



MEDICAL TOURISM IN INDIA: CHALLENGES AND WAY FORWARD POST THE PANDEMIC

Medical Tourism is one of the fastest growing sectors in the Indian economy and the country is recognised as a global medical tourism hub. It is an industry where people travel to other countries to get medical, dental and surgical care while also enjoying the local tourist attractions. High quality healthcare at a low cost makes India a medical tourism destination. Complicated and high-cost surgeries especially heart surgeries, organ transplants and advanced cancer surgeries can be done at a much cheaper cost as compared to the US and the UK at India's best hospitals. In lieu of the above, in recent years, India has become a popular destination for foreign tourists seeking the quality treatment at a cheaper price. With further investments in building infrastructure, technology and services and by ensuring a seamless experience for international patients, this sector has the potential to become a leading foreign exchange earner for the country and has the potential to be integrated into a much larger tourism eco-system.

Trends

Every year, thousands of people come to India for medical treatment. Generally, people mostly come from Asian and African countries. A good proportion of people also come from so-called bubbled countries like the USA, UK and Australia. Statistical data suggests that in 2019 alone, about 697,453 foreign tourists came to India for medical treatment. According to the Tourism Ministry, medical tourism in India was valued at around \$3 billion in 2015, and was expected to grow to \$9 billion in 2020 before X Covid-19 struck. The general pattern of choosing destinations, witnessed among medical tourists arriving in the country, is that Delhi, Mumbai, Chennai, Bangalore, Hyderabad and Kolkata remain their top priority. It is reported that Chennai draws in around 15 per cent of the incoming foreign patients while Kerala manages around 5 to 7 per cent.

Going by the current calculations, 38 Indian hospitals are accredited by the Joint Commission International (JCI). Also, 619 hospitals have been accredited by the National Accreditation Board for Hospitals and Healthcare Providers (NABH). Almost 80% of the total healthcare market is expecting huge demand from both domestic and global market, and is projected that by 2023, India will account for 6% of the global MVT market share.

The Government of India has been instrumental in promoting medical tourism in the country. Medical tourism was given a major boost way back in 2002 with the announcement of the National Health Policy of 2002 and the Ministry of Tourism has been proactive in advertising for holistic healthcare services promoting industry expansion. One of the key hurdles for the growth of this sector was availability of medical visas. The process has now been simplified to allow multiple entries and longer stays. The introduction of medical e-visas has further eased the process. In a conscious effort to enhance the credibility of the sector and ensure quality services, top hospitals have been certified by international accreditation schemes that attract more patients.

Impact of COVID-19 on the Indian Medical Tourism Industry

When the pandemic first hit India in 2020, the import-dependent medical devices industry – a cornerstone of the country's health sector – was already in a churn, scrambling to establish new sources of raw materials and supply lines. This became more evident when in the initial stages of the outbreak, in March 2020; India barely produced any PPE kits in the grade set as a standard against Covid-19 by the Indian government, forcing the Centre to impose a blanket ban on exports. Facing the acute shortage of mandatory medical essentials during the



first wave, the textile industry managed to scale up the production and supply of N-95 masks and PPE kits which is the first line of defence against Covid-19 as proposed by WHO, to address the requirement amid the second wave. However, the second wave in India proved to be much more disastrous with a sharp spike in cases each day. Indian government and medical facilities faced a much bigger challenge with lack of oxygen supply, as the new variant collapsed the entire medical and pharmaceutical industry. Experts say "India is producing enough oxygen, at just over 7,000 tonnes a day. Most of it is for industrial use but can be diverted for medical purposes."

The Indian government has now directed most of the country's supply of industrially produced oxygen towards the health care system. The harsh reality is that the supply so far has been unable to meet the exponentially rising demand. To worsen the situation, the country also witnessed black marketing of internally produced oxygen cylinders. Patients struggled to find available hospital beds, life-saving drugs and medical oxygen, creating a medical emergency nationwide. Merely a year after the pandemic struck in March 2020, India managed to manufacture two new vaccines indigenously to overcome and defeat the pandemic instead of importing it from other countries indicating that India is well positioned, is on a high skill advanced technology growth path with tremendous growth in genetic sciences, placing the country on par with the advanced world.

Medical Tourism in India – in a Post-Pandemic Era

Owing to the life-threatening coronavirus, the inflow of medical tourists into the country had dipped in 2020, but is slowly starting to pick up pace yet again. With removal of lockdown and travel restrictions, Indian medical tourism seeks progress in a number of critical cases like organ transplants.

Experts are of the opinion that medical tourism in India will see a positive growth in a post COVID 19 era, owing to the manner in which the country handled the virus. During the current pandemic, the doctors, hospitals, and paramedical staff performed their duties diligently, thereby controlling the ratio of the total number of cases to the deceased cases to less than 1.5%. In addition, a large number of health workers are fully vaccinated.



Moreover, one of the major reasons why India is becoming a popular hub for medical tourism is because it offers the perfect blend of both modern, alternative and traditional forms of medicine such as *Ayurveda* which is effective in various chronic diseases.

Some other key factors that act as an advantage to attract medical tourists to India include infrastructural facilities and digital engagement. India has some of the best super-speciality hospitals that provide patients with the most advanced treatment using AI and robotics for greater accuracy and well-being. Further, trained manpower, alternative medicine and therapeutic treatment and quality of care also attract medical tourists from all over the world. In short, India is perfectly poised to cater to a large number of medical tourists in the post pandemic world.



Challenges faced by the Indian Medical Tourism Industry

Despite having several initiatives in place, the Medical Tourism industry of the country still faces some serious challenges. The potential of medical tourism in India and making India a hub is still at the budding stage.

- ❑ The stakeholders and the government have only been able to scratch the tip of the iceberg. One of the major challenges that India is facing is promoting and creating awareness about the state-of-the-art facilities in India.
- ❑ India is witnessing strong competition from destinations like Thailand, Malaysia, Singapore, Turkey, South Korea with low-cost options.
- ❑ In India, there is a lack of cohesiveness amongst the major players in the industry to come together and represent India on a world platform to acquire newer geographies.
- ❑ Apart from these, inconsistent fee structure and lack of transparency in billing to foreign patients and absurdly high margins to trade to refer patients are some of the challenges.
- ❑ Most Indian hospitals are also facing the lack of trust from the foreign patients. The hospitals have observed poor hygiene awareness in medical attendants, unhygienic food handling, and lack of proper hospitality services, heterogeneous pricing of services and industry standards.
- ❑ The government can play a vital part to upgrade the medical tourism sector. But the industry is facing the following problems which are caused by the governments. They are: (a) no regulations, (ii) taxation anomalies, (c) bureaucratic roadblocks, (d) no works on land reforms, (e) lack of long-term investor-friendly policies and (f) instability with respect to terrorism and communal tensions.
- ❑ On the part of insurance and allied services, the medical tourism industry in India is also facing some key bottlenecks. They are: (a) inadequate insurance cover, (b) underdeveloped insurance market in India, (c) insurance frauds and (d) overseas companies refusing reimbursement.
- ❑ The following challenges, due to the infrastructural parts in medical tourism sector in India, are: (a) lack of access, (b) dearth of capital, (c) Lack of community participation and awareness, (d) non-participation of rural sector (e) lack of concern for sustainability, (f) complex visa procedures, (g) lack of good language translators, and (h) poor airport facilities.
- ❑ Apart from these, there are some specific issues to promote medical tourism in India. They are: (a) quality accreditations to the Indian hospitals and service providers, (b) training and Development courses for the Doctors, Nurses and Paramedical staffs, (c) lack of customer-oriented approach.
- ❑ Information and Communication Technology (ICT) and ICT enabled services like online reservation, including ICT enabled healthcare and allied services are top in agenda in most foreign countries but are comparatively low in the Indian context.

Road Ahead

India is a major hub for medical tourism in the world. As per the latest FICCI report, the country was expected to touch the capacity of \$9 billion by the end of 2020 in terms of Medical Value Travel (MVT) market.

Support to the sector in the form of incentives and new schemes will go a long way in helping the sector recover post the pandemic. The industry needs tax incentives, relaxation on duty or reduction in duty for import of medical equipment, developing infrastructure especially transportation and cooperation amongst all key stakeholders both public and private.



In an attempt to boost medical tourism in India, a major step would be to increase awareness about the same. Advertising about the facilities present in major hospitals which are cost effective and at par if not better than facilities present in our target countries. There must be a medical tourism diplomacy highlighting that medical tourism is not only a potential revenue earner, but also assists in improving our goodwill. There should be some public-private partnership between hospitals for providing medical treatment. Better coordination can be of great help.

With growing competition businesses need to adapt and keep pace with the latest technology to ensure growth and sustainability. Indian healthcare sector is much diversified and is full of opportunities in every segment, which includes providers, payers, and medical technology. According to India Brand Equity Foundation (IBEF), the Global Healthcare market can increase three-fold to Rs 8.6 trillion (USD 133.44 billion) by 2022.

India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. To sum up, our efforts are in the right direction, and with effective initiatives, India would emerge as the next best medical tourism destination in a post-pandemic era.

The rapid developments in medical tourism demands have left the policing and legislation behind. It would be imperative for this legislation to catch up in order to protect the vulnerable that are unable to make well informed research-based decisions. Tax incentives to the service providers, import duty reduction on medical equipment, committees to promote and foster medical tourism are some of the initiatives that can be undertaken. There is also a need to develop supporting infrastructure such as transport services to facilitate tourism in India. The tourism, health, information and communication departments need to work in tandem for efficient patient care. These include building and promoting the image of India as a high-quality medical tourism destination, creating and promoting new combination of medical tourism products, keeping up the high standard of quality treatments at a reasonable price, providing informative material online and offline and making it available to potential customers.

The biggest challenge is to position India as a favourable healthcare destination by setting high health standards for ourselves, and work in association with the government and the medical council to see to it that all hospitals keep up to those standards. Now, the Indian healthcare federation is working along with different industry chambers to promote medical tourism in the country. Finally, we have to work towards getting accreditation for various hospitals to build up perception of quality among foreign tourists. ■

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