

# Medical Travel: Global Impact and Local Response

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The global dimension of healthcare is expanding and changing at an unprecedented rate. As emerging nations accelerate their economies, creating a middle class, swelling numbers of health care consumers are willing to travel to secure what they perceive to be high quality medical care. Conversely, growing numbers of uninsured patients in the developed world, facing the high cost of medical care at home, are traveling abroad to seek lower cost alternatives.

Both patterns are part of what is often referred to as medical tourism and medical travel. While medical tourism is generally defined as the practice of seeking elective care abroad, often in hospitals advertising an area's tourism attractions as much as their medical competencies, medical travel pertains more to the acquisition of highly skilled clinical care as the reason for the travel.

Medical tourists often seek lower cost alternatives than those available at home, and referrals center on executive physicals, elective reconstructive surgery, and some orthopedic procedures. Medical travelers are more typically seeking life-saving treatment not available in their home country, and are less concerned with price than with outcomes.

The competition to attract these traveling patients is growing more intense. India, Korea, Singapore and Thailand have national programs to advertise and support their medical tourism industry. Korea is in the midst of a government-sponsored advertising effort to lure medical tourists seeking plastic surgery. According to the Korean Ministry for Health, Welfare and Family Affairs, the Korean medical institutions made \$61.6 million from overseas patients in 2007, a nine percent growth from the previous year.<sup>1</sup> Thailand's Bumrungrad Hospital reports treating more than 1,000 international patients per day.<sup>2</sup> India's Apollo hospitals are advancing throughout South Asia, attracting patients from the Middle East, Europe and even the United States. Hospitals in Britain, Germany and Eastern Europe are also competing for the medical tourism dollar.

Inbound travel to the United States for medical care is valued at more than \$1 billion a year by the United States Department of Commerce. Medical travel was significantly curtailed by the events of Sept. 11, 2001, but is now exceeding the pre-9/11 volumes. Significant American medical destinations are the Mayo Clinic, Cleveland Clinic, Johns Hopkins, the hospitals of the Texas Medical Center, Partner's International hospitals in Boston, and other centers in New York City, Los Angeles, Miami, Seattle and Philadelphia.

The reliability of data regarding cross-border patient care is suspect. For instance, while Bumrungrad Hospital claims 400,000 international patients annually, a report in *The McKinsey Quarterly* estimates the current global market to be between 60,000 to 85,000 inpatient medical travels a year. The McKinsey estimate is based on definitions that limit the medical traveler to one who specifically seeks medical care in a foreign country, not expatriates seeking care in their country of residence or tourists seeking emergency care abroad.

This market niche represents new opportunities and implications for American academic medical centers. The benefits to providers attracting international patients are big. In addition to filling beds and increasing revenues per bed, such patients may boost an institution's domestic prestige.<sup>3</sup>

There are pitfalls – from visa policies to payment risk. International patients need additional attention – they are in a strange land, seeking care provided by professionals with different customs who speak a different language. Establishing the infrastructure to support international patients is expensive. The price can be as much as 10 to 20 percent of the cost of the care.

The models to gain access to the medical travel market are varied – and several have failed. The Miami Medical Alliance was created in the late 1990s by the Miami Chamber of Commerce and leading teaching hospitals in the region. Its primary purpose was to coordinate an executive physical program, and to conduct an advertising campaign in Latin America and the Caribbean. The program collapsed after 9/11. Despite this setback, programs in New York, Cleveland, Houston, Los Angeles, and elsewhere remain strong.

The Philadelphia region has developed its own model through the direction of Philadelphia International Medicine (PIM). A collaborative effort of the area's leading teaching hospitals, PIM's mission is kept simple – market for global medical travelers and provide the support concierge services international patients need. PIM carries out its mission by targeted marketing efforts, establishing physician exchanges, developing customized education and training programs and doing in-country visits to key

international hospitals. Its patient base comes from throughout the world, but is concentrated in Middle Eastern countries such as Saudi Arabia, Kuwait, the United Arab Emirates and Qatar. India is a growing source of patient referrals, as is the Caribbean basin. Patients primarily come to the region to seek specialized oncology services, orthopedic care, treatment for various neurologic diseases and for all aspects of pediatric care.

By establishing a one-stop shop for international patients, PIM is able to reduce the infrastructure cost for any one institution. PIM began as a limited liability corporation in 1999.

Its owners – The Children’s Hospital of Philadelphia, Fox Chase Cancer Center, Pennsylvania Hospital, Temple University Hospital, Thomas Jefferson University Hospital and the University of Pennsylvania Medical Center provide funding support and benefit through shared patient support services. The state and city provided some financial assistance in PIM’s early years.

PIM provides support for patients and their families through care managers who work closely with the patients from initial contact through discharge. The PIM care managers call patients in their home countries prior to arrival, making sure treating physicians have up-to-date medical reports in advance of the patient’s arrival, while pre-certifying patients with their insurance company or other sponsor. PIM works closely with international insurers, embassies and the patients themselves to resolve reimbursement issues in advance of the patient leaving their home.

PIM is also viewed as a regional economic development initiative. Its patients stay at local hotels, often for six weeks or more. Their families utilize the Philadelphia region’s restaurants, shop for gifts for family back home, and rely on local interpreters, medical equipment suppliers, and other services. Starting from a base of zero, PIM is now seeing growth in patient billings of more than 25 percent in 2008 over 2007. For the region, the result has been impressive with almost \$150 million in new economic activity; about 3,800 international patient encounters annually over the last three years; and a health care consulting program that has seen the organization plan two academic medical centers in Korea over the last five years.

As it ends its first decade of service, PIM is weighing new ways to advance its mission. One goal is to diversify its geographic base. For example, PIM is increasingly active in Asia and recently signed its first payer contract with an Indian health insurance company.

In the Spring, PIM completed a feasibility study to develop an international hospital on Jeju Island, South Korea, and it is now considering a project to build and manage the hospital. Another goal of PIM is to expand its service base. PIM is offering its services to additional hospitals that have an interest in medical travel but lack the infrastructure to manage an international patient population.

Should PIM be successful in achieving its goals, it will see a sustained 11 percent growth in international patient revenue; a joint effort to plan, build and operate a specialty hospital abroad; and a growing recognition from international health care organizations that the Philadelphia region is one of the leading international medical destinations of choice.

For more information about PIM, visit its website at [www.philadelphiamedicine.com](http://www.philadelphiamedicine.com). The author can be reached at: [lkarp@philadelphiamedicine.com](mailto:lkarp@philadelphiamedicine.com).

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