INDIAN MEDICAL TOURISM INDUSTRY: GROWTH OPPORTUNITIES AND CHALLENGES

Shikha Rastogi Garg
Anu Bhardwaj

INTRODUCTION

Medical tourism (also called wellness tourism, medical travel or health tourism) is a term initially coined by travel agencies and the mass media to describe the rapidly-growing practice of traveling to another country to obtain health care. Such services typically include elective procedures as well as complex specialized surgeries such as joint replacement (knee/hip), cardiac surgery, dental surgery, and cosmetic surgeries. The provider and customer use informal channels of communication-connection-contract, with less regulatory or legal oversight to assure quality and less formal recourse to reimbursement or redress, if needed. Leisure aspects typically associated with travel and tourism may be included on such medical travel trips.

We define "Medical Tourism" as travel undertaken to improve one's health. This travel is driven by the internet, progressively cheaper flights, improved physical connectivity between large numbers of nations, improving longevity and most importantly disenchantment with the delivery of healthcare in terms of quality and price in the countries people live in.

The Government of India has realized the potential of the medical tourism as an industry. India's National Health policy 2002, says: "To capitalize on the comparative cost advantage enjoyed by domestic health facilities in the secondary and tertiary sector, the policy will encourage the supply of services to patients of foreign origin on payment. The rendering of such services on payment in foreign exchange will be treated as 'deemed exports' and will be made eligible for all fiscal incentives extended to export earnings". The various states are not just being promoted as tourist destinations but the state policies clearly reveal the plans to enhance the image of the state as a major medical tourist destination which include not just the states like Delhi and Kerala but also the states like Rajasthan. As per a presentation of Max healthcare (Dr. Sanjiv Malik, CEO), India stands a fair chance to emerge as an advantageous solution for treatment for patients coming from other countries. As in countries in SAARC, Africa and Middle East, no advanced or specialized care is available and besides UK and US suffer from high costings of treatment, Long waiting and unaffordable Insurance. However India has its own
share of opportunities as well as challenges which we have tried to explore further in this paper. The paper is organized as follows: The next section gives a brief literature review on the subject. In section 3, we discuss the history of medical tourism. Section 4 talks about the potential of the industry in India. In Section 5, we have discussed the factors that make this industry a key contributor to the GDP and subsequently we have discussed the key states and corporate hospitals. The challenges faced by the industry have been discussed in the last section.

**Literature Review**

Carrera et. al have defined health tourism as the organized travel outside one’s local environment for, maintenance, enhancement or restoration of an individual’s well-being in mind and body.

Smith and Kelly feel that the destination in wellness tourism is often an alternative space in which one can engage in self-analysis without the stresses and distractions of home. The addition of a supportive, like-minded ‘community’ can sometimes help to further encourage the individual on a journey of self-discovery.

![Countries Promoting Medical Tourism](image)

Fig1.

Source: CBC News Online

As per CBC News, Countries that actively promote medical tourism include (Fig 1) Cuba, Costa Rica, Hungary, India, Israel, Jordan, Lithuania, Malaysia and Thailand. Belgium, Poland and Singapore are now entering the field. South Africa specializes in medical safaris-visit the country for a safari, with a stopover for plastic surgery, a nose job and a chance to see lions and elephants.
Mueller et al. studied the wellness tourism in Switzerland and has demarcated the wellness tourism in terms of demand (Fig 2.) As per Prof. Mueller and Kaufmann, Wellness tourism is the sum of all the relationships and phenomena resulting from journey and residence by people whose main motive is to preserve or promote their health. They stay in a specialized hotel which provides the appropriate professional knowhow and individual care. They require a comprehensive service package comprising physical fitness/beauty care, healthy nutrition/diet, relaxation/meditation and mental activity/education. Further the authors have also proposed the necessary steps that can be taken by the hospitality industry to improve the growth of the industry.

![Diagram of wellness tourism demarcation](image)

Fig 2: Demarcation of wellness tourism in terms of demand
Source: Hansruedi Mueller and Eveline Lanz Kaufmann

As per a committee report presented by U S Senate, Special committee on aging, various concerns like quality and accreditation of services have been discussed and the costs involved in obtaining the medical treatment in a different nation has been considered as a vital deciding factor by the natives of US.
The medical tourism in India is still at nascent stage and has a wide scope of growth for the factors that we will discuss in the article. Being a newly identified industry with high growth opportunity the government is taking various initiatives to promote health as a reason to come to India. While there are ample surveys done and sufficient literature is available on state of medical tourism in countries like Cuba, Switzerland, less has been studied about the state of industry in India. The official websites of the various states like Gujarat and Kerala act as an active promotional tool for the health tourism packages. In this article, we have taken into account most of the media reports and the online literature available on the subject. The various hospital websites and catalogues of tourism destinations have been considered to generate an overview of the country industry potential.

**Evolution Of Medical Tourism**

The first recorded instance of medical tourism dates back thousands of years to when Medical tourism is actually thousands of years old. In ancient times (Fig 3), Greek pilgrims traveled from all over the Mediterranean to the small territory in the Saronic Gulf called Epidauria. This territory was the sanctuary of the healing god Asklepios. Epidauria became the original travel destination for medical tourism. In Roman Britain, patients took the waters at a shrine at Bath, a practice that continued for 2,000 years. From the 18th century, wealthy Europeans travelled to spas from Germany to the Nile. Since the early nineteenth century, when there were no restrictions on travel in Europe, people visited neighboring countries in order to improve their health. At first, mere traveling was considered to be a good therapy for mental and physical well being.
In the 21st century, comparatively lower cost air travel has taken the industry beyond the wealthy and desperate. Later, mostly wealthy people began traveling to tourist destinations like the Swiss lakes, the Alps and special tuberculosis sanatoriums, where professional and often specialized medical care was offered.

In this century, however, medical tourism expanded to a much larger scale. Thailand, followed by India, Puerto-Rico, Argentina, Cuba and other countries have become the popular destinations for medical tourists. Complicated surgeries and dental works, kidney dialysis, organ transplantation and sex changes, topped the list of the most popular procedures. It was estimated that in 2002, six hundred thousand medical tourists have visited Bangkok and Phuket, while approximately one hundred and fifty thousand foreign patients visited India during the same time. From Neolithic and Bronze age wherein people used to visit neighboring countries for Minerals and Hot Springs, Today we have reached the era where Hospitals are more like Spas and Spas more like hospitals.

**Destination India: The Rising Potential**

Internationally, health tourism is an industry sustained by 617 million individuals with an annual growth of 3.9% annually and worth US $513 billion (Carrera et. al.). World Tourism
Indicators suggest that in 2002, number of International tourists reached the 700 million mark with arrivals to Asia and the Pacific 18.7%. Europe saw highest number of tourists. At that time, India did not figure in the top 10 international tourist destinations because India’s share in Asia & Pacific region stands at a mere 1.8% India is a recent entrant into medical tourism. According to a study by McKinsey and the Confederation of Indian Industry, medical tourism in India could become a $1 billion business by 2012. The report predicts that: "By 2012, if medical tourism were to reach 25 per cent of revenues of private up-market players, up to 2,297,794,117 USD will be added to the revenues of these players". The Indian government predicts that India's $17-billion-a-year health-care industry could grow 13 per cent in each of the next six years, boosted by medical tourism, which industry watchers say, is growing at 30 per cent annually. This projection is largely based on the assumption that six hundred thousand Baby Boomers from the United States, Europe and Australia will age and seek medical care by that time.

A report by_RNCOS, the leading market research consulting services company, on Indian Tourism Industry Forecast (2007-2011) suggests that, the Indian medical tourism industry an important part of the Indian tourism industry and holds immense growth potential. The medical tourism sector had experienced a phenomenal growth in the flow of medical tourists - from 10,000 patients in 2000 to stupendous 180,000 by 2005. this is because of availability of treatment combined with attractive vacation packages. The report has revealed the declining financial state of national health services in several western countries and the need to treat the uninsured patients. These factors force the insurance companies to look at Indian hospitals, thereby creating huge prospects for the Indian medical tourism industry. As many western countries (that depend on insurance) have inadequate health services, the Indian corporate hospitals can gain from the opportunity by making a concerted effort to attract more overseas patients.

Looking at the growing number of tourists coming to India for treatment, In November 2007, Union tourism minister Ambika Soni announced that a total investment of $6.5 billion is in the pipeline for medical tourism industry in the country. The amount will be used for setting up affordable hospitals and budget hotels for patients’ relatives in the country.
In the next section, we look into the factors that have made India as a preferred destination for medical tourism services.

**Factors Supporting India as ‘The Destination’**

The government and private hospital groups in the country are committed to the goal of making India a world leader in the industry. The other supporting factors are:

**a. Quality and Range of Services**

India has number of hospitals offering world class treatments in nearly every medical sector such as cardiology and cardiothoracic surgery, joint replacement, orthopaedic surgery, gastroenterology, ophthalmology, transplants and urology to name a few. The various specialties covered are Neurology, Neurosurgery, Oncology, Ophthalmology, Rheumatology, Endocrinology, ENT, Paediatrics, Paediatric Surgery, Paediatric Neurology, Urology, Nephrology, Dermatology, Dentistry, Plastic Surgery, Gynaecology, Pulmonology, Psychiatry, General Medicine & General Surgery. For its quality of services and the infrastructure available, India is attracting a vast pool of tourists from the middle east, Africa etc.

As Indian corporate hospitals like Apollo, Max HealthCare, Fortis etc. are on par with the best hospitals in Thailand, Malaysia and Singapore and hence add to making the country ‘a preferred medical destination’. India has a lot of hospitals offering world class treatments in nearly every medical sector such as cardiology and cardiothoracic surgery, joint replacement, orthopaedic surgery, gastroenterology, ophthalmology, transplants and urology to name a few. The various specialties covered are Neurology, Neurosurgery, Oncology, Ophthalmology, Rheumatology, Endocrinology, ENT, Paediatrics, Paediatric Surgery, Paediatric Neurology, Urology, Nephrology, Dermatology, Dentistry, Plastic Surgery, Gynaecology, Pulmonology, Psychiatry, General Medicine & General Surgery.

India offers not just treatment but spiritual and mental healing as well through the various specialized ancient therapy practices across the country. India needs to club together a couple of ‘pathies’ because it has a very strong base of alternative healing therapies like yoga, naturopathy, ayurveda, Kerala’s health retreats, etc.
b. Manpower

India has a large pool of doctors (approx 6,50,000), nurses & paramedics with required specialization and expertise and the language advantage (English speaking skills). The medical education system caters to the ever increasing demand for the delivery of the quality health care services all over the country.

Training and experience of Indian doctors is widely acknowledged particularly in the US and UK where they have made significant contributions to the delivery of healthcare in the host countries. Many of these doctors after having specialized and practiced in the West have returned home to set up impressive state of the art facilities with the latest in equipment, technology and service levels particularly in Delhi, Mumbai and Bangalore and to a lesser extent in Ahmedabad, Pune, Hyderabad and Chennai. Modern dental and eye care is, however, far more widely available at large sized towns and cities throughout the country.

c. Cost Advantage:

Indian medical tourism is being promoted as First World Treatment at Third World Costs. Long promoted for its cultural and scenic beauty, India is now being put up on international map as a heaven for those seeking quality and affordable healthcare. With 50 million Americans without health insurance and the waiting lists for state-run facilities often endless in the UK, Canada and Europe, foreigners are increasingly flocking to India because it offers quality treatment at a fifth of the cost abroad.

In India, complicated surgical procedures are being done at 1/10th the cost as compare with the procedures in the developed countries (Table 1). Not only this, the hospitals are well equipped to handle the data and information through computerized Hospital Information Systems. The hospitalization and the procedural price advantage also is supported by lower medication cost. If a liver transplant costs in the range of 137,867 USD - 160,845 USD in Europe and double that in the US, a few Indian hospitals have the wherewithal to do it in around 34,466 USD - 45,955 USD. Similarly, if a heart surgery in the US costs about Rs 45,955 USD, a leading Indian hospital will do it in roughly 4,595 USD.
Table 1
PRICE COMPARISON OF INDIA vs US/UK

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Approximate Cost in India ($) *</th>
<th>Cost in other Major Healthcare Destination ($) *</th>
<th>Approximate Waiting Periods in USA / UK (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open heart Surgery</td>
<td>4,500</td>
<td>&gt; 18,000</td>
<td>9 - 11</td>
</tr>
<tr>
<td>Cranio-facial Surgery and skull base</td>
<td>4,300</td>
<td>&gt; 13,000</td>
<td>6 - 8</td>
</tr>
<tr>
<td>Neuro-surgery with Hypothermia</td>
<td>6,500</td>
<td>&gt; 21,000</td>
<td>12 - 14</td>
</tr>
<tr>
<td>Complex spine surgery with implants</td>
<td>4,300</td>
<td>&gt; 13,000</td>
<td>9 - 11</td>
</tr>
<tr>
<td>Simple Spine surgery</td>
<td>2,100</td>
<td>&gt; 6,500</td>
<td>9 - 11</td>
</tr>
<tr>
<td>Simple Brain Tumor -Biopsy</td>
<td>1,000, 4,300</td>
<td>&gt; 4,300</td>
<td>6 - 8</td>
</tr>
<tr>
<td>Simple Brain Tumor -Surgery</td>
<td></td>
<td>&gt; 10,000</td>
<td></td>
</tr>
<tr>
<td>Parkinsons -Lesion -DBS</td>
<td>2,100, 17,000</td>
<td>&gt; 6,500, &gt; 26,000</td>
<td>9 - 11</td>
</tr>
</tbody>
</table>

**d. Tourist Attraction:**

India has a 5000 year old civilization and is known for its cultural and religious diversity with diverse geographical landmarks. This adds to the entertainment value that the foreign tourists attain if they have to undergo medical procedures in the country. The traditional arts and crafts add to its appeal as tourists favorite. Along with this Indians enjoy freedom, vibrant democracy and women empowerment.
e. No Waiting

In addition to the increasingly top class medical care, a big draw for foreign patients is also the very minimal or hardly any waitlist as is common in European or American hospitals (Table 1). Hospitals now are starting to attract foreign patients from industrialized countries, and especially from Britain, U.S.A, Canada, where patients are becoming fed up with long waits for elective surgery under overstretched government health plans.

The Key States and Hospitals pioneering in Medical Tourism Industry

The states of India differentiate themselves on the therapies that they specialize in. It is not necessary that the states only focus at the popular old herbal or natural therapies but some of the states of India like Gujarat and Haryana (Gurgaon City) are emerging as hospital hubs of India offering the service oriented world class hospitalization facilities.

The Indian Ministry of Tourism has announced a number of incentives to give a fillip to the sector. It has identified 31 villages across the country to be developed as tourism hubs. The states in which these villages have been identified include Himachal Pradesh, Gujarat, Maharashtra, Bihar, Karnataka, Madhya Pradesh, Andhra Pradesh, Kerala, Tamil Nadu, Orissa, Assam, Sikkim, Rajasthan and West Bengal. In this section of the article, we look at the contributions of the few states of India towards the medical tourism

a. Tamil Nadu

Tamil Nadu is the leader in providing medical care, on par with the finest hospitals in the West, in almost all the medical fields. It has plush corporate hospitals especially in Chennai, the capital. The State Government is also aggressively promoting Health Tourism. It is a leader in India especially in Eye Care, Oncology, Orthopedics, Dialysis and Kidney Transplant. Today, practically every road has a good nursing home with attending consultants. Nursing has evolved as a specialty and Indian Nurses handle patients with a humane and personal touch that is the main reason why they are so much in demand in the West.

b. Kerala

The pioneer state, Kerala, or God’s Own Country as its corporate slogan goes, has pioneered health and medical tourism in India. They have made a concerted effort to
promote health tourism in a big way, which has resulted in a substantial increase of visitor arrivals into the state. Kerala and Ayurveda have virtually become synonymous with each other. However, though Kerala has strongly focussed on Ayurveda and its wide array of treatments and medications, good facilities are also available in the other traditional forms of medicine as well as in modern medical treatment. The bias towards health tourism in Kerala is so strong that Kerala Ayurveda Centres have been established at multiple locations in various metro cities, thus highlighting the advantages of Ayurveda in health management. The health tourism focus has seen Kerala participate in various trade shows and expos wherein the advantages of this traditional form of medicine are showcased. Kerala, has one of the best qualified professionals in each and every field, Allopathy, Dental, Ayurveda etc. and this fact has now been realized the world over. Regarding Medical facilities Kerala has the most competent doctors and world class medical facilities. With most competitive charges for treatment, Kerala is a very lucrative destination for people wanting to undergo treatment of certain medical problems who do not need immediate emergency treatment

b. Gujarat

Much of the NRI population, that is of Gujarati origin can take advantage of the medical facilities in Gujarat. Gujarat based healthcare providers are open to strategic alliances with hospitals, insurance & travel/ tour operators abroad that may refer patients from their countries of origin. It is felt that many of the Gujarat based operators would have to align with national or international operators, possibly through a strategic stake to take full advantage of the medical tourism possibility

The state has a number of hot springs, the water of which are held to have medicinal value. These serve as health resorts and persons suffering from gout and rheumatism avail themselves of the waters of these hot springs for treatment. These hot springs are at Tulsi Shyam in Gir forest, Unai in Bulsar district, Tuwa near Godhra in the Panchmahals district and at Lasundra in Kaira district.

d. Karnataka

Karnataka and especially Bangalore is now an acknowledged global medical destination. This is because of referral quality health services supported by qualified and experienced
medical professionals, reputed medical research institutions, well connected for travel, conducive climate and cost of treatment (being just one tenth that of global hospitals). Between 2005 end and 2006 August, the state has also witnessed a funding of 445 crore from leading corporate hospitals as a part of the brownfield and green field projects. These include a Rs. 200 crore from the Manipal Health Systems, Rs. 140 crore from Wockhardt Group of Hospitals, Rs. 100 crore from One World Hospital and Healing Centre promoted by Maureen Berlin and Rs. 5 crore by HealthCare Global Enterprises Limited (HCG), a leader in oncology care in the private sector in India.

f. Maharashtra

This state has a thriving tourism industry, and is now set to have a new kind of tourism - Medical Tourism. The FICCI - Medical Tourism Council of Maharashtra - is a dynamic initiative jointly undertaken by the Government of Maharashtra, the Federation of Indian Chambers of Commerce and Industry, the tourism industry and private as well as public health tourism providers.

FICCI - Medical Tourism Council of Maharashtra has been founded with a clear mission in mind:

- To offer the world's best healthcare facilities coupled with the best heritage and tourist destinations.
- To show the world how to deliver "Value for Money" healthcare, with a human touch.
- To project Maharashtra as a synergising destination for both medical academia as well as international medical conferences.
- To regulate and monitor the medical tourism sector and assist patients from abroad.

Maharashtra has all the necessary ingredients required to make medical tourism sector a success which include:

- A range of hospitals covering the entire spectrum of medical treatment.
- Over 70,000 highly qualified doctors, of whom 20,000 are specialists.
- 100,000 committed nurses and paramedical staff known for their care and compassion.
- Latest technology and equipment that supports a large number of medical investigations and treatments.
• Tourist spots that are supported by medical facilities, making them the ideal places for rest and recuperation.

**Corporate Hospitals**

Medical tourism is predicted to double in the next few years as health services in India are a fraction of what they cost in the West. Apollo hospital gets 10-11 foreign patients every month. Five to seven per cent of Escorts' patients are from abroad. Though most of the traffic is from West Asia, south-east Asia and Africa, Indian corporate hospitals are networking with international health insurance companies so that these hospitals are recognised and Non Resident Indians can combine their treatment in India with family visits or tour to the country.

**a. Apollo Hospitals** (Delhi, Chennai, Hyderabad & Madurai)

The Apollo Hospitals Group is also recognized as the "Architect of Healthcare" in India. Its history of accomplishments, with its unique ability of resource management and able deployment of technology and knowledge to the service of mankind, justifies its recognition in India and abroad. Their mission is "to bring healthcare of international standards within the reach of every individual. Apollo's capabilities have received international acclaim resulting in the replication of its Indian models at international locations. Apollo group is also in talks with private healthcare groups and government authorities in Nigeria, South Africa, Tanzania, Mauritius, Yemen, Muscat, Bahrain, Vietnam, Malaysia, Thailand and other neighboring countries to establish its presence. Apollo Hospital has become the first Indian hospital to be cleared for accreditation by the Joint Commission International (JCI), which is the gold standard for US and European hospitals.

**b. Fortis Health Care** (Mohali (Chandigarh) and Noida (Uttar Pradesh))

Currently, Fortis has 700 beds spread over Mohali, Noida and Amritsar, and is starting work on another 500-bed hospital in Delhi's Shalimar Bagh. Fortis has ambitious plans to become a 4,000-odd bed hospital by 2011. The model that Fortis has adopted for growth is a hub-and-spoke one. It is developing multi-speciality tertiary care centres with superspecialised nodal centres -- for instance, cardiology in Mohali and orthopaedic and neurosurgery in Noida. The spokes will have multi-speciality features covering practically all critical diseases. As part of
its greenfield project, Fortis has planned a 500 bed hospital in a residential area of Delhi also. Its Noida hospital, with 180 beds, has specialised orthopaedic and neurosurgery centres.

Taking northern India as the focal point, the company plans to have four hubs in this region and 12-15 spokes in three to five years. It also claims it has the best equipment and state-of-the-art machinery in both Mohali and Noida. The Mohali hospital also has a family inn where the patient's family can stay while he is in the hospital. Fortis is also getting into backward linkage, with a medical and nursing colleges in Gurgaon (Haryana) along with a research laboratory. The doctors and nurses these colleges churn out will be absorbed in Fortis's new and existing facilities.

c. **Escorts Heart Institute and Research Centre** (Delhi, Faridabad)

Escorts is steadily consolidating its presence in healthcare (90 per cent of its equity is with Ranbaxy-backed Fortis Healthcare Limited). Together with 11 heart command centres and associate hospitals, Escorts is managing nearly 900 beds. Escorts excellence in providing healthcare services has received due recognition. Escorts Heart Institute and Research Centre (EHIRC), New Delhi, has been ranked as the best cardiac hospital in India by an Outlook-Cfore survey and has been given the highest grade by CRISIL - an acknowledgement of the quality of delivered patient care.

EHIRC is a leader in the fields of cardiac surgery, interventional cardiology and cardiac diagnostics. The Institute has introduced innovative techniques of minimally invasive and robotic surgery. The Institute's latest addition of state-of-the-art Cardiac Scan Centre providing a combined power of CV-MRI and Smart Score CT Scanner to diagnose coronary artery disease at its very early stage. This facility is the first of its kind outside America. State-of-the-art infrastructure and equipment has made this set-up technically the largest and the best dedicated cardiac hospital in the world. The 332-bed Institute has nine operating rooms and carries out nearly 15,000 procedures every year. The Centre has launched Medicity, a state-of-the-art $250 million medical venture in Gurgaon. Medicity promises to bring in a new era of medicine. It plans to integrate super specialities like cardiology, neurosciences and oncology.

d. **Dr. Vivek Sagar Dental Care and Cure Hospital** (Ludhiana)

The state of the art dental hospital has a 6 chair operatory with an in house dental lab, the Dental Caps, Crowns and Beyond Dental Lab, which has been designed on the European standards. The office has been designed to provide an environment of comfort that combines
exceptional skill levels, a respectful approach to treatment, Clinical and technical excellence with an individualized care approach by providing the most advanced, optimal dental care to the best of our ability. Theirs is a full service cosmetic and general dental office specializing in creating beautiful smiles. For NRI's and foreigners they provide special care in the form of appointments at a short notice and the work is completed within the span of 3-5 days keeping in mind your tight schedule.

e. NM Excellence (Mumbai):

NM Excellence was formed from one man's vision to provide a healthier future for the citizens of Mumbai. Established in 2001 by M.D. Radiologist Dr. Nilesh Shah, this modern and sophisticated preventive health checkup centre aims to revolutionize the way healthcare is perceived and practiced in India. Backed by over two decades of diagnostic experience under the banner of NM Medical, NM Excellence employs the latest, top-of-the-line imagining modalities, operated by qualified and professional doctors, with a friendly and efficient staff to make a client's experience as memorable as possible. Having viewed the vast range of diseases that can be prevented if detected early enough through its diagnostic experience, NM Excellence philosophizes that a preventive health checkup in today's day and age is an absolute must. NM Excellence is one of Mumbai's foremost preventive healthcare centres boasting of top-of-the-line diagnostic equipment, highly qualified doctors, a well-trained service staff, and a professional yet warm environment that makes one feel at home immediately.

f. PD Hinduja National Hospital and Medical Research Centre (Mumbai)

An ultramodern hospital on the busiest artery in Central Mumbai, PD Hinduja National Hospital & Medical Research Centre was established by the Hinduja Foundation in collaboration with Massachusetts General Hospital (MGH), Boston. The fulfillment of Founder Parmanand Deepchand Hinduja's dream, the 351-bed hospital offers comprehensive services covering the gamut from diagnosis and investigation to therapy, surgery and post-operative care. As a tertiary care hospital, the services offered are comprehensive covering investigation & diagnosis to therapy, surgery & post-operative care. The inpatient services are complemented with a day centre, out-patient facilities and an exclusive center for health check for executives. Hinduja Hospital was the first multi disciplinary tertiary care hospital to have been awarded the prestigious ISO 9002 Certification from KEMA of Netherlands for Quality Management System

g. LV Prasad Eye Institute (Hyderabad)
Set up as a not-for-profit trust, LVPEI has now come a long way in its journey towards realizing these goals. However, our changing world continues to throw up new challenges and new threats to health, and LVPEI too continues to search for ways in which these challenges can be overcome, in the field of eye health. In partnership with international health organizations such as the World Health Organisation and the International Agency for the Prevention of Blindness, LVPEI designs and implements innovative eye health programmes. Their successes include the establishment of high-quality eye care at the lowest possible cost.

**Challenges to the Industry**

India is emerging as an attractive, affordable destination for healthcare BUT there are some challenges that the country has to overcome to become a tourist destination with competent health care industry:

**a. Government norms:**
Processing of medical visas, registration of tourists a screening processes for certain nationalities takes more than expected time. As per government norms, the bureau can process the registration formalities only on seeing the patients from foreign countries. This stands as a major challenge while for the same purposes in Thailand, India’s biggest rival in medical tourism, medical visas are processed within three hours of applying in that country. Along with these formalities, the security checks of patients from certain developing nations take a relatively longer time than for patients from other countries causing a great delay in treatment.

**b. Need for Huge Investment Initiatives:**
As per CII-McKinsey & Company Report 2002, in order to effectively serve the foreign nationals, the health infrastructure needs to be uplifted. India needs at least 750,000 extra beds to meet the demand for inpatient treatment by 2012- opportunity in tertiary healthcare facilities. To raise this infrastructure, total additional investment to the tune of US$ 25-30 billion is needed by 2012. Government and international agencies will only be able to gear up a limited sum and the rest of investment has to come from private sector.

**c. Quality Certification International Accreditation**
There is no Indian certification policy like ISO for the hospitals and Medical Centers operating in India. Most of the Indian hospitals lack accreditation by international quality monitoring bodies like Joint Commission on Accreditation of Healthcare Organizations (JCAHO)/ Joint
Commission International(JCI) . The gradation system is either missing or a far from perfect. In addition, top Indian hospitals have high infection and mortality rates, and are unwilling to disclose data regarding these. International accreditation will ensure transparency in the way a hospital performs, and everything from the operating to the cleaning procedures will be monitored, audited and recorded. Accreditation will even make tie ups with overseas health insurance agencies such as BUPA and easier to route patients to India.

d. Insurance Issues:

Basic medical insurance, and sometimes extended medical insurance, does not pay for the medical procedure, meaning the patient has to pay cash. Most of the hospitals are not registered with known international health insurance companies like BUPA (British United Provident Association) An UK Based Health Insurance Company.

e. Lack of associated Infrastructural facilities and Intersectoral Coordination:

One of the contributing reason for the delayed response to the promotion of the Indian health tourism industry is the lack of infrastructural facilities like good roads, connectivity, proper sanitation, power backups, availability of accommodation (Rest/Guest Houses) and other public utility services. Adds to this is an inadequate tie ups between the travel agents, hotels and the health service providers.

f. Meeting Expectations of Global Customers:

Another great challenge that the Indian hospitals face is overcoming the resistance of overseas customers to accept India as a quality Health Care provider and assuring the foreign patients of such services carrying no hidden costs.

The industry experts need to study the expectations of the customers and the factors that motivate the patients to choose India as a health care solution spot. The same would help the organizations to develop the foreign customer’s decision making model in buying of Indian health care services.
g. Promotion:

The third party intervention (travel agents and the internet sales) is an important tool to tap the foreign market. Moreover, Government of India and the ambassadors of the country can play a vital role in promoting health tourism. The major ways of promoting our health tourism could be:

- State Tourism Corporations
- Indian doctors going abroad
- Tourism related websites
- Hospital promotional programs
- The third party services (Travel agents)
- Hospital tie ups with international counterparts
- Insurance service operators operating in other countries

h. Overemphasis on service packaging:

Over a period, it has been observed that with corporate houses entering the hospital business, the glamorization of health care services has taken place. In order to woo overseas and high profile clients, packaging of services has become important. Hospitals are today giving more importance to ambience, dining facilities, luxurious accommodation and other add on services like having a bank counter, beauty salons, florists etc. The core function i.e., curing the sick and contribution to research may get neglected due to the same.

i. Undefined Legal Policies:

A prospective medical tourist should also be aware of possible legal issues. There is presently no international legal regulation of medical tourism. All medical procedures have an element of risk. The issue of legal recourse for unsatisfactory treatment across international boundaries is an undefined issue at present.

j. Competition (From Neighbouring countries)

Countries that actively promote medical tourism include Thailand, Cuba, Costa Rica, Hungary, Israel, Jordan, Lithuania and Malaysia, Belgium, Poland and Singapore. These
countries also offer competitive prices for international standards health care services with tourism attraction.

Indian can compete in the global market by focusing on and promoting its core competencies like service oriented trained manpower, alternative therapies and the diverse geographical landmarks.

**Conclusion**

India is fast catching up with other countries in the trade of medical tourism. India not only has a pool of alternative therapies but there are top-notch centers and medcities coming up across the various states of India for a range of therapies. The medical centers in India have already identified the foreign ailing population as the key customers. The country has immense potential to attract the foreign nationals for treatment purposes. India can further build on its medical tourism capabilities by setting up standardized health solution and deriving appropriate consolidation strategies. The Industry also needs active promotional programmes and government support in terms of Tax holidays, increased FDI and reduced visa formalities for the customers. Leading business groups like Reliance, Apollo etc can take the initiatives in the field of research and setting more technologically advanced health care services. A cohesive effort by the various sectors like travel, tourism and healthcare will further give an impetus to the upcoming industry thus placing India as one of the most preferred destination for healthcare.

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