

Emerging Trends in Outsourcing Healthcare: Medical Tourism

J. Warren Salmon, PhD

The terms “health tourism,” “medical tourism,” or “health services outsourcing” are often interchangeably used to describe health service provision in another country. The more encompassing concept—“health tourism”—includes all health-seeking behaviors by consumers into another country. This definition includes getting health services, tourism for indigenous and alternative medical treatments, and any other form of tourism undertaken with the purpose of addressing a health concern, usually motivated by seeking cheaper care.¹

The phenomenon of medical tourism has attracted much attention in the lay press across the United States and holds many implications for our own health-care system.^{2,3} In June 2007, the American Medical Association issued a report titled, *Medical Tourism Outside the U.S.*, which was intended to “study the trend of ‘outsourcing’ health care overseas,”⁴ motivated in large part by the concern for postprocedure follow-up of patients returning to the United States.⁴

Private sector development in emerging economies—such as India, Thailand, Singapore, and certain Latin American nations—attracts foreign patients for relatively cheaper care: the uninsured, the underinsured, or those who prefer not to wait for treatment under a national health insurance system or under arrangements where an employer or private health insurance schemes are seeking “bargain care” over US healthcare prices.⁵

Such conditions have fostered a thriving medical tourism industry of late. In addition, other health alternatives—complementary medicines, some uncovered procedures that have not yet been approved in one’s home country, and indigenous treatments—all form part of the lure that is attracting thousands of health tourists globally each year. While the private health sector in developing countries begins to thrive, the public health sectors all remain at a much lower rate of growth amidst mounting unmet health needs.⁶

This new section of the journal will address the advent of health tourism, its varying impact on certain

societies, as well as the implications for patients and payers. Topics to be addressed under this emerging trend will provide a variety of perspectives to different stakeholders about medical tourism, including:

- The coverage in US national and local newspapers⁷⁻⁹
- An examination of the costs and quality of various medical procedures in different countries available for “medical tourists”¹⁰
- Potential risks and benefits of traveling abroad for medical care¹¹
- Role of middlemen and websites that attract American consumers^{12,13}
- Alternative therapies and spa treatments¹⁴
- US insurance companies’ and health plans’ reactions to medical tourism¹⁵⁻¹⁹
- Review of specific nations that are creating a market for European and American patients, such as Thailand, Singapore, India, Mexico, Brazil, and Costa Rica.^{6,20,21}

Relevant questions for US health plans regarding medical tourism include:

1. What is known of these various foreign healthcare systems?
2. What about their professional quality?
3. How are their facilities being accredited?
4. What are the medical malpractice and legal frameworks?

Other topics of interest include concerns by consumers and clinical cautions, along with potential repercussions for medical follow-up and benefits coverage for patients returning to the United States after a medical treatment abroad.^{22,23} The goal is to place the emerging medical tourism in its context of globalization, travel, and the consequences of medical and pharmaceutical outsourcing.^{6,24-26} ■

References

1. Cooperman S. Patient travelers. *Forbes Life*. October 29, 2007. <http://www.forbes.com/business/fyi/2007/1029/095.htm>. Accessed September 3, 2008.
2. Grassi DM. Offshoring U.S. patients no cure for ailing healthcare system. November 18, 2006. http://www.associatedcontent.com/article/88262/offshoring_us_patients_no_cure_for.html?cat=37. Accessed September 3, 2008.
3. Newspapers examine growing medical tourism trend. May 8, 2007.

Dr Salmon is Professor of Health Policy and Administration, University of Illinois at Chicago, IL.

Continued

http://www.kaisernetwork.org/daily_reports/rep_index.cfm?hint=3&DR_ID=44770. Accessed September 3, 2008.

4. American Medical Association. Medical travel outside the U.S. June 2007. <http://www.medretreat.com/templates/UserFiles/Files/AMA%20Report%20June%202007.pdf>. Accessed August 19, 2008.

5. Forbes S. Open-heart surgery—90% off! *Forbes*. August 13, 2007. <http://members.forbes.com/forbes/2007/0813/021.html>. Accessed September 3, 2008.

6. Aruru M, Salmon JW. Health tourism to India: challenges against resource competition to sustaining viable public health care infrastructure for the local populace. Paper to be presented at the American Public Health Association 136th Annual Meeting and Expo. San Diego, CA; October 27, 2008.

7. Mollman S. Healthy travels. *Wall Street Journal*. December 2, 2005. <http://online.wsj.com/article/SB113348874893512031.html>. Accessed September 3, 2008.

8. Aruidow J. Cost-saving surgery lures “medical tourists” abroad. *Seattle Post-Intelligencer*. July 24, 2006. http://seattlepi.nwsource.com/health/278630_medtour24.html. Accessed September 3, 2008.

9. Johnson LA. More Americans look near, far to save on health care. *Pittsburgh Tribune-Review*. August 3, 2008. http://www.pittsburghlive.com/x/pittsburghtrib/business/s_580809.html. Accessed September 3, 2008.

10. Gutierrez D. Organ transplants move offshore as patients pursue “transplant tourism.” *NaturalNews.com*. November 19, 2007. <http://www.naturalnews.com/z022044.html>. Accessed September 3, 2008.

11. China issues new restrictions on transplants for foreigners. *Wall Street Journal*, July 3, 2007.

12. Middlemen take uncertainty out of medical tourism. *Fierce Health IT*. January 10, 2007. <http://www.fiercehealthcare.com/story/middlemen-take-uncertainty-out-of-medical-tourism/2007-01-10>. Accessed September 3, 2008.

13. Merrill M. Medical tourism conference to address finance problems. *Healthcare Finance News*. March 9, 2007. <http://www.healthcarefinance.com/story.cms?id=6190>. Accessed September 3, 2008.

14. Taylor C. Medical tourism’s popularity on the rise. *Financial Times*. June 22, 2007. <http://www.ft.com/cms/s/2/98f03b1c-203f-11dc-9eb1-000b5df10621.html>. Accessed September 3, 2008.

15. Yi D. Overseas surgery a clamp on costs. *LA Times*. July 30, 2006. <http://articles.latimes.com/2006/jul/30/business/fi-outsourc30>. Accessed September 3, 2008.

16. Increased popularity of medical tourism affects health provider revenue. *KaiserNetwork.org*. August 5, 2008. http://www.kaisernetwork.org/daily_reports/print_report.cfm?DR_ID=53731&dr_cat=3. Accessed September 3, 2008.

17. Higgins LA. Medical tourism takes off, but not without debate. *Managed Care*. April 2007. <http://www.managedcaremag.com/archives/0704/0704.travel.html>. Accessed September 3, 2008.

18. Bartelme T. Thailand: surgical vacation. *Charleston Post and Courier*. May 22, 2007. http://www.charleston.net/news/2007/may/22/thailand_surgical/. Accessed September 3, 2008.

19. Some companies to market medical tourism services to U.S. employers. *KaiserNetwork.org*. July 28, 2007. http://www.kaisernetwork.org/daily_reports/rep_index.cfm?hint=3&DR_ID=38803. Accessed September 3, 2008.

20. Hawley C. Seniors head south to Mexican nursing homes. *USA Today*. August 16, 2007. http://www.usatoday.com/printedition/news/20070816/1a_cover16.art.htm. Accessed September 3, 2008.

21. Mitra S. Medical tourism and the healthcare services industry: a look at Singapore. April 19, 2005. <http://www.frost.com/prod/servlet/market-insight-top.pag?docid=36278775>. Accessed September 3, 2008.

22. Karvounis N. Medical tourism is great—for those who can afford it. *AlterNet*. August 21, 2008. <http://www.alternet.org/story/95827/>. Accessed September 3, 2008.

23. Bowe C. US interest in medical tourism rises. *Financial Times*. February 20, 2008. <http://www.ft.com/cms/s/0/6b656c96-df55-11dc-91d4-0000779fd2ac.html>. Accessed September 3, 2008.

24. Medical tourism or global health care? *Fierce Health IT*. August 16, 2006. <http://www.fiercehealthcare.com/story/medical-tourism-or-global-healthcare/2006-08-16>. Accessed September 3, 2008.

25. David R. Outsourcing grows up. *Forbes*. August 1, 2006. http://www.forbes.com/technology/2006/08/01/jobs-outsourcing-profits_cx_rd_0801jobs.html. Accessed September 3, 2008.

26. Milstein A, Smith M. America’s new refugees—seeking affordable surgery offshore. *N Engl J Med*. 2006;355:1637-1640.

Unmanaged Moment

