

Medical Tourism And Its Avenues For Generating Revenue



Medical Science

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ABSTRACT

Many of the countries has been turned into the developed countries from the developing one. As well as they have become strong in medical field. For the same reasons medical tourism has come into the picture by which many of the field/ companies can generate the revenue. Aims and objectives – how can be the revenue generated from the transfer or translation of the person to eliminate the ailment. In this chain many key actors come which generate the money from this. Conclusion and result – push and pull theory can proof this medical tourism theory. Medical tourism and revenue from this is increasing year by year all over the world including India. In this paper other recommendations have been stated to increase the revenue from the medical tourism.

Introduction

Medical tourism (MT) is patient movement from highly developed nations to other areas of the world for medical care, usually to find treatment at a lower cost.¹ Globalization has caused many countries to evaluate their economical strengths and weaknesses, as well as reassess products or services in which nations can benefit. 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 travelling across international borders to obtain health care.⁴ One such product and service that has emerged over the past decade is medical tourism. Medical tourism involves the practice of citizens exercising their personal healthcare choices in less restrictive areas. It is the traveling by candidate service recipient's from one institution or country where treatment is not available to another institution or country where they can obtain medical services and innovative treatments they desire. Despite the less restrictive policies that encourage this business, these services often can also be offered as a lower-cost and more-timely option. A recent trend has shown that people from developed countries are seeking treatment from the health professionals from developing countries due to the distinct cost advantage and the possibility of combining leisure with well being. This preferential shift is broadly termed as 'Medical Tourism' However, medical tourism, as a concept, has been there for quite a few years. Medical tourists are people from the industrialized and developed nations such as USA, Europe, Australia and The Middle East. Medical tourism is emerging as a major source for inflow of foreign currency in developing countries, especially India. It serves the twin needs of the ailing patients as well as the economically sick destination countries. Medical tourism companies help organise patients' treatment, travel arrangements and tours.⁵

After Information Technology (IT) and Information Technology enabled Services (IteS), which are currently good contributors to our nation's GDP, the next big thing happening (already begun!!) could be 'medical tourism', which has enormous potential, if rightly tapped, to make great contributions to the nation's GDP.

India now hosts and treats an estimated of 50,000 medical tourists a year and the catalytic CII-McKinsey report of 2002 projected that medical tourism could contribute up to \$ 1-2 billion in revenue by the year 2012.

Aims and objectives

(A) Firstly the study aims to understand how revenue from international patients translates into output, jobs, income in the country and how it is distributed among key actors.

(B) Secondly, this study strives to reveal new and innovative strategies using push and pull factor theory to promote medical

travel or health holidays.

The key actors in revenue generation are

- The Travel and Tour Operator
- Indian Hospitals
- Small entrepreneurs
- Tourist destination/place
- Travel Agents/ Local Tour Operators
- Local Guide / Hotel / Market
- Local Hotel
- Local market

The following sections have the synergistic interactions of the various players of this network and the resulting economic sustainability. A most recent entrant in the field of medical tourism are the independent medical referral companies that review the individual's medical history and then recommend a doctor and hospital best suited for that particular patient.

Discussion - The business terms push and pull originated in logistics and supply chain management, but are also widely used in marketing.⁶

The push factor involves a force which acts to drive people away from a place and the pull factor is what draws them to a new location. .⁷

The push-pull theory has prevailed other paradigms in examining tourism motivations underlying tourist and visitation behavior:

Push factors are more focused on creating desires.

Pull factors are more focused on in terms of the marketing perspectives

Push is something which brings a desire to travel for medical tourism while pull is something which attracts the medical tourist seeking the destination

Push	Pull
Whether to go	Where to go
Intangible intrinsic desires	Tangible attributes of a destination
The desire to travel	Seeking the choice of destination

Push factors

Physical and psychological factors
Overburdened healthcare system in home country

Unaffordable prices
Inaccessible services

Pull factors

High quality and low price
Unexpectedly better services
Relaxation and recuperation
Easily accessible

Cost saving in health care expenses of the abroad employers and insurance carriers is the prime Indian medical tourism driver. For example a heart procedure that may cost 100000 + dollars in US may only cost as little as 10000 dollars in India, accounting to 90% cost saving.

Cost comparison different procedure wise

Procedure	US	India	Thailand	Singapore
Heart Bypass	\$100,000	\$10,000	\$11,000	\$18,500
Heart Valve Replacement	\$200,000	\$10,000	\$10,000	\$12,500
Angioplasty	\$57,000	\$11,000	\$13,000	\$13,000
Hip Replacement	\$43,000	\$9,000	\$12,000	\$12,000
Hysterectomy	\$20,000	\$3,000	\$4,500	\$6,000
Knee Replacement	\$40,000	\$8,500	\$10,000	\$13,000
Spinal Fusion	\$62,000	\$5,500	\$7,000	\$9,000
Bone Marrow Transplant	\$250,000	\$25,000	*****	*****
Partial Hip Replacement	\$18,000	\$4,500	*****	*****
Full Hip Replacement	\$39,000	\$3,000	*****	*****
Orthopedic Surgery	\$18,000	\$4,500	*****	*****
Gall Bladder Surgery	\$60,000	\$7,500	*****	*****
Tooth Extraction	\$350	\$30	*****	*****
Root Canal	\$3,500	\$200 to \$400	*****	*****
LASIK Eye Surgery	\$3,700	\$730	*****	*****

Results-

Current medical tourism industry is 300 million\$ and is increasing by 30 % every year. According to a study by CII McKinsey, India could generate revenue of \$1 - \$2 billion by the year 2012, for outsourcing its Medical facilities. Russia, China, Japan and Africa are the potential and emerging buyers of the medical tourism apart from existing ones i.e. US, UK, Europe, Middle East and Latin America. A recent report states that by 2017 over 16 million Americans could be traveling overseas for medical care. India's medical tourism sector is expected to experience an annual growth rate of 30%². Making it a \$2 billion industry by 2015 in India.³ World wide medical tourism revenue generation is expected to be 100 billion\$ by 2012 and India will own only 1-2 % of this, depicts enough space to expand and grab the sector and to earn profits. the global medical tourism market was valued at USD 10.5 billion in 2012 and is estimated to reach a market worth USD 32.5 billion in 2019 at a CAGR of 17.9% from 2013 to 2019.⁸

Conclusion -

SWOT of Indian Medical Tourism

Strengths

- Low cost of medical treatment - Prime India Medical Tourism Driver
 - Experienced & talented pool of Medical Professionals.
 - English is the most preferred language of communication in hospitals and medical centers
 - Strong Private Hospital Infrastructure
 - Government support in terms of incentives and long term stay in India
 - Familiarity of Western Patients with Indian Doctors.
- Weaknesses**
- India is lagging behind in the competitive market due to the lack of adequate budgetary support for promotion and marketing as compared to some of the competing destinations,

including those in India's neighborhood.

- Taxation norms related to tourism industry, imposition of service tax and fringe benefit tax.

Opportunities:

- Increasing number of health insurance plans will extend their networks to include selected health care institutions around the world and will provide incentives to encourage beneficiaries to use off shore facilities for expensive surgical procedures.
- Modern well equipped hospitals in some areas of India serve the role of regional referral centre for patients from poor neighboring countries providing low cost services.
- To provide for brighter prospects for the industry, the hospitals can also acquire international accreditation, integrate traditional and clinical treatments and offer end-to-end value added services by tying up with tour operators, airline carriers and hotel companies.
- Government of India can also reinforce its support through quick visa processing, improved flight connectivity and infrastructure development.

Challenges:

- Selection of the best possible destination for the specific service poses a challenge to the medical tourist.
- Safety of the patients or tourists visiting India.
- Cultural and Psychological barriers of the hosts towards outsiders.
- Government restrictions imposed on tourists.

Wellness tourism

incorporates our ancient therapies of Ayurveda, Siddha, Yoga, Meditation and Naturopathy found in its purest form. The beneficiaries can opt for the modern as well as the holistic treatment options available to them. Wellness tourism is travel for the purpose of promoting health and well-being through physical, psychological, or spiritual activities.⁹

Naturopathy has been being used to treat diseases since ancient times. Its effectiveness is remarkable as "nature is healer of all diseases" and this principal when followed gives tremendous relief from diseases.

Yoga is a means of balancing and harmonizing the body, mind and emotions. Physical and mental therapy is one of the most important achievements of yoga bringing holistic harmony to mind and body.

Meditation means abstinence from actions. In meditation the main derived improved mental functioning, the mind becomes calmer, larger perspectives and increasing clarity of thought; and destructive habits are dropped away with minimal conscious effort and there is a realization of spiritual growth.

Medical safari, a cosmetic surgery coupled with a trip to forest is what India can promote in the cover of medical tourism as India has ample places as wild life tourist destination spots.

Recommendations

- Initiative should be taken in creating a unique brand for Indian tourism which is vibrant and based on sustainable development.
- More and more hospitals should be encouraged to get accreditation [JCI & NABH]
- Setting up hotels on the surplus land available in the vicinity of Airport Authority of India or near International Airports within the prescribed norms.
- Developing effective marketing plans and strategies for sustainable development.
- Market research should be conducted in the areas of tourism services and products, their pricing, security issues, safety and quality etc.
- Usage of the various technological tools, including the internet, for advertising for greater and wider impact.
- Further, encourage ecommerce portals to extend effective marketing support to small and medium enterprises and

- also offer competitive packages.
- Publicity and materials used for promotional aspects should be made tax free.
- Tourism training should be imparted at the institutional level to create the awareness of new niche areas of tourism.

Thus, it can be concluded that except for certain aberrations, the medical/health tourism sector network largely results in enhanced economic sustainability by bringing in revenue to the tourist destination as well as enhanced employment for the local people of the region resulting in social upliftment of the region.

This calls for coordination and cooperation between the policy makers, government institutions, medical institutions, travel agencies, local population as well as the medical/health tourist.

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