Opportunities in Medical Tourism

Ruben Toral
CEO Medeguide
60 Minutes of Fame
Women Flock to Thai Hospital for Affordable Care

By Molly M. Ginty
WeNews correspondent
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With 46 million U.S. citizens living without health insurance—and millions of others underinsured or unable to get adequate care—a growing number of U.S. women are flocking to a Thai hospital for treatments they can't afford at home.

(WOMENSENEWS)—June Flowers would have done anything to stop the pain.

Suffering from a severely herniated spinal disk, with little savings and no health insurance and earning less than $10 an hour as a part-time cafeteria cashier, she couldn't afford the $30,000 operation her doctors said she needed.

"On good days, I could barely stand or walk," says Flowers, 46, a resident of Huron, S.D. "On bad days, I couldn't even get out of bed."

It didn't make sense to buy private health insurance, because her back problem would be considered a "pre-existing condition" and exempted from treatment for two years. Flowers feared having to file for bankruptcy. Then came the quirk of fate that sent her halfway around the globe and solved her health and financial troubles in one go.

"One night I caught a TV show about Bumrungrad hospital in Thailand, where Americans without insurance go for affordable care," says Flowers. "I e-mailed them, and within weeks, I was on a plane to Bangkok. I paid $3,500 for back surgery and three days later, I was home with my pain gone and problem cured."
I was sick of waiting
Sinking deeper in debt

Figure ES-2. Problems with Medical Bills or Accrued Medical Debt Increased, 2005–2007

Percent of adults ages 19–64 with medical bill problems or accrued medical debt

Note: Income refers to annual income. In 2005 and 2007, low income is <$20,000, moderate income is $20,000–$39,999, middle income is $40,000–$59,999, and high income is $60,000 or more.

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"God forbid you have a family of four and are earning $50,000 a year. You are screwed."
What is Medical Tourism?

When someone leaves their country of residence to travel to another for medical treatment
**WHO is traveling for medical treatment and WHY?**

<table>
<thead>
<tr>
<th>Quality Seekers</th>
<th>Value Seekers</th>
<th>Miracle Seekers</th>
</tr>
</thead>
<tbody>
<tr>
<td>People with means traveling to world class medical centers</td>
<td>People with limited means traveling for costs savings</td>
<td>People with complex medical issues looking for new therapies or experts</td>
</tr>
<tr>
<td>- Cardiac Surgery</td>
<td>- Cosmetic surgery</td>
<td>- Stem cell therapy</td>
</tr>
<tr>
<td>- Cancer Treatment</td>
<td>- Dentistry</td>
<td>- Non FDA approved therapies</td>
</tr>
<tr>
<td>- Neurosurgery</td>
<td>- Joint replacement</td>
<td>- IVF</td>
</tr>
<tr>
<td>- Major diseases</td>
<td>- Spine surgery</td>
<td></td>
</tr>
</tbody>
</table>
WHERE are these medical tourists going?

Over 50 countries have identified medical tourism as industry of national interest.
HOW big is medical tourism?

“The hype around medical tourism is bigger that the reality, but the potential is bigger than the hype”.


McKinsey says: US could see savings of $20 billion/year

Deloitte says: Market is around $60 billion/year
Why medical tourism is so popular

Consumers like medical tourism because it offers more choice, cost savings and the chance to travel.

Governments like medical tourism because it generates higher spend, longer length of stay, and is good for branding.

Hospitals and doctors like it because it is a cash business.

Media likes medical tourism because it is a good story.
Drivers

The world is getting older, sicker and fatter and it’s costing a LOT more to treat

<table>
<thead>
<tr>
<th>Treatment</th>
<th>What it does or would do</th>
<th>Cost per extra year of life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-aging compound for healthy people</td>
<td>$1-a-day compound adds 10 years to life</td>
<td>$11,245</td>
</tr>
<tr>
<td>Cancer Vaccine</td>
<td>Stimulates immunity to cancer</td>
<td>$23,330</td>
</tr>
<tr>
<td>Treatment for acute stroke</td>
<td>New drug reduces cell death after stroke</td>
<td>$28,024</td>
</tr>
<tr>
<td>Anti-aging compound for unhealthy people</td>
<td>$1-a-day compound adds 10 years to life</td>
<td>$38,105</td>
</tr>
<tr>
<td>Telomerase inhibitors</td>
<td>Limits cancer cell reproduction</td>
<td>$79,170</td>
</tr>
<tr>
<td>Alzheimer’s prevention</td>
<td>New drug delays onset of disease</td>
<td>$102,774</td>
</tr>
<tr>
<td>Implantable cardioverter defibrillator</td>
<td>Controls heart rhythm</td>
<td>$131,892</td>
</tr>
<tr>
<td>Diabetes prevention</td>
<td>Insulin-sensitizing drug reduces disease</td>
<td>$188,316</td>
</tr>
<tr>
<td>Anti-angiogenesis</td>
<td>Limits cancer cell growth</td>
<td>$638,141</td>
</tr>
<tr>
<td>Left ventricular assist device</td>
<td>Sometimes called “artificial hearts”</td>
<td>$654,968</td>
</tr>
<tr>
<td>Pacemakers for atrial fibrillation</td>
<td>New generation of pacemakers</td>
<td>$1,795,850</td>
</tr>
</tbody>
</table>

The cost to treat heart disease in the United States will triple by 2030, rising from $273 billion to $818 billion.

Circulation: Journal of the American Heart Association.
The accelerators

"There are over 300 JCI accredited hospitals worldwide"
- Joint Commission International 2010

Consumerism

I'm looking for an orthopedic doctor who can repair my torn ACL

Internet

"There are over 4.6 billion health keyword searches every month"
- Google 2009

Globalization

"The internet is the most widely used source for health information. 59% use online resources versus 55% who go to their doctor or 29% who talk to friends or relatives."
- iCrossing "How America Searches" 2008
Japanese companies reinvented the process of making cars. That’s what we are doing in healthcare. What healthcare needs is process innovation, not product innovation."

—Dr. Devi Shetty
Opinions  Commentary  Ruben Toral

Quality, liability, aftercare

Medical tourism must nail down these three areas of concern in order to thrive

For the past eight years, I have been an evangelist for medical travel and the medical tourism industry, preaching the benefits of off-shoring healthcare to anyone who would listen. It's a compelling argument—high-quality care, immediate access and prices that are 50% to 70% less than comparable healthcare in the U.S.—especially under these current economic conditions.

So the question is why? Why haven't more employers and payers adopted medical travel as a solution to lower healthcare costs?

There are three reasons: liability, quality and continuity of care. To many human resources directors and executives, the conversation always comes back to these three questions:

- How do I know these hospitals offer comparable quality as U.S. hospitals?
- What happens if something goes wrong?
- Who is responsible for delivering care if these patients return from overseas?

Healthcare companies that offer lower-cost options, employers simply will not bite on medical off-shoring if there are no practical answers to these basic questions.

This year, as president of the International Medical Travel Association, I have stepped into the discussion and have turned my attention to medical tourism—where the industry needs to improve and what can be done about it.

Below is an article that provides specific levels of coverage in the event of complications, injury or death. Several forms of health insurance are available. Third, all hospitals managing international patients should publish medical malpractice guidelines in their country and policies hospitals in place to manage medical malpractice claims. To be sure, risk cannot be eliminated but it can be mitigated.

By adopting common practices that promote transparency and patient safety, the industry assures a proactive rather than reactive position when it comes to liability.

Tackling continuity of care seems daunting, but it can be mitigated. By adopting common practices that promote transparency and patient safety, the industry assures a proactive rather than reactive position when it comes to liability.

Hitch in globalizing health care: Who bears liability?

Providers turn to technology to become more efficient, but is it working? / Page 6

TECHNICAL ASSISTANCE

Providers turn to technology to become more efficient, but is it working? / Page 6

Ruben Toral is president of the International Medical Travel Association and the International hospitals. U.S. insurers and health maintenance organizations.

No good stats
- Liability concerns
- No standardized quality measurement
- Limited products
- Slow employer and insurer engagement
- Obama healthcare reform

In India, in return for a share in the company's savings, Blue Ridge now says it will find the next generation of about 20 healthcare providers in the United States and offer healthcare options to these newly engaged employers.

BANGALORE, India: For weeks ago, Carl Garet, a 60-year-old North Carolina resident, was picking up a bag to fly to New Delhi and check into the plush international hospital, to have his gall bladder removed and the issue of medical liability about something else go wrong.

"I was looking forward to the adventure of being treated in India," Garet told the San Diego Union-Tribune.

In this story, the United States, had not been able to get their treatment in India, and his union, which raised questions about the quality of health care overseas, reported the issue of medical liability about something else go wrong.

Garet was to be a test case, the first company-sponsored patient in the United States to receive medical treatment in low-cost hospitals.

But instead of mailing the 20-hour flight, Garet was grounded by a letter from the state, who then proceeded to his left shoulder operated.

"But my company dropped the ball," Garet said.

The union, the United Steelworkers, had been able to get treatment in India, and the issue of medical liability about something else go wrong.

Garet, who works for Blue Ridge Paper Products in Canton, North Carolina, had volunteered to pay his treatment in India, return for a share in the company's savings, Blue Ridge now says it will find the next generation of about 20 healthcare providers in the United States and offer healthcare options to these newly engaged employers.

"No U.S. citizen should be exposed to the risk involved in traveling internationally for health care services," Garet said.

"But my company dropped the ball," Garet said.

The union, the United Steelworkers, had been able to get treatment in India, and the issue of medical liability about something else go wrong.
10 Years of learning

- People are sick of waiting for accessible, affordable good quality care

- Medical tourism is a disruptive force and therefore a threat to the status quo

- People want a different model

- It takes a crisis
Infomediaries
Helping consumers make better decisions (Medeguide)

Web based medicine
virtual clinics, online appointments and consultations

Global Concierge Medicine

Globalization
Internet
Consumerism
Opportunities
**The most popular drugs**
The most prescribed drugs according to IMS Health.
*Prescriptions in millions.*

<table>
<thead>
<tr>
<th>Drug (brand name) use</th>
<th>2010</th>
<th>1-year growth (%)</th>
<th>5-year growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>hydrocodone/acetaminophen (Vicodin) pain</td>
<td>131.2</td>
<td>2.34%</td>
<td>16.73%</td>
</tr>
<tr>
<td>simvastatin (Zocor) high cholesterol</td>
<td>94.1</td>
<td>12.29%</td>
<td>16.73%</td>
</tr>
<tr>
<td>lisinopril high blood pressure</td>
<td>87.4</td>
<td>5.56%</td>
<td>34.05%</td>
</tr>
<tr>
<td>levothyroxine sodium (Synthroid) hypo thyroid</td>
<td>70.5</td>
<td>6.82%</td>
<td>41.57%</td>
</tr>
<tr>
<td>amlodipine besylate (Norvasc) high blood pressure</td>
<td>57.2</td>
<td>11.50%</td>
<td>NA</td>
</tr>
<tr>
<td>omeprazole (Prilosec) acid reflux</td>
<td>53.4</td>
<td>17.62%</td>
<td>196.67%</td>
</tr>
<tr>
<td>azithromycin (Zithromax) antibiotic</td>
<td>52.6</td>
<td>-2.23%</td>
<td>-44.11%</td>
</tr>
<tr>
<td>amoxicillin antibiotic</td>
<td>52.3</td>
<td>-0.19%</td>
<td>-4.39%</td>
</tr>
<tr>
<td>metformin HCL (Glucophage) diabetes</td>
<td>48.3</td>
<td>9.03%</td>
<td>25.78%</td>
</tr>
<tr>
<td>hydrochlorothiazide high blood pressure</td>
<td>47.8</td>
<td>-0.21%</td>
<td>-0.42%</td>
</tr>
</tbody>
</table>

**Chronic disease mismanagement**
Lifestyle Management

- Accessible, affordable therapies
- Use science
- Proven efficacy
- Change the message and imagery
Beauty and Anti-Aging

Women want to **recapture** the **beauty** of their youth

Men want to **recapture** the **vitality** of their youth