

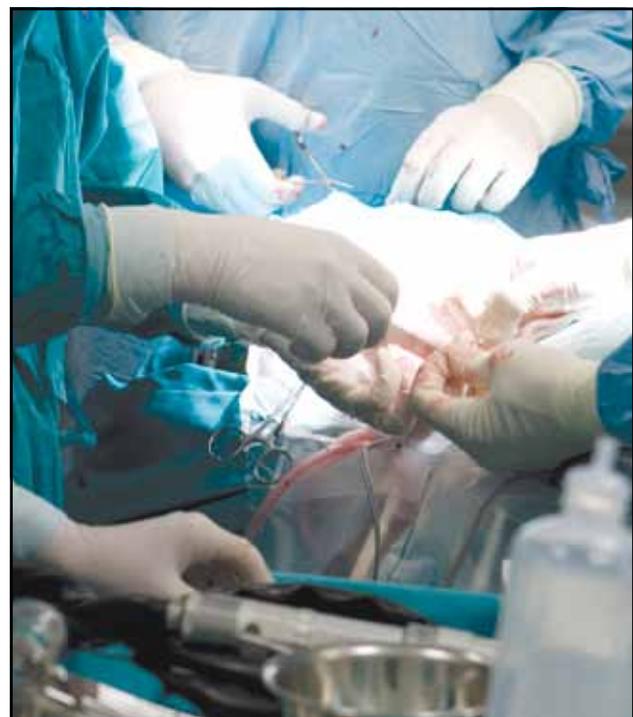
# 8,000 Miles Away

## Medical Tourism Taking Off as Consumers Search for Savings

By Candace Gwaltney

Everyone knows the penny pincher who will drive across town to save a nickel on gasoline. But what about flying half way around the world to save \$30,000 on a hip replacement?

The growing phenomenon of medical tourism mostly relies on uninsured and underinsured patients who need a less expensive option. That could change as health insurance companies investigate the concept. Still, the medical community has questions about the practice's safety and concerns about health insurers' involvement.



Medical tourism refers to patients who leave their home country in search of care (at a lower cost) abroad. An estimated 750,000 Americans traveled outside the United States in 2007 for medical procedures, according to a report from the Deloitte Center for Health Solutions. Deloitte projects six million Americans will be medical tourists in 2010.

Including travel expenses, the cost savings range from 28% to 88% compared to the same procedures in the United States, the report notes.

### Testing the waters

Last fall, Indianapolis-based health benefits organization WellPoint announced it would test medical tourism with a Wisconsin member company.

Employees at specialty printer Serigraph can choose to have non-emergency procedures at approved facilities in India. "They're (Serigraph) always looking for ways to hold down health care costs, and they really approached us about developing international medical tourism programs," WellPoint spokeswoman Jill Becher notes.

So far no employees have used the option since it started in January. Serigraph is continuing outreach efforts to inform employees of the new benefit, she says.

Serigraph is self-insured, meaning WellPoint provides administrative services only. Keeping medical insurance costs down results in direct savings for the company. Employees who choose to participate in the medical tourism program would see lower out-of-pocket costs, Becher notes.

She uses the example of a knee replacement surgery: The retail price in the United States averages \$60,000 to \$70,000, while that same procedure costs about \$8,000 to \$10,000 in India.

The pilot program “was done in response to rising medical costs and customer demand. I can tell you we have more and more employers asking about it as we have discussions with them,” Becher asserts.

At this point, there are no plans to expand the program. WellPoint first wants to see how the Serigraph trial works. “Then depending on the findings in the pilot such as quality, outcome, member satisfaction and cost savings, we will then finalize our long-term offering and strategy for other clients,” she confirms.

### Medical reaction

Just a couple months after WellPoint announced its pilot program, a bill was introduced in the Indiana Legislature to keep health care insurers and HMOs from “encouraging or requiring health care treatment outside the United States as a condition of third party health coverage.”

House Bill 1084, introduced by Rep. Craig R. Fry (D-Mishawaka), passed the House 84-13 and was assigned to the Senate Health and Provider Services committee. No action was taken in the Senate, but the language remained alive for possible inclusion in other bills as of BizVoice® press time.

The way Dr. Richard Feldman sees it, encouraging medical tourism could result in financial intimidation.

“I think what we could get into is (medical insurers saying), ‘You don’t have to go to India for your hip surgery, that’s up to you. But if you do it in the United States, it’s going to be a lot more expensive and maybe prohibitively so. So if you want this procedure at our lower cost, you’re going to have to go to India.’ That would be economic coercion, and there may not be any choice.”

Feldman expressed his concerns regarding medical tourism on behalf of the Indiana State Medical Association during hearings for the bill. Feldman is director of medical education and family medicine residency at St. Francis Hospitals and Health Centers and is a former state health commissioner.

If a patient decides on a purely elective basis to go abroad for a procedure and that patient’s physician gives approval for the long trip, Feldman says he has no objections.

“My concern is that many of these patients are fragile, older patients. Many times, this is going to be a 14-hour trip to Asia; this could be very burdensome and even dangerous to some of our older, frail patients,” he warns. Traveling such a long distance is risky for those with pre-existing medical conditions and for those in post-operative recovery, he says.

Feldman also questions how quality of care at these foreign hospitals would be measured and who would provide post-operative care for patients once they return to the United States.

WellPoint addressed those issues in planning its program, Becher shares. All of the facilities used by WellPoint are accredited by the Joint Commission International, a health care accreditation group whose standards are based on international

### Hoosier: Trip ‘Gave Me My Life Back’

For three years Kathie Thornton rarely left her Milan, Indiana, home except to go to a doctor’s appointment. The aches and pains in her hip kept her from doing just about everything. With no health insurance, Thornton couldn’t afford the surgery she needed.



“I was constantly looking for anything online that could help me,” she says. Then late one night in 2007, Thornton’s search led her to medical tourism facilitator Healthbase.

Just three weeks later Thornton made her first trip outside of the United States – to India for a hip resurfacing surgery. Healthbase helped her obtain her passport and arranged travel for her and her sister.

While Thornton says she had barely left Indiana prior to her trip, she wasn’t nervous about the journey. Going to India was her only hope, she relates.

Still, any qualms she may have had dissipated immediately. Staff at the hospital treated Thornton like a queen, she shares. Her doctor met with her one-on-one to discuss the surgery. “To all these people the most important thing was having me well.”

The total cost for the surgery, a 10-day stay in the hospital, meals and plane tickets for Thornton and her sister was about \$10,400.

Thornton says she would be a medical tourist again if she ever needed another procedure. Next time, though, she would upgrade her plane ticket to have more room on the flight home.

Two years after her surgery, Thornton, 55, says she hasn’t had any problems with her hip. Instead of being stuck in bed, she’s doing activities she loves such as paddleboating.

“It’s hard to express what a difference it makes in your life when you go from being homebound and being in pain all the time to being 100% again,” Thornton emphasizes.

consensus, she notes.

Standards for WellPoint’s program require any medical tourism procedure to be elective, the patient must be able to travel, local follow-up care must be arranged prior to the trip and the patient must be able to travel safely following the procedure, Becher confirms.

In response to the growing number of residents searching for medical options abroad, the American Medical Association released a set of guidelines last summer. The organization recognized medical tourism as a growing trend for which “it’s unclear at this time whether the risks outweigh the benefits,” according to an AMA press release.

The nine guidelines advocate employers, insurance companies and others involved in medical tourism ensure the care is voluntary, inform patients of the risks with combining



### Cost of procedure by country, including surgery and hospital stay

| Procedure               | United States | India    | Thailand | Singapore | Malaysia |
|-------------------------|---------------|----------|----------|-----------|----------|
| Heart bypass            | \$130,000     | \$10,000 | \$11,000 | \$18,500  | \$9,000  |
| Heart valve replacement | \$160,000     | \$9,000  | \$10,000 | \$12,500  | \$9,000  |
| Angioplasty             | \$57,000      | \$11,000 | \$13,000 | \$13,000  | \$11,000 |
| Hip replacement         | \$43,000      | \$9,000  | \$12,000 | \$12,000  | \$10,000 |
| Hysterectomy            | \$20,000      | \$3,000  | \$4,500  | \$6,000   | \$3,000  |
| Knee replacement        | \$40,000      | \$8,500  | \$10,000 | \$13,000  | \$8,000  |
| Spinal fusion           | \$62,000      | \$5,500  | \$7,000  | \$9,000   | \$6,000  |

Average cost for procedures as a percentage of U.S. cost  
 n/a                      20%                      30%                      35%                      25%

Number of medical tourist yearly\*  
 400,000\*\*                      450,000                      1.2 million                      410,000                      300,000

\*Based on 2006 and 2007 data

\*\*2008 estimate for medical tourists inbound to the United States

Source: Deloitte Center for Health Solutions 2008 report, *Medical Tourism: Consumers in Search of Value*

surgery with long flights, arrange follow-up care and ensure financial incentives do not inappropriately limit or restrict treatment options.

### Examining the trend

Growth in medical tourism is fueled by cost savings, consumerism, quality and foreign economic development, according to Deloitte.

Boston-based medical tourism facilitator Healthbase has worked with twice the number of patients this year compared to 2008, notes CEO Saroja Mohanasundaram. She attributes part of that increase to growing unemployment; as more people lose insurance coverage, she is seeing enhanced interest in low-cost options overseas.

Also, fewer people are contacting Healthbase about cosmetic procedures – “for many people, those things can wait.” Instead people are going abroad for cardiac, spinal, orthopedic and dental procedures. “(With) all of the medical procedures, we’ve seen a good increase over the last year,” she asserts.

Healthbase is providing its services for the WellPoint pilot program. The company offers “complete door-to-door arrangement of medical travel

logistics services to individual consumers, businesses, insurance carriers and third party administrators.” Healthbase works with clients from all 50 states to arrange procedures at accredited hospitals in 14 countries including India, South Korea, Hungary and Costa Rica.

WellPoint isn’t the only insurance company offering or testing medical tourism benefits. Aetna administers an option for a member company in Maine; BlueCross BlueShield of South Carolina launched an initiative in 2007.

“My understanding is there are other large insurance companies that are keeping a very close eye on what’s happening in medical tourism,” Mohanasundaram shares. “We have been talking to (some of) those companies and explaining what is happening, how things are going and the whole process.”

Still, Becher acknowledges medical tourism won’t be for everyone. “We recognize it will be a personal decision; we expect the uptake to be slow,” she says of WellPoint’s program.

### INFORMATION LINK

**Resources:** Deloitte at [www.deloitte.com/centerforhealthsolutions](http://www.deloitte.com/centerforhealthsolutions)

Healthbase at [www.healthbase.com](http://www.healthbase.com)

Indiana State Medical Association at [www.ismanet.org](http://www.ismanet.org)

WellPoint at [www.wellpoint.com](http://www.wellpoint.com)