

Sustainable Industrial Networking (SINET) Newsletter

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Medical / Health Tourism

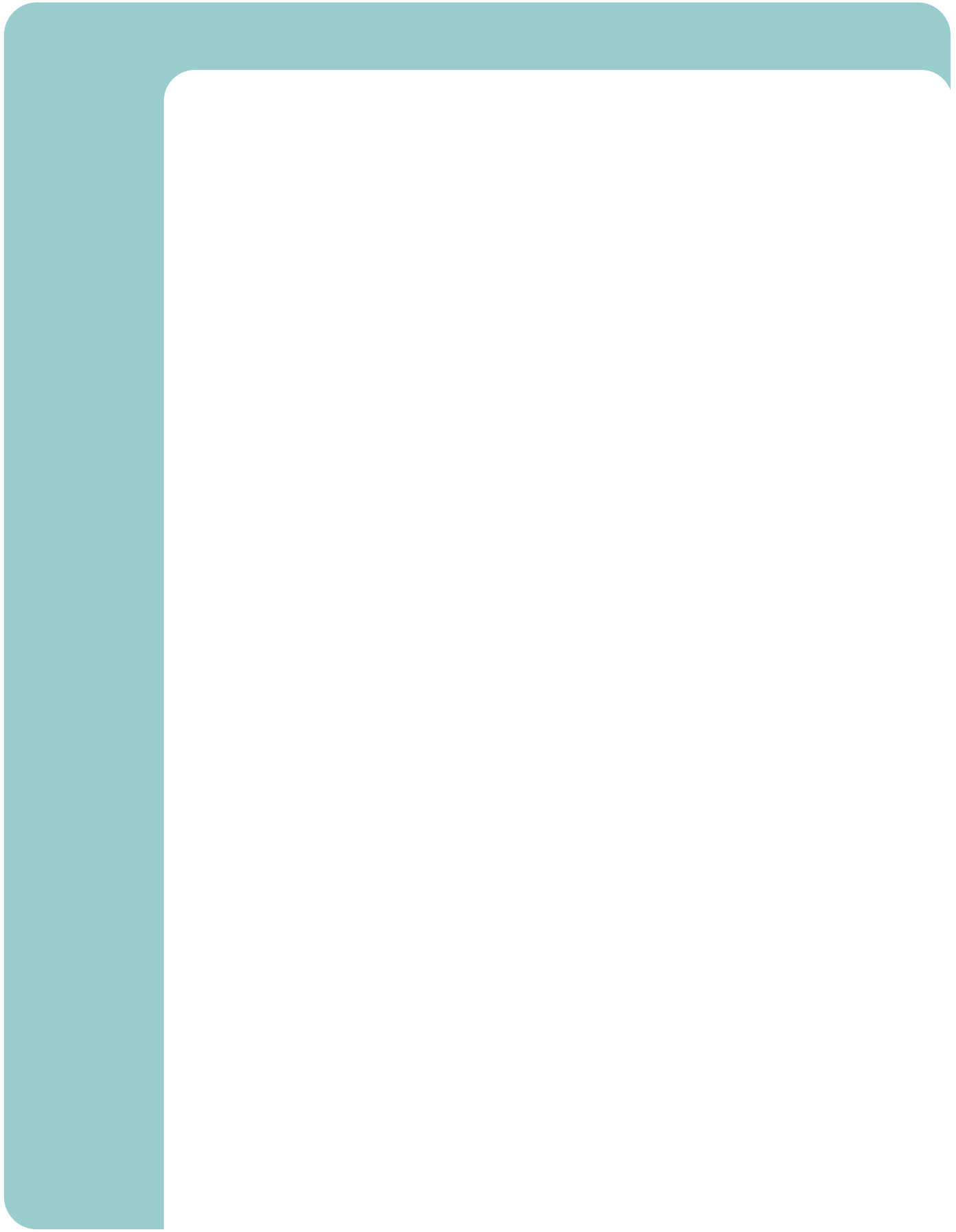
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Editorial

The term Medical Tourism of late, has become a hot topic of discussion not only among the medical fraternity but also the tourism department, hospitality sector, aviation sector as well as social scientists.

This issue of the SINET Newsletter will look at the network of players involved within the medical tourism service sector with special reference to India, as well as present a sustainability analysis of this service sector. The objective of this issue is to present the concept of medical tourism in totality along with its strength, weakness, opportunity and threat (SWOT) analysis.

Also presented in this issue is an interesting case study of how medical tourism is actually being practiced in a city like Nagpur by a noted orthopedic surgeon and the potential that medical tourism holds of this mini-metro city. Excerpts of interview with a renowned cardiologist on his take on medical tourism is also part of this issue.

This issue of the SINET newsletter is an attempt by the SINET Secretariat to give the readers a greater understanding of the medical tourism service sector which is being predicted to be the next big boom in India after the Information Technology (IT) sector.

India - Medical Tourism Potential

Medical tourism is a term that has arisen from the rapid growth of an industry where people from all around the world are traveling to other countries to obtain medical, dental and surgical care, while at the same time touring, vacationing and fully experiencing the attractions of the countries that they are visiting.

India with advanced medical services paired with exotic natural bounties has become a heaven for medical tourists. The Medical Tourism Industry in India is poised to be the next big success story after software. The Confederation of Indian Industry (CII) and McKinsey have predicted that the industry will grow to earn additional revenue of \$2.3 billion by 2012.

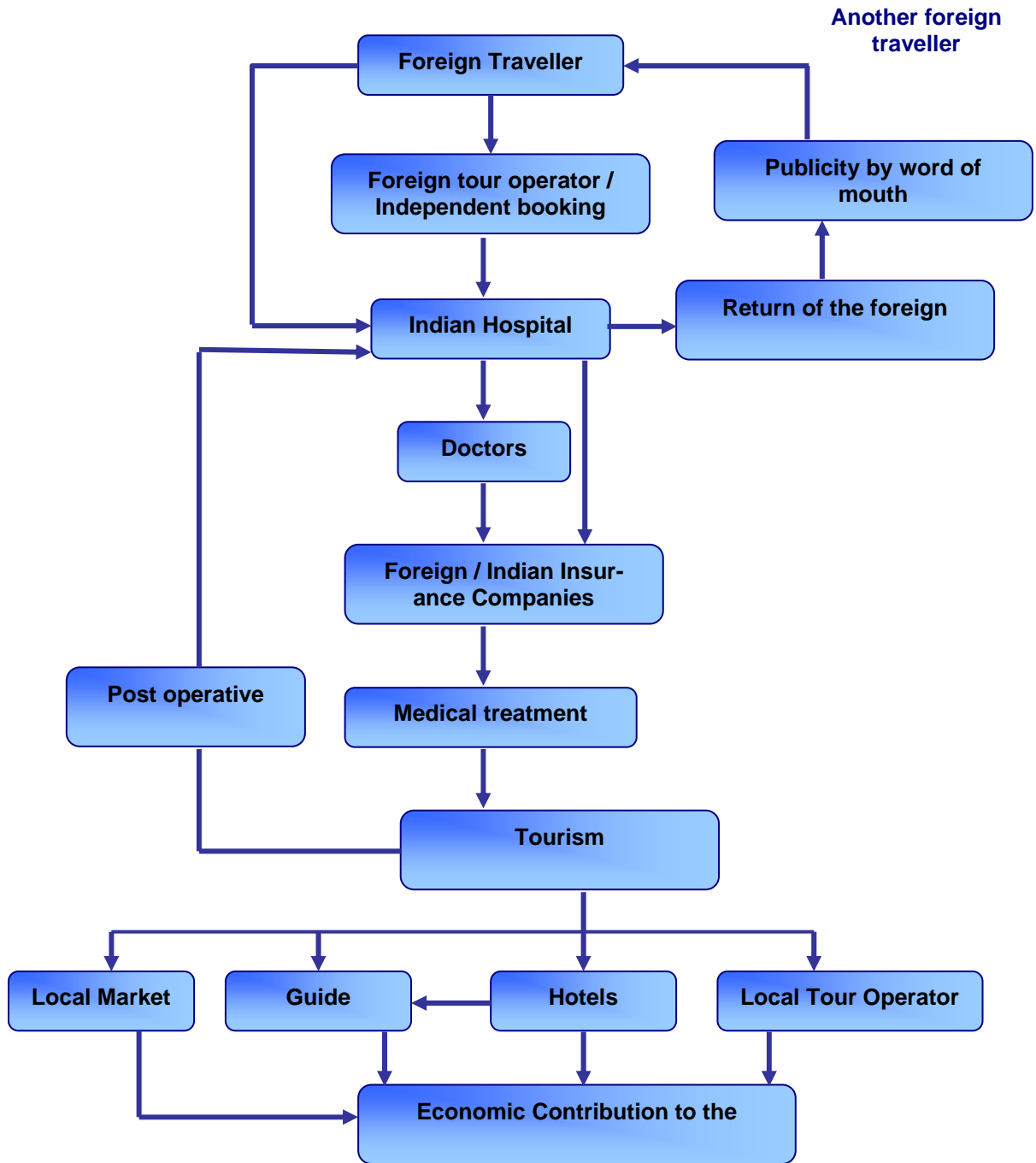
Some of the Key drivers for the Indian medical tourism service sector are:

- Advanced medical/healthcare that is not available in one's own country
- Long waiting lists in the hospitals in one's own country (developed countries)
- Availability of affordable & quality health care organizations in India
- Great reputation of Indian doctors and the high success rates compared to other countries
- Diversity of tourist destinations in India
- Opportunity to combine vacation with wellness



Understanding the Medical Tourism Service Sector Network

Medical Tourism 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. 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.



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.

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 prefer getting himself insured before undergoing the operation to be on the safe side considering the high cost of the major operations.

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.

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. 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 M visa and MX visa, which it had introduced in January 2007. M visa or medical visa was introduced specifically to facilitate inbound medical tourism. M visa 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.

The M visa and MX visa which is for attendant / family members accompanying the patient were introduced to provide further impetus to the inbound medical tourism sector. MX visa 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.

Some of the 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
- ◆ P. D. Hinduja National Hospital and Medical Research Centre, Mumbai
- ◆ Sankara Nethralaya, Chennai
- ◆ Tata Memorial Hospital, Mumbai
- ◆ Wockhardt Chain of Hospitals



A CASE STUDY

Sushrut Hospital & Research Centre in Nagpur, a city located at the centre of India, is a specialty Orthopedic Hospital specializing in Knee and Hip Replacement surgeries. It is situated right in the heart of the city in an area named Ramdaspath, in Nagpur city.

Dr. Sushrut Babhulkar, a world renowned orthopedic surgeon is the man behind the more than 2000 successful orthopaedic surgeries performed in the institute. Dr. Sushrut Sudhir Babhulkar, is a graduate and Post-Graduate (MS Orthopaedics) from Indira Gandhi Medical College, Nagpur. He then did his Masters Degree from Liverpool University, England M Ch (Orthopaedics) in 1994 and during the same time worked at various centers of Excellence in UK like Royal Liverpool University Hospital, Fazakarley Hospital etc. in 1995.

Dr. Sushrut is actively involved in joint replacement surgeries of Hips, Knees, Shoulders and elbows employing all varieties of implants like cemented and non-cemented options. The institute is a small but efficient hospital of 105 beds having five specialist doctors and about 50 support staff in various categories.

Of late with the concept of medical tourism gaining popularity, there has been a definite increase in the number of overseas enquiry that Sushrut Hospital is receiving and so far has successfully treated 8 European patients. Presented below is a brief summary of the procedures followed by Dr. Sushrut beginning with the arrival of the foreign patient in India right up to his departure to his native country.

Dr. Sushrut has opened a coordinating office in Mumbai that has a Medical Coordinator as well as a Travel Coordinator. The medical coordinator is a qualified medical practitioner who receives all the medical queries as well as is responsible for monitoring of the basic health parameter of the patient upon arrival in India, Mumbai being the first touch down destination for many foreigner travelers. Thus, right from his arrival in India, Dr. Sushrut has ensured that the patient is in safe hands and feels assured of being under medical supervision. This motive behind this move is to encourage patients to come to Nagpur. An interesting fact presented by Dr. Sushrut Babhulkar is that it takes a patient 2 hours to reach any hospital in Mumbai from the airport whereas it takes only one and a half hours to reach Nagpur from Mumbai. Thus, other than the traffic congestion the patient is also spared the pollution of Mumbai. Moreover it has far less problems that a place like Mumbai has, important being traffic congestion and for a doctor, time is the most precious thing that can make a difference between wellness and pain.

The hospital has tie up with "Tuli International" a five star hotel in Nagpur, for arranging the recuperation vacation to Kanha Tiger Resort. Regarding tie-ups for the stay of the patients, Dr. Sushrut is having discussions with top hotels in Mumbai like "Grand Hyatt" to put up "Level 1" patients and "Hyatt Regency" for accommodating "Level 2" patients



as these hotels are situated close to the airport from where it shall be convenient for them to take a flight to Nagpur

The foreign patients undergo the surgery after completion of the preliminary tests usually on the 3rd day after his arrival in the hospital. On the 6th day, the patient has the option of either recuperating in the hospital or a package trip to Kanha Tiger Resort which is about 250 Kms from Nagpur and a very famous tourist destination. During his travel to Kanha, the patient is accompanied by an expert orthopedic surgeon, a physiotherapist and a nurse. On reaching Kanha, the doctors come back but the nurse stays on and returns along with the patient after 5-6 days of rest and relaxation in the lap of nature. The stitches are then removed on the 12th day and the patient then goes back to his native country, hale and hearty on the 13th or 14th day of his tour. Thus, within 15 days the patient fully recovers and is made pain free and mobile!

This is a small yet important case of the benefits that medical tourism can offer to patients

Excerpts of the interview with Dr. Jaspal Arneja, noted Interventional Cardiologist of Nagpur

Q. Capacity of the institute and total number of staff employed?

Arneja Heart Institute is a fifty bed hospital with total staff strength of more than 200 employees which include specialist cardiologists, support staff and the administrative staff

Q. What is the nature of your tie-up with Escorts Heart Institute and Research Centre Ltd?

The institute has two full time cardiologists based in Nagpur from the Escorts Heart Institute, New Delhi, who are part of the team of doctors performing the heart surgeries at the institute

Q. Escorts, New Delhi, is a major player in Indian Medical Tourism for offering heart surgeries. Apart from the additional journey that one has to take to come to Nagpur, how does one compare the surgery done in Nagpur with that in Delhi?

Nagpur is very cost competitive as compared to New Delhi while the quality of medical intervention is at par to that conducted in Escorts, New Delhi

Q. Being a renowned medical practitioner, what is your take on the medical tourism potential of Nagpur?

Nagpur has tremendous potential due to the quality of medical professionals available, coupled with cost effectiveness of the medical interventions provided. Accreditation is the only issue of concern with the medical patients who seek treatment. At the moment, the Institute is ISO 9001-2000 certified.



Q. A point often discussed is that the specialist doctors should take their skills before the world. Could you please elaborate?

The world is a big place. A beginning could be made by promoting the specialty medical interventions offered by the institutes in Nagpur on the internet, highlighting the credentials of the doctors who are affiliated to the institute, including the success rate of the medical interventions performed.

Q. How many foreign patients has the institute treated so far? Could they be treated as cases of medical tourism?

The institute does receive a fair amount of foreign patients seeking expert cardiac interventions. Last month, there were three foreign patients from Pakistan, Kuwait and Oman for bypass cardiac surgeries. The institute is also expecting patients from Libya as per the enquiries received at the hospital.

Q. What help would institute like yours, who are centers of excellence in their own way, want from FICCI, which has its own Medical Tourism Council of Maharashtra?

FICCI could act as a promotional organization vigorously highlighting and promoting the strengths of various medical institutes of Maharashtra, including the smaller institutes which are at par in providing quality medical services compared to the big super specialty hospitals but are very cost competitive.

Q. There was a discussion of a small pool of expert medical practitioners coming together to try and further the cause of medical tourism potential of Nagpur. Could you please elaborate on that?

There are discussions going on among a small group of doctors, who are experts in various fields like Orthopaedics, Cardiology, Dentistry, etc, to collectively come together and work out a strategy that will ensure that medical tourism in Nagpur too gets a boost but things are still at the discussion stage.

Sustainability Recommendations for Ideal Medical Tourism Service Sector Network

- ◆ Collaborative approach between the government and the private sector by leveraging their core competencies to reduce inefficiencies and complement each others efforts to help India take rapid strides in the medical tourism field.
- ◆ Indian doctors to identify their strengths and present it vociferously before the world to recognize India as a major healthcare destination
- ◆ Enhancement of non-medical infrastructure
- ◆ Credible pricing
- ◆ Enhanced and more targeted marketing
- ◆ Better coordination between the ministries, cooperation between the different stakeholders of this service sector network, medical insurance reforms and vigorous marketing & information dissemination



Medical Tourism in India – SWOT Analysis

STRENGTHS

- ◆ Quality service at affordable cost
- ◆ Vast pool of qualified doctors
- ◆ Strong presence in advanced healthcare e.g. cardiovascular, organ transplants – high success rate in operations
- ◆ International reputation of hospitals and doctors
- ◆ Diversity of tourism destinations and experiences
- ◆ High confidence level in Indian doctors.

WEAKNESS

- ◆ No strong government support /initiative to promote medical tourism
- ◆ Low coordination between the various players in the industry – airline operators, hotels and hospitals
- ◆ Customer Perception as an unhygienic country
- ◆ No proper accreditation and regulation system for hospitals
- ◆ Lack of uniform pricing policies across hospitals

OPPORTUNITY

- ◆ Increased demand for healthcare services from countries with aging population (U.S, U.K)
- ◆ Fast-paced lifestyle increases demand for wellness tourism and alternative cures
- ◆ Shortage of supply in National Health Systems in countries like U.K, Canada
- ◆ Demand from countries with underdeveloped healthcare facilities
- ◆ Demand for retirement homes for elderly people especially Japanese
- ◆ Reduced/competitive cost of international travel

THREATS

- ◆ Strong competition from countries like Thailand, Malaysia, Singapore
- ◆ Lack of international accreditation – a major inhibitor
- ◆ Under-investment in health infrastructure
- ◆ Lack of proper insurance policies for this sector

