

Medical Tourism in India: An Analysis

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Abstract: *In the current set-up tourism business is gaining massive financial profits. This is not limited to hotels, restaurants and historical sight scenes, but also extended to health care services globally, presented in term as medical tourism. Medical tourism or healthcare services industry is a rapidly growing industry worldwide. It is a combination of two economic activities, which represents the blend of two industries i.e. tourism and medicine. In the recent times, the globalization of the medical tourism and the immense requirement of quality health services at affordable cost, attract the foreign tourist towards developing countries like India, which adequate resources, expertise doctors, staff and hospitals to meet these demands. Now a day's foreign tourists are preferring India not only for vacations but also for health care services like surgery, knee transplantation, beauty surgery, hip replacement, dental problems and many more. Most of tourist prefers India for ayurvedic treatment and treatment from natural resources. This paper emphasis on the strengths of India's medical tourism, the challenges they have to face and the main drivers of medical tourism. It also discusses about the prospectives and expansion of medical tourism in India with the help of data analysis.*

Key Words: *Ayurvedic Treatment, Globalization, Health care services, Medical Tourism*

I. INTRODUCTION

In today's era Medical Tourism is expanding worldwide, sometimes medical tourism can be said as health tourism and wellness tourism, in this customer from different parts of the world travel to other countries for medical treatment such as dental, surgery, fertility treatment and many more. When people seek for the medical treatment they also prefer merging their treatment with a well-planned vacation. According to OCED, 2011, Medical Tourism can be defined as when clients go for medical treatment and choose to travel across international countries for medical services such as dental problem, beauty surgery, and different type of surgery and fertility treatment.

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From the point of view of trade, medical tourism is not a direct trade, rather it provides health care services beyond regional boundaries. In Medical Tourism, all surgeries are not included in the health trade such as Beauty surgery for aesthetic rather than rehabilitation reasons, is not included in health boundary. From a decade Medical Tourism is a silent revolution which is emerging in India and other countries also such as Singapore, Brazil, Argentina, Mexico, Greece, Costa Rica, Dominican Republic, Israel, Jordan, Lithuania, Malaysia, Peru, Hungary, South Africa, Thailand and the Philippines. In all these countries the promotion of medical tourism is active and its expectations are definite to be intense. In India the home health care services is demanding to capture the developing worldwide health bazaar. The idea behind the Medical Tourism is attached with the lucrative potential. Most of the customers who want medical treatment are the people of the developed countries of the world and mostly come from The United States, Great Britain, Western Europe, Australia, Canada, and The Middle East. The people from various countries are also looking for the places where they can together get spend some leisure time from a vacation and take medical treatment at an affordable price.

From the recent studies, it can be concluded that most of the customer's commonly urbanized people are getting into knees replacement, hip replacement and dental surgery done by the best-expertise doctors at any price together with the feel of a five star hotel. People from the countries like the United States and European countries come to India for medical treatment which is escalating day by day because this can help them to hoard funds on their medical and separately from the high expenses, treatment like operations take more than six months or a couple of years or even greater than that, which encourage customer to visit to countries like India for medical treatment. Many health assurance companies don't consider the treatments like beauty surgery because of that many rich people from the developed countries opt for traveling abroad for the treatment. In coming years, it will be seen that health assurance corporation themselves motivate medical tourism as a prospective cost-economy measure.

In most of the emergent countries hospitals enjoy cost control while additional flavor to health care facilities and promoting a package to the customer which includes all the amenities starting from medical treatment, voyage and generosity services to local-sightseeing within one offer including of all the services. The distance among the hospitals and hospitality companies is gradually brought down, as medical tourism is treated equally to tourism as it provides both medical treatment as well as vacation. In India;



which is reaching the position of a universal healthcare globally, the growth is not limited to selected hospitals; but a variety of various healthcare services providers like naturopathic, ayurvedic, homeopathic, and yoga institutions are also gaining huge profits from this flourishing.

According to McKinsey, 2008 “The primary purpose of the people is to acquire medical treatment in overseas country by travelling, exclusive of: disaster tourists, wellness tourists, emigrant looking for care in their own country, patients travelling to neighboring countries which are nearest accessible to their countries.”

The above definition will be clearer from the following diagram

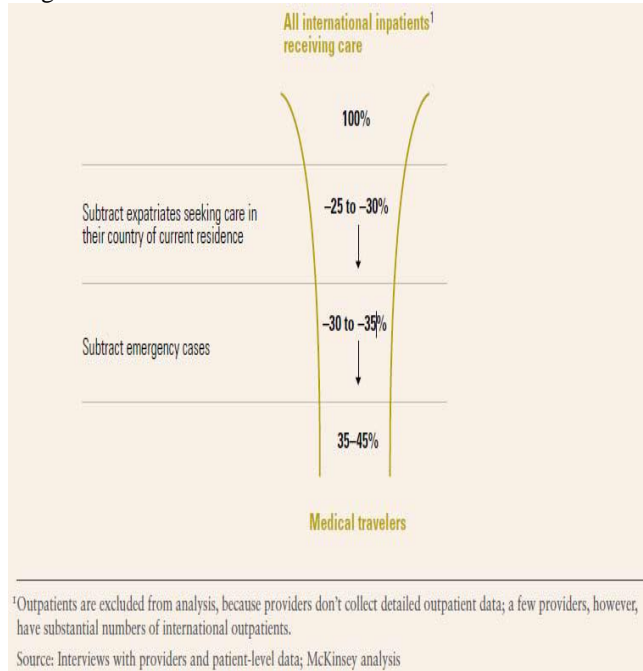


Fig. 1 Medical Traveler

Source: McKinsey Quarterly, Mapping the market for medical travel, 2008

II. LITERATURE REVIEW

Reddy (2000), from the recent studies, analyzes that the prospective of the healthcare industry has same challenges and development that the software and pharmaceuticals business which have shown in the previous years. Health care industry is emerging and largest service sector in developing countries as it shows the trade of approximately \$ 4 trillion and \$ 750 million is shared by the developing countries as compared to the developed countries.

Baxi (2004) and Pankaj Mochi (2013), the author analyzed that, the position of India in health care industry is increasing day by day. According to research that is been already conducted, global healthcare industry is increasing to the extent of about \$3-trillion due to the amenities and facilities it proposes and also by providing the brand equity of Indian healthcare specialized from corner to corner of the world. As compared to other countries in the world the medical expertise

by India is finest in the globe and the job done by doctors in India is accepted all over. The main cause for India’s coming out as significant destination for healthcare is because of good reputation of Indian health center who are recognized worldwide. In US itself there are about 35,000 expert doctors of Indian origin. International tourists mostly like Indian nurses for their caring approach as they feel it is just like a motherly treatment.

Rao (2005) examined that the cost of the medical treatment all over the world and found that quality is at its best and cost is very low as compared to other countries, due to which large number of foreign tourists are approaching India to benefit from health care services, mainly in the field of cardiology, joint replacement, cardiac surgery, pathology, ophthalmology and hence Indian system of medicines.

Mohanty and Madhav (2006) has found that the Indian health care businesses began to come out as a major destination for tourists coming for medical treatment as compared to other countries in the world is just because Indian Industry is upgrading its knowledge, skill, fasting better familiarity with many advanced medical practices and humanizing its picture in terms of eminence and price.

Pachanee. C. (2009) found about the Mode 2 trade in medical services in Thailand. The author founded the emergence of health care services in Thailand was commenced by the private sector. Multilateral and regional trade agreements are not included in it. With the help of excellent and high capacity of marketing strategies, Thailand becomes a primary exporter of health care services for overseas patients. The experiences from other countries should be introduced in Thailand for the promotion of Mode 2 (medical tourism) business in fitness services, which tells about the impact on the health schemes are banned, calculated and addressed.

Simon Hudson and Xiang Li (2012) they have focused on the literature on medical tourism which studies about the International medical tourism, where people travel to acquire best health care services. They also emphasize that not only foreign patients but there is increasing number of domestic patients who travel for health care services inside their own country.

Muralidar Trivedi (2013), the researcher has studied about the yoga and meditation in their research work. It has been more than 5,000 years ago the yoga has come into existence. Many group of students related to health care and medical travelers approach India to be trained more on Yoga and other forms of natural and ayurvedic medicines. 2,500 years ago when Buddhism came to India, then it achieved a status as the center of Eastern artistic, divine, and therapeutic progress.

Today also India is one of the famous and best destination for



foreign patients due to its natural and ayurvedic medical practitioners as compared to Western clinical medicine which is also more popular and credible all over the world.

III. OBJECTIVES OF THE STUDY

The main objectives of this study are:

1. To study the situations of medical tourism industry in India.

2. To check the prospective and developmental areas of medical tourism industry in India by comparing the monthly data and state wise data.
3. To study the drivers and mechanism of medical tourism industry.
4. To investigate the main drivers and challenges of medical tourism in India.

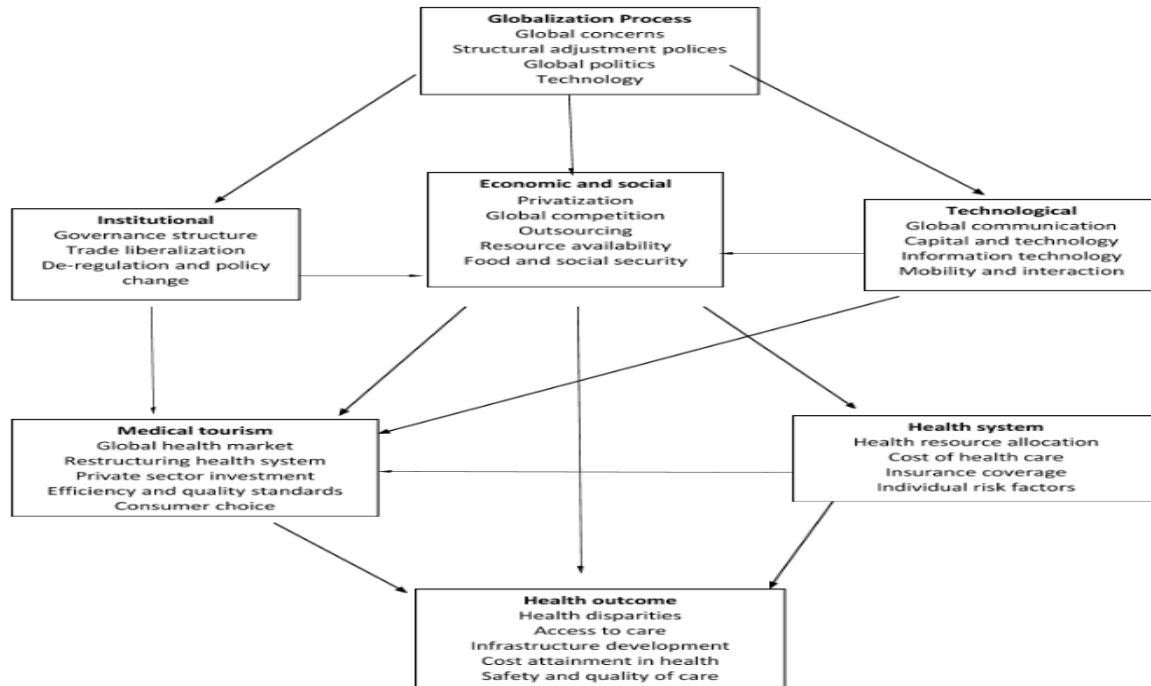


Fig. 2 Conceptual Framework of Globalization and Medical Tourism

IV. MEDICAL TOURISM AND ITS DETERMINANTS

In this paper we discuss the determinants of medical tourism given by different authors, such as K. Pollard, Glinos and Baeten and a details specially made by the Executive Agency for Consumers, Health and Food (CHAFEA). The view point of all the authors are same in one or another way such as all of them have discussed about the cost, facilities, reputation etc. The detailed discussion of the determinants is as follows:

According to K. Pollard, he establishes a “model of destination attractiveness”, where he discusses about the factors which affect the decisions of the customer or patients about the treatment in international borders. This model excludes the technology and quality as being a decision factors. It consists of seven key determinants which are as follows.

1. Geographical front: The decision of the patients depends on the how much time will be taken to reach the destination and type of ease and barriers he has to suffer. They avoid the indirect flights and also avoid those places that have complicated visa procedures.
2. Cultural front: It includes language, religion, cuisine, customs and practices. Patients are influenced by the familiarity and cultural similarity.

3. Image of a Place: It is very hard or impossible to change the reputation of the country, which is the main attraction that influences the patients for particular treatment.
4. Facilities and Infrastructure: The infrastructure of the country is the main attraction for the patients as they have to stay for long period which also includes the facilities available for the treatment.
5. Weather conditions: The climate of the country, its weather conditions, tourism attractions, facilities are some of the reason that create the places more attractive to a patient.
6. Risk and return: It includes the safety measures, good records of the medical services of the particular country, treatment outcomes against potential risks, guarantee treatment etc.
7. Price: While calculating the value of treatment it includes all the expense which they have to bear while treatment such as treatment costs, travel, accommodation and insurance expenses.



Glinos and Baeten discussed about the preferences of the patients, where they want to treat as they are in their domicile as likely in a system so that they feel comfortable but in various conditions they may be eager or still choose to be take care of as they are guest. According to them they divide the drivers into five factors related to patient’s mobility.

1. Familiarity: Patients feel more relaxed and ease, if the culture, language, habits, religion, history are recognizable with their own culture and capable to converse a common language.
2. Availability of services: Patients travel abroad just because the preferred service is unavailable in their own country or not available due to long waiting lists.
3. Costs: Cost is the one of the major determinants in the medical tourism, as patients go for healing which is not included from the domestic health care coverage and they have to pay from their own packets, for this they seek for the services of optimal value-for money.
4. Quality: Most of the patients who opt for the health care services in abroad perceived that the quality provided by them is of higher quality as compare to their own country.
5. Law: According to legislation, patients look for treatment that is against the law, hence not provided in their home country, they go abroad for it.
6. A report specially made by the Executive Agency for Consumers, Health and Food (CHAFEA), which puts some light on the choice of the decisions of the patients. For this they have done an experiment which was segregated into two stages.

Stage I: it is restricted online experiment and eight Member State are taken for the further survey. In this experiment, the information is selected by the respondents as how they select the health care services from different countries. The survey of payers is also included in this experiment.

Stage II: it is shortened description of the Stage I experiment. In this, information is collected from the respondents about their experience on the National Contact Point websites.

1. The survey of people and doctors are taken with the combination of behavioral experiment, which identifies the key drivers of travelling from one country to another for a medical treatment. The key drivers identified were the following.
2. Value of treatment: It is the one of the strongest determinant, where patients decide to choose a cross-border provider of healthcare.
3. Time: The next most significant driver of selecting a cross-border provider of healthcare is time, in this

Table. 1 Medical Tourism in India

patient compares the waiting time taken by their own country as compare to the target country.

4. Trust: Trust is the third most vital driver of selecting for a cross-border treatment. As patients have high trust on the health care system of the foreign country as compare to the domestic country.

V. THE MECHANISM OF MEDICAL TOURISM INDUSTRY

Over recent decades it has been studied about the patterns of the medical tourism which shows that they are vague and unidirectional in nature. As in normal tourism the tourist check the preferences such as type of holiday, time to be spend, facilities, infrastructure and amount to be spent on a holiday, after this they think about the region in which they choose a hotel for stay and pick the most cost effective option, it is one of the alternative ways of medical tourism. But the right mechanism of the medical tourism can be said as, patient first decides about their own need and preferences related to medical condition. Once they know about the medical needs, then they move on to the other step to choose a country having a best medical facility according to their budget, which is the last step of the medical tourism. So, it can be concluded that price is not the main factor while choosing the services in medical tourism. The major participants in the mechanism of medical tourism industry are presented below.

VI. THE MEDICAL TOURISM INDUSTRY

According to the Confederation of Indian Industries (CII), the medical services provided by India are unique in nature. India as a country not only provides allopathy but also provides yoga, observation, ayurveda, homeopathy and other structures of medicines, which is an exclusive bucket of medical services as compared to other countries in the world. Due to natural and inherent cultural component many foreign patients are attracted towards Ayurvedic treatment. Kerala is the famous state for this treatment for many years and costumers who are approaching Kerala includes Britons, Americans, Germans, Spaniards, French and even Sri Lankans.

Medical tourism is fast growing sector in India. It has been estimated that the current size of the Indian medical tourism industry is little over \$ 3 billion and forecasted that medical tourism industry will reach India by \$ 6billion by 2018.It is one of the major drivers of the Indian economy along with biotechnology, software technology, and technology facilitates consumer services.

There is large number of private and government hospitals which provide medical treatment to patients irrespective of ethnic group. There are some private hospitals in India which leads to uprising in medical tourism are:



Tata Memorial Cancer Hospital	Dr. Vivek Saggar's Dental Care & Cure Centre
Escorts Heart Institute & Research Centre	NM Excellence
Apollo Hospitals	Manipal Hospital
Wockhardt Hospitals	PD Hinduja National Hospital & Medical Research Centre
Aravind Eye Hospitals	LV Prasad Eye Institute
Fortis Healthcare	B.M.Birla Herat Research Centre
Leelawati Hospital	Christian Medical College

New Delhi, Chennai, Bangalore, Mumbai are the major players in terms of places where maximum number of Foreign patients approach for medical treatment.

Excluded from all these corporate players, government hospitals have also a major role in improving the medical tourism in India. One of the biggest and renowned government hospital in India is All India Institute of Medical Sciences (AIIMS), which is getting patients from all over the world counting European countries also. The AIIMS has also formed an International Healthcare Service team full of enthusiasm, which will be managing the patients from their arrival to their departure organizing all features of medical treatment.

VII. MEDICAL PRODUCTS

There are some of the merchandise that are selling under the streamer of medical industry that can be broadly divided into three parts:

Wellness	Treatment	Rehabilitation
Nature tourism	Eye surgery	Dialysis
Community Tourism	Cosmetic surgery	Elderly care programs
Resorts	Elective surgery	Counseling services
Herbal Treatments	Diagnostic services	Addiction programs
Spas	Reproductive Treatment	
Complementary Healing	Cancer treatment	
Lifestyle/Healthy vacations	Joint replacement	
Ecotourism	Cardiothoracic services	
	Delivery	

VIII. ARRIVAL OF TOURISTS IN INDIA

As we have discussed above that India is one of major player in Medical Tourism as compare to other countries and patients are eagerly approach to India due to cost, environment, culture, vacations. It will be more clearly from

the data given below from 2010-2015. In this we try to analyzed month wise, it says that the arrival of tourist is increasing from previous year and most of the patients come during the month of October, November and December as the weather is pleasant and cold during this month and they feel comfortable and suits to them. And from May to September the intake of tourist is less is just due to weather conditions, because in this month the climate is humid and hot.

Table. 2 Month-Wise Arrivals of Foreign -Tourist in India (in Thousands '000)

Months	2010	2011	2012	2013	2014	2015
Jan	568.7	622.7	681.0	720.3	757.7	790.1



Feb	552.1	627.7	681.1	688.5	755.6	761.4
March	512.1	535.6	606.4	639.5	690.4	729.6
April	371.9	446.5	447.5	450.5	535.3	539.7
May	332.0	383.4	374.4	417.4	465.0	510.7
June	384.6	405.4	433.3	451.2	502.0	513.4
July	466.7	475.5	485.8	506.4	568.8	633.0
August	422.1	428.4	445.6	486.3	575.5	589.0
September	369.8	417.4	411.5	453.5	509.1	540.0
October	507.0	559.6	556.4	598.0	668.3	680.0
November	608.1	669.7	701.1	733.9	765.3	815.0
December	680.0	736.8	752.9	821.5	885.1	---
Total(in numbers)	5784.1	6308.7	6577.0	6967.0	7678.1	

Source: Bureau of Immigration , India , Govt. Of India for Jan -June, 2015, Ministry of Tourism

IX. STATE-WISE ARRIVAL OF FOREIGN TOURISTS IN INDIA

From the below table we can say that, these are 10 major states where foreign tourists come for their medical treatment. India is known for bucket of medical services, which includes

all from allopathy to ayurvedic. If we compare foreign tourist arrival in India, the highest score is with Kerala due to its ayurvedic treatment. As foreign patients wants to cure themselves with the help of natural factors and medicines available on the earth and Kerala is one of the famous state for ayurvedic treatment in India.

Table. 3 Share of Top 10 Indian States in Foreign Tourists Arrivals in India

States	2010	2011	2012	2013	2014
TamilNadu	280.4	337.3	356.1	399.0	465.7
Maharashtra	508.3	481.5	512.0	415.6	438.9
Uttar pradesh	173.2	188.7	199.4	205.4	290.9
Delhi	189.3	215.9	234.5	230.1	231.9
Rajasthan	127.8	135.1	145.1	143.7	152.5
West Bengal	119.2	121.3	121.9	124.5	137.5
Kerala	659.2	732.9	793.6	858.1	923.3
Bihar	635.7	972.4	1096.9	765.8	829.5
Karnataka	380.9	574.0	595.3	636.3	561.8
Haryana	106.4	130.4	233.0	345.5	547.3
Goa	441.0	445.9	450.5	492.3	598.6

Sources: State/ UT Tourism Department

X. CHALLENGES AND MEDICAL TOURISM IN INDIA

Medical tourism is not a new field in today's era but today also it has a potential to nurture. With growing ability it also tackles with many challenges that need to be undertaken. The challenges faced by medical tourism in India are as follows:

1. Competition: Medical tourism is not only seeing immense growth in India rather it is seeing extensive growth

even in other developing nations such as Malaysia, Singapore, Thailand, South Korea, Brazil, Belgium, Cuba, Costa Rica, Hungary, and Jordan. With the help of best and high capacity advertising they are promoting and attracting the bulk of patients who come from many urbanized countries of the globe especially Europe, the UK, Middle East, Japan, U.S. and Canada where the price all these health care services is very luxurious in nature and



one has to wait for long times for treatment in these above said countries. And expectations of the foreign customers are also increasing as they want personalized services in affordable cost.

2. Follow-Up Problems: As customer is coming from another country for treatment and if they want to follow up, it becomes very difficult for patient especially in case of surgery, if any complexities occur after operation and patient has departed to his own place/country, in that case it's very difficult to follow up with the patient, which is also expensive in nature.

3. Cultural Proximity: One of the biggest barriers in medical tourism is from cultural and language front. Many patients, doctors and nurses are not able to understand the language of each other, apart from the specialized doctors and extremely refined medical systems, many doctors and their staffs are not able to communicate in their language which make the system weak and difficulties arise on both the side; patient as well as on staff side.

4. Brain Drain: As our country is full of expert professionals but the main problem is to retain them, which is one of the biggest challenge in front of our country, because of not offering good salaries to them. In other countries the professionalized and skilled professionals are very less so they hire people from India by offering higher salary to them.

5. Quality: Quality is the main problem for patients while considering medical tourism industry as a substitute treatment. Patients need a protected and elevated eminence in medical care. While selecting the other countries for medical treatment their focus is not only on the price but on the quality and safety also. While choosing the hospitals and countries they also consider the nationalized and worldwide accreditation by quality monitoring bodies like National Accreditation Board for Hospitals & Healthcare Providers (Indian Accreditation Body) and international board such as Joint Commission International (JCI)/ Joint Commission on Accreditation of Healthcare Organizations (JCAHO). But it's very sad to say that still many Indian hospitals don't have this accreditation.

6. Infrastructure: Before selecting the country, customer also focuses on the Infrastructure, which is a main concern affecting India as a destination. Bad roads, improper flight connectivity all over the country, lighting problem, water availability are some of the drawbacks which lacking behind the India in the race of medical tourism.

XI. CONCLUSION

After collecting the facts and figures, at the end we conclude that India is one of the best and desired destinations for medical tourists coming from foreign countries. Medical tourism industry is a continuously developing and growing industry in India, as annual development rate is about 30%, and the profits made earned were around Rs. 9,500 Crore at the end of 2015. Every year an estimated amount of 150,000 of customers travel to India because of economic healthcare

services. It has been estimated that the current size of the Indian medical tourism industry is little over \$ 3 billion and forecasted that medical tourism will reach India by \$ 6 billion by 2018. The arrival of tourist is increasing from previous year and most of the patients come during the month of October, November and December as the weather is pleasant and cold during this month and they feel comfortable and it suits to them. Kerala is one of the famous states for ayurvedic treatment in India, as it provides ayurvedic and natural treatment to the tourists which is in great demand among the foreign tourists.

Though there are various challenges faced by Indian medical tourism industry, like competition, infrastructure, brain drain, follow-up problems etc., the industry still all the prospectives to grow to number one position to attract foreign tourists by 2018, by working on its problems and improving service quality and maintaining it throughout. This way medical tourism can certainly contribute to the economic growth of the country at large.

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