



The Puerto Rico Chamber of Commerce and the
University of Miami School of Business Administration
present the...



PUERTO RICO Health & Insurance CONFERENCE 2012

Economic Transformation in Health

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Conrad San Juan Condado Plaza

Puerto Rico's Medical Tourism Brand

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CEO
Medical Tourism Association



Medical Tourism Defined

People traveling from one country or city to another country or city for medical and/or wellness services.



Medical Tourism Destinations

- Antigua
- Argentina
- Australia
- Bahamas
- Barbados
- Belgium
- Brazil
- Brunei
- Bulgaria
- Cayman Islands
- China
- Colombia
- Costa Rica
- Croatia
- Cuba
- Cyprus
- Czech Rep.
- Dominica
- Dominican Republic
- Egypt
- El Salvador
- Finland
- France
- Germany
- Great Britain
- Greece
- Guatemala
- Hong Kong
- Hungary
- India
- Iran
- Israel
- Italy
- Jordan
- Latvia
- Malaysia
- Malta
- México
- New Zealand
- Panama
- Philippines
- Poland
- Saudi Arabia
- Singapore
- South Africa
- South Korea
- Spain
- St. Marten
- Syria
- Taiwan
- Thailand
- Tunisia
- Turkey
- United States
- Venezuela
- Vietnam

(Gahlinger, 2008; Horowitz, 2008; MTA, 2008)



What Services they Seek?

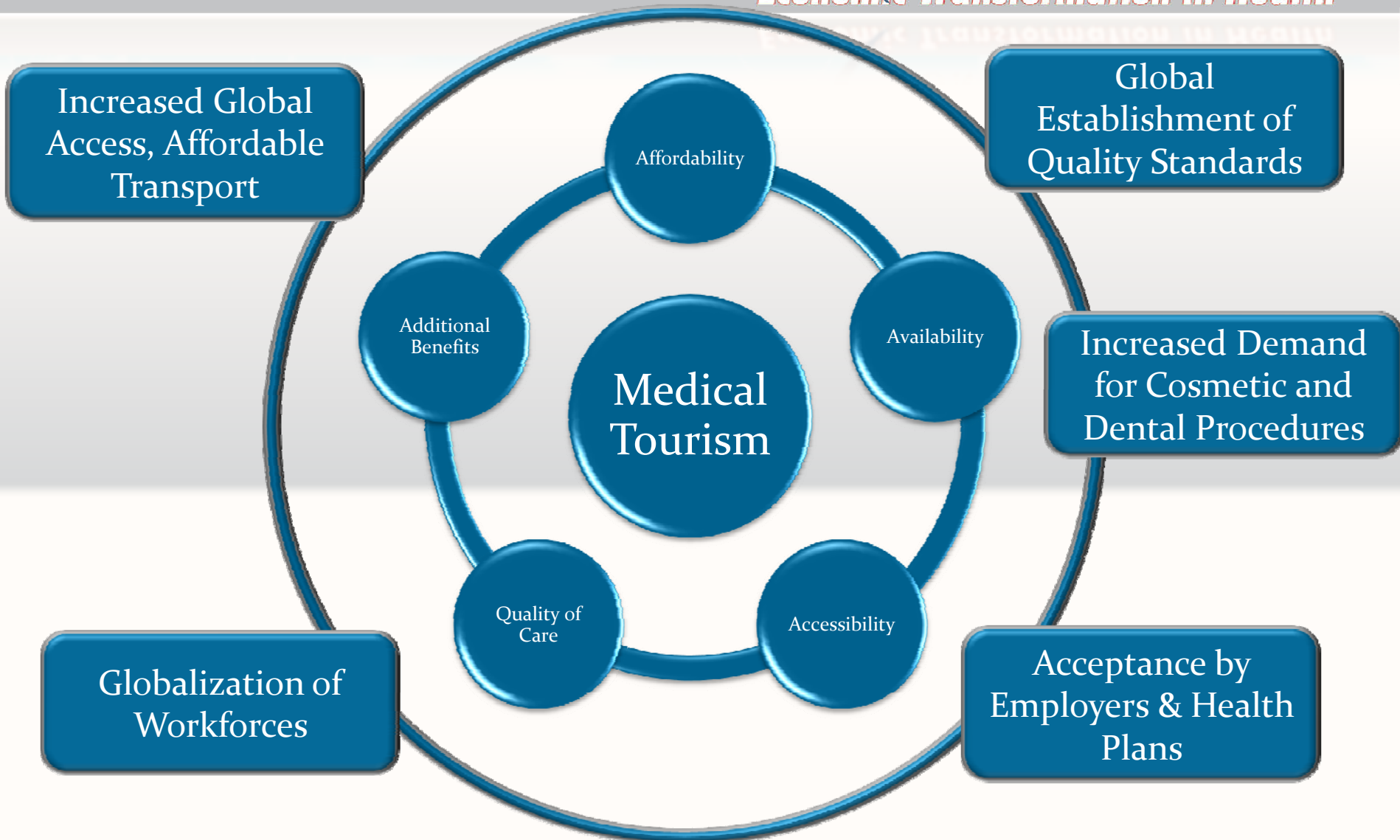
Orthopedics	<ul style="list-style-type: none">• Hips, Knees, Back and Spine
Cancer Treatment	<ul style="list-style-type: none">• Diagnostics, Cyberknife, Stem Cell
Heart Procedures	<ul style="list-style-type: none">• Angioplasty, Bypasses, Valve Replacements, Stem Cell
Transplants	<ul style="list-style-type: none">• Liver, Kidney, Lung
Dental Treatment	<ul style="list-style-type: none">• Implants, Veneers, Crowns
Bariatric Surgery	<ul style="list-style-type: none">• Lap Band, Gastric Bypass, Gastric Sleeve
Alternative	<ul style="list-style-type: none">• Acupuncture, Preventative, Homeopathy, Indigenous
Stem Cell Treatments	<ul style="list-style-type: none">• Alzheimer's, ALS, Parkinson's, Paralysis, Heart
Cosmetic Surgery	<ul style="list-style-type: none">• Face Lifts, Breast Implants, Corrective
Infertility Treatments	<ul style="list-style-type: none">• IVF, Fertility, Hormonal Disorders
Rehabilitation & Geriatric	<ul style="list-style-type: none">• Acute and Chronic Conditions, Geriatric Care

Energizers of Medical Tourism

- “Silver tsunami” of baby boomer generation
- Soaring medical costs & decreasing insurance coverage
- US 2.3X higher than other developed countries
 - Projected to grow another 83% by 2015
- New Health Care Laws
 - No restriction on medical travel insurance clauses
 - Increased demand in some countries
- Physician shortage broadened expectations of health
- Globalization of information & technology



Factors and Drivers



Economics

- Heart-valve Replacement Surgery – in US: \$160,000 to \$200,000
- Insurance pays 80% - \$128,000 to \$160,000
- Left for patient 20% - \$32,000 to \$40,000
- India, same operation, *including all medical, travel, and hotel stay during recovery*: \$15,000 to \$20,000
- Indian hospitals have success rates comparable to best US hospitals, better than average US hospital

Why Insurance Companies Are Interested:

They may offer to waive deductible

Include payments for:

all travel costs for both patient & partner
couple week recovery time in hotel

Still.....

Their savings: \$113,000 to \$145,000

Less but still substantial for less severe / costly conditions



Worldwide Trends

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12- THE VISITOR/EL VISITANTE

DECEMBER / DICIEMBRE 19-25, 2008

Growth industry

Medical tourism takes off

By Ursula Kiener Ford, CEO Panahell Corp.

Panama: (507) 223-4742 USA: 335-433-2246 www.pana-health.com

"Medical tourism" is a buzzword of late in Panama, but what exactly does it mean? Sometimes called "medical travel," it is the globalization of health care. There are many reasons why people will travel to another country to receive medical treatment: cheaper costs abroad, innovative technology, shorter waiting periods, or better quality than one's country of residence. Medical tourism has been the subject featured on the covers of magazines such as Time, Newsweek, US News. The consulting firms McKinsey and Deloitte have also released positive reports on the growing trend.

The cost of health insurance increased 91% in the United States between 2000 and 2007 (compared to a 24% increase in wages). Many people do not have health insurance and most Ameri-

cans cannot afford medical procedures. And even when one does have insurance, not all procedures are approved for coverage, especially those which are considered "elective procedures" like plastic surgery or dental work.

Add on the widespread recession and increasing deductibles and the result is the need to save money more than ever. But people cannot afford to cut back on health care, so the globalization of this industry is the perfect solution.

Medical tourism is becoming more and more common, in part so that even insurance companies such as Compañía Global Healthcare, Blue Cross Blue Shield, Aetna, and WellPoint are releasing plans allowing clients to travel overseas for medical expenses.

Panama is the perfect place to

go. Doctors in Panama are trained abroad, many in the United States. Expat Sandy Steyanoff from the United States who has 23 years of nursing experience told me: "I have been very impressed with the level of medical care I have seen here and received here. I moved here preparing to be highly skeptical of what medical care I would find here. I have been blessed and more than once." Now, she and many other expats encourage their family members to be treated in Panama because of the reduced costs and high quality of treatment.

Hospitals in Panama have international affiliations. The most well known one is Hospital Punta Pacifica's partnering with John Hopkins Medicine International. But other hospitals have affiliations to Baofast Health, The Cleveland Clinic, Tuane Health,

Miami Children's Hospital, among others.

Panama provides people with less culture shock than other destinations because it has direct flights to most major cities in the USA and uses the dollar. The country has very modern infrastructure and 54% of the country speaks English.

Being in the insurance industry, I noticed that most insurance plans do not cover preventative medicine and that most people do not actually do routine checkups, which results in complications later in life. Preventative medicine, including routine checkups, lab work, EKGs, is something which a tourist can take advantage

while they are in the country.

People considering traveling for medical reasons should be aware that the main purpose of their visit is to get the procedure done, more than a vacation. Guidance in this process is essential; this is why medical tourism companies such as Panahell Corp. exist.

For those coming for invasive surgery, we offer full concierge service, including pickups to and from the airport, a companion to doctor appointments, hotel and bar booking, a cell phone, and personalized attention from one of our medical coordinators in English, at no cost to you.



US Medical Tourism Trends & Forecast



Deloitte Study 2009 ~ Recession Adjusted Forecast

	2007	2008	2009	2010	2011	2012
Number of Patients	750,000	540,000	648,000	878,000	1,283,000	1,621,000
Forward Growth Rate	-20%	-10%	20%	+35%	+35%	+35%

USA Today puts Medical Tourism as one of the Top Ten Growing Trends



Survey Says....

Gallup Poll May, 2009

5050 Americans Polled



■ Travel for
medical
Tourism

Up to 29% of Americans would consider traveling abroad for medical procedures such as heart bypass surgery, hip or knee replacement, plastic surgery, cancer diagnosis and treatment.



US Patient Satisfaction

- Of previous travelers for treatment:
 - 97% would consider it again in future
 - 63% - treatment received was better than in US
 - 37% - treatment the same as US
 - No one felt it was worse
 - Would go again, even if care was accessible and quickly available at home (MTA, 2009)



Know your Challenges

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High
Quality
Healthcare



Perception
of The
Destination



Tourism
Benefits



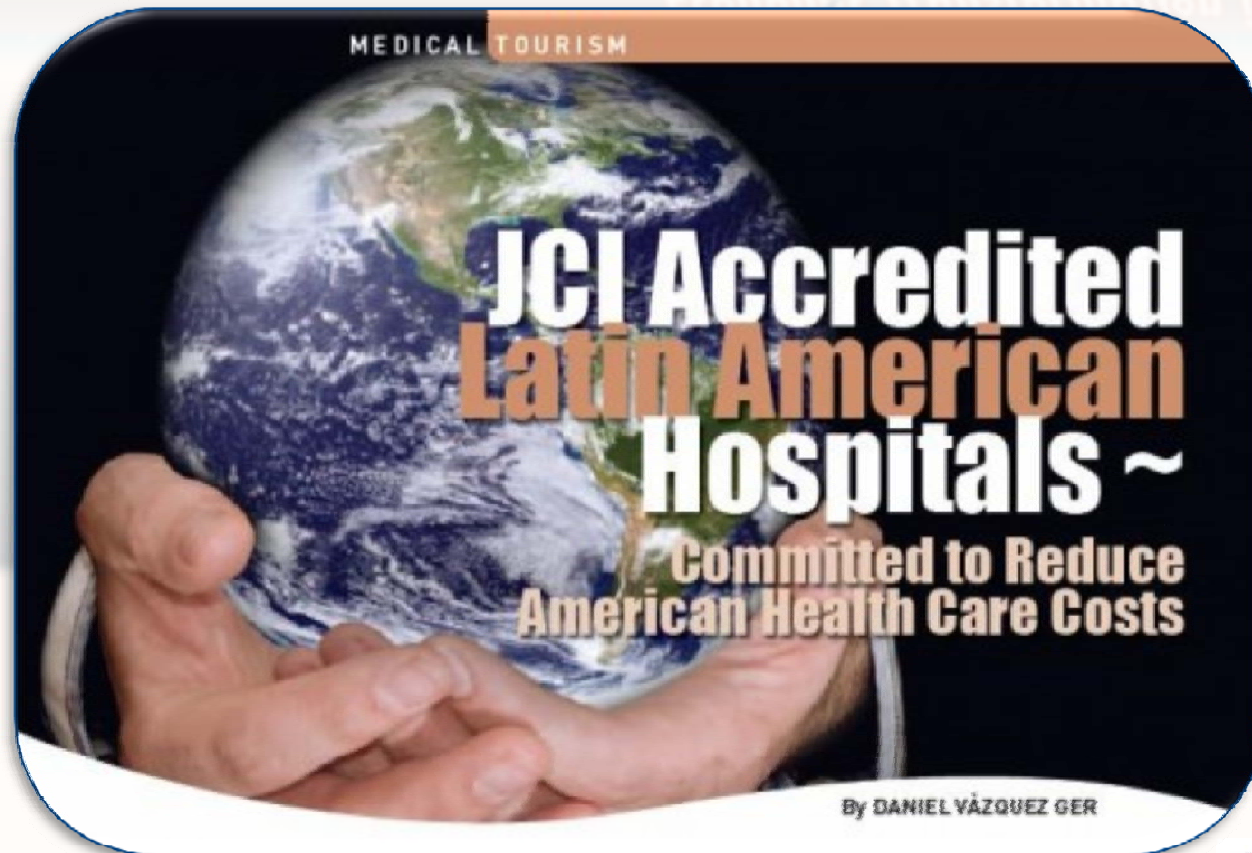
Affordable
Healthcare



Why would they go?

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International Accreditation

MedicalTourismAssociation.com | MedicalTourismMag.com | HealthTourismMagazine.com



Importance of Accreditation/Certification

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JCI - www.jointcommissioninternational.org



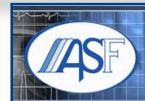
ISQua - www.isqua.org



Canadian Accreditation - www.accreditation-canada.ca



Australian Accreditation - www.qhc.com.au



Surgical Facility Resources - www.aaaasf.org



Healthcare Accreditation Council - www.hcac.jo



ICONTEC - www.icontec.org.co

Current Medical Clusters

Country-wide:

- Costa Rica (Pro-Med)
- El Salvador
- Guatemala
- Korea
- Singapore
- Germany
- Malaysia
- Jordan
- Turkey

Within a Country:

- Serbia
- Philippines
- Monterrey
- Sonora
- Chihuahua
- México City*
- Guadalajara
- Bagdad
- Dubai*

Dubai Medical City,
under construction

In US:

- Miami
- Houston
- Rochester, MN
- Baltimore
- Dallas
- Orlando*

* = under development



Medical City Cluster

Department of Health of Area or Ministry of Health

Destination Marketing Org. of Area or Ministry of Tourism

Medical Facilities

Tourism Providers

Professional Associations

Hospitals

Hotels & Hotel Assn.

Medical Equipment

Specialty Clinics

Restaurants

Insurance providers

Cosmetic & Dental

Tour Operators

Universities

Travel Providers

- Educational workshops for providers
- Familiarization tours for facilitators
- International conferences for leadership image & buyers



Benefits for Global Healthcare

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Benefits for Government

Increased Public
Private Participation

Recognition toward
the growth of
country

Benefits for
Government

Recognition towards
establishing
international standards
for country

Enhancement of
Healthcare Delivery for
population increases
governments
recognition



Benefits for Support Industry

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Travel, Tourism & Concierge

Pharmaceutical

Health Insurance

Global Benefits

Corporate Buyers

Healthcare Quality Accreditation Groups



Benefits for Country

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- Improved healthcare for all
- Enhanced, speedier or affordable healthcare

Social Impact

- Medical tourism as a key money grosser pitching in significant contribution in GDP

Financial Impact

- Reverse of Brain Drain
- Retainership of country's talent

Intellectual Impact

- Constant exchange of treatment and revenue between countries improves political links between those nations in a positive manner.

Political Impact



Why Caribbean

- In 2006, international tourist arrivals worldwide eclipsed 846 million. 27 percent represented travel for other purposes, such as visiting friends and relatives (VFR), religious reasons/pilgrimages, health treatment, etc (225 million).
- World Bank estimates on health and wellness tourism worldwide exceed US\$40 billion a year, an increase of 30 percent per annum, while the tourism industry as a whole is only growing at a rate of 4-5 percent annually.
- According to the World Travel and Tourism Council (WTTC) statistics, estimates of tourism's overall contribution to GDP averages more than 21.5 percent within the Caribbean Single Market and Economy (CSME).



Benefits for Physicians

- New Patient Flow with Higher Profitability
- Physician Partnerships – Clinics being built by foreign investors and using local physicians
 - Continuum of Care

New Revenue

- More Expertise Because doing more procedures in free time
- Exposure to Patients looking for cutting edge procedures

Expertise

- Cross Training Opportunities
- Training physicians in other countries who will refer patients
- Teaching/training in other countries for referrals

Referral Opportunities

- Global Insurance Policies- Insurers want physicians with international patient experience
- **Reputation – if you receive foreign patients...**

Global Insurance Opportunities

