



Medical Tourism

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Would you travel to India for a major surgical procedure? How about South Africa? Or Thailand? *You* may not choose to travel abroad for surgery but in recent years thousands of Americans have. In fact, an estimated 750,000 Americans went abroad for health care in 2007 and that number was expected to double in 2008. Further, a report published by Deloitte Consulting in August 2008 projected that medical tourism originating in the US could jump by a factor of ten over the next decade. This growth in medical tourism has the potential to cost US health care providers billions of dollars in lost revenue.

It may not have been called Medical Tourism then, but traveling outside one's own country for medical care has been around for thousands of years. Americans are very accustomed to people coming to the United States for medical treatment. What has changed in recent years is the dramatic increase in Americans seeking care out of the country. What has caused this shift? There is a one-word answer...money.

The cost of surgery in India, Thailand or South Africa can be one-tenth of what it is in the United States or Western Europe, and sometimes even less. For example, a heart-valve replacement that would cost \$200,000 or more in the US, goes for \$10,000 in India--*and that includes round-trip airfare and a brief vacation package.*

Similarly, a metal-free dental bridge worth \$5,500 in the US costs \$500 in India, a knee replacement in Thailand with six days of physical therapy costs about one-fifth of what it would in the States, and Lasik eye surgery worth \$3,700 in the US is available in many other countries for only \$730. Cosmetic surgery savings are even greater: A full facelift that would cost \$20,000 in the US runs about \$1,250 in South Africa.

The practice has become so common that Medical Tourism Organizations have sprouted like weeds. They function somewhat like a travel agency, helping patients select hospitals and scheduling their trips. They determine the credentialing standards of care for international facilities and increase the awareness and utilization of international medical services. Most importantly, their primary goal is to be the liaison between providers and patients.

If you or someone you know is considering “off shore” medical care, you may want to ask:

- Is the hospital licensed and certified in that country?
- How much of the cost will be covered by your insurance?
- What happens if something goes wrong – what recourse will you have?
- What laws protect you from incompetent or unscrupulous providers?
- Who is responsible for follow-up care?
- What will you do if a post-surgery complication arises after you are back home?

All of these are legitimate concerns that should be considered by anyone thinking about becoming a Medical Tourist.

Should an employer consider “Medical Tourist” coverage for its employees? It depends. There are many important questions to answer:

- Should you partner with a Medical Tourism Organization?
- Do you cover the services and the travel under your current benefit offerings?
- If you are self-funded, will your reinsurer cover the risk?
- How do you treat the time out of the office - is it a leave or considered vacation time?
- What does the company want to accomplish? Is it dollar savings, is it a state of the art benefit program or is it just wanting your employees to have options?

These issues and more need to be considered ahead of time. If the decision is to move forward, a thorough analysis followed by a strategic implementation and employee communication process is vital to the success of your program.

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