

## **MEDICAL TOURISM: TRENDS AND CHALLENGES IN INDIAN SCENARIO**

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### **Abstract:**

Tourism is a kind of economic bonanza which significantly contribute to the growth of a state as well as a country. The rate of success of this industry is dependent upon a range of activities ranging from transportation to accommodation. These activities are: 1) Travel and transport facilities, 2) Accommodation, 3) Food and drink, 4) Entertainment/recreation, 5) Information and assistance and 6) Souvenirs.

Medical tourism is a novel form of niche tourism gradually becoming popular in the present world and India has emerged as a popular destination for providing Global standards of health care at affordable costs. It mixes leisure, fun and relaxation together with wellness and healthcare. Within Asia, India, Thailand and Singapore are the three countries that receive maximum medical tourists owing to low cost of treatment, quality healthcare infrastructure, and availability of highly skilled doctors. More recently there has been a spatial shift in medical travel especially to Asian countries from advanced economies. Presently Indian health care sector is considered one of the largest tourism sector in terms of both revenue and workforce employment. Indian medical tourism industry is expected to reach \$6 billion by 2018, with number of people arriving in the country for health treatment set to twice over next four year.

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This research paper makes an effort to study reasons for the growth and trends of medical tourism in India, government's role in promoting Medical tourism, future prospect of the medical tourism of India.

**Key Words: Medical Tourism, Central Government, Hospitals, Health Package, Medical Visa**

## **INTRODUCTION**

The term Medical Tourism is composed of two words – Health care and Tourism. Medical tourism is also perceived as an interval of holidaying, and it covers broad range of medical and health care services. It combines leisure, pleasure, recreation, fun and enjoyment together with medical and healthcare. Goodrich and Goodrich defined Medical Tourism as “the attempt on the part of a tourist facility or destination to attract tourists by deliberately promoting its healthcare services and facilities, in addition to its regular tourist amenities.”

Chennai, Kolkata, Mumbai, Hyderabad, Bengaluru and NCR received the maximum number of overseas patients mostly from South Eastern countries, with Chennai having come to be known as "India's health capital"

Dawn S.K. and Pal, S.(2011)<sup>1</sup> explained the key issues and opportunities possessed by Indian medical tourism sector that enable it to overcome domestic and international barriers on upgrading its medical services. He suggest to build and promote image of India as high quality medical tourism destination, creation and promotion combination of medical tourism products, providing high standard of quality treatments at a rational price, attaining the accreditation/standard to reassure the quality of treatments, providing online informative and print materials and ensure availability of these to the potential target customers.

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<sup>1</sup>Dawn S.K. and Pal, S.(2011), “Medical Tourism In India: Issues, Opportunities And Designing Strategies For Growth And Development” ZENITH International Journal of Multidisciplinary Research Vol.1 Issue 3, ISSN 2231 5780

Dr. Anupama Sharma (2013)<sup>2</sup> studied about potential of medical tourism industry in India. According to a statistics by the end of the year 2012, India will receive around one million health tourist with a compound annual growth rate(CAGR) of 28.09% over the year 2007. In India, A health tourist has to spend less on different surgeries in comparison to other developed countries therefore foreigners are more attracted towards Indian treatment. Shortage of skilled professionals, lack of adequate infrastructure, partial attitude of the government towards corporate and public hospitals lack of appropriate accommodation facilities, high service tax, lack of security measures and trained and skilled workforce are the major challenges in front of medical tourism.

John J. and Chelat S.(2013)<sup>3</sup> conducted a survey of practitioners, manufacturers, researchers, representatives of various associations in Ayurveda sector to explore the possibilities of promoting Ayurveda sector in the medical tourism with the participation of local government institutions and community in order to achieve inclusive growth. He found in his study that growing demand for Ayurvedic treatment and medicines remains untapped due to the lack of quality control system and lack of policy initiatives of various governments. He suggested for establishment of specialty hospitals and health clinics in Ayurveda with the participation of local governments and private sectors and access of cost effective public health care services to the common people. Legal facilitation for export promotion, hospital waste management and hospital management committee in the area of Ayurveda can be an important step.

Mishra S.(2014)<sup>4</sup> explored various methods to develop the medical tourism strategies for India so that India could be listed first as a medical tourism destination. In her paper, She also highlighted various initiatives taken by healthcare centers/ hospitals setting up comprehensive diagnostic centers, imaging centers & world-class blood banks, special wards for international patients, organizing international conferences in such specialties, and invite medical fraternities from various countries with the objective of showcasing Indian skills in various healthcare

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<sup>2</sup>Dr. Anupama Sharma(2013), "Medical tourism: emerging challenges and future prospects", International Journal of Business and Management Invention ISSN (Online): 2319 – 8028, Volume 2 Issue , PP 21-29

<sup>3</sup>John J. and Chelat S.(2013), "Medical Tourism and Inclusive Growth: Significance of Ayurveda Sector", Atna, J Tour Stud, 8, 2 (2013), 19-35

<sup>4</sup>Mishra S.(2014), "Prospects in Medical Tourism – India", Journal of Tourism: A Contemporary Perspective, Vol 1(1), 13–17, January 2014

segments, international collaborations—both with developed and developing countries and continuous innovation of products, services and facilities. She suggested authorities to chalk out an effective marketing exercise in branding the country, Enhancement of physical infrastructure as well as executing marketing strategies in expanding the medical and wellness tourism market in the country.

Benur, S. (2014)<sup>5</sup> stated in his paper that World-class treatment, high intellectual skilled and qualified professional doctors, highly advanced healthcare infrastructure and Booming software industry have contributed for the growth of medical tourism in India. Low operating costs, high resources & highly qualified English-speaking manpower have made India the hub for Research & Development as well as clinical trials, also contributing primarily to the healthcare infrastructure. He suggested stakeholders of medical tourism to integrate their efforts to reap higher profits and greater market share.

Kumar, G.S. and Raj. R.K.(2015)<sup>6</sup> conducted their study to analyze the status, growth and impact effects of medical tourism in complimenting the growth of hotel industry business in India. During their observation they found significant growth of medical tourism in India at the rate 30 % in 2015. They also highlighted various challenges also faced by Indian medical industry like no post treatment care possible when required, Poor power supply, issue of insurance cover, inequalities in government and private hospitals, lack of industry standards, brain drain and increased costs for local people.

## **OBJECTIVES OF THE STUDY**

This study tries to get acquainted with medical tourism in India. This study tells us why India has emerged as a big hub for medical tourism. It also explains various challenges and competitive advantages and future outlook of medical tourism in India. This work is based on secondary data, including published research papers, web sites, newspapers, and the travel and tourism

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<sup>5</sup>Benur, S.(2014), "Medical Tourism: Can it be A New Supernova of Indian Economy", Asian Journal of Management Sciences 02 (05); 2014; 10-17.

<sup>6</sup>Kumar, G.S. and Raj. R.K.(2015), " Status, Growth and Impact of medical Tourism in India", International Journal of Pharmaceutical Sciences Review and Research, ISSN 0976 – 044X, Pages: 284-291

magazines that carry medical tourism related information. This study also tries to acquaint with various initiatives made by government to flourish medical tourism why developing country like India is more successful in promoting medical tourism than others.

## **MAIN BODY**

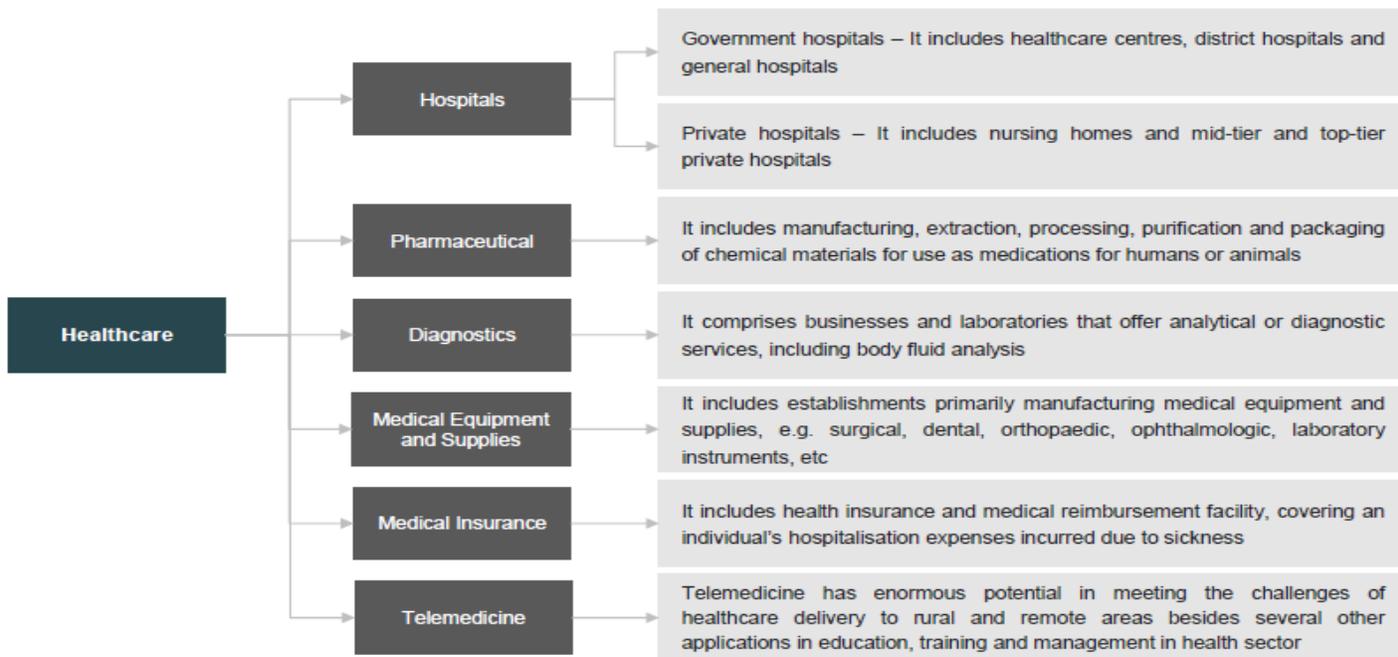
According to World Health Organization (WHO), Medical Tourism is defined as tourism associated with travel to health Spas or resort destinations, where the primary purpose is to improve tourist's physical well-being through a course comprising physical exercises and therapy, dietary control, and medical services relevant to health maintenance

From the primeval time India is famous for its traditional healing therapies and has made a renowned place in the medical field by providing ayurvedic, allopathic, homeopathy yunani and naturopathy advantage of medicine not only to the Indian people but also to the foreigners. History seen that billions of people have benefitted with the medicinal knowledge and skills of our skilled professionals. Several states of India are recognized as health care centre for providing particular division of treatment like Chennai for eye care, Kerala and Karnataka as a hub for ayurvedic treatment, and being specialized in healing the patient with the virtue of natural herbs. Here health tourist not only gain the cure for his disease but also enjoy the benefits of scenic scenes, natural beauty, spas and pleasant weather. Uttarakhand is known for healing the patient with yoga and meditation and natural medicines. Delhi has emerged as a prime destination for cardiac care , orthopedic care, mental trauma, and other kind of allopathic treatment, and serving millions of domestic and foreign patient at that cost which is comparatively very low than that of their own country.

Medical Tourism in India is also known as Health Tourism. In India, It has emerged as the fastest growing segment of tourism industry despite the global economic downturn. High cost of treatments in the developed countries, like USA and UK, has been forcing patients from such regions to look for alternative and cost-effective destinations to get their treatments done. The inflow of medical tourists has crossed 320 million by 2016 compared with 85 million in 2012. The medical tourism industry in India gets maximum patients for heart surgery, knee transplant, cosmetic surgery and dental care as the cost of treatment in India is considered to be the lowest

in Asia, much lower than Thailand, Indonesia, Singapore, Malaysia, Brazil, Mexico, Taiwan, Turkey and South Korea. Thus, the SAARC countries equally have been an important source of medical tourists for India.

The Indian medical tourism industry is presently at a nascent stage, but has an enormous potential for future growth and development. Indian Health Care industry comprise various segments as shown in below figure (taken from IBEF report)



Source: Hospital Market – India by Research on India, Aranca Research

Tourism industries are among the largest industries in the world. The countries where medical tourism is being aggressively supported include Greece, South Africa, Jordan, India, Malaysia, Philippines and Singapore. India was a later entrant into the medical tourism but has caught up well. It has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. A study by PHD Chamber of Commerce & Industry (PHDCCI) on Medical and Wellness Tourism opportunities in India (2014) estimates that Indian medical tourism is expected to touch US\$ 6 billion (around Rs.36,000 crore) by 2018, with the number of people arriving in the country for medical treatment set to double over the next four years.

Currently, the size of the medical tourism industry in India in value terms is estimated at a little over \$3 billion, with tourist arrivals estimated at 230,000.

**Services offered by Tour Planner to their patient include:**

- a) Make appointment with concerned specialist/Chief Doctors on top priority prior to arrival of a world known hospital.
- b) World-class Treatment by UK/USA trained Doctors in India
- c) Makes arrangements for their escorting, transportation and accommodation as per the requirement of the patient. Try to accommodate patient near to their diagnostic centre.
- d) Helps in obtaining medical visa.
- e) Helps in preparing other documents as required by the health centre.
- f) Makes arrangements for their treatment and other medical facilities.
- g) Makes arrangements for sightseeing, local transportation, and shopping, if required by the patient or his family members.
- h) Online assistance to the Patients

The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world (Table 1). Moreover, India has emerged as a hub for R &D activities for international players due to its relatively low cost of clinical research. Its competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals.

The Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently (April 2016) and is expected to grow 1.5 times by 2020. Over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms.<sup>7</sup> Conducive policies for encouraging FDI, tax benefits, favourable government policies coupled with promising growth prospects have helped the industry attract private equity, venture capitals and foreign players.

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<sup>7</sup> <https://www.ibef.org/industry/healthcare-india.aspx>(retrieved on 24<sup>th</sup> November 2017)

**Table 1: COMPARATIVE COST OF TREATMENT CHART FOR VARIOUS SURGERY (INCLUDING INDIA)<sup>8</sup>**

Medical procedure	USA	Costa Rica	Colombia	India	Jordan	S. Korea	Mexico	Israel	Thailand	Vietnam	Malaysia	Poland	Singapore	Turkey
Heart Bypass	\$123,000	\$27,000	\$14,800	\$7,900	\$14,400	\$26,000	\$27,000	\$28,000	\$15,000		\$12,100	\$14,000	\$17,200	\$13,900
Angioplasty	\$28,200	\$13,800	\$7,100	\$5,700	\$5,000	\$17,700	\$10,400	\$7,500	\$4,200		\$8,000	\$5,300	\$13,400	\$4,800
Heart Valve Replacement	\$170,000	\$30,000	\$10,450	\$9,500	\$14,400	\$39,900	\$28,200	\$28,500	\$17,200		\$13,500	\$19,000	\$16,900	\$17,200
Hip Replacement	\$40,364	\$13,600	\$8,400	\$7,200	\$8,000	\$21,000	\$13,500	\$36,000	\$17,000	\$9,250	\$8,000	\$5,500	\$13,900	\$13,900
Hip Resurfacing	\$28,000	\$13,200	\$10,500	\$9,700	\$9,000	\$19,500	\$12,500	\$20,100	\$13,500		\$12,500	\$9,200	\$16,350	\$10,100
Knee Replacement	\$35,000	\$12,500	\$7,200	\$6,600	\$9,500	\$17,500	\$12,900	\$25,000	\$14,000	\$8,000	\$7,700	\$8,200	\$16,000	\$10,400
Spinal Fusion	\$110,000	\$15,700	\$14,500	\$10,300	\$10,000	\$16,900	\$15,400	\$33,500	\$9,500	\$6,150	\$6,000	\$6,200	\$12,800	\$16,800
Dental Implant	\$2,500	\$800	\$1,200	\$900	\$900	\$1,350	\$900	\$1,200	\$1,720		\$1,500	\$925	\$2,700	\$1,100
Lap Band	\$14,000	\$9,450	\$8,500	\$7,300	\$7,000	\$10,200	\$6,500	\$17,300	\$11,500		\$8,150	\$6,700	\$9,200	\$8,600
Gastric Sleeve	\$16,500	\$11,500	\$11,200	\$6,000	\$7,500	\$9,950	\$8,900	\$20,000	\$9,900		\$8,400	\$9,400	\$11,500	\$12,900
Gastric Bypass	\$25,000	\$12,900	\$12,200	\$7,000	\$7,500	\$10,900	\$11,500	\$24,000	\$16,800		\$9,900	\$9,750	\$13,700	\$13,800
Hysterectomy	\$15,400	\$6,900	\$2,900	\$3,200	\$6,600	\$10,400	\$4,500	\$14,500	\$3,650		\$4,200	\$2,200	\$10,400	\$7,000
Breast Implants	\$6,400	\$3,500	\$2,500	\$3,000	\$4,000	\$3,800	\$3,800	\$3,800	\$3,500	\$4,000	\$3,800	\$3,900	\$8,400	\$4,500
Rhinoplasty	\$6,500	\$3,800	\$4,500	\$2,400	\$2,900	\$3,980	\$3,800	\$4,600	\$3,300	\$2,100	\$2,200	\$2,500	\$2,200	\$3,100
Face Lift	\$11,000	\$4,500	\$4,000	\$3,500	\$3,950	\$6,000	\$4,900	\$6,800	\$3,950	\$4,150	\$3,550	\$4,000	\$440	\$6,700
Liposuction	\$5,500	\$2,800	\$2,500	\$2,800	\$1,400	\$2,900	\$3,000	\$2,500	\$2,500	\$3,000	\$2,500	\$1,800	\$2,900	\$3,000
Tummy Tuck	\$8,000	\$5,000	\$3,500	\$3,500	\$4,200	\$5,000	\$4,500	\$10,900	\$5,300	\$3,000	\$3,900	\$3,550	\$4,650	\$4,000
Lasik (both eyes)	\$4,000	\$2,400	\$2,400	\$1,000	\$4,900	\$1,700	\$1,900	\$3,800	\$2,310	\$1,720	\$3,450	\$1,850	\$3,800	\$1,700
Cornea (per eye)	\$17,500	\$9,800	N/A	\$2,800	\$5,000	N/A	N/A	N/A	\$3,600		N/A	N/A	\$9,000	\$7,000
Cataract surgery (per eye)	\$3,500	\$1,700	\$1,600	\$1,500	\$2,400		\$2,100	\$3,700	\$1,800		\$3,000	\$750	\$3,250	\$1,600
IVF Treatment	\$12,400	N/A	\$5,450	\$2,500	\$5,000	\$7,900	\$5,000	\$5,500	\$4,100		\$6,900	\$4,900	\$14,900	\$5,200

**KEY FEATURES OF MEDICAL TOURISM IN INDIA:**

Following below are the important factors which strengthen Indian medical tourism which makes it to emerge as a pioneer in the global industry:

- Top quality healthcare services at low cost
- Expert team of professional doctors
- High end medical & health care facilities
- 100% Trustworthy
- 100% success rate

**Key Benefits of Medical Tour in India**

- India rated among the top 5 favorite tourism destinations worldwide.
- Top quality healthcare services at low cost
- Patients from more than 55 countries treated in India.

<sup>8</sup> <http://medicaltourism.com/Forms/price-comparison.aspx>(retrieved on 24<sup>th</sup> November 2017)

- Facilities and infrastructure in India at par with international standards.
- State of the art Hospitals and the best qualified doctors.
- Internationally accredited medical facilities using the latest technologies
- Highly qualified Physicians/Surgeons and hospital support staff
- Significant cost savings compared to domestic private healthcare
- No wait Lists
- Fluent English speaking staff
- Options for private room, translator, private chef, dedicated staff during stay and many other tailor-made services
- Can easily be combined with a holiday/business trip

### **Initiatives By Government To Strengthen Medical Tourism<sup>9</sup>**

- The overall health budget has increased from INR 39,879 crore (1.97% of total Union Budget) to INR 48,878 crore (2.27% of total Union Budget). In Union Budget 2017-18, the government has decided to setup 2 new AIIMS in Jharkhand and Gujarat and the plan outlay for AYUSH is estimated at US\$ 212.5 million. Many reforms were introduced in Union Budget (2017-18), wherein the government announced that Aadhar based smart-cards will be issued to senior citizens to monitor health. Moreover, the health sub centers, numbering to 1.5 lakh, will be transformed into health wellness centers.
- The Ministry of Health is focusing on development of technologies for the treatment of diseases like Cancer and TB. Government is emphasising on the e Health initiatives such as Mother and Child Tracking System (MCTS) and Facilitation Centre (MCTFC). Government give instructions to prepare action plans to eliminate Kala Azar and Filariasis by 2017, leprosy by 2018, measles by 2020 and tuberculosis (TB) by 2025
- For strengthening the medical education sector, structural renovation of medical education reforms and policies would be undertaken. To combat the deficiency of specialised doctors at the secondary and tertiary-level healthcare system, an additional 5,000 seats per annum are to be included in the system for post-graduation (PG) courses. To enhance medical

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<sup>9</sup> <https://home.kpmg.com/content/dam/kpmg/in/pdf/2017/02/Tourism-and-Hospitality.pdf>(retrieved on 23 November 2017)

education; PG level teaching is to be strengthened at the ESI and Municipal corporation hospitals.

- To set up a health infrastructure fund and make an access, a fund for health care has been allocated under the Union budget for infrastructure and innovation specially for the Tier 2, Tier 3 and rural areas
- The benefit of section 80-IB has been extended to new hospitals with 100 beds or more that are set up in rural areas; such hospitals are entitled to 100 per cent deduction on profits for 5 years. The benefit of section 10 (23 G) of the IT Act has been extended to financial institutions that provide long-term capital to hospitals with 100 beds or more. Government is encouraging the PPP model to improve availability of healthcare services and provide healthcare financing. Income tax exemption for 15 years for domestically manufactured medical technology products
- Safeguard people from high healthcare expenditure, the Drugs and Cosmetics Rules will be amended to enhance the availability of drugs at an economical cost and encourage the promotion of use of generic medicines
- The government announced the availability of high-speed broadband connectivity via optical fibre by the end of 2017–18 in more than 150,000 gram panchayats. These gram-panchayats would also be enabled with wi-fi hotspots and digital services access at low tariffs. Telemedicine, education and skills to be provided through digital technology under the initiative 'DigiGaon. The government also announced that necessary steps would be taken to promote digital payments at hospitals which will contribute in Cashless India.
- The import tariffs/duties which are levied on the health care (drugs, surgical equipment), the same is to be completely removed if it's manufactured in India.
- 250 per cent deduction for approved expenditure incurred on operating technology enables healthcare services such as Tele medicine, remote radiology etc.
- Excise duty on chassis for ambulance reduced from 24 per cent to 12.5 per cent. Artificial heart is exempted from basic custom duty of 5 per cent
- In December 2016, Health Ministry undertook **Biomedical Equipment Management and Maintenance Program** to avoid wastage of either unused medical equipment or used. The programme will ensure the proper maintenance of medical equipments those are used in hospitals.

## CONCLUSION

India's healthcare industry is one of the fastest growing sectors and in the coming 10 years it is expected to reach \$275 billion. Medical Tourism industry offers high potential for India primarily because of low cost of world-class treatment, highly advanced healthcare infrastructure with high quality. Medical Tourism Market Report: 2015 found that India was "one of the lowest cost and utmost excellence of all medical tourism destinations, it offers wide diversity of actions at about one-tenth the cost of similar procedures in the United States." It will help in maintaining good relation with other countries and help in exchange of manpower and technology among countries. Millions of people come every year to India and get satisfied with world class treatment done with the peace of mind.

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