

Analysis of Medical Tourism and its Economic Impact

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ABSTRACT

People travel from their native to abroad to obtain treatment as well as site seeing. MT is not a new one; in olden days spa and mineral contained water are used to treatment; like air (ozone), sea water which is rich in iron and sulphur, hills, temples thermal water, mud are used to treat the patient. But Allopathy treatment is universally accepted. Developing countries very less amount are invested but they encourage private and corporate more for health care and NABH gives accreditation to the hospitals who maintains optimum quality and care, and get accreditation from JCI. Ministry of Medical Tourism provide Fiscal incentives, develop infrastructure, ease medical visa, transport, skilled professionals, and most importantly consume reasonable or less cost,. MT is recognized as export Industry. Comparative to other countries MT in India is unique one, has variety of Alternative medicine, the things which they used are very natural like plants, leaves, seeds ,etc... and has no side effects, it is preventive and curative and promotive methods. Meditation for mind peacefulness, yoga for fitness Ayurveda and Siddha keeps the body healthy. India is an exotic destination landscape with beaches, ancient ruins, pilgrimage, huge mountains, star hotels so many beautiful places which attracts numerous foreign medical tourists. The persons who are not affordable or uninsured and underinsured from developed countries come to India to get treatment.

Keywords: *M T- Medical Tourism, JCI- Joint Commission International, CII- Confederation of Indian Industry, NABH- National Accreditation Board of Health*

INTRODUCTION

Medical tourism is travelling across the borders to obtain health care obtain elective surgery or for treatment along with site seeing. It is facilitated by private, corporate sectors in collaboration with tourism industry. Exorbitant cost of healthcare in developed nations, and ease affordability of international travel, currency exchange rate in the global economy, rapid improving technology and standard care are led to medical tourism¹

Genesis- Medical tourism is not new one, thousand years back first medical tourism was held on Greek. Pilgrims travelled to a small territory in the sardonic gulf called Epidauria.¹

Spa towns and sanitarium may also be considered an early form of medical tourism. Connell says in 1700 BC the healing power in water has been discovered. Activities including massage, reiki, shiatsu, acupuncture, aroma therapy, reflexology, spiritual and tarot reading, Persian steam, mud bath, Thermal springs in Himachel Pradesh are considered as Health caring resources^[2].

Privatization of health care in postindustrial economics, MT increases many niche Tourism industry. Infrastructure supports and promotes the growth of this industry. Cost of the medical procedures in medical societies is the major increase of medical tourism.

OBJECTIVES

- To analyze factor behind, and influencing Medical Tourism
- To analyze Economic Impact
- To analyze Government participation and Planning
- SWOT analysis of Medical Tourism
- Medical Tourism Life Cycle

Exotic India–Your Gateway to Good Health: India is promoting “high tech healing” of its private health care sector as a tourist attraction merging medial expertise and hence tourism became government policy. Finance minister Jaswant Singh in this year’s budget said India to become ‘global health destination’

Points to Consider on Deciding MT

- Recognized international accreditation and certification
- Doctors in the hospital are board certified
- Understanding the language
- Hospital quality indicators
- Potential saving
- Short wait list
- Insurance coverage
- Surgical options luxury accommodation

Forces and drivers behind the medical tourism¹

- Rising health cost, millions of foreigners being uninsured or underinsured...
- Health holiday is to offer patients an opportunity to get away from their daily routine and relaxing.
- People from developed countries come to India for rejuvenation promised by yoga and ayurvedic massage and few consider destination for hip replacement and brain surgery.
- Hospitals provide for foreign patients with world class facilities and professionals, technology. accredited by JCI..

Tapping the tourism benefits: According to a study by the Confederation of the Indian Industry (CII) and McKinsey, medical tourism will bring \$2.2 billion in revenues for Indian hospitals by 2021. To capitalize on the comparative cost advantage enjoyed by domestic health facilities in the secondary and tertiary sectors, the policy will encourage the supply of service to the patients of foreign origin on payment. **The rendering of such services on payment in foreign exchange will be treated as ‘deemed exports’ and will be made eligible for all fiscal incentives extended to export earnings.** This formulation shows the influence of corporate sectors as does the ‘policy frame work for reforms in health care.’^[1]

Policy for Tourism Promotion^[3]: National policy for tourism was formulated in 1982- promoting international to central and domestic to state.

- Tourism was given a status of an ‘**Industry**’ in 1986. Eligible for incentives, facilities, tax incentives,

subsidies, loans, preference in providing electricity and water.

- Tourism was made a priority- **foreign direct investment** in 1991- automatic approval up to 51% of the equity.
- National Strategy for Tourism Development- 1996 – **destination promotion** of private sector
- ‘**Export House**’ 1998- transport, hotels, Liberalized economic regime

India offers a unique basket of services: Yoga is an essential spiritual discipline and subtle science, which focus harmony between mind and body and art and science of healthy living its dating back 2700 BC and proven itself both material and spiritual uplift, its preventive method^[11]. Mental health has almost become an epidemic. President Ramnath Kovind said India runs shortage of mental health professionals and addressed its priority. Union Health and Family Welfare Minister J.P. Nadda said will focus clinical and ancillary service. Medical Education minister Sharanprakash.R. Patel said Karnataka was first state in country to monitor district health program

According to CII, Medical tourism industry is expected to be worth US\$ 4 billion by 2017. India has a potential to attract 1 million health tourists per annum which will contribute US\$ 5million to the economy. Interestingly medical packages are combined with leisure activities, fun, fitness to make it a complete tourism material for patients across the globe.

ECONOMIC IMPACT OF TOURISM

Economic knowledge: Tourism is labor oriented component that is highly skilled professionals, semi-skilled, housekeeping, general etc... Buyer component is patient^[4].

Multiplier effect: All type of economic activity involved or come in to operation that results any kind of expenditure involve quick circulation of money. Spending other area thus in the economy as a whole each action of spending involved in one party but indirectly involves many. Each person receives money and spends some amount to other reasons^[4]

Tourism is consider export Industry: When purchase made by foreign tourist in the host country and the

expenditure affects production and distribution system these leads to adverse economic impact happened^[4].

Derived demand: Treatment is direct demand and others transport, accommodation, etc. are derived demand. Supply curve will be vertical straight line^[4]

Demand Estimation and Promotion: The concept of latent demand is rather subtle, demand is the notion of the economic quantity that a target population or market requires under different assumption of price, quality, distribution, among other factors. The latent demand for medical tourism is not actual or historic sales nor is the latent demand future sales. Its influence arises from number of factors lack of international openness, cultural barriers to consumption, regulations and behavior on the part of firm. Generally latent demand is larger than the actual sales¹ Two sectors combined MT so that it faces high income elasticity of demand both are labor intensive and both are rely high on internet to spread information. , tourism has high price elastic demand. One is price decision making and other one is ephemeral and exotic medical tourism became a leading economic force, travel and tourism accounts for \$4.4.trillion of economic activity worldwide. UNCTA call it has largest industry in the world.⁹

Reverse Brain Drain: As the medical tourism sectors grows the health workers who are migrating to economies where salaries are higher and carrier opportunities more attractive will stay in India if they can work in the medical tourism sector^[1].

Benefits Go Beyond the Cost: In US the most of the elective surgeries covered by insurance plans. They need to become more efficient and affordable to avoid losing business overseas. But US employers concern about their high cost^[1].

Financial resources: The public health investment in the country is low and has a percentage of GDP, the aggregate expenditure is out of packet.

Role of Government: Ministry of health and family welfare together with Ministry of tourism of the government of India set up a task for accrediting the healthcare institution in the country. It classify the providers and on the basis of infrastructure and quality of service and standardized the procedure and facilitate the foreign patients, and government of India reinforce to get quick visa, improved flight connectivity and develop infrastructure.

AIMA said India is the second most populated country in the world riding on the technology enabling health care in innovation waves. . Health care market worth among \$10 billion expected to grow up to \$280 billion by 2020. Compound Annual Growth Rate is increased. HCIT market value at 1 billion expected to grow up to 1.5 times by 2020.

Health Apps makes the diagnoses easier. It provides real time monitoring and data collection. Cost efficient options for the patient access the social strata like smart phone penetration. E.g. open source mobile platform **Comm Care (CC)**. It allows anyone to build the app, Comm Care Provides: to monitor patients, provide counseling, follow-up, reminders. **Cloud Computing** enables to increase the business and software for data collection.^[5]

Controversy: The government believe that the Revenue earned by the health care will strengthen the country

- Corporate hospital repeatedly dishonored the conditions for receiving government subsidies by refusing to treat poor patients free of cost and they have got away without punishment.

The extra revenue from medical tourism could benefit the health care in India if it were taxed adequately to support public health instead the medical tourism provided tax concession to lower the import duties and increased the rate of depreciation (25% to 40 %) for life saving medical equipment. **VAT is not levied on health care service Article 26.1.2 of the Value Added Tax Act^[1]**

SWOT ANALYSIS

Strength: More mature tourism markets, Facilities and practice, Public private partnership and country/regional cooperation to woo foreign medical tourists, Government sponsored tax breaks Foreign private investment¹

Some are uninsured and not able to afford health care in their home settings so they travel to developing countries. Medical tourism is resource of development, economic inequality and undermines the health equity¹¹

Major partner hospitals are ISO-9000-2001 AND JCI Accredited Qualified doctors

Infrastructure development in Mumbai, star hotels

flooring pattern, escalator etc... And increasing number of private hospitals and she mentioned India earned Revenue on \$2 billion US dollars. In India medical tourism is emerging market⁷.

- Milica Z. said in middle east countries, government promoting private sector with capacity and incentive to invest in medical tourism and they have domestic source of human capital, their political economic institution are developed and they have an extensive infrastructure⁹.
- Exotic tourist places, Asians known for their culture of hospitality and service.
- patient from developed countries travel to developing country for their health procedure – it shows the cost savings for the patients as well as revenue potential for the host countries¹²

Weakness

- Length of travel¹
- Social violence and terrorism, corruption and poverty/disease
- Occidental culture
- Malpractice
- The health sector merely in monetary terms of trans national trade represent the contradiction¹
- Health tourism is potential revenue source and also compete with domestic health sectors due to limitations of measuring economic progress in monetary terms the contradiction occur For Doctors and ethicist the lack of regulation is alarm bells , duty of health care is murky issue⁷.

UHC provides frame work in which the best issues of access quality and cost integrated. Managing cost–drawbacks of insurance–Insurance can cover only small segment of people with small risk pool. Government funded social insurance schemes access to advance care. They do provide financial protection as they cover only part of the hospitalization cost. None gives out patient care cost which forms a higher **out of pocket** spending. The success of UHC depends on effective regulations.^[6]

Opportunity: Low cost of labor, More health care professionals, Strength and diversity, Government supporting medical tourism, Emphasize on education and health care, Shrinking cost of fuel and airfare,

Strong private investment will build the infrastructure of the region^[1].

Mental health has almost become an epidemic. India runs shortage of mental health professionals and addressed its priority. We have 5000 psychiatrists and less than 2000 clinical psychologist and our country has 10% of people have mental Health problems and in 2022 it increases more. NIMHANS treated about 7 lakhs patients every year⁸

Threat

- Disease (pandemic) ,Social unrest, and terrorism
- Limited number of insurance carriers that have comprehensive relationship with medical providers
- The Tamil Nadu government doctors association had decided to boycott against the audit. The state health department has introduced a system a monthly review of the reason for maternal death. The state conducts two kinds of audit- state and district level., But the Doctors felt that they are insulted by the patients family members, main reason is in adequate professionals⁶

Srinath said provides frame work in which the best issues of access quality and cost integrated. In Delhi corporate hospitals alleged Distrust and despair: due to lack of professional standards and compassion and high medical bills are stocked anger at perceived corporate addiction. Three major are involved health care access, quality and cost. While the corporate hospitals boast of high quality advanced care and compete with each other. For significant share of medical tourism but these are inaccessible in urban and poorer and suffer from low budget

Steps To Improve the Access: Expanding the access network of public sector at all levels, this calls for public financing, investment, training, incentivized placement more health personals. These measures have been envisaged in the national health policy in 2017. And need urgent and earnest implementation health care providers in private and voluntary sectors till the gaps carefully crafted contracting mechanism that best serve public interest⁶

MEDICAL TOURISM LIFE CYCLE

Tourism is a longitudinal investigation, it provides focal point of discussion, and leads to the destination

change, and it informs the development and generation of tourism knowledge and it explains implications for the social and political dynamics which exist within the destination, and give s empirical study of Rejuvenation stage (Ref Fig 1).

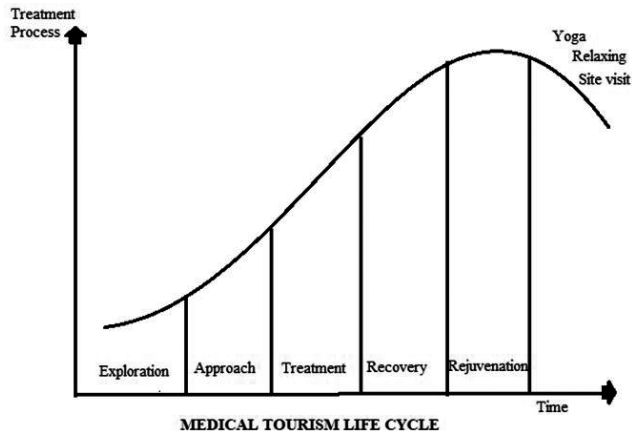


Fig. 1: Medical Tourism Life cycle

My perception bout Indian medical tourism and health: In my point of view Indian medical systems is unique, the best in the world because of many alternative medicine which has no side effects, preventive and curative as well as promote methods and India has variety of exotic destination, more over Indian doctors incorporate alternate medicine

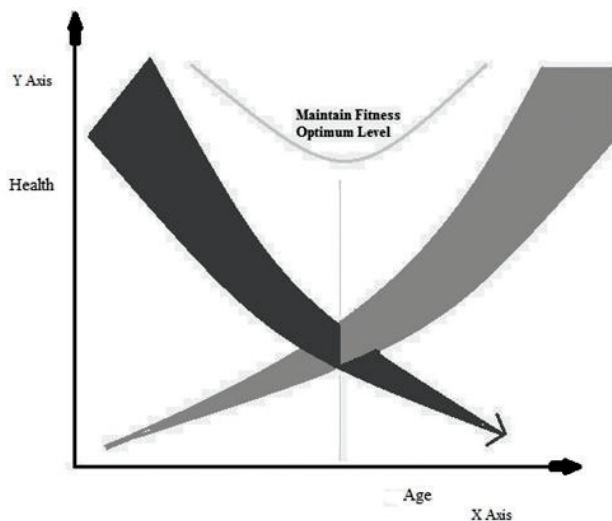


Fig. 2: Optimum fitness level

When age increases health deteriorates its natural phenomenon so to keep up the optimum level of health need to maintain our body fitness for this have to practice yoga, meditation, follow hygiene habits, balanced nutritional food, and exercise keep our body healthy (Ref Fig .2).

CONCLUSION

Leading a healthy life is everyone's wish. In India there is very less investment on Health service so the Government need to spend more Investment on health service and then only poorer can get good benefits especially MT is Labor component need more human resource. Public health service has been below the desirable standard because of less investment. Even though MT is booming in India because of quality of treatment, cost, skilled professional etc... And have so many positive sides which help the rise of MT in India.

Ethical Clearance: Nil

Source of Funding: Self

Conflict of Interest: Nil

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