STRASTRIC INNOVATIONS FOR AFFORDABLE, SUSTAINABLE HEALTH CARE:

A Model for Health System Reform

Environmental Scan

Medical Tourism
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The Medical Tourism Association (MTA) states “medical tourism is where people who live in one country travel to another country to receive medical, dental, or surgical care while at the same time receiving equal to or greater care than they would have in their own country, and are traveling for medical care because of affordability, better access to care or a higher level of quality of care.”

The MTA (Global Healthcare Association) is the first and only international, non-profit trade association for the medical tourism and global health care industry made up of the top international hospitals, health care providers, medical travel facilitators, insurance companies, and other affiliated companies and members with the common goal of promoting the highest level of quality of healthcare to patients in a global environment.

In 2008, the American Medical Association adopted guiding principles on medical tourism at its annual policymaking meeting. The nine principles are the first of their kind and outline steps for care abroad for consideration by patients, employers, insurers, and third-parties responsible for coordinating travel outside of the United States (U.S.). Select principles include medical care outside of the U.S. must be voluntary, patients should only be referred for medical care to institutions accredited by recognized international accrediting bodies, and patients should be informed of their rights and legal recourse prior to agreeing to travel outside the U.S. for medical care.

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| MEDICAL TOURISM INSURANCE/BENEFIT PLANS | This approach seeks to cover and reduce costs of care for primarily international medical procedures for consumers, and cost of insurance- and health-related costs for employers. It also allows consumers alternative access to a wider range of high-quality medical procedures. | There is limited research evidence on the effectiveness of specific medical tourism insurance or benefit plans and their impact on the larger health care system. However, there is a clear difference between the cost of many U.S. medical procedures and the costs of getting these done in some international locations. For example:  
- A heart bypass costing $80,000 in a U.S. hospital costs just $16,000 in Thailand.  
- A full facelift that would amount to $20,000 in the U.S. usually costs about $1,250 in South Africa.  
- A knee replacement in the U.S. costs anywhere from $30,000 to $40,000, but at Hospital Clinica Bíblica in San José, Costa Rica, the cost is $10,500, including airport pickups, personal assistance at the hospital, and post-discharge nursing care. | Medical tourism benefits are typically used by two populations: 1) employers interested in keeping medical and insurance costs down and employee access to health care broad, and 2) consumers and employees interested in the widest range of cost effective medical options. |
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| Medical tourism benefits plans may be provided to employees through their employers or accessed directly by independent patients through insurers and insurers' subsidiaries. | - Health benefit plans with medical tourism pilot programs include:  
  - Anthem BlueCross BlueShield (WellPoint): Wisconsin,  
  - BlueCross BlueShield: South Carolina (case example below),  
  - BlueShield and Health Net: California, and  
  - United Group Program: Florida. | - There is no research evidence regarding the greater impact of BCBS' medical tourism insurance plan yet, but new companies have added international medical travel options through the BCBS-created Companion Global as recently as March 2010.  
  - Companion Global partners continue to expand to hospitals in Brazil (Hospital Israelita Albert Einstein), Mexico (CIMA Hermosillo and Monterrey), Puerto Rico (HIMAHEALTH), Spain (Teknon Hospital), among others. | - Medical tourism benefits are typically used by two populations: 1) employers interested in keeping medical and insurance costs down and employee access to health care broad, and 2) consumers and employees interested in the widest range of cost effective medical options. |
| Other Comments | This approach seeks to cover and reduce costs of care for primarily international medical procedures for consumers, and cost of insurance- and health-related costs for employers. | - | |
| **Case example:** BlueCross BlueShield of South Carolina & Companion Global Healthcare  
In 2008, BlueCross BlueShield (BCBS) South Carolina launched a subsidiary, Companion Global Healthcare, to help U.S. patients plan trips abroad for lower-cost medical procedures. BlueCross BlueShield will cover patients' procedures organized through Companion Global if their BCBS plan allows the travel. The insurer also will cover two follow-up visits with physicians at Doctors Care centers in the State. | | | |
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| **MEDICAL TOURISM FACILITATORS**   | Facilitators seek to connect individual consumers, businesses, insurance carriers and agents, and third party administrators to affordable and innovative medical travel options, primarily abroad. Medical tourism facilitators coordinate all medical tourism details, from arranging surgery and financing options to visas, travel, lodging, and tourism. | • Published research on the practices of medical tourism facilitators is limited.  
• Advantages of utilizing medical tourism facilitators include, but are not limited to, immediate access to established relationships with international providers and convenient transfer of medical information.  
• Disadvantages include that the quality of facilitation services varies greatly from one provider to another and facilitators may possess biases toward certain hospitals and destinations.  
19, 20 | • Medical tourism facilitators appear applicable to many groups interested in receiving or administering medical tourism services (e.g., individual consumers, businesses and employers, and insurance carriers).  
• Facilitators could be particularly helpful to under- or uninsured patients who have difficulty navigating and affording medical care.  
• Consumers for whom insurance is not needed and cost is no issue could also benefit from the concept of medical tourism facilitators as medical travel is not just approached from a cost perspective, but can be from leisure perspective as well. |
| Other Comment                      | Medical tourism facilitators may be accessed directly by independent patients or may be contracted by insurers to provide facilitation services to plan members.  
The number of medical tourism facilitators, both U.S.-based and international, is growing. Select examples of medical tourism facilitators include:  
• Carpatia Group: Romania; 21  
• Healthbase Online, Inc.: U.S.; 22 (case example below)  
• MEDICARE Travel: Slovakia; 23  
• MEDTRAVEL: Ecuador; 24  
• Patients Without Borders: U.S.; 25 and  
• Planet Hospital: U.S. 26 |
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<td>Healthbase Online Inc.: Healthcare Beyond Boundaries</td>
<td>Facilitators seek to connect individual consumers, businesses, insurance carriers and agents, and third party administrators to affordable and innovative medical travel options, primarily abroad.</td>
<td>There is little or no research evidence regarding Healthbase practices. However, Healthbase lists testimonials describing positive patient experiences and reports their sponsored procedures are up to 80% less than typical U.S. hospital prices.</td>
<td>Medical tourism facilitators appear applicable to many groups interested in receiving or administering medical tourism services (e.g., individual consumers, businesses and employers, and insurance carriers).</td>
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### Other Comments
- Select Healthbase partners include Anadolu Medical Center (Turkey), Apollo Hospitals (India), Hospital Clinica Biblica (Costa Rica), Hospital Punta Pacífica (Panama), National Heart Center (Singapore), among others.
- Healthbase arranges services at internationally accredited hospitals in over 10 countries (e.g., Belgium, Brazil, Costa Rica, and Thailand) and is expanding in additional areas (e.g., Argentina, Canada, and New Zealand).

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### SECTION 4 ● ENDNOTES

2. Ibid., Medical Tourism Association. (2010).

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Ibid., Deloitte Center for Health Solutions. (2010).


END SECTION 4

SECTION 4 ● MEDICAL TOURISM
ALTARUM INSTITUTE integrates objective research and client-centered consulting skills to deliver comprehensive, systems-based solutions that improve health and health care. A nonprofit serving clients in the public and private sectors, Altarum employs more than 350 individuals and is headquartered in Ann Arbor, Michigan with additional offices in the Washington, DC area; Sacramento, California; Atlanta, Georgia; Portland, Maine; and San Antonio, Texas.

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