

Health Tourism in India - A SWOT Analysis

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I. INTRODUCTION

“Clad in a burqa, YusraAlhasani, an Omani national, who came down for her mother’s knee treatment at AIMS, says, “My mother has been suffering from splitting knee pain for the past few months. We went to a hospital in Oman for diagnosis, and they said that she had to undergo a surgery, which she doesn’t want to. So for a second opinion, we thought of coming to India.” There was an Arab interpreter in the hospital to assist them with the registration and other formalities. One can see more foreigners waiting there for appointment.

India has always been a regional health care hub for the health care tourists from the neighbouring countries like Afghanistan, Bangladesh, Pakistan, Nepal, Bhutan, UAE and Maldives. Recently India has emerged as one of the most important Global destination for medical tourism or health care travel. Now international patients from the developed countries like USA, Canada, UK, Europe etc. travel to India for the low-cost medical surgery treatments like knee joint replacement, total hip replacement, hip resurfacing, weight loss procedures-gastric lap band, RNY gastric bypass, heart procedures, elective surgeries and also for rejuvenation therapies promised by yoga and Ayurveda.

The present paper throws some light on the emerging health tourism industry in India .In the wake of the 21st century developments, a SWOT analysis has also been done to identify the internal and external factors that are favourable and unfavourable to health tourism in India and to strengthen further the competitive edge of India in the map of world health tourism.

To provide an overview of India as an upcoming health tourism hub, the paper has been divided in the following segments:

a Growth of health tourism in India

b Contribution and Projected Benefits

c SWOT – Strengths, Weaknesses, Opportunities & Threats.

II. INDIA AS A UPCOMING HEALTH TOURISM HUB

Well-developed healthcare systems and advances in technology have supported medical travel among western countries for many years. However, medical travel in Asia is relatively new, mostly emerging in the aftermath of the Asian financial crisis in 1997. With the middle-class clientele in many countries affected by the economic downturn, private hospitals were faced with a significant drop in local business. Hospitals needed to be creative in identifying alternative sources of revenue. Their first step into the international patient market was facilitated by their devalued currencies, providing an attractive combination of modern facilities and low prices.

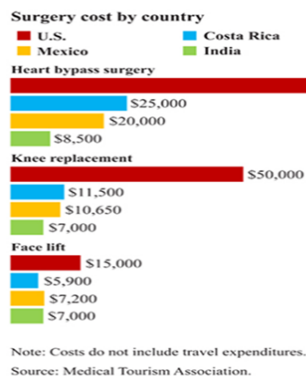
Asia represents the most potential medical tourism market in the world. Although primarily driven by the private sector (including hospitals and intermediary organizations such as specialized travel agencies utilizing competitive marketing initiatives), governments are increasingly contributing to the development of this industry in South Asia, South-East and East Asia. According to a recent article on Hotelmarketing.com, Asia’s medical tourism industry is expected to be worth at least \$4 billion by the year 2012. Currently, an estimated 1.32 million medical tourists come to Asia from all over the world, including the U.S. and Europe (actually, quite a bit of the current travel comes from within the Asian region itself) (Vequist, Valdez and Morrison, 2009).

India, with its low cost advantage and emergence of several private players, represents the fastest growing Market. The idea of medical tourism picked up fast after 1996 and the number of foreign patients seeking

treatment or diagnosis in India, with holiday included, increased rapidly. For example, people from West Asia avoided visiting U.S.A. and European countries for medical treatment after terrorist attack on U.S.A on 11th September, 2001 (known as 9/11 attack) and on London (U.K.) on 7th July, 2005 (known as 7/7 attack) and opted for India instead. Besides this, the value added services such as transfers from airport, special food for foreigners and provision of translators for overseas patients have given a much needed boost to medical tourism. Realizing the potential of health/medical tourism, top hospitals in Delhi and other major cities in India have initiated a new concept of treatment supplemented by vacation. Some hospitals have gone a step forward and are offering the patients and their relatives/friends stay in the hospital complex with all the luxuries of a five star hotel (Khullar). Further, there is a growing demand for alternative therapies. Therapies like Yoga and Tai Chi that border wellness and might extend into the realms of spirituality are further broadening the sphere of opportunities for traditional medicine systems like Ayurveda for health care tourists.

III. CONTRIBUTION AND PROJECTED BENEFITS

Medical tourism is a recent trend in Indian tourism sector. Healthcare has emerged as one of the most progressive and largest service sectors in India with an expected GDP spend of 8 per cent by 2012 from 5.5 per cent in 2009. In 2008, the size of the industry was around Rs. 1,500 crores. India's medical tourism sector is expected to experience an annual growth rate of 30 per cent, making it a Rs. 9,500 crore industry by 2015. Indian Brand Equity Foundation (IBEF) suggests that the Indian healthcare sector is expected to become a US\$ 280 billion industry by 2020, with spending on health estimated to grow 14 per cent annually. Industry estimates indicate that the medical tourism is easily the next big business in India after IT revolution. [Khullar]



With thousands of people travelling to India for medical treatment, patients in U.K. and U.S.A., South Africa, West Asia and South-East Asia are increasingly

opting for private Indian hospitals. They are tempted by hospitality, swift treatment, economical pricing and world class quality of treatment. For example, a heart bypass costs £ 500 in India as against £ 5,000 in the U.K. British hip replacement surgery costs £ 6,600 in U.K. while in India it is available for just £ 860.

India is known in particular for heart surgery, hip resurfacing and other areas of advanced medicine.

The most popular treatments sought in India by medical tourists are bone- marrow transplant, cardiac bypass, eye surgery and hip replacement alternative medicine, and even alternative medicine.

In addition to cost factor, speed is a powerful incentive in India as there is no need for referrals or long waits. This important factor has led to Britain negotiating with some of the top hospitals in New Delhi bring some of the patients to India who would otherwise have to wait for months or even for years to undergo routine operations on its National Health Service. Besides, patients in U.K. and U.S.A. cannot avail their insurance for non-critical treatment, such as knee replacement or cosmetic surgery. Under such circumstances, cost becomes an imperative factor and patients opt for cheaper and quality treatment in India.

The Indian government is taking steps to address infrastructure issues that hinder the country's growth in medical tourism. Most estimates claim treatment costs in India start at around a tenth of the price of comparable treatment in America or Britain.

IV. MEDICAL TOURISM IN INDIA -A SWOT ANALYSIS

Strengths

India has an inherent capacity which it can utilise for gaining strategic advantage to further strengthen its medical tourism sector,

- Indian doctors are recognized as amongst the best at international levels; skilful, qualified, share information with patients (as desired) and are readily available, whenever required.
- The customers take home a good image of Indian health sector promoting brand India's image.. This, and repute of Indian doctors to a certain extent offsets the need for formal accreditation especially where the customers are content with brand India and seek comparable quality low cost treatment.
- Medical technology, equipment, facilities and infrastructure are at par with international standards

- India, due to its colonial legacy provides doctors and staff good at English which makes it comfortable for tourists from English speaking/ commonwealth countries. This is one area where China is no threat. Foreigners in China still rush to Hong Kong when they need treatment because they cannot communicate with local doctors (Knowledge@Wharton)
- Because of absence of racial discrimination, customers, especially from Africa, are comfortable in India.
- Top rated education system provides an estimated 30,000 doctors and nurses each year. This supports a growing healthcare system in India which can accommodate and cater to inbound medical tourists demanding a range of healthcare services.
- Foreigners are also attracted to Indian Systems of Medicine (ISM) and tourism. The Indian Systems of Medicine include Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy together characterized under the department of AYUSH in the union health and family welfare ministry

Weakness

There are certain weaknesses which incapacitate the development of this medical hub.

In India Quality Council of India (QCI), an organization of Government of India has set up National Accreditation Board for Hospitals and Healthcare Providers (NABH). In a NABH accredited hospital, there is strong focus on patient rights and benefits, patient safety, control and prevention of infections in hospitals and practicing good patient care protocols like special care for vulnerable groups, critically ill patients and better and controlled clinical outcome.

- As of 2011, India only had 63 NABH accredited hospitals which decreases the size of potential market especially for customers from developed countries.
- Though the Cost of treatment is less in India, other costs like accommodation may prove to be inhibitive, especially for customers from low income economies.
- Maximum in-bound medical tourist is from non-English speaking parts of the world which highlights the need for training of linguists for example specialists of Arabic. Some hospitals are

using services of students from customer's country studying in India.

Opportunities

The opportunities, if optimally developed can without doubt make the health tourism a cash cow for the Indian economy.

- Cost of medical treatment in developed western world remaining high, provides Indian medical tourism sector with a unique opportunity. Patients from third world countries, where comparable quality medical care is not available, seek treatment outside their home countries. They compare western service providers with Indian service providers and find Indian medical care cost effective.
- The medical care facilities in other South Asian countries are also not up to the mark. Patients from these countries find good quality care in neighbourhood, where travel time as well as the cultural divide is less. For example, patients from Bangladesh and Myanmar are comfortable in Kolkata; those from Sri Lanka are comfortable in Chennai and Kerala; those from Pakistan and Afghanistan are comfortable in northern India; those from Maldives are comfortable in Kerala.
- African continent and Middle Eastern countries like Iran, Iraq and Oman lack good medical facilities and patients from these regions have not observed any kind of racial discrimination. India is one of closest yet cost effective and quality care destination for out-bound traffic from this region.
- Health insurance in US is largely employer driven. The new healthcare reform bill introduced. Starting in 2014, large employers must offer health coverage to every full-time employee or face penalty. Employers in US are looking for ways to decrease their employees' medical expenses providing appropriate health coverage concurrently. Employers will look for low cost care in India and other Asian countries.
- Insurance companies in western countries are offering full cover and care in home country at a higher premium payment. Insurance companies are offering packages where customers can choose a lower premium but will have to get them treated at hospitals with comparable quality outside the country, with which they have tie-ups. Indian accredited hospitals can choose to compete for a share of this segment.

- Countries that operate public health-care systems are often so taxed that it can take considerable time to get non-urgent medical care. Using Canada as an example, an estimated 782,936 Canadians spent time on medical waiting lists in 2005, waiting an average of 9.4 weeks (Fraser Institute, 2005)

Threats

The potential risks which can cause damage to the health tourism industry come from the following arenas

- Thailand, Singapore, Malaysia, India and Philippines are the major destinations in the Asian medical tourism market. Thailand is more popular among Western European medical tourists for cosmetic surgery. Singapore and India specialize in complex procedures with India having a cost advantage and Singapore a technology advantage. Foremost threat to the sector is from competition from neighbouring countries especially Thailand and Singapore. while medical tourists visiting Thailand are primarily interested in combining their vacation with some medical procedure(Nuttapong Jotikasthira2010) , India is receiving ‘mere patients’ who are less interested in leisure.
- Increased proportion of tourists from non-English speaking countries, lack of infrastructure and visa problems are another segment proving to be a challenge to progress of India medical tourism.
- With the intention of making things smoother, the government introduced a medical visa (M visa), which was faster and easier to get. A clause was added -- "Foreigners coming on M visa will be required to get themselves registered mandatorily well within the period of 14 days of arrival with the concerned Foreigners Regional Registration Office." The end result: even patients who have to be carried into India on stretchers are coming on tourist visas. Also cost of Medical visa is inhibitive. It is almost twice the cost of tourist visa. It is not available in some countries from where India receives patients. Extension of visa takes time. A minimum two months cooling is required for re-entry on a medical visa which is restricted to three entries a year. For example, if a patient arrived for consultation, s/he must wait for at least two months to come back to India.

V. CONCLUSION

Medical tourism sector in India is still in a nascent stage. The medical tourism industry offers high potential for India primarily because of its inherent advantages in terms of cost and quality. However in the wake of mounting competition, there is a dire need of careful

policy intervention so as to reap the full benefits from inherent advantages and enhanced capabilities.

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