

By Dr Paisal Chantarapitak

## The Transformation into One of the Leading Destinations for Healthcare



On any given day at any possible time, a visitor to Don Muang Airport will be able to observe ambulances and courtesy limousines of Thailand's leading private hospitals parked at the Arrival Terminals. Has an accident occurred or is a Medevac flight expected? No, what the visitor sees is the day-to-day routine business of picking up global patients who have just arrived from their home countries and are now on route to their scheduled medical treatment in a hospital of their choice. Looking a little closer, the observer can distinguish people from all corners of the world embarking in the waiting vehicles. This article endeavours to explore the reasons behind and the circumstances contributing to the Bangkok rise to one of the most popular medical tourism destinations in the world. In 2005 alone,



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more than one million foreign patients arrived in Thailand to seek medical treatment.

By definition, "medical tourism" is the act of travelling to foreign countries in order to obtain medical and/or surgical treatment. This activity is actually as old as the world's oldest civilisations as people tend to seek treatment with the best physicians and institutions they can find and afford. In the olden days, the trend-setters were to be found in the vicinities of the ancient capitals like Memphis (old Egypt), Athens, Rome, the Chinese Empire or the Ayuvedic Centers in India. Today, many of the centres of medical excellence is found in the Asian region, particularly in Singapore and Thailand.

The experience of Thailand's leading global players in the medical field – Bangkok

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Hospital Group (Bangkok Hospitals in Bangkok, Bangkok Pattaya, Bangkok Phuket, Bangkok Hadyai, Bangkok Samui, Bangkok Koh Chang), Samitivej Hospital, BNH Hospital, Phyathai II Hospital, Bumrungrad Hospital – are ideally suited to explain the motivations and reasons behind the rise of Thailand to become a global medical tourism destination of choice. The hospitals established themselves over the years as the leading medical institutions in the country, investing heavily in medical capabilities and technology. After Asia was hit by the economic crisis in 1997 to 1998, many (private) Thai patients could no longer afford private healthcare. As a result, the hospital's management had to find new markets. International Medical Centers were set up in order to overcome language and cultural barriers and to offer international patients treatment, which are of international standard. Initially, these services were aimed to provide the large expatriate community in Bangkok with first class medical treatment. However, after initial successes, the management realised, through marketing research and analysis, that the international sector held great growth potential. There are several reasons that patients leave home to seek medical attention abroad. Understanding the individual needs of the various healthcare markets, Thailand's leading private hospitals implemented a service orientated marketing strategy to gain access to those markets.

### THE MARKETS

As in ancient times, the first and foremost reason for medical tourism is the need for finding medical attention that one cannot find at home. In many under-developed and developing countries in Asia and other

continents, medical coverage and facilities are at worst rudimentary. At best only basic healthcare can be provided to the general populace. Lack of funds to provide high technology diagnostics and surgical facilities has pushed many government sponsored, middle and upper class patients to the United States and Europe. Some of the first overseas markets targeted by the Bangkok based private hospitals were the surrounding countries of Myanmar, Bangladesh, Cambodia and Vietnam. Thanks to investment in high technology, medical capabilities and services, Thailand's top medical facilities are able to offer state-of-the-art diagnostic and surgical procedures, otherwise only found in the top hospitals in the United States, Europe and Japan. Today, many patients from Asia have acknowledged the high standards of treatment, comparatively low cost and high service levels in Bangkok and Singapore, arriving in these destinations in ever increasing numbers. Besides Asian patients, Bangkok has also started to attract patients from many African and Middle Eastern countries as well.

### THE WEST

Until recently, many countries in Europe and America have been the destination of choice for private healthcare patients from around the world. Technological capabilities and excellent medical professionals were a guarantee for a high influx of foreign patients.



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Exploding costs, comparatively low service levels and a decrease in the investment in healthcare facilities have already reversed this development and much of this traffic is now going to Asia. In addition, particularly in Europe, where people are used to government sponsored care from cradle to grave, serious short-comings have led to the formation of considerable waiting lists for certain treatments. Particularly in the United Kingdom,

the Netherlands and Scandinavia, the long waiting lists have forced patients to look elsewhere for treatment, even if this means paying out of one's own pocket. The comparatively lower cost, excellent service standard and the popularity as a holiday destination have helped Thailand to become the health care destination of choice for many Europeans. As the gap between healthcare demands and

supply continues to increase, as the European nations continue on their down-ward spiral in demographic terms (over-aging societies), the potential for Thai and other Asian suppliers increases. Currently, the European nations attempt to fix the existing problems of under-funding by excluding certain treatments from insurance coverage, cutting down on capacities and attempting to reform the system in many other ways. Their Asian counterparts do exactly the opposite by investing in the healthcare sector and increasing capabilities and service provision.

### MIDDLE EAST

While the origins of the two former markets are the result of different aspects of need, the Middle Eastern Region can be considered a more classical source of medical tourists. The rapid economic growth of particularly the Gulf States of U.A.E., Oman, Saudi Arabia, Qatar, Bahrain and Kuwait allows the nationals of

these countries to seek the best treatment that is available globally. Despite excellent healthcare facilities often at very reasonable or at no cost in their own countries, many still opt for their annual check-up or elective surgery during their vacation time abroad. This time abroad is spent increasingly in Asia and particularly in Thailand, where service standards match their demands. The environment is also safe and patients can fulfill their desire to combine holiday with medical needs.

### THE GLOBAL CROWD

An increase in demand begs an increase in supply and accordingly, the observer can currently see major construction under way in and around an increasing number of Thailand's private hospitals, seeking to tap into the medi-tourist market. At the same time, many hospitals are specialising their service portfolios, attracting medical talent and investing heavily in the most modern equipment in order to cater to the opportunities arising through increased medical travel. Many Europeans come for selective treatments such as dentistry, eye lasik and plastic surgery. These services are excluded by most medical insurance policies and have to be paid for out of the patients' own pockets. These "tourists" can afford a beautiful holiday in Thailand simply by having the procedure done in Bangkok or Phuket. Under- or non-insured patients from the United States are seeking necessary cardiac or orthopedic surgery in Thailand as the cost in the United States is many times higher. Special needs tourists can travel freely in many places in Asia as it is now possible to book necessary treatments and medications on the international websites of many healthcare providers in advance. The possibilities and opportunities offered by medical tourism are surely not yet fully developed or even explored. It will be interesting to follow the development and segmentation of the global healthcare market in the future.

### CONTRIBUTING FACTORS

One of the most obvious internal indicators for successful medical tourism destinations is the question of whether the place or country in concern is a popular tourist destination. Looking at the leading regional and global healthcare providers, one cannot but acknowledge the fact that Thailand, Singapore, India, South Africa, the United States, England and Germany match their rankings as popular tourist destinations with their ranking as market leaders in medical tourism. Very high service standards are



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expected and provided in the “Land of Smiles” as a matter of course, and as such, constitutes another to contribute to the success of the medical industry. In many private hospitals, patients can be treated in their mother tongue, be it Arabic, Dutch, Bengali or Korean. In order to provide international standards of service in many languages, a country needs a well educated service elite, be it medical and nursing professionals or multilingual translators and technicians. This needs to be paired with affordable salaries as the success of Asia as the world’s most important manufacturing centre has shown.

The rise of globalisation in the political and business environment has also helped the Thai private healthcare sector to attract and service international patients. The establishment of political entities like the European Community, ASEAN and NAFTA has safeguarded the rights and interests of the global consumer by facilitating free access to information and markets. Last but not least, it has also cut down on red tape to obtain the necessary paperwork to enter other

countries. Today’s medical tourists can research Thai hospitals on the World-Wide-Web, book their appointments online and fly to Thailand to obtain a visa on arrival at the airport. The current political climate between the Middle Eastern countries and the West are a final external contributing factor for Thailand’s success in the medical tourist sector. Visas are become increasingly difficult to obtain, forcing the people of the Gulf Region to seek medical treatment in the East.

In conclusion, Thailand’s success in the medical tourism field was caused by a combination of careful planning and implementation of services, by making use of the considerable medical and service talent available, by investing heavily in technology and capabilities and, finally, by using its popularity as a holiday destination, thus allowing the international patient to combine their medical needs with their holiday requirements. In addition, this process is helped by the general socio-economic and political global environment.■

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