

## **A RESEARCH PAPER ON IMPACT OF COVID-19 ON MEDICAL TOURISM**

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### **ABSTRACT**

Covid-19 has had a major effect on many sectors and industries in general but especially the one which is highlighted in the following research article is the Medical Tourism sector. The novel Corona virus (Covid -19) pandemic started from Wuhan in December, 2019 and slowly took over the world.

With country and state lockdowns, limited air travel, hospitals and hospital staff in over their heads with patients infected with the virus, the medical tourism sector has slowed down more than ever. We have taken this opportunity to highlight what Medical Tourism entails, how it has affected the not just the healthcare but also the travel and tourism and Hospitality industry.

This study was conducted to understand the pre and during impact of Covid 19 on this sector in general. The research study was conducted using secondary data. All the relevant data is collected from the government and non-government websites, previous articles, newspapers and recently published research articles.

### **PURPOSE-**

As the pandemic took over the world, the whole world came to a standstill. Lockdowns and strict quarantining measures led to shutting down businesses and industries and the world is currently facing a major economic crisis with relation to recession, inflation in some countries, record breaking decrease in GDP. The Medical

Tourism sector too is undergoing a major transformation during Covid-19 when it comes to maintaining social distancing in flights, extreme sanitisation measures and segregation of wards for patients infected with the virus for the safety of the uninfected patients seeking other treatments. The purpose of this study is to discuss the various areas of this sector affected by the pandemic, the situation prior and how it can be tackled as per the 'new normal'

### **SECTOR PROFILE-**

The medical tourism market size was valued at USD 44.8 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 21.1% from 2020 to 2027. The availability of additional benefits including better healthcare, latest technologies, innovative medicines, modern devices, better hospitality, and personalized care are some of the drivers of this market. The market is expected to grow at a rapid rate over the forecast period. Factors propelling market growth comprise inadequate insurance benefits and no healthcare insurance in the local market. In addition, increasing demand for procedures, which are not covered by insurance such as gender reassignment operations, fertility treatment, dental reconstruction, and cosmetic surgery is also driving the market.

Thailand dominated the medical tourism market with a share of 22% in 2019. This is attributable to Thailand's status as one of the most popular tourism destinations in Asia, an increasing number of private hospitals, improvements in overall

healthcare infrastructure, and cheaper treatment costs.

The key players in the medical tourism market are Bumrungrad International Hospital, Samitivej Hospitals and Bangkok Hospital Group, Apollo Hospitals Enterprise Ltd. And Fortis Hospitals

The key factors driving the market growth are availability of additional benefits including benefits which include better healthcare, latest technology, better hospitality and personalised care.

methodology is a method to solve the research problem systematically. It involves gathering of data and drawing conclusions from the data about the research. It's a blueprint, that is followed to complete the study. Its similar to builder's blueprint who uses it for constructing a house. Research plan requires developing the efficient ways of gathering the required information. This section discusses the research design chosen to conduct the study, keeping in mind objectives of the study. The structure of the research plan is described below.

**Research design**

Exploratory research.

**Sources of data and collection of data**

Research has been conducted using secondary resources for the collection of data.

**Secondary data**

Secondary data are those data which have been already collected and analysed by some individual or agency for its own use and later the same database is been used by different individuals and agencies.

**Method**

The following research article depends on secondary research. In the study, secondary data is collected from the previous research papers, articles, newspapers and government and non-government websites.

**REVIEW OF LITERATURE**

For the purpose of understanding the research article is divided into various parts. In order to understand the impact of medical tourism on the world, it is important to understand the biggest sectors which they have affected majorly which are travel and tourism

**HISTORY**

The free movement of goods and services under the auspices of the World Trade Organization and its General Agreement on Trade in Services (Smith, 2004, Smith et al., 2009b) has accelerated the liberalisation of the trade in health service. As

REPORT ATTRIBUTE	DETAILS
Market size in 2020	USD 54.4 billion
Revenue forecast in 2027	USD 207.9 billion
Base year for estimation	CAGR OF 21.1 % from 2020 to 2027
Historical data	2020-2027
Forecast period	2020-2027
Quantitative period	Revenue in USD million and CAGR from 2020-2027
Report coverage	Revenue Forecast, company ranking, competitive landscape, growth factors and trends
Segments covered	Countries

**RESEARCH METHODOLOGY**

Research methodology is a procedure or technique used to define or redefine problems, formulating hypothesis or suggesting solutions, collecting, organising and evaluating data, making deductions and reaching conclusions and at last carefully testing the conclusion to determine whether they fit into the formulating hypothesis. Research

health care is predominantly a service industry, this has made health services more tradable, global commodities. A significant new element of this trade has involved the movement of patients across borders in the pursuit of medical treatment and health care, a phenomenon commonly termed 'medical tourism'

The trend of globalisation of healthcare through travel and tourism started in the 19<sup>th</sup> century when the upper middle-class Europeans used to travel towns for acquiring spas with 'health-enhancing qualities'. In the 20<sup>th</sup> century, people from less developed nations started travelling abroad to acquire better treatments from highly trained medics.

Medical tourism and medical travel are two different terms based on the necessity or the need of the procedure needed to be acquired. Heart or cancer procedures which are entirely essential are termed under the 'travel' category and dental procedures, surrogacy and cosmetic procedures come under 'medical tourism'. However, for the purpose of this research all the diseases and procedures have been included under the term 'medical tourism'

Before the virus invasion on the world the medical tourism business was booming rapidly. The important factors which attracted patients to travel abroad to receive medical treatments were chiefly decreased rates on certain medical procedures which were comparatively more expensive in their home countries, reduced waiting or queue time and an added advantage of getting to experience tourism. Travel due to medical reasons has also gained momentum due to the availability of cutting-edge health technology as well as modern infrastructure.

Patients travel abroad for a wide number of treatments and procedure namely-

- Cosmetic surgery (breast, face, liposuction)
- Dentistry (cosmetic and reconstruction)

- Cardiology/cardiac surgery (by-pass, valve replacement)
- Orthopaedic surgery (hip replacement, resurfacing, knee replacement, joint surgery)
- Bariatric surgery (gastric by-pass, gastric banding)
- Fertility/reproductive system (IVF, gender reassignment)
- Organ, cell and tissue transplantation (organ transplantation; stem cell)
- Eye surgery
- Diagnostics and check-ups.

The major players in the global tourism market are as follows-

- Apollo Hospital Enterprise Limited
- Prince Court Medical Center
- Bumrungrad International Hospital
- KPJ Healthcare Berhad
- Fortis Health Ltd
- Raffles Medical Group
- Bangkok Hospital Medical Center, Samitivej PCL.,
- Min-Sheng General Hospital,
- Asian Heart Institute,
- AsklepiosKlinikBarmbek,
- Spire Healthcare,
- Medanta,
- IHH Healthcare Berhad,
- Anadolu Medical Centre ,
- Clemenceau Medical Centre ,
- Gleneagles Hospital ,
- Mount Elizabeth Hospital,
- Healthbase,
- Klinikum Medical Link ,
- NTT Medical Center Tokyo,
- Seoul National University Hospital,
- UZ Leuven,
- Wooridul Spine Hospital,
- Aditya Birla Memorial Hospital,
- Barbados Fertility Center

As per a study published in the 'American Journal of Medicine' it was observed that around 14-16

million patients travelled to seek medical treatments across the globe in the year 2017. The countries which are most commonly visited are Thailand, India, Malaysia, Singapore, North America, Asia Pacific, Europe, Latin America, Australia, China etc.

### **EFFECT ON GDP -**

The revenue in medical tourism is generated by diagnosing and treating patients travelling across borders and simultaneously providing leisure, luxury or tourism. It also acts as a source of income to the economy owing to the revenue generated by direct foreign exchange. It presents itself with employment opportunities to the residents along with growth to associated businesses like pharmaceuticals, health devices, hospitality industry etc. The key influencing factor which acts as a driving force for this market is the Government support to maintain the general reputation and political stability of the host country. Along with economic growth Medical tourism has led to a rise in state-of-the-art facilities in developing countries to provide the best healthcare services to foreign nationals leading to growth in the healthcare infrastructure of such countries. Additionally, healthcare providers also offer comprehensive tourism packages that include services right from ticket booking to hotel stay and sometimes even medical insurance.

In terms of market size and growth, the current medical tourism market size pre covid 19 was at \$120 billion, and it was estimated is that the industry is growing by 20% each year. Accordingly, it was estimated that in 2020 the medical tourism industry will be valued at \$256 billion

As per the Centre of Disease of Disease Control and prevention (CDCP), in the year 2017 approximately 0.75-16 million USA national travelled across country to acquire treatment from different countries.

In the year 2018, the Asia Pacific sector accounted for 4.8 billion in revenue. This is primarily due to the variety of substantial facilities provided by the countries provided in the sector which are mainly Thailand where in 2018, approximately 2.8 million patients have received treatments and along with medical treatments the medical tourist can visit luxurious resorts and wellness centres. Since 2006, millions of patients have started travelling to Thailand mostly to achieve cosmetic procedures.

### **IMPACT OF COVID-19 ON MEDICAL TOURISM-**

Covid-19 affected the travel and tourism in the most gruesome way with unprecedented global restrictions and stay-at-home orders. With international travel bans affecting around 90% of the world, social and physical distancing, community mobility, tourism has largely ceased in March 2020. Tourism is one of the most susceptible industries to such pandemics naturally.

With the initiation of spread of virus in December 2019, the virus largely spread in Wuhan in January and February for which Wuhan went into lockdown in mid-February. However, the disregard by a large number of political leaders from other countries lead to an apocalypse-like spread of the virus, as by the time Wuhan went into lockdown, national and international air travel was still in function and the virus had already spread to 146 countries. According to ECDC 2020, by 15<sup>th</sup> April the cases had already crossed 2 million with around 125,000 deaths in over 200 countries.

International, regional and local travel restrictions immediately affected national economies, including tourism systems, i.e. international travel, domestic tourism, day visits and segments as diverse as air transport, cruises, public transport, accommodation, cafés and restaurants, conventions, festivals, meetings, or sports events. With international air travel rapidly slowing as a result of the crisis, and many countries imposing travel bans, closing borders, or introducing

quarantine periods, international and domestic tourism declined precipitously over a period of weeks. Countries scrambled to return travellers home, which in the case of important outbound markets involved hundreds of thousands of citizens in all parts of the world. As an example, on 23 March, the British Foreign Secretary urged British tourists to return home, “advising against all but essential international travel”, and highlighting that “international travel is becoming more difficult with the closure of borders, airlines suspending flights, airports closing, exit bans and further restrictions being introduced daily” (FCO

Foreign & Commonwealth Office)

The global medical tourism market is expected to decline from \$37.72 billion in 2019 to \$19.8 billion in 2020 at a compound annual growth rate (CAGR) of -47.53%. The market is then expected to recover and reach \$33.54 billion in 2023 at CAGR of 19.2%

The coronavirus has led to dropping of tourism and air travel to more than half. New guidelines and SOPs are being generated. For example, Air New Zealand's seating restrictions to meet government requirements of social distancing imply that the airline is flying at less than 50% capacity even when “full” (Air New Zealand)

There was significant decline in the tourism sector as well. All the countries observed a decline of about 50% of guests. Greece, Germany and Italy were hit the most.

In the United States, consultancies such as McKinsey and Company have reported that jobs in the accommodation and food services sector account for over 20% of all vulnerable positions, i.e. jobs that are subject to furlough, layoffs, or being unable to work as a result of social distancing. In terms of actual numbers this definition accounts for a lower estimate of 10.5 million sector workers and a higher estimate of 12.6 million in the accommodation and food

services sector. Among the overall estimated 13.4 million jobs that McKinsey and Company suggest could be affected in the restaurant industry, 3.6 million involve food preparation and serving (includes fast food businesses), 2.6 million restaurant servers and 1.3 million restaurant cooks are vulnerable. While these represent industry figures, they do illustrate the dire situation of many service workers. Significantly, workers in the accommodation and food services sector have the lowest annual earnings and the lowest levels of education of all sectors indicating the way in which the pandemic may serve to reinforce already substantial disparities in income. Indirectly, the pandemic shines a light on social welfare and job security in tourism, with differences in service employment models underlining vulnerabilities in North America in comparison to for example Europe.

#### Exhaustion of healthcare resources

With the staff, machinery and infrastructure falling short of providing adequate treatment facilities to Covid patients in developing countries especially, currently treating non-emergent cases or ‘non-covid’ patients seems difficult. However, the industry is said to bounce back with new reforms and strategies in place.

#### EFFECT ON TOURISM-

What to consider with respect to future pandemic outbreaks in relation to tourism and travel?

1. It is critically essential to consider global economic value chains.
2. As mentioned earlier travel is a vector and tourism and a victim.
3. Another factor to be considered is that the food production and consumption patterns are a major contributor for the repeated outbreaks like SARS, MERS, COVID etc. This is in correlation with the repeated animal disease outbreaks in Asian countries. Moreover, many tourism businesses outsource food from global

markets at low costs thereby supporting industrialised food production.

4. Another chief factor is Climate change. Increasing population leads to deforestation and interference of humans into the wildlife. It is to be noted that climate change also exacerbates the spreads of various pathogens. To explain this, climate change leads to floods and drought like conditions which causes migration and displacement of humans indirectly increasing the risk of spread of pathogens.
5. Tourism also contributes largely in emission of greenhouse gases.
6. Thus COVID-19 should act as a wake-up call for tourism and travel industries to reconsider their global volume growth model to decrease the risks which are interrelated to one another and also bring a subsequent amount of change in the climatic conditions.

### **MEDICAL TOURISM- THE NEW NORMAL-**

As per tourist organisations UNWTO, ICAO, CLIA, WTTC “successful” tourism is led by an increasing number of tourism numbers. This perspective with context to pandemics like Covid-19 is highly questionable due to the ongoing financial crisis, casualty rates and climate change as considering growth trajectories during a pandemic is now an outdated concept. Intervention needs to be taken by SDG’s here by observing the opportunity to reconsider and re-apply various strategies keeping in mind the big picture because preserving nature is directly related to preserving mankind.

However, the positive changes cannot be missed. Due to a significant decline in air travel, airline companies have started ruling out old and inefficient aircrafts. The demand of Video-conferencing has increased considerably as **TELEMEDICINE** becomes the new medicine. Although complicated and essential procedures cannot be substituted however

After conducting consumer sentiment surveys across China, Italy, Spain, UK and the US McKinsey and Company suggest that consumer optimism will be higher at the start/end of the pandemic, and vary between countries. In the case of China, the first country to go through the various stages of the COVID-19 pandemic, McKinsey and Company found consumers were regaining confidence, and interestingly, a greater interest in environmentally friendly products. The pattern identified in consumer surveys is to be expected as it closely follows the notion of an issue-attention cycle across the different stages of an issue, problem or perception of risk.

### **WHAT CAN BE EXPECTED?**

1. **TELEMEDICINE/ TELECONSULTATION-**  
These concepts have always been in place but the pandemic situation has given opportunities to the various players to actually acquire and establish these systems in place. Hospitals and healthcare facilities have started developing various tools in place to connect with patients in need across the world.
2. **WEBINARS-**  
Webinars have now been conducted all over the world especially in the medical field to help doctors and medical professionals discuss cases, refer patients or even share their experiences. This has taken over conducting live CME’s resulting in cost reduction as well as accessing a larger population at the same time.
3. **FOCUS ON HYGIENE AND PERSONALISED TREATMENT-**  
International patients’ focus will shift to choose a country where there is civic sense of continued social distancing, personalized treatment in a less crowded environment and infrastructure like dedicated living space and transportation is

readily available. Single occupancy rooms in the hospitals may witness huge demand

#### 4. VISA POLICIES-

The visa policies and procedures will observe a significant change as countries have already started undertaking detailed health check-ups on airports. Carrying a health certificate might become part of the various documents to carry while flying. Moreover, when the vaccine comes out, there could be a possibility that the countries may ask for a vaccine certificate.

### **RESEARCH LIMITATION-**

Cross sectional type of data could not be collected in this particular scenario as customers and patients who have travelled abroad for treatment pre and during covid are not accessible as per the expected sample size to draw specific analysis. Healthcare is now been impacted in a huge manner during this pandemic. Thus, secondary data has been collected from magazines, articles, published research paper, news sites etc. However, it can be said that the data collected may not be up to the mark as live samples and interviews of patients and healthcare professionals could not be collected. The data is collected for this particular research is carried out in a limited period of time due to time constraints.

### **PRACTICAL IMPLICATION-**

In the early days of the pandemic, the world anxiously witnessed many countries' health and hospitality system strain under the exponential onslaught of cases and strict lockdown measures. Critical care capacity was a bottleneck, given that one in five patients, initially, were dependent on ventilators, air travel saw a subsequent drop. Healthcare supply chains, especially for personal protective equipment, were overwhelmed. To create health capacity, health systems and consumer ceased elective care seemingly overnight. That resulted in an imbalance of yet spread, care centres sat empty, waiting for an

outbreak they were unsure would ever arrive. With the changing policies patients too will feel comfortable to approach hospitals to opt for various procedures and travel for the same.

### **CONCLUSION-**

With the increasing spread and casualties of the virus across the globe with no vaccine or treatment, the medical tourism industry will continue to decline and might not gain the original momentum until the virus completely vanishes. However, to keep the industry going, affordable healthcare to patients across the globe. In Thailand, the hospitality industry took a major hit due to Covid, however to provide employment to those who were laid off, opportunities for them were created in covid wards depending upon their capabilities. With respect to medical tourism, essential treatments are been received by patients across the globe with the lifting on the ban on air travel however people are still skeptical to travel abroad which is the general attitude which may last till a vaccine is developed.

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