



RECOGNIZING THE SOCIAL VALUE OF MEDICAL TOURISM IN INDIA

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ABSTRACT

Introduction: India has a huge potential for providing world-class medical care at competitive prices combined with attractive resorts for convalescence. Though the country has a poor public health system, due to the growth of excellent state of the art hospitals, India is now a preferred health tourism destination. Social value concerns how scarce resources are allocated and used. It considers more than just the financial transaction. It includes happiness, wellbeing, health, inclusion and empowerment. This appraisal considers the social value of medical tourism as a business undertaking in India. **Methodology:** This evaluation involves an extensive literature search for various articles on medical tourism with a special focus on South East Asia, India and social value. Social return on investment (SROI) is one method to measure values that are social, economic and environmental and can identify how effectively an organization creates value for the community. **Results and discussion:** Medical tourism is a business approach where private companies (corporate hospitals etc) make a profit on the escalating costs of health care in the western world and the poor health care facilities available in other countries. To believe that improving the medical tourism sector will lead to better health care for the local people is a fallacy. The health problems in the country are innumerable ranging from infectious diseases to lifestyle diseases. However medical tourism only caters to a few select diseases or conditions. The benefits a country will get through medical tourism such as Forex; do not make much of a difference to the common man and his healthcare needs. Medical tourism as such will only lead to internal brain drain and also exploit the majority of workers in a closed alien system which will have no relevance to the world outside. There is also the danger of creating expectations in the people much beyond what the country can afford leading to frustration. **Conclusion:** Applying the principles of social value in the Indian health care system, we see a gross mismatch between the inputs, outputs, outcomes and impacts. This has to be seriously addressed for medical tourism to have any social value in India.

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INTRODUCTION

In today's world, services of the healthcare industry are tradable global commodities. The new trend in healthcare involving the movement of people across borders seeking health care is called medical tourism or health tourism [1]. Exorbitant costs of healthcare in industrialized nations, ease and affordability of international travel, favourable currency exchange rates in the global economy, rapidly improving technology and standards of care in many countries of the world and most importantly proven safety of healthcare in select foreign nations have all led to the rise of medical tourism. India has a huge potential and comparative advantage for medical tourism due to her capacity to provide world-class treatment at low prices combined with attractive resorts for convalescence.

Healthcare system in India: Earlier the healthcare situation in India was dependant mostly on a government delivery system with referrals from private practitioners. However since the nineties, the private sector involvement in healthcare increased considerably. Healthcare has since become corporatized and is

now a booming business. Today the private sector healthcare has an 80% share in the country's total health expenditure.

While China spends 3 percent of its GDP on healthcare, the global average is 5.4 percent. India however spends only 1.2 percent of her GDP on the healthcare sector. According to the World Health Organisation (WHO), India is at 112th position out of 170 countries in terms of its healthcare system. 70 per cent of India's population lives in rural areas and has no or limited access to hospitals and clinics. Nearly one million Indians die every year due to inadequate healthcare facilities.

The healthcare sector in the country has been plagued by low and stagnant government spending and high out of pocket expenditure by individuals and families. The concerns have been around meeting the challenges of the dual burden of communicable and non-communicable disease while making healthcare affordable and accessible for all. The objective of any reform must be to benefit society, and this surely precludes reforms which harm many poor people belonging to that society.

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Advantages and challenges to health tourism in India: The advantages or positive effects of improved tourism in a country are many.

- It is a significant foreign exchange earner. It contributes to capital goods that can be used in the production process like infrastructure and facilitating processes.
- It plays an important role in stimulating investments in new infrastructure, human capital and competition.
- It stimulates other economic industries by direct, indirect and induced effects.
- It contributes to generate employment and hence to increase income.
- It causes positive economies to scale and scope.

Health tourism (traveling to get medical procedure at lower cost) has its own set of unique challenges, which include [2]:

- Determining the credential, skills and quality of the facility and personnel.
- Language communication challenges on topics requiring a lot of details, sometimes even when both parties seemingly speak the same language.
- Different cultural issues and expectations around health care and the body.
- Post-treatment complications, after the "tourist" has left the facility.

Why India is a Health tourism destination

In spite of a poor public health system, India is now a preferred health tourism destination. This is due to the development of excellent healthcare delivery centers close to tourism destinations. Some other factors which are driving medical tourism in India are:

- Manpower: Availability of physicians, technicians and nurses who have national and international certifications, expertise and experience
- Pharmaceuticals, equipment and supplies: Modern medical technology, internationally accepted standards in drugs, equipment, implants and medical supplies.
- Language and culture: English is commonly spoken in many parts of the country.
- Priority care: No waiting time for procedures.
- Ease of travel: decreased Visa restrictions for medical travel, Better roads, transport systems, tourism infrastructure, telecommunications etc.
- Financial motivation: favourable exchange rates, cheaper air travel,
- Tourism: Numerous and varied tourist destinations to suit the patients schedule and health.
- Information: Abundant easily available information on Indian hospitals and tourism.

In essence medical tourism envisages the creation of an elite hospital system for specific problems catering mainly for foreigners. However this will encourage a double standard approach to health care system development in the country. A lucrative health system catering to medical tourists plus a few financially sound sections (about 10 to 15 % of the population) and an impoverished under developed health system for the rest of the population.

Role of Public health

In 1920, C.E.A. Winslow defined public health as "the science and art of preventing disease, prolonging life and promoting health through the organized efforts and informed choices of society, organizations, public and private, communities and individuals." The optimization of health across communities and populations requires expertise from many disciplines including the core disciplines of biostatistics, environmental and occupational health, epidemiology, health education, and health systems and policy. Other important expertise is needed in maternal and child health, gerontology, nutrition, engineering, genetics, bioinformatics and data processing. There is general agreement that most of the extraordinary 25-30 year increase in life expectancy that occurred in the United States in the 20th Century is due to public health efforts.

Private actors and governments in Southeast Asia are promoting the medical tourism industry, but the potential impact on health systems, particularly in terms of equity in access and availability for local consumers, is unclear [3].

Social value

Social value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question: If a rupee is spent on the delivery of services, can that same rupee be used to also produce a wider benefit to the community? Social Value is about maximizing the impact of public expenditure. It looks at what is created, and sometimes what is forsaken, through a commissioning process. It is therefore also about what we value in the public realm. Social value considers more than just the financial transaction. It includes happiness, wellbeing, health, inclusion and empowerment [4].

Social value can become clearer and can be measured only through repetitive processes which weigh supply and demand in a deliberate fashion. The tools used to assess the social value of a particular business require a series of judgments which fall into four main categories [5]:

1. Strategic fit (how well the business meets the needs of the health service)
2. Potential health outcomes (impact on the health and wellbeing of all involved)
3. Cost savings and economic effects
4. Risks associated with implementation

The questions asked usually are:

- What contribution to society does a project / investment / businesses make?
- What marginal difference does a project make?
- What value does it add?
- What would have happened if the project didn't take place?

The value of a commodity is not fully predetermined but reflects what people are willing to pay for it. However as people's ethics, morals, and priorities vary, social value assessments that consider only the costs and benefits do not influence many members of the public or their leaders. Societies are made up of competing and conflicting systems of valuation and justification.

The Principles of Social Value: The Principles of Social Value provide the fundamental ideas to increase equality, improve wellbeing and increase environmental sustainability [6].

- Involving the stakeholders (plan what and how to measure the social value)
- Understanding the changes that will occur (positive and negative / intended and unintended)
- Value the things that matter (to all concerned)
- Only include what is material (to overcome ambiguity and come to reasonable conclusions about impact)
- Do not over-claim the value
- Be transparent (clearly demonstrate honesty and accuracy in analysis and reporting when discussing with stakeholders)
- Verify the result (internally and externally)

METHODOLOGY

This evaluation involves an extensive literature search for various articles on medical tourism with a special focus on South East Asia, India and Social value. Social return on investment (SROI) is one of the methods for measuring values that are not traditionally reflected in financial statements, including social, economic and environmental factors, which can identify how effectively an organization uses its capital and other resources to create value for the community. While a traditional cost-benefit analysis is used to compare different investments or projects, SROI is used more to evaluate the general progress of certain developments, showing both the financial and social impact of the corporation [7].

There are four main elements that are needed to measure SROI: (Table 1)

- Inputs – resources investment in the activity (such as the costs of running a job readiness program)
- Outputs – the direct and tangible products from the activity (for example, the number of people trained)
- Outcomes – the changes to people resulting from the activity (i.e., new jobs, better income, improved quality of life for the individuals; increased taxes and reduced support for the government)
- Impact – the outcome less an estimate of what would have happened anyway (for example, if 20 people got new jobs but 5 of them would have anyway, the impact is based on the 15 people who got jobs as a result of the job readiness program)

RESULTS AND DISCUSSION

Using the four main elements that are needed to measure SROI i.e. Inputs, Outputs, Outcome and Impact an attempt was made to draw up the social value of Medical tourism in India (Table 1). It is seen clearly that there is gross mismatch between the inputs and impacts of medical tourism in the country. While outputs and outcomes are positive, they are limited to a small number of beneficiaries such as medical tourists and a few well off individuals and communities in the country. Looking at the impact, we can see that the harm caused by medical tourism to the majority of the population of India far outweighs the benefits.

Government of India efforts towards Medical Tourism

What tax sops is the GOI giving to hospitals taking up Medical tourism? At what cost to the common man. How much of the

earnings from Med Tourism are being pumped back into the health system on the whole?

The GOI has evolved revised guidelines under the MDA (Market Development Assistance) Scheme for financial support to Medical tourism providers which includes hospitals accredited by the National Accreditation Board of Hospitals (NABH) and the Joint Commission for International Accredited Hospitals (JCI), Wellness centers accredited by State Governments (WTSP) and Medical tourism facilitators (MTSP) [8].

Other benefits are

- Allotment of Government land to reputed companies to start such hospitals in cities at lesser prices.
- The Government of India also promotes overseas markets and helps in the production of publicity materials such as brochures, CDs, films etc and their distribution in target markets.
- Country level workshops are conducted for the promotion of wellness tourism. It is also involved in creating infrastructure to help visitors avail the services of wellness centers.
- The GOI issues Medical (M visas) to health tourists which are valid for 1 year (Maximum 3 entries in one year). MX visas are issued to attendants or family members (upto 2 attendants per patient at a time).
- The GOI also allows medical practitioners from other countries (UK, USA, Australia, New Zealand and Canada etc) to work in reputed and accredited hospitals in India.

Foreign exchange: In the year 2000, as a policy initiative, up to 100 per cent foreign direct investment was permitted under automatic route for the hospital sector in India. Following this, relaxation of import duty on medical equipment and technology in the year 2000, granting of long-term and cheaper loans for private healthcare institutions, according industry status to the hospital sector in 2003–04 Union budget, and later the introduction of social health insurance for accessing private healthcare services were some other measures that were taken to promote privatization of the Indian healthcare market [9].

Some important needs for foreign exchange reserves are:

- To keep the value of the currency at a fixed rate which helps in international trade.
- To maintain liquidity in case of an economic crisis after a natural disaster, war etc. to pay for imports of essential commodities.
- To provide confidence to foreign investors to protect their investments or emergency liquidation.
- To be able to meet its external obligations (sovereign and commercial debts, financing of imports and the ability to absorb any unexpected capital movements)

How much are enough reserves? At a minimum, countries have enough to pay for three to six months of imports. That prevents food shortages, for example. Countries with the largest trade surpluses are the ones with the greatest foreign reserves. Among countries with reserves more than \$100 billion (as of December 2016), while China tops the list at 3010 billion dollars, India stands at 10th place with 320 billion dollars [10].

Environmental Impact: People going for medical treatment abroad tend to combine travel and tourism along with the medical procedure.

Table 1 Four main elements that are needed to measure Social Return on Investment (SROI) in Medical Tourism Industry

Inputs:	Outputs:
<ul style="list-style-type: none"> • Medical visas made easier • Loans to private companies for upgrading hospitals • Easier systems of licensing for hospitals and medical tourism facilitators • Guidelines for improving health tourism • Decreased taxation of services provided to medical tourists • Accreditation of hospitals and health care centers • Increased number of institutions for training of personnel 	<ul style="list-style-type: none"> • Construction of large internationally accredited five star hospitals with state of the art equipment and facilities • Large number of personnel trained to care for international medical tourists • Processes, policies and procedures that cater to the comfort of the visitors • Better systems of transport, communication, information etc to make it easier for the visitor • Better connectivity and facilities at tourism destinations for the visitors to relax and recoup • Increased FOREX
Outcomes:	Impact
<ul style="list-style-type: none"> • Availability of these improved hospitals with high tech facilities and internationally accepted care to the local people. • Increase in local businesses (hotels, local transport, entertainment centers, malls etc) • Increased employment to professional staff and non professional workers. 	<ul style="list-style-type: none"> • New patterns of consumption and production of healthcare services. Unrealistic expectations of the local populace. Desire for care beyond reach. • Less inputs (financial, personnel, material) in health promotion and prevention • Development which is focused in certain areas and localities only (airport, roads, water, electricity to tourist destinations) and not accessible to local people • Damage to local culture (bringing rich culture, religion and rituals down to mere performances by actors – brings in modern and material culture) • Environmental destruction (natural habitats give way to resorts) • Decisions made by Corporates outside the country

This liberalized regulatory framework provides considerable scope for foreign direct investment in India's healthcare sector (hospitals and diagnostic centres) through various modes of financing. [11].

Issues regarding poor social value in Medical Tourism

Should we then look at Medical tourism as a business like any other? Should we even look at it in relation to the health care system of the rest of the country? Hospitals catering to medical tourism are anyway situated only in a few select cities in the country. Benefits will be Forex, improvement of connectivity through air and local roads in only those cities and resorts that cater to the foreign medical tourist. In what way will this help the sick people in the rest of the country who need healthcare for ailments varying from infectious diseases to lifestyle related problems?

Legal uncertainty regarding medical tourism is a matter of great concern since there are no current international legal regulations for medical tourism [13]. The prime objective of the nation's health policy cannot be based on earning of foreign exchange. Potential consequences of medical tourism like rise in price of healthcare across the country and increase in unethical practices like organ transplantation and research on humans must also be considered [14].

As medical tourism primarily caters to the rich and their illnesses, the services that are promoted are not necessarily in line with the epidemiological priorities of the country. As a result, it may not have any significant impact on the pattern or the prevalence of major diseases in the country, where under-nutrition, communicable disease and high maternal and infant mortality still prevail [15]. Implications of medical tourism also raise some economic, ethical and anthropological questions on the potential development of illegal forms of tourism like 'transplant tourism' and 'body trade mafia'. [16]. The present practice of medical tourism is affecting the health care of the country which may be further worsened by the resistance of the local citizens as they might be deprived of their fundamental right under Article 21 of the Constitution of India [17].

As medical tourism is a way of earning revenue and foreign exchange, the government resorts to deforestation to build more hotels and provide better civil amenities to accommodate the ever growing number of patients cum tourists. In addition, medical tourism is also responsible for contributing to increased air emissions, noise, solid waste and littering, releases of sewage, oil and chemicals, even architectural / visual pollution; all which has negative impact on the environment.

Medical tourism creates great pressure on local resources like energy, food and other raw material. Even natural resources like water, especially fresh water, is affected as medical tourism like any other tourism generally tends to overuse water resources for hotels, swimming pools, and personal use of water by the tourists. This results in shortage of water and degradation of water supplies as well as generating large volumes of waste water. Medical tourism may be good for a country from a fiscal aspect. However its environmental impacts are always negative.

Solutions to improve social value: Social value largely depends upon how the business is conducted. Are the visitors coming and supporting what the community prides itself in and in a way that perpetuates and sustains (or improves) the quality of life in the community? Are the activities of the tourist detrimental to the values, environment and culture of the community in the long run?

While making business and foreign exchange transactions transparent and efficient, it is also necessary for the local community to access a good part of the income through the activity. Local community owned enterprises must be benefitted. The activity must support the local culture and add value to the community. The activity must not allow the burgeoning of illegal doings. Most importantly efforts must be made to protect and nurture the environment and activities which deteriorate the environment must be avoided.

An important side to the discussion on Medical tourism is about why it is cheaper to receive health care in countries like India and other countries. One of the main reasons will come down to the fact that Indian staff be it doctors or workers, are

paid significantly lesser than in those countries from where the medical tourist comes from. If our people are also paid like any other developed country, the prices would equalize. In addition, tax benefits, subsidised services like electricity and water etc add to the factors that reduce cost of medical services to medical tourists. This exploitation of the country's human resources and other resources is the reason why healthcare is cheaper in India than in the USA or UK. This questioning will lead us to understand that we are going back to the colonial period.

When it finally gets to the point where 10% of Americans are traveling abroad for a wide array of procedures, the US will be forced to begin to take measures to reduce costs throughout the healthcare system. Losing 10% of the market is all that it will take to force some positive changes. Experts suggest that this could begin to happen by 2020 [18]. It is also important to realize that it is not India or Thailand that are too cheap, but rather that US healthcare for various reasons is too expensive to begin with [19].

In the interest of rejuvenating the public health system in India, strict provisions would be needed to collect extra revenue from these corporate hospitals. Lessons can be learnt from countries like Cuba, which has developed medical tourism to generate income that is utilized to provide better health facilities to her citizens [20].

CONCLUSION

Finally these are the things we must face. Medical tourism is just an enterprise where private companies (corporate hospitals etc) make a profit on the escalating costs of health care in the western world and the poor health care facilities available in other countries. Why the Government should put itself out to pander to this particular business at the cost of the common man is dubious. To believe that improving the medical tourism sector will lead to better health care for the local people is a fallacy. The health problems in the country are myriad ranging from infectious diseases to lifestyle diseases while medical tourism only caters to a few select diseases or conditions.

The benefits a country will get through medical tourism like Forex do not make much of a difference to the common man and his healthcare needs. Countries of outbound medical tourists will have to take cognition of the reasons why their own health systems are not able to care for their own people and definitely reforms are bound to happen. Once we invest in such luxurious and lush infrastructure and the number of tourists decline, what then?

The health care of a country has to be set on lines of levels of health care and a good referral system making the best use of manpower and structural resources. Developing a few hospitals of international standards in a select few cities will not do anything to meet the health care needs of the country on the whole. Medical tourism as such will only lead to internal brain drain and also exploit the majority of workers in a closed alien system which will have no relevance to the world outside. Medical tourism has the further danger of creating expectations in the people much beyond what the country can afford leading to frustration and restlessness.

Social value considers more than just the financial transaction and includes happiness, wellbeing, health, inclusion and empowerment of the community where the project is situated. Applying these principles, we see a gross mismatch between

the inputs, outputs, outcomes and impacts. This has to be seriously addressed if Medical tourism must have any Social value in India.

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