

Medical Tourism's Leading Drivers, Motivators, and Promoters – The Healthcare Cost Disparity Between the Developed and the Developing Countries

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ABSTRACT

The report explores the phenomenon of medical tourism from an economic perspective. In particular, the discussion culminates by highlighting the field's leading drivers. Room for inefficient healthcare operators is constantly shrinking in a rapidly globalizing industry; hence, it is imperative for all countries to maintain competitive public and private health care sectors. After achieving a precise definition of medical tourism, the narrative considers the manner in which care is sought and delivered and the nature of that care. The microeconomics of supply and demand and the dynamics of marketing are investigated in detail as they specifically pertain to medical tourism. The paper discusses specific economic and psychological drivers of medical tourism. Moreover, it surveys ways that various nations of the developed and the developing world are dealing with the phenomenon. The field of medical tourism is also qualitatively evaluated, presenting arguments both solidly opposed to it and effectively in its favor. Empirical evidence collected in the research process suggests that medical tourism is an eventuality that country-specific health care industries have to contend with for the foreseeable future. The only option is to make health care sectors efficient, resourceful, and competitive so that national medical industries can compete at the international stage and attract foreign medical tourists.

Keywords: *Medical tourism, health care cost disparity, developing countries, developed countries*

1. INTRODUCTION

A visible increase in the flow of both patients and doctors between countries has occurred during recent decades. The phenomenon has been accompanied by new patterns in medical technology and funding sources, resulting in new models of how health care services are provided and consumed. A significant component of this brave new world is so-called medical tourism, that is, the movement of patients from one country to another in pursuit of medical care. Medical tourism occurs whenever a consumer chooses to seek medical care in a country other than his own. While medical tourism embraces the entire spectrum of health care services, the majority of medical tourism takes place with regard to cosmetic surgery, elective surgery, fertility treatments, and dental care[3]. The research evaluates empirical evidence from different industries around the world to establish medical tourism's leading drivers. The discussion is integral to outline suggestions for increasing hospitals' efficiency. It is imperative for health care sectors in each country to function efficiently so that they are able to attract a sizable section of foreign medical tourists.

1.1. Medical Tourism's Origin and Development

1.1.1. Demand for Foreign Services

Medical tourism is not a new phenomenon; in fact, patients at the end of their respective ropes have sought potentially lifesaving medical services overseas for decades. Particularly in the case of patients who are dying of cancer, their home nations may strictly enforce testing and safety protocols associated with emergent treatments, inducing these desperate individuals to try untested and likely unsafe treatments sometimes available in the nations of the developing world[2]. Prominent cases have arisen where wealthy celebrities traveled halfway around the world to obtain services that were questionable or even wholly fraudulent. For instance, the controversial comedian, Andy Kaufman, sought cure for his idiopathic lung cancer by visiting a "psychic surgeon" in the Philippines[6]. The practitioner was little more than a stage magician who pretended to remove pieces of infected tissue from Kaufman while, in reality, he was relying upon sleight of hand to withdraw gobbets of beef liver from a bowl secreted under the operating table[6].

1.1.2. Patient's Psychology

In other cases, medical tourists seek treatment abroad because they are convinced that health care treatments that are specifically tied to a given culture represent the best options available to them. For example, many persons of Chinese extraction swear to the efficacy of traditional Chinese medicine, which makes use of techniques as variegated as acupuncture and moxibustion and relies heavily upon ingredients derived from the natural world, ranging from powdered roots and leaves to ground rhinoceros horn and bear liver. Even the most diehard Western practitioners have come to realize that there is indeed a certain legitimacy to the techniques used by the practitioner of traditional Chinese medicine[7]. At the same time, it is painfully obvious that the psychosomatic element of illness and treatment, in which patients' outcomes improve based solely upon their attitudes or conviction of effectiveness, is a significant ingredient of the health care equation.

1.1.3. The Source of Attraction of Remote Medical Treatment

In the majority of medical tourism cases, patients who live in wealthier, more developed nations tend to travel to developing nations in order to procure health services. These patterns of travel are largely dictated by the availability of low-cost treatments in the destination countries and are further assisted by the plenitude of medical tourism information and advertising found on the Web and the availability of relatively inexpensive international flight [3].

1.2. Five Factors Influencing the decision to Seek Medical Tourism

1.2.1. Developed-developing countries' medical motivators and promoters

Many observers and critics are astonished that the medical tourism industry has been growing so rapidly. In actuality, medical tourism is one of the fastest growing global industries. It was believed to be worth some \$100 billion as long ago as 2016 and is expected to evidence an annual growth rate of 25 percent through 2025. Most critically, as consumers in nations such as the United States see the costs of medical care continue precipitously to rise, the prospect of traveling to other countries to obtain medical care is becoming increasingly attractive to them[4].

To many Americans, the very idea of traveling outside the United States in order to obtain medical care might sound absurd. After all, the United States would appear to be the world leader in health care, the kings and dictators of the earth choosing to obtain medical care at such places as the

Cleveland Clinic or Massachusetts General Hospital[5]. Yet, while the costs of American health care continue to rise, these costs are concomitantly declining in other nations, while the quality of medical care available overseas continues to increase[3].

1.2.2. Trustworthy Organizations' Proliferation

A critically important driver in the flow of medical tourists is the proliferation of organizations that provide trustworthy accreditation of medical and hospital services on an international basis. Such organizations include the Joint Commission International (JCI), which was founded in the United States in 1999. JCI declines to accredit an international hospital that fails to meet the same rigorous standards that it demands from American hospitals. Yet, more than 800 hospitals around the world have already received JCI accreditation, and that figure is expected to increase by some 20 percent annually. More recently, a variety of other agencies that normally accredit outpatient clinics have jumped on the bandwagon. These include the Accreditation Association of Ambulatory Health Care (AAAHC) and the American Association for Accreditation of Ambulatory Surgical Facilities (AAASF)[4].

1.2.3. Refinements in Doctor-patient Adaptation

Americans who can afford international travel more often than not have medical insurance, and they are obviously accustomed to having their insurance policies subsidize the lion's share of their respective medical expenses. However, such policies' acceptance rate remains dubious. Hospital administrators are accustomed and adept at direct negotiations with patients in order both to establish pricing and to work out the details of individualized payment plans. The fact that overseas physicians can focus their efforts on their patients rather than having to deal with a quagmire of insurance and regulatory paperwork means that patients, whether actually or merely perceptibly, receive a level of individual attention that they do not customarily receive from American physicians. At the same time, overseas medical tourism destinations keep their costs relatively low because of the phenomenon of free market competition. Money is such a powerful incentive for both physicians and the governments under which they live that prices migrate downward to accommodate medical tourists, including prices of medical care and those of ancillary hospitality[4].

1.2.4. Globalization

There is a broad array of drivers for medical tourism, the foremost of which is globalization, which exists in economic, technological, social, and even cultural forms.

Domestic health care systems are evidencing significant challenges and stresses. For example, eligibility criteria are becoming stricter, waiting lists are growing longer, and individual nations are shifting their priorities with regard to the types of health care services that are emphasized or subsidized. At the same time, those nations whose health care services are publicly funded are beginning to transform the ways in which they encourage patient choice and endorse frank consumerism. Moreover, many of these nations openly publish information upon competing health care providers and the services that they provide, including detailed pricing schedules[4].

1.2.5. No Agency Relationship Required

In more traditional situations of patient mobility, health care decisions are typically made by a physician or, at least, a nurse. This may be termed an agency relationship. By way of contrast, within the context of medical tourism, individual patients operate as independent consumers who reach their own decisions regarding the disposition of their health care dollars. They call the shots with regard to what treatment options they prefer to seek and which provider they wish to choose. Unfortunately, this leaves them open to the associated problems of provider-induced demand and information symmetry. Nevertheless, consumers are indeed making choices despite of these constraints, as a result of which they are unlikely to select the most fortuitous health care options for their particular complaints or concerns[4].

1.3. Knots

1.3.1. Problem

A broad array of financial impacts on both individuals and families has been seen to result from medical tourism. Clearly, some families must shoulder considerable debt in order to fund treatments. The notion that medical tourism is necessarily inexpensive is altogether fallacious. At the same time, those medical tourists who seek fertility treatments abroad may end up with considerable numbers of children, which obviously imposes an undue economic burden upon parents who may have been interested in having only one or two children. Moreover, those countries that serve as destinations for medical tourists frequently incur associated difficulties. For example, the health care services sought by medical tourists may backfire and require emergency intervention that must be furnished by the broader array of practitioners available within the publicly funded health care system. In addition, outbreaks of viral or bacterial infections can arise from sick patients traveling by air from one country to another. Another significant economic fallout of medical tourism relates to its impacts upon domestic private health care practitioners. Clearly, they stand to

lose potentially significant volumes of business to overseas providers, especially in those fields of specialization that are dramatically cheaper abroad, cosmetic surgery foremost among them. Governments must also counter rising costs that are involved in monitoring and regulating medical tourism advertising and making certain that the services provided do not violate their own laws[4].

1.3.2. The Indian Model – Part of the Solution

By way of contrast, hospitals in India have cleverly sought directly to take business away from their American competitors. They are able to exploit economies of scale in order essentially to “mass produce” cardiac surgeries. At the same time, by maximizing their surgical output, these hospitals are able to lower costs and reduce waiting times, thereby making treatment available even to the least affluent patients. Moreover, while one may assert that it is reckless and dangerous to operate in this fashion, some Indian hospitals can claim success rates that exceed, in some cases significantly, the rates boasted by their American peers[3].

1.3.3. Successful Cases

Since the most popular destinations form medical tourism generally operate with relatively few governmental restrictions placed upon them, they are free to adjust their economic models in a manner that can meet consumer demand without requiring them to deal with regulatory barriers. Yet, even if governmental restrictions have been softened, this does not necessarily imply that medical tourists are in any particular danger. Clearly, any medical procedure is accompanied by concomitant risks, no matter where it may be performed. However, the mere fact that medical facilities fail to comply with Western standards of medical care does not necessarily imply that they fail voluntarily to adhere to their own rigorous standards. After all, medical failures translate to bad press that engenders reduced demand and, consequently, lower revenue[3].

1.4. Discussion

1.4.1. Drivers Within the European Union

According to the Flash Barometer Survey, a somewhat different set of drivers appears to justify the medical tourism industry within the European Union[1]. The most salient factors upon which patients base their decisions to seek medical care abroad include the lack of availability of treatment in their home nations, the superior quality of treatment furnished by other countries, the plenitude of dedicated specialists, the speed at which treatment can be

obtained, and the relative affordability of treatment. The relative importance of these factors is not clearly understood, albeit, so more research is necessary if one is to understand the complex process by which Europeans who live in technologically advanced countries choose to engage in medical tourism[4].

1.4.2. Medical Tourism as a Strictly Positive Development

There are those who have come to see medical tourism as a strictly positive development. It is beyond question that, in many Western nations, medical care has become so overburdened by legislation and regulation that health care providers sometimes find their hands tied in the quest to offer their patients the best possible care. For example, heart surgeons in the United States face rigid restrictions on how many procedures they are permitted to complete within the course of a day, regardless of the simplicity or complexity of those procedures. While the attendant logic may be that capping the number of procedures somehow serves to guarantee a level of quality, the attendant difficulty is that prices necessarily rise when the demand is held constant but the supply is reduced. At the same time, patients sometimes find themselves faced with altogether untenable delays[3].

1.5. Suggestions

A critical consideration that appears to underlie the growth of medical tourism is the sophistication of the technological platforms available to prospective medical tourists. Hence, it is imperative for the use of technology to continue to evolve to attract medical tourists. The Internet enables individuals to access health care data and advertising from anywhere in the world. Moreover, the Internet continues to offer providers bold new marketing channels by which they can reach prospective customers. It is therefore clear that blatant commercialization is in many ways fundamentally responsible for the growth of medical tourism. National health services must operate efficiently to remain competitive.

A variety of websites are available to furnish prospective medical tourists with the information that they seek, whether more or less reliably. Portals tend to focus on individual providers and proffer assorted treatment information. Social media sites are often largely consumer-driven, offering the capability for pleased medical tourists to post testimonials that serve to attract further clients. E-commerce sites enable medical tourists to consummate their purchases online. Amid this constellation of sites, those proffering reliable information from professional associations or regulatory institutions are rather infrequent. The other types of sites serve to satisfy a broad spectrum of needs. Most of the sites provide gateways to medical and surgical information, connections to ancillary health care services, and allied

evaluations and attendant promotions of those services. The medical tourist also encounters a bewildering variety of discussion forums, file sharing venues, and online tours of overseas medical facilities[4]. Thus it is essential to provide state-of-the-art and cutting edge, and innovative solutions to meet medical challenges and achieve improved patient outcomes.

Medical tourism is affecting patients living all over the globe; hence, state and private institutions in all countries must heed to the changing scenario. In terms of American's medical tourism preferences, both India and Costa Rica are two highly popular destinations. The cost of health care in these nations can range from 25 to 40 percent lower than the cost of comparable services in the United States. Such nations as Brazil and Singapore also tend to attract American medical tourists, Singapore at least nominally sounding more high-tech and modernistic than these other nations that are firmly ensconced within the developing world. Yet, even developed nations such as Canada and Western European lands are increasingly popular destinations for medical tourists. In terms of exact medical tourist populations, 2016 saw nearly one and one-half million Americans travel outside the United States specifically to seek less expensive medical care. Surveys further indicate that, on a global basis, three or four percent of the population engages in medical tourism at one time or another[3]. Thus, the era of unchecked profiteering and monopolization seems to be over in the medical industry. Consumers have become highly price and quality conscious; hence, it is necessary to provide services that are deemed competitive in the global industry.

In addition, researchers have identified five specific drivers that underlie the increased demand for medical tourism. These are availability, cost, quality, and bioethical legislation. The last of these is particularly significant as laws vary from country to country governing the availability of such health care services as abortions, fertility treatments, and euthanasia. The concept of familiarity governs the practice of many expatriates to return to their nations of birth in order to obtain medical care. For example, the considerable population of Indians within the United Kingdom routinely travels to India to seek medical care. Such individuals may be interested in treatments that are not available in their adopted nations because of legal complications. At the same time, they may wish to combine their medical tourism objectives with more traditional tourist goals[4]. To win the maximum clientele, each country's health care sector must be fully equipped to meet demand from foreign clients at all times.

2. CONCLUSION

Medical tourism is a phenomenon rapidly increasing in popularity due to rapid globalization. Hence, a variety of arguments, both supportive and pejorative, attend the debate. It is beyond question that the tendency to seek medical care abroad will only continue to increase as

domestic health care costs rise in some nations while the sophistication of the health care infrastructure increases in other nations. Individuals who possess the economic wherewithal to pursue, and personally to fund, overseas medical treatment cannot be precluded from doing so unless their governments choose to pass legislation that restricts this practice. Yet, it is unclear that any legal basis exists for denying rational individuals the right to direct their own medical care, including engaging in practices that some experts would clearly consider questionably. For now, medical tourism must be accepted as part and parcel of the global health care system as it continues to evolve within a world that continues perceptibly to shrink while concomitantly increasing in technological sophistication. To keep each country's health care sector functional and profitable, it is necessary to attract an adequate number of foreign patients each year. However, the global health industry's competitive nature in the globalization age means that only optimum cost-effective health care will have demand.

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