

Promoting Health Tourism In India : An Exploratory Study On The Role Of Specialty And Corporate Hospitals In Bangalore

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HEALTH TOURISM OPPORTUNITIES IN INDIA

"According to a McKinsey report, India is poised to generate business worth USD 2.2 billion by 2010. In 2004, India treated and cared for 1.8 lakh patients. This number is poised for substantial growth - 25-30 per cent in 2005. India's main Unique Selling Proposition (USP) in health tourism is the prospect of low-cost treatment by highly professional doctors." ("Medical tourism opportunities and challenges for India", 2005).

"A Heart Surgery in the US costs US\$ 30,000 while it costs US\$ 6,000 in India. Bone marrow transplant in the US costs US\$ 2, 50,000 while it is US\$ 26,000 in India. According to CII, India is unique as it offers holistic medicinal services. With yoga, meditation, ayurveda, allopathy, and other systems of medicines, India offers a unique basket of services to an individual that is difficult to match by other countries". ("It is advantage India in Medical Tourism-CII", 2004).

India is the most touted healthcare destination for countries like South-East Asia, Middle East, Africa, Mauritius, Tanzania, Bangladesh and Yemen with 12 per cent patient inflow from developing countries. And the most sought-after super-specialties are cardiology, neuro-surgery, orthopedics and eye surgery. Experts pinpoint that the other big advantage about the need to improve medical tourism is that it is non-seasonal. National Health Policy also encourages the supply of services to patients of foreign origin on payment. The Apollo Hospital Enterprises has treated an estimated 60,000 patients between 2001 and 2004 and is the front-runner in this field of promoting health tourism in India. Apollo's business began to grow in the 1990s, with the liberalization of the Indian economy. Apollo now has 37 hospitals, with about 7,000 beds. The company is in partnership in hospitals in Kuwait, Sri Lanka and Nigeria. ("Medical tourism set to take off in a big way", 2005). Hence, the opportunities for the growth of this sector are tremendous.

Indian tourism industry analysis was conducted by RNCOS with information from books, newspapers, trade journals, whitepapers, industry portals, Government agencies, trade associates, monitoring industry news and development through access to more than 3000 paid databases. The data was compiled using ratio analysis, historical trend analysis, linear regression analysis using software tools, and judgmental forecasting. Cause& effect analysis findings of this study revealed that medical tourism revenue will reach US\$ 2 billion by 2012 at 27 per cent during 2009-2012. Medical tourism has emerged as the fastest growing segment of tourism industry despite the global economic downturn ("Booming Medical Tourism in India", 2009).

Though the growth opportunities are excellent, there are many issues that need to be addressed for this sector to grow to its full potential. Some of these aspects are as follows :

1. Experts feel that Indian healthcare institutions should tie-up with multinational insurance companies to offer healthcare services to patients from abroad in order to improve this sector.
2. Accreditation of healthcare institutions by foreign health care agency is another important aspect, which is not addressed evenly by the industry.
3. Visa facilities and preferential treatment at immigration is another front, which needs to be addressed by the health care industry.
4. Creating awareness among the global community about the facilities rendered by Indian healthcare institutions, through seminars and exhibitions is in wanting.
5. Packages of treatments offered by Indian healthcare institutions should be advertised in the foreign country.
6. Medical tourism can be improved, if we have a good infrastructure in place, which includes air connectivity, good

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roads, to deliver quality healthcare to the foreign tourists.

7. Plans for post operative recouping is not built into the service programs offered by the specialty and corporate hospitals services. This is very important, as patients are not fully fit to travel to their destinations after an operation.

8. Medical tourism can be nurtured if individual hospitals are offering diagnosis through video conferencing; appointments and diagnosis are offered through Internet.

OBJECTIVES OF THE STUDY

Given this background, it is of interest to see how the corporate or specialty hospitals in Bangalore are addressing the aspect discussed above, that is to ensure promotion of health tourism in India. Hence, the objectives of this research are:

1. To explore if corporate and specialty hospitals help to promote health tourism in India.
2. To study if the corporate and specialty hospitals are addressing the various issues for the growth of health tourism in India.

LITERATURE REVIEW

Literature review covers important aspects pertaining to health, tourism, cost leverages in initiating health tourism, and macro level scenario promoting health tourism.

Marlowe and Sullivan have reviewed the competitive costs offered by the Asia Pacific medical facilities. These service providers are a natural choice for outsourcing to lessen the accumulating cost burden. *“All US industries carry the burden of high medical costs. Given the unrivaled cost of medical care in the United States and the history of outsourcing to the Asia Pacific, it should not be surprising that hospitals in Asia Pacific are appealing to the US public as low cost medical providers that offer quality care at unparalleled fees. The temptation to pursue such treatment avenues is great, driven by the huge cost differential”* (**Joseph Marlowe and Paul Sullivan (2007)**).

In another study, **Smith and Forgione** points out that the growth of Medical tourism to Asian Countries is because of the spiraling healthcare costs in United States. *“US is facing a healthcare crisis. According to the US Census Bureau, over 46 million Americans were uninsured in 2005. Healthcare spending is projected to exceed 4.1 trillion by 2016. Over the past several years, American patients have sought medical and surgical care on an internationally competitive basis. This is known as medical tourism. Rising US health care costs, as compared to other countries continues to fuel the debate surrounding the medical tourism issue. India is one of the more popular destinations for American patients, particularly since there are significant cost differences between their facilities and those in the US. Much of the research on the foreign country and facility is done on the Internet. According to a recent Harris Poll, over 80% of adult web users in the US have searched for health information”*.

Health care costs also affects the over all Business scenario where competitive cost advantage of car manufacturers are lost due to high health care costs. *“US health care system is the most costly in the world. Indeed, the high costs of medicines have put many US businesses at a competitive disadvantage with foreign firms. The US automotive industry is the poster child for the dilemma posed by high employee medical costs, GM, Ford, and Chrysler's medical costs amount to \$1000 to \$1500 per sold car, which greatly exceeds the medical costs for Japanese, Korean and European competitors. Countries such as India, Thailand, Mexico, and Costa Rica can provide health care treatment at much lower price than in the US”* (**Pamela C. Smith and Dana A. Forgione (2007)**).

The other reasons sighted in the study of **Schroth and Khawaja** for the emergence of Medical tourism as full fledged segments are: *“Educated and internet savvy consumers, a growing middle class in emerging markets, highly trained physicians and struggling public health systems that are unable to meet the needs and expectations of patients are some of the forces behind the demand for globalization in healthcare.”* (**Lynn Schroth, Ruthy Khawaja (2007)**).

Mike Adams, author of the article “Rising Popularity Of Medical Tourism Reveals Deterioration of US Health Care System”, published by News Target.com, a natural health and wellness news website, describes medical tourism facilities as modern hospitals that often are newer and have much better technology and equipment than hospitals in the United States.

A report commissioned by the US department of Labor's Employment and training administration identifies 'significant work force shortage in the acute care, long term care and primary care health care provider sector. (**Noor,**

Ras (2006)).

An essential function that is recommended for destinations and tourism and hospitality organizations to undertake is to learn about developments in the external environment that may have a substantial impact on the competitiveness of their business. *“The healthy living lifestyle has been gaining momentum in the USA and in various parts of the world, more than ever; programs, products and regulations are being developed and implemented to cater to members of mentioned lifestyle and to support the overall well being of societies. In the field of travel and tourism, health has been approached from the angle of tourism experiences effects on an individual's well being.” (Zaher Hallab, 2006).*

In an increasingly competitive tourism industry, national tourism organizations are constantly searching for new products to market and develop. The Pursuit of opportunities is evident in Singapore where the tourism board has been very active. Singapore Tourism Board is cultivating education and healthcare, which are types of tourism outside the mainstream categories of business and leisure; education and healthcare are innovations perceived to be very promising and worthy of vigorous cultivations (**Joan C. Henderson (2004)**).

Friedman (2003) in his study explained that prior to the year 2000, international ventures were predominately orchestrated by major corporations that focused on global markets and had access to vast infrastructure and labor forces like oil and gas industries. After 2000, a new era of globalization has emerged that includes individuals and small corporations. The Internet allows people to collaborate in real time so international software rather than horsepower now powers work.

S.K. Kuthiala (2001) in his study explained that India is known world wide as ancient and mysterious civilization and the second most populated country of the world after China, with a population of one billion. With increasing worldwide tourism and travel for leisure, business and cultural purposes are on the rise; India attracts only 2.4 million visitors annually of the 600 million who travel. India can develop a sound travel plan to generate jobs at the lowest cost of investment per job in this industry as well as promote sustainable development and cultural heritage, which has been so precious to India. According to projections made by the CII, by 2020, India could see ten million tourists per year, which would amount to only 4% of world travel.

METHOD OF THE STUDY

This is an exploratory study to understand if the corporate and specialty hospital management is geared up to promote health tourism in India. An Interview schedule was prepared to find out if individual hospital management is geared up to promote medical tourism in India. This interview schedule was prepared with the background information on health tourism and in consultation with experts from hospital management. In-depth interviews were conducted with six corporate and specialty hospitals in Bangalore. The corporate and specialty hospitals' administrative heads were contacted personally for data collection. The administrative heads were medical practitioners in certain hospitals and in others, they were from non-medical background. Apart from the in-depth interviews, the respondents were asked to comment on the overall preparedness of the hospital management in addressing the various issues hindering the growth of health tourism in India.

ANALYSIS AND DISCUSSIONS

The hospitals that are considered for the study are **1. Manipal Hospital 2. Apollo Hospital 3. Mallya Hospital 4. Satya Sai Hospital 5. Narayana Hridayalaya 6. Workhard Hospital.**

QUESTION 1: AWARENESS OF MEDICAL TOURISM POTENTIAL IN INDIA

All the six hospital management authorities were aware of the potential of medical tourism in India. This is because the CII, private hospital management and the press contribute to the awareness. Frequent write ups by the press covering stories and pictures of complicated treatments conducted successfully in India for patients from other countries makes even a common man know something about this sector.

QUESTION 2: FACILITATION FOR INTERNATIONAL CLIENTS FOR ON LINE BOOKINGS, DIAGNOSIS, AND CONSULTATIONS

Of the six hospitals, 3 answered in affirmation, 2 mentioned that they are in the planning stage, and 1 answered in

negation for the question on whether the hospital management has online bookings for admissions to the hospital. By and large, all the hospitals have got facilities for bookings and enquiries through their web portals. The process involved in booking is less technical compared to on line diagnosis and consultations for treatment. All the six hospitals have online booking where patients can clarify issues like availability of rooms, costs for the treatment, procedures for claims from the insurance and so on. As far as questions pertaining to online diagnosis were concerned, clear answers did not emerge as some of the ailments and diagnosis can be taken up online and there are other ailments where diagnosis cannot be taken up online. **Treatment and diagnosis online is a strategic decision taken in board meetings, since it involves not only medical expertise, but huge investments in software installation, the administrative head though a medical practitioner at times is unable to answer this from individual capacity as many other department's preparedness is required for online diagnosis to be operationalized.** However, four hospital managements answered that they are in the “*planning*” stage and to some extent, initial rounds of diagnosis are done online but two hospital managements answered in “*negation*”. **Online diagnosis apart from being a lengthy process also involves technology support, expertise and education level of patients, language aspects, translation support and so on.** Through this exploratory study, the importance of language, networking with other hospitals, work experience of doctors in other countries, net working with other experts in the same field, in-depth knowledge of cultural nuances of patients are some of the most important factors for hospitals to focus and to propel the inflow of medical tourism to India.

QUESTION 3: CO-ORDINATE WITH CONFEDERATION OF INDIAN INDUSTRIES, GOVERNMENT OF INDIA, TO SHARE VIEWS AND SUGGEST STRATEGIES FOR PROMOTION OF HEALTH TOURISM

On the question, whether the hospital management collaborates with the Confederation of Indian Industries to share their views and suggest strategies to promote health tourism in India, it is surprising to note that the answer was “*Seldom*”. **The Confederation of Indian Industries is such a powerful organization in influencing and strategizing growth of a particular sector and it is surprising that even the big corporate hospitals do not interface with them to formulate roadmap for planed growth and unleashing the full potential of this sector.** To a question of whether the hospital management is aggressive to promote its services to patients outside India, four hospitals said “*sometimes*” and two of them have said “*often*”. This shows that hospital managements have taken it upon themselves to market their services internationally. **From the interviews with the key persons, it was clear that personal contacts, references, informal tie ups play important roles apart from the exhibitions and advertisements.** Indian medical fraternities working overseas are important ambassadors in promoting medical tourism through referrals. Public relation exercises like supply of success stories in complicated treatments to International news agencies can be very effective. Enabling knowledge sharing platform by hosting seminars and conferences are some of the important aspects that would sustain this sector. The fact remains that none of the hospital managements claimed that they were aggressive in their promotion of health services to international clients, giving room and scope for strategic planning. **Individual doctors presenting papers on their latest research also play an important role in projecting health science advancement in India.** Indian doctors have immense reputation both in United States and United Kingdom and this has a positive effect on the health care reputation and upholds trust of the patients traveling to India. Expertise of doctors should be leveraged by specialty hospitals. **Highlighting list of accomplishments by the doctors, and projecting it as case studies in web and specialized Journals will go a long way in building the confidence of clients.** The hospital management can encourage the doctors to take part in international conferences to share, disseminate, and acquire knowledge. These conferences also provide personal networking opportunities, thus providing a platform for sharing, and consultations for complicated cases in the future.

QUESTION 4: QUALITY MAINTENANCE AND INTERNATIONAL ACCREDITATIONS

All the hospital managements were unanimous in their view of quality. Each management has their own internal

process for quality. **Quality is viewed not only in terms of medical treatment and diagnosis, but quality is viewed in terms of functional superiority in every area of operation.** Like the quality process in the maintenance of accounting process, quality in catering and dietetics department and so on. While two hospitals already have accreditations from International agencies, the others are in the process of working towards it.

QUESTION 5: SPECIAL ADMINISTRATION PROCESS IN THE HOSPITALS TO FACILITATE INTERNATIONAL MEDICAL TOURISTS

It was surprising to note that none of the hospital managements' had separate help desk to assist international medical tourists. This is in spite of the fact that the process involved in assisting Indian patients and international patients are completely different. For example, **the hospital management's duties commences after a patient is in the reception area for an Indian patient, but for an international patient, the responsibility of the management commences from the stage of transporting the patient safely from the airport to the hospital premises.**

Similarly, lots of hand holding will have to be done for an international patient in terms of visa procedures, extensions, post operative care, payments, insurance assistance if any and so on. It is a regular practice at airports to have separate counters for 'citizens' and 'international passengers'. This is done because the scrutinizing process is smooth and the customers are benefitted. Similarly, having special assistance desk for international medical tourists with language assistance would be an added advantage and would be more compatible for customers.

Another important point that evolved from the interview is the significance of language in medical treatment. Most of the times, the doctors do not have translators to facilitate conversations with the patients. Tie up with consulates and maintenance of data base on language experts is not an easy task for hospital management to execute, but with the arising scenario, this aspect should be addressed. For instance in Bangalore, India Alliance Francis (the language and cultural wing of the French Government) is fully operational where such assistance can be sought. But there are hardly such provisions for Russian or Arabic or any other foreign language. Hospital management's tie up with trade and commerce centers of different countries can also solve this problem to an extent. Soft ware installations of 'language options' in hospital computers and their success can also be tested.

QUESTION 6: OTHER IMPORTANT ASPECTS TO BOOST HEALTH TOURISM IN INDIA

Some of the major concerns raised by the hospital management which hinders growth of medical tourism in India are the direct connectivity of passenger to various destinations. Still, many of the destinations barring Delhi and Bombay in India do not have direct connectivity. This causes concern as an ailing patient will not be in a position to take the trauma of transfers between flights and waiting for connectivity.

Hospital managements' preferred a 'one- stop speed window' for clearing visa procedures for ailing patients. Law concerning Organ transplant is draconian in India. Indian patients' loose lives waiting for papers to move their way through the corrupted red tapes, and it is impossible for a foreigner to deal with the system. Making the system transparent would automatically weed middle men. Like donating eyes and blood which is promoted on voluntary basis, organ donation can also be made legal with strict medical supervision. The doctors argue that no person dies because he or she had donated more blood, similarly, under strict and stringent supervision from Medical practitioners, organ donation can also be made voluntary. The needy who are donating organ for monetary cause can be guided and educated of the pros and cons and the whole system can be revamped to give due honor to the patient and the volunteer.

Promoting Post operative care as a service sector would benefit India and its medical tourism. If medical tourism is to thrive in India, post operative care should also be promoted in India. After a patient has under gone an organ transplant or a major surgery, the hospitals discharges them as soon as the patient stabilizes in health. This situation is not a cause for concern for an Indian with his family or support systems in proximity.

(Contd. On Page 20)

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But for a foreign Nationality, the situation is hostile as they are unable to travel back to their native place due to the recovering process. They need help and organized recouping facilities, which are not available. This aspect should be seen as a huge opportunity and if this gap is addressed adequately, with efficient and organized service providers, Indian medical tourism will stand first in the whole world.

CONCLUSION

The role of hospital management in promoting medical tourism is vital. Their interface with the various stake holders can create synergy and common platform for promoting medical tourism to India. Doctor's expertise and their networking can enhance the scope of this field. However certain aspects like language, cross cultural issues are in the scope of the hospital management to nurture and adhere. But other aspects like post operative care, visa and insurance streamlining, air connectivity, laws regarding organs and transplantation are outside the preview of the hospital management but they can intervene effectively with the Government and lobby for their cause which is also very essential for the growth of this sector. If the hospitals and the Government of India take concrete planned steps to promote this sector it can help in wealth generation.

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