



SWIFT CHANGING FACE OF INDIAN HEALTHCARE INDUSTRY: A COMMENTARY

Manoj Kumar Gupta¹, Veena Rajachar², Chandra Prabha³

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Author's Affiliation:

¹Assistant Professor, Dept of Community Medicine and Family Medicine, AIIMS Jodhpur; ²Assistant Professor, Dept of Research, IIHMR, Bangalore; ³PhD Scholar, Dept of Community Medicine, IMS, BHU, Varanasi

Correspondence:

Dr Manoj Kumar Gupta
drmkgbhu@gmail.com

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ABSTRACT

The epidemiological transition in the form of addition of non communicable diseases has provided opportunity for the re-emergence of 'indigenous system of medicine' in India which gained popularity across the world and strengthened India's position as a preferred destination for medical tourism. This changed the patterns of demand and supply of healthcare services in the country and insisted for improvements in the quality of services at par with the international standards and technological innovations in healthcare delivery. These swift changes in Indian healthcare industry market started attracting attention of domestic and international private players for the investments. Besides investing in usual hospital business, private players also started exploring the areas of research and development in the country. Government of India grabs this opportunity for further progression of Indian economy and started changing regulations of clinical trials in the country to make contract research as fast growing segment of healthcare industry.

Keywords: Epidemiological transition, Medical tourism, Health IT, EHR, EMR, HMIS, FDI

Healthcare is one of the largest service sectors in India and is growing at a tremendous pace. This remarkable growth is the consequence of continuously changing disease pattern, changing perceptions of the community, improved awareness and treatment seeking behavior of the people and increased per-capita income which in turn has backboned the increased out of pocket expenditure on health. This growth is accountable for new emerging trends, which has significantly affected the demand and supply mechanism of healthcare in the country. These emerging trends has changed the face of healthcare industry and created a new wave of opportunities. The country is trying to exploit those opportunities for the sake of the benefit of the community as well as healthcare industry. But considering the longstanding established system of Indian healthcare, country is facing various challenges in exploiting these opportunities. This

article has tried to explore the linkages of major opportunities which the country is experiencing and highlighted the challenges, the industry is facing in making use of those opportunities.

Epidemiological transition

India has been experiencing the epidemiological transition in the form of rapid structural changes in disease patterns, because of increasing urbanization and rapid changes in lifestyle. In comparison to developed nations, this epidemiological transition in developing countries like India has put a contrasting picture, where communicable diseases still continue to be a burden in addition to the mounting number of non communicable diseases (NCDs). This is contrary to the Omran's theory of epidemiological transition, ¹ which has been benchmarked about replacement of the burden of communicable diseases by chronic NCDs.

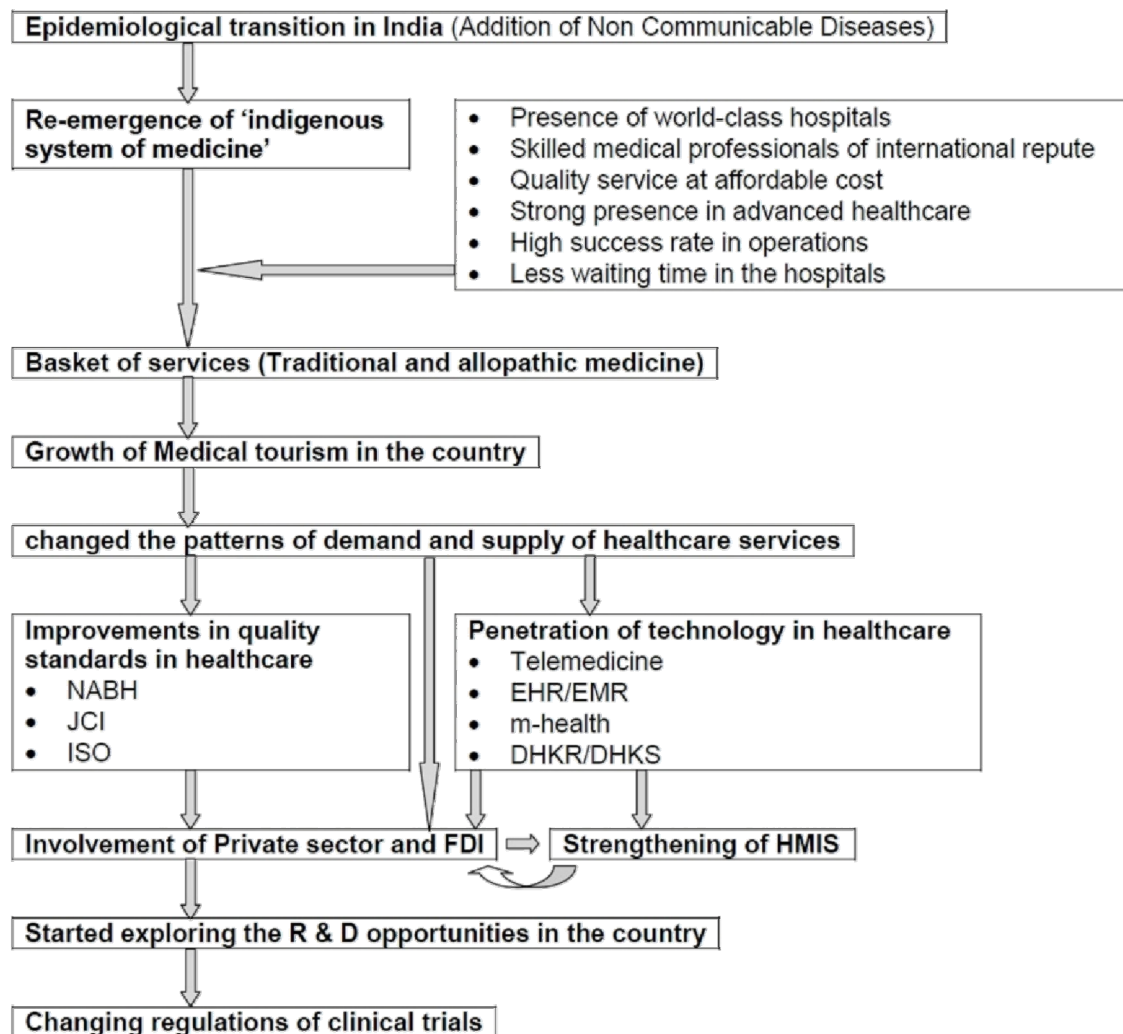


Figure 1: Changing face of Indian healthcare industry

This dual burden of diseases has presented challenges for policy makers to address the diverse population needs in improving the overall health status of the population in the country.

Medical tourism: a new growth factor for Indian healthcare industry

The increase in the lifestyle diseases has provided a window of opportunity for the reemergence of 'indigenous system of medicine' in the country, because of their proven effects and lesser side effects in long term consumption, and hence, this system of traditional medicine gained popularity across the world. The already existing Indian healthcare system, which is famous for presence of world-class hospitals, vast supply of skilled medical professionals of international repute, quality service at affordable cost, strong presence in advanced healthcare, high success rate in operations like organ transplantations and less waiting time in the hospitals as compared to developed countries, took advantage of this opportunity and created a 'basket of services' by combining age old therapies

such as ayurveda, homoeopathy, unani, siddha, meditation and, yoga and naturopathy, to attract more number of foreign patients and has strengthened India's position as a preferred destination for medical tourism.²⁻³

Government of India considers medical tourism as a new supernova and a major growth factor for the expansion of Indian economy. However, in terms of market share the country has under-utilized the potential and wellness quotient that it treasures. In order to explore the untapped potential, market India has to make some effective measures to tackle the parallel weakness of lack of coordination between the various players in the industry (airline operators, hotels and hospitals), not having up to the mark accreditation and regulation system for hospitals, improper waste management system and lack of uniform pricing policies across hospitals. Besides that, there is need for reformation of infrastructure, connectivity, safety and security for the visitor travelling in the country.⁴

Momentum in penetration of quality standards and technology in healthcare

This global flow of patients across borders has changed the patterns of demand and supply of healthcare services in the country and insisted for reshaping the Indian health care industry. The growing medical tourism started provoking hospitals to go for quality accreditations or certifications as mandatory requirements to accept foreign patients and to improve the quality of services at par with the international standards. Besides that, considering the innovations and fast pace growth of technology, healthcare providers also started focusing on the technological aspect of healthcare delivery to fundamentally change the way of practicing medicine, improve and standardize the quality of service delivery, control cost and enhance patient engagement. Gradually this penetration of technology in healthcare started taking momentum. Telemedicine, Electronic Medical Record (EMR) / Electronic Health Record (EHR), Health/Hospital Management Information System (HMIS), m-health and Digital Health Knowledge Resources (DHKS) are some of the technological advances that gained wide acceptance in the sector.

Telemedicine has been proved advantageous in reducing the time and costs of the patient transportation for revisits from far-off places and in increasing patient satisfaction. Replacing paper-based medical records with the electronic version (EHR/EMR) assists the entire healthcare delivery process in reducing cost and maximizing the profit by efficient management of the medical data, automation and streamlining of clinical workflow, improving clinical decision making and helping in monitoring the condition of the patients by the caregivers. Substantial improvements have been made in the quality of care since the introduction of the EHR/EMR. However, successful adoption of such systems depends on a combination of people, technology, and processes. Lack of domain knowledge of the policy makers on the subject and their attitude towards IT adoption, nonexistence or obsolete infrastructures, lack of technical standards, security and privacy issues, inadequate transmission capacity, lack of user friendly interface, long implementation time, untrained healthcare workforce, lack of availability of training facilities for healthcare workforce, paucity of funds and inertia in taking appropriate initiatives from public health governance authorities has been major hindrances in adoption of the technology in India.⁵⁻⁷

Involvement of Private sector and Foreign Direct Investment (FDI)

These swift changes in the scenario of Indian healthcare industry market started attracting atten-

tion of private players, especially profit making organizations for the investments. Failure of the Indian government to keep pace with the growing healthcare needs of the country which accommodates world's second largest population was another factor which has paved way to private sector. This private sector emerged as a vibrant force and started supporting India's healthcare industry to attain it in both national and international repute. Recognizing that the growth of such industry brings in revenue through medical tourism and that it provides employment, the Indian government is making efforts to address these concerns by increasing public-insurance coverage and improving the regulation of the private sector.⁸

Foreign investors also consider India as a strategic location for conducting profitable international business and started investing in Indian healthcare industry through technology tie-ups, capital investments, and collaborative ventures across various segments related to health care, including diagnostics, medical equipment, hospitals, and education & training. Significant growths in transnational corporations, technology improvements, porous borders and challenges in health care financing have also created scope for increased FDI in health care sector. Besides having opportunities, on the other side of coin, high cost involved in setting up hospitals and updating technology, long gestation period and low returns of such investments, dearth of skilled manpower, lack of training institutions for capacity building and not having a clear roadmap for the health care sector are some of the domestic and external limiting factors which are usually faced by foreign investors and need to be addressed.⁹⁻¹¹

Strengthening of HMIS

In developing countries like India, because of rapid changes in disease profile, medical technology, regulations, healthcare standards and competition among healthcare providers, the donors and investors are constantly relying on the information system for effective decision making and increasingly linking release of funds and investments to performance based indicators through HMIS. This drove healthcare sector in the direction of strengthening the information system of the country to provide timely, adequate, reliable, accurate and updated data to the decision makers and investors. But the inundation of types of HMIS software in the market and lack of adequate knowledge in IT component by most of the care delivery organization's decision makers, clinicians and bureaucrats, HMIS could not be implemented properly or implemented only for certain aspects of health/hospital operations.

Changing regulations of clinical trials

Besides investing in usual hospital business, private players also started exploring the areas of research and development (R & D) in the country. Government of India grabs this opportunity for further progression of Indian economy and started changing regulations of clinical trials in the country to make contract research as fast growing segment of healthcare industry. Because of the advantages of having availability of large numbers of patients, highly skilled and motivated medical and paramedical staff, state-of-the-art hospitals, strong information technology support, rapid completion and reduced cost to the sponsors, India emerged as one of the global hubs and attractive destination for conducting clinical trials.¹² National Health Policy (NHP) 2015 has been drafted some guidelines with the objective of ensuring the rights, safety and well-being of clinical trial participants. But, in order to reap the benefits of clinical trials in the country, it is essential to ensure the proper compliance with the regulatory norms and capacity building of concerned personnel in Good Clinical Practices (GCP).⁸

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