

Prospects of Medical Tourism

A Comparative Study of
The Prominent Participants in Hospital
and Hospitality Industry in South India

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Abstract

India today has copious opportunities to compete with other developed nations & building a quality health care system of its own. This paper addresses the prospects of Medical Tourism as a 'cost effective' private medical care in collaboration with the tourism industry for patients needing surgical and other forms of specialized treatment. The progression is being facilitated by the corporate sector involved in medical care as well as the tourism industry. There is also a constant effort taken up by the corporate hospitals to support medical tourism with its fullest potential. Primitively there is also a enormous need for quality assurance and standardization norms for the hospital administration which is in fact, the need of the hour. Lack of an effective administration practices in the hospital and hospitality sector necessitates the need for a Total quality management approach in Healthcare Sector. Application of quality control systems is a vital aspect that hospitals in South India cannot disregard. It would lead the South to a new road map in ensuring quality and enhancing on customer satisfaction. Hence the paper makes an attempt to understand the management practices in South India effectively.

Key Words: Medical Tourism, Cost Factor, Standardization Norms, Quality of Assured Services, Hospitality Industry.

Introduction

India has been offering varied niches to its tourists and to large extent shares a competitive edge when compared to its competitors. This emerging

sector offers an array of travel services benchmarking India at a global level with its products like adventure, wildlife, historical monuments, culture & heritage, nature, pilgrimage and so on. There are enormous contributions as the sector is an important driver of growth and prosperity, particularly within developing countries (Woodman, J 2007). As times are changing and so are the demands and expectations of the travelers who are endlessly in search for different experiences, different adventures, different lifestyles which has paved the way for various concepts defining different paradigm in the arena of tourism.

Medical tourism is an upcoming concept and a growing phenomenon meeting the need of the hour (Theobald, F.,T 1998). India to a large extent is also been branded for its wellness and surgical competency. Medical patrons across India look forward for high end medical facilities with value added services often referred as coordinated services. Coordinated services are offered by the hospitality sector as a cliché to diversify the tourism products from the arena of travel and tourism. Coordinated services can also be termed as an all-inclusive package offered by the travel facilitators to the medical tourist which includes the transportation, transfers, medical treatment, holidaying, leisure and all allied services related with it (Gan, Lydia, and James & Frederick R 2011).

Medical tourism in the fore front is backed by the corporate hospitals offering high end infrastructure, medical amenities, allied services

and an effective healthcare network with the hospitality sector. These are indeed the private hospitals that have gone one step ahead in commercializing their services, with a high-end sophistication, in the local as well as international market. Globalization and resulting trade liberalization in health services have caused an upsurge in international migration of health care professionals in recent years. Greater openness has created new opportunities for these professionals. The General Agreement on Trade in Services (GATS) signed as a part of World Trade Organization (WTO) agreement also provided an opportunity to member countries to explore new market in health services by further liberalizing trade in services.

2. Review of Literature

The literature reviews reflect on various aspects and areas concerned on medical tourism. This imminent arena covers the prospects of medical tourism, emerging trends and the future of upcoming medical hubs.

Bookman & Bookman(2007), in their book discussed about the western patients who are increasingly traveling to developing countries for health care are increasingly offered with the best skills and facilities to cater to their needs. This international trade in medical services has huge economic potential for developing countries and serious implications for health care across the globe. It is successful only in countries with economic and political advantages that enable them to navigate around international and domestic obstacles to trade in medical services.

Sack, C., Scherag A., Lütkes, P., Günther, W., Jöckel ,K.,H., & Holtmann, G.,(2011) in their article reveals that the countries where hospitals are undergoing accreditation as mandatory or voluntary measures are believed, with the fact that accreditations positively influence quality of care and patient satisfaction. The article states the relationship between patient satisfaction and accreditation status. The conclusion sustains the

notion that hospital accreditation may represent a step towards total quality management, but may not be a key factor to quality of care measured by the patient's willingness to recommend.

Billie Ann Brotman, (2010) examines demand factors for sophisticated medical treatments offered by private hospitals operating in India. The article classifies three types of medical tourism - Outbound, Inbound, and Intra bound. Increased profitability and positive growth trends by private hospital chains can be attributed to rising domestic income levels within India.

Debra Melani focuses on the growth of medical tourism industry in Colorado. The author states that the healthcare providers are expanding on medical tourism aiming to attract more patients to the state. Medical tourism also helps employers reduce medical expenses while offering employees a wider range of treatment.

Cooperman. S (2007) envisage upon the search for quality health care at discounted prices, in foreign hospitals who offer proficient services in state-of-the-art facilities with complete luxury suites, on-call concierges and personal chauffeurs and so on. Today, India, Thailand, Singapore and Hong Kong are popular medical travel destinations. For negotiating in the world of discount medical care, an entire industry of middlemen has sprung up. Though the options are seemingly endless, buyers ought to beware.

Tilman.,E, Ceani G., Paul,D., Mango, Jenny C., & Shubham.,S, in their article discuss the economic geography of medical tourism and a survey of health care consumer preferences. While medical tourism is sometimes oriented towards cost savings, it is frequently a matter of accessing innovative procedures without spending time on waiting lists.

3. Concept of the Study

Healthcare service industry is one of the flourishing sectors of the Indian economy. Lifestyle diseases have emerged from the demanding and

hectic pace of life led by people today. There is thus a need to de-stress and increase involvement in leisure activities. Increase in awareness to keep oneself healthy coupled with rise in standard of living have led to increase in demand for quality healthcare services. Thus the research focuses on the prospects of the booming medical sector coupled with the growing hospitality sector considering four prominent cities of South India and highlighting the scope & growth of medical tourism & increasing the visibility of India in the global map as a medical tourism hub.

4. Need of the Study

Although, India is a recent entrant into the medical tourism arena, it is poised to emerge as a major global player. India offers world-class healthcare that costs substantially less than those in developed countries, using the same technology delivered by competent specialists attaining similar success rates. Further the necessity is towards creation of an effective value creation network and healthcare environment thereby building professional competency through healthcare managers. The purpose of the study necessitates the role of the hospitality sector in promoting medical tourism in coordination with the hospital sector. Considering all these factors there is an imperative need to undertake the present study of the various independent variables impacting the growth of medical tourism in south India.

5. Research Methodology

The process of research includes two broad segments of data collection. The primary data was gathered through structured questionnaires and interviews from the service provider and the medical tourist. The secondary data was gathered from libraries of research centers, Universities, Management institutes by referring to books, journals, magazines, travel guides, travelogues, monographs etc.

6. Objectives

The research was conducted with the following objectives listed as follows:

- The role of cost structure in the pre- decision stage for the medical tourist to avail medical treatments.
- To determine the extent of correlation between quality and standardization norms and the demand for medical tourism in South India.
- To identify the degree of balance between quality of assured services and coordinated services that is allied to the hospitality industry.

7. Hypotheses

The study portrays subsequent Hypotheses which were tested respectively.

- There is a significant role upon the cost factor in the selection of medical destination.
- There is significant role upon quality and standardization norms and demand for medical tourism.
- There is significant relationship between coordinated service and the brand image portrayed in the international market.

8. Sampling Technique

Procedure for sampling adopted for the research is non-probability sampling technique namely judgmental sampling as the items for the sample are selected deliberately; since the choice concerning the items remains supreme. However, the limitation stands as there is no assurance that every element has some specifiable chance of being included.

9. Sample Distribution

Sample Size–International Patients	140 nos
No. of Hospitals visited	30 nos
Types of Hospitals –	
a. Corporate or Private Hospitals.	26
b. Medical Institutions	01
c. Government Hospitals	01
d Alternative Treatment Centres (Wellness & Ayurveda)	02
Hospitals visited in South India	
a. Andhra Pradesh (Hyderabad)	08
b. Tamil Nadu (Chennai)	07
c. Karnataka (Bangalore)	07
d. Kerala (Calicut, Cochin and Trivandrum)	08

10. Testing of Hypotheses

Hypotheses 1 - Importance of Cost versus Other Parameters in Seeking Medical Treatment Abroad

H_0 : There is no significant role upon the cost factor in the selection of medical destination.

H_1 : There is a significant role upon the cost factor in the selection of medical destination.

Table showing Results of Paired Samples Test on Saving Cost and Other Parameters in Travelling Abroad

Particulars	Paired Difference					T	df	Sig.
	Mean	Std. Dev.	Std. Error Mean	95% confidence Interval of the Diff.				
				Lower	Upper			
Part 1 Saving Cost - Secrecy of Treatment	-2.550	1.189	.101	-2.749	-2.351	-25.367	139	.000
Pair 2 Saving Cost- Treatment with Holiday	-2.221	1.378	.117	-2.452	-1.991	-19.067	139	.000
Pair 3 Saving cost- Unavailability of Treatment	-1.300	1.516	.128	-1.553	-1.047	-10.147	139	.000
Pair 4 Saving Cost- Medical Expertise in Developing Country	-.221	.960	.081	-.382	-.061	2.729	139	.007
Pair 5 Saving Cost - Brand image of Developing Country	-.443	.976	.083	-.606	-.280	-5.366	139	.000
Pair 6 Saving Cost- Easily Accessible	-.486	1.122	.095	-.673	-.298	-5.122	139	.000

Interpretation

The paired-samples t-tests of saving cost against all other parameters show that saving cost is significantly more important than all other parameters in the decision for going abroad for treatment. Hence the null Hypotheses are rejected.

Hypotheses 2 - Significant Role upon Quality and Standardization Norms and Demand for Medical Tourism

H_0 : There is no significant role upon quality and standardization norms and demand for medical tourism.

H_1 : There is significant role upon quality and standardization norms and demand for medical tourism.

Table showing Result of Chi-Square Test on Significant Factors for Quality Assurance

Quality Assurance Factors	Location				X ² cal	p-value
	Kerala	Bangalore	Hyderabad	Chennai		
Hospital Accreditation	40.00%	40.00%	31.43%	48.57%	2.1429	0.5433
Hospital Affiliation	3.33%	0.00%	0.00%	0.00%	3.6930	0.2966
Physician's Credentials	50.00%	65.00%	74.29%	74.29%	5.6051	0.1325
Online Communities	10.00%	17.50%	14.71%	11.43%	1.0200	0.7964
Goodwill	0.00%	2.50%	2.86%	8.57%	3.8370	0.2796

Interpretation

The above analysis represents that there is no difference in the importance of different parameters of quality assurance amongst the different medical tourism destinations. The above analysis projects the p-value, which is more than 5% and hence there are no significant differences in the factors to be considered for quality assurance, amongst the locations, and the null Hypotheses are accepted.

Hypotheses 3 - Significant Relationship between Coordinated Service and the Brand Image Portrayed in the International Market

H₀: There is no significant relationship between coordinated service and the brand image portrayed in the international market.

H₁: There is significant relationship between coordinated service and the brand image portrayed in the international market.

Table showing Result of Chi-Square Test on Factors Affecting the Accessibility of Coordinated Services

Types of Factors	Location				X ² cal	p-value
	Kerala	Bangalore	Hyderabad	Chennai		
Lack of Coordination	13.33%	37.50%	34.29%	37.14%	5.9051	0.1163
Delayed Response	63.33%	50.00%	45.71%	40.00%	3.7627	0.2883
Poor Networking	3.33%	7.50%	2.86%	20.00%	8.4006	0.0384
Inefficiency in Troubleshooting	3.33%	7.50%	11.43%	0.00%	4.7948	0.1875
Poor Follow-up	26.67%	15.00%	11.43%	22.86%	3.2434	0.3556
Rigid Procedures	0.00%	0.00%	2.86%	0.00%	3.0216	0.3883

Interpretation

The above analysis represents that there were significant differences in the perception of poor networking affecting the accessibility of coordinated services amongst the locations; hence the null Hypotheses could be rejected. Poor networking as a factor affecting accessibility of coordinated services was perceived to be the highest amongst respondents coming to Chennai for treatment, and the lowest amongst

respondents coming to Hyderabad for treatment. There were no significant differences in the perception of other factors affecting the accessibility of coordinated services amongst the locations and hence the null Hypotheses are accepted.

11. Outcomes of the Study

The study envisages certain challenges facing healthcare organizations in South India. An

integrated approach to the management of quality, drawing upon the interrelationships between quality and productivity, and between quality and technology is one of the pivotal challenges for South India. Experts believe that quality improvement leads to productivity increase. This relationship is not fully accepted in the healthcare segment; though many believe that one mode of establishing quality is by huge capital investments in elaborate and sophisticated technologies. Healthcare administrators are often misleading into spending huge money without first giving a chance to small but continuous improvements. It amounts to a policy of buying “quality” through costly technology related strides in improvement, as opposed to small but steady, more cost efficient and deliberate improvement efforts involving employees. The concept of continuous improvement strategy for quality implies that quality is a process rather than an outcome. Technology can be used to support quality and productivity through the use of information systems.

Another prime challenge for South India is to be cognizant on a complete service quality management as only off late healthcare organizations are showing concern over issues such as quality, cost and competitiveness. The imperatives of competition dictate that a hospital whose current status is poor must improve rapidly for its survival. One whose status is superior must improve to preserve its competitive edge, and a hospital which is average must improve to prevent its status from regressing to poor and to make it superior.

The relationships linking total service quality management, productivity and technology becomes evident as the present theories and tools of TSQM are considered. Total service quality control (TSQC) is a business management philosophy, which, when applied to healthcare organizations in South India, seeks to provide healthcare customers with satisfaction through

quality in the services provided. It is a practical approach to enhance quality management based on facts and involves all the employees of the organization including, CEO, administrators, nursing, medicine, technical and clinical employees. It is supported by several administrative processes, including quality control teams, policy developments, cross- functional management, and quality in routine activities.

Quality control teams are healthcare employees who are trained, organized, and structured groups which identify problems and brainstorm for causes and solutions. Policy development is a process in which management works together to focus resources on achieving customer satisfaction for patients and other customers (Juran, J.M, and A.B Godfrey 1999). Cross- functional management is all necessary interdepartmental activities aimed to achieve corporate objectives such as, quality, cost, delivery etc. Quality in routine activities is a decentralized procedure for controlling and improving routine work thereby, to standardize routine activities such as, making a patients database, administering routine medication etc.

Application of quality control systems is a vital aspect that hospitals in South India cannot disregard. It would lead the South to a new road map in ensuring quality and enhancing on customer satisfaction.

12. General Findings

1. Understandably, the overall perception of the quality of service of the assured services and that of the coordinated services were high and were positively correlated. Further analysis confirms that the overall perception of the quality of service of assured services is significantly higher than the overall perception of the service quality of the coordinated services.
2. The research determines that there were significant differences in the overall perception

- of the service quality offered and the overall level of satisfaction with associated and coordinated services amongst the locations. It was perceived that a lesser ratio of medical tourists preferred the services of medical facilitators.
3. The research confirms that there is no difference in the importance of different parameters of quality assurance amongst the different medical tourism destinations and hence there are no significant differences in the factors to be considered for quality assurance amongst the locations. It was understood that the medical patrons considered a physician's credentials as the predominant factor in assuring quality in comparison to hospital accreditation & affiliations.
 4. The study also confirms the most important factors perceived by hospitals for quality assurance as physicians' credentials, global competency, and accreditations. Online communities (word-of-mouth) and affiliations were also moderately important.
 5. The study confirms that the various parameters like travel assistance, language translators, coordinated services, cost transparency, post-operative care, insurance assistance and first aid at the airport are offered by the hospitals to differentiate themselves from their competitors.

13. Suggestions

The stakeholders in medical tourism i.e. hospital authorities, hospitality industry, policy makers and other intermediaries can consider the following suggestions for building professional competency & a better healthcare management and thereby reduce their perplexities to keep with a trend of quality assurance, quality service and service proficiency.

1. A new paradigm in healthcare segment gives a broader space for the government to play a role of healthcare facilitator with effective trade policies to ensure a seamless value chain.
2. Indian healthcare businesses are receiving medical tourist from developing countries who travel for proficient medical procedures with cost and surgical competency being the prime focus. The policy makers need to focus on this segment and eye for a larger share of this market to reposition India as a premium upmarket medical hub.
3. Homogeneity in medical aspirants and heterogeneity in medical services demanded would be challenging for South India from the healthcare providers perspective. It also gives a bright prospect for better servicing when each hospital targets a segment with some USP. They must engage with source communities, healthcare systems and governments over a longer period of time thereby specializing in handling customers from specifically targeted regions and for specific products. Knowledge of markets, consumers and channel partner over a period of time would allow competitive advantage.
4. The administrative authorities should undertake capacity building programmes to train the subsidiary division in the medical tourism framework i.e. the paramedical and non-medical staffs of the service providers who occasionally come across the barriers of cross-cultural sensitivities.
5. South Indian healthcare segment can also focus on alternative forms of treatments like ayurveda, unani, siddha etc. to tap the potential global market thereby creating a niche for itself.
6. The private hospitals can network with the international embassies and the government to attract the government funded medical tourists thereby globalizing its healthcare services.
7. The stake holders in South India can explore exhibitions, trade fairs and associations with international bodies to enhance its medical tourism.

8. The healthcare segment can flourish effectively if the hospital managers are directly involved in promoting healthcare services in the global market, thereby leaving no space for further ambiguity in the minds of the medical aspirants.

14. Scope for Further Research

The arena of medical tourism can be transversely diagnosed to foster the prospects of medical tourism with the changing market expectations. The following areas can endow scope for further research in medical tourism:

- The gap pertaining to the medical tourist's expectations and the relevance in the value chain of healthcare network.
- The complexity in rules and norms followed internationally and the influence on the medical tourists' decision in travelling abroad for medical treatments.
- Identifying the medical tourist skepticism on medical ethics or code of ethics and the prime concerns of medical tourists visiting India.

15. Conclusion

The prospects of medical tourism have radically changed with the divergent role played by the stake holders over the years. Among the healthcare providers, the most predominant stake holder offering a kaleidoscope of services and amenities catering to the needs of the 'new medical tourist' is the healthcare managers. The increased competition and the growing scenario of medical tourism have pulled various other stake holders into the trade. Predominantly, the policy makers, community & other private participants have played significant role in globalizing the South Indian healthcare systems. Equally challenging is the cultural and regulatory barriers which can affect significantly the healthcare globalization in Southern India. Proficiency in delivering healthcare services and lesser perplexity in the healthcare network can enhance the capacity building process. Quality and standard

assurance are some major parameters in benchmarking the healthcare medical hubs to prosper. The South Indian metros have largely outperformed in the developed and developing countries and have benchmarked itself with increased goodwill and globally competitive brand image.

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