

# Medical Tourism in India and Legal Aspects: An Overview

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**Abstract:** Medical tourism in India has made its mark since mid-1990s. Medical tourism is a kind of combination of rendering medical service along with a wellness tour in a country other than the country of origin of the patient. This kind of tourism has impact on both the medical services and the tourism industry. This paper will analyse the factors which has enhanced the progress of such type of tourism in India as well as the economic impact of the same on the economy. The paper will also focus on the steps taken by the Government of India in promoting and managing the medical tourism in India.

**Key words:** medical tourism, economic impact, government policy.

## 1. INTRODUCTION:

International trade has always been an integral part of globalization and economic development around the world. Endless amount of research is carried out on this topic but one of the subtopics related to it is export and import of medical services across international boundaries is less explored. This subject is more complex and goes deeper than mere cost and benefit, there are many factors evolving around health services than mere cost. This kind of international trade of medical services has increased with the increase in the global communication and availability of internet around the world. Traveling outside the home country i.e., country of residence to another country for the purpose of receiving medical care is known as Medical Tourism mainly at lower cost or reduced wait period combined with the intention of enjoying a post-operative vacation.

## 2. Medical Tourism in India:

Medical tourism in India started in the mid-1990s after the economic liberalization. This led to the expansion of private hospitals that are equipped with higher technological and quality medical facilities, on par to those found in the western countries. Another factor which helped these hospitals was the success of the IT industry which moved along with the expansion path providing various software and call centre backup. The tremendous growth in the popularity of medical tourism has caught the attention of researchers, policy makers and the media. As the cost of healthcare in the United States and other parts of the world are skyrocketing, a number insurance companies, and employers have also started to view medical tourism to reduce these costs. Most countries have started to see those economic advantages arising out of this market, so they provide quality medical services at a low price.

1.1 Table for comparative cost with leading destinations: (figures are in \$)

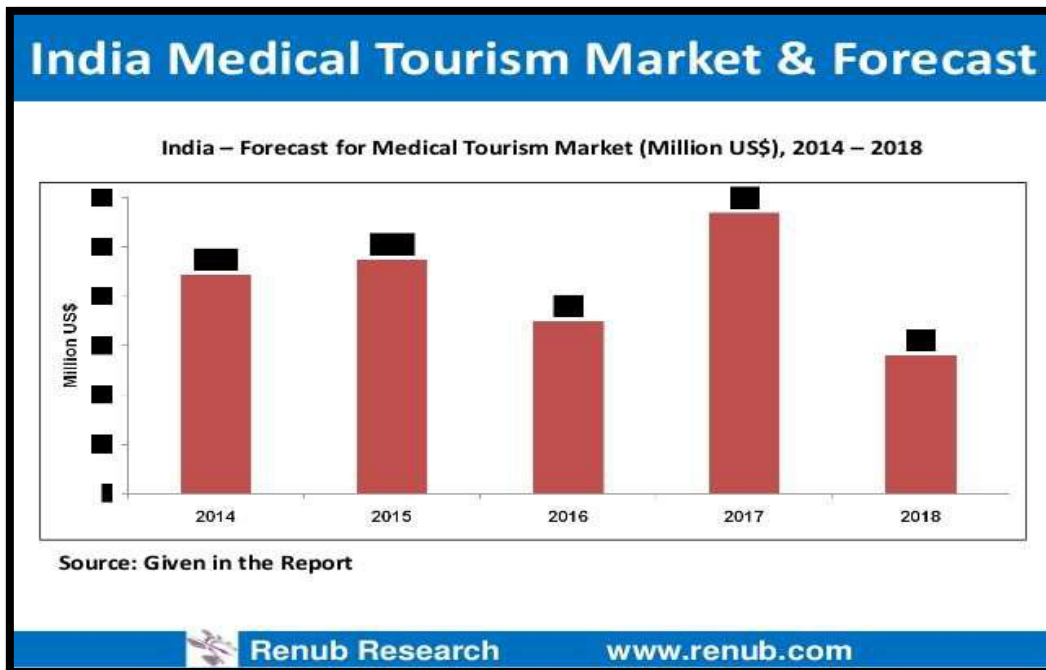
Procedures	USA	UK	Thailand	India
Open heart surgery	40,000	23,000	8,500	6,000
Bone marrow transplant	2,50,000	1,50,000	---	22,000
Knee replacement	25,000	14,000	8,000	6,000
Body contouring	20,000	10,000	4,000	2,500

(Source: Apollo Chennai and its facilitators)

An important aspect involved in the decision to engage in medical tourism is the various kinds of treatments and their availability. Some of the common types of treatments availed by patients include elective dentistry, cardiac surgery, cosmetic surgery abortion procedures and organ transplantation. There are various reasons behind foreign nationals travelling to India for such treatment such as in the countries where the medical treatment is under the government like UK and New Zealand often involve a long waiting list, causing its citizens to seek for speedier medical treatments in other countries. Medical tourist may also travel for specific treatments which are not approved by their governments. Apart from the cost factor the increase of medical tourism is due to availability of easy access to such

services, technology and expertise in other countries and the scarcity of the same in the home country. Example stem cell therapy and organ Transplant. Those who are not insured or underinsured also need to seek medical treatments overseas for it to be affordable.

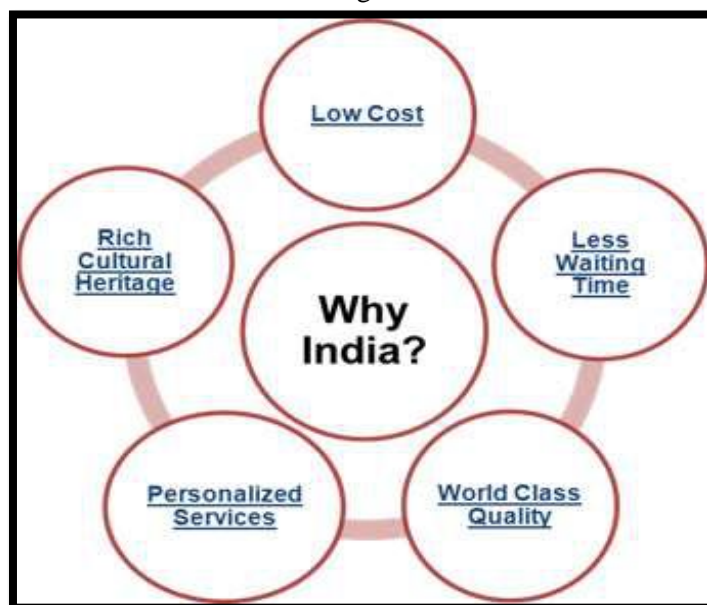
Fig. 1.



The shifts in patient mobility can be broadly classified into 2 categories. One is where people travel to less-developed countries from richer countries in order to access health services at a lower cost. Some of the other reasons for the patients to opt for the above shift are due to availability of cheaper flights, easy access to consumer information about the medical services, online user reviews, etc. On the other hand, people from less developed countries travel up to the developed countries to avail the state-of-the-art technologies and expert medical services.

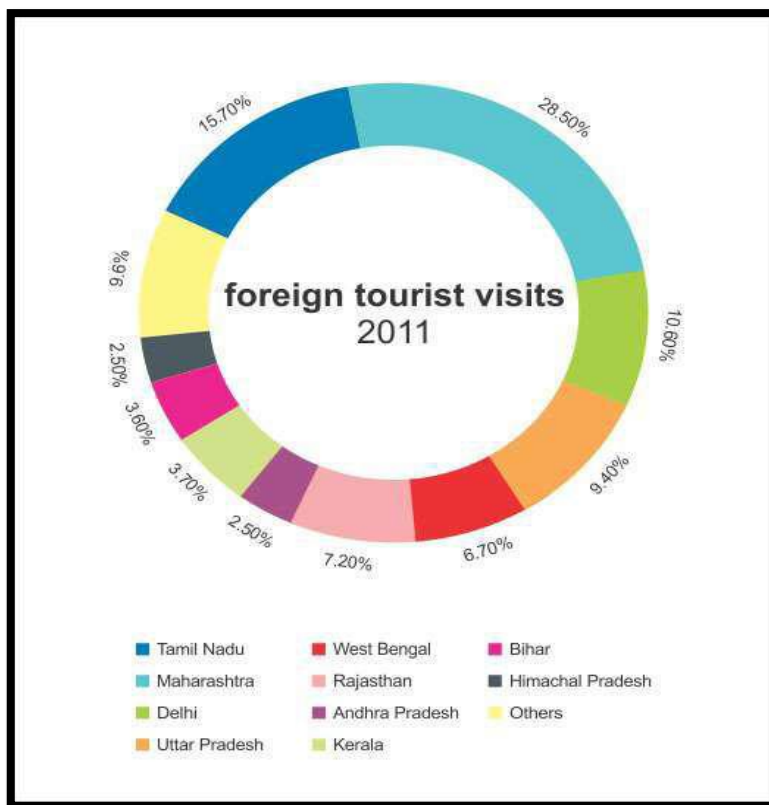
Medical tourism is expected to grow considerably in the next decade worldwide and studies show that India stands among the top 3 medical tourism destinations in Asia those are Malaysia, Singapore and Thailand. Surveys further show cost of treatment in India start at around 6 to 33% less of the cost of comparable treatment in America or Britain. This industry is said to reach the mark of \$ 2 billion with an estimated 3,20,000 medical value travellers arriving in India in 2015 and growing at an annual rate of 30% based on ASSOCHAM’s report. Healthcare experts believe that the opportunity can be realised, and India can target a GDP share of 2% from medical tourism in 10 years from now. Hence the future of India in Medical Tourism seems to be promising.

Fig. 2



### 3. Advantages of medical treatment in India:

Include lower costs, upgraded medical technologies and increased regulatory requirements with respect to quality of service. Unique quality of India is in having large number of well-trained doctors and staff. Most of the medical service providers are well versed with English which adds an advantage while dealing with foreign patients. Language translators have been hired by a number of hospitals to make patients from other countries feel more comfortable while at the same time helping in the facilitation of their treatment. One more advantage in India is the excellent post-operative care which is given. There are more kinds of medical treatments such as Ayurveda, Unani, yoga, homeopathy etc. which are available as alternative for operations or for the post-operative treatment. 2.1



Additionally, the Government of India is focusing on development of infrastructure to facilitate growth of Medical Tourism by announcing to setting up of the National Medical and Wellness Tourism Board on 19<sup>th</sup> June, 2015 to provide help to those visiting the country for health care need. This board will consist of ministry officials and other stakeholders such as Hospitals, medical experts, tour operators and hoteliers. Medical Visa restrictions have been waived off on tourist visas that required a two-month gap between consecutive visits for people from Gulf countries. For tourists from select countries a visa-on-arrival scheme has been introduced which allow foreign nationals to stay in India on medical grounds for up to a month. The Government initiative 'Incredible India' has helped a lot in attracting more medical tourist to India. In the earlier day's foreign nationals only took up tours to places like Agra, Delhi, Rajasthan Kerala and Bangalore. Later with the Incredible India program India has now become 365 days holiday destination giving a new ray of hope to the medical tourism industry as well. The government has taken steps to welcome foreign direct investment as well.

While India's medical tourism booms its population still lives under poverty line and hence can afford basic medical services. Indian industry is also criticized for giving excellent facility to the foreign tourist and neglecting the native population. But the experts do believe that due to boom in medical tourism the medical infrastructure will develop well which will help us in lowering the cost of the medical services further and make it affordable for the poor and needy. Such amount of infrastructural and economic growth is directly connected with the growth of medical tourism in India. Apollo Hospital is one of the chains of medical service provider in India which gets around 30% of the Gulf tourist to India for the medical care. There are many more hospitals which are entering in this industry. The marketing strategies are also very important for this industry which is largely done by the airline industry along with the Incredible India team. Malaysia Air Asia is one of such airlines which started with special flights for the medical tourist and had different rates for such class of customers.

#### 4. Economic impact of Medical Tourism:

- The generation of foreign exchange,
- The creation of new job and employment opportunities,
- The stimulation of trade, income and entrepreneurship - especially in the service and small business sectors,
- The provision of new infrastructure, which is available for non-tourism uses,
- Increased regional development - particularly in isolated areas,
- Greater tax revenues permitting greater government spending - or reduced taxes on other activities, and
- The operation of what is called the multiplier effect.

##### 4.1 The Multiplier Effect in Action

A tourists \$100 expenditure creates at least another \$160 worth of transactions, though \$40 is lost as leakage (\$20 to imports, \$20 to savings). In average a foreign tourist spends about \$200.

Per day, and around stay in India 7 days, while a foreign medical tourist spends around \$3,500 in India. So, a simple foreign tourist spends \$1400 and a medical foreign tourist spends more than double the simple foreign tourist i.e. \$3,500.

Simple foreign tourist generates multiplier effect of money =  $\$1400 + \$1400 * 60 / 100 = \$2240$ .

Medical foreign tourist generates multiplier effect of money =  $\$3,500 + \$3,500 * 60 / 100 = \$5,600$ .

Ratio between simple foreign tourist and Medical Foreign tourist = 1:2.5.

The kinds of activities which medical tourists pay for, creating direct multiplier effects, while the right-hand column identifies those businesses from which travel companies make purchases, using tourist-generated money, and so creating indirect multipliers. Below shows those nontravel industry businesses, who may receive tourist-generated money, and who then create induced multipliers by spending this revenue.

Advantages of Measuring Multipliers:

- 1) Where leakages may be occurring, i.e. which transactions and activities lead to: The importing of foreign goods, or Unusually high levels of savings,
- 2) Which activities: Lead to continued trade, or Inhibit trade (e.g. taxes), and
- 3) Which specific business sectors and/or organizations are benefiting most from tourism?

#### 5. Conclusion and Suggestions:

Though the economic recession has caused a temporary slowdown in the growth of medical tourism, the industry is still young in India. India has various advantages like cost, no waiting period, English speaking staffs, Ayurveda, naturopathy and foreign trained doctors/nurses. Many legal, regulation, and ethical issues are being addressed and resolved by governments and medical institutions. As long as differences in medical techniques and costs exist among countries, medical tourism should continue to develop and evolve India as sought after destination. Government of India, ministry of tourism has set up a section called Marketing development assistance (MDA) and Medical Visa (M-visa) for promoting the patient arriving for Medical Tourism. With increased promotion, other countries are expanding their health care systems, encouraging tourists to visit. India is revising plans to build a medical tourism resort, providing superior accommodation in "a hotel and hospital combination". Rapidly emerging cities are presenting innovative ideas, including Dubai's Healthcare City, which will be one of the world's largest medical centres. Tourism ministry of India conducts road shows among potential countries to uphold India as Global Medical Tourism destination.

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