Chapter III

RATIONALE OF THE STUDY

This chapter deals with the rationale of the study i.e. need for studying the topic.

All the countries, states and corporate group hospitals, Example Costa Rica, Malaysia, Thailand, Dubai Singapore Countries, Maharashtra, Gujarat, Andhra Pradesh State, Delhi, Kerala State and corporate groups Apollo Group, Hinduja Group, Wokhardt Group, Medanta Medicity, Dirubhai Ambani Hospitals, Fortis, Ranbaxy, Max all those are successfully practicing medical tourism concept, and professionally showing an extraordinary steep growth in quantum of their profit. Hospitals like Apollo Health City Hyderabad in last 5-7 years is growing at the rate of 400% annually.

The study decided to research on the topic “Medical Tourism in Madhya Pradesh: An Exploratory Study” because of following reasons. The Study has decided to research on medical Tourism industry because of following reasons.

3.1 Medical Tourism Foreign revenue generating Industry

Over 50 countries have identified medical tourism as a national industry. However, accreditation and other measures of quality vary widely across the globe, and there are risks and ethical issues that make this method of accessing medical care controversial. Also, some destinations may become unethical or even hazardous from medical tourists’ perspective. Government of India like many other countries has identified medical tourism industry and many states like Kerala, Gujarat, Andhra Pradesh, Delhi, Maharashtra etc are successfully started in providing medical tourism products. In the same manner government of Madhya Pradesh can promote the Medical tourism industry.

3.2 Employment Generation.

In the context of global health, "medical tourism" is a pejorative because during such trips health care providers often practice outside of their areas of expertise or hold different (i.e., lower) standards of care. Greater numbers than ever before of student volunteers, health professions trainees, and researchers from resource-rich countries are
working temporarily and anticipating future work in resource-starved areas. Medical Tourism Sector in India. This Sector is having a huge capacity of providing employment directly or indirectly. Lot of human resources can be employed in this project for a longer duration, if Madhya Pradesh starts dealing in this sector, as a result employment opportunity will be created and enhanced in Madhya Pradesh.

3.3 English Language speaking qualified doctors.

A combination of three key factors – quality, availability and cost has been key factors in fuelling the phenomenal growth witnessed in the Indian medical tourism industry. 60% of doctors in India’s leading Indian hospitals have international qualifications, thus increasing the acceptance and comfort levels among international patients. An English/Regional speaking service providers, exotic tourist locations and alternative medicinal cures are some factors that are largely responsible for Madhya Pradesh having edge over other neighboring states. On the demand side, prohibitive medical costs and lengthy waiting time are the prime factors, which generally encourage people to seek treatment outside their state. The doctors in Madhya Pradesh are capable of communicating in English with Foreigners; this may be an added advantage to Madhya Pradesh if the state plans to provide medical tourism in coming years.

3.4 Other Markets (America and England) Will Turn to India in future

"India’s potential is huge," says Mehta of PwC. "Some 80% of foreign patients coming to India are from the neighboring countries and from Iraq, Afghanistan, the former Soviet Union, etc and now increasingly from Africa. But now with India proving itself as a credible provider of value health care, the western population ageing, and health care becoming more difficult there, I expect more people to come from the U.S. and the U.K." Cost is, of course, being underplayed in the marketing efforts; this is why the word "cheap" rankles. "The patient is usually acutely aware of the difference in the sticker price for care," says Aaron. "There is no reason to draw attention to this." That’s an area where India enjoys an advantage over other countries too. According to the Business World report, a heart bypass surgery costs US$144,000 in the U.S., US$25,000 in Costa Rica, US$24,000 in Thailand, US$20,000 in Mexico, US$13,500 in Singapore,
and US$8,500 in India. "The quality is excellent," In India, there is also less waiting time and personalized services. If countries like USA and England, Australia will turn to India for Medical Tourism then there will be huge demand for medical tourism services. To cope with future demand of the various states of India like Madhya Pradesh can plan in advance to provide medical tourism services.

3.5 Medical Tourism is becoming a Booming Industry in International Market:

Medical tourism is taking up shape as one of the vibrant industry, though there are some who feel that it will eventually fall in many buckets. (The recent FICCI-Yes Bank study talks of wellness tourism, health tourism...)" India is having as many as 3,371 hospitals and around 750,000 registered medical Confederation of Indian Industry (CII) and McKinney Report mentioned that the medical tourism market has been growing at the rate of 15 percent over the past five years and by 2012, globally, medical tourism is said to be US$ 40 billion industry, and analysis available projects that people from the Afro-Asian countries spend as much as US$ 20 billion every year on healthcare services outside their countries practitioners," This is a high time that the states like Madhya Pradesh and various hospitals in India can start of promoting their medical services in international markets.

3.6 Best corporate Hospitals with Higher Investment outlay

"Earlier, it was difficult for us to mobilize huge financial support to create large hospitals. However, things have changed now," Indian Corporate industries are investing and also taking over hospital chains, in Asia -- Fortis has gone on a shopping spree, though it’s not been entirely successful -- and setting up front-ends in other countries for marketing purposes. Apollo has facilitation centers in Oman, Nigeria and the U.S. Max is present in Nigeria, Afghanistan, Bangladesh and Nepal. Says Reddy of Apollo: "There are several key players. Apollo Hospitals continues to attract the largest numbers of international patients followed by Max, Fortis and Workhardt etc." The same situation is also there in Madhya Pradesh there are many private and corporate hospitals that provide international quality treatment.
3.7 Indian Government initiative for Medical Tourism Growth

Take one example. With the intention of making things smoother, the government introduced a medical visa (M visa), which was faster and easier to get. In its wisdom, however, it added a peculiar clause -- "Foreigners coming on M 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." The end result: even patients who have to be carried into India on stretchers are coming on tourist visas. If the government wants medical tourism to be the next big thing, it has to put its house in order. Government is also thinking of giving permission to the medical tourism patient for revisit after 6 months to consult Doctors again. Madhya Pradesh government can plan to initiate medical tourism industry in close future.

3.8 Golden Future of Medical Tourism in India.

Indian Healthcare Delivery market is estimated at US 8.7 billion. Nearly 65 percent of the healthcare services market has been captured by the private sector. Of the 5, 2% of the healthcare expenditure, 4% is incurred by private hospitals in India.

- The industry is growing at about 13 percent annually and is expected to grow at 15 percent over the next four to five years.
- India’s medical tourism sector is expected to experience an annual growth rate of 30%, making it a Rs. 9,500-crore industry by 2015. Estimates of the value of medical tourism to India go as high as $2 billion a year by 2012. As medical treatment costs in the developed world balloon out of proportion, with the United States leading the way, more and more Westerners are finding the prospect of international travel for medical care increasingly appealing. An estimated 150,000 of these travel to India for low-priced healthcare procedures every year.
- India ranks second in the world in the medical tourism after Thailand. In 2007, Indian hospitals had treated 4.5 lakh foreign patients compared to Thailand’s 12 lakh.
- Confederation of Indian Industry (CII) study forecasts medical tourism could become a US$ 2 billion industry by 2012 (from US$ 350 million in 2006). Private healthcare is expected to account for 75 percent of this spending.
• Voluntary health insurance market is estimated at Rs 4 billion ($86.3 million) currently but is Scenario of Health Expenditure & Infrastructure in India growing fast.

3.9 Medical Tourism Sector is a Niche tourism opportunity

This sector is with a bright future which is posing multimillion dollars worth opportunities where providers of Medical Tourism Services are very less. This sector has started growing in India and also earning multi-million dollars in 2010. Andhra Pradesh and Kerala are the states who are practicing Medical Tourism and they are promoting Kerala, Andhra Pradesh as Medical Tourism Hub. In the same manner Madhya Pradesh state in future may declare itself a Medical Tourism practicing state and further plan accordingly for providing Medical Tourism services in coming future in Madhya Pradesh.

The study feels that Medical Tourism may be practiced in Madhya Pradesh in Future because of following reasons: Many of the states in India like Madhya Pradesh are not aware and also not planning to avail the Medical Tourism opportunity. This study is making Madhya Pradesh aware of working of Medical Tourism Opportunity posed by this sector. So the name of the Study is “The study of Medical tourism in Madhya Pradesh: An Exploratory Study. The first state to be benefited by this research study is to be Madhya Pradesh.

Medical tourism can be practiced in Madhya Pradesh state very effectively as the needed requirements for the practicing and development of Medical tourism sector is all available in Madhya Pradesh. Take overview of these requirements one by one.

1. Good Infrastructure

Madhya Pradesh is investing heavily on strong infrastructure made available to citizens. It has been undertaking several projects and also making efforts to develop into a logistics hub with excellent roads –rail and air connectivity strong power and telecommunication Network. These facilities are essential for cost effective movement of men and material for better utilization.
Roads
72416k km roads, 6 national highways passing through the state 10 junctions.

Railways
Well Connected Railway Network to all major cities of India.

Aviation
In the state has conveniently air linkages with all major cities of India as well as World. There are regular daily flights and multiple flights to Mumbai, Delhi, Bangalore, Nagpur, Hyderabad, Patna Raipur Varanasi, Jaipur, etc. The Aviation minister is working on providing International direct connectivity to multiple countries very soon.

Power
The state has undertaken major projects to manufacture electricity for the consumption of Madhya Pradesh. The state now self sufficient in context of power and 24 hours power is available.

Telecommunication
The Madhya Pradesh state is having 45 districts are internet connections. The reliability of this network is increased by use of optic fiber.

2. Heavy Investment In Medical Services Sector
The state cabinet that met here on Tuesday cleared the MP health service investment policy-2012, which paved the way for private investment in the health sector in the state. Health officials claimed the decision would help in improvement and expansion of health services in the state. The Government expecting Rs 10,000 crore investments in the health sector the state. According to the new development in health sector, the government would provide land at nominal cost to the private players to open medical colleges and hospitals. The government will also give subsidy and sops to the attract investments

3. Madhya Pradesh Tourism Sector is Booming
Madhya Pradesh tourism sector has registered 70% growth in the inflow of tourists. The state received 2 awards .one for best civic management of tourist destination to Khajurao
and the other award for the most innovative tourism project Caravan. This state is the first option for all domestic tourists coming from all states of India. Madhya Pradesh is surrounded by many states and so coming here is far more convenient. As Andhra Pradesh, Gujarat Madhya Pradesh state can declare itself Medical Tourism providing state and plan accordingly to provide Medical Tourism services in various hospitals in near future. Medical Tourism services will add one more reasons why foreigners can visit Madhya Pradesh for treatment at fewer rates.

4. Madhya Pradesh Government is very aggressively promoting Tourism Sector.

Government of Madhya Pradesh is very aggressively promoting tourism sector in India and abroad. As a result the Madhya Pradesh state has started getting more national and international tourists, the state tourism is ranked in top 10 states of India. Since the sector is growing very fast, the Madhya State Government has adopted tourism development friendly policies. And also be interested in promoting and developing Niche Tourism sectors like medical tourism in near future.

Attention was drawn to strong potential available in both culture and tourism sectors, the State was advised to focus more on development of projects in these sectors. Mp State tourism was laurelled with various awards like best eco tourism destination award 2012, Pacific area travelers Award 2012- Best Destination for all seasons Award.

5. Kanha Rich Wild Life and Sanchi major foreign tourist attraction

Madhya Pradesh has 40% dense forest and a leading Tiger Resort and Sanchi which is main attraction to all the foreigners, Buddhist Scholar and domestic visitors coming Madhya Pradesh. Number of foreign tourist visiting Madhya Pradesh is increasing day by day. Madhya Pradesh Government can club the kanha visit along with Medical Tourism services to be provided in near future and get benefited.

6. Heavy Investment in Private Medical Services Sector

Bombay Hospital, CHL Apollo, Bombay Hospital, AAIMS, Vasan Eye Care, etc. All the hospitals in India and also in Madhya Pradesh are investing heavily in the infrastructure, Experienced Doctors, and are also trying to bring latest technology in various medical treatments. This hospitals are providing ethical medical services. There are unrecorded cases of domestic and foreigners availing medical tourism cases in Madhya Pradesh.
7. **Government Investment in Medical Hub Project**

The tenders were approved by the IDA board after a meeting 2013. The value of the two tenders, which were approved on the day include Rs 52 crore and Rs 44 crore. Indore Development Authority (IDA) has approved the tenders in two parts for the proposed Medical Hub, which is likely to come up in the Super Corridor area of the city.

Madhya Pradesh government is investing 96 crore Rs on a project like Medical Hub (Indore). The government is trying to locate or reroute variety of treatments on various Medical problems in one locality. Lots of corporate hospitals are also wish to start their set up there. Medanta Medicity, AAIMS Etc.

8. **Alternative Treatment**

Madhya Pradesh is endowed with rich and diverse forest resources; it is a reservoir of biodiversity. Madhya Pradesh has largest concentration for tribal population, about 28% of the total state's population Baiga, Bhariya, Birhor, Gond, Korku, Pardhi inhabit in Satpura plateau in the state of Madhya Pradesh. They use wide range of wild plants for their health care. Madhya Pradesh is hub of different alternative treatments for treating patients Ayurvedic, Homeopathy, Yoga, Tribal Medicine, Acupuncture, Naturopathy, Acupressure etc. There are patients getting benefitted from above practices.

9. **Medical Services at Economical Rates**

Madhya Pradesh world class medical services are available at very reasonable rates. Almost 1/10th of the charges quoted by hospitals in America, England etc.

Madhya Pradesh is providing

- Quality medical services at 1/10th costs:
- Complicated surgical procedures possible at 1/10th the cost
- Increase in use of Computerized Hospital Information Systems
- Software technologists facilitating tech revolution in healthcare
- State-of-the-art medical establishments of great repute
Price advantage is a major selling point. The slogan, thus is, “First World treatment’ at Third World Prices”. The cost differential across the board is huge: only a tenth and sometimes even a sixteenth of the cost in the West. Open-heart surgery could cost up to $70,000 in Britain and up to $50,000 in the US; in India’s best hospitals, it could cost between $3,000 and $10,000. Madhya Pradesh government can use this price advantage and design Medical tourism services in near future successfully like Apollo Medicity Hyderabad.

This research study is designed to determine the factors for attracting medical tourism to Madhya Pradesh (India) in a variety of aspect such as proper function of related organization, various government departments, hospitals, travel agencies etc for effective marketing mix of Medical tourism to suite the circumstances in Madhya Pradesh. Knowledge of all these factors is necessary for Madhya Pradesh for entering in to the medical tourism market.

It is necessary for all these organizations to specify the significance of raising the standards and improving and updating the medical tourism facilities. Proper function of private and state organizations could be activated the concerned sectors such as health centers and tourism centers.

Therefore the present study is of special importance due to examining functions of responsible organizations, proper factors of marketing mix and recognizing the circumstances of Madhya Pradesh according to special geographical location of Madhya Pradesh. It is imperative that the research has led to raise awareness of Hospital, Travel Agencies and people about the significance and special factors for attracting medical tourists in Madhya Pradesh.

The aim of this study is to introduce a new concept emerging in the Market (Medical Tourism) and the opportunity posed by the sector to Madhya Pradesh. This will enable Madhya Pradesh state to plan to provide Niche Medical Tourism Service which will be a distinct advantage to earn multi million dollars opportunity.

The objective of this study is to understand the awareness and Promotion of Medical Tourism in Madhya Pradesh due to which a lot of awareness will be generated in hospitals,
Travel Agents, Government offices so that they will make themselves prepared. And also to know that whether Madhya Pradesh can be best fit to in cash this opportunity. Actually this sector is new and so this study will be a pathfinder for all who wanted to study & Practice Medical Tourism in future.

10. Health Care Industries India and Madhya Pradesh

According to India’s Ministry of External Affairs, the $17 billion dollar healthcare industry, comprise health services, health care equipment and pharmaceuticals and is poised to grow 13 percent annually for the next six years, boosted by medical tourism, which industry watchers say is growing at 30 percent annually. India's medical tourism sector is expected to grow at an annual rate of 30 percent to become an Rs 9,500-crore industry by 2015. Thus many states in India like Madhya Pradesh can be benefited of this recession proof opportunity.

The healthcare industry has shown considerable growth in recent years in India. The emergence of top-notch corporate hospitals and continuous efforts for improvement of quality of healthcare has placed Indian private healthcare in an envious position on the global map. High ratio of qualified experienced medical practitioners/specialists, well trained nursing and medical staff have greater confidence levels amongst the people who are seeking medical care from Indian hospitals in general and Madhya Pradesh in particular.