

The International Healthcare Crisis Opportunities in Medical Tourism



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Medical Tourism Association Three Tenets

The Medical Tourism Association advocates creating a transparency in the medical tourism industry in quality of care and pricing so patients know exactly what quality of care they are receiving and what they are paying for such care.

The MTA creates a forum for communication amongst all of the players in the medical tourism industry, allowing competitors to work together for the first time to promote their country first as a medical tourism destination.

The MTA provides education to patients, insurance companies, employers and new players in the medical tourism industry about all of the issues involved in medical tourism ~ legal, economic, accreditation, best practices, strategic marketing



The Global Opportunities for Medical Tourism

US Market Potential from 2010 - 2012

- There is a healthcare crisis in the US that IS skyrocketing out of control
- Estimated Cost of Health Insurance by 2020
 - \$13,763 – individual per year
 - \$38,160 - family per year
- About 50 million Americans with no health insurance
- Over 120 million Americans with no dental insurance.

Effect of US Healthcare Reform

- It will Significantly Increase the cost of Health Insurance
- It will do little to nothing in reducing healthcare costs or health insurance costs
- Estimated Could Raise Young People (In their 20's) health insurance premiums by as much as 69%
- Forces many people on overburdened healthcare system (means longer waiting times for surgeries)
- Waiving of Pre-Existing Conditions will significantly increase the costs of healthcare for all healthy Americans
- Does not address or lower real factors of the cost of healthcare (has a focus on how technology will magically lower healthcare costs)

World Credit Crisis & Economic Recession and effect on Medical Tourism

- Cash Paying Patients Previously took out home equity loans
- Millions of Americans laid off and more Americans without health insurance
- Employers are hurting
- Major time employers implement creative options in health insurance is when things are BAD

Find the Right Target Audience

In the outbound medical tourism - there are three segments of Medical patients

- **The Uninsured (Approx 50 million)**
No access to health care, no alternatives except going overseas for health care.
- **Self Funded Employers**
Employers who take the financial risk of their healthcare on themselves and do not contract with a fully insured health carrier.
- **Fully Insured**

Self Funded Employers

- Employers who take the risk of their health plan on themselves. They do not use Aetna, CIGNA, or other fully insured carrier.
- They hire a TPA – Third Party Administrator to perform functions of an insurance carrier
- Employers funds all medical claims and costs themselves.
- Self funded Employers – Huge opportunity for Medical tourism because the money they save goes in the employers pocket.

First Starters in Outbound Medical Tourism for US

- Aetna ~ Hannaford Brothers
- Blue Cross Blue Shield SC
- Wellpoint BCBS
- Other BCBS agencies
- Swiss Re
- US Now & Several Others



How Employers/Insurance Co's Provide Incentives for Medical Tourism

- Waiving Deductibles/Coinsurance
- Example - \$2,500 Deductible for Surgery and 20% coinsurance up to maximum out of pocket of \$7,000.
- Aetna Health Insurance → Knee Replacement – cost \$40,000. I pay \$2,500 deductible, then 20% of the cost up to a maximum total out of pocket expenses of \$7,000. So, my OOP for knee surgery is \$7,000.
- Paying for all expenses (travel, hotel, etc) for an employee and a loved one.
- In some cases giving cash incentives (up to \$5,000 in cash).
- Employee saves thousands of dollars, in some cases make a profit.
- Even with employers providing an incentive to employees there is still potentially over 80% in savings.

Baby Boomers

- The number of Americans aged 65 or over will double by 2050
- The number of people age 85 or over will quadruple by 2050
- By 2030 over half of U.S. adults will be over age 50
- The over 65 population will nearly triple as a result of the aging Boomers.
- More than six of every 10 Boomers will be managing more than one chronic condition.
- More than 1 out of every 3 Boomers – over 21 million – will be considered obese.
- One out of every four Boomers – 14 million – will be living with diabetes.
- Nearly one out of every two Boomers – more than 26 million – will be living with arthritis.
- Eight times more knee replacements will be performed in 2030 than today.

More and More Baby Boomers

- 62% of 50 to 64 year olds reported they had at least six chronic conditions (hypertension, high cholesterol, arthritis, diabetes, heart disease and cancer). As Boomers age, this number will grow from almost 8.6 million today (about one out of every 10 Boomers) to almost 37 million in 2030.
- By 2030, there will be nearly twice as many adult physician visits as there were in 2004, and Boomers will account for more than four of every 10 of these visits.
- By 2030, if all Boomers with diabetes receive recommended care, they will need 55 million lab tests per year – 44 million more than today.
- Physician office visits will number more than one billion by 2020. Four out of 10 will be Boomers.
- The increase in longevity of Boomers – on top of advances in medications, less invasive treatments and diagnostic testing – will greatly increase the demand for cardiology.

Reference: A joint report from First Consulting Group and the American Hospital Association, titled "When I'm 64: How Boomers Will Change Health Care."

Growth of Consumer Markets

- Canada & UK ~ long queues, holiday
- Within the EU ~ cost, holiday
- Asia ~ quality, cost, long queues
- Middle East & GCC ~ quality, status, access, holiday
- Latin & South America ~ quality, status, access, holiday

International Insurance Companies

- Demand from developing countries that insurance companies offer global insurance
- Many International Insurance Companies now offer Global Policies
- More Patients will travel as more of these policies are offered

Successful Market Penetration Techniques





Marketing Myths & Failure

- **Most Hospitals fail when it comes to marketing to foreign patients. National vs. International Brand**
- **Can't just open your door and think foreign patients will come.**
- **Can't just build a website and think patients will come.**
- **Can't just partner with one company in foreign country and think the patients will start to come.**
- **Can't just attend one conference and think people will come.**
- **Can't think people will just come.**
- **Need to build personal relationships with "Buyers"**



Marketing Myths & Failure

- **Familiarization Trips Work**
- **International Conference in your country with a budget to bring in “buyers work”**
- **Going to a Conference with a Focus on Building Relationships work (US Market and Even Overseas Market is Relationship Driven)**
- **Be Creative, Think Outside the Box**



Turkish Market Potential





Turkish ~ American Relations

- **7 chambers of commerce across the US in NY, NJ, PA, DE, Conn., GA, Chicago, FL, CA**
- **4-5 business forums, councils, societies**
- **Turkish-American population is estimated to be over 500,000 in the US located primarily in NY, NJ, CA, FL, VA, TX, OH, IL, PA and Mass.**
- **Cities most located in New York City, Brooklyn, Newark, DC, San Diego, Miami, Chicago, Philadelphia, LA, San Francisco, Atlanta, Houston, Columbus, Tampa, Norfolk, Orlando, Sunnyside NY, Seattle, Pleasanton CA, Arlington VA, Clifton NJ, Long Island NY, Boston, Dallas, Charlotte NC, Raleigh NC etc.....**



How Does a Turkish Hospital or Clinic Seize the Opportunity

- Developing International Patient Department
- Having Procedures in place to handle foreign patients flow
- Continuity of Care Networks
- Communication & Telemedicine
- Having Access to “buyers” who will send you patients, i.e. medical tourism companies/ brokers, insurance companies, and direct access to the patient
- Networking Opportunities



Why Would Patients Come to a Turkish Hospitals/Clinics?

- More Personalized Treatment and care
- High Quality of Care and excellent reputation
- Affordability
- Transparency in Quality of Care and Pricing
- Transparency in experience of surgeons
- No language or cultural barriers
- Ease of travel



THANK YOU



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