

## Medical Tourism in India: Challenges and Opportunities



### Management

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### ABSTRACT

Over a period of time Medical tourism, which is alternatively called health tourism or wellness tourism, has gained lot of momentum. India's emergence of one of the world's fastest growing economy, coupled with Government policies for promoting overall economic growth, medical tourism has grown in to leaps and bounds in India. It is a silent revolution that has been sweeping the healthcare landscape of India for almost a decade by making significant contribution to Indian economy. The tourism industry of India is economically important and growing rapidly. Indian health care sector is considered one of the largest in terms of both revenue and workforce employment.

### INTRODUCTION:

The healthcare system consists of multiple stakeholders including the government, service (health care) providers, payers, pharmaceutical and medical devices firms. Each plays a vital role in the health care system in India. However, interactions between various stakeholders have remained limited. Healthcare in India has assumed a more dynamic form over the last few years – offering exciting opportunities for new reforms and improving stagnant indicators addressing concerns of access, affordability and quality across different population groups.

An ecosystem of innovations for world-class healthcare delivery, driven by private providers, is developing in India. Country is establishing new global standards for cost, quality and delivery, through its breakthrough innovations in healthcare. The other end of the spectrum is witnessing a number of innovations to increase access and improve quality of health services for the poor and unreached at affordable costs. The last couple of years have seen a rapid increase of private equity and venture capital funds available for entrepreneurs in healthcare, which has enabled scale up of some of these new interesting models of providing healthcare.

### OBJECTIVES OF THE STUDY:

This study tries to get an overview of the medical tourism in India. This study explains why India has emerged as destination for medical tourism. It also explores challenges.

### Enablers of Medical Tourism in India:

#### 1. Medicine insurance coverage

In recent years, there has been a liberalization of the Indian healthcare sector to allow for a much-needed private insurance market to emerge. According to a study by the New Delhi-based PHD Chamber of Commerce and Industry, the healthcare insurance is projected to grow up to USD 5.75 billion in next few years. Moreover, the Insurance Regulatory and Development Authority (IRDA) eliminated tariffs on general insurance as of January 1, 2007. Removal of tariffs will result in wider acceptance of individual health coverage making healthcare more affordable to larger segments of the populace. Another challenge is that the foreign insurance companies are not willing to extend their coverage for treatments in low cost countries such as India due to concerns about the quality of health services offered. The insurers are also concerned with the absence of malpractice law in a foreign jurisdiction in which case the patient will have no recourse to his/her healthcare expenses. Indian policy makers need to find ways to improve upon the existing situation in the health sector and to make equitable, affordable and quality health care accessible to the medical tourists.

#### 2. Research in medicine and pharmaceutical sciences

Horowitz and Rosensweig (2007) identified India as one of the

preferred medical tourism destinations. The growth in foreign patient arrivals to India has usually been pegged at twenty-five percent annually. Therefore, the medical tourism providers seek to develop clinical practice guidelines and foster effective interventions to improve the quality of care for the medical tourists. Research in medicine also measures complex aspects of the healthcare delivery system and patient perceptions of quality of care (Eccles et al., 2003), one of the critical issues in medical tourism

#### 3. Medical tourism market

According to George and Nedelea (2009), countries like India, Mexico, Singapore, Brazil, Philippines etc. are actively promoting medical tourism. Generally, medical tourists are the resident of developed industrialized countries and they contribute towards major revenue earnings for many of the countries providing medical tourism. India provides world-class healthcare at substantially less cost. Based on 2002 data, an inpatient knee surgery would cost of USD 10,000 in the USA and only USD 1500 at hospitals in India (Matto and Rathindran, 2006). The low-cost solutions alone may not be enough to bring in international tourists for undergoing healthcare treatments in India. The negative perceptions about Indian medical tourism market with regard to hygiene standards, prevalence of contagious diseases in India, quality of healthcare services provided, and waste management practices counter the positive vibes created by the cost competitiveness of Indian healthcare system. Other infrastructure associated problems such as shortage of air linkages, power, water, and traffic congestions also affect the flow of healthcare tourists towards India.

#### 4. Healthcare infrastructure facilities

Healthcare infrastructure indicators of India vis-à-vis developed countries highlight the disparity and areas for improvement. Bhargava et al. (2005) have pointed out that healthcare infrastructure facilities and quality of services depend on economic development in the region. This would require sizeable investments for strengthening, upgrading and expanding the medical tourism health infrastructure in India. India needs to upgrade the healthcare infrastructure facilities with regard to improving sanitation standards, health awareness, availability of safe drinking water and nutrition. The government's role in improving the national health indicators should be reiterated through increase in government's budget for medical tourism. Today, there has been a rapid rise in private providers of healthcare (Peters et al., 2002)<sup>9</sup>. The Health Ministry must encourage the private player's active participation through benevolent tax structure and fiscal incentives. The concept of telemedicine should be promoted in an attractive manner in order to make more number of players to participate.

#### 5. International healthcare collaboration

The International healthcare collaboration normally gears towards

improving health care access and quality of care across racially and ethnically diverse populations. International healthcare collaboration helps the medical tourism providers in improving their overall efficiency and management of healthcare services. According to Sarin and Lodge (2007) international collaboration such as Cochrane Collaboration help people make well informed decisions about health care by facilitating, maintaining and promising access to systemic reviews of the effects.

### 8. Top management commitment

According to Bergman and Klefsjo (2007), quality management calls for top management commitment. From the management's perspective, the medical tourism field would benefit from expanding its current interpretation of structure to include broader perspectives on organizational capabilities. Effective organizational capabilities such as leadership, human capital, information management systems and group dynamics are essential structural elements of quality improvement in a health-care organization (Glickma et al., 2007)<sup>15</sup>. The quality management has become a priority for senior executives and chief medical officers for successful medical tourism services. These leaders produce ideas, convey new ideologies, and propagate them throughout their organization.

### SUGGESTIVE NOBLE WAYS TO GET MORE PATIENTS:

**1. Put yourself in your patient's shoes:** It is a basic and commonsensical concept. Sometime should be spent every day thinking from the patient's point of view. It may be difficult but it will mean more sales of hospital services.

- Listen to the patients
- Ask questions from them
- Do something extra for each patient
- Admit mistakes to the patients gracefully.

**2. Patient Satisfaction:** A patient can take away his business to a hospital wherever he gets better value for his money and better service. He does not have to give reasons for his action. It is his money and he can spend it where he likes or the way he likes. Technicians and assistants in the hospitals are people and if they are not satisfied, one can never have satisfied patients. This is simple but often ignored fact. Many hospitals have succeeded without proper medical facilities, none without proper technicians. Employees with average intelligence and initiative, when treated with respect and dignity as individuals, given training and motivation will turn out to be good technicians.

**3. Continuous communication with the patients:** Communication with the prospects and the patients is the core of good marketing. How to achieve it? There is no magic wand in the world that will help achieve it; only patience and persistence pays. Each employee should be trained to be good listener to the patients when they come into the hospital or when they write to the hospital. This includes encouraging the patients to open up and express themselves clearly. In our country with so many festivals for *Devis* and *Devtaas*, a health provider has several 'excuses' to send a postcard to his patients. The postcards can contain simple messages to help the patients. And when a patient comes in, he should really be helped, otherwise it will result in stinking publicity. A promotional mailer can be so fine tuned that it can reach the individual on his birthday, on his anniversary and so on.

**4. Patient oriented hospital:** It is not a simple task, but can be done by following the patient by patient approach. When does a hospital become patient oriented? As soon as the facility starts rendering, through thoughts and actions, the best possible service to each of its patients. This way a hospital becomes great for its patients. Patients do not like to come to a big hospital where they get lost, but they love coming to a great hospital where they will be given the best possible attention. Also a big hospital does not necessarily make more profits than a great hospital.

**5. Patient oriented policies and procedures:** A hospital exists so long as the patients keep on coming. Hospital policies and procedures, even if they have been given by the best business management professor, are suicidal if they inconvenience the patients.

**6. Patients must be given the best possible services:** Patients should be given "USA" - Unique Service Advantage - and once they get it, they will become repeat patients and bring more patients. It simply means some extra and individual care to show that the business of patients matters a lot for the hospital. May be the best equipment can be installed, hospital be opened for longer hours for the convenience of patients, and so on. It also involves studying the competitors and to start serving the patients better.

### CONCLUSION:

World-class treatment & highly advanced healthcare infrastructure have contributed tremendously to the growth of medical 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. India's medical force boasts of a high intellectual resource pooled in by highly skilled & qualified professionals. 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. Stake holders of Medical tourism industry have to synchronise their activities to reap maximum benefits in terms of achieving higher profits and greater market share.

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