

Executive Summary

Globalisation has brought in, over the past decade, a spurt in technological advances and emergence of new forms of business opportunities, processes and organisations, impacting a wide range of sectors including healthcare.

The overall growth in trade in health services has resulted in increased cross-border delivery of health services through movement of consumers, personnel and services. However, lack of standardised policies and practices at country level result in cross-border restrictions, leading to a non-conducive environment for exchange of services. This results in in-optimal exchange of services for growth and advancement, impartial sharing of benefits and decline in growth opportunities for the countries involved in such trade.

The present document is a summary of the GATS initiative (for mode 1) and implications carried out through a policy and research analysis at country level (India) for the first time. It seeks to cover the essential ingredients and implications of GATS with relation to mode 1, i.e. cross-border trade. Various organisations and professionals were contacted to get a ground level understanding of the implications of GATS on our cross border trade of health services, with a strong belief that their inputs will provide the insider view of the Indian healthcare scenario and will be helpful in highlighting issues related to e-health, potential and barriers to cross-border trade of health services.

The broad areas of the study included the policy and strategy framework, the legal framework, the human resource framework, the technology framework, the financial framework, status of cross border trade, etc, which all have an impact on the progress of initiative taken. The document also in conclusion summarizes the recommendations and the stance India should consider taking in the on-going GATS negotiations.

India has a major role to play in the international e-health services industry. It is already one of the leading IT service provider countries, and it is now aiming to achieve the same position in the IT enabled services. The presence of world-class health infrastructure and healthcare professionals enables it to be one of the leading e-health services providers in the world.

Through this study it was found that India has made good progress in offering e-health services to the developed countries such as USA. In 2002, more than US \$ 60 Million revenue was generated through IT enabled services. At the current growth rate, this figure could reach over US \$ 10 Billion by 2010. The imports of e-health services however were negligible. On the domestic front, many e-health initiatives were taken by the government and private sectors, most prominent being

telemedicine. Though these initiatives have been met with a lot of enthusiasm and user acceptance, their commercial viability is still under consideration.

The government has been taking some proactive measures in a regulatory and financial capacity to boost the e-health environment in India. Money has been invested in telemedicine centers in regions that lack quality healthcare. Standards for telemedicine have been declared to maintain and promote quality in healthcare delivery through telemedicine. A health information infrastructure is being built to promote standardization in the capture and dissemination of health information. Some forward-looking state governments such as the Government of Andhra Pradesh are using Internet to increase health awareness and for promoting preventive healthcare. The developments in the domestic healthcare environment are promoting international business by positioning India as a practitioner of global best practices.

The study outlines some of the main strengths of the Indian e-health services industry:

- English speaking, highly qualified and techno savvy manpower
- Safe Electronic Environment – Official recognition for Digital Signatures and E-Transactions
- Lower costs of human capital when compared to developed countries
- Strong and buoyant domestic healthcare industry that facilitates upgradation of skills and introduction of new products
- Established presence of alternative medicine – Ayurveda, Unani, Homeopathy etc.
- Deregulated health insurance industry – India is adopting global practices

The study recommends that in order to grow at the current rate, the country should however convert some of the following weaknesses into its strengths:

- Indian certified academic qualifications are not recognised internationally
- Number of people with skills required to target e-health services offered to the developed countries is still small
- Indian healthcare entities lack visibility in international markets
- Many companies lack international marketing capabilities
- Legal framework for many e-health services is not robust enough
- Infrastructure for Mode 1 services is still relatively expensive

The systemic drawbacks or weaknesses in the healthcare industry should be dealt with as soon as possible by both the government and the private sector. There are some external factors that inhibit the growth of cross border trade in e-health services. These factors should be sorted out at an international platform such as the WTO with individual countries to reduce trade barriers.

From the study and analysis, it is concluded that India should consider making the following commitments on a mutual basis to improve its cross border trade in e-health services.

	What we can give
Policy & Strategy framework	Grading of our healthcare institutes as per the agreed international standards
	Recognition to healthcare institutes from member countries as long as they are in accordance with the proposed universal grading system
Legal framework	Protection to the health information of patients from member countries.
	Compliance with the Hague convention's proposed international law
HR framework	Grading of our educational institutes as per the agreed international standards
	Recognition to international certifications as long as they are in accordance with the proposed universal grading system
Market access	<ul style="list-style-type: none"> • Telemedicine • Tele health education • Back office processing for healthcare Payers and Providers - Medical transcription, Medical coding, Medical Billing, Claims processing, Sales, Marketing & Customer service, HR services, Finance & Accounting services • Contract research
Financial framework	Less restrictions in Repatriation of funds
	Equal treatment to local and foreign companies. Tax structures be made same
Technology framework	Commitment to follow internationally accepted technology & data standards