CHAPTER 7

Medical Tourism and Wellness Trends and Strategy

For most of us, getting sick is a good way to ruin a vacation. However, for growing numbers of people, needing to see the doctor is the whole point of going abroad. When they require surgery or dental work, they combine it with a trip to the Taj Mahal, a photo safari on the African veldt, or a stay at a luxury hotel—or at a hospital that feels like one—all at bargain-basement prices. Simply walking across the bridge from San Ysidro, CA, to Tijuana can cut the cost of dental work in half or less, sometimes much less.

This is medical tourism, and it is one of the hottest niche markets in the hospitality industry. At least, we believe it is. Or will be.

As you may have figured out already, reliable data about medical tourism is remarkably hard to come by. Observers disagree about the size and growth rate of this travel segment. Sometimes, they even disagree with themselves.

Market Projection

One specialist in medical tourism suggests that about 7 million people each year qualify as medical tourists.

On the other hand, the Organization for Economic Cooperation and Development (OECD)—which we trust in most of the fields it studies—estimates that nearly 50 million patients travel abroad for medical services each year.

A third report says the United States alone sent 11 million medical tourists abroad in 2016. That is a little hard to believe; only 35.1 million people left the U.S. for any reason that year, according to the National Travel & Tourism Office, and only 1.2 percent of them—about 421,000—cited health treatment as a primary reason for travel.

In part, this variation results from disagreement about exactly what qualifies as medical tourism. Some authorities count not only visits to hospitals, clinics, and individual providers, but travel to spas and wellness services, and we tend to follow their lead throughout this chapter. However, other analysts do not. This difference alone could reduce the count of medical tourists by 90 percent. In addition, in some regions where undocumented migrants are common, it becomes difficult to count the number of people making the trip. This is particularly an issue in the market for medical services among travelers from the United States to Mexico.

Revenue estimates are just as variable. In 2016, one analyst placed the market for medical tourism at only $5 billion a year. We believe this is considerably too low.

At the other end of the scale, in 2016 VISA and Oxford Economics carried out a major study of medical tourism. The first version of their report put annual revenues at $349 billion worldwide. (One garbled account from no less than the American Medical Association transposed the digits and made it $439 billion!) A hasty revision brought the figure down to around $50 billion per year. In mid-2017, the latest version available online suggests that medical tourism brings in global revenues of $100 billion annually. Call that the highest credible number.

This report also projects revenue growth of 25 percent per year, another number we believe marks the high end of credibility. Starting at $100 billion and expanding at that pace, the medical-tourism market could be worth about $600 billion in 2025. This seems very optimistic, but perhaps not totally impossible.

Unfortunately, the study also predicts that 3 to 4 percent of the world's population will go abroad for medical services in 2025. That is between 230 million and 310 million people. We find even the lower number harder to believe.

Tentatively, then, we will cast our vote with Patients Beyond Borders (PBB), an online clearinghouse of information about medical tourism. They estimate that 14 to 16 million people travel internationally for care each year. They believed about 1.4 million Americans would go travel outside the country for medical care in 2017. Only one in ten go for medical treatment, and 70 percent of them want cosmetic surgery or other elective procedures. The remainder seek a variety of "wellness" services like spa visits, supervised exercise, and dieting. Medical tourists, the company estimated, would spend an average of $3,800 to $6,000 per visit that year, including direct costs for medical services, accommodations, and local and international transportation. This puts revenues anywhere from $45.5 billion to $72 billion per year, PBB estimates. The firm's best guess is that the market is now growing by 15 to 25 percent annually.

For a quick analysis, let's accept that there were about 14 million medical tourists in 2017 and put the revenue and growth numbers in the middle of their ranges, at $50 billion and 20 percent. This multiplies out to about 60 million medical tourists in 2025, producing revenues of $260 billion, or about $4,333 per person. We find these numbers much easier to accept. Until better data becomes available, we will make this our official forecast: Through 2025, expect medical tourism to grow by 20 percent per year, reaching 60 million people and a market value in the neighborhood of $260 billion.

Note that the exact numbers matter a lot. Raising revenues to an average of $5,000 per person adds $40 billion to the bottom line. Accepting the high-end estimate of $60 billion a year in 2016 revenues brings the 2025 forecast to nearly $310 billion. Thank you, compound interest!

Why Get Healthcare Elsewhere?

The United States has the best medical care in the world, or so we are told despite many statistics that say otherwise. Most countries in Europe offer universal health care, either paid for entirely through taxes or heavily subsidized and with relatively modest charges. In fact, 75 of the world's 192 countries have passed legislation mandating universal access to healthcare services independent of income, and in 58, from South Korea to Botswana, at least 90 percent of the population have effective access to necessary medical services. Why go elsewhere for them?

It turns out that medical tourists have several good reasons to seek care away from home, and sometimes far away, even when their countries provide generally adequate care at reasonable cost—as too many do not.

One motivation, particularly in the United States, probably is general dissatisfaction. A study by the Commonwealth Fund rated healthcare systems in eleven prosperous countries according to satisfaction ratings by both patients and primary-care physicians. Britain, with its much-maligned National Health Service, was rated best in nine of the eleven measures and first over all. In four categories and overall rank, the United States came in dead last. With a fifth-place rating for timeliness of care, the U.S. even landed below the UK, which came in third.

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Another benefit of medical tourism is comfort. A private room in a clinic or hospital with the amenities of a four-star hotel is a lot easier to stay in than the bare two- and four-bed cells typical of American hospitals.

Ordinary sight-seeing also is a factor. Why spend time in a hospital at home when you can combine your procedure with a good vacation at lower cost? Almost 90 percent of patients or their companions take advantage of the standard attractions while in the country for care.

Yet, there are more compelling reasons to go abroad, especially for critical care.

In some regions, state-of-the-art medical facilities are hard to come by, if they exist at all. For this reason, patients throughout the Middle East regularly travel to Jordan or Dubai, Asia, and even the U.S. for complicated surgery; close to 1 million Indonesians make a yearly trip to Malaysia or Singapore for routine matters as well as more challenging treatments; and 100,000 Russians annually find care in Israel, Turkey, and the United States.

In other countries, the public health system is overburdened, and needed care can be delayed, particularly for difficult, uncommon, or expensive procedures. In Britain, regulations require the National Health Service to provide surgery no more than 18 weeks after diagnosis. In 2016, more than 193,000 patients waited longer every month. (At that, this is a substantial improvement over the experience reported in the first edition of this text, published in 2006.) In Canada, the waiting list for neurosurgery in 2016 averaged 47 weeks after referral by a general practitioner. Esoteric procedures can take even longer. Waiting times of three months or more are common for stem-cell transplants needed for more than 80 diseases, including several blood cancers. In one well-publicized case from 2016, an 18-year-old girl with acute myeloid leukemia died while waiting for a transplant eight months after learning that several matching donors were available. Until May 2017, cancer patients who had relapsed after chemotherapy were barred from stem-cell transplants that might have saved their lives.

Stem cells bring up another reason to leave home for care. Some procedures not yet approved or banned for nonmedical reasons may be available in others for patients who want and can afford them. Canadians with multiple sclerosis, for example, must leave the country for treatment of abnormal blood drainage from the brain and spinal cord, which a few specialists believe is a factor in the disease. And in the U.S., stem cell transplants are accepted only for patients with certain cancers and a few other disorders. Despite this, nearly 600 clinics across the country offer them for purposes

ranging from repair of spinal cord injuries to breast augmentation. However, insurance rarely covers these procedures, and costs of $25,000 or more can make it worth searching for less expensive providers in other countries.

China is another such case. New treatments there are not blocked by ethical or religious sensitivities, but bureaucratic inertia has the same effect. Beijing estimates that half a million of its citizens traveled abroad for medical care in 2016, many of them for cancer and heart disease that required treatment not yet approved at home.

The delay between early research and clinical use of new therapies provides many such examples. In probably the most dramatic, scientists in the last few years have found that giving the elderly blood plasma from the young reverses many effects of aging. To date, these benefits have been clearly demonstrated only in experimental animals. Yet, at least one clinic in the United States already provides these treatments for human patients in the guise of research—at a cost of $8,000 per two-liter dose. Predicting that similar infusions will soon be available much less expensively in any number of developing countries is probably the easiest forecast we will ever make.

This of course brings us to the real attraction of medical tourism for patients from countries where modern healthcare is readily available: price. In polls, nearly 80 percent of medical tourists say they left home to save money on care. They have good reason to do so. Patients Beyond Borders offers some ranges for expected savings on care in ten popular destinations. Compared with costs in the U.S., the savings add up:

- Brazil: 20 to 30 percent;
- Costa Rica: 45 to 65 percent;
- India: 65 to 90 percent;
- Malaysia: 65 to 80 percent;
- Mexico: 40 to 65 percent;
- Singapore: 25 to 40 percent;
- South Korea: 30 to 45 percent;
- Taiwan: 40 to 55 percent;
- Thailand: 50 to 75 percent;
- Turkey: 50 to 65 percent;

For some procedures, the savings can be even greater:

A heart-valve replacement that would cost $200,000 or more in the U.S. goes for as little as $5,000 in India. Call it $10,000 including round-trip air fare and a brief vacation.

A coronary artery bypass can cost anywhere from $70,000 to $200,000 in the United States and sometimes more. In India, the price is $7,000 to $9,000.

Dental implants are worth $4,500 or more per tooth in the States. They go for around $770 in Thailand, $600 in Mexico, and as little as $500 in Hungary.

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A knee replacement that averages close to $60,000 in the United States—not counting physical therapy—costs as little as $5,000 in Thailand and $3,300 in India.

LASIK eye surgery averages about $2,500 per eye in the U.S. It can be had elsewhere for between $300 and $465.

And a hair transplant that would cost up to $25,000 in the U.S. or Europe costs only $600 to $2,000 in Istanbul.

Quality Concerns

Inferior medical care would not be worth having at any price, and there are still a few skeptics who warn that Third-World surgery cannot be as good as that available in the United States. Many of them speak on behalf of organizations representing American physicians, including the American Medical Association. In fact, there were cases of botched plastic surgery, particularly at some Mexican clinics, in the days before anyone figured out what a gold mine cheap, high-quality care could be for practitioners in developing countries.

Yet, hospitals and clinics that cater to the tourist market often are among the best in the world. Many are staffed by physicians trained at major medical centers in the United States and Europe. Bangkok's Bumrungrad International Hospital has some 900 physicians, including about 220 surgeons who are board-certified in the U.S. One of Singapore's major hospitals is a branch of the prestigious Johns Hopkins University, which collaborates with 18 hospitals around the world. More than 450 hospitals around the world are accredited by the nonprofit Joint Commission International (JCI), a branch of the organization that evaluates and certifies the quality of care provided by medical institutions in the United States. The entire healthcare system in Singapore does a better job than the U.S. in measures such as life expectancy, infant mortality, and maternal deaths in childbirth.

Another indicator that suggests quality care is the number of procedures a facility performs. In a field where experience is as important as technology, Fortis Escorts Heart Institute, in New Delhi, carried out some 70,000 heart operations in 2016. Its death rate among patients during some heart operations is about that of most major hospitals in the United States—a little higher in some years, a little lower in some. In other heart procedures, the hospital's death rate is consistently less than at comparable American institutions.

It can help, too, that clinics specializing in medical tourism in some countries are backed by sophisticated research infrastructures. India is one of the world's leading centers for biotechnology research, while both India and South Korea are pushing ahead with stem cell research at a level of sophistication at least equal to that anywhere else in the world.

Skilled doctors and state-of-the-art equipment are only two of many benefits these medical centers offer foreign patients. In many, the doctors are supported by more registered nurses per patient than any Western facility could afford. Some facilities provide a nurse for each patient 24 hours a day. Many assign patients a personal

assistant for the post-hospital recovery period. Some Asian national airlines offer frequent-flyer miles to ease the cost of returning for follow-up care. Some offer special discounts for medical tourists visiting affiliated clinics.

Under the circumstances, it is no surprise that the medical tourism market is growing rapidly. Ten years ago, it was hardly large enough to be noticed. Today, something over 370,000 patients per year visit Singapore alone; nearly half arrive from the Middle East. Thailand attracts perhaps 3 million. Around half a million annually travel to India for medical care; the tourism ministry issued over 170,000 visas specifically for medical tourists in 2016, up 45 percent in a year. Argentina, Costa Rica, Cuba, Jamaica, South Africa, Jordan, Malaysia, Hungary, Latvia, and Estonia all have broken into this lucrative market or are trying to do so, and it seems that a few more countries join the list every year.

Top Destinations

A number of countries entered the market for medical tourism early on or worked hard to develop their offerings quickly, and they have benefited from low wages and other costs. As a result, they have become the most popular destinations in the market today. Here are some details about ten at the top.

Costa Rica has ecological wonders found in few other lands, from some of the largest, best protected rain forests in Central America to the fire show of the Arenal volcano. For those with more urban tastes, the casinos of San Jose, Puntarenas, and Guanacaste provide all the action even a jaded Las Vegas regular could want.

But for North American patients, what Costa Rica really offers is inexpensive, high-quality medical care in their back yard. Two major hospitals are accredited by the Joint Commission International, while many others have specific accreditations for ambulatory health care or ambulatory surgery. In all, the World Health Organization rates Costa Rica's healthcare system as one of the three best in Latin America. Costa Rica received about 2.6 million foreign visitors in 2015; about 130,000 went for medical care or wellness services.

Cosmetic surgery and dental work are the traditional specialties here, but just about any medical service that can be found in the United States can be had in San Jose. Many will be delivered by English-speaking specialists board-certified in the U.S. In the last few years, eye surgery and weight loss procedures have become common among medical tourists there. Wellness clinics and prevention services abound. There even are so-called "recovery retreats," hotels with all the amenities but with nurses and interns on hand to provide medical services for post-surgery patients.

For most procedures, costs can be half those in the United States—not the prices they would find in India or Thailand, but a lot closer to home for medical vacationers with limited travel time or budgets. Get a facelift, and chill on the beach until the bruises go away, and the folks at home will never quite be sure why you suddenly look so good.

Hungary may be the Continent's oldest destination for medical tourism. The wealthy of Europe have been visiting the country's spas for centuries. They still are, and patients are beginning to join them from North America, western Russia, and the Middle East.

Hungary's healthcare system was modeled on the British National Health service, so almost any form of care is readily available. Although cosmetic surgery is a growing market, this country is best known for its dentistry. No wonder. In Manhattan, there is one dentist for every 630 residents. In Prague, Czech Republic, the number is one in 1,200. Hungarian towns near the Austrian border, where dental tourism is at its busiest, average about one for every 200 residents.

This competition, combined Hungary's generally low prices, has the expected benefit for patients. A dental implant that would cost from $3000 to $6000 in the United States goes for as little as $450 in Hungary; the most costly we have heard of was only $1,200. Removing a tooth averages only $50. A root canal that would be up to $900 for a front tooth and $1,400 for a molar averages just $99, with front teeth costing as little as $50. For anyone in Europe, it does not take much work to justify the cost of visiting Budapest.

Add to this spa towns fed by more than 1,000 hot springs, historic castles and palaces, the Danube, and four-star hotels that can cost as little as $85 per night in downtown Budapest, and Hungary becomes one of the more inviting destinations for the medical tourist.

India has a two-tier medical system. In the vast rural areas, doctors are thin on the ground, and an estimated 700,000 who practice as physicians are unlicensed, and many are untrained. In the cities, the wealthy, at least, have access to state-of-the-art hospitals and clinics, and doctors are as skilled as any in the world. It is this second group that medical tourists get to meet.

India is not the oldest "brand" in medical tourism, but it has grown into one of the most inviting and successful. An estimated 500,000 medical tourists visit India each year, and the flow is believed to be growing by 20 percent annually.

Several factors contribute to this success. It helps a lot that English is among the many native languages in India, one spoken by all educated Indians. Unlike some competing nations, India offers a high degree of transparency; visitors need not worry about unexpected problems with their funds or legal status. Some hospitals begin evaluating patients over the Internet, so they are ready to begin treatment as soon as the patient arrives. Some will even take care of travel arrangements from visa applications to making hotel reservations for the patient's family. And, of course, India is the only country in the world where medical tourists can visit the Taj Mahal while convalescing from a kidney transplant.

Yet, India's most obvious attraction is its cost of care, which can be as little as 15 percent of the price in the U.S. and for many procedures is the lowest in the world. Even trips for follow-up care are cheaper than for ordinary vacationers, because Air India subsidizes them with frequent flyer miles.

Another attraction is the range of high-level services available in such a large, technologically advanced country. There are top-notch centers for open heart surgery, pediatric heart surgery, hip and knee replacement, cosmetic surgery, dentistry, bone marrow transplants, cancer therapy, and just about any other specialty a patient could need.

Many of those centers are among the best in the world. Virtually all are equipped with the latest electronic and medical diagnostic equipment—and India, unlike some of its competitors in this market, has the technological sophistication and infrastructure to maintain it. Additionally, Indian pharmaceuticals meet the stringent requirements of the U.S. Food and Drug Administration. It helps, too, that most facilities specializing in medical tourism provide accommodations that could be mistaken for five-star hotels.

Some Indian medical centers even provide services that are uncommon elsewhere. For example, instead of having the entire hip joint replaced, patients can undergo "hip resurfacing," in which damaged bone is scraped away and replaced with chrome alloy. The result is a smoothly functioning joint with less trauma and recovery time than total replacement, and at lower cost. The operation is now widely available in the United States, but Indian tourist clinics offered the procedure long before it received FDA approval; this long practice has given Indian orthopedic clinics success rates better than those of most other institutions in the world. Other advanced services available in Indian clinics include radiotherapy and radiosurgery to destroy cancerous tumors from outside the body, robot-assisted surgery, and bone marrow transplants for genetic disorders yet to receive FDA approval in the United States.

Of course, before surgery or after, India has a broad array of unique and exotic destinations for Western tourists. From attending one of the Dalai Lama's public talks at Dharamsala—you will need to plan well ahead—to a half-day safari in the White Tiger-Bandhavgarh National Park, shopping for handicrafts in the tribal villages of Orissa and Madhya Pradesh, or skin-diving in the Indian Ocean, this 4,000 year-old civilization has something to offer anyone who visits.

Israel these days probably is best known for its long-running conflict with its neighbors and a relatively high risk of terrorist attack. (Of course, "relatively" conceals important detail. Even in Israel, people are statistically more likely to be struck by lightning than by terrorist violence.) Yet, among medical tourists, this country is known for exemplary care, a high doctor-patient ratio, a high-tech manufacturing industry that supplies state-of-the-art equipment, and some of the best hospitals in the world.

These and other advantages bring Israel about 50,000 medical tourists per year, many of them from Russia and other parts of the former Soviet Union. English is spoken almost universally, so travel from the United States also is growing quickly.

If Israel has a medical specialty, it is probably in-vitro fertilization, which is readily available for about one-quarter of American prices and provides success rates higher than those of comparable clinics in the States. Several hospitals and clinics specialize in this field. Others are known for their skill with organ transplants, cancer care, and orthopedic surgery.

The country's other marketable asset for medical tourism is the Dead Sea, where the saline waters–nearly ten times as salty as the ocean–are said to have healing properties. Health and wellness travel to the Sea, on the borders of Jordan and Palestine, is growing quickly, and if the water will not cure psoriasis, as many believe, at least the heated mud baths temporarily ease the pain of arthritis. A side trip to the region's spas and clinics makes a pleasant follow-on to a trip for more serious care.

Malaysia, for many in the West, can seem a lot like staying at home. Although its fundamentally Asian core is always easy to see, the country was a British colony until 1957. It retains a thick veneer of English tradition, particularly in major cities such as Kuala Lumpur and Georgetown.

However, for medical tourism its important asset is not culture but location. Four out of five medical tourists to Malaysia–call it 940,000 in 2016—arrive from Indonesia, just three miles across the Strait of Malacca. Substantial numbers also come from nearby Australia, and many travel from the Middle East; a moderate Islamic culture makes this country a comfortable destination for patients from other Muslim lands. It also helps that Malaysia is only a half-hour flight from Singapore, where prices for equivalent care are up to 50 percent higher. Compared with health costs in the United States, prices are two-thirds or more lower.

Like most destinations these days, Malaysia offers a full range of care, with specific hospitals and clinics known for surgery, pain management, eye care, cancer treatment, dentistry, and weight control. More than one-third of medical tourists come for dental care, with cosmetic surgery and orthopedic treatments close behind. Malaysia also is well known for health screening, which has made it a favorite place for pre-employment physicals for companies throughout the region. For around $500, hospitals and clinics provide an astonishing array of tests, many of which Western patients will never have heard of, much less undergone.

A few years ago, medical tourism to Malaysia was growing by 35 percent per year. It continues to increase quickly, if not quite that fast, thanks substantially to the efforts of the Malaysia Healthcare Travel Council, part of the Ministry of Health. Medical tourism is expected to expand by 30 percent per year, with revenues reaching $3.5 billion by 2024.

Mexico is the obvious destination for American medical tourists, and they travel there en masse. Although statistics are sketchy at best, an estimated eight out of ten Americans who seek health care abroad go one country to the south. Most travel relatively short distances to destinations just across the border from Arizona, California, Nevada, and Texas. Mexico, in turn, receives nearly all its medical tourists from the United States or Canada. One reasonable estimate puts the number of tourists visiting Mexican hospitals and clinics at around 1 million a year. However, many are native Mexicans, and an unknown number of them are undocumented migrants. All this makes the cross-border trade in medical services very difficult to quantify.

Like most destinations, Mexico sees the greatest demand for dentistry and cosmetic surgery. Tijuana alone has twenty dental clinics within three miles of the border, nine in the first mile, and twenty cosmetic-surgery clinics in the same neighborhood. Nuevo Laredo, just over the river from Laredo, TX, is home to nineteen dental practices and ten clinics specializing in cosmetic surgery. Juarez, next door to El Paso, offers twenty dental clinics and fifteen cosmetic surgeons, seven of them sharing office space with dentists. In Nogales, the numbers are nineteen and twelve. In Mexicali we stopped counting at forty and twenty-two. Simply looking at a map tells us why American medical tourists head south.

Singapore is tiny, just 277 square miles. (For comparison, New York City is 309 square miles, London 607.) Yet, this wealthy city-state has one of the world's best medical systems. Fourteen of its twenty hospitals are JCI-accredited. In most measures, Singapore ranks better than healthcare in the United States, Canada, and much of Europe. Its rates of maternal and infant mortality are lower, its life expectancy higher. The medical school at National University of Singapore, a joint venture with Duke University, is prestigious enough that would-be physicians come to study there from Oxford, Cambridge, and the American Ivy League universities.

This is far more medical care than a city of 5.5 million needs, so the government has put a good deal of work into attracting medical tourists to keep its doctors occupied. It has had considerable success. Nearly 600,000 people each year travel to Singapore for care. Most are from neighboring countries, but the number arriving from Europe and the U.S. is growing.

With healthcare so plentiful and skilled, there is little point in thinking about specialties for which medical travelers should consider Singapore. If doctors anywhere in the world can treat, heal, or cure it, their colleagues in Singapore can do it, too, and very possibly better.

However, most patients will find that care is no cheaper than it would be at home. In a private hospital, a heart bypass will cost most patients between $35,000 and $52,000, while replacing a hip will run from $14,000 to $25,000. These prices will seem cheap to patients from the United States, where a bypass average about $75,000 and hip replacement is around $40,000, but travel expenses will eat up much of the saving. For patients elsewhere, Singapore is an option mostly when the highest-quality care is worth the extra cost.

South Korea is not the cheapest destination for American medical tourists. Neither is it the closest. Savings typically range from 30 percent to 45 percent compared with prices in the U.S., and getting to South Korea from North America means spending 11 to 14 hours in the air. As a result, most American medical tourists to the country are expatriates or military personnel assigned to bases in the region. For the rest, at least Korean Air offers nonstop flights from many cities in the United States and Canada.

For certain procedures and for tourists within Asia, South Korea can be much more attractive. Patients needing a heart bypass, valve replacement, or artificial hip or knee can save over 80 percent of the price at American hospitals. For uninsured patients from Japan, care costs much less than it would at home, and travel expenses are nominal. China's National Tourism Administration rates South Korea the most popular destination for its country's outbound medical tourists.

About 600,000 foreign patients visit the country each year. Like the government of Malaysia, Seoul is working hard to attract more medical tourists. Roughly 1 million are expected by 2020. Two years later, medical tourism is forecast to bring the country $2 billion a year in revenues.

What tourists receive for their money is access to one of the most sophisticated, high-tech healthcare systems in the world. All the usual medical services are available, but South Korea is particularly well known for spinal surgery and care, robot-assisted surgery, and organ transplants. One transplant center achieves 96-percent survival rates one year after liver replacement, compared with 88 percent in the U.S.

By some accounts, Seoul is the plastic surgery capital of the world. However, this South Korean specialty has become controversial in the last few years. In 2014, the national health ministry reports, one in four Chinese patients came for cosmetic surgery. So did 28 percent of Russians and 23 percent of Americans. However, this is one specialty that medical authorities do not police, and unregulated clinics are reported to have caused problems. In China particularly, stories of patients who were overcharged or received poor treatment are common. The number of patients seeking cosmetic surgery in South Korea has declined, though estimates of how much vary widely.

Other attractions in South Korea include some spectacular seaside resorts, national parks rated among the world's most beautiful, the serenity of countless Buddhist temples, and a market for medicinal herbs that has been in operation since 1658. The country's mountainous geography, particularly in the north, also means that visitors will not face the heat and humidity found in Southeast Asia.

Thailand got its start in medical tourism in 1997, when the economic crash that hammered much of Asia sent canny healthcare providers looking for new markets. Today, it is one of the world's largest and best-established destinations for foreign patients, particularly from the Japan and the United States. Fifty-three JCI-accredited hospitals are distributed among four major cities: Bangkok, Pataya, Phuket, and Chiang Mai. Nearly 3 million people reportedly visited Thailand for medical care in 2017, another 13 million for wellness treatments. In all, they accounted for more than half of tourist arrivals that year and contributed about $4.7 billion to the economy.

By 2018, Thailand expected to receive some 1 million tourists for medical care and more than 25 million for wellness treatments.

The largest centers for medical tourism are Bangkok and Phuket. No fewer than six medical facilities in Bangkok have hospital accreditation from the United States. Bumrungrad Hospital alone sees 850,000 patients per year, 40 percent of them from abroad. As in most tourist-oriented medical communities, the major attractions are cosmetic surgery and dental treatments. However, eye surgery, kidney dialysis, and organ transplantation are among the most common specialties sought by medical travelers in Thailand. When not pinned down by medical treatments or recovery, patients usually spend their time shopping or sight-seeing.

For vacation possibilities Phuket is clearly your destination, with some of the most spectacular beaches and shorefront scenery on the planet. For a few patients, Phuket has another attraction as well: In all the world, Bangkok Phuket Hospital probably is *the* place to go for sex-change surgery, one of the top ten procedures for which patients visit Thailand.

Turkey may not be the first place Americans think of when considering care overseas. For patients in the Middle East, Russia, North Africa, and parts of Europe, it comes to mind much more readily. One reason is the country's enormous supply of public and private hospitals, over 1,200, including 51 accredited by the Joint Commission International—more than in any other country in the world. Another is the Turkish government's hard work in putting the word out that medical tourists are welcome and will find what they need in Istanbul, Ankara, Izmir, and probably many smaller cities. It helps that Turkish Airlines offers a 50-percent rebate on fares for medical tourists.

These efforts have been remarkably successful. According to the Turkey Health Tourism Development Council, about 750,000 international patients arrived in 2016. Another estimate suggests that 32 percent of patients seen in Turkey are medical tourists. Add perhaps half a million visitors to the country's hot springs, spas, and wellness centers, as some industry analysts do, and the number would be in the neighborhood of 1.25 million medical tourists a year. The Council hopes to attract 2 million actual patients a year by 2023.

For some reason, Turkish hospitals have become especially popular for eye operations, at least among medical tourists. LASIK surgery averages about $2,500 per eye in the United States and perhaps $2,000 in Britain, but around $1,250 in Turkey. Cataract removal is about $3,600 in the U.S. and $4,500 in the U.K. In Turkey, it is only $1,500. There are good reasons to make the journey, especially if a side trip to the Topkapi Palace, the Aya Sofya Museum, or the ruins at Ephesus sounds like a good way to test your eyesight.

The country's second specialty is hair transplants, which go for only a few percent of U.S. and Europen prices. Some 60,000 patients a year visit Turkey for the procedure, most of them from the Middle East. This is one area in which patients need to pick their facilities carefully. Though the law requires that physicians carry out all hair transplants, nurses and technicians do the job at many specialty clinics. One result is an uncommonly high proportion of botched operations. We believe this problem will resolve itself eventually, much as plastic-surgery clinics in Mexico pulled themselves together when word of botched facelifts discouraged American patients. However, we cannot guess how long it will take.

If a medical specialty or service exists, tourists will find it in Turkey, with a generally high standard of care and prices well below those at home. A coronary angioplasty that would cost an average of $30,000 in the United States or about half that in Britain is $5,000 or so in Turkey. A knee replacement that averages about $50,000 in the U.S. and around $17,000 in the U.K. is only $7,500 in Turkey. For patients in Europe, where travel costs to Turkey are low—a flight from London can be had for as little as £85, or about $110—these are obvious bargains.

United States—Americans may find it ironic, dissatisfied as many are with their country's high-cost care, poor insurance coverage, and statistically mediocre results compared with other healthcare systems, but the United States is one of the world's most popular destinations for medical tourists. A look at some of the institutions that actively compete for overseas patients makes the reason obvious. They include the Mayo Clinic, Johns Hopkins, Memorial Sloan Kettering, the Cleveland Clinic, and MD Anderson Cancer Center. These are some of the most prestigious medical institutions in the world, and their quality of care lives up to their reputations. For those who can afford their cost, they are the obvious places to go for treatment, especially when life is at stake.

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As a result, some 800,000 patients from all over the world seek treatment from American medical centers each year. If the case is complicated or doctors at home have failed, a trip to the United States is often the last resort. For those wealthy enough that cost does not matter, it is often the first.

Top Trends for Medical Tourism

Medical tourism sounds like a specialty where health workers are the only essential personnel, and they do account for many of the jobs in the field. However, opportunities are expanding almost as quickly as the market. Hospitals and clinics catering to medical tourists need planners, coordinators, and marketers to bring in patients, help arrange accommodations and travel for the patient's traveling partners, and often the patient before and after treatment, and to promote the institution's abilities to health travelers in other countries. Several companies serve as intermediaries between medical providers and employers needing low-cost care for their workers. A number of firms have arisen to coordinate medical tourism for patients, making travel reservations much like traditional agents, but also helping to select the right institution for individual needs, arrange for care, setting up accommodations for people accompanying the patient, and planning pre- and post-care vacations. Many more such opportunities are likely to appear in the decade ahead.

Like all these market-segment chapters, this one has given only a snapshot of its topic. Anyone working as a manager in this field, or interested in doing so, will need to assemble a movie of its evolution to help them anticipate changes and develop effective strategies for dealing with them. This, of course, is where the trends come in. Here are five of the most important for this fast-growing market.

Travel (especially international) and tourism are growing fast, as they have done for many years.

This trend, of course, is critical to all segments of the industry. Two statistics are significant for medical tourism.

The UN World Tourism Organization believes that the number of international tourist arrivals will grow by 3.3 percent per year, on average, for the two decades ending in 2030. At that rate, there will be 1.8 billion at the end of the period. Note that travel to developing lands is expected to grow by 4.4 percent annually, compared with only 2.2 percent in the industrialized countries.

The World Travel and Tourism Council predicts that industry's direct contribution to global GDP will grow by 3.8 percent in 2017 and 4.0 percent per year, on average, from 2018 through 2027.

These numbers provide an effective floor for this segment. The number of medical tourists has been growing faster than the travel and hospitality industry as a whole. So has the value of the market.

Let us use the 4.4-percent growth estimate for the developing countries, as that group includes most destinations for medical tourism. If we accept the narrowest definition,

there will be about 8.3 million medical tourists in 2020 and 10.3 million in 2025. If we use the broader definition favored by the Organization for Economic Cooperation and Development, the numbers come to about 59.4 million in 2020 and 73.7 million in 2025.

Market value in the years ahead is even less certain. Assume, as we did at the beginning of this chapter, that the current value is in the middle of the range calculated by Patients Beyond Borders, some $50 billion in 2016. Accepting the WTTC estimates, medical tourism would generate $58.4 billion in 2020 and $71 billion in 2025.

Although this segment is likely to grow faster than the international travel market in general, we prefer to be a bit more conservative in our expectations. We will stick with the values we calculated at the beginning of this chapter: Expect to see some 60 million medical tourists in 2025 and worldwide revenues of $300 billion. Yet, there are enough variables to shift these targets by plus or minus 20 percent in the years ahead. Consider these a reasonable baseline for your future calculations.

Economic Growth Is Slowing in Many Countries

Not in all, however, and it turns out that both slowing and accelerating economies can be good for medical tourism. It depends on the countries involved, both as tourist sources and as destinations.

China and India will be critical to the future of medical tourism, and they will take most of our attention here. This is a function of their economic growth at least as much as their billion-plus populations. Both economies are expanding faster than in any other large nation in the world. Even as China's slows to around 4 percent per year in the 2020s, it will remain one of the two growth leaders among countries with populations upward of 50 million. India, of course, will be the other.

As we saw in Chapter 6, the rapid growth of China's economy has raised hundreds of millions of people out of abject poverty and into the middle class. By 2020, some 400 million people may well be able to afford medical care in another country. China is destined to become one of the world's largest markets for medical tourism before the 2020s are over.

The Indian economy is growing even faster, by upward of 7 percent in recent years. It will continue to expand rapidly when China's high-growth period is clearly behind it, averaging 6.4 percent per year through the 2020s. Again, this suggests that the Indian market for medical tourism will grow at least that fast.

In both China and India, healthcare is readily available. At least, that is the theory. In practice, there are large gaps.

About 95 percent of the Chinese population has at least minimal health insurance. On average, it covers about 70 percent of medical expenses, but less for severe or chronic ills. Cancer or heart disease can still leave Chinese families destitute.

Beijing hopes to provide basic healthcare at affordable prices for all its citizens by 2020. That might be expected to minimize the number of people who leave China for care. However, hospitals in China vary widely, with services in major cities generally more modern and effective than those in rural areas. And even in major cities, the best hospitals tend to be profit-making ventures run, or at least partially owned, by foreign healthcare companies. Bills at these hospitals can run ten times those in rural facilities. Throughout the country, medications are expensive and, for some, unaffordable.

The situation is worse in India. Perhaps one in four families are covered by insurance, and even they pay 70 percent of medical expenses out of pocket. The government runs an extensive network of medical facilities. Yet, India has so many people that a community health center with four doctors and thirty beds must cover a population of 80,000 to 120,000. Care at public facilities is free, but shortages of staff and supplies mean that needed services often are unavailable. In a 2016 study by The Lancet, a prestigious medical journal, India's healthcare system rated 154th out of 195 countries. China came in 82nd. Bangladesh, with a per-capita GDP around $4,000 compared with India's $6,700, was 52nd.

All this means that in China, and especially in India, the poor are stuck, unable to afford the price of sophisticated medical care or continuing treatment. In India, they also are likely to find that timely care is unavailable.

The Indian upper middle class and wealthy can buy care at the same high-quality hospitals medical tourists do, and for much less than the same services would cost in the West or in many other tourist destinations. However, Indian culture values travel, and as we have seen destinations like Hungary and Turkey have developed reputations for excellence in particular specialties like cosmetic surgery and eye care. These factors both suggest that many well-off Indians are likely to go elsewhere for care even if strictly economic concerns do not justify it. Medical tourism, like most kinds of travel, will be seen as a luxury and proof of affluence. Even for those in the next tier down, medical tourism may be an attractive option, especially for those who are going abroad for other purposes.

Their peers in China have another reason to travel for healthcare. It may be more expensive in other countries, but at least it is available. It will help a lot, also, that insurance has begun to cover travel expenses for those who cannot find care close to home.

The UN World Tourism Organization expects some 50 million Indians to go abroad in 2020. Around 150 million Chinese will join them. If even one percent of them seek medical care, they will add some 2 million patients to the medical-tourism market. We consider this very possible.

In fact, for Chinese travelers this is a simple projection of the established record. They took an estimated 500,000 outbound medical trips in 2016. The greatest number went to Thailand. Bumrungrad Hospital alone saw 7,500 Chinese patients in 2015—compared with 9,000 for all the hospitals in Singapore—and has added a ward with a Chinese-speaking staff. We expect Indian medical tourists, too, to think of Thailand first when seeking any but the most specialized care elsewhere.

Now consider Europe and, to a lesser extent, the United States and Canada. They are well supplied with skilled doctors and high-quality hospitals, and patients in Europe and Canada are covered by government-supported medical systems. In the United States, we believe the long-term trend leads to establishment of a single-payer health-care system, but only after further delay by politically powerful lobbies. Until then, care will remain expensive and insurance coverage spotty. In the UK and Canada especially, even urgently needed treatment can be delayed by shortages of capacity and other factors.

Economic growth in the developed lands has slowed from the heady pace seen in the late 20th century and the first decade of this one. Through the 2020s, we therefore expect middle-class patients throughout Europe and North America to feel increasingly short of disposable income. They will be eager to save money on healthcare, especially for elective procedures like plastic surgery. It is at least possible, also, that some European countries will choose to cut back on the coverage provided by social programs. (See below.) The UK and Germany, where politicians facing economic problems automatically think first of austerity, seem particularly likely to follow this course.

All these developments will be especially welcome for Hungary and the Czech Republic, which draw most of their foreign patients from other parts of Europe, and for Turkey, where the number of patients from Europe and North America has begun to grow. They will be less significant for Thailand and India, which already receive the largest shares of Western medical tourism and will be proportionally less affected.

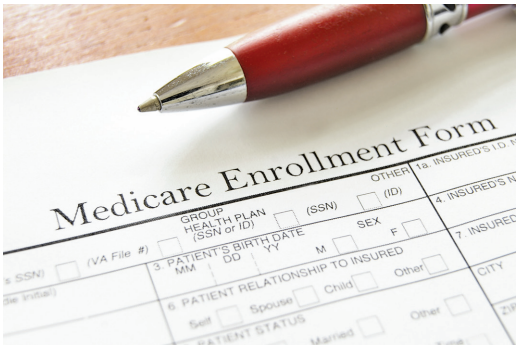
Demographic Changes

For medical tourism, it makes sense to consider three trends simultaneously: the growth of the world's population to 9.6 billion in 2050, the global extension of life expectancy, and the dramatic growth of the elderly population in rich and poor countries alike. These trends all foretell rapid expansion of the travel-for-treatment market. Together, they are the largest single reason to expect growth in the medical-tourism market to be even faster than many observers do.

The effect of simple population growth is obvious. If the planet is home to roughly 7 billion people and the number of medical tourists is about 14 million, then when the world's population reaches 9.6 billion, the number of medical tourists should be about 19.2 billion. The real number will, of course, be much higher.

The reason is the stretching of our life expectancy and the growing elderly cohort. As we saw in Chapter 6, better nutrition, new pharmaceuticals and medical technologies, and government health programs raise life expectancy with every generation. In 1950, life expectancy at birth in the United States was 68.2, and an 80-year-old American could look forward to another 6.5 years. Today, life expectancy at birth is up by more than ten years, to 78.9, and the average 80-year old will reach 89.6. In many other places, the average is even greater. In 25 countries, life expectancy at birth is upward of 80 years. In Monaco, it is 89-plus. A life expectancy just under 79 puts the United States in 53rd place. By 2050, most of the world's countries are expected to have more people age 65 and above than younger than 15. In Japan, South Korea, and Germany, more than half of the population in 2050 will be over 50.

As a result, the world's senior population will more than double from 901 million in 2015 to 2.1 billion in 2050. The over-80 population will more than triple, reaching 434 million. Those in their traditional retirement years made up only 15 percent of the global population in 2000. Fifty years later, they will be 27 percent.



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This trend alone guarantees that the cost of medical care will rise quickly in the years ahead. In the United States, health care for the average child costs about $3,550 per year. For working-age adults, it is around $6,600. However, among the elderly, it is nearly $19,000 per year, and much of that goes to the oldest old. Patients in their late 60s make up 26 percent of the Medicare population but account for only 15 percent of the program's cost. Those age 80 and above make up 24 percent of the population but account for one-third of Medicare spending. All these numbers change over time and vary from one country to another. However, the general trend is clear: The older the population, the higher their medical expenses.

This is mostly good news for individuals; in general, we all want to live longer. However, it is much less so for national economies, which will have to spend more and more on healthcare over the next few decades. And that, in turn, is great news for medical tourism.

Exactly how these trends will play out depends on the region. The critical issue is the dependency ratio. This is the number of children and retirees compared with the population in their prime employment years, ages 15 to 64. The smaller a country's dependency ratio, the easier it will be for workers to support those who do not contribute to the economy.

High dependency ratios change the way economies perform. Savings translate to investments that promote growth and, because more money is available to those wishing to borrow, help keep interest rates low. Retirees, on average, begin spending what they have saved, so interest rates go up and economic growth declines. Housing prices also go down; one study of ten countries found that they had sunk, in real terms, by 0.2 percent per year as the ratio of seniors to working-age adults rose. One more likely effect is a shift in consumption from goods to healthcare services. This is particularly true when the elderly population is comparatively large, producing a high "old-age dependency ratio."

In most of the less developed countries and some of the developing, high birth rates and reduced childhood mortality in recent decades are enlarging the workforce, and dependency ratios are falling. In India, for example, the number of children and elders equaled 54 percent of the working-age population in 2010 and is expected to be 48 in 2050. In Nigeria, it is slipping from 88 to 69. These trends should lead to faster economic growth and improved standards of living.

In the developed lands, dependency ratios are climbing rapidly thanks to a combination of low birth rates and longer life expectancies. In the United States, it was 49 in 2010 and will be 66 in 2050. In Germany, it is rising from 52 to 83. In Spain, the dependency ratio began the period at 47 and will end at 94. In Japan, it was 52 and is expected to reach 96!

In all these countries, the change is due primarily to the growing population age 65 and over. In the U.S., there were 19 per 100 people of working age in 2010. By 2050, there will be 36. In Germany, there were 32, and the number is expected to reach 60. In Spain, the increase is from 25 to 67. In Japan, the ratio will double, from 36 to 72. South Korea's age-dependency ratio will reach only 66, but that is more than four times its ratio of only 15 in 2010.

China is a special case, thanks to the one-child policy introduced in 1979 to stem out-of-control population growth and not replaced by a two-child rule until 2016. Population growth has slowed as intended, but as a result more people are now reaching retirement than are entering the workforce. The working-age population is declining, from a peak of 925 million in 2011 to only 700 million expected in 2050. The old-age dependency ratio is more than tripling from 11 in 2010 to 39 in 2050.

China is not the only country with a declining workforce, nor even the one with the greatest percentage loss in the years ahead. Germany's workforce will shrink by about 17 percent over the same period by 2060. Japan's is due to shrink by 12.4 percent, but its high life expectancy means that by 2060 some 40 percent of the population will be age 65 or older.

However, Germany and most other countries of the European Union provide ample programs for retirement pensions and old-age medical care. Japan's are not as generous, but the government is working to expand them before need too badly outstrips availability. China is much less ready for the future. If its social programs are not in crisis already, they are approaching it much faster than they can be improved.

Beijing has attempted to prepare for this future by establishing a variety of new programs and improving others. In 2016, some 890 million people had government-funded pension accounts, 750 million were covered by medical insurance, 220 million by workplace injury insurance.

Unfortunately, these numbers sound more impressive than the reality they represent. Expenses at the five largest government-funded insurance programs are growing about one-third faster than the money available to pay them. Many former military officers already report that they have not received pensions, jobs, or insurance since retiring; some have been waiting twenty years. By 2020, the number of elderly collecting pensions will exceed the working-age population. And when they elderly need geriatric services, few are available. China has about half as many beds per thousand seniors as the developed countries. In the West, between 4 and 8 percent of seniors live in residential care facilities. In China, the number is 1 to 2 percent.

Consider one more factor, the growing shortage of medical personnel in much of the world. In the early 2020s, the United States is expected to have some 90,000 too few doctors and more than 1 million fewer nurses than it needs. Japan will have 200,000 too few nurses by 2020 and 380,000 too few by 2025. China had 500,000 fewer doctors than it needed as early as 2015.

All these factors point in the same direction. In China, Japan, and South Korea; in Western Europe; in Canada and, to a lesser extent, the United States, demand for medical care will grow at least as fast as the supply, and in most cases faster. At the same time, people in many parts of the world will be watching their disposable income

shrink even as their expenses grow. People will need much more care in the years ahead, and many of them will be unable to find it at home. Those who can afford the cost of travel will seek it in other countries. Demographic trends guarantee a prosperous future for companies that serve the world's medical tourists.

Important medical advances will continue to appear almost daily.

We do not need to make an exhaustive list here. You can find more details in Appendix A, Trend 34, and every website that publishes medical news. In general, our medical knowledge doubles every four to five years, and faster in some specialties. Clinical knowledge, the kind doctors use in caring for patients, doubles every 18 months. Half of what medical students learn in their freshman year about the cutting edge of medical science and technology is obsolete, revised, or taken for granted before their junior year is over.

Many of the most important discoveries over the next decades will emerge from genetics. Some 10,000 human diseases arise from defects in a single gene. In 2018, researchers already were conducting small human trials of gene editing for the treatment of lung, bladder, prostate, and kidney cancer. Other disorders likely to be treated by genetic therapy, and perhaps even eliminated from our species, include heart disease, HIV/AIDS, and Alzheimer's disease.

Other advances will come from new developments in immunotherapy. Experimental results against some forms of cancer are particularly promising.

Work in regeneration medicine is not yet quite so advanced, but it seems likely that in the 2030s it will be possible to heal paralysis by restoring damaged spinal nerves, and someday even to regrow lost limbs.

By 2025, work on nanotechnology is likely to produce the first cell-sized machines that can travel through the bloodstream, scouring out whatever plaques of artery-clogging cholesterol other therapies have not eliminated and killing cancer cells before they have a chance to form a tumor.

As wonderful as all these developments promise to be, their impact on medical costs may be less welcome. New medical treatments and technologies, however they operate and whatever they cure, have one thing in common: They tend to be expensive, often horrifyingly so. On balance and over time, this latest generation of medical advances seems likely to improve our health in old age enough to bring down the overall cost of care. However, during the transition period—say, the next twenty years—medical expenses are likely to rise sharply.

This is, of course, one more trend that will help grow the market for medical tourism throughout the careers of today's hospitality students. In the healthy, fast-growing market for hospitality and tourism services, this should be one of the most vibrant segments for at least the next twenty years.