



Indian Medical/Health Tourism Service Sector Network Report

Network Overview

Within the initiative

Sustainable Industrial Networks and Its applications on Micro
Regional Environmental Planning (SINET)



**Partner
Organizations**



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Asia Pro Eco Programme

Is a five years programme launched by European Union in 2002, The main target is to adopt policies, technologies, and practices that promote cleaner, more resource efficient, sustainable solutions to environmental problems in Asia. The programme provides support through grants to policy reinforcement, operational and practical dialogue, diagnostic studies, technology partnership and demonstration projects, in the field of environment. The programme supports non profit organizations from EU and Asia.

About SINET

The aim of sustainable industrial network and its application on micro regional environmental planning is to interpret and adapt an understanding of the natural system and apply it to the design of the man-made system, in order to achieve a pattern of industrialization that is not only more efficient, but which is intrinsically adjusted to the tolerances and characteristics of the natural system. An industrial system of this type will have built-in insurance against environmental surprises, because their underlying causes will have been eliminated at the design stage. A micro-region is a distinct territorial unit with clearly marked boundaries below the regional level, but above the village level. Micro-regional environmental planning attempts to coordinate the planning activities of the various actors within a limited territorial unit.

The project will look at analyzing and documenting various success and failure stories of industry networks from Sweden/Europe and India/Asia, and to ascertain their impacts on environment and sustainability aspects of the respective micro regions. Emphasis will also be placed on creating awareness on the influence of industry network (key economic activity) on the micro region's environmental and sustainability aspects.

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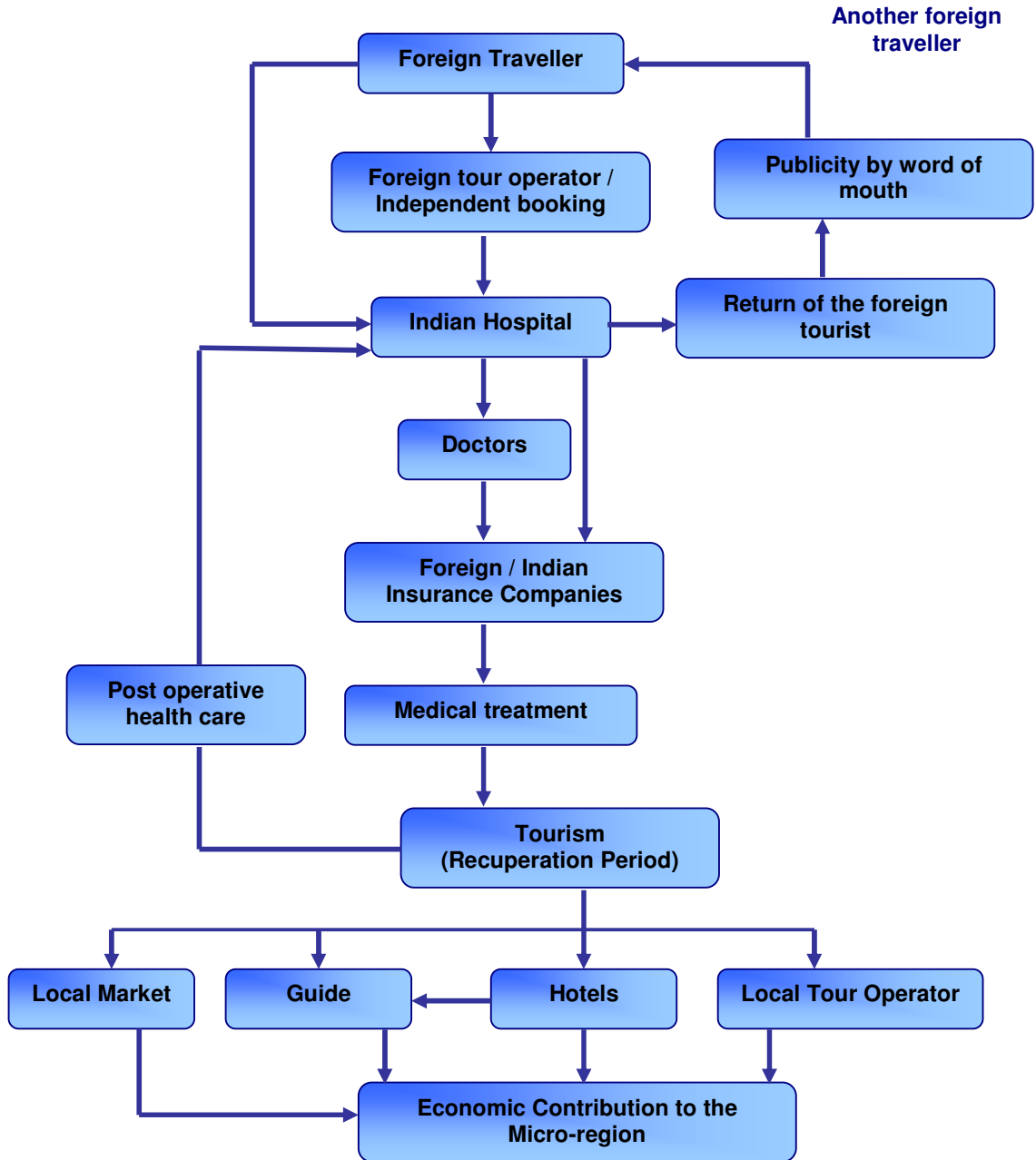
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Medical/Health Tourism Service Sector Network

Possible Service Sector Network



Important Links in Medical/Health Tourism

The important links of the Medical/Health tourism service sector are:

- The traveler
- Foreign tour operator
- Indian hospitals
- Insurance companies
- Indian Travel Agents
- Tourist destination/place
- Local tour operator
- Local guide
- Local hotels
- Local market
- Independent medical referral companies
- Government & Policy Makers

These actors interact with each other, directly or indirectly, to form a network.

- **The traveler**

The traveler is the initial link who triggers the other linkages of the network. The foreign traveler comes to India earning the country valuable foreign exchange. On arrival in India, the tourist engages in discussions with the hospital where he is to be treated or informs the hospital of his arrival and puts up in the nicely done up rooms of the hospitals where he has all the comforts and luxuries of a five or seven star hotel as well as the attention of specialist doctors.

- **Foreign tour operator**

If the traveler has done his booking through a tour operator of his native country, the tour operator also earns commission for the services offered to the customer. Many foreign travelers realizing the potential of medical/health tourism offer attractive packages to the traveler wishing to undertake the journey but with the popularity of online and electronic bookings most of the people wishing to travel prefer doing the bookings themselves according to their convenience and budget.

- **Indian Hospitals**

The popularity of Indian hospitals as providing First world medical treatment at Third world prices is known the world over. The availability of qualified medical practitioners and world class hospitals in India is a great asset for the medical tourism industry. Indians, NRIs and tourists from around the world are beginning to realize the potential of modern and traditional Indian medicine. Indian hospitals and medical establishments have also realized the potential of this niche market and have begun to tailor their services for foreign visitors. At a regional geo-political level, this nascent industry came to limelight with the arrival of 'Naby Noor' from Pakistan, who came by the Indo-Pak bus service and got a red-carpet treatment at hospital in Bangalore. Several Indian state governments have realized the potential of this 'industry' and have been actively promoting it. Visitors, especially from the west and the middle-east find Indian hospitals a very affordable and viable option to grappling with insurance and National medical systems in their native lands. Many prefer to combine their treatments with a visit to the 'exotic east' with their families, killing two birds with one stone.

Leading hospitals in India offering medical tourism facilities are:

- Apollo Hospitals, Chennai
- All India Institute of medical Sciences (AIIMS), New Delhi
- Arvind Eye Hospitals, Madurai
- B. M. Birla Heart Research Centre, Kolkata
- Breach Candy Hospital, Mumbai
- Escorts Heart Institute and Research Centre Limited, New Delhi
- Fortis Hospital, Chandigarh
- Indraprastha Apollo Hospital, New Delhi
- Jaslok Hospital, Mumbai
- Mallya Hospital, Bangalore
- Manipal Heart Foundation, Bangalore
- Narayana Hrudayalaya, Bangalore
- PD Hinduja National Hospital and Medical Research Centre, Mumbai
- Sankara Nethralaya, Chennai
- Tata Memorial Hospital, Mumbai
- Wockhardt Chain of Hospitals,

With an estimated 1.7 lakh foreigners already flying to India for medical treatment annually, the country is poised to capture the fast-growing market for off-shore health care and help solve the crisis of surging medical costs in the developed world. Just as Indian computer whizkids can now match US and European software analysts at any level of sophistication, its army of doctors and nurses can offer comparable care, at minimal cost, a media report said in London.

Mumbai's Jaslok Hospital has a floor devoted to Gulf patients, which are among the 1.7 lakh foreigners flying to India each year for knee, hip, spine and heart surgery at bargain prices, The Daily Telegraph reported. The Indian hospitals have all the latest Western kit with machines identical to those in top US and British hospitals but the prices are not. A study by the Confederation of Indian Industry forecast that medical tourism will reach \$2.3 billion dollars a year by 2012 and could further rise significantly.

- **Insurance companies**

The insurance companies are a vital link in the medical/health tourism network, especially in case of medical interventions that are of major type. The patients prefers getting himself insured before undergoing the operation to be on the safe side considering the high cost of the major operations. While companies specializing in arranging trips for medical tourists are flourishing, insurers have been slow to adapt to this new market. Insurance companies in India are offering cover to the patients who need major medical interventions and the doctors too are supportive to their cause. The processing of the papers is also done quickly by the insurance companies. But it is the settlement of the bills of the doctors by the insurance companies that is presently very slow, with delays of over six months and more.

In certain cases, the medical tourist needs to check with their insurance provider whether treatment at an internationally recognized hospital in India is covered by their policy. If not, the patient will have to bear the expense of their treatment. The cost of treatment will however be much less than the equivalent treatment in a hospital in the West.

- **Indian Travel Agents**

The travel agents are contracted by the major hospitals that treat the medical tourist and then send him to recuperate in some serene, quite and picturesque locale which many times help in the early recuperation. This also helps the medical tourist to visit beautiful locations rather than convalescing inside the hospital.

However, it is only some of the travel agents who have got strong networks with the reputed hospitals that offer medical/health tourism package. Travel line India is one such travel agency. Most of the travel agencies do not deal in medical tourism mostly due to the big liability issue involved. Therefore, despite the strong market indicators, however, medical tourism appears to be off the radar screen for travel agents

- **Tourist Destination/Place**

India is one of the world's most amazing tourist destinations. India offers a range of tourism options to every tourist who travels to India. From culture and history, adventure and wildlife, beaches and mountains, meditation and festivity, Ayurveda to modern medical treatment, busy cities and quite backwaters, India has on offer all this and much more! The State governments of tourist hot spots have an important role to play in ensuring that tourism in their region receives a boost. This can be done by making suitable policy changes, providing better infrastructure and upgrading the already existing tourist facilities to world standards.

- **Local tour operator**

The local tour operators come into play when the medical tourist visits the local tourist destinations. They provide facilities like the vehicles for the safari ride and guest house/resort facilities. As they are conversant with the place, they also offer a day or half a day trips to the scenic locales of the local tourist regions. Besides, they also offer facilities of a local guide and in some cases, facilities of translators/interpreters. For providing the facilities of translators/interpreters, the tour operator has to be a major player as he will need to specially recruit people who are conversant with the foreign languages.

- **Local guide**

The guide can be an independent person who has taken up this profession as a means of livelihood or he can also be attached to the local tour operator or be an employee of the state government, because in many tourist places, the governments have introduced the facility of local government guides, to accompany the tourist and preventing him from being duped by miscreants who often cause harm to the tourist financially and sometimes even physically. The local guide is of great help to the foreign tourist as he tells them tales associated with the monuments, place, etc, which makes the entire experience very enriching than what would have been without the local guide. The guide can also be of help to the tourist in making local purchase by suggesting the specialty of the place to take back home as well as help him in getting a good bargain and prevent him from paying more. These things may seem trivial, but can make a big difference in the entire experience of the tourist being enjoyable to unpleasant.

- **Local hotels**

The local hotels play an important part in providing accommodation and other hospitality to the foreign tourist, including food. India's cuisine is as diverse as its culture, languages, regions and climate. India is probably the one land that boasts of as wide a variety of vegetarian cuisine as non-vegetarian cuisine. And as expected every region of India has its own unique dish as well as subtle variations to popular dishes. The local hotels play an important role in generating secondary employment in the local region as they employ many people for the various chores of the hotel from good house keeping, room attendants, cooks, etc. The telecommunication facilities available in the hotels help the foreign tourist to be in touch with the happenings in his native place. Thus, from employment generation point of view, the role of the local hotels assumes importance as well as due to the fact that it also

triggers small business set-ups to flourish like the supply of essential commodities to the hotel, laundry facilities, etc.

- **Local market**

The local markets in the important tourist destinations are famous for selling the specialty of the region be it handicrafts, textiles, jewelery, decorative articles made out of marble, wood, etc. Most of the foreign tourists who visit these markets buy these articles to take home as fond memories of their trip to India. In some instances, if the tourist is a regular visitor to India, he/she takes home such Indian products in bulk to sell them in their own country and earn a profit. Such foreign entrepreneurs provide the incentive which helps such cottage industries to flourish. The local market of a tourist region is a vibrant area characterized by great activity with nicely done up shops showcasing their collection of various articles, small food joints offering mineral water and packaged snacks, etc. These markets do brisk business in the holiday season as the foreigners do not seem to mind paying a high price for the articles that they take a liking for.

- **Independent medical referral companies**

A most recent entrant in the field of medical tourism are the independent medical referral companies that review the individual's medical history and then recommend a doctor and hospital best suited for that particular patient. These medical referral companies use their knowledge of the medical community and institutions to ensure that the patient goes to a reliable medical facility with a proven track record of treating foreign patients. They also provide a complete service offering: visa and ticketing assistance, local transfers, complete coordination of treatment and recuperation, holidays in India, etc. Aarex India in Mumbai is one such agency. Aarex India has received and treated patients from USA, Europe, Africa and Asia.

- **Government & Policy Makers**

The Government of India has recognized the economic potential of medical tourism. The Ministry of Tourism (MOT), Government of India, has further enhanced the Mvisa and MXvisa, which it had introduced in January this year. Mvisa or medical visa was introduced specifically to facilitate inbound medical tourism. Mvisa was earlier valid for six months but now the validity has been extended to three years, provided the tourist can furnish a recommendation and sanction for the same from the doctor.

According to an official from the MoT, the ministry of external affairs (MEA) has communicated to the embassies of 18 countries informing them of this new development and also stated that the Mvisa procedures will now be completed within 48 hours. The Mvisa and MXvisa which is for attendant / family members accompanying the patient were introduced to provide further impetus to the inbound medical tourism sector. MXvisa is granted to the spouse/children or blood relations of the patients. However, not more than two attendants will be granted miscellaneous visas at a time. Tourists availing this visa are also required to get themselves registered with the local FRROs/FROs within 14 days of arrival.

In addition, the Government has also introduced policy measures such as the National Health Policy which recognizes the treatment of international patients as an export, allowing private hospitals treating international patients to enjoy the benefits of lower import duties, an increase in the rate of depreciation (from 25 per cent to 40 per cent) for life-saving medical equipment and several tax sops. The Health Ministry has agreed to give fast track visa clearance (within 48 hours) to the medical patients on arrival in India.

Efforts are also being made to launch campaigns in the overseas markets that further project India as the attractive medical tourism destination.

But while helping to strengthen medical tourism, the Indian government is coming under increasing pressure to use these foreign exchange revenues to benefit the ailing and under-resourced public health system.

Healthcare is an essential service and, therefore, the government can interfere to impose constraints on healthcare tourism since it takes away capacity from the local population and imposes costs on the entire population. But, it then raises counter arguments. Where should the government impose constraints? Should the government prevent doctors and nurses from leaving the country? Since there is a severe shortage of teachers and professors, should the government prevent teachers from leaving the country?

However, is it prudent for the government to support healthcare tourism? Should government allow unlimited medical tourism? Should the government impose taxes on medical tourism dollars?

Medicine is called a noble profession since it directly impacts people's lives. However, healthcare tourism is about providing access to those who can afford it. These actions can lead to severe negative outcomes. The entrepreneurs, the medical profession, and all the enablers such as industry associations and State governments need to tread carefully. Democracy will force governments to avoid unaffordable costs or access. The private sector needs to self-govern with transparency and controls. If not, the government may reconsider non-profit status or impose taxes on revenues from medical tourism.

Experts are of the opinion that the government should increase the health expenditure from less than one per cent of the GDP to at least two per cent. They believe that once the government increases expenditure, the primary healthcare of the country will get a boost. The government should also play the role of facilitator to position the private players in the global arena besides promoting Ayurveda and other forms of traditional Indian medicinal systems in foreign countries.

Government support

Till now, only a few big private healthcare providers such as Apollo, Fortis, Wockhardt and Max were creating their individual brand awareness in overseas markets through tie-ups with insurance companies and patient facilitation centres.

Now a number of smaller healthcare providers are working in collaboration with the government to launch a comprehensive programme to promote medical tourism. These include putting in place an accreditation system for domestic hospitals and healthcare providers, drawing up a price band for superspeciality services offered by Indian hospitals, adoption of country-specific marketing strategies, opening of overseas facilitation centres and tie-ups with overseas insurance companies.

The National Accreditation Board for Hospitals and Healthcare Providers (NABH) set up by the Ministry of Health under the aegis of the Quality Council of India is currently finalizing the guidelines for accreditation of hospitals and other healthcare service providers.

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