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Medical Tourism: perspectives and applications for destination development

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Abstract

This paper explores the issues surrounding the emergence of medical tourism as a distinct subject area in the growth of global tourism. The discussion is framed around examples from both the supply side and demand side concerning markets in North America, Europe, Asia and the Middle East. Specific market characteristics associated with these settings are presented along with special emphasis on the drivers and challenges to growth. Attention is placed on the experience and service side of the medical tourism purchase as a form of destination diversification. The role of the medical tourism operator in the service experience is explored.

Medical, tourism, destination, experience, diversification, medical tourism operator

Introduction

Milica Bookman and Karla Bookman (2007) define medical tourism as travel with the aim of improving one's health, and also an economic activity that entails trade in services and represents the splicing of at least two sectors: medicine and tourism. Michael Moody (2007) indicates that the medical tourism trend began when residents of one country would go to another country to have cosmetic or dental procedures completed while on vacation or to recover from such procedures in a vacation like destination. The early participants in medical tourism may have limited their treatment to relatively minor procedures, but as global medical standards and regulations have been implemented in new locations around the globe, more and more people are looking for the best treatment at a competitive price in a preferred location. The treatments that medical tourists are currently traveling for have moved well beyond cosmetic and dental procedures to include complex heart surgery, joint replacement, spinal surgery and more. Moody expects that the global trend of medical tourism will grow from a twenty billion dollar business in 2007 to a forty billion dollar business by 2010 (Moody, 2007). For the sake of this work, Medical Tourism will be defined and distinguished from health tourism as the combination of travel to a vacation destination for a potential leisure experience and a specific medical intervention. As medical tourism gains attention as a low cost form of healthcare, a new focus on the experiential component of the trip is emerging. If destinations provide the main components of medical tourism: low prices; qualified doctors; and beautiful surroundings, what will keep destinations from becoming commodities? To address these issues one must look at the stream of research related to both the supply and demand side of medical tourism. The supply side literature regarding medical tourism encompasses the quality and cost associated with medical facilities, the type of procedures available and the nature of the destination developing medical tourism. Michael Horowitz and Jeffery Rosensweig (2007) identify the following countries as being medical tourism destinations: China, India, Israel, Jordan, Singapore, Malaysia, Philippines, United Arab Emirates, Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Jamaica, Mexico, United States, Belgium, Germany, Hungary, Lithuania, Poland, South Africa and Australia. The above mentioned list may not be a complete listing as the potential for economic gain from medical tourism is drawing increased interest and participants from around the globe. McCallum and Jacoby (2007) identify "respected premier providers" of medical tourism as Brumrungrad Hospital in Thailand, Wockhardt Hospital in India, Escorts Heart Institute and Research Center in India, Apollo Hospital in Chennai in India, Indraprastha Hospital in India (one of the Apollo Hospitals), Hyperabad Hospital in India (one of the Apollo Hospitals), Gleneagles Hospitals in Singapore, and the American Hospital in Dubai. According to the Joint Commission International website, all of the above mentioned facilities are JCI accredited (www.jointcommissioninternational.org/23218/iortiz/). Parkway Hospital in Singapore (one of the Gleneagles Hospitals) is affiliated with Johns Hopkins Hospital in Baltimore, Maryland, and Healthcare City in Dubai is affiliated with the Mayo Clinic in Rochester, Minnesota (McCallum and Jacoby, 2007).

According to Apollo Hospitals in India's website, they claim to be the largest healthcare group in Asia with over seven thousand beds in thirty-eight hospitals. According to Connell (2006) the ability to convince tourists that the healthcare in these international destinations is of a safe quality is one of the major barriers to medical tourism. In order to combat this concern, international accrediting agencies are in the process of certifying the quality and safety of global healthcare delivery. Patients concerned with the quality of care and level of service of foreign healthcare providers are able to look to the international section of the United States Joint Commission on Accreditation of Healthcare Organization (JCAHO) and standards set forth by the International Organization for Standardization (ISO). The international branch of the JCAHO is referred to as the JCI (Joint Commission International). The JCI has accredited more than 150 healthcare facilities worldwide and continues the inspection and approval process (Moody, 2007). The ISO currently has and continues to develop international standards and measurement systems for healthcare providers with the input of standards bodies and regulatory agencies within its 157 member countries (Bookman and Bookman, 2007).

Table 1: Top 10 countries by number of medical facilities accredited by Joint Commission International (JCI), outside of North America:

Country	JCI Accredited Facilities
1) Turkey	20
2) Kingdom of Saudi Arabia	17
3) Singapore	13
3) Spain	13
3) United Arab Emirates	13
4) Brazil	12
5) Ireland	10
6) Italy	9
6) India	9
7) Denmark	7
8) Germany	6
9) China	5
9) Qatar	5
10) Thailand	4

(Compiled from www.jointcommissioninternational.org/23218/iortiz/)

Access is the factor that is driving the demand for this supply of healthcare facilities beyond growing certification of quality, lower costs, and the potential to combine leisure. Medical tourists travel to receive treatment not available in their country of residence. Cancer patients will often travel to receive alternative medical procedures or medical treatments that are not available (or even banned) in the United States (Brady, 2007). Medical tourists from Canada and Britain are often seeking to avoid long delays in treatment or waiting lists for treatment that the governmental healthcare systems in their countries have regulated (Horowitz and Rosensweig, 2007). Cosmetic surgeries are the most common procedures sought by medical tourists traveling outside of their country of residence for treatment. Cosmetic medical procedures are not usually covered by insurance or national healthcare programs, and therefore, cost-conscious consumers are seeking the best value for their money and are willing to travel to get it (Chordas, 2007). Some medical tourists seeking cosmetic medical procedures will travel for the additional privacy that having the procedure and recovery process completed in a remote destination provides them (Fried and Harris, 2007). In an article by Brent McCallum and Philip Jacoby (2007), the authors indicate that medical care provided outside the United States can reduce the cost of surgery 50 to 90 percent for the American consumer. Currently, medical tourists are traveling for highly technical surgical procedures (not just cosmetic). All of the following are known to be available to foreign patients at healthcare facilities in India, Thailand, and Singapore: angioplasty; gastric bypass; heart bypass; heart valve replacement; hip replacement; mastectomy; and spinal fusion (McCallum and Jacoby, 2007).

In summary, how tourists decide to engage in medical tourism experiences appears, based on the literature, to encompass five areas. These are first and foremost the awareness that there is an alternative healthcare facility to meet their needs that is both equal to their country of origin's standards and available at a lower cost. These appear to be the main factors affecting where visitors choose to go for medical tourism. Once that level of care has been identified, cost of the treatment and travel is of great importance. Motivated

medical tourists are seeking medical care that is not available to them either due to regulations prohibiting the treatment within their country of residence or because the waiting time to receive the needed or desired medical procedure is too great for them to endure. The privacy-motivated medical tourist may be seeking a remote destination for the purposes of providing the opportunity to have medical or cosmetic treatment away from people they know and in a resort-style destination that allows for vacation-like recovery in an exotic location. Lastly the nature of the country both from risk factors associated with it (such as safety, security and stability), along with the tourism attributes associated with the location play a role in the decision-making process.

A key component of the medical tourism experience surfacing from the research and this study is the services provided to the traveler by the medical travel companies, also called medical concierge services. These are the companies that help connect the demand for medical tourism with the supply side of medical tourism. Their role in the tourist experience is distinctive to the planning, stay, and post stages of the trip. While much of this research is in its early stages, it appears to be producing some recurring themes. In the planning stage tourists tend to look for a seamless experience and choose to use a company that offers an inclusive package with the highest level of credibility. Tourists appreciate the fact that they are given the opportunity to meet with the doctor, via a conference call, and that they are offered detailed information about their trip as the travel company has built a distinctive relationship with the doctor and hospital abroad. It is the onsite level of service that is most often mentioned. Travelers are often assigned a program manager by the medical tourism operator who does not accompany the medical tourist to the destination, but stays in close contact by telephone throughout their tour and follows up afterwards. The medical tourist is also assigned a "Destination Program Manager (DPM)". The medical tourist is met at the airport upon arrival in the foreign country and guided through the process with the help of this personal local agent who works as an interpreter, guide, and assists the medical tourist with staying in communication with loved ones in his/her country of residence (Chordas 2007, Smith and Forgione, 2007). Besides the intermediaries' service level, since the cost of labor is significantly lower in many of the destination countries for medical tourism, patients are often provided with a higher level of personal care from a larger staff of nurses than they would have in the U.S. or Great Britain (Fried and Harris, 2007). Once travelers return to their country of origin they are often serviced by the same person they built a relationship with at the medical tourism firm regarding their needs for follow-up visits, updating medical records, and any after-surgery care.

According to Dwyer and Kim (2003), for a destination to achieve competitive advantage it must ensure that its overall appeal and the experiences offered are superior to alternative destinations available to the visitor. The authors break the attributes into two resource groups that make a destination generally competitive: endowed resources and created resources. Endowed resources are the natural, heritage, and cultural attributes specific to that destination, while created resources are services associated with the tourist, such as accommodations, food and beverage establishments, and manmade attraction. Additionally, created resources include special events, entertainment and shopping. Supporting factors that distinguish these core resources and support their ends, according to Dwyer and Kim (2003), are the general infrastructure; quality of service; accessibility of the destination; hospitality of the host population; and market ties. Medical tourism or the healthcare facilities attracting visitors to a destination would fall under the area of created resources, according to their indicators of destination competitiveness.

It would seem logical based on the literature that the country competing for visitors as a medical tourism destination would need three nodal components (Figure 1). Currently, the research supports the bottom two: the destination's connection to specialized medical tourism operators, and secondly, the medical facilities and services offered at the destination. While medical tourism operators can connect travelers to any location on the globe that meets the needs and wants of the market, and a destination over time can develop high quality medical facilities, what happens as commodification begins to occur in the medical facilities and services as they have in many traditional western destinations? The key may be that the real differentiator for a destination becomes the tourism component of the medical tourism experience. The primary research that follows focuses on understanding and exploring the current role that the core tourist attributes of a destination play in the medical tourism experience.

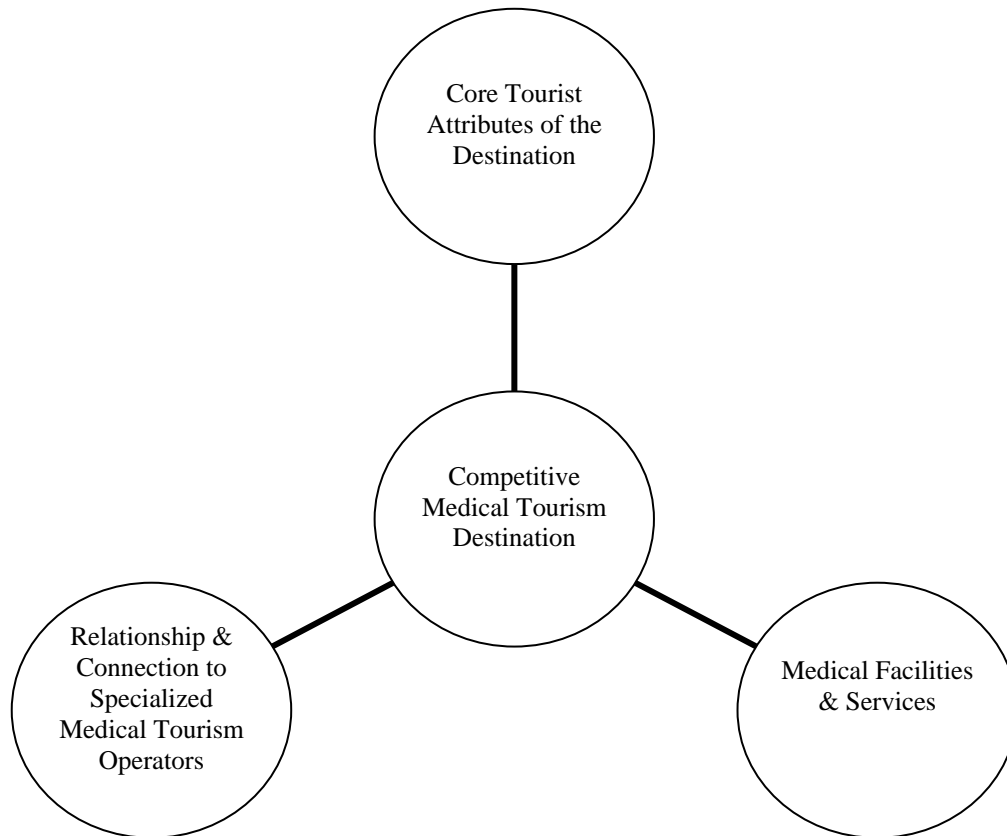


Figure 1: Competitive Medical Tourism Destination Model

Methodology and Findings

The inability to identify a sample of medical tourists due to the proprietary nature of this information and the privacy surrounding patients in healthcare, a sample of medical travel intermediaries was identified. Through an extensive literature review, online search, and use of published lists, a sample of 48 companies was identified. These were primarily headquartered in the United States. These companies, often referred to as medical tourism operators or medical concierge services, provide the link between the traveler and the destination. A questionnaire was administered online using primarily open ended questions and one question consisting of a five-point Likert scale. This resulted in a response from 12 of the 48 medical tourism operators; a response rate of 25%. Three questions were used to profile the respondents: where they primarily booked medical travel to, what type of medical procedure they most commonly planned for their clients, and the number of years they had been planning and selling medical tourism. India was the most commonly identified destination they booked travel to, followed by Brazil and Mexico. Additionally, two respondents identified South Africa for cosmetic surgery and Latvia also for cosmetic and dentistry. The average number of years the sample had been arranging medical tourism trips was 3.45 years which would be consistent with the newness of this form of tourism. Over half of the respondents replied that cosmetic surgeries and dental work were their mostly commonly booked procedures. The next most cited procedure was orthopedics, such as hip and knee replacements. Lastly, one respondent identified cardiac surgeries and in vitro fertilization. Since the literature overwhelmingly supported that cost savings and quality of healthcare were the major variables associated with the medical tourism experience as a whole, the respondents were asked not to consider these factors when answering each question. Even so, medical cost savings and the quality of medical services were still identified in half the cases when asked, what do travelers look for when choosing a medical tourism destination? However, one respondent wrote that getting off the waiting list for a procedure was also referred to. After

quality and cost of healthcare, no real dominant characteristic emerged other than in two cases where the safety of the destination was mentioned. Interestingly, in two cases, respondents said that the reputation of the medical tourism facilitator (i.e. the medical tourism operator) was what travelers looked for when choosing a destination for medical tourism.

The next set of questions reflected their opinions of what would drive growth in the medical tourism field and also what challenges were present. The main driver of growth for medical tourism was not only the continued cost advantage it provided, but also the growing value for the money spent on foreign medical service. The respondents felt that as global health standards in healthcare continued to rise, the opportunity to receive even better health service for less will drive growth. The greatest challenge to the future of medical tourism is the issue of liability and its potential impact on cost. Connected to this theme, respondents also alluded to negative public relations associated with either sensationalized coverage of medical tourism problems or the word-of-mouth spread by travelers who made poor treatment choices. In addition to the cost and quality of their healthcare facilities, respondents were asked how they thought destinations were differentiating themselves. While a few mentioned the destination's characteristics, such as climate, infrastructure, and political climate, most felt it was mainly still the cost and quality of the destination's medical tourism facilities. In two cases respondents felt destinations were and should begin to capitalize on specialization. For example, destinations like Brazil would be known as the medical tourism destination of choice for plastic surgery, India for orthopedics, Mexico for dental, and so on.

To address the experiential component of actual destination stay, aside from the medical treatment, medical tourism operators were asked what positive and negative experiences were most mentioned by travelers. The positive experiences concentrated into two groups. The first being the concierge services they receive onsite by the medical tourism operator and its affiliated support. This included services such as being picked up and being guided and supported throughout their stay in a friendly and professional manner while in country. The other positive experience identified also related to friendliness, but from the residents and people the visitors encountered at the destination. Negative experiences were less concentrated on a single issue. Negative aspects of the destination experience ranged from the exposure to third world pollution, poverty, and noise, to the long travel time to the destination, and the unexpected climate once they arrived. Respondents were asked, using a five-point Likert scale, to identify how important non-medical characteristics were in the decision making process when travelers were choosing a destination. This list of destination characteristics was based on the work of (Dwyer and Kim, 2003) regarding the natural and created resources that help indicate destination competitiveness. These include the following destination variables: Destination's Favorable Climate; Natural Beauty of the Destination; Cultural Attractions; Quality of Available Accommodations; Quality of Food and Beverage Offerings; Range of Recreational Activities: Shopping, Nightlife, Special Events & Festivals; Security and Safety; Reputation of employees working in that destination; Distance and travel time to destination; Ease of entry to country (visa / passport); and Friendliness of residents toward international visitors. Four indicators were identified as very important. These were accommodations, security and safety, distance/travel time, and friendliness of the local population. Ease of entry into the country was identified as important. The only other variables identified as having some small level of influence on destination choice were the quality of food, reputation of the country, and recreational activities available. These however were not very strongly identified by the sample.

Conclusion

It is very clear that what makes a medical tourism destination competitive is still grounded in low-cost, high-quality healthcare services. When one removes these variables and attempts to look at features and experiences related to the destination, what seems to emerge is an emphasis on logistical issues and supplier services. The traditional leisure resources associated with visiting a tourist destination, such as cultural attractions; scenic beauty; shopping; nightlife; festivals; and so on, do not play much of a role in the medical tourism experience. On the other hand, logistical issues related to travel to and within the destination do. Additionally, the accommodations are a very important part of the in-country experience. From an intangible service experience perspective, what do emerge are three components or interactions that impact the visitor's trip. These are the prearranged, individualized services provided to them on the ground when they arrive and supported by the tourism medical operator. Coupled with this is the caring attitude and friendliness of those not only guiding the visitor through the process, but those providing the medical care as well as the local population they encounter on their trip. The quality of the medical tourist's experience appears to be heavily dependent on

the relationship and the expertise provided by the medical tourism company with the necessary medical and travel accommodations. The medical tourism operator's ability to deliver on concierge services plays a crucial role in the type of experience one may have within the destination, since it sets the stage for the traveler's stay. From a destination's point of view, two key issues emerged from this study. The first was that the medical tourism operator plays a key role as an intermediary for the medical tourist. Due to the risk associated with this form of tourism, it is not very conducive for travelers to arrange their travel directly with suppliers at the destination. Thus, potential visitors would appear to rely heavily on the guidance and suggestions of the medical tourism operator and its relationship with doctors and medical facilities when selecting a destination. The travel and leisure interests of the tourist take on a secondary role to the medical knowledge and quality attributes conveyed by the medical tourism operator. In the end, if a destination wants to remain competitive beyond the low-cost, high-quality medical service model, it is recommended that more effort be directed toward branding the destination by its expertise in a specific type of medical procedure. Like any other form of tourist experience, insuring that a caring and friendly attitude permeates the medical experience throughout the visitor's stay at the destination is paramount. One of the limitations of this work is that it focuses on the supply side only, thus further research should include specific input from the demand side – i.e. the traveler.

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