U.S. Patients Flocking to International Hospitals

BY ERIK GOLDMAN
Contributing Writer

WASHINGTON — The emergence of Asian, Latin American, and Eastern Europan medical centers that provide state-of-the-art procedures with a gentle price tag has many U.S. citizens flying abroad to seek care they might have gotten at their local hospitals, experts reported at the World Health Care Congress.

Medical travel—don't call it medical tourism anymore—has increased rapidly in recent years. In principle, there's nothing really new about it. For years, wealthy individuals from all over the world have flown to the United States or Western Europe for advanced procedures not available at home.

What is new is the ease of medical travel, the numbers of people getting treated away from home, and the direction: away from the United States and toward Asia, Eastern Europe, and Latin America.

Last year, roughly 150,000 Americans headed overseas for surgical procedures, estimated Josef Woodward, author of "Patients Without Borders: Everybody's Guide to Affordable, World-Class Medical Tourism" (Chapel Hill, N.C.: Healthy Travel Media, 2007) the first, but surely not the last, popular book on the subject. His estimate is conservative: Some observers put the number at closer to half a million.

Roughly 60,000 Americans have sought care at Bumrungrad International in Bangkok, widely recognized as one of Asia's leading hospitals, according to Curtis Schroeder, group CEO of Bumrungrad.

"Why travel to a hospital you can't even pronounce, in a country you've never visited, with doctors who have strange names you can't spell? There are several reasons: geopolitical factors; economic crises; lack of access to care, which is especially true for uninsured Americans or people from Western Europe who do not want to wait for services provided through their national health care systems; perceived lack of quality of care in their home countries; and family microeconomics," said Mr. Schroeder, who previously was with Tenet Healthcare Systems, opening Tenet hospitals in several different countries.

Health care abroad is an appealing option for moderate-income Americans who are not insured. But even those with insurance are feeling the pinch and looking overseas. Mr. Schroeder cited a Time magazine survey indicating that 61% of uninsured Americans polled would travel 10,000 miles if they knew they could save $5,000 on a major medical procedure. Among those with insurance, the number was 40%.

"These are the first wave of medical tourists," he said.

U.S. Standards ... Better

According to Ori Karev, head of UnitedHealthGroup's Ovations program to improve health in people over age 50 years, there are 110 hospitals around the world accredited by the Joint Commission International (JCI) that provide as good if not better quality health care than what is available at top U.S. hospitals. JCI uses the same criteria as the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and serves the same general purpose.

The International Organisation for Standardization (ISO), a 157-nation network of accrediting institutions based in Geneva, also accredits hospitals and clinics abroad but focuses on facilities management and administration, not clinical measures. "While ISO accreditation is good to see, it is of limited value in terms of treatment," according to Mr. Woodward's book.

JCI-accredited hospitals, many of which are run as joint government–private sector partnerships, are typically founded on the relatively solid economic bedrock of national single-payer health systems, and they provide services at far lower cost than U.S. hospitals in part because the surrounding social and cultural milieu is relatively free from many of the cost drivers in the U.S. system: insurance bureaucracy, tort law, high malpractice settlements, entitlement mentality, and deficit-spending lifestyles, Mr. Woodward wrote in his book.

Once largely confined to elective cosmetic procedures or experimental treatments, medical travel now encompasses everything one would expect at an American or European tertiary-care center, including cardiovascular surgery, organ transplants, hip and knee replacements, and advanced cancer therapies, he wrote. Mr. Woodward reported that American- or European-trained clinicians at JCI-accredited hospitals are performing such procedures with outcomes equivalent to any U.S. center, adverse event rates comparable to or even substantially lower than at U.S. hospitals, and at markedly reduced costs.

Mr. Woodward estimated Americans traveling for health care can expect to save between 15% and 85% on the cost of equivalent care in the United States. Savings vary widely with the type of procedure, the country visited, and any add-ons such as vacation time. But for most major procedures the savings are massive.

Brazil, Costa Rica, and South Africa currently are hot destinations for cosmetic procedures; Costa Rica, Mexico, and Hungary are magnets for good, affordable dentistry, and India, Thailand, Malaysia, and Singapore are the best choices for major surgeries, including heart surgeries, organ transplants, and orthopedics, according to Mr. Woodward's book.

Friendly Physicians and Feng Shui

Cost savings are a primary driver, but it is more than simple economics that attract Americans abroad. The leading international clinics can provide levels of service and comfort that are almost unheard of in U.S. hospitals.

Doctors in Asia or Latin America spend up to an hour per consultation, and routinely offer their personal cell phone numbers to patients and their families. Concierge services, four-star meal plans, and hotel-style accommodations are the rule, and travel packages often include limousine transport to and from the airport and clinic. The generally slower pace and the traditions of hospitality found overseas also may appeal to Americans shell-shocked by the frazzling pace and impersonal nature of U.S. health care.

Before 1997, the U.S. and Europe were the major recipients of international medical travelers, while Singapore was the major hub for Asia, explained Bumrungrad's Mr. Schroeder. In 1997, the economic crises in many Asian countries made the price of care much more of an issue, so more Asians began to travel beyond their home borders for care.

After the attacks of Sept. 11, 2001, an increasing number of patients from the Middle East began traveling to Asia for care. "They used to go to America or Europe, but visas became problematic, so they started going to Thailand, Singapore, and India," said Mr. Schroeder. He estimated Bumrungrad has served 92,000 people from Middle Eastern countries in the last year, representing about 20% of total international business for the hospital.

In response to the influx of investment capital and international patient volume, hospitals in Thailand, India, and Singapore quickly ramped up their services. They built new facilities, installed state-of-the-art technology, sent physicians abroad for training in advanced therapeutics, and recruited clinicians from abroad.

The Bugbear of Aftercare

Follow-up and recourse, if there are complications, are major concerns to all involved with medical travel, and they are the aspects of this trend that make American doctors most nervous.

"It's a very legitimate concern," agreed Mr. Schroeder. "A lot of the referrals to our hospital do not come from doctors because the patients do not have doctors. They're either outside their home health care sys-

Continued on following page

A Medical Travel Hot Spot: Singapore

When it comes to medical travel, Singapore presents a classic case of supply and demand, Dr. Yap said at the World Health Care Congress.

Singapore's tertiary-care hospitals have excess capacity that they're trying to fill. "We have a very small population, and on our own we are not able to maintain the state-of-the-art services. So our approach is to fill the service volume with international patients. That way we can acquire the technology, keep the subspecialists, and provide the highest quality services. We're led by the Ministry of Health in this. It is not just an economic enterprise, it is about providing quality health care for everyone," said Dr. Yap, medical director of the Singapore Tourism Board.

Singapore's hospitals are considered the best in Asia, and the sixth best in the world. "We have one-third of all the JCI accredited facilities, and JCI standards are equivalent or even more stringent than JCAHO's," said Dr. Yap. "We have lower ICU/CCU infection rates than many centers in the U.S. cities. Health care in Singapore is on par with most U.S. hospitals or better."

Kamaljeet Singh Gill, General Manager of the National Health Care Group, representing several tertiary-care centers in Singapore, explained that his country has a national single-payer health care system, with tiered pricing based on need. "If you have money, you pay; if you do not have money, you don't pay." All hospitals in the country are government owned, and they're equivalent to the Mayo Clinic, "but much less expensive."

Each hospital in Singapore serves about 1 million people annually, 1% of whom are international patients. He said Americans are still in the minority, representing only about 20% of all international business. But the number is growing. "Even without major marketing effort, we're seeing an increase in U.S. and U.K. patients."

He stressed that his group is not competing with India or Thailand, and is not promoting "medical tourism," but rather comprehensive affordable state-of-the-art medical services. In addition to treatment and procedures, hospitals in Singapore offer international visitors a wide range of holistic health services, fresh healthy Asian-style food, art and music therapies, and well-designed healing environments of a sort rarely found in U.S. facilities.

Dr. Yap added that this approach represents a strong shift away from the stereotype of medical tourism, which used to mean elective or commodity surgery at facilities with uncertain quality records, questionable marketing methods, and an absence of care continuity.

"Medical travel involves patients going abroad for needed medical care, with minimal leisure components. This is essential health care that, for whatever reason, the individual cannot access at home." He stressed that medical teams in Singapore endeavor to be part of the normal care continuum and to develop good interconnectivity with the patient's doctors at home. "We prefer that physicians in the patient's home country refer the patient to us. We're not trying to pull patients away from their home doctors."

Joyce Lim, assistant manager of the International Business Development Unit of Singapore's National Health Care Group, said, "We request referral letters from the patients' doctors at home. Our doctors recommend certain treatments. We let the patients know what is involved. We advise on cost, length of stay, medications, follow-up all beforehand, before [the patient flies to Singapore]. Surgeries are planned very carefully, so there's no waste of time. After treatment, we provide a full medical report that includes all procedures done, all prescriptions, and post-op follow-up recommendations that patients can take back to their physicians. It includes full, 24/7 contact information."

Similar Health Challenges Exist Across the Globe

Aging populations, smoking, obesity, and sky-high costs are problems faced by nations the world over.

BY ERIK GOLDMAN
Contributing Writer

WASHINGTON — The globalization of health care is creating challenges for health care systems worldwide. Though the systems themselves may be very different in terms of financing and administration, the problems they must address—aging populations, increasing chronic disease, shrinking budgets, extreme mobility of both patients and health care professionals—are very similar.

Health care analysts, administrators, and providers compared notes on these challenges at the fourth annual World Health Care Congress, sponsored by the Wall Street Journal and CNBC.

"Despite the fact that health care may be organized and financed very differently in different countries, and there may be cultural differences, there are … a lot of common themes, and shared objectives for high-performing health care systems, innovation, and sustainability," said Robin Osborn, director of the International Program in Health Policy and Practice at the Commonwealth Fund.

Simon Stevens, who served as a health care advisor in U.K. Prime Minister Tony Blair's cabinet, said the United States is not alone in confronting a major health care crisis. Single-payer national health systems of the sort found in the United Kingdom and all over Europe make the dynamics a bit different, but they certainly do not avert the crises.

"Despite differences in financing mechanisms, the challenges are similar across all industrialized nations. Tobacco, bad diet, lack of exercise are driving the conditions that result in the greatest consumption of health care resources, and tensions are erupting across [health care] systems due to changes in financing. The U.S. is not the only country debating these issues. The challenges are the same regardless of how you choose to finance the health care," said Mr. Stevens, now the CEO of UnitedHealth Group's Ovations, a health plan for individuals over age 50.

Aging populations are the juggernauts straining health care systems in nearly all industrialized countries. Over the next 30 years, the dependency ratio, an expression of the number of elderly nonworking dependents versus younger working people, "will grow rapidly in the U.S., Western Europe, Japan, and China. And this will radically change how health care is financed," Mr. Stevens said.

Health care is increasingly a transnational endeavor, with immigration, relocation, medical travel, and multinational businesses blurring borders.

He added that while American corporate leaders have been screaming the loudest, the issues around employer-funded health care are not uniquely American.

In a number of European countries, corporations are footing the bill for significant chunks of health care spending.

"In the U.K., 52% of spending is private sector spending, despite the fact that the delivery systems are government funded," Mr. Stevens commented.

Across the globe, health care is increasingly a transnational endeavor, with immigration, relocation, medical travel, and multinational business blurring borders. The establishment of the European Economic Community, the paragon of economic boundary breaking, has created an interesting health care quandary, said Mr. Stevens. "In the earlier days of the [European Union], many had hopes that the confederation would lead to harmonization of health care benefits. Not so. Per capita spending on health care in Eastern and Western Europe is fourfold different. Western Europe spends way more. It is implausible to have a set of uniform benefits that are acceptable in Germany but unaffordable in Slovakia," he added.

Migration also has an impact. Whether for employment opportunity or in pursuit of leisure, more people are living outside their countries of origin, and this makes for some peculiar health care dilemmas.

Mr. Stevens noted that in many parts of the world, national borders are blurred. "In California, for example, we know there are 8 million Hispanics living in border counties. Many have dependents across the border in Mexico. How do we handle that? Can we mandate that dependents of U.S. employees only be treated in clinics in Mexico?"

At the other end of the socioeconomic spectrum, there are thousands of retired U.S. citizens living in Mexico, Costa Rica, Panama, and other Central American countries. They're eligible for Medicare, but unable to get coverage for medical services or drugs they obtain where they live.

"Does this mean these people must fly back to the U.S. every time they need medical care?" asked Mr. Stevens.

Physicians, nurses, and other medical personnel also have become highly mobile, often moving far from their countries of origin to countries of perceived opportunity.

Citing only one example, Mr. Stevens said there are more Filipino nurses, born and trained in the Philippines, working in the United States than there are in the Philippines. In the European Union, there are significant migratory flows of health care professionals from east to west.

This can result in shortages of qualified professionals in many countries, hindering the growth and development of their medical systems.

Ironically, it is the influx of international patients seeking lower-cost health care that will be an important driver for the development of hospitals and the retaining of health professionals in nations such as Thailand, India, Hungary, and many Latin American countries.

Meanwhile, health plan administrators are struggling to figure out ways to do business without borders. The challenges are truly daunting, said UnitedHealth Group's Ori Karev.

Speaking specifically of coverage for Americans who are obtaining care outside the United States, he observed, "There are a lot of complicated issues involved in this: transportation issues, authorization issues, tax issues in terms of the ways in which the IRS will treat medical travel expenses."

As countries such as India, Thailand, China, Brazil, and others become more affluent, their health care spending will increase, as will the number of risk-sharing plans. UnitedHealth Group is already a major health insurance player in India, with an employer-funded plan now covering 300,000 members via a large provider network. ■

Continued from previous page

tems (i.e., they are uninsured) or they are abandoning their home health care systems. Whenever we can, we do coordinate electronically with our patients' home doctors. If there are complications, we fly patients back, at our own expense, to take care of the problem. We do hold ourselves accountable for complications."

Medical Outsourcing

According to Mr. Schroeder, "Health care costs are capsizing American businesses. They're starting to look at international health care as a form of outsourcing. The idea, while not yet widespread, is gaining traction." He noted Bumrungrad recently signed a landmark deal with Blue Cross of South Carolina for a program called Companion Global Healthcare, which would provide an alternative for people wishing to seek overseas health care. "It is essentially a pilot project. There's no commercial insurance product attached to it yet. We're exploring processes. It's a learning situation. We're trying to feel it out and see if it can work," said Mr. Schroeder.

The program provides subscribers with access to a specialized travel agency in Virginia that makes all arrangements for medical travel to Bumrungrad, and coordinates aftercare through a network of South Carolina physicians.

But it is only a matter of time before U.S. insurers start actively driving patients overseas, predicted Jeffrey Lefko, a Chicago-based health care consultant who is working with Parkway Group Healthcare, a Singapore-based hospital system, to develop its U.S. referral base.

"It's not happening yet, but it is going to happen, and soon," Mr. Lefko said in an interview. "A number of U.S. companies have started to work with self-insured plans to make procedures in Singapore a viable option. You're going to see much more of the insurance industry get interested in this."

Further growth of medical travel, especially if pushed from the home front by U.S. insurers, could have a major impact on American health care systems, but Dr. Jason Chin Huat Yap, medical director of the Singapore Tourism Board, said that he believes a lot of the unease surrounding these trends is unwarranted.

"Singapore's share of the global health care economy is about $12.6 billion. The U.S. share is about $2,000 billion. Even if you quadrupled our capacity and you threw in India, too, we're not even able to come close to providing health care for all Americans. It's still a very small fraction. There are massive supply-side constraints. If 1% all U.S. patients came over to Singapore, it would outstrip our capacity. It's really only the first-movers who are going to benefit from this," he said at the World Health Care Congress.

Mr. Lefko said that healthy competition from abroad "could have a potentially positive structural impact on how the U.S. delivers health care services." He believes the emergence of world-class health care across the Pacific will likely give U.S. hospitals and clinics a much-needed kick in the bedpan.

"Already 500,000 Americans each year are leaving the U.S. for health care reasons, and this is going to grow. U.S. hospitals and doctors will complain, but the reality is, U.S. hospitals have had plenty of time to straighten out their acts. They've had plenty of opportunities to create better, more economical health care services.

Medical tourism's going to level the playing field. I've been in the hospital business for 35 years, and I've seen all sorts of facilities and operations. I wouldn't hesitate to go to any of the hospitals in Singapore," Mr. Lefko said. ■

INDEX OF ADVERTISERS