Medical Tourism: An Economically Beneficial Healthcare Option

David Conley, Marshall University
William Willis, Marshall University
Alberto Coustasse, Marshall University
Medical Tourism

• The act of travelling across international borders for obtaining various types of health and wellness treatments and procedures
• By-product of globalization and method of international trade, seeking to expand health care services into a growing international market.
• Becoming a source of economic benefit for some countries and regions of the world
• Growth is consistent but slowing
Reasons For MT

- Cost issues – willingness to pay
- Wait time for procedures – Canada, UK health systems (in U.S.?)
- Lack of insurance
- Insurance company will not reimburse for the procedure being sought – i.e. treatments as yet proven or approved (FDA), cosmetic surgery, dental work, stem cell therapy (ethics)
- Travel for confidentiality and privacy
Medical facilitators

• MT created new INTERNET market for selling healthcare online.
• No regulation of these sites
• Due to time factor little is known as to the benefits or lack of, from facilitators
• Some overseas hospital are developing their own facilitating entity
• Some focus on more luxurious accommodations
Canadian Medical Travel Agencies

- Part of Canada’s national healthcare system
- Began in the 1980’s
- Over 15 companies specializing in Medical Tourism nationwide
- Have agreements with hospitals in India and Thailand
U.S. Pushback

- Larger companies employees refusing
- Union employees refusal
- U.S. insurance creating domestic deals
- Self insured companies
- Issues of risks: post procedure complications, inadequate blood supply, post-op travel, Super Bug (NDM-1), etc.
- Litigation issues
- Who pays for post op complications once a person is back in the U.S.?
# Medical Tourism Destinations

<table>
<thead>
<tr>
<th>Asia/Middle East</th>
<th>The Americas</th>
<th>Europe</th>
<th>Africa</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Argentina</td>
<td>Belgium</td>
<td>South Africa</td>
<td>Australia</td>
</tr>
<tr>
<td>India</td>
<td>Brazil</td>
<td>Czech Republic</td>
<td>Tunisia</td>
<td>Barbados</td>
</tr>
<tr>
<td>Israel</td>
<td>Canada</td>
<td>Germany</td>
<td></td>
<td>Cuba</td>
</tr>
<tr>
<td>Jordan</td>
<td>Colombia</td>
<td>Hungary</td>
<td></td>
<td>Jamaica</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Costa Rica</td>
<td>Italy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>Ecuador</td>
<td>Latvia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>Mexico</td>
<td>Lithuania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>United States</td>
<td>Poland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td></td>
<td>Portugal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td></td>
<td>Romania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td></td>
<td>Russia</td>
<td></td>
<td>Spain</td>
</tr>
</tbody>
</table>
## U.S. Insurance Interest

<table>
<thead>
<tr>
<th>Insurer</th>
<th>State</th>
<th>Foreign Medical Site</th>
<th>Program Summary</th>
</tr>
</thead>
</table>
| Anthem Blue Cross and Blue Shield (WellPoint)⁶ | Wisconsin      | Apollo Hospitals, India       | • Will send the employees of Serigraph, Inc., a corporate client of Anthem WellPoint, to Apollo Hospitals for certain elective procedures; the program will start with Delhi and Bangalore facilities and later expand to all JCI-accredited Apollo Hospitals  
• Pilot project will cover about 700 group members  
• All financial details, including travel and medical arrangements, will be managed by Anthem WellPoint |
| United Group Program⁷,⁸                 | Florida        | Bummigrad, Thailand Apollo Hospitals, India | • Actively promoting medical tourism to more than 200,000 individuals covered through self-funded health plans and fully-insured, mini-med plans |
| Blue Shield and Health Net⁹,¹⁰         | California     | Mexico                        | • Covers about 20,000 patients  
• Focused on employers that hire a large number of Mexican immigrants |
| Blue Cross Blue Shield¹¹               | South Carolina | Bummigrad, Thailand           | • Will cover patients’ procedures organized through Companion Global if their plans cover travel  
• Will also cover two follow-up visits with physicians at Doctors Care |
West Virginia and Colorado State Legislation (2007)

<table>
<thead>
<tr>
<th>State</th>
<th>Bill</th>
<th>Summary</th>
<th>Result</th>
</tr>
</thead>
</table>
| West Virginia  | HB 2841| Bill introduced Feb 7, 2007  
Program to establish incentives for covered employees who elect to obtain medical care or medical procedures in foreign health care facilities accredited by the Joint Commission International (JCI)  
Incentives included:  
• Waiver of all co-payments and deductibles payments  
• Payment of round-trip airfare for covered employee and one companion  
• Lodging expenses in the foreign country for the covered employee and companion  
• Payment to the covered employee's hiring agency for seven days of paid sick leave  
• Rebate to covered employee of not more than 20 percent of cost savings | Bill died in committee¹³                           |
| Colorado       | 07-1143| Bill introduced in 2007  
Program to establish incentives for state employees covered under a state group benefit plan who elect to obtain medical care in a foreign health care facility where the cost of such care is lower | Bill postponed indefinitely in the House Committee on Business Affairs and Labor   |
Accreditation

• JCI International accreditation is achieved by some overseas hospitals
• Facilitators often tout this as a selling point
• Question: even with accreditation are the QOL measures consistent with U.S. standards?
• Are all supporting ancillary staff qualified as would be expected in U.S.?
• Accreditation is more than a banner placed in the hospital entrance way
Bumrungrad International Hospital

- Bangkok, Thailand
- < 200 U.S. Board Certified Physicians
- < 900 medical professionals licensed in Europe, Australia and Japan
- Treats 400,000 international patients and approximately 80,000 U.S. patients annually (2007)
- On average a physician in Thailand makes < one-tenth the annual salary than a U.S. physician
Purpose

• Explore the economic benefits of medical tourism and those factors needing consideration before U.S. citizens and insurance companies begin to practice this concept to assist in lowering the cost of healthcare.
Methodology

• Literature review was conducted using a systematic search of key words relative to the content of Medical Tourism and Healthcare

• Publications were limited to 25 years

• Publications used for results: 15

• Key words: Medical Tourism, Healthcare, Economic Value, Cost, Out-patient Surgery
Results

- U.S. vs India
- Cost Savings
- Schedulable but still yet non-elective surgery
- CVD, kidney transplant, joint replacement

- Whether the person had insurance with limited coverage or was not insured, all of the patients did go abroad for health procedures to save money
## The Cost of Medical Procedures in Selected Countries (in U.S. dollars)

<table>
<thead>
<tr>
<th>Procedure</th>
<th>U.S. Retail Price</th>
<th>U.S. Insurers’ Cost</th>
<th>India**</th>
<th>Thailand**</th>
<th>Singapore**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angioplasty</td>
<td>$98,618</td>
<td>$44,268</td>
<td>$11,000</td>
<td>$13,000</td>
<td>$13,000</td>
</tr>
<tr>
<td>Heart bypass</td>
<td>$210,842</td>
<td>$94,277</td>
<td>$10,000</td>
<td>$12,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Heart-valve replacement (single)</td>
<td>$274,395</td>
<td>$122,969</td>
<td>$9,500</td>
<td>$10,500</td>
<td>$13,000</td>
</tr>
<tr>
<td>Hip replacement</td>
<td>$75,399</td>
<td>$31,485</td>
<td>$9,000</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Knee replacement</td>
<td>$69,991</td>
<td>$30,358</td>
<td>$8,500</td>
<td>$10,000</td>
<td>$13,000</td>
</tr>
<tr>
<td>Gastric bypass</td>
<td>$82,646</td>
<td>$47,735</td>
<td>$11,000</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Spinal fusion</td>
<td>$108,127</td>
<td>$43,576</td>
<td>$5,500</td>
<td>$7,000</td>
<td>$9,000</td>
</tr>
<tr>
<td>Mastectomy</td>
<td>$40,832</td>
<td>$16,833</td>
<td>$7,500</td>
<td>$9,000</td>
<td>$12,400</td>
</tr>
</tbody>
</table>

* Retail price and insurers’ costs represent the mid-point between low and high ranges.

** U.S. rates include at least one day of hospitalization; international rates include airfare, hospital and hotel.

Sources: Subimo (U.S. rates); PlanetHospital (international rates), cited in Unmesh Kher, “Outsourcing Your Heart,” *Time*, May 21, 2006.
The American Heart Association asserts that cardiovascular disease (CVD) in America claimed 831,272 lives in 2006.

81.1 million people in the US have one or more forms of CVD:
- high blood pressure — 73.6 million
- coronary heart disease — 17.6 million
- myocardial infarction (acute heart attack) — 8.5 million
- angina pectoris (chest pain or discomfort caused by reduced blood supply to the heart muscle) — 10.2 million
- stroke — 6.4 million
- heart failure — 5.8 million

AHA- 427,000 Coronary Artery Bypass Graft (CABG) surgeries were performed in the United States in 2004.
Results
Cardiac Procedure, Costs

• Medicare paid an average approximately $24,000 per procedure for the elderly and disabled in 2002 (Barry, & Hallam, 2005)

• Costs have been recorded high as $210,842 for the cost of heart bypass surgery in the U.S.
  ▫ India - $10,000
  ▫ Thailand - $12,000
  ▫ Singapore - $20,000
  • All averages based upon CABG procedures (table 1)
Discussion

• Inpatient to Outpatient trend in American Medicine
• Technology catalyst for most healthcare
• Average hospitalization cost and stay for CABG
  ▫ > $80,000 / 5.5 days in Lancaster
  ▫ < $417,000 / 7 days in Inglewood
Points of discussion

- Does demonstrating the lower costs of a medical procedure performed in another country warrant a SOS cry from the U.S. healthcare industry?
- How do you de-stigmatize the concept of low cost often equates to low quality?
- Individuals should be given the opportunity to choose where they will go for healthcare. (insurance companies may need to change their approach)
- Demographics of younger generation and more in the Internet age would go abroad, what about the >60 million Babyboomers?
- Encourage more preventive health measures.
Points of discussion

• US health care costs include the costs of labor, administrative functions, equipment, facilities, and pharmaceuticals—all of these are significantly less expensive in developing countries

• Medicare and Social Security

• Healthcare Reform issues could create incentives to discourage travel abroad for care
Conclusion

- Medical tourism may possibly help curb the rising cost of healthcare in the U.S.
- To date many factors need examined before medical tourism can be viewed as a truly functional aspect of impact on U.S. healthcare system.
- Cannot make generalizations about medical tourism