By Dr Jason Yap Chin Huat

Medical Tourism / Medical Travel (Part One)

I readily agreed when the Good Editor invited me to contribute an article on the hot new topic of "medical tourism". I had read the interview with Ms Yong Ying-I, Permanent Secretary of Health, in the March issue and was at the Singapore General Hospital 185th Anniversary Dinner myself when the Minister Mentor explained, with an authority well beyond me, how vital internationalisation was to our public sector. Well and truly preempted, I now present a simple and, for the sake of brevity, unashamedly Singapore-centric primer on the nuts-and-bolts of medical travel. The opinions expressed herein are my own and do not necessarily represent the positions of other parties in the SingaporeMedicine initiative (read: some of us are still arguing), but discussion is the birthplace of consensus and we must start somewhere.

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DEFINITIONS

Medical tourism, or medical travel, occurs when patients travel across international boundaries for healthcare. In many cases, they make the trip explicitly for healthcare. In others, they receive healthcare while on trips for business, leisure or education. While not technically within our national definition of a healthcare visitor, the latter are obviously seekers of international healthcare as well.

You would note that I move immediately to the phrase "medical travel". "Medical tourism" is an inadequate term as people travel for healthcare in many different circumstances,

Page 17 ▶

◀ Page 16 – Medical Tourism/ Medical Travel (Part One)

only a few of which are "touristy" in nature (for example, "surgery and safari" packages, cosmesis trips and spa retreats). Those who travel for, say, cancer chemotherapy or who are evacuated in emergency situations also cross international boundaries for healthcare but can hardly be described as "tourists". Likewise, we say "business travelers" rather than "business tourists". There are also those who travel for healthcare within their national borders but we will leave them out for simplicity.

TRENDS

A true story ... A lady living in a smallish town in Malaysia many decades ago was pregnant with her first child. Her mother lived in Singapore and did not trust the delivery services available to her daughter in the town, and Kuala Lumpur was a little too far away. So she insisted that her daughter come down to Singapore to deliver. Her daughter dutifully did so, and that was my own introduction to medical travel, because I was the baby.

Singapore received 210,000 healthcare visitors in 2002 and 320,000 in 2004, an increase of about 52% over two years. There were 230,000 visitors even during the SARS year in-between. Our Prime Minister recently announced that we received 374,000 healthcare visitors in 2005. This increase is not a new phenomenon. Singapore has long been the destination of choice for people seeking good quality medical care. In 1996, there were some 226,000 visitors but the numbers fell after the peak of 327,000 in 1997 because of the Asian Financial Crisis that year.

This rapid increase of some 17% year-on-year is paralleled by similar increases for our regional competitors, Thailand, Malaysia and India. Most of the reported increases in medical travelers in Thailand, Malaysia and India appear to be after 9/11 but we were in the game well before that.

The healthcare services provided range from the very high-tech (for example, transplants) to the standard (for example, hip replacement) to the medical fringe (medical spas and cosmesis). While internet advertisements tend to highlight the last and sometimes the middle, people travel for a variety of reasons, falling into four, probably overlapping, groups.

- Most obvious are the **essential healthcare seekers**. They look for treatment not immediately available in their own country, for example, living donor liver transplantation. Some countries have long waiting times and those who then travel to get the required healthcare, especially where the delay is clinically harmful, are also essential healthcare seekers.
- Another group, or a variant of the first, is the **affordable healthcare seekers**. The particular services sought are available back home but they are not practically accessible to him for reasons of cost. One good example is the estimated 85 million un- or under-insured Americans. A patient may be covered for only 10% of the costs of a US$50,000 operation which is available in Asia for a quarter of the price, even after adding travel expenses. Even forgoing the insurance coverage, he spends less on overseas treatment than at home.
- Then there are the **quality healthcare seekers**, arguably the largest group. While the services may be available back home, the standard of care is, or is perceived to be, inferior and so they prefer to travel. International accreditation and medical professionalism are critical factors in their decisions. Quality may not be just in clinical acumen or technical equipment but also in the trustworthiness of the healthcare facilities. In a few situations, clinical skills are not in doubt but patients need assurance that prescribed procedures are indeed clinically indicated and not just for revenue generation.
- Lastly, there are the **premium healthcare seekers**. Usually affluent, they have the means to choose any healthcare provider they wish, want the very best, expect to pay for it, and would go back and tell everyone about it.

"The world is flat", says Thomas Friedman in his recent bestseller with the same name. The forces that have leveled the business playing fields across the world, and made China and India the global software house and factory respectively have turned their attention to healthcare. Historically, patients go to the clinic next door and the hospital in the city, but today they are willing to go much farther. There are several major factors that have brought about this.

- **Air travel** has improved tremendously and airfares have dropped. It is not the absolute

Page 18 ▶

◀ *Page 17 – Medical Tourism/ Medical Travel (Part One)*

price of air travel that is critical but its relativity to the cost of the medical care. The arrival of low cost carriers in the region has been an additional factor.

- **International travel** is much easier today, even post 9/11. International borders are freer through political measures like the European Community and bilateral agreements. For reasons of leisure, business, education and healthcare, people are now traveling as they have never traveled before.
- Beyond the above enablers, a critical change is the increasingly **global mindset** of patients. The Internet and broadcast media show the best healthcare to the world, and people are no longer content to settle for the average and the merely proximate. This global mindset both increases dissatisfaction with one's own healthcare and presents options to respond to that dissatisfaction.
- With the easy availability of information comes the ability to compare **prices**. In many countries, medical costs are so high that our local prices are highly affordable by comparison. The relatively higher Singaporean healthcare prices compared to our competitors are not always as important as imagined. Patients from costly countries compare our prices to their own (so it is not difficult to choose the $1,200 location over a $1,000 offer when the procedure costs $5,000 at home). Secondly, procedure-for-procedure pricing comparisons do not take into account the shorter hospital stays and higher quality care in Singaporean hospitals, and the other issues of comfort and convenience for the accompanying persons.
- Many destinations are packaging the healthcare with **leisure and other activities**. The lure of taking a holiday and at the same time fixing a medical malady (or vice versa)

Page 19 ▶

◀ Page 18 – Medical Tourism/ Medical Travel (Part One)

is attractive. In some situations, the attraction is in the **anonymity** of surgery done overseas, for example, cosmetic procedures.

- Healthcare providers have responded to, and in turn further increase, the changing perspectives of patients by **internationalising their services**. They retain marketing representatives and plant offices in the source countries, and raise their profiles through editorials and other advertising. Most facilities now have international patient liaison centres.

While in-market representatives and offices are obvious features in the source countries, patients actually find their way to Singapore through various mechanisms.

- Singapore may be a separate city-state but, for many people in the region, we are a nearby city. So it is fairly natural for many patients in our immediate region to refer **themselves** to Singaporean doctors. They may hear positive comments about a particular doctor from their friends or families, or search the internet and medical directories. Anecdotally, some even choose to arrive in Singapore first and then proceed to look at the directory board at the more famous medical centres.
- Our general practitioners refer patients to specialists, and the specialists refer patients to each other. It is not inconceivable, by extension, for **doctors' referrals** to cross international borders. Being a training ground for many doctors from the region, it is natural that the trained doctors, on their return to their native countries, turn to the source of their training for more difficult cases. My impression is that the success of Mayo Clinic as a referral centre is in no small part due to the impressive five medical schools or equivalent that Rochester hosts.

Page 20 ▶

◀ Page 19 – Medical Tourism/ Medical Travel (Part One)

- **An obvious feature is the marketing representatives, offices and business partners** of recipient healthcare providers I have already mentioned. Today, Singaporean healthcare providers have presences from Dubai to Dhaka, Hyderabad to Ho Chi Minh City, Vladivostok to Vancouver.
- Many governments and corporations, recognising that their healthcare system does not provide certain types of treatments that they have a commitment to provide, send their patients to other countries. The most prominent of these **payor referrals** come from the Middle East countries, which used to send patients to the West before 9/11. Insurance companies could also send patients but are generally slow to take up the opportunities, deterred by the potential legal liability of initiating the travel for healthcare. Beyond serving their outbound patients, there are also opportunities for Singaporean firms to build healthy relationships by providing healthcare consultancy, operations and other services as well.
- **In-market medical travel agencies** are a new breed. Many entrepreneurs in many countries have observed that patients are beginning to travel for healthcare and they recognise the business opportunities. Some investors are apparently doctors frustrated at their patients' inability to afford the care they need, and their investment allows them to both resolve a need and earn something at the same time. Some agencies are single-person outfits that build up a clientele through word-of-mouth advertising from satisfied customers, but others are set up as corporations with sizable advertising budgets.
- **Singaporean medical travel agencies** are responding to the challenge. A (normal) travel agency may set up a unit to apply their travel-handling skills to medical travelers, or a firm may be set up expressly to manage just international patients. There are also small one-person concierge services mirroring their in-market counterparts.

The actual flow of patients is not necessarily directly through just one of the channels above. For example, patients can often make their own way to Singapore but they ask their doctor for a referral (and necessary medical records) instead. They then work with an in-market travel agent or Singaporean healthcare provider's representative to arrange the trip. It is a new industry and there are many new enthusiastic players trying out new business and operational models. Some will fail and there will be some shake-up as best practices emerge.

BENEFITS

I thought my red face was obvious to everyone though no one showed they noticed. I had been invited, before I actually started work in the Singapore Tourism Board, to a policy discussion on health where the speaker was the Minister for Health, Mr Khaw Boon Wan. At question-time, I asked why the Minister's eighth initiative, which is on maximising the economic potential of healthcare, focused on earning money while the rest were directed to improving the health of people. Minister gently explained that a critical mass of doctors, and therefore patients, was needed to maintain clinical skills for the people's sake. I knew, of course, that doctors who do more generally get better results, and that an economy is about people and systems and not just money. It made such perfect sense; I silently kicked myself.

There is much discussion over the value of international medical services to Singapore. Four distinct areas can be seen.

- The most obvious benefit, and one which is driving most of our competitors, is **revenue**. In 2004, we had some 320,000 healthcare visitors, many accompanied by one or more accompanying persons. The estimated "tourism receipts" (spending on airfare, hotel or accommodation, shopping, dining and leisure as well as medical care) came to some $836 million earned by the Singaporean economy from visitors specifically for healthcare and their accompanying persons. In addition, other visitors (that is, not specifically for healthcare) also visited doctors and healthcare facilities during their stay, earning additional dollars for Singapore, leading to a grand total of $863 million. When one considers that the tourism receipt for all visitors for that year is $9.8 billion, the inescapable conclusion is that the provision of healthcare services for international patients contributes some 8.8% of the total traveler-based national revenue. That is not too shabby.
- A less recognised benefit is the creation of

Page 21 ▶

◀ Page 20 – Medical Tourism/ Medical Travel (Part One)

a **critical mass** in the medical community, as the Minister had pointed out. Singapore has a population of only 4.2 million but has trained doctors in most specialties and sub-specialties. It would be a waste to send our doctors for training in, say, sleep disorders and then place them in the Department of General Neurology. Today, only a small proportion of healthcare consumers are international patients but many of these are the high-end difficult cases. There is also a need to maintain a **sustainable** medical service. Sufficient volume to maintain just one or two doctors creates a very fragile system. In a nutshell, Singapore has to look after international patients so as to be able to look after her own.

- An extension of the clinical critical mass is the impact on the **biomedical economic clusters**. With more doctors, there is a greater base to do research and development, which in turn develops the clinical services further. With greater sub-specialisation, there are opportunities to train foreign doctors and to have more biomedical associations and societies, which lead to more medical conventions (40% of all conferences held in Singapore are biomedical, and Singapore has more medical conferences than most surrounding countries, let alone cities). More international attendees at medical conferences will lead to more international medical visitors and this in turn, results in more international patients and the cycle goes on.
- International outreach is a natural activity of the **medical community** which has been flying to regional areas to teach and perform surgery. Our doctors have always been at the forefront of sharing their knowledge internationally. Ultimately, and most importantly, being a doctor is about tending to patients. As a public health physician now working actively in this new field of medical travel, the potential long-term impact of our international orientation is obvious. Through international patient services, we help those who can come to Singapore. Through our sharing and services, we directly help patients in their home country. Through our interaction with the local doctors, we build an international medical community and contribute to improving standards around the world.

In the last perspective, we are merely maintaining a proud tradition. The quality of our doctors, which is one of our strengths in Singapore, is built up through long years and with much expense, together with the cooperation of the international centres to which we had sent our doctors to and, in many cases, our patients. Today, we are returning the favour by paying it forward as a medical hub.

CONCLUSION

Like Tolkien, I find that what started off as a primer has grown in the writing, and there are still several aspects untouched, especially with regards to the ethics of medical travel and its promotion, the role, potential and balancing act for Singapore as a medical hub (of which medical travel is only one spoke), and the possible exciting futures for Singapore healthcare. ■

Note: Part Two will be published in the June Issue of SMA News.