Medical Tourism: A Serious Business Undergoing Serious Change

By Bruce Patsner, M.D., J.D.

“Medical tourism” is a catch phrase for what is becoming an increasingly prevalent and highly publicized\(^1\) phenomenon in United States healthcare. The phrase does not remotely encompass the broad spectrum of services currently being offered and marketed here and abroad via the Internet, nor convey to the casual observer the actual scale, in terms of absolute numbers of patients and dollars, involved.\(^2\) Make no mistake, medical tourism is already a big business and certain to get bigger.

There is no universally accepted definition for “medical tourism”, but the phrase is generally used to describe the phenomenon of citizens of one country traveling to another country for medical services.\(^3\) The world population of medical tourists may be initially broken down into three large groups: foreigners coming to the US; foreigners going to countries other than the US; and US citizens going to foreign countries.

Foreigners have been coming here for decades for medical services not available locally. For these generally wealthy individuals the United States is “an international trade center in genetic and reproductive technologies…, servicing foreigners whose own countries ban these procedures.”\(^4\) On a larger scale the arrangements for care have even occasionally been sponsored by foreign governments. For example, during the 1970’s, thousands of Dutch citizens were flown to the Texas Medical Center for complicated cardiac surgical procedures relatively unavailable locally due to a shortage of trained personnel. Medical tourism also has been a long-standing tradition for citizens of England and other European countries traveling both with the European Union and to Asia for medical and surgical care\(^5\) either not available in their home country or available but only after lengthy delay. Access, rather than cost, has been the major factor for these medical tourists.

For all three of these potential groups of patients (or, to use the industry jargon, “healthcare consumers”) the potential reasons why a citizen of one country might travel to another country are always the same: access and cost.\(^6\) Lack of access, either because the technology is not available, is prohibited or illegal, or the wait is too long in the home country, can lead to medical tourism. In the past this was a common reason why foreigners came to the United States (more cutting edge surgery including cardiac,

---


\(^3\) *Id.*


\(^5\) Aaditya Mattoo and Randeep Rathindran, World Bank, *Does Health Insurance Impede Trade in Health Care Services?*, 2 WORLD BANK POLICY RESEARCH WORKING PAPER 3667 (July 2005).

\(^6\) Cortez, *supra* note 2, at 7. Prof. Cortez notes only two reasons for medical tourism: access and cost. “Patients generally seek medical care abroad for one of two reasons: either they do not have access to a particular treatment, or they cannot afford it, in their own country.”
orthopedic, and reproductive technologies such as IVF). Americans might travel due to lack of access to unproven medical therapies such as stem cell or cytoplasmic transfer therapy.

The cost of the procedure or treatment can also motivate medical travelers. It has been assumed that most of the foreigners coming to the US for medical care are prepared to fully pay for the costs of such care. There is little data about the financial resources of Americans who in the past sought medical care overseas, but anecdotal reports have noted how expensive exotic or unavailable (e.g. stem cell) therapies were. The same cannot be said for more standard surgical and medical therapies such as cardiac or orthopedic surgery performed abroad. Although these treatments may be prohibitively expensive for most of the native general population of a foreign country, they are still a bargain for US citizens compared to what they might have to pay out of pocket at home.

Given the largely unregulated nature of medical tourism, it is important for health policy experts, patients, and providers alike to understand how and why medical tourism is growing and what impact it may have.

With healthcare costs rising in the US and increased willingness to seek private care in countries with government-run systems in order to avoid waits, motivation for medical tourism is increasing. Information is also more available to the public about treatment in other countries through the globalization or economic “flattening” of the world and medical information and marketing on the Internet. Where analysis of traveling for medical services traditionally focused on foreign patients traveling to the US, the changes in economics and information availability have lead to increases in residents from a variety of countries, including the US, traveling to obtain conventional treatments at better prices.

We are now seeing uninsured, or under-insured, Americans traveling to foreign countries for therapy that is available here but is less expensive abroad. Traditionally, these patients were helped under charity care systems, but many hospitals have increased the requirements to qualify for charity care and have become aggressive about seeking payment from those who do not qualify and cannot pay upfront. These patients may face a struggle between believing in the quality of care in the US but not being able to pay for it, and knowing they can afford care abroad but worrying about the difficulties in

---

7 Andrews, supra note 4
traveling, quality of care available, and the possible lack of malpractice remedies should something go wrong.\textsuperscript{14} With increased health insurance premiums and costs in the US being born by insurance companies and employers, it is likely that US patients will be encouraged and/or incentivized to travel abroad for less expensive care as insurers and employers become more sophisticated about medical tourism. To some extent this has already begun as some providers/insurers are securing lower-cost medical and surgical care outside the US for their subscribers, partnering with foreign hospitals, or building and staffing facilities in foreign countries.\textsuperscript{15}

The change in treatments being sought – from experimental to more standard care\textsuperscript{16} – has for the first time placed foreign hospitals, doctors, and healthcare systems in direct competition with their US counterparts. Indeed, the government of India has stated that one of its major policy goals is to capture uninsured and underinsured American surgical patients.\textsuperscript{17}

Not surprisingly, marketing has not been far behind the new trends in medical travel. There are now Internet-based marketing and promotional campaigns by hospitals and healthcare consortiums in India and Southeast Asia directed at patients in the West.\textsuperscript{18} The focus has been largely on procedures in orthopedics, cardiovascular, and to a lesser extent reproductive and neurological surgery. The websites tout the significant cost savings.\textsuperscript{19} These foreign hospitals provide a great deal of financial information to potential US and foreign patients via the Internet, and these websites have clearly focused on the fact that the primary motivation for many current medical tourists is financial.\textsuperscript{20} One can not help compare this transparency to the overt lack of this information by American hospitals and medical centers. These foreign websites also promote the fact that the procedures, equipment, and personnel are comparable to those in the US.\textsuperscript{21} Most attempt to allay potential fears of lesser-quality surgical and nursing care by noting the percentage (and degree) of US medical and surgical training completed by their staff,\textsuperscript{22} Joint Commission and/or World Health Organization certification,\textsuperscript{23} and complication rates and recovery times that are comparable to those in US hospitals.\textsuperscript{24}

\textsuperscript{14} Cortez, \textit{supra} note 2
\textsuperscript{16} Ernst, \textit{supra} note 11
\textsuperscript{19} \textit{Id}.
\textsuperscript{21} See Bumrungrad International Hospital, Medical Tourism, Bangkok Thailand, available at http://www.bumrungrad.com/Overseas-Medical-Care/Bumrungrad-International.aspx (last accessed Dec. 18, 2007.)
\textsuperscript{22} \textit{Id}.
\textsuperscript{23} See Apollo Hospitals, \textit{supra} note 18
\textsuperscript{24} \textit{Id}. 
There are clearly many unresolved issues concerning medical tourism and what impact it will have on our current system. No one knows how much more conventional medical and surgical care will be outsourced. The risk that middle income patients and their insurance carriers will look on healthcare as a fungible commodity is the biggest risk to US hospitals and healthcare systems, particularly if the perceived quality gap can be closed by foreign hospitals. As this happens, US hospitals, academic medical centers, and ultimately physicians may soon face the same international economic and financial competitive pressures that US manufacturers of automobiles and steel have faced for decades. One possible beneficial result of medical tourism for the US healthcare system may be that it is forced to become more efficient, more cost-effective, more focused on quality and safety, and less expensive.

There are concerns as well, both in terms of the lack of possible legal remedies for malpractice that occurs abroad and issues of responsibility for follow-up care after a patient who is treated abroad returns home. Concerns may also be valid about what impact the increased financial pressures will put on workforce and access issues in the US; this could be another blow to enrollments in health professional education classes if students feel their debt will greatly outweigh their earning potential.

On a more global public health level, it remains to be seen what impact medical tourism will have on the destination countries’ health system. While an improvement in access and quality is possible due to attempts to better meet the needs and wants of Western patients, a decrease in both is also possible if resources are diverted for these foreign patients rather than citizens of the country providing the care.

The unanswered questions and potential economic impacts of medical tourism should be areas of interest for those in all aspect of healthcare both in this country and abroad. It appears that once again technology and patient wishes are moving faster than the legal or regulatory system, which allows for both more flexibility and potential improvement in healthcare delivery and for possible abuses. In either case, lessons will be learned about the future of healthcare through continued monitoring of medical tourism.


---