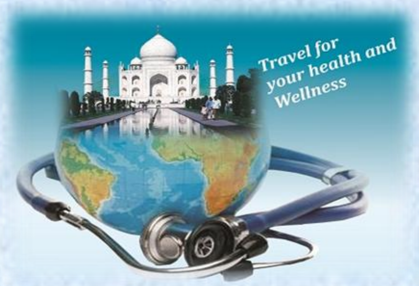
MEDICAL TOURISM AS A DRIVER OF INDIA'S ECONOMY: Status, Opportunities and Challenges

MEDICAL TOURISM

Medical Tourism is a growing industry and refers to a niche segment in which a person combines medical treatment with tourism for cost benefits and value addition. Naturally, certain ailments that need immediate treatments and others, like cardiac and orthopaedic (among the top treatments) give less leeway to the patients to partake of "tourism" experience. However, there is a host of other lifestyle/aesthetic treatments that would allow patients enough flexibility to explore tourist sites in and around their medical centre. Medical tourism can boost tourism receipts and employment in both medical centres as well as in other sectors.

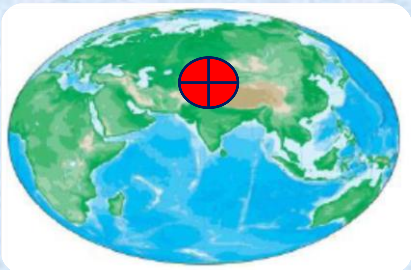


THE CSIR-NISTADS PROJECT: REALIZATION OF INDIA AS A GLOBAL HEALTH HUB

The CSIR NISTADS project has been an attempt to assess the status and potential of medical tourism in India based on primary and secondary surveys along with analysis.

Goal: To enhance India's Current Global Medical Tourism Share of 5% to 10% by 2022

Based on our analysis a doubling of India share in global medical tourism is possible through a systematic structure and effort.



MEDICAL TOURISM: AN EMERGING INDUSTRY

Global medical tourism is pegged at USD 59 billion in the year 2016 or about 2-3 percent of global tourism, and growing at the rate of about 20 percent per year. In India, Medical tourism is about USD 3.9 billion (about 0.2% of India's GDP) in 2016 with a market share in global medical tourism of 5 percent. Medical tourism employment in India is estimated to be about 167000. The growth of medical tourism in India is accelerating and expected to reach USD 8 billion by 2020. However, there is potential for higher growth both in terms of global share and in terms of actual volume.

"Medical Tourism can be considered a kind of import: instead of the product coming to the consumer, as it does with cars or sneakers the consumer is going to the product.

THE MEDICAL TOURISM ECOSYSTEM

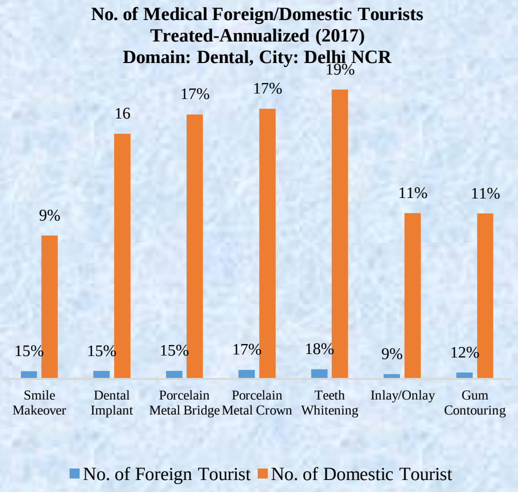
Multiple actors are involved in the medical tourism industry, as depicted. The major factor is the doctor. However, given availability of highly trained and experienced doctors across multiple medical centres in India, other factors may also become important. These include medical centre accreditation, insurance coverage, and facilitation also play a role.

THE NISTADS SURVEY: HIGHLIGHTS

Existing secondary data on parameters critical for assessing status and potential for Medical Tourism was found to be inadequate or an accurate for comprehensive analysis. The NISTADS survey was carried out over three cities: Delhi-NCR, Chennai and Bangalore in six different domain. The survey involved interactions with public and private clinic/hospital, patients, experts and policy makers.

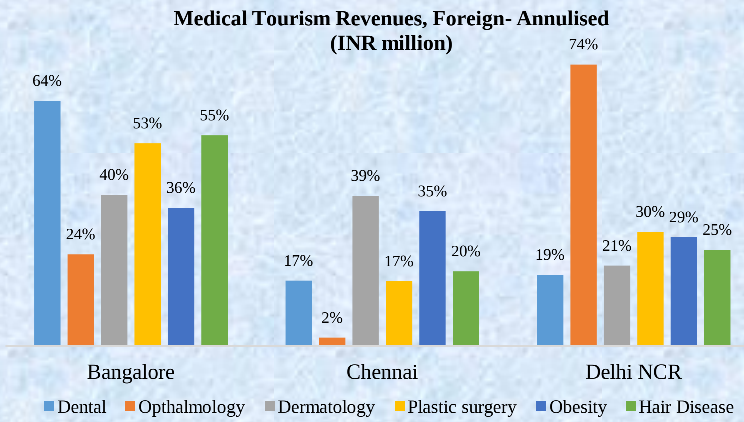
Comparing average treatment cost for different treatments from the Survey to those listed across the world-wide-web, it is found that the average treatment cost in Survey varies from that found in world-wide-web sources. In case of some treatments (e.g., porcelain metal crown, teeth whitening), it is more and for others (porcelain metal bridge, dental implant), it is less. Treatment cost rates are dynamic.

The number of medical centres hosting foreign medical tourists is more in the Survey compared to those available in the public domain.



The number of medical tourists is found to be about 13000 and foreign tourists about 500 in 200 of medical centres in dental domain in Delhi NCR from the survey for one month.

POTENTIAL SOCIO-ECONOMIC IMPACTS OF MEDICAL TOURISM



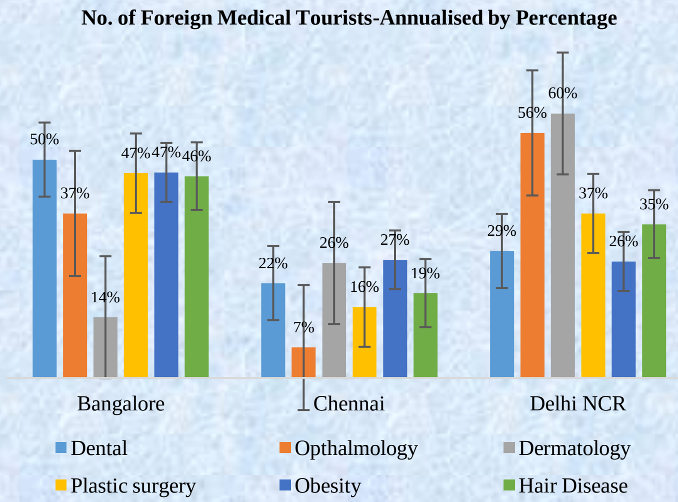
MEDICAL TOURISM: EMPLOYMENT

With growth in medical tourism globally and in India, employment in medical tourism industry and its supply chain would grow. With doubling of the industry turnover to about USD 8 billion by 2020, employment of another one and a half lakh workers is likely. With closer linkages between medical tourism and logistics, travel and tourism sectors, employment in these sectors is also likely to grow. Increasing economic activity in the medical tourism supply chain and in the allied logistics, travel and tourism sector would also offer opportunities for SMEs.

In MT, client interaction is critical

MEDICAL TOURISM AND SME

A complete and efficient medical tourism ecosystem would require support of many small and medium enterprises (SME). These SME could range from tour and hospitality operators to maintenance and even manufacturers. As the Medical Tourism industry picks up, there will be the growing opportunities for a specialized sector in hospitality.



MEDICAL TOURISM AND MAKE-IN-INDIA

Tourism opportunities in and around medical tourism centres would have to be developed to cater to medical tourists. Ease of connectivity to the tourist destination, ease of access within the tourist site and medical aid services on site would be important to enable economic spill-overs from medical tourism in India to general tourism in India.

Sample questions

Average Number of Tourists Treated/ Month

Separate facility for tourist's patients

MEDICAL TOURISM: OPPORTUNITIES AND GROWTH POTENTIAL

The following findings from the survey indicate opportunities and untapped potential for medical tourism in India:

The number of foreign tourists are found to be higher in medical centres with more facilities and services. Medical centres in India can improve their competitiveness versus other medical tourism destinations such as in Thailand, Singapore, Malaysia, South Korea, Taiwan, Turkey, Mexico, Brazil, Costa Rica etc. the services most desired by foreign medical tourists, boost their profile online and attract more of their numbers.

Globally, outbound medical tourism is expected to grow; host countries that offer high quality medical care, lower cost and lower waiting time to be treated will have growing opportunities.

For some countries, treatments may not be available in the home country and access to treatment itself is a draw.

Different customer segments may be drawn by some differentiation in services. Smaller medical centres, of high quality medical care, could benefit with the aid of a coordination mechanism or a platform that assists in customising services.

Medical tourism is growing at the rate of about 20 percent globally and at a higher rate in India. High costs and/or longer waiting times, along with successful treatments abroad are motivating an increasing number of patients to seek treatments outside their countries. Source country governments are also beginning to realise that their respective national health systems cannot cope with the demand for healthcare and are allowing their citizens to obtain treatment abroad funded out of national insurance systems.

Survey provides insights into the factors positively associated with a higher number of foreign tourists, by domain and city. This granularity offers specific guidance to medical centres to augment these services and increase their clientele. However, the factors are variable not only across medical centres but also across time, as underscored by the differences in treatment cost over just one year. Repeated surveys or online information gathering with fresh insights and guidance for medical practitioners would be required.

MEDICAL TOURISM: ADVANTAGE INDIA

With many centres of medical tourism across the globe with reputation of providing reasonably good quality healthcare, the choice of the medical tourism destination hinges mainly on the cost saving. In descending order of cost saving, the countries are India (65–90%), Malaysia (65 -80%), Thailand (50-75%), Turkey (50-65%), Costa Rica (45-65%), Taiwan (40-55%), Mexico (40-65%), South Korea (30-45%), Singapore (25-40%), and Brazil (20-30%). However, while India has the cost lead, Thailand draws more medical tourists; factors other than cost savings also matter in global medical tourism.

The National Medical and Wellness Tourism Board, constituted by the Government of India has three sub-committees related to regulatory and visa issues, accreditation of medical tourism centres and marketing and promotion. This measure greatly enhances the country's credibility.

With existing medical colleges and the opening of state level AIIMS the Medical doctors pipeline is strong in India.

Low cost is a compelling demand factor for medical tourism in India. This is achieved due to the depth of the medical system in India with almost 2 lakh hospitals, 1.6 lakh sub-centres, and 400 medical colleges.

Low cost is being coupled with increasing service standards. This will be achieved at a cost, however, India's lead in cost differential offers space to increase service standards and also increase the number of medical tourists.

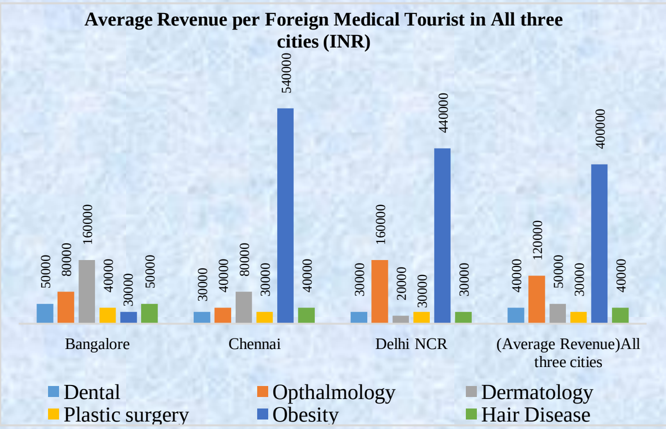
MEDICAL TOURISM: MAJOR CHALLENGES

Based on the Survey and its analysis, the major challenges in achieving a 10% share of global medical tourism are identified as follows:

Information Quality and Access:

Providing credible, quality and useful information.

Enabling a higher number of the smaller medical centres to raise their profile, offer customised services, deepen the medical tourism ecosystem and attract more medical tourists to India.



MEDICAL TOURISM: CRITICAL SUCCESS FACTORS

Based on the analysis of the survey, the following are identified as the major critical success factors

- Specialty in the treatment required with state-of-the-art equipment to be ahead of global competition.
- Medical Facilities with doctors with high credentials.
- Favourable Treatment characteristics such as the number of sittings and services and post-treatment consultancy are found to be significant.
- **Quality Policy:** A quality policy for medical tourist centres should be adopted. This will prevent negative impact due to a few low-quality firms.

CURRENT GAPS IN MEDICAL TOURISM IN INDIA

Medical equipment which are required but not easily available such as dental endoscopes, dental implants, x-rays, dental units, imaging systems, dental laboratory equipment and materials, dental drills, scalars and hand pieces.

Information gap related to both treatment cost and medical centres offering the treatment, facilitation services such as places of stay near the medical centre. Information in world-wide-web sites related to medical tourism is limited.

There is an information gap regarding choices of medical centres and respective treatment costs available in the country. This information should be made easily accessible.

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Gaps in Medical Equipment	
Dental	Loupe, Retainer
Ophthalmology	Electrolysis, YAG Laser
Dermatology	Dermatoscope, Cosmetic Filler Injection
Hair Treatment	Diode Laser, Hair Regrowth Machine
Obesity	Bariatric Canes, Bariatric Chairs
Plastic Surgery	Dermacators, Retractors

REACHING 10% OF GLOBAL MEDICAL TOURISM: RECOMMENDATIONS AND ROADMAP

Improved Informatics: The information regarding choices of medical centres and respective treatment costs is not available either from the government or from the medical tourism websites. This information gap needs to be filled in a credible way to attract more medical tourists to India.

Decision Support Facility: Informatics need to go beyond passive information and provide decision support to tourists for customization of their medical tourism.

Capacity Building: A pro-active capacity building is required to meet the projected demand. Without ready capacity, the growing market would be lost to others.

Quality Policy: A quality policy for medical tourist centres should be adopted. This will prevent negative impact due to a few low-quality firms.

Financial Enabling: Smaller medical centres may be offered tied funding to promote provision of medical tourism related services, especially non-medical services. SMEs catering to medical tourism sector may be extended softer loans. Similarly, Skilling agencies that train workers for medical tourism may extended benefits.

Policy Enabling: As more countries may allow their citizens to seek medical treatment elsewhere, India as a country destination and/or Indian medical centres could consider a form of empanelment with the health insurers of these countries to ease access to their centres by their citizens.

S&T and Knowledge Edge: State of the art equipment is found to be a critical success factor. Currently imported/however with the growth of medical tourism, domestic capacity is required.

Ayurvedic Wellness Tourism: Systematic development of ayurvedic system aimed at medical tourists may give India an edge.

Medical Tourist Visa: Policy for fast-track issue of visa for Medical Tourism.

"A doubling of India's current share in global medical tourism appears feasible through a systematic and comprehensive effort

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The survey was conducted by Novateur Consultency and assessment Solutions (www.ncase.org) on contract from NISTADS