Chapter 7

FINDINGS

1. Indian medicine systems i.e. Ayurvedic, Unani, Naturopathy, Siddha etc. have lost official patronage with advent of British rule; colonial masters considered these systems are unscientific and unreliable. But India’s rich heritage in ancient systems of medicine with its variable treasure house of knowledge can make a significant contribution to health care. Indian health systems are considered as complemented and Alternative systems of Medicine (CAM) can offer remedies in the treatment chronic ailments like digestive disorders, asthma, arthritis. In the changing demographics and epidemiological scenario, longevity has increased and people are more vulnerable to chronic ailments require long-term and expensive therapies which may not be affordable by an ordinary man. CAM can fill this critical gap and provide safe and cost effective treatment for many diseases. It is high time to look in to this matter to develop an integrated health care unit which combines modern Allopathy with complementary and alternative medicine system to offer comprehensive health are solutions to the patients and to society at large.

2. International patients started travelling from abroad to Indian Hospitals due to comparatively cheaper cost of treatment, fine technology such as 320 slice CT machine, Cyber knife, and employment of skilled professionals who have been trained in the USA and the UK. It come to know that patients from the Middle East visit most often as compared to those from USA and UK due to shorter travelling time.

3. Majority of Doctors & Senior managers said Massive expansion of the hospitals in India, lead to mobility of the medical tourists travel from Afghanistan and Nepal due to better availability of medical equipments in India. For instance, in Afghanistan, there are only 7-8 CT scan machines and no cardiac catheterization laboratories.

4. Besides these, the other medical tourists belong to Africa, uninsured patients from USA, Canada and United Kingdom. Also, medical travel received a boost
with the aid of an active website, medical travel facilitators and NGO’s in Africa.

5. The education of the masses and marketing abroad has increased a demand for medical procedures related to cardiac, joint replacement, neurology, oncology, minimal access bariatric surgery and cosmetic reconstruction surgeries. Now attracts patients from Africa (Tanzania, Namibia, Congo, Nigeria and Uganda), Gulf countries (Iran, Iraq, UAE and Oman), South Asian Association for Regional Cooperation (SAARC nations -Nepal, Afghanistan, Sri Lanka) and Commonwealth of Independent States (CIS) countries. Country-specific marketing strategies are adopted for South East, Middle East, SAARC, CIS and North America.

6. The globalization of the healthcare market place has had limited impact on the resident patients in India but it has led to the opening up of the Indian economy to procure the best equipments, medications and implants.

7. This freedom of choice through globalization has improved the quality of healthcare with competitive benchmarking system established based on the healthcare systems in Cleveland and Nebraska.

8. The foreign exchange earned from the international patients is invested in medical research and provision of subsidised treatment to economically under-privileged patients. For instance due to the 2010 Commonwealth games in Delhi, Apollo hospitals have created a special wing of 100 beds to meet the potential surge in medical tourists. International tourism in India is the foreign exchange earnings per international tourist arrived in India. Foreign exchange earning per international tourist arrived in India is over US $ 2000 as compared to the world average of US $ 873, this is higher than many other competitor countries in the region such as China (683), Sri Lanka (984), Malaysia (548), Thailand (892), Singapore (934), and Indonesia (897). Such high spent in India may be attributed to more number of days spent by a foreign tourist in India compared to other countries besides the visit of high-end tourist to India. According to a foreign tourist survey conducted by Ministry of Tourism (MOT), Government of India, a foreign tourist from the top 15 international
markets for India spend in the range of 7 to 18 days in India, the overall average being 16 days. Nearly two-third of international tourist arrivals in India are catered by UK and USA (Exhibit – 19). Other major source markets for India include Canada, France, Sri Lanka, Germany, Japan, Malaysia, Australia and Singapore. These ten countries cumulatively account for around 57% of international tourist arrivals in India. Nearly 50% of international tourists have stayed in budget hotels, as compared to 20% that have stayed in starred hotels. Nearly 50% of tourists are repeat visitors; about 10% of total international visitors to India have visited more than five times. The government of India realised the importance of forex (foreign exchange) contributed by medical tourists that is about three times more per head than regular tourists.

9. The globalization of healthcare market has been exploited in this sense. The Indian government in association with the Ministry of Tourism initiated the Market Development Assistance (MDA) policy for JCI and NABH to bolster the health sector. The MDA policy subsidizes overseas marketing costs for travel companies earning foreign exchange. Moreover, under the terms of the MDA, the hospitals are eligible for government subsidies for the costs of sale tours, trade fairs and exhibitions overseas.

10. Respondents opined that with increasing trade in health services, there has been substantial improvement in the infrastructure and quality of health care services for both domestic patients and medical tourists in India.

11. India receives patients with grave medical conditions, whereas, countries like Thailand primarily receives patients for cosmetic surgeries which create a differentiation in the market.

12. Globalisation erased pre-occupied mindset that, medicine was thought to be a country-specific domain but, with globalisation there has been a surge in the number of healthcare providers to create a multinational delivery of healthcare services towards sharing some of the best clinical practices.

13. Respondents opined there has been a sudden shift in economics where patients have moved from a zone of un-affordability to affordability. Some of them
stated- For instance, the patients in Nigeria, who were unable to afford healthcare five yrs ago, can now afford to as they have health insurance. He considers this a dynamic phenomenon where there would be patients who are willing to travel to get the most affordable care.

14. National Health Policy of 2002 for promoting medical tourism in India is better suited for primary and secondary care than tertiary care. Since the Government participation has been less in promoting Medical tourism as of now, and is mostly under private enterprise. However, they recommend that the government needs to give it an infrastructure status like the Information Technology (IT) sector to realise the full potential of globalisation of the healthcare market place.

15. Efficient and economic human resources along with JCI accreditation are the biggest strengths and growth drivers of this Healthcare industry in India.

16. Majority of respondents opined that medical tourism sector in India has not been affected by the recent economic recession.

17. There described that the hospitals observed a tremendous 200% increase in turnover in the last two years, with an additional 35000 international patients. They opine that political stability in India coupled with experienced, skilled consultants; specialised infrastructures with internationally acclaimed super-specialists (such as Dr Marya for joint replacement) are the key growth drivers of Internationalisation of Indian Healthcare services.

18. During interview shared that some of medical tourists from North America visited to seek Healthcare for specialized procedures such as endovascular-liberation treatment from Indian Hospitals.

19. Present Indian setup for Healthcare offers potential opportunities for the US patients since the tertiary care sector has not been covered under the current President Obama’s healthcare reforms. The underinsured and the uninsured patients tend to bear lower co-pay in India than USA for undergoing procedures such as spinal decompression.

20. Opportunities abound in India with regard to MTI due to the presence of attractive tourist destinations, the country’s strong economy, superior medical
infrastructure and high quality of healthcare services in multi-specialty hospitals. Some of the respondents said they have agreement with embassies of various countries to facilitate Medical Visas. E.g. Medanta Hospital is also in agreement with government embassies of African and Middle Eastern countries to acquire medical tourists.

21. Majority denied any ethical problems associated with organ transplantation and reproductive tourism ‘due to the presence of a strict transplantation policy where the medical tourist has to be accompanied by a donor from his home country and needs to fulfill a strict transplantation eligibility criteria. Moreover, they remarks that the Indian government (public sector alone) is not competent enough to meet the healthcare needs of the entire nation; hence reliance on private hospitals is required

22. One of the challenges of the medical tourism sector is that of fraudulent medical tourism facilitators where the patients need to be wary of such brokers. Secondly, due to the UK government imposing a four hour flying restriction limit for the UK patients to avail foreign medical treatment and the European Union opening doors for UK patients; it is difficult to attract medical tourists from UK to India. Also, if a post operative complication develops, the medical tourist needs to be physically present in India to file a case.

23. Majority of respondents opined that one of the biggest challenges of the medical tourism industry in India is the lack of government participation. They suggests that the government needs to improve the infrastructure to make the medical care more patient friendly for medical tourists, especially at the airport with dedicated immigration facilities to assist the medical tourists.

24. Indian Government needs to curb the migration of doctors from public hospitals like AIIMS to private hospitals. Also, the medical tourists are wary of the hygiene standards of Indian hospitals. They strongly stated that there is a need for India to have a unified national image for healthcare services in the international market rather than a series of competing private hospital-specific brands (such as the medical tourism sector of Singapore).
25. Another practical limitation of Indian Healthcare is the security hassle especially in treating medical tourists from Pakistan for organ transplantation.

26. Another biggest challenge is that of the image of the country with regard to issues such as air pollution and hygiene. Besides, the high level of customer service which the medical tourists seek is lacking in India. Also, from the national perspective, a shortage of paramedical staff is evident.

27. The respondents expressed that competition from other hospitals in India offering facilities for medical tourists and the high expectations of medical tourists were some of the other challenges faced by this sector.

28. They stated that medical professionals in India prefer to join the private healthcare sector rather than the public due to the availability of better infrastructure and pay.

29. It is difficult to get patients from US, UK and Europe as the litigation aspect is very powerful. The medical tourists are reluctant to travel to India due to the lack of medico-legal security in the event of a post operative complication and cash-only payment system.

30. The medical visa category has been recently introduced in India but, due to the cumbersome police verification clause, the IPS division in hospitals recommends that foreign patients fly on a regular tourist visa.

31. The medical care for foreign patients accounts for only 10-15% of the hospital turnover. An average middle class Indian patient finds such tertiary care unaffordable. Due to the free market for healthcare in India, which gives patients greater choice, there is severe competition amongst hospitals.

32. Another factor of concern raised by respondents is that of organ transplantation and reproductive tourism which are complicated procedures having ethical and surrogacy concerns. Nevertheless, at present, they are not the most commonly sought medical procedures for foreign patients in India. They also suggest the need for greater investment in infrastructure and to incentivize the hospitals to improve care for medical tourists.

33. 80% of the interviewees reported that the majority of the medical tourists belong to the catchment areas of India, namely Middle Eastern countries,
SAARC nations (Afghanistan, Nepal, and Sri Lanka), CIS countries and Africa (Nigeria, Congo, Uganda, Tanzania and Namibia). The medical tourists vary from neonates’ to 14 years in the paediatric age group to 90 years for adults.

34. They seek treatment for procedures such as joint replacement (knee), cosmetic reconstructions, dental procedures, cardiology, oncology, gender reassignment, neurology, minimal access bariatric surgery and alternative therapies such as yoga and ayurveda.

35. India is a preferred medical tourism destination amongst the patients due to the comparatively low cost of treatment; highly skilled medical and paramedical staff trained in the UK and the USA; and superior medical technology. The host hospitals with national and international accreditation promote medical tourism by means of country-specific marketing strategies, seminars, websites, educating the patients about their positive clinical outcomes, medical tourism facilitators and word of mouth recommendation.

36. The availability of economic and efficient human resources in India, political stability and accreditation of the multi-speciality hospitals (JCI and NABH) are some of the other growth drivers.

37. India, at present, has 200 hospitals offering specialised tertiary care as against 15-20 in Singapore. Fortis hospital (500 beds) and the recent Medanta Medicity (2000 beds) near the Delhi airport belt offers huge source of foreign exchange earnings from medical tourists.

Effect of globalization on healthcare policies and revenue with regard to Medical Tourism Industry in India

38. The globalisation of healthcare services after signing of the GATS agreement (Mode 2 with cross-border flow of patients) led to the opening up of the Indian economy to the inflow of superior medical equipment, implants, and pharmaceuticals from overseas and improvement in quality standards with the establishment of the competitive benchmarking system and clinical governance. It has led to a transformation of medicine from a country-specific domain to a multinational delivery of healthcare with multiple private hospitals.
emerging on the global stage such as Medanta Medicity, Fortis, Apollo and Max Healthcare.

39. Globalisation has also enabled the expansion of hospital networks overseas, such as Apollo Hospitals in Yemen, Fiji, Mauritius and Middle Eastern countries. It has also led to the sharing of best clinical practices.

40. The MDA policy bolsters the wellness sector and incentivizes the hospitals participating in medical tourism as reported by 40% of the interviewees.

41. The Indian National Health Policy of 2002 for promoting medical tourism is better suited for primary and secondary healthcare than tertiary. The foreign exchange earned is invested in medical research and in offering subsidized treatment to the underprivileged.

**Opportunities for Exploring International Markets**

42. With increasing patient awareness and marketing strategies, the trend has reversed from a patient accustomed to being treated by an Indian doctor in his own country to the consumer (medical tourist) following the provider to India.

43. Indian Healthcare services have established niche markets with different countries specialising in certain procedures such as orthopedic and cardiology procedures in India.

44. In succinct, as reported by majority of interviewers Indian Healthcare services offers: affordable, qualitative, diverse medical care by skilled personnel; an increase in foreign exchange and revenue for host country; mushrooming job opportunities for hospitals, tourism industry and insurance companies; augments the global standing of the developing country; encourages greater investment in the health care infrastructure of the host country and simultaneously promotes a reverse brain drain (migration from developed to developing countries) of medical staff.

45. The medical tourism sector has been comparatively recession-free in India (majority of interviewers).

46. Additionally, with President Obama’s healthcare reform in USA, India offers ample opportunities in the medical tourism sector as it offers cheaper treatment. The corporate offices (such as Blue Ridge Paper Products Inc, USA)
are also offering packages with India as a medical tourism destination to its employees to cut costs.

47. There is an observed shift in economics from a zone of un-affordability to a zone of affordability of healthcare services such as medical tourists from Nigeria. Another factor is the indirect effect of hosting the Commonwealth Games in Delhi, 2010 where there has been an improvement in the infrastructure of the multi-speciality hospitals with an increase in bed numbers to accommodate the potential rise in foreign patients (medical tourists). McKinsey, US management consultancy, forecasts that Indian MTI will grow to $2 billion per annum by 2012.

**Challenges of Medical Tourism**

48. The major challenges of globalisation of healthcare services with regard to MTI have been in the area of public sector health inequity due to the private hospitals catering to medical tourists causing a “brain drain” from public to private hospitals.

49. On one hand, some of the respondents believe that it leads to greater access and quality of healthcare services. On the other hand fair percentage of the interviewees and few researchers argue that it leads to unequal work-force distribution.

50. There is concern over ethical issues associated with procedures like organ transplantation and reproductive tourism for medical tourists. Fair percentage of the interview respondents either refuse to comment on these parameters, deny any such claim or give inconclusive answers.

51. In addition, due to multiple hospitals offering facilities for medical tourists, there is greater competition amongst them both within India and with countries such as Singapore and Thailand. The quality of care offered under such circumstances is questionable (fair percentage of the interviewees).

52. The medical tourists are also wary of fraudulent medical tourism facilitators and the occurrence of post-operative complications after departure from India. Hospitals reported difficulty in attracting medical tourists from publicly run healthcare systems such as in USA, UK and Canada due to: the logistics of
long distance travel; negative image of India with regard to hygiene and security; four hour travel limit imposed by the UK government for its citizens; opening up of the European Union for UK patients and high customer service expectation as reported and majority of the interviewees. Besides, there are security implications for the treatment of patients from Pakistan.

53. Though the cost of treatment offered for medical tourists in India is reasonable, the hospitals contend that there is a gradual surge in the cost of treatment due to rising import costs of medical equipments and implants being imported.