

ROUNDTABLE

MEDICAL TRAVEL

The healthcare world is becoming flat. The days when American healthcare was isolated from the rest of the world are starting to change, with growing numbers of Americans looking overseas for care. Gone are the days when overseas care was limited to cosmetic surgery; today's medical travelers are looking for a new hip or a coronary artery bypass graft that they may not be able to afford in America. Some U.S. providers see medical travel as a competitive threat. But to health plans and employers, it may be an opportunity. *HealthLeaders* convened a roundtable panel of experts to discuss the hype, conceptions and possibilities for medical travel now and in the near future.

Panelist Profiles



JIM MOLPUS, Editor,
HealthLeaders Media



MAUREEN POTTER, Vice
President of International
Services, HCPro Inc.
Potter is former executive
director for International
Accreditation at the Joint
Commission International.



JOSEF WOODMAN,
President, Healthy Travel
Media. Woodman is co-founder
of MyDailyHealth and Ventana
Communications.



DAVID BOUCHER, Assistant Vice
President for Healthcare Services
at BlueCross BlueShield of South
Carolina and Companion Global
Healthcare. Prior to joining the
health plan, Boucher worked in

Quorum Health Resources hospitals for 14 years, the last several as CEO in North and South Carolina facilities.



DANIEL SNYDER, Group Ex-
ecutive Vice President and Chief
Operating Officer, Parkway
Health, Singapore. Snyder re-
tired from the U.S. Navy Medical
Services corps with the rank of

captain. He has also served as a hospital CEO for Intermountain Health Care and regional president for Banner Health.

SPONSOR



Roundtable Highlights

An emerging choice

HEALTHLEADERS: *Why are we seeing such an upsurge in the interest in medical travel these days?*

MAUREEN POTTER, HCPPro: The world is becoming a global community with the Internet, access to information and communications. If you Google “medical tourism,” you’ll see 1 million results and articles that don’t go much further back than 2006. So there are so many current issues related to medical tourism and so much availability of those services, not only for Americans, but also Western Europeans and others in developing nations to seek care that’s affordable for them in other parts of the world. There’s definitely an emerging opportunity for healthcare services in our global community.

DAVID BOUCHER, BlueCross BlueShield of South Carolina: *USA Today* had a front-page article about health insurance premiums in the United States increasing something like 78-80 percent just in the past six or seven years. That’s fueling it from an American side. If you look at some of the international hospitals, they’re on a 25-35 percent year-over-year

trend. That’s huge growth, and I think it’s only going to continue. From an American standpoint, perhaps the initial reason Americans may be traveling abroad for noncosmetic types of surgical cases may be for the price break, and I believe they’re having an unbelievably positive customer service experience and a quality-of-care experience that they simply didn’t expect. They’re returning back to the United States and telling friends, families and their employers about that. The third thing is the whole shift to consumerism in the United States with the growth of high-deductible health plans, health savings accounts, HRAs. The mechanics are there from a funding standpoint to really fuel the growth in medical travel.

JOSEF WOODMAN, Healthy Travel Media: The rise of the Internet, medical transparency and the ability of the consumer to make those kinds of choices simply didn’t exist 10 years ago. You are looking at kind of a perfect storm, especially when you drop in more uninsured and higher healthcare costs—something’s got to give somewhere. And where medical travel was restricted 10-15 years ago to pretty much cosmetic surgery, it’s now become more of a mass consumer phenomenon. As healthcare becomes more commoditized and globalized, it’ll be something that folks are just a lot more comfortable with.

HL: *We Americans are accustomed to going down the street to the hospital. The notion of getting on a plane and flying long distances for surgery is not an inherently American thought, is it?*

DANIEL SNYDER, Parkway Health: Not to oversimplify, but the world is getting very flat and very small. Until recently, most Americans didn’t own a passport. We have 15,000 Americans who work in Singapore, and have families there. With globalization, you have Americans living as expatriates in China, Vietnam, Thailand—you name it. You have Americans all over the world in every country leading businesses and taking advantage of opportunities that relate to the world becoming very flat.

WOODMAN: The first wave of contemporary medical travelers—I mean medical travelers over the past 6-10 years—feel they’re forced overseas. They’ve been in chronic pain for 10 years. They have to sell their home to pay for an expensive treatment. And they’re coming back evangelistic. But I do think Americans are relatively reticent to travel. I do think the driving force—until there’s a very high comfort level—will be cost.

BOUCHER: The whole medical travel opportunity lends itself to folks who have insurance, but who may have pre-existing exclusions. This is a great answer for folks who might be faced with a \$75,000-\$150,000 procedure, and now for a fraction of the cost can get access to excellent care abroad.

HL: *David, how did BlueCross BlueShield of South Carolina get interested in exploring this?*

BOUCHER: Almost by mistake. Late 2005, I started reading about “medical tourism” in the popular media. And being an ex-hospital CEO who had worked more than 15 years in direct care, I just became curious. I read Thomas L. Friedman’s book, *The World is Flat: A Brief History of the Twenty-First Century*, and put two and two together. It’s important to have a flair for the obvious, and so I reached out to a few

JOSEF WOODMAN
President
Healthy Travel Media



colleagues and said, "I'm going to some place on vacation this summer. I want to go specifically to look at this whole medical tourism trend." I went and was amazed. And I had what I supposed were traditional, American biases about substandard care, inferior technology. I expected to see rats and cockroaches. I came back to BlueCross and started talking with several of our executives, and they said this is a whole new market worldwide. Our company has had a pattern of nontraditional BlueCross services through a Companion brand. And so we said, "Let's jump into this for the next several years and see where it's going to take us." So we've started a separate entity, Companion Global Healthcare Inc., and are working with a number of top-notch hospitals in overseas locations. Some with significant savings, some with probably a little bit less. We want to give our members a choice. If they want to receive care outside of the country, why not?

HL: *Tell me how the plan fits in with your offerings.*

BOUCHER: We're in the first of what we consider an iterative process. We currently offer our 1.9 million members access to a value-added affinity program to a concierge travel agency, and to case management services if they decide to go outside of the United States for care.

We know that month over month, year over year, we have an increasing number of our members who are traveling abroad and receiving care. The question is why a member with a \$250 deductible would decide to spend \$1,500 for an international plane ticket? Well, they probably wouldn't. Some would for quality reasons, noncovered service reasons, or pre-existing exclusion reasons. But we're starting to have a significant number of our existing groups to start really looking at their benefit plan to talk about changing deductible, changing out of pocket, removing barriers for their employees, our members, to travel abroad for great care.

HL: *What's your utilization so far?*

BOUCHER: Our utilization's been fairly low. We've actually not had any patients go through this process with us. We've got about eight or nine who are actually in queue. It's just a matter of time, and I will tell you we're neither discouraged nor surprised at the lack of an immediate pick-up by our membership. This is a totally novel approach.

HL: *What's the interest level from employers?*

BOUCHER: Very high. We're doing anywhere between five to 10 presentations a week to existing groups, so there's a lot of buzz.

HL: *Any other health plans picking your brains?*

BOUCHER: We've been contacted by a number of other BlueCross plans that are saying, "Why reinvent the wheel? Can we contract directly with Companion Global Health Care?" Of course, the answer's yes. We're a non-Blue brand so mechanically, absolute-ly we can.

Same care, less money

HL: *The people who write the checks for healthcare in America are still employers and groups and, by association, the payers that represent them. Have you had a succession of people like David traipsing over to inquire about services at Singapore?*

SNYDER: I've been on the job in Singapore now for about 15 months, and I can tell you that there is a high level of interest, not only with the established payers but also with companies that are being formed to offer contained solutions for folks who are considering traveling overseas. About once a month I get a call from somebody, either a former colleague or an insurer whose name you recognize.

HL: *Dan, how is it you can offer, say, a hip replacement for less than the same procedure would be in America?*

SNYDER: In the United States almost every aspect of healthcare is more costly than overseas, whether it is hospital charges, payer structure, the physician charges, the labor costs or the litigious nature of U.S. society. Every factor you can imagine that drives costs up in the U.S. is less of a factor in Singapore, so our labor cost is less, our pharma cost is less, our support systems [cost] less.

HL: *How do you see consumer-driven care contributing in the next 5-10 years as Americans have this sum of money that they're going to spend themselves?*

BOUCHER: It absolutely stimulates it. When consumers have a \$5,000 or \$10,000 deductible, or in the case of folks 55-65, a \$20,000 or \$30,000 deductible right when they're needing care that they could travel for, the whole medical travel opportunity lends itself to an exploding market.

WOODMAN: I don't think you can underestimate the tools that have



DANIEL SNYDER
Group Executive Vice
President and
Chief Operating Officer
Parkway Health,
Singapore

MAUREEN POTTER
Vice President of
International Services
HCPPro



become available to the consumer on the Internet. They can get on the Joint Commission International Web site, for example, and learn what new hospitals have been accredited. There is now more transparency on hospital's Web sites; in fact, it ought to be required by agencies like JCI that all the accreditation, the physicians' credentials, the number of surgeries, and the mortality and morbidity rates all be published on the Web. And so as more of that happens, you're going to move from an arena in medical travel where folks are forced to go overseas through a lack of options to the point where they're actually comfortable going overseas. I think we'll see that migration over the next 10 years.

POTTER: There are increasingly informed consumers who can, through the Internet, access information and have a better understanding about the education, credentials, and skill sets of their surgeons and the physicians they're seeking care from. They're very smart, savvy consumers who want to do price comparisons and know that it's going to cost \$150,000 in the United States for breast cancer services, and they compare it to Singapore and find it's about \$35,000, and they know they're going to receive services from well-trained physicians in hospitals that have been accredited.

Don't call it 'tourism'

HL: *Much of the medical travel market today is for elective procedures. Do you expect that market to expand into more acute areas of treatment?*

SNYDER: I think you're going to see everything on the table, and the reason I say that is, you know, historically the conversation's been around medical tourism, and you'd go somewhere and you'd have an eye procedure or a face lift or have your teeth fixed and then spend some time on the beach and then go home.

BOUCHER: Pardon the interruption, but you know, "medical tourism" implies

almost elective, cosmetic, nonpainful sort of vacation spa procedure, not serious interventions.

SNYDER: In fact, at Parkway Health we don't use the term "medical tourism." We don't consider ourselves to be a medical tourism provider. We provide everything in our hospitals. We are a quaternary facility in Singapore, and we provide complex patient care, including advanced cancer care and other emerging translational science-type treatments. So while at this point we're looking at primarily surgical procedure-based care because that's the easiest to define in terms of pricing and outcomes, we're looking at virtually any type of care that would be required being offered through Parkway Health.

Americans abroad

HL: *Some hospitals overseas are hiring American-trained executives. What is it about American healthcare that they want to import?*

WOODMAN: The infrastructure and some of the learned behaviors. It was like when China purchased an entire automobile manufacturing plant and ran it on into Beijing or Shanghai and reassembled it, then took that knowledge and made some sense out of cost efficiencies and performance.

SNYDER: It's taking the best of U.S. healthcare and molding it into a system where the cost side of it is manageable and less than in North America. Nobody's to blame for the cost of delivering healthcare in North America right now. Our society has had employer-sponsored healthcare since the Second World War. We are where we are today because as a society this is where we've chosen to travel. And Parkway Health

is not looking to damage the North American healthcare system. I served my country for 26 years. I think as Americans we should be very proud of what's happening under the leadership of U.S. healthcare executives overseas.

POTTER: There are a number of leading U.S. healthcare institutions that are working in a very collaborative manner, in Southeast Asia as well as other parts of the world. Johns Hopkins International as well as Harvard Medical International and others are working in collaboration with hospitals in various parts of the world to share the intellectual capital of the U.S. healthcare system, and also to bring back what they learn. Many of our leading healthcare institutions learn much from their experiences overseas, just as much as they give.

HL: *Not only are overseas hospitals recruiting executives from America, but they're also looking at The Joint Commission and American-style agencies for accreditation and certification. One might argue part of it is to be able to market to an American audience? How does that work overseas?*

POTTER: It's about accountability and competitiveness based on the world being flat, and international hospitals wanting to compare themselves to the U.S. for reasons of quality and marketing. There are other accrediting bodies: The Canadian Council does accreditation services, as well as the CHKS Group from the United Kingdom, and the

Australians also offer an international accreditation, and you see increasingly hospitals in the international community seeking multiple sources of accreditation services.

When problems arise

HL: *One of the issues that gets a lot of attention is recourse and what happens if something goes wrong. What are the issues involved?*

POTTER: It is a potential barrier, and there are no clear resolutions. There's great variability from region to region, country to country. It is something for consumers to consider prior to making that trip for global healthcare services. I think it is part of their due diligence to evaluate the physicians and the hospitals in which they're going to receive services. Working with case managers from groups such as Companion Global is helpful. They should look at how they're going to be transported from the airport to the hospital or hotel, discharge and rehabilitation or outpatient services prior to returning to the United States; communication for discharge planning purposes back to their primary-care physicians or their healthcare providers in the United States for follow-up; and how are they going to do their follow-up if it is a long-term condition. In the U.S. we would look to rectify bad outcomes through litigation. In other countries that simply may not be possible, may not be appropriate, or may not be a recourse for medical travelers.

WOODMAN: It begins at home. Before patients even embark on a trip, they need to have that conversation with their physician or surgeon and let them know where they're going and, again, to assure that them they're going to, let's say, a JCI or similarly accredited hospital in a country that's got excellent healthcare, and they're going to come back with all the paperwork. From a perception standpoint, we actually advise that if malpractice and litigation and liability are a chief concern that perhaps they shouldn't even be on a plane, really. It may just cause too much stress.

SNYDER: Singapore, which was a British colony for many years, has a Parliamentary form of government and has the same judiciary system as the United Kingdom, so every patient has every recourse to bring litigation forward. I think from a more global perspective, though, and a more meaningful perspective, there are several companies that I'm aware of that are developing and have developed insurance products for surgical complications and for medical accident insurance and malpractice coverage while you're overseas.

No panacea

HL: *This notion that "all healthcare is local" has been the operating model that American hospitals have been using for a long time. Are we on an inexorable path toward the globalization of healthcare as a commodity?*


SNYDER: Winston Churchill—in September of 1940 when the Battle of Britain was raging and Parliament was screaming "When are the Americans coming?"—stood up and said, "You can always count on the Americans to do the right thing once they've tried everything else." America is in the midst of trying everything else to contain the cost of healthcare, but nothing's worked. There's a lot of cost shifting. There's a lot of vying for your piece of the pie. The international patient travel opportunity is going to grow, and just like every other sector in business and manufacturing and information technology, globalization then provides different economic parameters and paradigms for that industry. Something has to change in U.S. healthcare because it's forcing America into a position of being unable to compete globally. We could have our Parkway hospitals full every day and not even be a blip on the screen of U.S. healthcare. But I think

that the crisis that's looming in America associated with the cost of healthcare is going to force something to happen.

BOUCHER: Is the globalization of healthcare going to lower the "expense" in America for healthcare? Well, no. I tell you, until we extract cost out of the system, the cost isn't going to go down. I do think that medical travel is part of the answer to help mitigate ongoing increases.

HL: *Do you expect the hype part of it to work itself out, that we'll start to see it become more mainstream and perhaps the "irrational exuberance" may be deflated a little bit?*

WOODMAN: The irrational exuberance, as with the Internet, wouldn't exist if there weren't some valid driving forces, and I would love to say that medical travel is a fantasy and a cure-all, but it just isn't even close. It's going to provide a lot of choice for a lot of people and get a lot of people in this particular window of crisis out of some of real painful situations. It's no longer a gimmick, it's no longer about outsourcing, and it's no longer about fun in the sun. I think the hype will pass and will give way to some realistic solutions.

BOUCHER: It'll go through a natural business cycle, no doubt about that. I think we've got a lot of legs left. 

Reprint HLR1207-5



DAVID BOUCHER
Assistant Vice President for
Healthcare Services
BlueCross BlueShield
of South Carolina,
Companion Global Healthcare

Life.



As seen by a person with a new one.

Our dedicated liver centre at Gleneagles Hospital offers new hope for patients with end-stage liver diseases.

The Asian Centre for Liver Disease and Transplantation has led the way for living donor liver transplant procedure. Once a suitable living donor is identified, transplant can then take place.

The highly complicated living donor liver transplant procedure has shown high rates of success. The Centre has surpassed its 100th living donor liver transplant and our Paediatric Liver Unit has been performing complex transplants on children for over 10 years with excellent results.

Our expertise in bone marrow transplant, haematology and stem cell therapy continues to grow and attract patients from around the globe. Now nearly half of all foreign patients who come to Singapore for medical care, come to ParkwayHealth.



ParkwayHealth comprises of Singapore's three premier private healthcare providers including Mount Elizabeth, Gleneagles and East Shore Hospitals. From as near as Indonesia, to as far as Africa, America and Russia, patients come for our specialists' care.

With over 1,500 specialists and 22 facilities across six countries in Asia, ParkwayHealth's global culture means we know and understand our patients from their perspective.

When it comes to healthcare, like you, we are never willing to compromise.

THAT'S THE PARKWAY.