

Medical Travel Challenges American Medicine

More and more Americans are traveling overseas for cheaper procedures and better accommodations.

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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.

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 United-HealthGroup's Ovation program to improve health in people over age 50 years,

there are 110 hospitals around the world accredited by the Joint Commission International that provide as good if not better quality health care than do 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, with 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.

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, Fine Food, 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 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.

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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 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 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 after-care 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% of 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. hospitals 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. ■