International is one of the groups providing international healthcare accreditation service to hospitals around the world and brings income into the U.S.-based parent organization. This not-for-profit private company currently accredits hospitals in Asia, Europe, the Middle East and South America and is seeking to expand its business further.

JCI also offers a variety of educational programs, especially "Practicums" - more information, including attendance costs, is available through their Web site.45

45 http://www.jointcommissioninternational.org/Products-and-Services/Practicum-Home/
2.4.5.5. INTERNATIONAL STANDARD ORGANISATION (ISO)

ISO 9001:2000 offers a means for evaluating processes at an organizational level. It also enables the organization to define organization specific goals and methods for quality management. Finally, ISO 9001:2000 offers a monitoring or audit system for maintaining the healthcare quality management system and makes the hospitals to adopt better patient care on par with international hospitals.

2.4.5.6. THE FEDERATION OF INDIAN CHAMBER OF COMMERCE AND INDUSTRY (FICCI)

A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. FICCI has direct membership from the private as well as public sectors, including Small and Medium Enterprises (SMEs) and Multi National Companies (MNCs), and an indirect membership of over 83,000 companies from regional chambers of commerce.

FICCI works closely with the government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialised services and global linkages. It also provides a platform for sector specific consensus building and networking.

FICCI serves as the first port of call for Indian industry and the international business community. FICCI has conducted evaluation to assess the trends in the medical tourism in India and organized various promotional programmes.
to develop medical tourism. The members of the Federation of Indian Chamber of Commerce and Industry (FICCI) and the Federation of Indian Export Organisations (FIEO) visited Singapore, Malaysia and Indonesia to showcase medical facilities in India. FICCI members and representatives from private hospitals have visited Thailand and Singapore to learn from the experience of these countries regarding transformation of medical tourism into a paying proposition\textsuperscript{46}.

2.4.5.7. INDIAN HEALTHCARE FEDERATION

Indian Healthcare Federation is an independent non-statutory body comprising of non-government hospitals, diagnostic centers, medical equipment manufacturers and pharmaceutical industries. The main objective of the Federation is to promote and encourage healthcare industry in the country; it seeks to function as a liaisoning medium between Government, health providers, medical equipment manufacturers and other medical institutions. The Federation also provides a common platform for its members to discuss and thrash out various issues related to healthcare industry and ensures organized action wherever necessary. It endeavours for a disease-free India by providing accessible quality healthcare for every citizen at affordable cost and transform India into a healthy and vivacious nation.

IHCF has a membership of around 300 members from across India. It is affiliated to the Confederation of Indian Industry (CII) and works closely with the CII National Committee on Healthcare.

\textsuperscript{46} Renu Verma and Sumeet Gupta, “Medical Tourism: Opportunities and challenges for India”, Marketing Mastermind, June 2004, p.49.
2.5. CONCLUSION

The medical tourism is not new phenomena, its existence dates back to ancient civilization. Its development passes through various historical stages and now it becomes a full fledged major industry. Global competition is emerging in medical tourism industry, developing countries competing with one another and also with well developed countries. India emerging as an important medical tourism destination with high quality hospitals, well qualified doctors, good hospitality and with competitive cost advantage. Indian medical tourism industry is supported by various institutions at national and international level. The Government and private sector hospitals play vital role in developing the medical tourism industry in India.