

HealthLeaders^{Media} FACT FILE

JANUARY 2009

Medical Travel

The notion of traveling to another city—or even another country—for healthcare services continues to grow in popularity. Domestically, the vast majority of medical travel is for life-threatening conditions; nine out of 10 adult consumers are willing to travel more than 100 miles to receive care in such situations. Two percent of hospital discharges across the country now originate from more than 100 miles

away. Beyond U.S. borders, the medical tourism industry has reached \$20 billion as quality and safety concerns with facilities abroad have begun to lessen. Provider organizations in countries like India and Thailand serve as some of the most popular destinations for the 200,000 Americans who traveled abroad for healthcare services ranging from heart surgery to dental work in 2008. 

DISCHARGES VERSUS CHARGES

Although only 2% of hospital discharges originate from patients traveling more than 100 miles from their residence, they contribute 4% of hospital charges. For the top 20 hospitals treating domestic healthcare travelers, 21% of discharges (on average) are attributable to these patients, with a range of 15% to 36% of the inpatient base. However, domestic healthcare travelers drive greater revenue percentage, with average revenue of 28%. This chart shows a sampling of the 20 hospitals—the data has been blinded, and any resemblance to actual hospital names is coincidental.

Percent of Discharges and Charges Attributed to Domestic Healthcare Travelers

Hospital	Discharges (%)	Charges (%)
Grace Hospital	35.7	37.1
Regional Medical Center	30.5	33.5
City Medical Center	27.7	31.3
Community Hospital	27.4	40.3
Shady Pines Memorial	17.4	33.9
General Hospital	15.6	27.4
Clinic Hospital	15.3	19.1
Average	21.0	28.0

SOURCE: Thomson Reuters

INTERNATIONAL DESTINATIONS

When it comes to international medical tourism, India, Thailand, and Singapore are among the primary destinations for Americans. Here are some characteristics of popular overseas medical markets.

Thailand: In 2007, **600,000 foreigners** sought medical treatment in Thailand. Bumrungrad Hospital is the world's largest private hospital complex. Bumrungrad treated more than **440,000 foreigners** in 2007 alone. There are four Joint Commission International-accredited hospitals in Thailand.

Singapore: More than **410,000 foreign patients** visited in 2006. The government plans to service **1 million medical tourists** by 2012. There are 13 JCI-accredited hospitals in Singapore.

India: More than **450,000 foreign patients** sought treatment in 2007. There are 10 JCI-accredited hospitals in India.

Malaysia: In 2007, more than **350,000 foreign patients** sought medical care. One in five hospitals in Malaysia cater to foreigners.

SOURCE: www.discovermedicaltourism.com

Domestic Travel Facts

Some quick facts about medical travel:

- Common medical travel procedures include dental work, heart surgery, orthopedics, cosmetic surgery, neurosurgery, fertility treatments, LASIK eye repair, and cancer treatments.
- Medical travelers come from throughout the United States and represent all ages and races. The most common factor is that the patient is either uninsured or underinsured. With 85 million Americans falling into this category, the potential demographic is enormous.

- Agencies specializing in international medical travel—known as health travel planners or medical concierge agencies—are a growing part of the medical travel industry and work with hospitals, clinics, physicians, surgeons, airlines, hotels, and recovery retreats abroad to offer patients the best quality at the most affordable rates.

- Some insurance companies allow for coverage based on "out-of-network" rates. Although most U.S. insurance companies will not currently cover procedures abroad, regulations are expected to change as American employers and insurance companies evaluate the savings potential.

- For dental care and cosmetic-aesthetic surgery, most Americans prefer to travel to Mexico, Brazil, or Argentina, with shorter flights and the allure of potential vacationing prior to treatment. For orthopedic and cardiovascular procedures, Americans generally prefer to travel to India and Southeast Asia (e.g. Thailand, Singapore and Malaysia) where accreditation standards, healthcare infrastructure, and choice of qualified physicians is greater.

- Savings vary worldwide and by procedure. Broadly, patients can expect rates 25% to 75% less than those in the United States. Savings for a full mouth restoration, for example, can run from \$7,000 to \$25,000. Savings for a hip replacement range from \$30,000 to \$50,000. Savings for a heart valve replacement range from \$20,000 to \$45,000.

SOURCE: www.patientsbeyondborders.com

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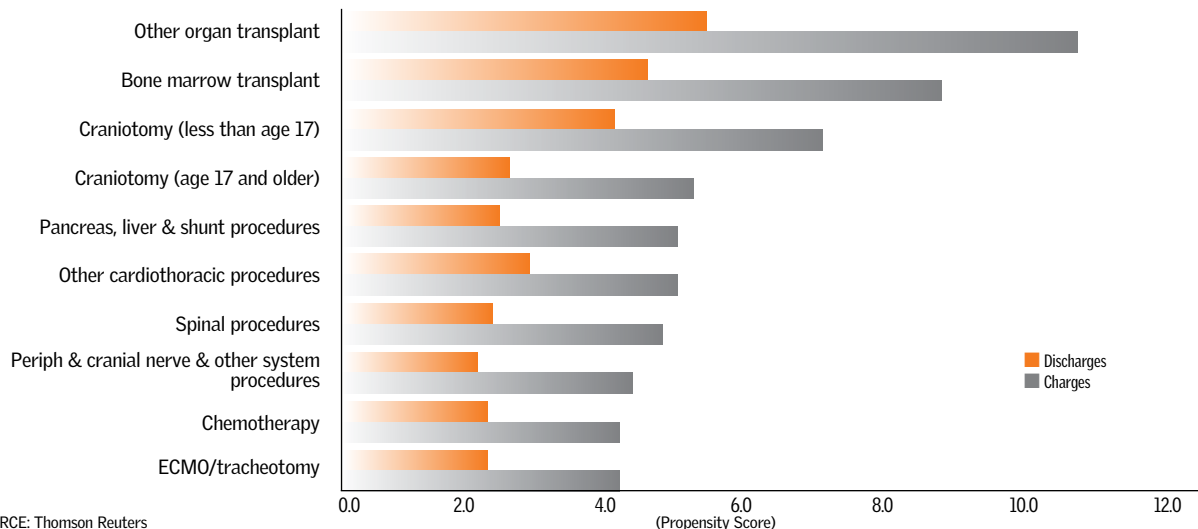
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DOMESTIC TRAVELERS' SERVICE USAGE

The most-used hospital inpatient services by people who live more than 100 miles from the hospital are those related to survival. The clinical reporting groups with the most usage by domestic medical travelers are highly specialized medical or surgical services. Transplants and significant surgeries lead the list, followed by procedures for which provider experience and specialty are particularly critical. The propensity score is a measure of service use, where 1 is average and scores greater than 1 indicate greater than average.

Top 10 Clinical Services Received by Patients Who Travel More Than 100 Miles

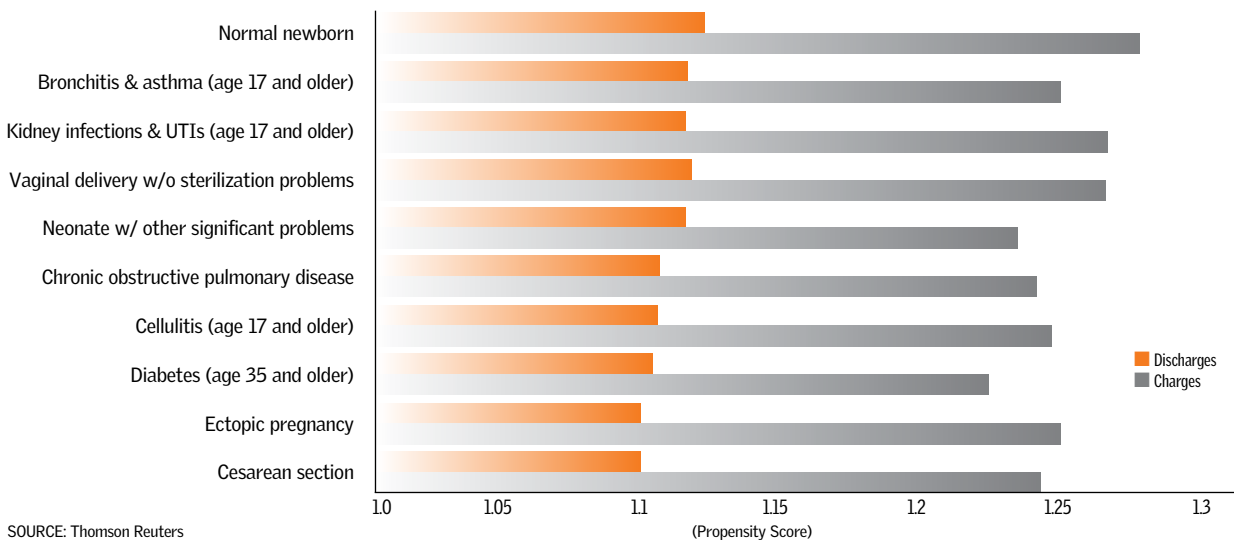


SOURCE: Thomson Reuters

LOCAL PATIENTS' SERVICE USAGE

In contrast to domestic medical travelers, the top services provided to local users are for less specialized hospital services, with the majority being routine procedures or medical care. The propensity score is a measure of service use, where 1 is average and scores greater than 1 indicate a greater than average use of service.

Top 10 Clinical Services Received by Patients within 15 Miles of Residence



SOURCE: Thomson Reuters

BY THE NUMBERS

\$20 billion Current value of annual medical tourism market. That number is expected to double by 2010.

200,000 Number of Americans who traveled abroad for healthcare in 2008.

220 Approximate number of hospitals and treatment centers abroad that have become accredited to U.S. standards of healthcare through the Joint Commission International.

25% to 75% Approximate reduction in rates for procedures abroad compared to U.S. rates.

SOURCE: www.patientsbeyondborders.com

SERIOUS ILLNESSES ONLY

Consumers consistently have expressed a strong willingness to travel domestically for vital treatment compared to routine medical services. This chart shows the percentage of healthcare consumers willing to travel more than 100 miles to a different community or state for routine care or a life-threatening illness.

Survey Year	Routine Care	Life-threatening Illness
2004	3.7%	88.3%
2005	4.1%	87.4%
2006	4.2%	87.6%
2007	4.1%	87.8%

SOURCE: Thomson Reuters

