FICCI



Understanding the AYUSH Services Market in India

INTERNATIONAL AROGYA 2019

2nd International Exhibition & Conference on AYUSH & Wellness

19 - 22 December 2019

Banaras Hindu University, Varanasi

FICCI WHITE PAPER

Knowledge Partner

FROST & SULLIVAN



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FOREWORD



The 2th edition of **"International Arogya 2019"**, scheduled for December, 19th- 22nd 2019 at Banaras Hindu University, Varanasi, Uttar Pradesh, India, is showcasing FICCI's work in the AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha, Sowa Rigpa and Homoeopathy) sector.

We are grateful to the Ministry of AYUSH, Government of India and Department of Commerce, Ministry of Commerce & Industry, Government of India for the tremendous support and involvement in bringing this summit to a stage where we have such large participation from around the globe, with participation from over 250 International delegates from more than 60 countries.

International Arogya 2019 will also witness the participation of over 150 Indian AYUSH companies and service providers. Parallel events like CEOs Roundtable, Regional Forums, Buyer-Seller meets and networking functions will create a dynamic atmosphere for exchange of ideas and doing serious business.

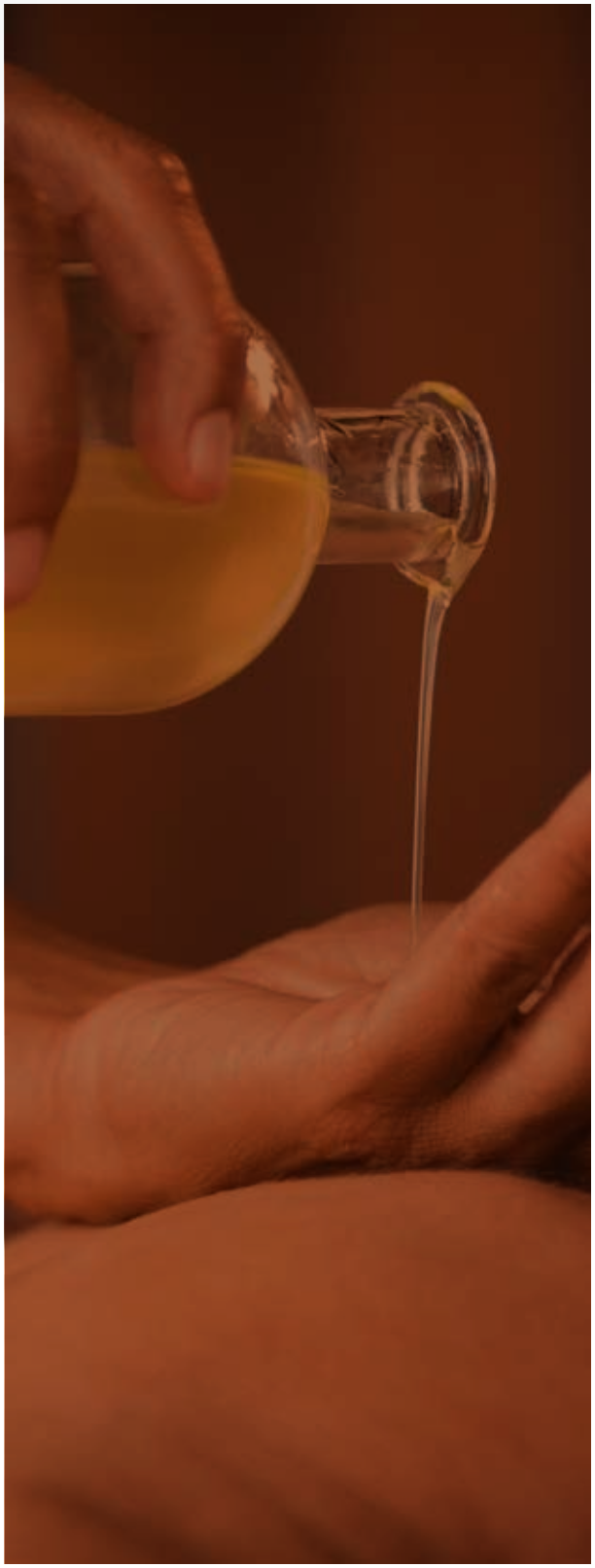
In this context, we are releasing a **Knowledge Paper,** a collaborative effort of **FICCI** and **Frost & Sullivan,** with the theme **"Understanding the Ayurvedic Services Market including Services Tourism in India"**, which will set forth the agenda for International Arogya, 2019. This year, the international conference sessions focus on segments of AYUSH industry such as Mainstreaming brand AYUSH, Integration of AYUSH system in modern healthcare, BIMSTEC-India cooperation in traditional medicines, Value chain integration, standardization and AYUSH services for prevention of urban lifestyle diseases, to name a few. The topic of the conference is **"AYUSH: An Integrative System of Healthcare and Wellness for The World"**, with three focus sub-themes that broadly identify the AYUSH ecosystem mainly, ***"Innovation- Excellence-Partnership"***.

We thank our **Knowledge partner, Frost & Sullivan** for providing a holistic view of the Ayurveda Services market in this Knowledge Report, through research information and insights.

The International Arogya 2019, I am sure will provide rich vistas for exchange of value and knowledge for all participants including researchers, industry and academic stakeholders.

Dilip Chenoy
Secretary General, FICCI

INTRODUCTION



Ayurveda literally means the "Science of Life". It defines a disease as being "caused by any imbalance/s due to internal or external factors; treatment consists of restoring the equilibrium through various interventions including therapeutic procedures, regimens, medicines, and lifestyle management."

Ayurveda offers both products and services spreading across the therapeutic and wellness paradigms. The products segment contributes about three-quarters of revenues of the Ayurveda Market, and is the most extensively studied. However, there is a dearth of market understanding for the Services segment, which is quite possibly under-valued, despite it being a big draw with both domestic and tourists, making it an attractive proposition for the players and government.

India is rapidly becoming a medical tourism destination. Low cost medical care has attracted people from far across the globe. Apart from corporate hospitals attracting patients, India is also known for its rich heritage coupled with its own systems of medicine such as Ayurveda and Yoga. Medical tourism not only popularizes Indian systems of medicine but also offers better scope for foreign exchange earnings.

Quality of Services and standardization of best practices does go a long way toward developing trust, especially for the international consumer. Accreditation from the National Accreditation Board for Hospitals and Healthcare Providers (NABH) showcases that the care provider meets or exceeds the set high quality standards, thereby enabling consumer trust.

Frost & Sullivan, as Knowledge Partners with FICCI, conducted a study to understand the Ayurveda Services Market, focusing on how NABH accreditation has helped centers in their Services business and attract tourists, as well as make brief recommendations for providers and government to expand the horizons for Ayurvedic Services. The study's results although based on in-depth secondary research and limited interviews, do highlight the growing market for Ayurveda Services.



AYURVEDA
Ecosystem in India

- Growing Ayurveda Infrastructure (Providers)
- Getting the Right Talent and Training
- Long road ahead for Ayurvedic Drug Manufacturing
- Acceptance of Ayurveda therapy by Health Insurance (Payors)
- Growing consumers for Ayurveda products and services
- Services – Therapeutic vs. Wellness
- Drivers and Barriers for Ayurveda & Yoga services
- Initiatives and policies by the Government to increase India's Ayurveda/AYUSH services

The Government of India has been undertaking steps to promote the Indian Ayurveda industry and other wellness services, particularly at the administrative level, and commissioned the ministry for Ayurveda and traditional medicines, 'Ministry of AYUSH' in 2014. Additionally, the National Health Policy, 2017 places great importance on alternative medicine systems.



AYURVEDA ECOSYSTEM

- Products
- Services
- Providers
- Infrastructure
- Manpower
- Regulatory
- Accreditations
- Payors (Health insurance)
- Drug Manufacturers

GROWING AYURVEDA INFRASTRUCTURE (PROVIDERS)

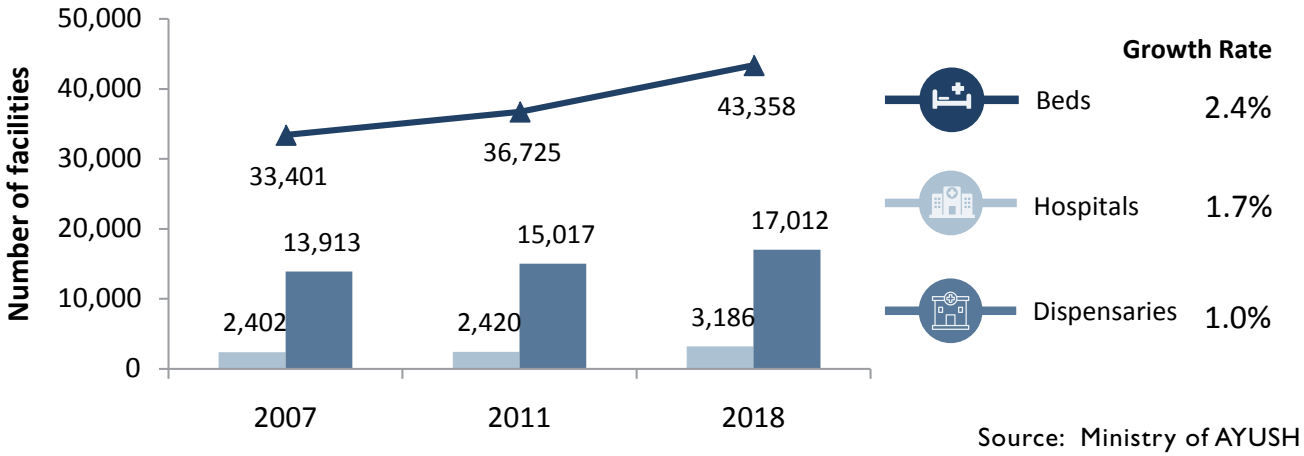
Ayurveda facilities comprise hospitals, dispensaries and hospital beds. The numbers have been growing at a slow but steady rate – Government records suggest there were 3,186 hospitals and 17,102 Ayurvedic dispensaries, with 43,358 Ayurvedic beds as on 1/4/2018. Additionally, the average number of beds per hospital of Ayurveda has increased from 11.5 1991 to 13.9 in 2018, highlighting in-patient capacities (number of beds) per Crore population to have increased from 280.0 in 1991 to 327.8 in 2018.

Hospital infrastructure quality is quite varied. With the advent of NABH standardization of quality, infrastructure and best practices has started seeding in.

With active government push, the Ayurveda delivery ecosystem has spread over 33 states and union territories of India, but is not uniformly distributed. Nearly 66.0% of Ayurveda hospitals are situated in the state of Uttar Pradesh. However, Dadra & Nagar Haveli, Lakshadweep and Pondicherry were devoid of any Ayurveda hospital. Ayurveda dispensaries prevailed in 35 States and union territories with maximum of 20.9% dispensaries in Rajasthan, whereas the state of Nagaland had no Ayurveda dispensary as on 1.4.2018.

Additionally, the infrastructure quality is quite varied, from small mom-and-pop centers to large centers. A focused effort to build and seed standardized quality standards and best practices were made by NABH in 2009, and have only now started to bear fruit.

Exhibit 1: Facilities providing Ayurveda Management in India



Source: Ministry of AYUSH



GETTING THE RIGHT TALENT AND TRAINING

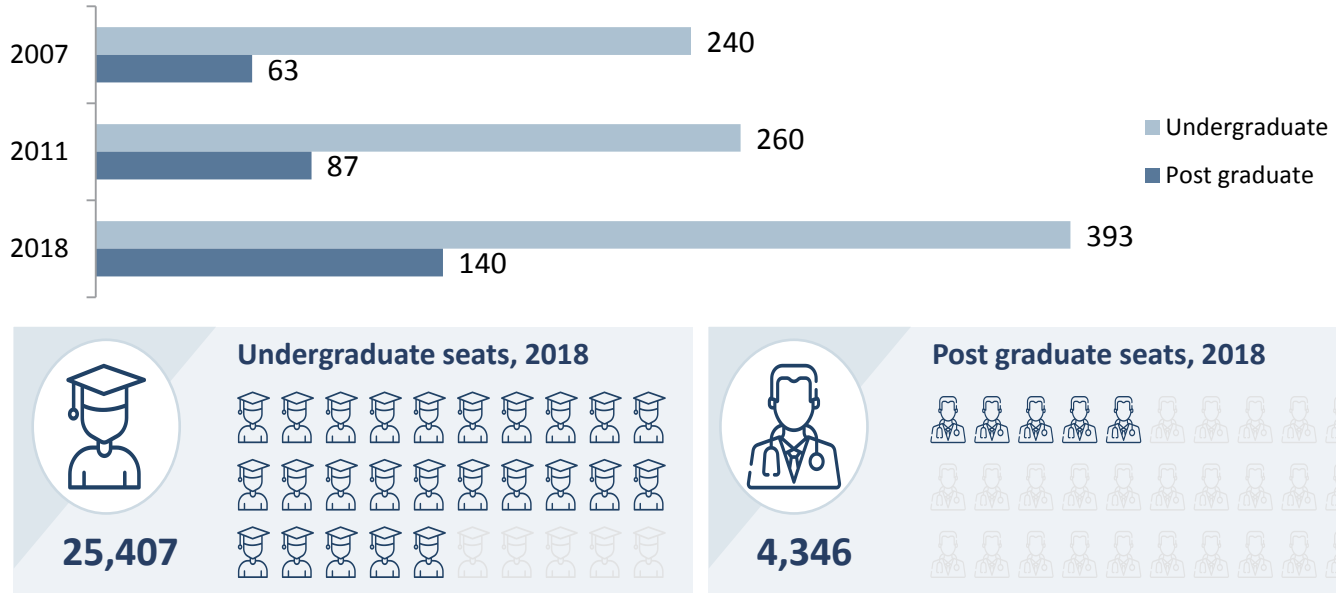
There were 443,704 registered Ayurvedic practitioners in India as on 1/1/2018, and has been increasing by 1.9% YoY between 1980-2018. The growth rate of Ayurveda doctors per crore population has slightly increased from 4,028 doctors in 2008 to 4,159 in 2009 and after that, it has been declining and reached 3,221 and 3,278 physicians in 2017 and 2018 respectively.

There are 393 undergraduate Ayurveda Medical Colleges with an admission capacity of 25,407 students and 140 Post Graduate colleges with their admission capacities for 4,344 students. Ayurveda undergraduate colleges registered a growth of 5.7% per annum, whereas postgraduate colleges registered a growth of 7% per annum in between 1993-2018.The average admission capacity for Ayurveda Colleges in 1992 was 40 per college; and 65 in 2018. The state of Delhi had the maximum average admission capacity of 80 students per College and Odisha had minimum average admission capacity of 33 students per college in 2018.

LONG ROAD AHEAD FOR AYURVEDIC DRUG MANUFACTURING

Drugs and Cosmetic Act 1940 regulates manufacturing and sale of Ayurvedic drugs. There are 7,718 manufacturing units which are engaged in manufacturing of Ayurveda drugs as on 1/4/2018, of which 99.5% are privately owned. Ayurvedic drug manufacturing units have registered an annual growth rate of 0.2% between 1993-2018. The industry is facing several challenges like quality control, standardization and difficulty in procuring raw materials. Additionally, there are several regulatory hurdles, especially with first world countries, many of whom do not consider Ayurveda medications in therapeutic paradigm.

Exhibit 2: Ayurveda Training Infrastructure in India



Source: Ministry of AYUSH

ACCEPTANCE OF AYURVEDA THERAPY BY HEALTH INSURANCE (PAYORS)

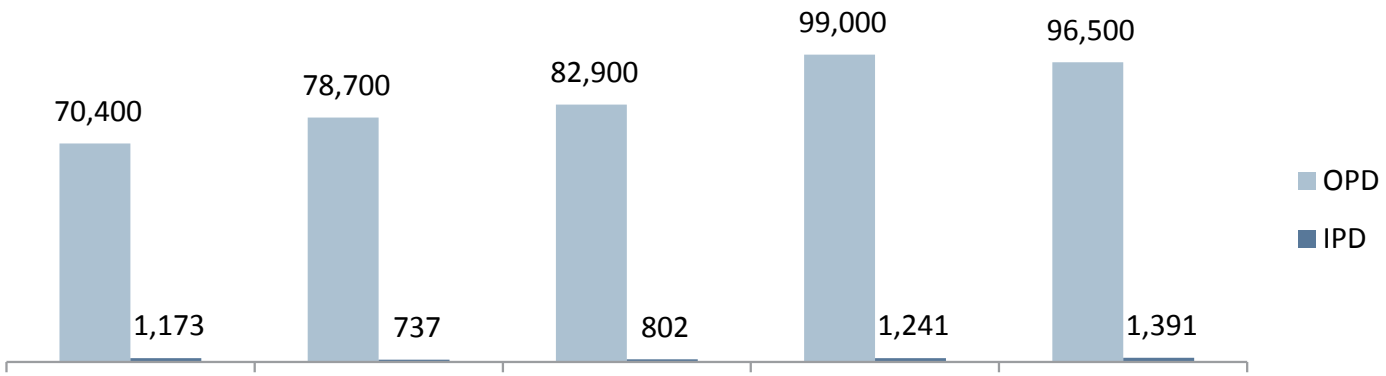
Insurance coverage is increasingly being offered for Ayurveda hospitalization and medical care services. The Insurance Regulatory Development Authority of India (effective February 2013) has enjoined all health insurance companies to extend cashless coverage to NABH accredited Ayurveda hospitals.

In September 2016, the Ministry of AYUSH, in consultation with the Ayurveda hospital industry and major Indian health insurance companies, announced a set of standard tariffs for common medical conditions. Today, the insurance sector is progressively increasing the share of Ayurveda coverage across corporate as well as retail insurance policies. Also, there is Central Government Health Services (CGHS) coverage for Ayurveda medical care.

Along with increasing acceptance of Ayurveda among domestic consumers, there is a rise in Ayurveda tourism, a significant proportion of which can be attributed to the increasing consumer confidence due to standardization of quality and best practices certified by NABH.

People are becoming health tourists to India in large numbers for the excellent health restorative alternative treatments at low costs. Kerala is fast turning into a global medical tourism destination, and has witnessed an average stay back period of 18 days, the highest in the country, and all creditto Ayurveda Tourism.

Exhibit 3: OPD and IPD data in Government Ayurveda Facilities (Thousands)



Source: Ministry of AYUSH



AYURVEDA SERVICES

They are broadly classified into 2 categories –Therapeutic and Wellness

Therapeutic Services: This segment constitutes clinics, hospitals, and traditional family-run vaidyashalas offering curative services.

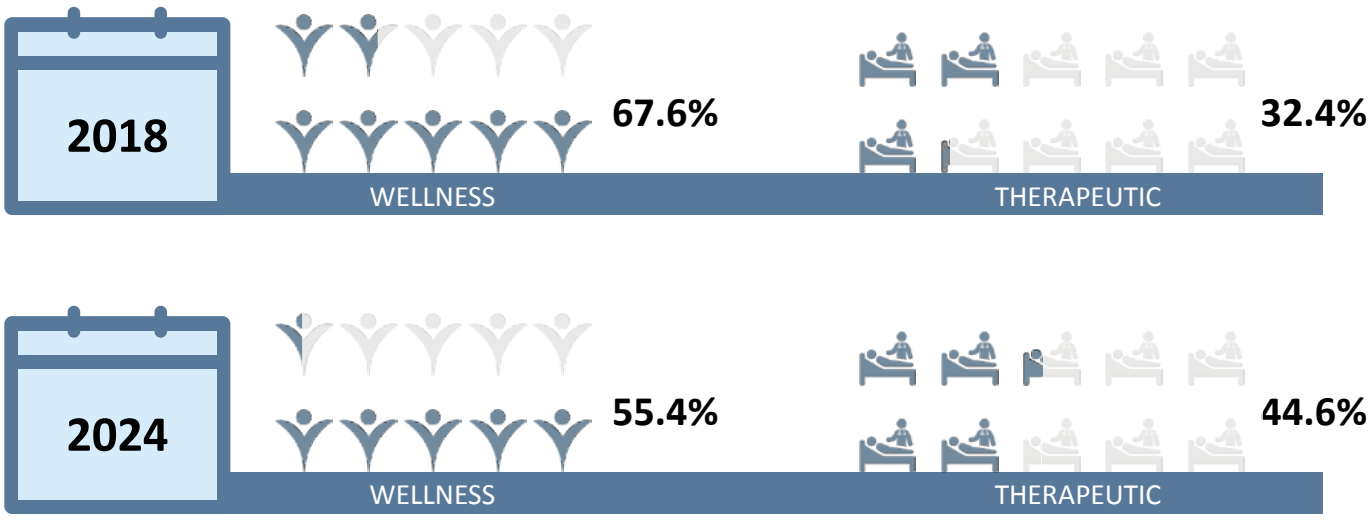
Wellbeing Services: Ayurveda originally committed itself to a two-fold purpose – disease reversal and health promotion. The latter, health promotion, is experiencing a paradigm shift brought on by a shift in consumer mindsets – from trying to achieve mere physical wellness to adapting a "wellbeing" approach that considers physical, mental/ psychological, and spiritual health. With many countries incorporating spa therapies that include Ayurveda massages as part of their tourism promotion strategy, the unique differentiation potential of authentic Ayurveda wellbeing services has diminished in the last couple of decades.

While defining the categories of services is relatively straightforward, the actual demarcation is not so, as most of the Ayurveda offerings have both,therapeutic as well as wellness components.

High level analysis suggests ~68% services are considered wellness and 32% are therapeutic.

With growing awareness and impact of NABH accreditation, there has been an increased acceptance/ uptake of Ayurveda services for Therapeutic intervention, and it is anticipated that therapeutic services will increase to ~45% of the total Ayurveda services by 2024.

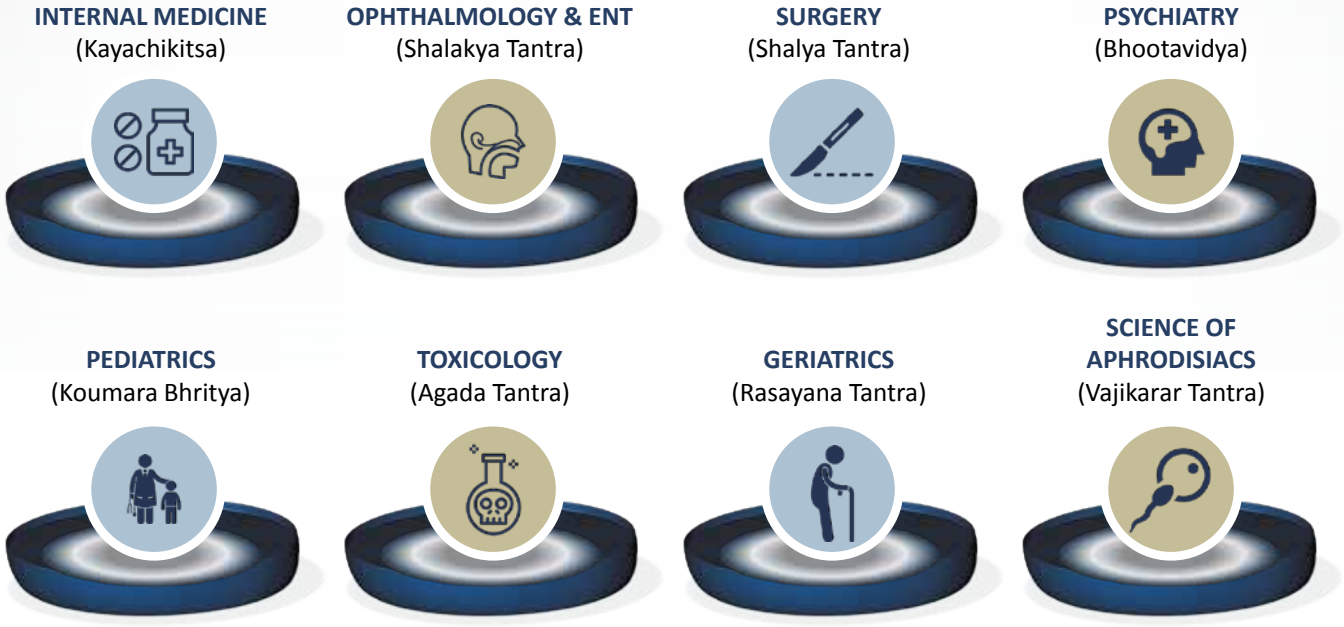
Exhibit 4: Categorization of Ayurveda Services



Source: Frost & Sullivan



Exhibit 5: Ayurveda and Select Services



Select Ayurveda Services	List of Diseases
Abhyangam	Physical and mental fatigue, muscle stiffness, spasms etc.
Shirodhara	Sleep problems, Memory loss, Poor concentration, Chronic headaches, Stress, Depression, Mental tension, Hypertension, Facial Paralysis etc.
Kashayadhara	Sleep Problems, Insomnia, Stress, Hair Fall
Greeva Basti	Pain management for cervical spondylitis, stiff neck etc.
Janu Basti	Neck Pain, Neck Spondylosis, Neck Arthritis
Kati Basti	Back Pain, sciatica, lumbar spondylosis
Spine Basti	Pain management, spine stiffness, intervertebral disc prolapse
Kizhi	Spine arthritis, Spondylosis of spine, Low back pain etc.
Mukha Lepam	Facial Skin Care
Netra Tarpanam	Eye strain
Padabhyanga	Pain, Mental stress, Detoxification, Gastric problems, Paralysis
Pizhichil	Pain, Mental stress, Paralysis, Immunity
Shringara, Soundarya, Thalapothichil	Skin care
Udvartanam	Skin care, Weight loss
… and many more	

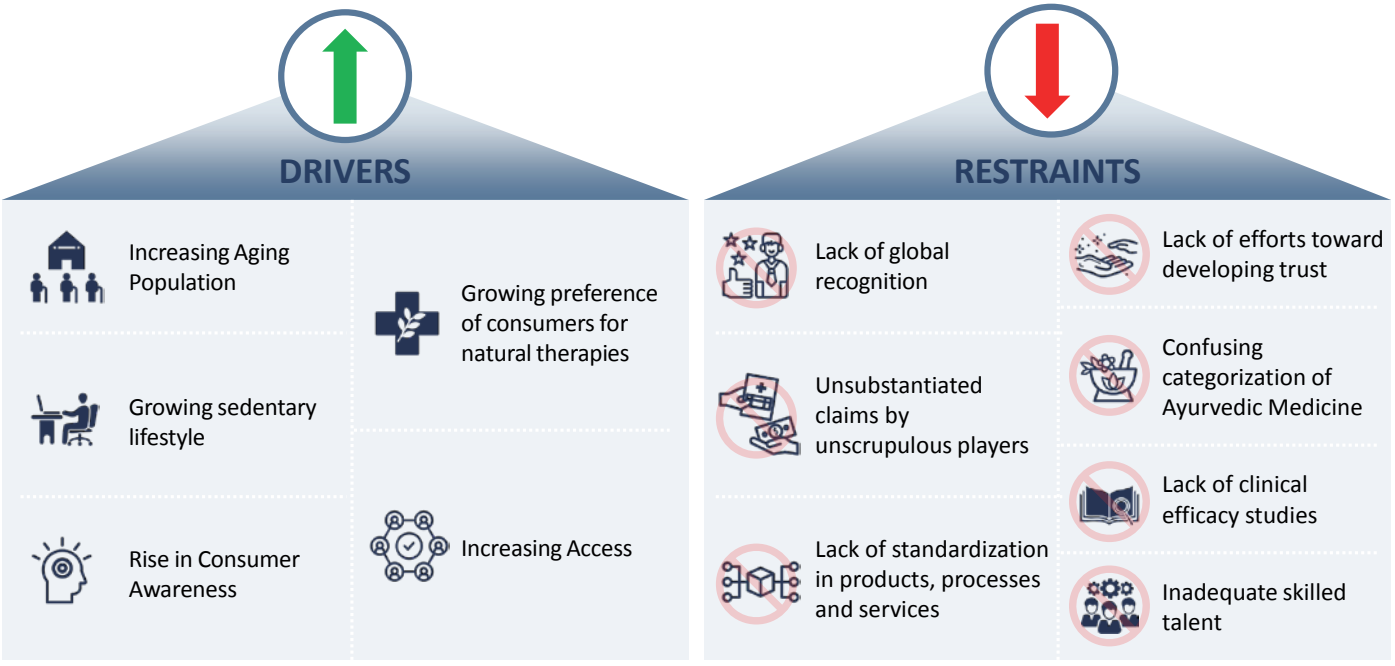
DRIVERS AND BARRIERS FOR AYURVEDA SERVICES

Ayurveda services are showing increasing uptake, primarily due to increasing awareness and the growing preference for natural therapies, but there are quite a few challenges that need to be overcome for sustained growth.

DRIVERS

- Increasing Ageing population – With increasing longevity, the world is witnessing increase in aging population, especially in first world countries. This is leading to increasing prevalence of chronic, age-related diseases like hypertension, Diabetes, osteoporosis, dementias, arthritis etc.
- Growing sedentary Lifestyle – With a higher focus on services sectors, job profiles and work pressures have redefined lifestyles with lesser physical movement and exercise, thereby leading to diseases like atherosclerosis, heart disease, obesity etc., as well as compounding-age-related diseases.
- Rise in consumer awareness – Consumers are becoming increasingly aware of the need to get therapy at the right time, as well as to focus on wellbeing. Additionally, they are attracted more toward holistic approaches that are positioned by Ayurveda.
- Growing preference of consumers for natural therapies – Natural therapies are considered to have significantly lower side effects when compared with modern allopathic medicines. They also have the added benefit to consumer in terms of reduced cost of therapy.
- Increasing Access – Increasing penetration of private players as well as health insurance coverage

Exhibit 6: Drivers and Restraints in the Indian Ayurvedic Services Market



Source: Frost & Sullivan

BARRIERS

- Lack of Global Recognition – Ayurveda therapy has proven efficacy and potency in many illnesses, but has yet to gain global recognition as a mainstay therapy. Efforts by institutions and the Government to promote Ayurvedic products, though sustained, have lacked substantive and concrete evidence to convince the world about the curative values of Ayurveda. The global point of view is reflected in Ayurvedic medicine being categorized as dietary supplements by United States Food and Drug Administration (US FDA).
- Unsubstantiated claims by unscrupulous players – One of the major reasons for the low trust factor is the dumping of products with claims of being the panacea for problems ranging from Erectile Dysfunction to cancer.
- Lack of effort toward developing trust – There has been no focused effort on the part of the Indian Government to either rectify the low trust factor or enlighten the foreign regulatory institutions about the authenticity of what is termed as Alternate Medicine.
- Confusing categorization of Ayurvedic Medicine – Interestingly, amid categorization of Ayurvedic Science as complementary or alternative medicine, many of the ingredients in allopathy are herbal/plant extracts, and become "tested and proved" allopathic medicines.
- Lack of standardization in products, processes and services – There is lack of globally accepted standards and certifications, which, consequently, leads to confusion and lack of trust in service providers
- Lack of clinical efficacy studies – While there are numerous studies to highlight clinical efficacy of Ayurveda therapy, they lack sufficient power and rigor that modern day medicine is put through before being considered for approval; for e.g. An institute has shown that its Ayurveda management in Type II Diabetes has shown very good results, but the clinical studies have a limited patient population without a control arm.
- Lack of skilled talent – There are severe shortcomings on getting the right talent as well as providing the right skills, which includes not only the therapeutic prowess, but also other skills to become a capable service provider.
- Skewed budget/funding –Allopathy receives 97% of the national health budget, and 3% is divided amongst the remaining seven alternative medicine systems. The official AYUSH budget has sub-critical allocation for extramural research, education and for regulation of safety and quality. This is the reason why the AYUSH systems during the last 60 years have hardly generated any evidence-based clinical, pharmacological or pharmaceutical outputs and also the reason why the regulatory system is ineffective.
- Ancient medical manuscripts – A complete catalog of Indian manuscripts is hard to find. These manuscripts are found scattered in oriental libraries and private custody in India and elsewhere in the world. Furthermore, these manuscripts are found in damaged condition with the families of traditional vaidyas and nondescript libraries. Given the condition, urgent remedial measures are required to prevent the irreversible loss of this ancient medical wisdom. Their retrieval is important to preserve these ancient medical doctrines which would provide a wealth of knowledge and thrust to research and clinical application.

INITIATIVES AND POLICIES BY THE GOVERNMENT TO INCREASE INDIA'S AYURVEDA / AYUSH SERVICES FOOTPRINT

The Government has been quite proactive to promote Ayurveda and other AYUSH systems. A series of administrative and policy measures have being undertaken by the ministry of AYUSH in an attempt to mainstream alternative systems of medicine more than ever.

Some of the initiatives taken are –

- Unanimous acceptance at the United Nations to declare June 21 as International Day of Yoga (2014)
- Increased bilateral cooperation in traditional medicines in Ayurveda and Yoga with Japan (Oct 29, 2018)
- Target of setting up 12,500 AYUSH Centers across India, 4,000 of which are to be set up in 2019
- AYUSH hospitals and wellness centers can avail soft loans and interest. Even single physician run clinics with five beds are eligible.
- Inauguration of All India Institute of Ayurveda in 2017 –An estimate suggests treating 1500-2000 patients every day
- An outlay of Rs. 1,939.76 crore has been earmarked for the AYUSH sector in the current financial (2019), an increase of 14.59% over the revised estimates of Rs. 1,692.77 Crore of the last fiscal. This shows the seriousness of the Government to promote the AYUSH market.

EDUCATION POLICY OF AYURVEDA

The Central Government has adopted stringent regulatory provisions for granting permission to establish new colleges, increase in admission capacity in any course of study or training, and for starting a higher or new course of study in existing Ayurveda colleges and to maintain uniform standards of education across the country.

INFORMATION, EDUCATION AND COMMUNICATION

The Ministry of AYUSH has been focused on implementing promotional Information, Education and Communication (IEC) Programs to develop awareness amongst the masses about the efficacy of Ayurveda, its cost effectiveness and dissemination of proven results on research and development work. Promotional incentives are provided to the Ayurveda industry to participate in Arogya and other fairs/melas/exhibitions/conferences/ seminars etc.



The Need for ACCREDITATION

A NABH Accreditation for AYUSH Institutions

B Challenges faced by Ayurvedic centers to get NABH Accreditation

C Growth in NABH accredited Ayurveda Centers

D NABH Accreditation Procedure

An Ayurvedic center ranges from small family owned clinics to large hospitals, all governed by Clinical Establishment Act in India; while there are certain minimum standards that are listed under the Act, the quality of care and services vary widely across the centers due to lack of adherence to these regulations. Consequently, the customers' perception for Ayurvedic services is varied.

An excellent healthcare infrastructure forms the backbone for growth of any country and accreditation proves competency in ensuring that the patient can count on the hospital for delivery of excellent services.

ABOUT ISQua AND NABH

ISQua (International Society for Quality in Health Care) is a member-based, not-for-profit community and organization dedicated to promoting quality improvement in healthcare. It grants approval to accreditation bodies in the area of healthcare as mark of equivalence of accreditation Program of member countries. NABH is an Institutional member as well as a member of the Accreditation Council of the ISQua.

NABH, as a constituent board of the Quality Control of India (QCI), was set up to establish and operate accreditation Programs for healthcare organizations. It was established with the objective of enhancing the health system and promoting continuous quality improvement and patient safety. The NABH board while being supported by all stakeholders, including industry, consumers, government, has full functional autonomy in its operation.

ISQua has accredited "Standards for Hospitals", 3rd Edition, November 2011 developed by the NABH under its International Accreditation Program. The approval of ISQua authenticates that NABH standards are in consonance with the global benchmarks set by ISQua. The hospitals accredited by NABH have international recognition. This will provide boost to medical tourism.

Accreditation from NABH helps formalize standards of clinical outcomes and patient satisfaction and bring rigor to the quality and standards of care to hospital establishments. This accreditation assures customers on quality of care which helps increase footfalls and business for the center.

NABH ACCREDITATION FOR AYUSH INSTITUTIONS

NABH standards for AYUSH centers contain a complete set of standards for evaluation of AYUSH centers for grant of accreditation. The standards provide a framework for quality of care for patients and quality improvement for AYUSH centers. The standards help to build a quality culture at all levels and across all the functions.

One major hurdle with the NABH accreditation is the stringency in requirements, which smaller institutions find difficult to comply. To be more inclusive and encourage smaller Organizations, including AYUSH,to join the quality journey, NABH has developed Pre Accreditation Entry Level standards, in consultation with various stakeholders in the country, as a stepping-stone for enhancing the quality of patient care and safety.

Pre Accreditation Entry Level standards contain the requirement which is almost one- fourth of the full accreditation standards. Small Healthcare Organizations (SHCOs) entry level requirements focus on the minimum critical elements important for patient safety. This process is envisaged to be affordable and will encourage SHCOs to adopt quality initiatives and attain the next stage (progressive level) and eventually full accreditation. These are easily achievable, sustainable, and are equally applicable to both government and private hospitals.

Additionally, NABH is running training Programs – 'Open' Programs at different locations or 'Closed' Programs specific to centers/Hospitals as per their requirements, one day awareness Programs, workshops on documentation and workshops on audits.

NABH also provides a list of trained consultants to guide hospitals on accreditation. This list is available on its website.

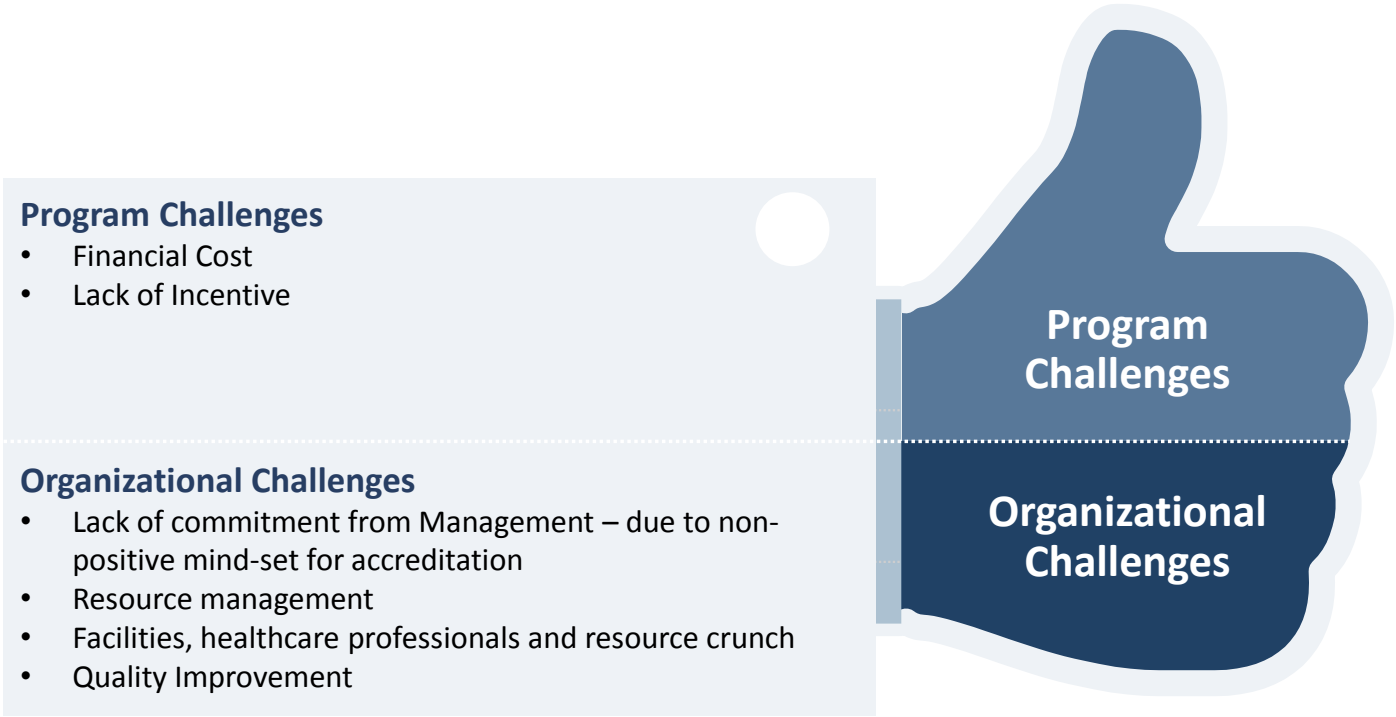
Many attempts are allowed for the centers to implement quality practices for certification

CHALLENGES FACED BY AYURVEDIC CENTERS TO GET NABH ACCREDITATION

Ayurveda centers face challenges on two fronts – Programchallenges, due to financial costs and lack of incentives for accreditation, and Organizational challenges, which are more internal to the organizations.

- Program Challenges
  - The financial cost of accreditation is perceived as a factor, especially for smaller centers' participation
  - Sustainable support for accreditation Programs in terms of financing is still lacking in the Indian healthcare scenario
  - Apparent lack of incentives, especially those which may not be immediately apparent or monetized
- Organizational Challenges
  - Management
    - Lack of commitment from the top management –The mindset that 'the business is already successful and accreditation will not make much difference' needs to change
    - Inadequate training for knowledge and skills for hospital managers who lead the implementation of standards required for accreditation

Exhibit 7: Growth of NABH Accredited Ayurvedic Centers in India



- Resource Management
  - Giving responsibilities of management, documentation and follow-upsto the healthcare personnel who already have a heavy care workload
  - Creating motivation in the tasks and responsibilities for the personnel assigned for implementation of accreditation standards
  - Continuous Education and technical assistance of the staff to increase their knowledge and skills regarding implementation of accreditation standards and encouraging an atmosphere of knowledge sharing within the organization
- Facilities, healthcare professionals and resource crunch
  - Rising number of patients/consumers
  - Insufficient nurse–patient ratio
  - Infrastructure constraints
  - Inadequate supplies, limited drugs and scarcity of resources
- Quality Improvement
  - Immediate benefits of accreditation are not seen
  - Reduce the chances of unintentional harm, like calibration in steam bath as an example
  - Participation of different departments to implement total quality management in healthcare systems
  - Participation of personnel and relationships between the sectors is essential to continue and implement total quality management in healthcare systems
  - Cost of quality in terms of maintaining documentation, infection control practices, maintenance of facilities etc. as per NABH standards
  - IT overload: Health information technology often takes a large chunk from the budget
  - Large number of established private hospitals are family driven (>90%) and are very sluggish in adopting new systems
  - Tracking and monitoring adherence
  - Trust and transparency to be achieved in services to be delivered



GROWTH IN NABH ACCREDITED AYURVEDA CENTERS

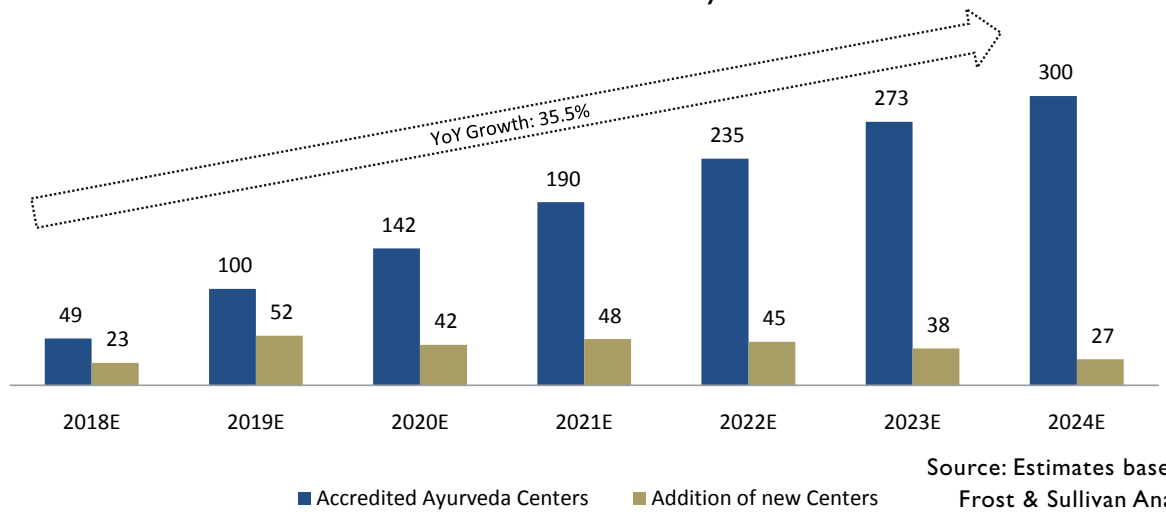
Although standards for AYUSH centers have been present since 2009, there were not many takers. There was an informal notification which was sent from Ministry of AYUSH that the hospitals associated with AYUSH medical colleges should go under NABH accreditation and since then, the NABH Program picked up. All big centers came up for accreditation and then, smaller centers started following the trend.

An upswing in number of accreditations started only in 2018, and it is anticipated to witness a sharp increase during 2019-2024, especially with the NABH coming up with an 'entry level' NABH certification in May 2019. This certificate has relatively less number of standards and is easier to comply with in comparison to the full accreditation. This certificate is given for two years as compared to full accreditation which is for three years.

A pleasant outcome for hospitals that were accredited was to clock significant growth in their revenues, likely owing to increasing footfalls from international customers.

There were 49 NABH accredited centers in India, providing Ayurvedic services in 2018, and about 100 centers in 2019 (NABH). A conservative estimate suggests that the number of accredited centers is expected to grow at average 35.5% YoY to reach ~300 centers by 2024.

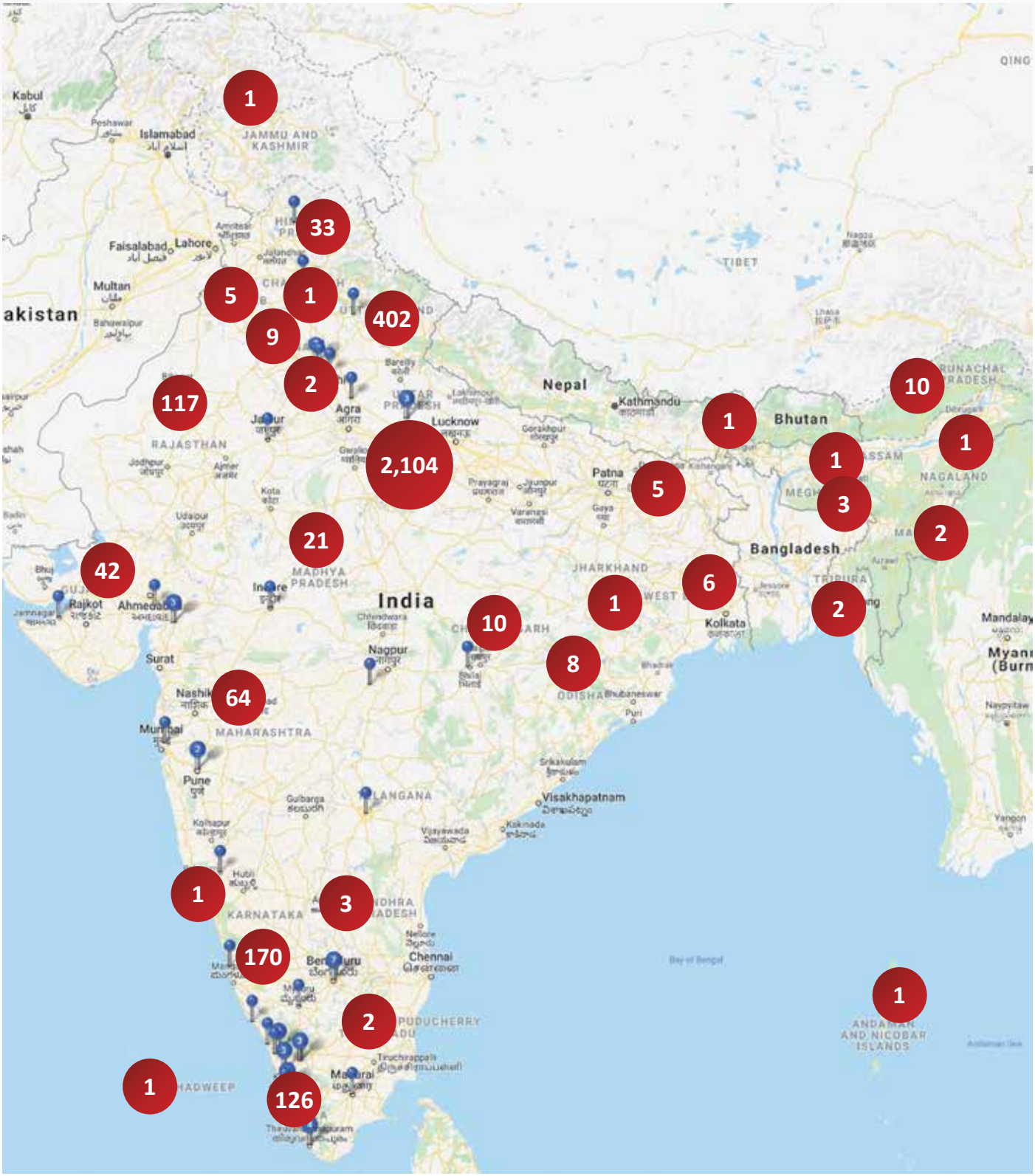
Exhibit 8: Growth of NABH Accredited Ayurvedic Centers in India



Source: Estimates based on Frost & Sullivan Analysis



Exhibit 9: Ayurveda Hospitals in India, including NABH accredited Ayurveda Services Providers in India



Red Circles – Ayurveda centers providing services

Blue Pin – NABH accredited centers

Source: NABH

Exhibit 10: Benefits of NABH Accreditation



Benefits to the accredited organization	• Stimulates continuous improvement • Showcases commitment to quality of care – Raises community confidence for services provided • Provides opportunity to benchmark against the best – It positions the organization in the global league of quality medical establishments • Significant increase in consumer footfalls due to rising trust in quality of services
Benefits to consumers of services	• High quality of care and consumer safety • Services are provided by qualified, trained and credentialed staff • Rights of consumers are respected and protected • Consumer satisfaction is regularly evaluated
Benefits for Staff	• Staffs are satisfied due to opportunities for continuous learning, good working environment, leadership and above all, ownership of service processes – Professional development of staff
Benefits to Payers	• Objective system of evaluation and empanelment by third parties to empanel the hospital on the basis of certified information on facilities, infrastructure and level of care

Source: Frost & Sullivan

"Accreditation standards focus on state-of-the-art performance improvement strategies that help healthcare organizations continuously improve the safety and quality of care, which can reduce the risk of error or low quality care.

..... Executive Director & CEO, a large Ayurvedic Eye Hospital and Research Center



"The measures center on persistent wellbeing and nature and care and give assurance to patients on quality of the services provided by healthcare provider.The norms call for ceaseless checking of sentinel occasions and extensive remedial activity design prompting the working of value culture at all levels and over every one of the capacities.

..... Manager, Chain of mid-sized Ayurvedic centers

NABH ACCREDITATION PROCEDURE

The accreditation standards for a Ayurveda hospital are divided into 10 chapters, which have been further divided into 98 standards. Put together, 590 objectives are incorporated within these standards.

Compliance with all chapters is equally important to establish compliance with accreditation standards.

The mandatory requirements for accreditation are –

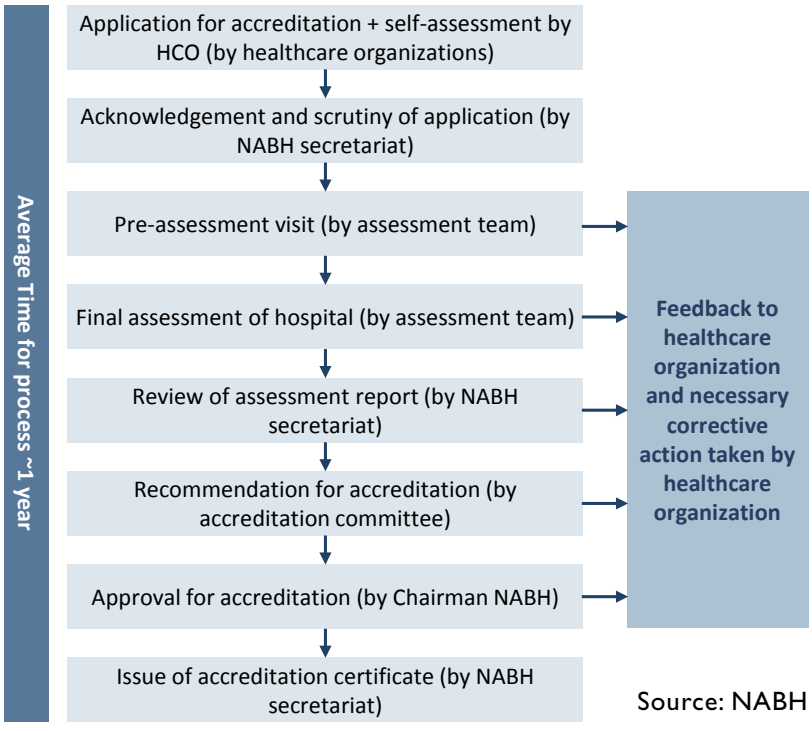
- **Statutory** (legal requirement)
  - Registration of building
  - Registration of human resources with their councils, like Ayurvedic doctors need to be registered with the Central Council for Indian Medicine (CCIM)
- **Patient safety** e.g. calibration in steam bath etc.
- Fire NOC
- PCB consent to generate Biomedical Waste
- Hospital registration
- Compliance with accreditation standards

The process of accreditation takes on an average about one year; however, in some instances where documentation was complete centers were accredited within six months.

The validity of this accreditation is three years. A regular audit is conducted every 15 months, and surprise checks may also be conducted at any time. Accreditation may be cancelled in the event of non-compliance of standards.

Pre Accreditation Entry Level standards contain requirements which are almost one-fourth of full accreditation standards. Entry level requirements focus on the minimum critical elements important for patient safety. This process is envisaged to be affordable and will encourage Small healthcare organizations to adopt quality initiatives and attain the next stage (progressive level) and eventually full accreditation. These are easily achievable, sustainable, and are equally applicable for both government and private hospitals.

Exhibit 11: NABH Accreditation Procedure



Source: NABH



Analysis of demand for AYURVEDA SERVICES in India

A Market Size of Ayurveda Services Market

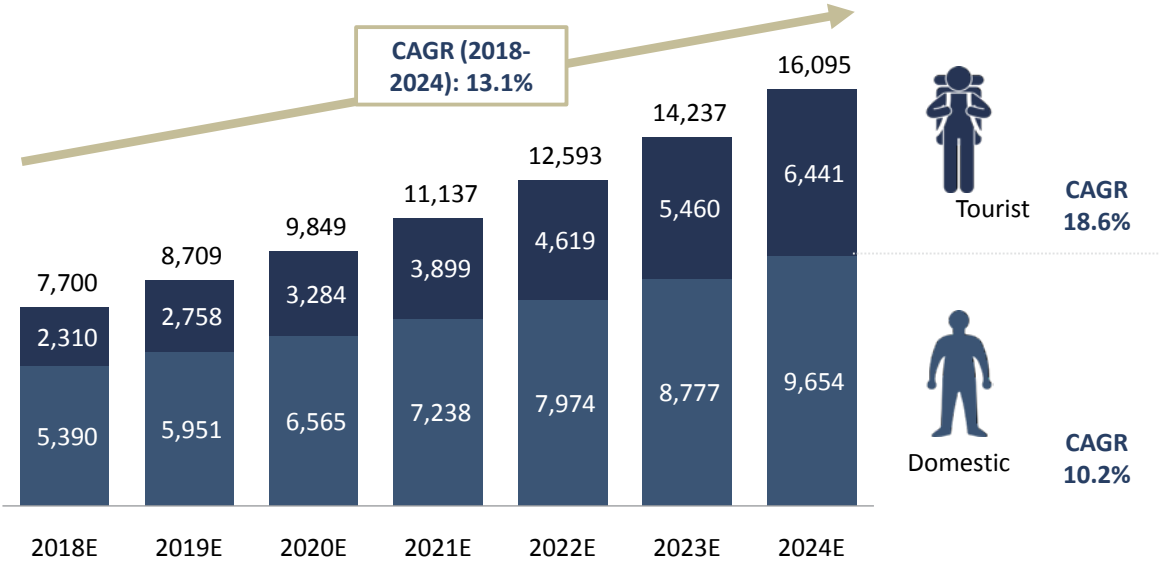
B Consumer Volumes availing Ayurveda Services

The AyurvedaServices Market is estimated at INR 7,700 Cr in 2018, and is anticipated to more than double by 2024, growing at a CAGR 13.1%. The Domestic market is expected to grow at CAGR 10.2% during 2018–2024, while the Tourist segment is anticipated to grow at a CAGR 18.6% between 2018-2024. However, the Tourist market constituted about 30% in 2018, with its share expected to grow to 40% by 2024.

The Ayurvedic Services Market for NABH accredited centers is estimated at INR 859 Cr in 2018, and constituted about 11% of the total Ayurveda Services Market. Given the trust engendered by NABH certification and the increasing numbers of such centers, NABH accredited Services are expected to take 69% of the total Market by value in 2024.

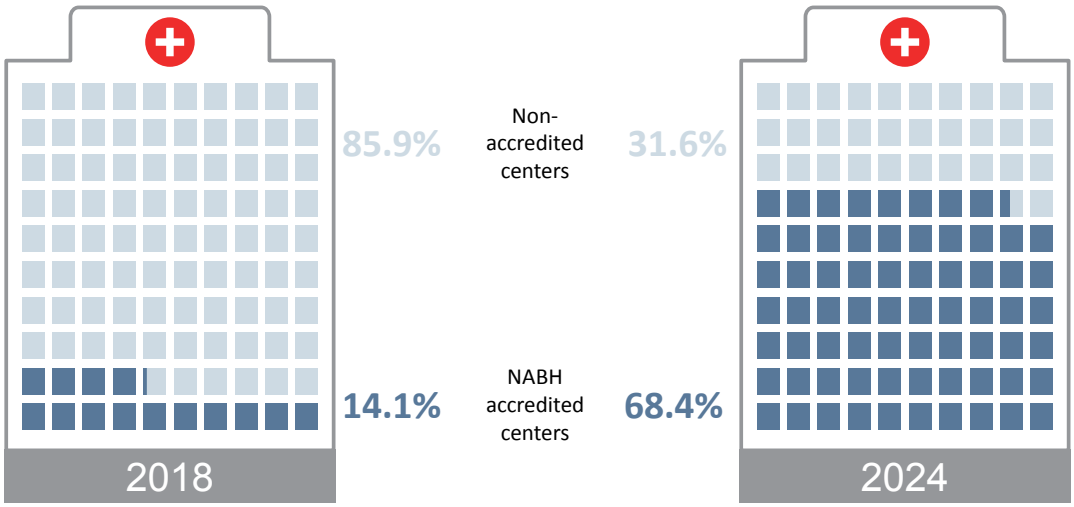
The market share in the Tourist segment for NABH accredited centers was 14.1% in 2018 by value, and is anticipated to grow to 68.4% by 2024.

Exhibit 12: Ayurveda Services Market in India (INR Cr)



Source: Estimates based on Frost & Sullivan Analysis

Exhibit 13: Ayurveda Services Tourist Market – Market Share, India



Source: Frost & Sullivan Analysis

CONSUMER VOLUMES

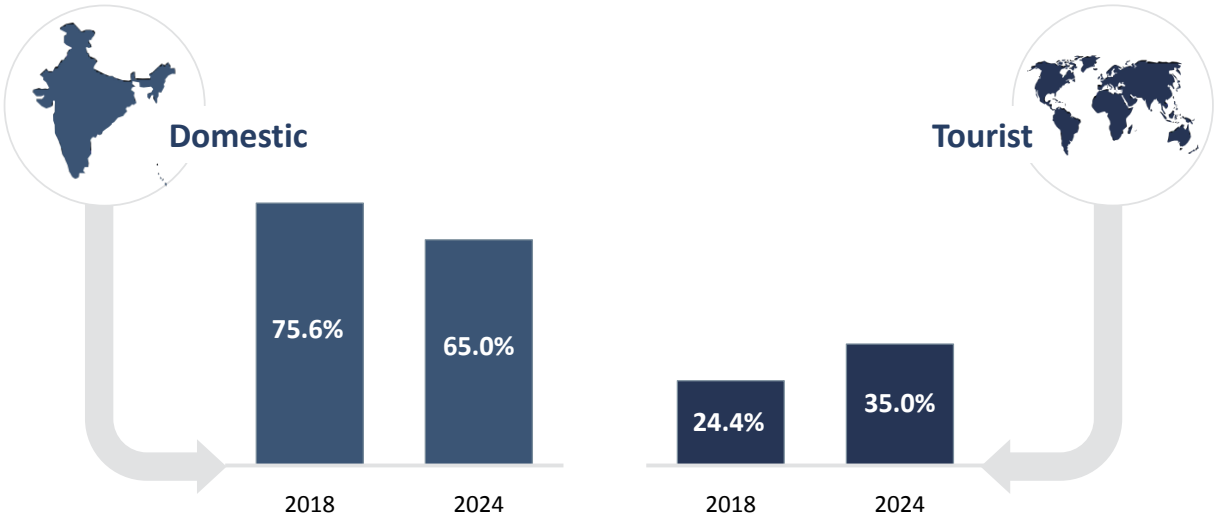
A high level analysis suggests that there were more than 20 Lakh consumers of Ayurvedic services in 2018, of which 76% were domestic and 24% were tourists. However,the tourists segment is expected to grow at 17.2% year on year (volumes) and capture 35% of total consumer volumes by 2024.

An estimate based on market understanding and limited number of interviews suggests that there were about 4.9 Lakh tourists to India who availed Ayurveda Services in 2018.

Analysis of data available through the Ministry of Tourism suggests that there were about 1.2 Cr tourists in 2018. A study conducted by them in 2015 had pegged about 7% of the tourists to choose India as a travel destination for Medical Tourism (1%), Yoga, Spiritualism and Meditation (6%). Assuming similar or conservatively growing interest, this translates to about 8.8 Lakh consumers of Healthcare services in India. However, India provides visas for medical purposes to only about 2.4% of all tourists visiting India.

Taking the estimate on the number of tourists and data from the Ministry of Tourism, it can be inferred that about 68% of tourists without medical visas leverage healthcare and wellness services in India, a large proportion of them leveraging Ayurveda therapeutic and wellness services.

Exhibit 14: Ayurveda Services Market – Domestic vs. International Consumers, India



Source: Frost & Sullivan Analysis





Recommendations to STAKEHOLDERS

A Recommendations for Centers providing Ayurveda Services

B Recommendations for Government

Services providers and the Government need to work in unison to continue on the growth path with double digit growth as well as attract domestic as well as tourists.

RECOMMENDATIONS FOR CENTERS PROVIDING AYURVEDA SERVICES

A. Know your customer

Understanding the customer is, perhaps, the most important tool for positioning and branding a center. Regular customer feedback helps centers to continue improving their services, understand unmet needs and cater to them. Additionally, this helps build a rapport with the customers as they feel that they are being listened to.

B. Develop a strong Brand

Develop a strong Marketing Department: Specialist marketers, with inputs from the clinical domain, would be the optimal way to market your strengths, and develop the positioning.

Brand Building: A strong brand comprising positive, consistent customer perceptions about its services differentiates it from competitive offerings. Strong brands reduce uncertainties in consumer decision making and help firms attain an advantage over their competitors.

Brand Differentiation: Centers need to bring differentiation in their services either in the form of quality of services, infrastructure, clinical talent or specialties they cater to.

Newsletters: It is one of the first and most effective digital advertising strategies apart from being cheaper, faster and easier. These could be periodic, and can help share news, updates and special deals that the customers can avail.

Embracing the digital-age tools: A good online footprint, through a website and other digital media tools, is imperative in the long run.A website and official handles on social media platforms become the face of the business. Digital marketing activities and online advertising platforms like Google Ads have been shown to make a huge impact for promoting services.

Business listing: Listing of your workplace, office or clinic in Bing Business, Google Business or other business directories, helps customers to be able to connect with you easily

Co-Branding: Co–branding of medical tourism with traditional Indian therapies creates a holistic bunch of services for a foreign medical tourist. Patients who have undergone major surgery always need rehabilitation. Allopathic doctors cannot assist patients in rehabilitation due to lack of time. It has been found that after surgeries in hospitals, Ayurveda has some excellent therapies for recuperation. As a result, most wellness centers are involved in providing follow up and complimentary services to patients after they undergo surgery.

CSR Activities: Health camps, sponsoring nearby villages, purchasing local products, local vegetables, giving employment to local people, sponsoring school and college events, nature protecting activities like planting, solar energy, rainwater harvesting etc. are typical CSR activities that the centers can undertake. These not only help build brand value for the centers, but also help educate people about Ayurveda and its benefits.

Participation at medical tourism events/workshops, health and wellness exhibitions: With the help of medical tourism events and workshops, Ayurvedic centers need to make their presence felt.These events help meet and connect with potential clients and increase brand awareness. These could be forums where centers can talk about their services offered or launch new services, thereby helping Brand building. Additionally, these forums help centers to interact with local agents, travel agents, Ayurveda promoters, tour operators and help developing a network for potential collaborations.

C. Develop a high Standard of Care

Accreditations: NABH accreditation showcases high standard of care, and this enables trust in customers, especially tourists, who may not have much else to aid their decision making.

Research: Centers should have their own Research wings. These would help in improving the standard of care, and enable conducting clinical trials to showcase efficacy of their services. Regular publications in reputed journals would go a long way in ensuring healthcare professionals recommend the services.

Quality Improvement initiatives: Regular audits of services and striving for higher standards are always appreciated;and showcasing them helps develop trust among healthcare professionals as well as customers.

D. Personnel Training

Language Skills: Besides the science of Ayurveda, physicians need to develop social and language skills. Fluency in the English language enables them to handle international patients better.

Research skills: Clinical Research skills are very important in the current healthcare scenario of evidence based medicine. Ayurveda practitioners need to learn new research and scientific methods to enable their 'continued medical education'.

Developing Confidence: To find ways and means to provide vaidyas opportunities to improve their training, clinical skills, research capabilities and more than anything to develop confidence in their respective professional areas. Serious thought should be given to this issue. We cannot improve their status overnight.

RECOMMENDATIONS FOR GOVERNMENT

Walk the Talk

The Government has to do more than just speak in favor of Ayurveda to help increase the acceptance of this system of therapy.

There has been no active effort on the part of the Government to either rectify the low trust factor or enlighten the foreign regulatory institutions about the authenticity of what is termed as Alternate Medicine.

There is need for concerted effort to make Ayurvedic therapy (products and services) accepted as an alternative system of therapy worldwide. Solidification of regulations, clinical trials and mechanisms for modality approvals will help transform the sector by highlighting seriousness of Ayurveda therapy as a valid system of therapy in both, domestic and international markets.

Enable improvement of Infrastructure

Financial assistance should be provided to qualified medical practitioners and firms for setting upnew Ayurvedic hospitals/clinics/colleges/manufacturing firms or for expanding already existing infrastructure. They should be able to get loans at attractive interest rates. Additionally, 100% reimbursement should be provided in registration and stamp duty for all Ayurvedic infrastructure projects.

Private Public Participation (PPP) initiatives could be introduced for Medical and Wellness Tourism as it is a capital intensive sector.

The state government pharmacies of Ayurveda should be strengthened to improve the quality of drugs. Additionally, measures should be taken to ensure uninterrupted supply of drugs. One way to do this could be starting new public sector Ayurvedic drug manufacturing units.

More focus on Ayurveda treatment facilities should be made, rather than on wellness platforms, so that the therapeutic benefits of the system of medicine are highlighted.

Capacity building/Personnel training

National and international collaborations should be developed toprovide training to practitioners, educationalists, researchers and students on various aspects leveraged in the practices of the system. These could include softer aspects, like fluency in the English language and usage of computers, or more research oriented, to enable generation of evidence on efficacy of therapy.

All existing colleges should be standardized to premium quality. Efforts should be taken to frame accreditation standards for medical colleges.

Teaching hospitals attached to Ayurveda colleges should mandatorily get NABH accredited in a time bound manner.

Additionally, Ayurveda universities should be established to enhance the quality of Ayurveda therapy and allied education in the country.Training and academic Programs should be set for Ayurveda practitioners for handling public health issues and emergencies.

Health Insurance

Although the Government issued guidelines and benchmark rates for insurance coverage of alternative traditional systems of medicine in 2016, a lot more needs to be done as it does not cover all kind of hospitals and treatments.

Insurance coverage does exist for AYUSH, but only for a select number of diseases, and that too, is mostly theoretical. As per the guidelines, only 20 categories of diseases will get insurance coverage. These include Greevasthambha (cervical spondylitis, cervical spondylosis), Kateegraha (IVDP, sciatica, low back ache), Apabahuka (frozen shoulder), Pakshaghata (paralysis), Ardita (facial paralysis), Vataraktha (rheumatoid arthritis, gouti arthritis), Amavata (rheumatic fever), Sarvangavata (motor neuron diseases), Sandhigata vata (degenerative joint disorders), Twak vicara (skin diseases), Arbuda (benign and malignant growth),Others are Arshas and bhagandhara (haemorrhoid, fistula, fissure), Moothraghata (renal dysfunction), Kashtarthava (amenorrhoea, PCOD), Mamsakshaya (muscular dystrophy), Drishti dosha (different eye diseases) and Sirasoola (headache, migraine).

There is a significant need to provide insurance coverage for all Ayurveda treatments. Additionally, preventive healthcare should be considered for coverage as well, since Ayurveda is positioned as holistic therapy covering both preventive as well as therapeutic interventions.

Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)

PMJAY represents the single largest government healthcare scheme the world has ever witnessed. The scheme recently celebrated the first anniversary of its launch.

The scheme should include Ayurveda therapies as well. The AYUSH Ministry has proposed the inclusion of 19 AYUSH packages under the scheme.

Additionally, AB-PMJAY gives 15% more package price for allopathic therapy to hospitals which are NABH accredited. Similar rules should be applied to Ayurveda hospitals as well.

Encourage Research

There is need to think "out of the box", and create credibility and visibility for this discipline. The Government should encourage companies manufacturing products and centers providing services to substantiate claims of efficacy through robust clinical trials, and be open to scrutiny.

Co-location of Services (Allopathy and Ayurveda) in Healthcare institutions

Government needs to systematically promote integrative medicine, an approach that combines modern medicine with alternative systems, like Ayurveda. This will enable medical practitioners of modern and alternative medicine to collaborate and provide a holistic approach to healthcare.

"If the number of co-location centers is increased or conversion of all health centers into co-location centers happens, and practitioners of each system stick to their own mode of treatment, people can avail healthcare facilities of both the systems.

*.....**Executive Director & CEO, A large Ayurvedic Eye Hospital and Research Center***



SOURCES LEVERAGED

The analysis presented in this white paper was based on in-depth secondary research, limited number of interviews and domain understanding of Frost & Sullivan

PRIMARY RESEARCH

- National Accreditation Board for Hospitals and Healthcare Providers (NABH)
- Select Ayurveda hospitals providing Ayurveda Services in India

SECONDARY RESEARCH

- Ministry of AYUSH
- National Center for Biotechnology Information articles
- National Accreditation Board for Hospitals and Healthcare Providers (NABH) website and documents
- TMIMT International Journal
- Quality Council of India
- Department of Expenditure, Government of India
- News Article: Business Today, The Policy Times, The Pioneer, The Dollar Business

FROST & SULLIVAN

- Subject Matter understanding
- Prior Syndicated work conducted with various Government bodies

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