

**Health Tourism to India:  
Challenges against resource  
competition to sustaining a viable  
public healthcare infrastructure  
for the local populace**

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# Agenda

- Health tourism
- Trade in health services
- Medical tourism and India
- India's health sector
- India's public health infrastructure
- Policy discussion

# Health Tourism

- Medical tourism, Health services tourism
- 'Bargain care'
- U.S : favored destination for past several years
- Ability to pay 'out of pocket'
- U.S: Market driven healthcare
- U.K: National health insurance



**COSTA RICA**



**BRAZIL**



**ARGENTINA**

**POLAND**



**FRANCE**



**SPAIN**

**HUNGARY**



**TURKEY**



**GREECE**



**MALAYSIA**

**INDIA**



**THAILAND**

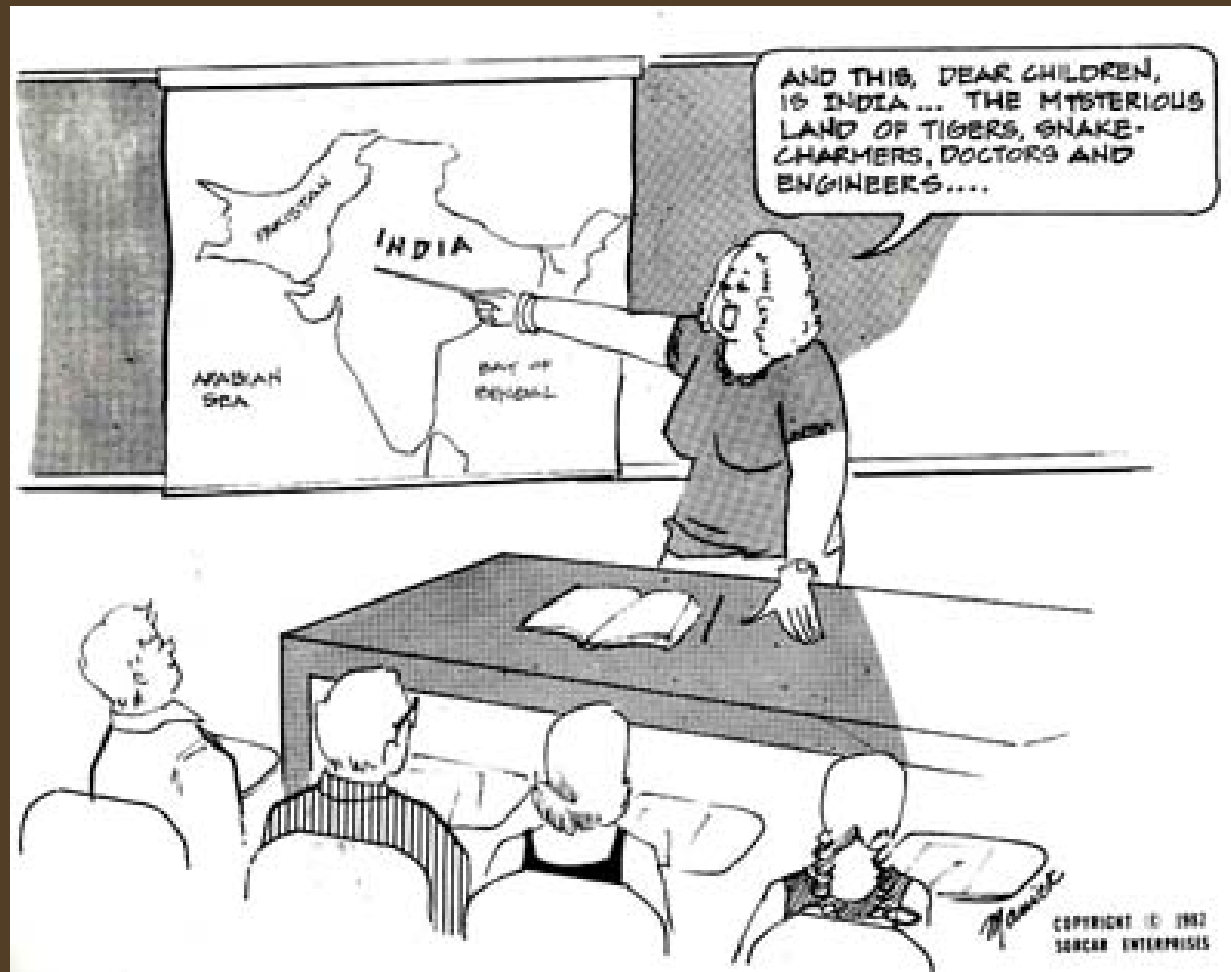


**SOUTH AFRICA**

# Health tourism and India

- Popular destination for travelers
- Ancient medicine systems: Ayurveda (ayur=life, veda=knowledge) dating back at least 600 BC
  - Herbal, color, gem therapy
- Surgery widely used in ancient Indian medicine:  
>121 different steel instruments
- Reconstructive surgery

# Health Tourism and India



# Health Tourism

India's advantages:

- Low cost
- Availability of English speaking personnel
- Improved private healthcare facilities
- Increased accreditation (JCAHO)
- Opportunity to travel exotic land and obtain medical treatment at a fraction of the cost – 'medical holiday'

# Trade in health services

- GATS: General Agreement on Trade in Services (WTO, 1994)
- Uruguay Round: 1995
- 4 modes of health services trade:
  - Mode 1: arms-length supply of services
  - Mode 2: International trade in tourism
  - Mode 3: Commercial presence in foreign countries
  - Mode 4: Movement of employees internationally

# Trade in health services

- Developed countries: Modes 1&2
- Developing countries: Modes 3&4
- Developing country issues:
  - Increased access for native population
  - Internal as well as external ‘brain drain’
  - Improved regulation
  - Education standardization

# India's service sector

- Increased industrialization and economic growth in the past decade or so
- Annual growth rate: 5.9% in 2002-03
- One of the fastest growing economies in the world
- GDP averaged 7.6% from 2002-07
- Increased infrastructure in telecommunications, safety and transportation

# India's service sector

- 2001 census: increased access to basic amenities (drinking water, permanent housing, banking facilities)
- Greater demand for consumer goods
- Government: substantially liberalized trade policies, tax benefits, protection of investments, proposed stronger judiciary system

# India's Health Sector

- Large public health infrastructure – public private mix
- Stronger private sector – 4.2% GDP spending
- Payer mix: Employers – 9%, Health insurance – 5-10%, Out-of-pocket – 82%
- Out-of-pocket spending for citizens relatively high for private sector

# India's Health Sector

- Corporatization of hospitals – Apollo, Wockhardt, etc. catering to international travelers
- Public providers – understaffed and overwhelmed
- Indian physicians – seen as competent due to earlier exodus to western countries
- Significant cost-savings for western tourists

<b>Cost comparison</b>			
Treatment/Procedure	U.S.\$	U.K (Price in U.S \$)	India (Price in U.S \$)
Bone Marrow Transplant	Upto \$ 200,000	Upto \$ 200,000	Upto \$ 25000
CABG	\$35000 - \$120000	Upto \$120000	\$5000-\$9000
Knee replacement	\$18000 - \$30000	Upto \$15000	\$2500 - \$7000
Shoulder replacement	\$18000 - \$30000	Approx \$18000	\$2500 - \$3200

Source : [http://www.medhelpindia.com/affordable\\_cost.htm](http://www.medhelpindia.com/affordable_cost.htm)  
ii. [http://indiahealthtour.com/price\\_comparison.html](http://indiahealthtour.com/price_comparison.html)

# Sustainability

- Accreditation: JCI, CRISIL  
Increase in accrediting agencies
- Insurance coverage: U.S, U.K  
Global/International insurance  
Difficult to negotiate payment of services with independent providers  
MCOs exploring options

# Public Health Infrastructure

- Health crises:
  - HIV/AIDS (approx. 2.1-3.0 mil cases)
  - Airborne: TB (kills ½ mil each year)
  - Water borne: Cholera, Typhoid
  - Non communicable: Heavy metal and chemical poisoning
  - Chronic: cardiovascular, diabetes, cancer, mental illness

# Public Health Infrastructure

- Skewed population: middle & lower income categories
- Only 0.9% of GDP spending on public health sector
- Ranking 171 out of 175 countries in %age of GDP spent on public health sector
- Ranking 17 on private health sector spending

# Public vs. Private health sector

- Movement of health care practitioners into private services leaves gaps in public sector
- Physician in government/public clinic earns about \$100-400/month
- Private sector physician: \$6000-12000/month
- Increasing trend for public health practitioners to own private practices
- Creation of autonomous public health foundation (2005): slow progress
- Other issues to be considered: sanitation, hygiene, roads, transportation

# Health Policy Issues

- Public-private partnerships: e.g. leprosy campaign
- Primary care: Specialization into tertiary care (medical tourism phenomenon)  
WHO 2004 estimates: 60 physicians, 80 nurses, 56 pharmacists, 5 community health workers per 10,000 people in public sector
- Medical education: Standardization
- Professionalization and legal issues: malpractice, credentialing of healthcare professionals

# Health tourist

- Neo-liberal citizen: supposed ability to make informed choices
- Lure of exotic destinations
- Trying out new experiences
- Pick and choose criteria – not standardized
- Marketing by tourism agencies

*Internal hospital ratings are necessary alongwith standardization of care, quality and costs*



# Suggestions

- Development of pharmacy in professional healthcare
- Timely responsiveness to brain drain – internal & external
- Upgrade existing public facilities
- Create public health sector employment
- Increased R&D in pharmaceuticals for low income people with neglected diseases

Tesekkürler



Thank  
You!

شكراً

Obrigado!

Merci

धन्यवाद

ขอบคุณ

Bedankt

Vielen  
Dank



Díky

Grazie

Gracias

Ευχαριστώ

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