



Globalization, Medical Tourism and Health Equity

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Points of discussion

- Medical tourism: origin and growth
- Medical tourism as a new global business
- Key enabling factors of growth
- Impact of medical tourism
- An agenda for the future



Earlier medical tourism

- Earlier medical tourist centers were
 - Sanctuaries of the healing God
 - Spa towns for mineral baths
 - Sanitariums for fairer climate





Evolution of modern medical tourism

- **Pre 1997: Earlier**
 - USA and Europe are centers of the healthcare universe
 - Patients travel for high quality medical treatment
- **1997 - 2001: Transition**
 - Thailand is emerging as a hub of medical tourism
 - Shifting market from sellers to buyers
- **2002 - 2007: Expansion of medical tourism**
 - Emergence of India and many new destinations
 - Cosmetic surgery boom
 - Avoid wait time and high cost of care





Recent medical tourism

- Patients are increasingly traveling from the developed to developing countries
- Reasons are primarily to
 - avoid treatment delays
 - receive affordable care
 - have elective surgery





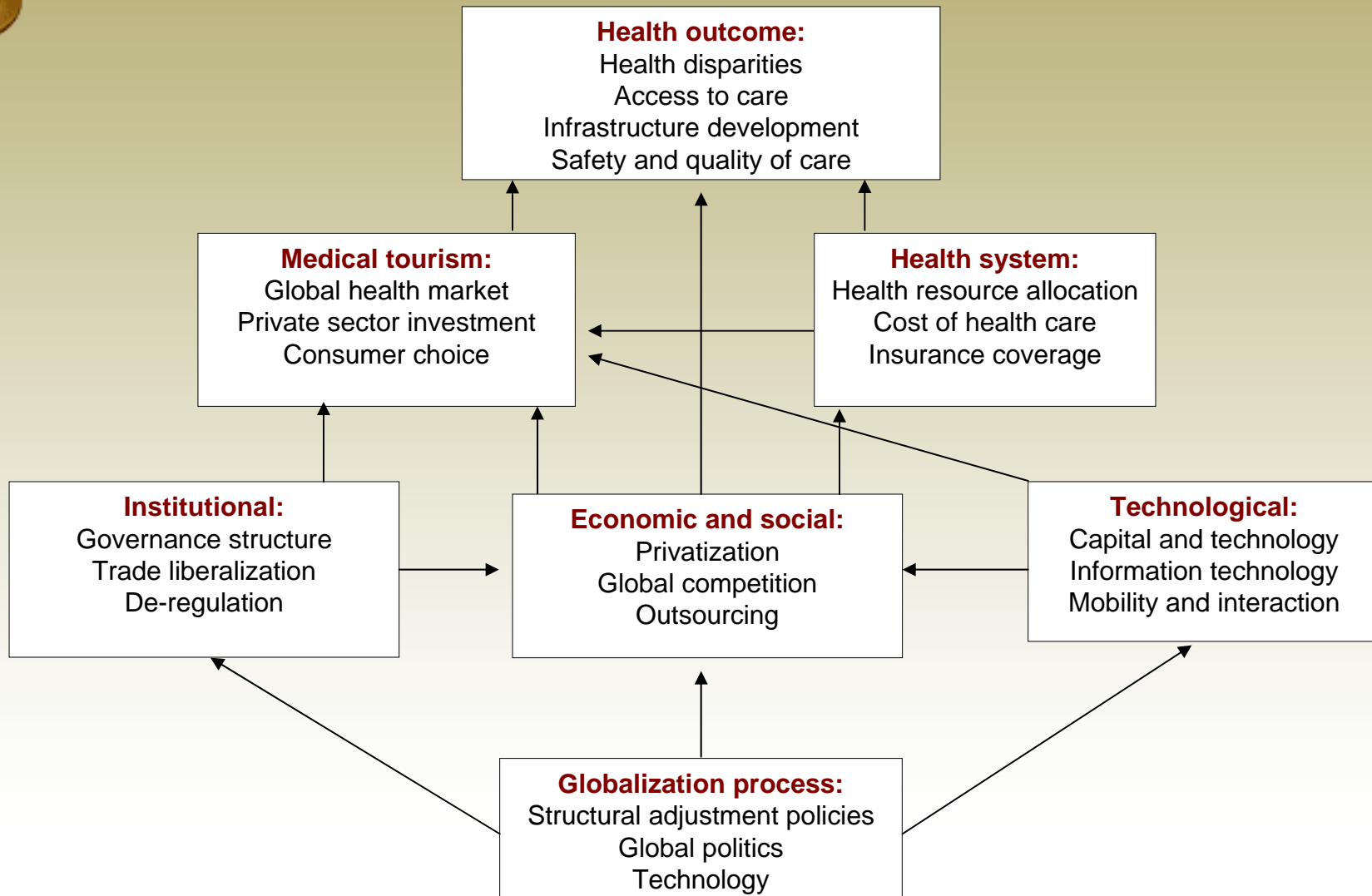
Medical tourism is emerging

- As a global business challenging the dominance of health care markets in the developed world
- As a threat, pushing health disparities even further in low income countries





Globalization and medical tourism: A conceptual framework

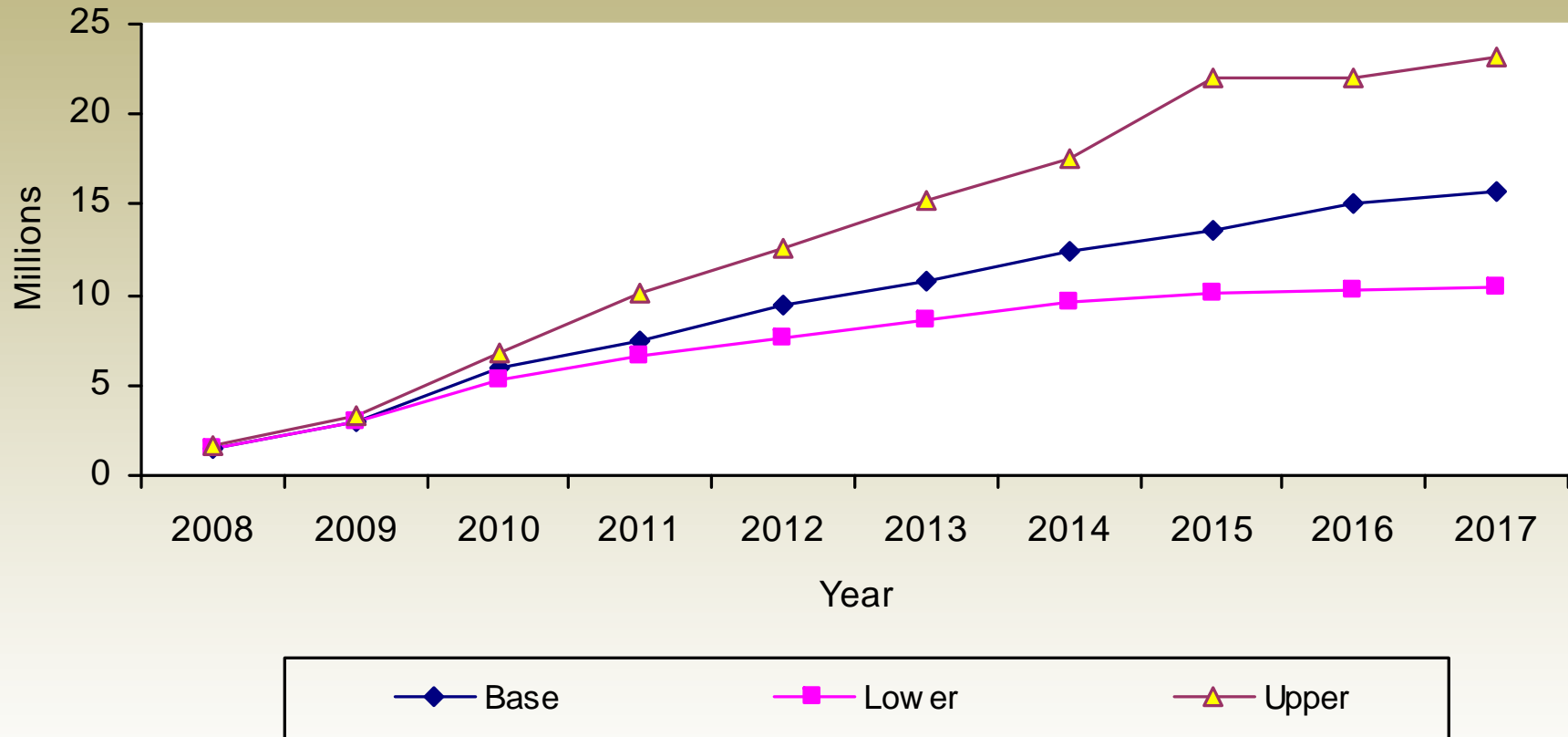




Growth of medical tourism market: selected data



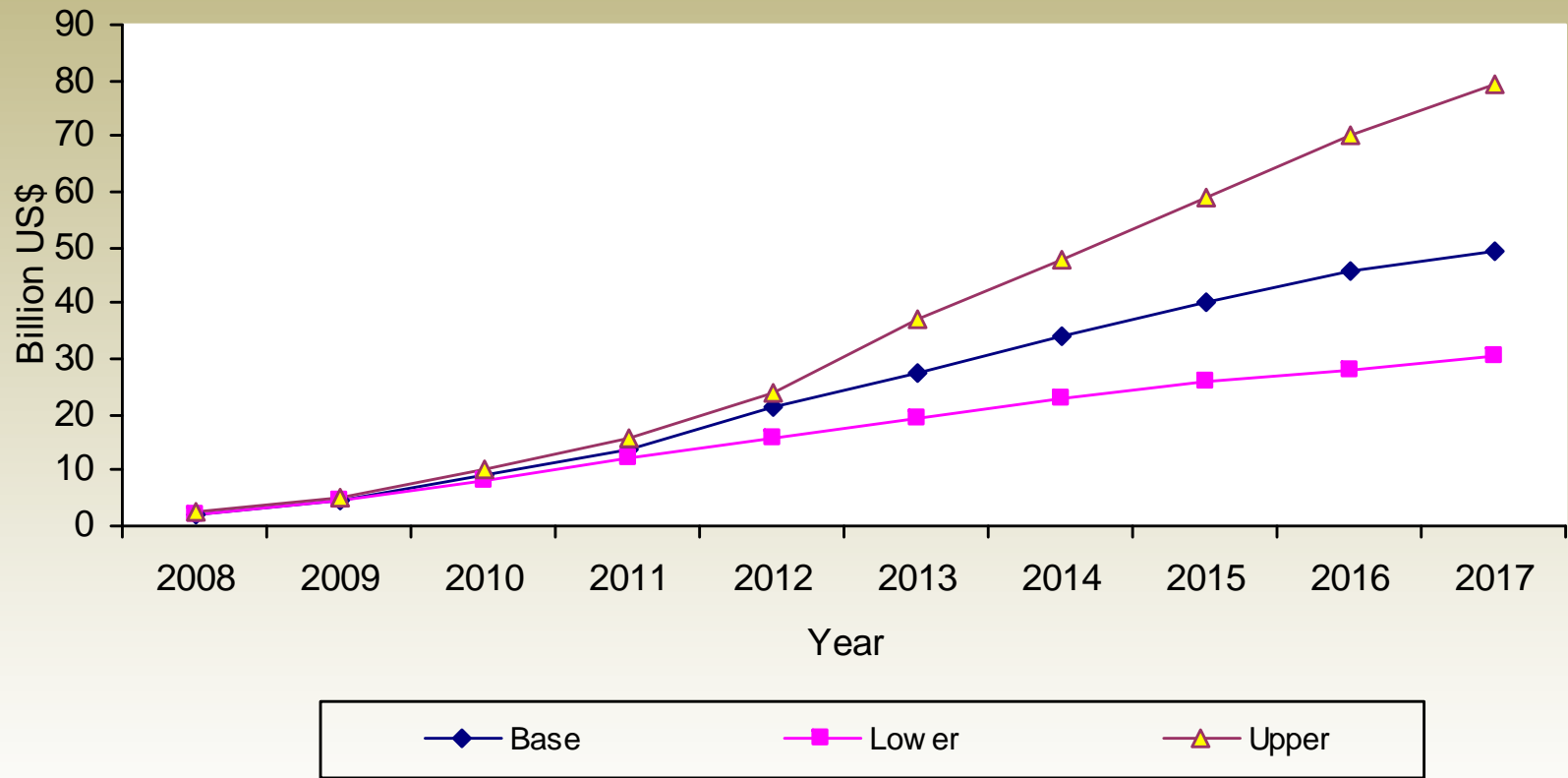
Projected outbound patients flow from USA



Source: Deloitte 2008



Projected spending by US patients only



Source: Deloitte 2008



Estimated patients, earnings and types of services

Country	Patients treated	Estimated earnings (US\$)	Major services provided
Thailand	900,000 (in 2008)	850 million (2008)	Cosmetic surgery, organ transplants, dental treatment, joint replacements
India	450,000 (in 2007)	480 million (2005)	Cardiac surgery, joint replacements, eye surgery
Malaysia	350,000 (in 2007)	43 million (2005)	Cardiology, cardio-thoracic surgery, cosmetic surgery
Singapore	410,000 (in 2006)	560 million (2004)	Liver transplants, joint replacements, cardiac surgery

Source: ESCAP 2007; DiscoverMedicalTourism.com; Health-Tourism.com



Two factors helped for market expansion

- Lack of affordability of a large US population due to:
 - High cost of health care
 - Lack of health insurance coverage
- Long waiting time in countries with public health care system (such as Canada, UK, etc.)



Comparative costs of selected services (US\$)

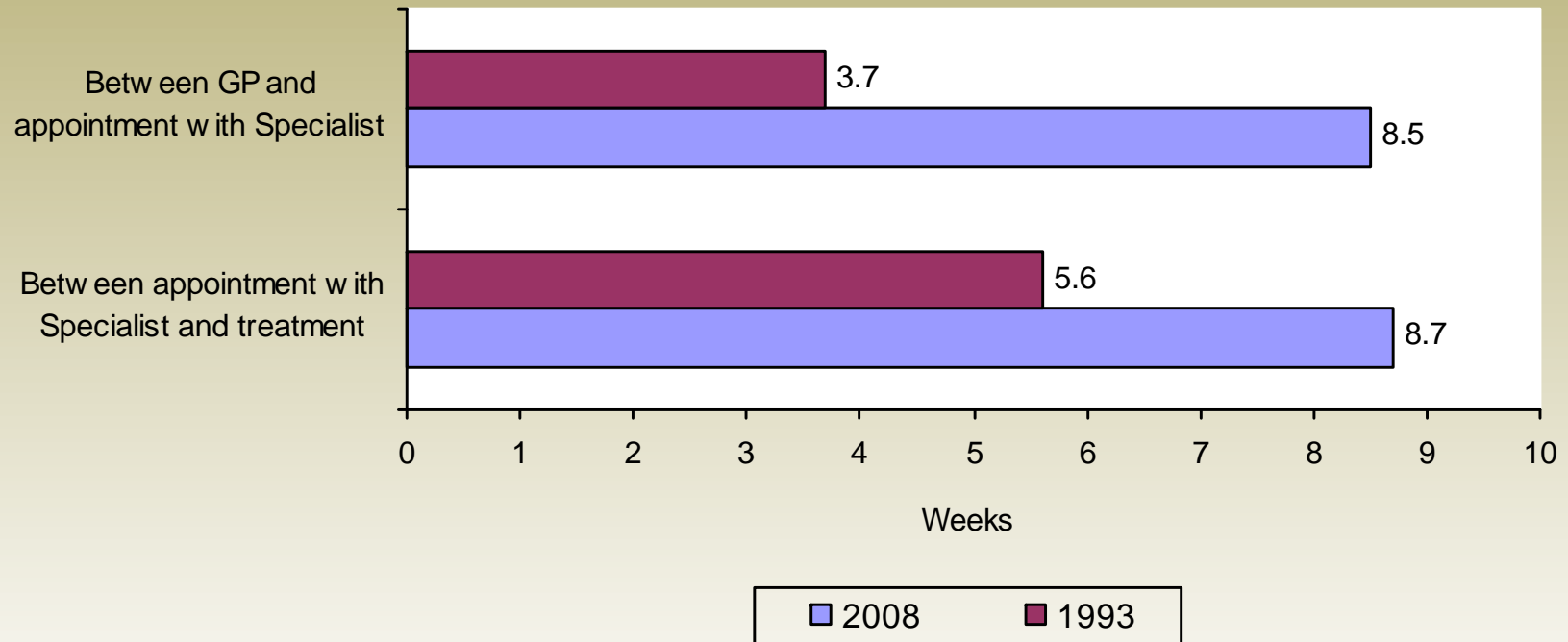
Procedure	United States	India	Thailand	Singapore
Heart valve replacement	159,000	9,500	10,500	13,000
Heart bypass	122,000	10,000	12,000	20,000
Knee replacement	41,000	8,500	10,000	12,000
Spinal fusion	63,000	5,500	7,000	9,000
Hysterectomy	20,000	3,000	4,500	6,000

Source: ESCAP 2007 and York 2008





Wait time in Canadian health system



Source: Esmail, Hazel and Walker 2008



Other enabling factors for growth

- Medical tourism offers choices
 - to select country, provider and type of services
 - from variant costs and quality
- Access to information technology
- Reputation of innovative services
 - Thailand: cosmetic surgery and dental care
 - India: hip resurfacing, cardiac surgery
 - The Philippines: renal care and kidney transplant
- Low cost of production of services
 - Low wage
 - Lower malpractice litigation, etc.
- Restrictions on travel to the West



Expected impact of medical tourism

- Health infrastructure development
- Equitable distribution of health care
- Mobility of health professionals
- Quality and patient safety
- Competition and cost-containment





Health infrastructure development

- Medical tourism can
 - boost gross domestic product by creating new employment
 - create a more favorable balance of trade with the West
 - lower the fiscal deficit of the country by earning foreign exchange
 - stimulate tourism, transport, pharmaceuticals, hotels and restaurants
- Emphasis on technology driven tertiary care may
 - distort the healthcare landscape
 - deprive own native-born poor populations
 - put pressure to reduce public health budget if government pays subsidy for medical tourism expansion



Equitable distribution of health care

- Medical tourism has been criticized for
 - the creation of a two-tier system of health care delivery
 - diverting public funds to implement policies in favor of tourism business
 - aggravating inequalities in health care access
- Medical tourism can contribute to
 - accelerate health technology transfer to less developed countries
 - reduce global inequality by providing high quality care for clients in the regions
 - extend health coverage as private hospitals will continue to treat only foreign patients is improbable



Mobility of health professionals

- **Three possible scenarios:**
 - Internal migration of medical professionals primarily from the public facilities to hospitals for foreign patients
 - Reverse brain-drain of professionals from the developed countries to their home country hospitals
 - Migration of professionals from the neighboring countries to newly built medical tourism hub centers in the region



Effects on quality and patient safety

- Intense competition among the international hospitals is likely to push pressure to invest in high-quality cutting-edge technology and human resources to attract international patients
- Upgraded facilities can have a demonstration effect on the national health system by raising the overall standard of health care and forcing public health facilities to invest more to improve their quality of care



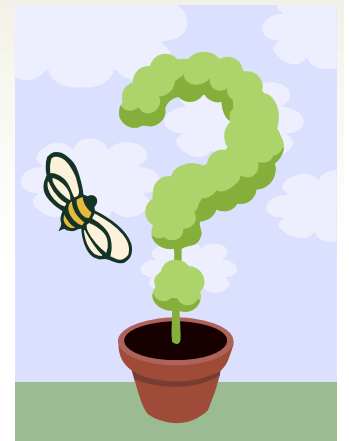
Competition and cost-containment

- Will it reduce the costs?
 - Medical tourism encourages global competition and puts pressure on very expensive facilities in the West to lower their prices
- Will it raise the costs?
 - Increased competition for physicians and nurses could raise the cost of services even further in the West with reduced brain-drain from developing countries
 - Subsidies given to international hospitals in host countries may force the government to raise the public health budget
 - Implementation of internationally accredited quality systems for hospitals may lead to higher treatment costs



What is actually happening?

- Does medical tourism expand the health sector and raise the quality of and access to care for the local population in host countries as expected?
- Does medical tourism widen inequality in access to care for the local population as feared?
- Not sure ... no reliable data available.....
 - Data is limited
 - Data is subject to bias
 - Follow-up is limited





An agenda for medical tourism governance



Medical tourism governance structure

- Why do we need a governance structure?
 - Establish and implement rules and regulations
 - Promote innovations and expansion
 - Monitor and report
- How this governance structure can be created?
- What should be its role or functions?



Medical tourism audit

- Building governance structure may begin by conducting an audit of the medical tourism business by looking at:
 - Quality of care at medical tourism facilities
 - Current practices of managing legal and malpractice issues
 - How patients' privacy is maintained
 - Patient follow-up after returning to home countries
 - Impact of the expansion of medical tourism on
 - the diffusion of advanced medical technologies in the developing world
 - access to care for poor and disadvantaged patients in provider countries



Developing a regulatory framework

- This will require
 - A systematic review of the medical tourism sector
 - Intensive discussion with the stakeholders
- The scope of the proposed framework will be to
 - Protect public interest by creating and monitoring guidelines
 - Standardize the qualification of medical professionals
 - Grant licenses and accreditation for international hospitals
 - Regulate activities of international health brokers, employers and insurers
 - Assist in sharing information among stakeholders



Concluding comments

- Growth of medical tourism is a historical process and a legitimate alternative to the recent health crisis in the West.
- Reduction of associated risks of medical tourism and translating its benefits for all are possible.



Thanks