A Case for Medical Tourism in India

By

Prof. M. Habeeb Ghatala
Dean for Non-Medical Institutions
Apollo Hospitals Educational & Research Foundation
Hyderabad, India

And

Prof. Lakshmi B.
Dean of Management Programs
Administrative Staff College of India
Hyderabad, India

Abstract

Medical tourism is broadly defined as the act of traveling to obtain medical care in another country or region of the same country where specialized or economical medical care is available complemented with well being and recuperation of acceptable quality with the help of support system. The World Health Organization (WHO) defines medical tourism as tourism associated with travel to health spas or resort destinations where the primary purpose is to improve traveler’s physical well being through a process comprising physical exercises and therapy, dietary control, and medical services relevant to health maintenance.

India has become a destination of choice for patients from all hemispheres as the destination of choice for a wide range of medical services and surgical procedures. In addition
to the tangible expertise of medical and nursing staff, allied health services staff, the intangible compassionate care of support services staff draws patients to tertiary care hospitals in India. Equally important is the lower cost of world class treatment at a fraction of what it costs in the Western or so-called developed countries. In addition, there is no waiting period for any of the major surgical interventional procedures in the corporate hospitals in India.

There are several dynamic internal and external factors which hinder medical tourism in India. The future of medical tourism in India is exceptionally promising. There are abundant opportunities for corporate tertiary care hospitals to follow the example of hospitals in the Texas Medical Center is securing substantial gifts from selected Indian and international patients to improve the infrastructure and thus patient care and promote research. This can be accomplished by establishing a professionally managed Office of Development.

**Keywords:** Medical and Dental Tourism, Pull Factors, Hindrances, Development

---

A Case for Medical Tourism in India

**Introduction**

Medical tourism is a term that has risen from the rapid growth of an industry where people from all around the world are traveling to other countries to obtain medical and surgical care while at the same time vacationing and fully experiencing the attractions of the countries that they are visiting. It is a booming revolution that has been sweeping the healthcare boundaries of India for the past two decades. The future of medical tourism industry is bright and the domestic medical industry in India is trying its best to have its share from the emerging global health market.

Medical tourists are generally residents of the developed countries of the world and arte primarily from the U.S., Great Britain, Western Europe, Australia, The Middle East, and Africa. An increasing number of people from several other countries of the world are seeking
out places where they can both obtain medical treatment and enjoy a vacation at a reasonable price. It is estimated that medical tourism will become a multi-billion dollar industry and become a major driver of the Indian economy.

There are several “pull factors” that bring medical tourism to India because of the different medical tourism products that are “sold” under the banner of medical tourism like Wellness, Treatment, and Rehabilitation. The prospects of medical tourism in India and the entrepreneurial and job opportunities in the field of medical tourism are limited only by the imagination of the people interested in this rapidly developing field.

Definitions of Medical Tourism

Broadly speaking, medical tourism is the act of traveling to obtain medical care in another country or region of the same country where specialized or economical medical care is available complemented with well being and recuperation of acceptable quality with the help of support system. There are three types of medical tourism:

1. **Outbound** – Patients traveling to other countries to receive medical care.
2. **Inbound** – Patients from other countries traveling to India to receive medical care.
3. **Intrabound** – Patients traveling within the country to receive medical care outside their geographic area, typically to a Center of Excellence in another state of region.

A Case for Medical Tourism in India

**Pull Factors for India’s Medical Tourism**

India is increasingly emerging as a destination of choice for a wide range of medical procedures. The major advantages of traveling to India for medical tourism are:

1. Internationally accredited medical facilities.
2. Exceptionally well qualified physicians and surgeons who received training and gain valuable experience at academic medical centers around the world.
3. The medical treatment cost in India are lower by at least 60% to 80% when compared to North America and U.K.
4. There is no waiting period for any of the major surgical interventional procedures in the corporate hospitals in India.
5. As India is becoming more interconnected with the world through globalization, the private players have established a stronghold in the medical industry.

6. A major influence is the U.S. based NRI doctors and its origin begin from the relaxed procedures in the 1960s which led to the influx of foreign Indian doctors into the U.K. and the U.S. looking for better career opportunities. This led to brain drain, but as India started to develop as an economic power house, these NRI doctors recognized the tremendous opportunities in the private healthcare sector.

7. The doctors brought back their expertise and knowledge to invest in specialty hospitals in India which were modeled along the lines of the American hospitals.

8. India’s corporate hospitals offer world class treatment at a fraction of the cost in the U.S. As a result, an increasing number of international patients are making India their destination of choice.

9. Further development of medical tourism in India can be strategized by paying attention to the Seven Ps of marketing: (1) Product, (2) Price, (3) Place, (4) Promotion, (5) People, (6) Process, and (7) Physical Evidence.

A Case for Medical Tourism in India

Hindrances to Medical Tourism

There are several dynamic internal and external factors which hinder medical tourism to India. A sample of these factors are:

1. Decision of foreign countries to compete more aggressively with outbound programs.

2. Supply and infrastructure constraints like communications, water, transportation, electricity, power generation and the like which may have a negative impact on the overall functioning of the hospital.

3. Government policies that might increase the cost of functioning of the hospital by charging extra through taxation for hospital rooms with air conditioning.

5. A significant issue related to medical tourism is liability. In the event if anything goes wrong during a procedure in India, the patient has to work through India’s legal system. This can be burdensome because of geographical distance and related logistics.

6. Many large international health insurance companies have not embraced medical tourism because they are worried about potential law suits linked to bad outcomes.

**Medical Tourism Products**

Some of the products that are “sold” under the banner of medical tourism are:

<table>
<thead>
<tr>
<th>Wellness</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Spas</td>
<td>- Elective Surgery</td>
</tr>
<tr>
<td>- Lifestyle / Healthy Vacations</td>
<td>- Cosmetic Surgery</td>
</tr>
<tr>
<td>- Nature Tourism</td>
<td>- Joint Replacement</td>
</tr>
<tr>
<td>- Ecotourism</td>
<td>- Cardiothoracic Services</td>
</tr>
<tr>
<td>- Community Tourism</td>
<td>- Eye Surgery</td>
</tr>
<tr>
<td>- Resorts</td>
<td>- Diagnostic Service</td>
</tr>
<tr>
<td>- Herbal Treatments</td>
<td>- Reproductive Treatment</td>
</tr>
<tr>
<td>- Contemporary Healing</td>
<td>- Cancer Treatment Delivery</td>
</tr>
</tbody>
</table>

A Case for Medical Tourism in India

**Rehabilitation**

- Dialysis
- Addiction Programs
- Elderly Care Programs
- Counseling Services

**Medical Tourism Prospect**

There is concern about growing governmental intervention as well as growing international private sector investments and joint ventures. There is also an increased supply of medical tourism products leading to greater competition. Considering the increasing popularity of medical tourism, there is an increasing role for tourism suppliers in the packaging and marketing of medical tourism. Along with the progress, there are continuing barriers to medical
tourism expansion, including a lack of governmental agreements on payment for treatment abroad and insurance coverage. There is also growing ethical concerns about medical tourism, which may limit growth in some regions.

The above mentioned trends are merely indicative and not comprehensive, nor they take into account the nuances of individual country contexts.

There are definitely areas for improvement as the Indian healthcare industry starts marketing services to newer patient segments. A major difference in healthcare services in India, as compared to the IT sector, is the critical role government has to play to utilize medical tourism opportunity to its maximum potential. While responsible players have to be properly encouraged, unethical participants like quacks and money swindlers must be punished too. Strict adherence to the quality standards must be ensured because the medical tourism product has the potential to be life threatening.

**Entrepreneurial and Job Opportunities**

Admitting that medical tourism has become a major industrial segment with potential for better return on investment, it is an opportune time to give serious consideration to entrepreneurial opportunities. There are several ventures worthy of consideration and are mentioned herewith:

**A Case for Medical Tourism in India**

1. **Specialized Travel Intermediation Service** – Medical tourists constitute a niche market with uniquely defined profiles and hence there exists abundant scope for dedicated travel agents and tour operators.

2. **Travel Desk in Hospitals** – Hospitals that want to sell medical tourism services should have a dedicated travel desk in the hospitals. Such a travel desk should act as a comprehensive marketing arm of the hospital with regard to medical tourism.

3. **Staff Trainers** – Medical tourists expect high quality hospitality from one and all at the hospital. It will be advantageous to have customer relationship training as well as cultural sensitivity training. This training program should have the participation of medical doctors, nurses, laboratory staff, pharmacists, front office staff, housekeeping staff, as well as food and beverage department staff.
4. **Alternative Medical Care / Rejuvenation Centers** – Hospitals need to take the initiative in starting these centers because India is known and recognized globally as the seat of learning in a range of alternative therapies. The government regulations constraining the operation of alternative medicine facilities are far less as compared to starting the allopathic healthcare treatment centers.

5. **Medical Tourism Brokers** – The demand for private healthcare has created the cottage industry for medical brokers who specialize in helping patients with getting quality care at a negotiated price which is lower as compared to a “walk in” patient. It is a win : win situation for the patient and broker.

---

**Dental Tourism**

Dental tourism is also termed as “Dental Vacation” is the same as medical tourism. It can be an opportunity to do two things for much less than the price of one of them. The traveling of dental tourists from their country to the other country can be due to difference in cost of treatment, difference between the funding of public healthcare or general access to healthcare, lack of dental facilities in their country and the high cost of dental treatment in their respective countries.

A Case for Medical Tourism in India

Dental treatment forms 10% of the total Indian medical tourism which is projected to grow at 30% to Rs. 1,500 crore by 2015. One of the reasons for the increasing popularity of dental treatment in India is due to the fact that many dentists of Indian origin practice in the West. This builds confidence among the patients for undertaking medical tourism as they already know the professionalism, clinical expertise, as well as the advantages of traveling to India for a very reasonable cost.

For the purpose of cost comparison, a dentist can charge US$300 to US$400 for a dental filling in U.S. and Europe. It costs only equivalent of US$20 to US$40 in major cities in India. A root canal is US$1,300 in the West but only US$200 to US$250 in India. The dentures can cost a minimum of US$1,000 in the West and only US$300 in India. Dental implants, the most
common sought after dental treatment modality can cost US$3,000 to US$5,000 abroad, but only US$1,100 in India along with Ceramic prosthesis.

**Conclusion**

The popularity of medical tourism in India will continue to grow and become a significant source of revenue generation. With experience, “International Patient Care” has become a seamless process at many corporate tertiary care hospitals. Even Govt. of India’s All India Institute of Medical Sciences (AIIMS) is now organized to treat international patients.

Medical tourism presents an opportunity for hospitals to fuel growth by tapping the potential of the international patient market. A comprehensive understanding of the cultural nuances of international patients is essential for all levels of workforce in the hospital ranging from the CEO, physicians, and nursing staff to the rest of the occupational categories.

Several hospitals at the Texas Medical Center (TMC) in Houston, USA, the largest medical center in the world has been treating international patients from all corners of the globe for decades. The gifts given to TMC hospitals by the American and international patients including royalties from Europe and especially the Middle East are beyond comprehension by the people who are not personally familiar with TMC. Corporate tertiary care hospitals in India with a professionally managed Office of Development can also benefit from such gifts to strengthen their patient care services, improve infrastructure, and research facilities.

A Case for Medical Tourism in India

**References**

5. http://www.deloitte.com/dtt/article/0%2C1002%2Ccid%25253D192707%COO.html

A Case for Medical Tourism in India

Biography

Prof. M. Habeeb Ghatala is from Hyderabad. He received his B. Sc. (Agriculture) from Osmania University in Hyderabad in 1959. He left for U.S. the same year and joined Kansas State University in Manhattan, Kansas where he earned his M.S. in Extension Education and Sociology. He received his Ph.D. in Extension / Continuing Education and Sociology from the University of Wisconsin, Madison and did postdoctoral studies in Distance Education. Prof. Ghatala earned his MHA in Health Care Administration from Texas Woman’s University in the Texas Medical Center, Houston. He was also a licensed Financial Services Professional for five years with the New York Life Insurance Company in USA.
Prof. Ghatala held research, faculty, and academic administrative positions at the University of Wisconsin-Extension, Humboldt State University in California, University of Cincinnati in Ohio, Weber State University in Utah, Saudi Arabian Educational Mission to the USA in Houston, Security Forces Hospital in Riyadh, Kingdom of Saudi Arabia, and Hahnemann University Medical Center in Philadelphia, Pennsylvania. Prof. Ghatala returned to Hyderabad in 2006 after being abroad for 46 years. He joined Apollo Hospitals Group in 2006 and is presently serving as Dean of Non-Medical Institutions. He is widely published and has traveled to 40 countries on six continents.

A Case for Medical Tourism in India

Biography

Prof. Lakshmi B is Dean of Management Programs, Director of Centre for Human Development, and Chairperson of Health Studies Area at the Administrative Staff College of India (ASCI). She also served as In-Charge Registrar and Secretary of ASCI.

Prof. Lakshmi earned her B.A., M.A., M. Phil. and Ph.D. in Economics, Public Administration, and Human Resources Development from the University of Madras. She also has a Diploma in Journalism from SIET Women’s College followed by a Post Graduate Diploma in Public Relations from Annamalai University. Prof. Lakshmi received her Postdoctoral Master’s in Hospital Administration (MHA) from the University of New South Wales in Sydney. In
addition, she earned the Graduate Diploma in Education specializing in Human Society and its Environment from the University of New England in Armidale, New South Wales, Australia. Prof. Lakshmi also holds Certificate IV in Training and Assessment from HBO-Sydney. She is a Fellow of Australian Institute of Management (FAIM).

Prof. Lakshmi is certified by the Department of Personnel Training in Delhi as a Lead Trainer for the programs on “Ethics and Values in Public Administration.” In the international arena, Prof. Lakshmi conducted MDPs for the Commonwealth and multinational sponsored programs for the South Pacific Islanders in Papau New Guinea.