

THEME

Applying Best Practices in Healthcare Delivery

- 21-23 July 2009
- Kuala Lumpur
Convention Centre
Malaysia



APHM · ASQua · ISQua
International Healthcare
Conference and Exhibition
2009

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Medical Tourism Amidst the Global Financial Turmoil

APHM International Conference

23 July 2009

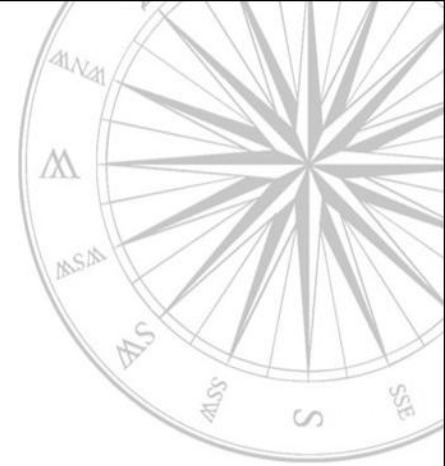
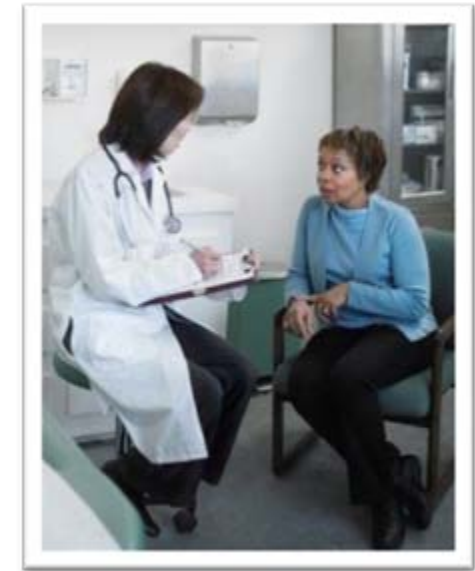
Kuala Lumpur



Patients Be

Evolution of Contemporary Healthcare Travel

- ▶ **Huge build-out of accredited hospitals**
 - 85%+ in Asia Pacific
 - 280+ JCI-accredited facilities
 - ISQua, ASQua, et al
- ▶ **More players**
 - From 5 to 30+ countries
 - “Asia-centric”
- ▶ **Massive, global media exposure**



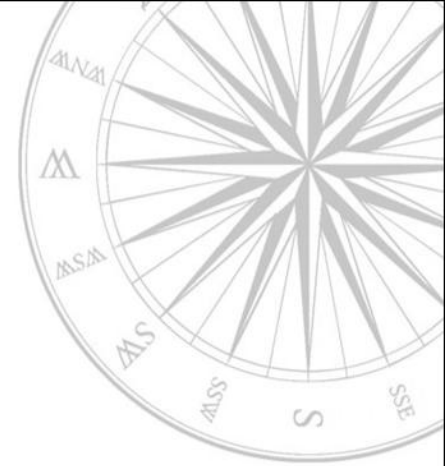
Evolution of Contemporary Healthcare Travel, continued



- ▶ **Growth of the Healthcare Park**
 - More beds; spas and medi-hotels; international reach
- ▶ **From clinical focus to “total experience”**
 - Customer service; wellness and integrative medicine
- ▶ **“Backyard” to global**
- ▶ **General to specialized**
 - Centers of excellence; “globalization of specialization”

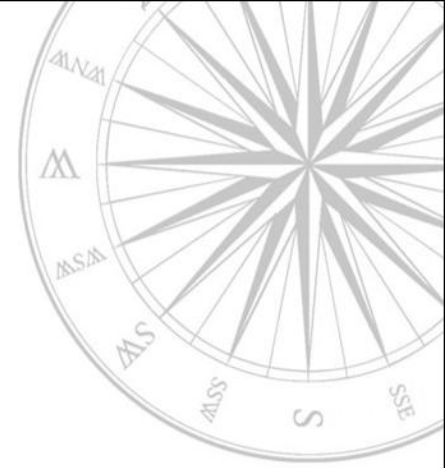
Drivers of Contemporary Healthcare Travel

- ▶ **Economic:** rising consumer costs
- ▶ **Demographic:** aging affluent populations; prolonged disease management
- ▶ **Social:** consumers seeking out wellness and alternative health strategies
- ▶ **Political:** increased government participation (Tourism Boards, Health Ministries, et al)
- ▶ **Market:** increased transparency; greater consumer choice



Why Patients Travel for Medical Care

- ▶ **Cost savings:** US, Japan, Hong Kong
- ▶ **Shorter waiting periods:** UK, Canada
- ▶ **Better quality care:** developing nations, e.g. Cambodia, China
- ▶ **Excluded treatments:** Dentistry, elective
- ▶ **Specialty treatments:** hip resurfacing, stem cell

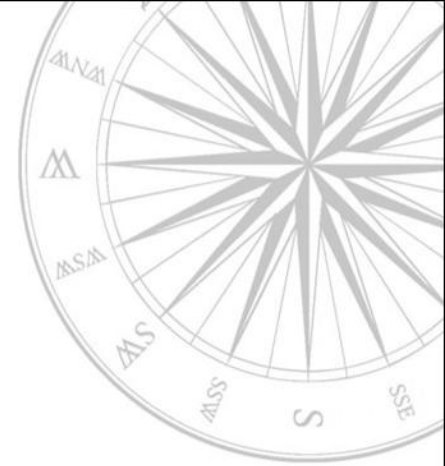


Market Size

Research Varies Dramatically

- ▶ *McKinsey Report* (Jul 2008): 65,000 to 85,000 total international medical travelers
- ▶ Does not include cosmetic surgery
- ▶ Does not include contiguous border travel (e.g. China, Japan)

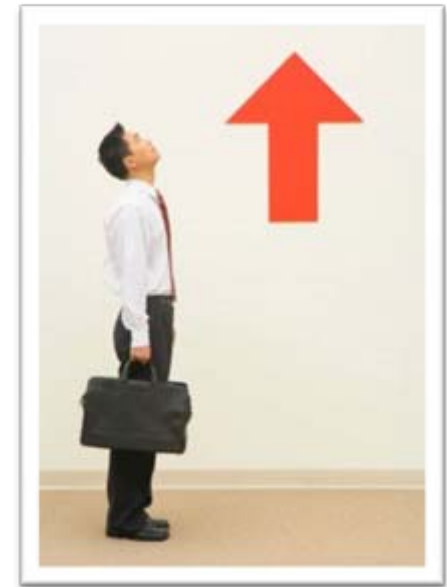
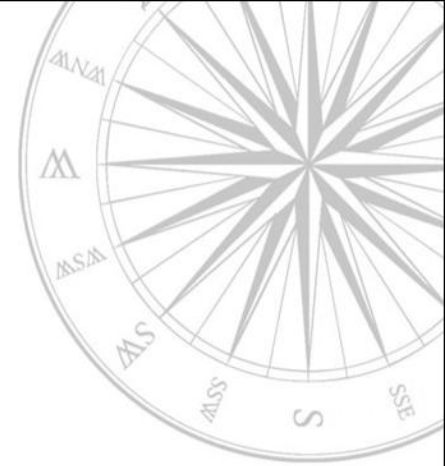
Conclusion: Numbers low



Market Size, continued

- ▶ **Deloitte Report** (Aug 2008):
 - 750,000 outbound from US in 2008
 - 6,000,000 in 2010
- ▶ Unsubstantiated numbers
- ▶ No worldwide numbers furnished (mercifully!)

Conclusion: Numbers are high



Market Size, continued



Summary Findings

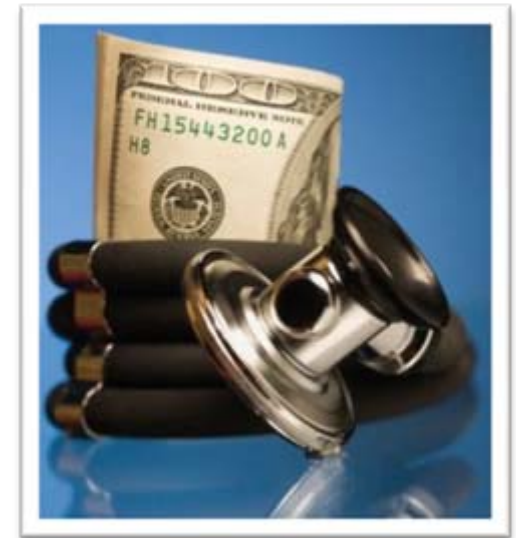
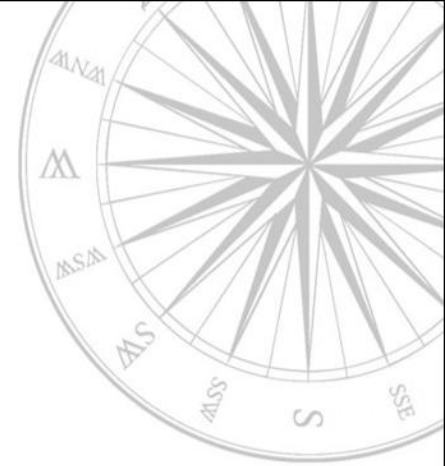
- ▶ 15% annual global growth rate
- ▶ All studies forecast strong growth through 2015 and beyond

Conclusion: Follow the middle ground; plan for growth



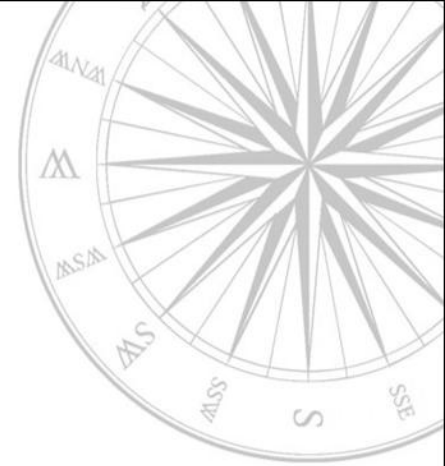
Growth Contributors

- ▶ Rising **healthcare costs**
- ▶ **Aging, affluent populations** (“Baby-Boomers” in North America and EU)
- ▶ **Rising middle class** in Asia
- ▶ Rising numbers of **un- and under-insured**
- ▶ Deteriorating **insurance benefits**
- ▶ Rise of **JCI-accredited hospitals**



What About the Downturn?

- ▶ **Tourism down globally 20-35%**
- ▶ **Medical Tourism growth mixed**
- ▶ **“Asia-centric”** next 3 to 5 years, then Latin America to compete
- ▶ **Demographic shift** from “luxury” travel to lower middle and upper working class
- ▶ **Growth despite downturn, if ...**



“Our Deal to Lose...”



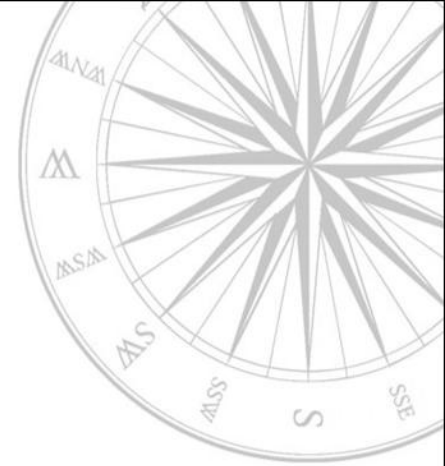
Hospitals must:

- ▶ **Better-serve inquiring customers**
- ▶ **Aggressively seek partnerships**
 - In-country government and private organizations
 - Insurers, hospitality, other providers
- ▶ **Aggressively reach out to media**
 - Improved communications (websites, et al)
 - Focused messages, sustained campaigns



Impediments to Growth

- ▶ **Over build-out** of international hospitals
- ▶ **Rising costs** of medical care in destination countries
- ▶ **Decreasing costs** in outbound countries
- ▶ **Increased quality, service** in outbound countries
- ▶ **Competition** from Latin America and EU
- ▶ Sustained **global economic recession**



Conclusions

- ▶ **Major growth drivers** remain in place
- ▶ **Rising market** despite downturn and competition
- ▶ **Rising Tide Carries All Boats:** unite in a spirit of collaborative competition



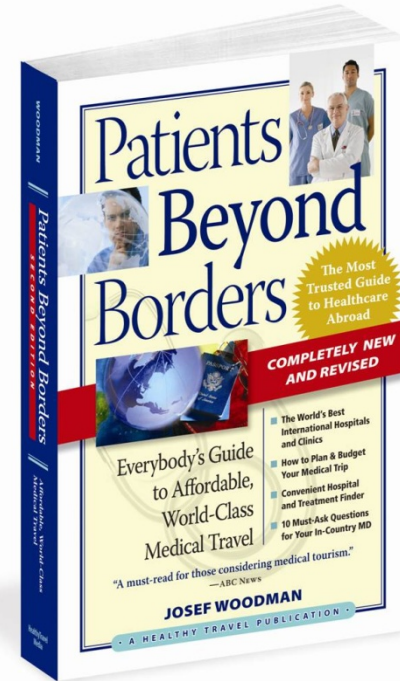
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