

Surge in Medical Travel Challenges U.S. Medicine

One conservative estimate is that 150,000 Americans headed overseas for surgical procedures last year.

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WASHINGTON — The emergence of medical centers in Asia, Latin America, and Eastern Europe that provide state-of-the-art procedures with a human touch and a gentle price tag has many U.S. citizens flying abroad to seek care they might have gotten at their local hospitals.

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.

Approximately 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 ... or Better

According to Ori Karev, head of United-HealthGroup's Ovation program to improve health in people over the age of 50 years, there are 110 hospitals around the world accredited by the Joint Commission International that provide health care that is as good if not better quality than the care 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, a 157-nation network of accrediting institutions based in Geneva, also accredits hospitals and clinics abroad, but focuses mainly 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. 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.

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. 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 or even substantially lower than at U.S. hospitals, and at markedly reduced costs.

Mr. Woodward estimates 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. (See box.)

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, or-

Singapore: a Medical Travel Hot Spot

When it comes to medical travel, Singapore presents a classic case of supply and demand, one official told 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. Jason C. H. 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 a 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 patients' home country refer the patients 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 pre-descriptions, and post-op follow-up recommendations that patients can take back to their physicians. It includes full, 24/7 contact information."

gan transplants, and orthopedics, according to Mr. Woodward's book.

Friendly Physicians and Fine Food

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 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 price of care much more of an issue, so more Asians began to travel beyond their home borders for care.

After the terrorist 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

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estimated Bumrungrad 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 a major concern to all involved with medical travel, and it is the aspect of this trend that makes 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

It is only a matter of time before U.S. insurers start actively driving patients overseas, predicts one Chicago-based health care consultant.

the patients do not have doctors. They're either outside their home health care systems (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 that 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 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.

He added that a little bit of healthy competition from abroad, "could have a potentially positive structural impact on how the U.S. delivers health care services."

Mr. Lefko said that he believes the emergence of world-class health care systems across the Pacific will likely give U.S. hos-

pitals 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. ■



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