

OPPORTUNITIES & CHALLENGES OF MEDICAL AND HEALTH TOURISM - CREATING A BRAND OF ALTERNATIVE TOURISM IN INDIA

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ABSTRACT

The economic position of any nation can be determined easily by the volume of input of the foreign exchange in the money market of that nation facilitating flow of money rotation. Tourism industry is a direct source of that foreign exchange factor in the economy and thus must be well managed and administered by the governments and administrative authorities. A number of reasons have been there with the tourists to visit any specific tourist destination in simple words like natural beauty , architectural monuments, the historical importance of the place, education and knowledge hub, technological nucleus, pilgrimage center, adventurous spot, or like. The most recent rationale or motive is a new kind of tourism called as medical or healthcare tourism. The medical tourism have been the latest phenomenon in tourism industry seen in South Asia primarily India is the most hunted and preferred choice of the tourist for the medical or healthcare tourism. The research study is a little attempt to study the role of medical tourism in economy and the various reasons to promote the medical tourism in South Asian region through descriptive research.

INTRODUCTION

Tourism is travel for recreational, leisure or business purposes. The World Tourism Organization defines tourists as people who "travel to and stay in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited".

Tourism is vital for many countries, and many island nations, due to the large intake of money for businesses with their goods and services and the opportunity for employment in the service industries associated with tourism. These service industries include transportation services, such as airlines, cruise ships and taxicabs, hospitality services, such as accommodations, including hotels and resorts, and entertainment venues, such as amusement parks, casinos, shopping malls, music venues and theatres.

The World Tourism Organization (UNWTO) forecasts that international tourism will continue growing at the average annual rate of 4 %.

Not only as a result of the important economic contribution of the tourism industry, but also as an indicator of the degree of confidence with which global citizens leverage the resources of the globe for the benefit of their local economies. This is why any projections of growth in tourism may serve as an indication of the relative influence that each country will exercise in the future. Technological improvement is likely to make possible air-ship hotels, based either on solar-powered airplanes or large dirigibles. Underwater hotels, such as Hydropolis, expected to open in Dubai in 2009, will be built. On the ocean, tourists will be welcomed by ever larger cruise ships and perhaps floating cities.

MEDICAL TOURISM AT A GLANCE- WHAT IS MEDICAL TOURISM?

Medical tourism- When there is a significant price difference between countries for a given medical procedure, particularly in Southeast Asia, India, Eastern Europe and where there are different regulatory regimes, in relation to particular medical procedures (e.g. dentistry), traveling to take advantage of the price or regulatory differences is often referred to as "medical tourism".

Medical tourism refers to "travel with the express purpose of obtaining health services abroad". The practice of medical tourism does not exist without criticism, particularly when involving patients from developed nations going to developing nations for procedures. It is thought to contribute to the commodification of health and health care by allowing those with the financial means to do so to purchase care that may be unavailable to other citizens. It has been suggested that if the industry is properly regulated, medical tourism can provide a viable means by which developing countries can gain access to needed revenue and developed countries can lessen 'bottlenecks' in their health systems. Ramirez suggested that presence of medical tourism hospitals in developing nations is also thought to lessen the international brain drain of health human resources by providing surgeons and others with access to advanced, high technology work environments.

Medical tourism (also called medical travel, health tourism or global healthcare) is a term initially coined by travel agencies and the mass media to describe the rapidly-growing practice of traveling across international borders to obtain health care. It also refers pejoratively to the practice of healthcare providers traveling internationally to deliver healthcare. Services typically sought by travelers include elective procedures as well as complex specialized surgeries such as joint replacement (knee/hip), cardiac surgery, dental surgery, and cosmetic surgeries. However, virtually every type of health care, including psychiatry, alternative treatments, convalescent care and even burial services are available.

The increasing popularity of medical travel include the high cost of health care, long wait times for certain procedures, the ease and affordability of international travel, and improvements in both technology and standards of care in many countries are the main

factors responsible for the increase in medical tourism. Cost seems to play an important role in the occurrence of medical tourism, many surgery procedures performed overseas cost a fraction of the price they do in America. For example a liver transplant that cost \$300,000 USD in America cost about \$91,000 USD in Taiwan. A large draw to medical travel is convenience and speed. Countries that operate public health-care systems are often so taxed that it can take considerable time to get non-urgent medical care. Canada has set waiting-time benchmarks, e. g. 26 weeks for a hip replacement and 16 weeks for cataract surgery, for non-urgent medical procedures.

Medical tourists can come from anywhere in the First World, including Europe, the Middle East, Japan, the United States, and Canada. This is because of their large populations, comparatively high wealth, the high expense of health care or lack of health care options locally, and increasingly high expectations of their populations with respect to health care.

Medical tourism for knee/hip replacements has emerged as one of the more widely accepted procedures because of the lower cost and minimal difficulties associated with the traveling to/from the surgery. Colombia provides a knee replacement for about \$5,000 USD, including all associated fees, such as FDA-approved prosthetics and hospital stay-over expenses. However, many clinics quote prices that are not all-inclusive and include only the surgeon fees associated with the procedure.

Popular medical travel worldwide destinations include Argentina, Brunei, Cuba, Colombia, Costa Rica, Hong Kong, Hungary, India, Jordan, Lithuania, Malaysia, The Philippines, Singapore, South Africa, Thailand, and recently, Saudi Arabia, UAE, South Korea, Tunisia and New Zealand. An article by the University of Delaware publication, Udaily The cost of surgery in India, Thailand or South Africa can be one-tenth of what it is in the United States or Western Europe, and sometimes even less.

However, perceptions of medical tourism are not always positive. In places like the US, which has high standards of quality, medical tourism is viewed as risky. In some parts of the world, wider political issues can influence where medical tourists will choose to seek out health care. Health tourism providers have developed as intermediaries to unite potential medical tourists with provider hospitals and other organizations. Companies are beginning to offer global health care options that will enable North American and European patients to access world health care at a fraction of the cost of domestic care. Companies that focus on medical value travel typically provide nurse case managers to assist patients with pre- and post-travel medical issues. They also help provide resources for follow-up care upon the patient's return.

MEDICAL TOURISM- A RISING OPPORTUNITY?

People traveling abroad for medical services usually choose the following categories of medical tourism procedures: dental , cosmetic , orthopedic , cardiovascular McKinsey and Company report (2008) states that 40% of medical travelers seek advanced

technology, while 32% seek better healthcare. Another 15% seek faster medical services while only 9% of travelers seek lower costs as their primary consideration.

Southeast Asia and India are the choice destinations for orthopedic and cardiovascular cases due to the high qualities of healthcare infrastructure and several U.S. accredited hospitals and physicians. India provides various healthcare services at 20% of the U.S. cost. In the past several years, the concentration on health care services has increased a lot with different world-class hospitals is coming up here in India.. The unrestricted efforts both from the public as well as private sector have placed India at top in the world medical tourism map.

Nowadays, a large number of tourists from different parts of the world come to India in search for cost effective medical treatment. It signified that medical tourism in India today is a big industrial sector as well as contributing significantly to the country's growth. It is also considered as the prime source of bringing foreign currency into India.

Cardiology, cardiothoracic surgery, orthopedic knee replacement, angioplasty, and cosmetic surgeries are the most in favor as the cost factor is considerably marked across these areas. A large number of hospitals have entered into the agreements with the international health insurance companies to compensate the cost of healthcare of foreign visitors.

Table 1: Cost Comparison of Selected Surgeries: (all costs in \$)

PROCEDURE	USA	INDIA	THAILAND	SINGAPORE	MALAYSIA	SOUTH KOREA	MEXICO	COSTA RICA	UAE
Heart Bypass	133,000	7,000	22,000	16,300	12,000	31,700	27,000	24,100	40,900
Heart valve replacement with bypass	140,000	9,500	25,000	22,000	13,400	42,000	30,000	30,000	50,600
Hip Replacement	57,000	7,020	12,700	1,200	7,500	10,600	13,900	11,400	46,000
Face Lift	16,000	4,800	5,000	7,500	6,400	6,600	11,300	4,900	n/a
Lap. Gastric Bypass	52,000	9,300	13,000	16,500	12,700	9,300	11,000	n/a	n/a

Source WorldTravel Market, Traveltalk, ,CII, November,2009 (11)

Also reduced waiting time for treatment than other developed countries enhanced and catalyzed medical tourism in India

Treatment in USA/UK=Treatment in India +Tourism+ Savings -Waiting Time

India offers state-of-the-art and cutting edge technology & highly advanced treatments at substantially low cost due to scales of economy, lesser operational costs and high currency conversion rate as compared to West. India offers highly advanced medical treatments not available in Middle East, Africa & SAARC countries (Afghanistan, Nepal, Bangladesh) at cost effective prices. India offers affordable insurance costs & cashless benefits.

Table 2: cost and waiting time comparison

Nature of treatment	Approximate cost in India (\$)*	Cost in other major healthcare destination(\$)	Approx. Waiting time in USA / UK (in months)
1.open heart surgery	4500	> 18000	9-11
2.cranio-facial & skull base surgery	4300	> 13000	6-8
3.neuro surgery	6500	> 21000	12-14
4.complex spine surgery	4300	> 13000	9-11
5.simple spine surgery	2100	> 6500	9-11
6.brain tumor surgery	4300	> 10000	6-8
7.parkinsons(dbs)	17000	> 26000	9-11
8.hip replacement	4300	> 13000	9-11

Source C.B. Venkata Krishna Prasad(5)

According to a recent study conducted by Deloitte in 2007, India received almost half a million medical tourists. The annual growth rate for medical tourism in India is estimated at 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.

Seeing the huge potential in the sector, the government has also started issuing M (medical) visa to the medical patients, and MX visas to the spouse accompanying him, which are valid for year.

SOME OF LEADING MEDICAL PLAYERS IN INDIA -

- Andromeda Andrology Centre (centre for impotence, infertility, sex change, sex disarray)
All India Institute of Medical Science
- Apollo Hospitals
- B.M.Birla
C.M.C Vellore
- Tata Memorial Hospital
- Indraprastha Medical Corporation
- Institute of Cardiovascular Diseases

- Escorts Heart Institute and Research Centre
- Kalra Hospitals
- Dr. U Mohan Rau Memorial Hospital
- Institute of Child Health and Hospital for Children
- PG Chandigarh

KEY FEATURES OF MEDICAL TOURISM IN INDIA –

The following are the top 5 factors the strength of Indian medical tourism which make it to emerge as a pioneer in the global industry.

- Top quality healthcare services at low cost
- Expert team of professional doctors
- High end medical & health care facilities
- 100% Trustworthy
- 100% success rate

As per new market research report “**Booming Medical Tourism in India**”, India’s share in the global medical tourism industry will reach around 3% by the end of 2013. Moreover, medical tourism is expected to generate revenue worth US\$ 3 Billion by 2013, growing at a CAGR of around 26% during 2011–2013. The number of medical tourists is anticipated to grow at a CAGR of over 19% during the forecast period to reach 1.3 Million by 2013. It is also found that, India represents the most potential medical tourism market in the world. In addition to the existence of modern medicine, indigenous or traditional medical practitioners are providing their services across the country. There are over 3,371 hospitals and around 754,985 registered practitioners catering to the needs of traditional Indian healthcare. Indian hotels are also entering the wellness services market by collaborating with professional organizations in a range of wellness fields and offering spas and ayurvedic massages.

FDI IN TOURISM

With a view to stimulate domestic and international investments in this sector, the government has permitted 100 percent FDI in the automatic route –allowing full FDI into all construction development projects including construction of hotels and resorts, recreational facilities, and city and regional level infrastructure. 100 percent FDI is now allowed in all airport expansion projects subject to the condition that FDI for upgradation of existing airports requires Foreign Investment Promotion Board (FIPB) approval beyond 74 percent. A five year tax holiday has been given to organizations that set up hotels, resorts and convention centers at specific destinations, subject to fulfillment with the agreed conditions. Some international hospitality majors such as Hilton, Accor, Marriott International, Berggruen Hotels, Cabana Hotels, Premier Travel Inn (PTI) and InterContinental Hotels group have already announced major venture

plans in India in recent years. It is expected that the hospitality division is expected to see an additional US\$11.41 billion in inbound investments over the next few years

According to the Indian Tourism ministry, the Indian tourism industry would be the third largest foreign exchange earner in the country in the next three year. Till the end of 2012, foreign tourists will grow at the fastest pace in comparison with the last decade and it is estimated that tourism in India could contribute US\$1.8 billion to India's GDP

RESEARCH METHODOLOGY

In dealing with the problem, it is found that data at hand are inadequate, and hence, it becomes necessary to collect data that are appropriate. Primary data is collected through survey. Secondary data is collected through books, magazines and journals related with the problem which researcher has come across.

HYPOTHESIS

H₀: There is no considerable impact of factors affecting Indian medical tourism which make it to emerge as a pioneer in the global industry.

	Factors affecting Indian Medical Tourism				
	Top quality healthcare services at low cost	Expert team of professional doctors	High end medical & health care facilities	Trustworthy	success rate
Profitability	40	40	50	60	10
Effectively	50	30	20	55	45

(df =4, significant level = 5%)

The calculated value chi-square (37.884) is much higher than this table value and hence the result of the problem does not support the hypothesis. Thus, there is considerable impact considerable impact of factors affecting Indian medical tourism which make it to emerge as a pioneer in the global industry.

CHALLENGES OF MEDICAL TOURISM IN INDIA

Most of the foreigners treated in India, come from other developing countries in Asia, Africa or the Middle East, where top-quality hospitals and health professionals are often hard to find. Patients from the United States and Europe still are relatively rare -- not only because of the distance they must travel but also, hospital executives acknowledge, because India continues to suffer from an image of poverty and poor hygiene that discourages many patients.

India's health care system is hardly a model, with barely four doctors for every 10,000 people, compared with 27 in the United States, according to the World Bank. Health

care accounts for just 5.1 percent of India's gross domestic product, against 14 percent in the United States. The following are some of challenges of fast pacing medical industry in India-

Lack of proper infrastructure, amenities and, access and connectivity-

Infrastructure needs for the travel and tourism industry range from physical infrastructure such as ports of entry to modes of transport to urban infrastructure such as access roads, electricity, water supply, sewerage and telecommunication. The sectors related to the travel and tourism industry include airlines, surface transport, accommodation (hotels), and infrastructure and facilitation systems, among others.

However, infrastructure facilities such as air, rail, road connectivity, and hospitality services at these destinations and the connecting cities are inadequate. This remains a major hurdle for development of tourism

Amenities include basic amenities such as drinking water, well maintained and clean waiting rooms and toilets, first aid and wayside amenities (to meet the requirement of the tourists travelling to tourist destinations) such as lounge, cafeteria, and parking facilities, among others needs to be improved

India scores poorly in terms of availability of these infrastructure facilities. Inadequate infrastructure facilities affect inbound tourism and also could lead to an increase in the outflow of domestic tourists from India to other competitive neighboring countries. Hence, for the industry to register healthy growth, issues concerning all the related sectors need to be addressed.

Service level-

In addition to hospital staff, the degree of service offered by these various stakeholders has a significant impact on determining the tourist's overall experience of India as a tourist destination. The government has taken initiatives to promote responsible tourism by sensitizing key stakeholders of the tourism industry through training and orientation, to develop a sense of responsibility towards tourists and inspire confidence of foreign tourists in India as a preferred destination.

Marketing and promotion

Marketing and promotion of India as a major medical tourism destination is critical for the industry to achieve its potential. Lack of adequate budgetary support for promotion and marketing, compared with competing tourist destinations, is a major reason for India lagging behind its competitors. Marketing under the "Incredible India" campaign helped place India as a good tourist destination on the global tourism map. India needs to change its traditional marketing approach to a more competitive and modern approach. There is a need to develop a unique market position and the brand positioning statement should capture the essence of the country's tourism products: i.e., they should be able to convey an image of the product to a potential customer.

Security

Security has been a major problem as well for growth of tourism for a number of years. Terrorist attacks or political unrest in different parts of the country have adversely

affected sentiments of foreign tourists. Terror attacks at Mumbai in November 2008 dealt a strong blow to tourism in the country. The terror attacks raised concerns of safety. In addition, insurgency in different parts of the country also mars India's image as a safe destination.

Regulatory issues

For inbound international tourists, visa procedures are seen as a hindrance. A number of countries competing with India for tourists provide visa on arrival. India should provide visa on arrival for more countries or for certain categories of tourists for a specific duration. There is a greater need for speedier clearances and approvals for all projects related to the industry.

FUTURE PROSPECTS OF INDUSTRY

The travel and tourism demand is expected to reach US\$ 266.1 bn (` 14,601.7 bn) by 2019. During 2004–2009 travel and tourism demand in India increased at a compound annual growth rate (CAGR) of 16.4% to US\$ 91.7 bn (` 4,412.7 bn) and foreign exchange earnings from tourism increased ~13% to US\$ 11.39 bn.

CONCLUSION

World-class treatment & highly advanced healthcare infrastructure is the main reason for concentrating on promotion of this kind of tourism in India. Booming software industry in India has facilitated technological revolution in healthcare. In fact, after software, healthcare industry is the next big thing in India & contributes majorly to India's fast growing economy. Strong academic & research base & a booming healthcare industry in India contributes towards a world class medical force (Physician's, Surgeon's, nurses). India's medical force boasts of a high intellectual resource pooled in by highly skilled & qualified professionals. (10% Doctors in USA are Indians). Fast growing economy has led to privatization & corporatization in the field of healthcare, thereby leading to the setting up of world class hospitals that provide highly advanced treatment facilities through high end technology & world class doctors. Low operating costs, high resources & highly qualified English-speaking manpower have made India the hub for Research & Development as well as clinical trials, thereby contributing primarily to the healthcare infrastructure. In a bid to attract large numbers of medical tourists the government of India has taken substantial steps to improve the health care services in India. Due to the reasons cited above, India also has a strong Pharmaceutical base comprising of Indian & foreign companies that further strengthen the healthcare industry by bringing cutting edge technology & latest discoveries in India simultaneously with the western world

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