Medical Tourism – Health Care in the Global Economy

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Although physician executives are certainly aware that some patients bypass their hospital, clinic or ambulatory surgery center on the way to the airport to have care in other cities, they may be somewhat surprised to learn that an increasing number of patients are traveling to a wide variety of destinations around the world for medical, surgical and dental care.

Driven by a number of forces outside typical medical referral systems, these “medical tourists” seek modern health care at affordable prices in countries at variable levels of development. Medical tourism is different from the traditional form of international medical care where patients typically journey from less developed nations to major medical centers in highly developed countries for advanced medical treatment.

Popularity growing

There is no definitive information about how many patients receive health care in the medical tourism model. A major difficulty in determining the magnitude of medical tourism is the fact that the reported numbers may include expatriates from other nations, business travelers and tourists who require medical care while they are in these destinations for other purposes.

Also, ayurveda and wellness services such as yoga and massage at medi-spa resorts may be included in the tally of foreigners receiving health care. Finally, the accuracy of reported information cannot be validated. Despite these limitations, it is clear that a substantial number of patients participate in medical tourism.

In 2003, approximately 350,000 patients from industrialized nations traveled to a variety of less developed countries for health care.¹ It is projected that 750,000 Americans will go offshore for medical care in 2007, with this number increasing to six million in 2010.²

In 2004, 1.18 million patients from all over the world traveled to India for health care, and Thailand cared for approximately 1.1 million medical tourists from a large number of countries in Asia, Europe and North America.²³

The Confederation of Indian Industry, in consultation with McKinsey and Company, reports that medical tourism in India produces annual revenue of $300 million, with projected growth to $2 billion by 2012.³ Articles and broadcasts on medical tourism are appearing in the press and on the airways with increasing frequency, and several guide books have been recently published. A Google Internet search on May 6, 2007 using the term “medical tourism” returned 777,000 results (Table 1).

Medical tourism is different

Medical tourism is market driven—it is shaped by the complex interactions of myriad medical, economic, social and political forces. The reasons medical tourists embark on worldwide journeys for health care are shown in Table 2. Low cost is the primary reason that patients from industrialized nations seek medical care in less developed countries.

Patients in the medical tourism model would likely prefer to have major surgery in their hometown hospital or local referral center. However, these patients feel pressed to balance their health needs against other considerations; they are willing to accept uncertainties about quality in order to obtain care at prices they can more comfortably afford.

Patients from the United States typically fit one of two profiles:

¹. Working class adults who require elective surgery but have no health insurance or inadequate insurance benefits
2. Patients who desire procedures not covered by insurance such as cosmetic surgery, dental reconstruction, gender reassignment operations, or fertility treatment deeply believe that it is unreasonable to choose a provider for potentially risky medical therapy based on anything other than medical considerations. Finally, physicians in highly litigious nations may be particularly reluctant to endorse offshore treatment because of concern about vicarious liability.

A faraway country provides privacy and confidentiality for patients undergoing plastic surgery, sex change procedures and drug rehabilitation. Furthermore, their medical records cannot be viewed by the myriad parties who can access these documents in the United States.

There is currently virtual absence of involvement of referring physicians in medical tourism. Doctors in industrialized nations, unfamiliar with the practitioners and practices in less developed countries, are reluctant to encourage their patients to pursue care by unknown providers in distant lands.

Further, the physician may deeply believe that it is unreasonable to choose a provider for potentially risky medical therapy based on anything other than medical considerations. Finally, physicians in highly litigious nations may be particularly reluctant to endorse offshore treatment because of concern about vicarious liability.

However, there are many agencies that provide services to patients who want offshore medical and surgical care. These agencies help patients select a country, facility and provider. They determine prices and collect payment, assemble and transmit medical records, and arrange travel and accommodations. Additionally, they may arrange for postoperative follow-up in the patient’s own community after they return.

Although some travel professionals promote the “tourism” aspect of offshore care, as the seriousness of the medical situation increases, the recreational aspects of travel have diminishing importance. Medical tourism agencies can be easily found on the Internet or in any medical tourism guide.

The availability of resources is the issue that most differentiates the traditional international medical patient from the patient in the medical tourism model. In the medical tourism model, the absence of some resource influences or drives the decision about travel for medical services, whereas the traditional
international medical patient has ready access to health care facilities throughout the world as a consequence of available financial resources.

In the medical tourism model, poor nations export health care expertise and services to patients from industrialized countries. The direction of international trade is opposite that of the traditional model. Consequently, nations that once primarily exported medical services to less developed countries are now purchasing health care from these same countries.

The principal reason why medical tourism destinations are able to offer services so inexpensively relates to the level of their national economic development (Figure 1).

Accordingly, the lower cost of health care is appropriate for the economic environment in which the care is provided. Another reason for low costs overseas relates to the medicolegal environment—the professional liability insurance premium for a surgeon in India is 4 percent of what it is in New York.6

Medical tourism destinations

Many countries are working to successfully compete in the medical tourism marketplace by offering a wide variety of medical, surgical and dental services in comfortable modern facilities (Table 3).

Medical tourists travel to the four corners of the world for executive health evaluations, ophthalmologic care, cosmetic dentistry and surgery, bariatric procedures, joint resurfacing or replacement, cardiac surgery, organ and stem cell transplantation, gender reassignment surgery and in-vitro fertilization. Several countries in Central and South America have developed strong reputations for cosmetic and plastic surgery, bariatric procedures, and dental care.

Destinations in Asia are particularly popular for orthopedics and cardiac surgery. India, Singapore and Thailand are well-established medical tourism destinations, attracting large numbers of foreign patients and generating substantial revenue from the services provided. These countries have large, modern medical facilities that are staffed by well-trained physicians who perform complex procedures such as minimally invasive/off-pump heart surgery, correction of congenital cardiac abnormalities in children, thoracic organ transplantation, and implantation of mechanical cardiac assist devices.

An article in the Washington Post reports on a cardiac hospital in India that has outstanding outcomes with coronary artery bypass surgery.6 Thailand’s international hospitals have a reputation for having modern high-tech equipment, excellent quality medical care and superior hospitality services.

India has the important advan-
high-quality care in a number of medical tourism destinations.

However, patients considering offshore medical care face a daunting task in differentiating the desirable offshore destinations from those with inadequate practitioners working in unsafe facilities. Some medical tourism agents with backgrounds in health care, and a particular focus on quality and outcomes, may be a helpful resource for patients.

Accreditation by Joint Commission International and/or the International Organization of Standardization (ISO) may provide a useful and reassuring benchmark for patients in selecting offshore medical facilities. The Joint Commission began evaluating foreign hospitals in 1999 and has accredited more than 120 hospitals in 23 countries.7

There are particular concerns about the possible adverse consequences of vacation activities and travel in the postoperative period, as well as uncertainties about follow-up care.8 The responsibility for management and costs of complications occurring after a patient is home is an important issue that remains unresolved.

The consequences of an adverse outcome, such as a severe stroke or death, in a foreign country thousands of miles from home would be particularly difficult for the family of a patient with limited funds.

Finally, if a patient wanted to initiate litigation for an adverse outcome, the claim would have to be adjudicated in a foreign court.

**Response to medical tourism**

The American Society of Plastic Surgeons, the first medical organization to address medical tourism, posted a briefing paper on its Web site in 2005 providing information to patients considering cosmetic surgery in foreign countries.8

In 2006, other medical organiza-
that provide such services. This may be particularly problematic for smaller programs and for those with a preexisting unfavorable case mix.

In an article in the *New England Journal of Medicine*, Millstein and Smith point out that the flight of American patients to foreign destinations for lifesaving operations is symbolically important and must be addressed by physician leaders.12 These authors argue that Americans going to foreign destinations for surgical care is a symptom of, and not a solution to, an affordability problem.

Their analysis suggests that offshore surgery could decrease total U.S. household spending for health care by only 1 percent to 2 percent. Mattoo (a World Bank economist) and Rathindran report that a number of health care services are readily tradable and that potential gains from trade could benefit all parties, with US health care savings of $1.4 billion to $2 billion.1

Medical institutions in less developed countries benefit by

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a Most frequently identified countries in literature and Internet search.
serving foreign patients. The skills and financial resources derived by providing health care in the global marketplace allow these facilities to better care for the local residents who otherwise would have limited access to modern medical facilities and services.6

Medical tourism enables countries that have long waiting lists for certain procedures to clear their backlog by sending patients to foreign countries for expedient care, at low cost, without expanding local capacity.6

Finally, there are opportunities for innovative physician executives and other health care leaders to explore ways to better fund the care of poor patients by directing certain services to lower cost hospitals in foreign destinations.

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**References**


Medical Tourism – Health Care in the Global Economy. The Physician Executive, Nov/Dec 2007. 4. Medical Tourism. As patients are exposed to greater financial burdens resulting from higher co-payments and price transparency efforts, they are likely to seek low-cost treatment alternatives such as medical tourism. The Deloitte 2008 Survey of U.S. Health Care Consumers revealed strong interest in outbound medical tourism. Global Market for Medical Tourism. The world medical tourism market is estimated to be around $60 billion currently; it is expected to grow to $100 billion by 2010 (estimates vary). Over 500,000 Americans traveled abroad for medical procedures in 2005. Over 35 countries are serving around a million+ medical tourists annually. Why is medical health tourism so popular with patients? According to the Medical Tourism Association, the reasons why people choose other countries as their health tourism destinations instead of their homelands are as follows: 56% of patients want to obtain a higher quality of treatment.

Global Healthcare Accreditation (GHA) evaluates the quality of services provided to international patients in medical facilities worldwide (medical tourism). GHA is an independent institution. Gleneagles Global Health City specializes in the organ and bone marrow transplant, cardiology, pulmonology (treatment of the lungs), and oncology. Global Hospital Chennai is a part of Gleneagles Global Hospitals Medical Group, which accepts 2 mln patients annually. Health Care Tourism encompasses both Wellness Tourism and Medical Tourism and is thus on the top tier while Medical Tourism and Wellness Tourism are both on the second tier. Furthermore, within medical tourism, there are two typologies: non-cosmetic (both elective and emergency) and cosmetic surgery. Based on this tree diagram structure of Health Care Tourism (Figure 3), we set a definition of medical tourism, in the context of our research, to guide us in our methodology and analysis. Figure 1: The Health Tourism Structure. The Health Tourism Structure Health Care Tourism. Wellness Tourism. Medical Tourism. This general remark also applies to global medical tourism, which is unlikely to affect all national health care systems in the same way. Put bluntly, systems will react differently to external pressures, based in part on their own institutional characteristics. Conversely, the prospect of affordable medical tourism may convince people in the US who do not have access to Medicaid, Medicare, or employer-based coverage that they do not need coverage at all, because they can always go abroad and save money should they need medical treatment. In this context, global medical tourism could interact with the question of whether people will seek coverage or not.