

Medical Travel Taking Off



Enablers and Impediments to a Growing
Health Care Phenomenon

November 28, 2007

Enablers and Impediments to a Growing Health Care Phenomenon

By Ori Karev

The twin megatrends of mobility and an acceptance of goods and services from outside of one's home country are driving explosive changes in many industries. An increase in airline miles flown is an obvious example. Less obvious, but no less compelling, are the critical service industries that every individual depends on, no matter where they are located. As consumers increasingly adopt an economic world view, they buy cars from overseas, routinely dine on cuisines from across the globe, vacation outside their country, connect globally on the internet and fly like never before.

This increasingly borderless view of the world is also fueling the phenomenon of *medical travel*. While this trend is also referred to as *medical tourism*, medical travel is a more appropriate description because most people who travel for care do not add a tourism component to their visit (with the exception of those who travel for cosmetic or general wellness treatments.)

When seeking medical care, individuals remain driven by the same requirements of quality and cost that influence care within their home country. The difference is that now consumers are increasingly willing to travel globally in search of medical treatment. However, traveling from Atlanta to Asia for a hip replacement is obviously a bit more daunting than spending a few days shopping in London. And while an increasing number of medical providers across the globe market their services internationally, several important considerations will need to be addressed before medical travel lives up to its potential. From a **US perspective**, the factors affecting the growth of medical travel include:

- a) Integration between global healthcare providers and the US healthcare system, particularly when non-cash transactions are involved.
- b) Availability of common clinical data standards, generation, recording, and analytics.
- c) Integrated legal framework which addresses the needs of patients, payers and providers.
- d) The existence of case management systems within individual countries that have the ability to coordinate an individual's complete episode of care regardless of the country in which the treatment begins or ends.

Each one of these factors merit a complete article, and also suggests many other related challenges. However, as the medical travel phenomenon appears to be here to stay, the faster providers, payers and patients adapt to the US thinking and processes, the faster US consumers will be able to share in the benefit of this global trend.

Funding Healthcare – An Integrative Approach

Until global providers are integrated with the US health care payer system, medical travel will fall short of its potential. Today, most Americans who receive treatment outside the US are the uninsured, those whose health plan co-payments are extremely high (in some cases higher than the cost of the entire treatment) and those who travel for cultural or country-of-origin reasons. Most insured Americans, except for people with consumer driven health plans, may at times question their care, but won't make the leap of seeking healthcare overseas. Because mainstream consumers/patients may be reluctant to 'go global' in the short term, it is the payers that should drive international coordination of high quality healthcare for their members at an affordable cost.

To do that, local-global hospitals (defined as providers outside the US that market medical treatment in their countries to US consumers) and other health care providers must be networked with and tied financially to payers. It is important to remember that the US healthcare system — unlike many countries where the local-global providers are situated — is not a cash economy. In most cases, the only cash paid out by US patients is towards their out-of-pocket co-payments. The efficiency and ease of receiving treatment outside the US will be greatly facilitated – and demand will likely increase – when providers and payers achieve the same type of contractual, financial linkages that are commonplace in the US.

Common Data Infrastructure

Another challenge to medical travel is the challenge of transporting critical clinical data — patient history, diagnosis of the presenting concern, prescription drug use, etc. — between countries. From a data infrastructure viewpoint, clinical data must be readily transportable (HIPPA implications notwithstanding.) Clinical data is the mobile tool box to which the patient, the treating physician, the examining physician, and the payer all must have access. The individual's personal physician and his or her treating physician overseas need to have easy access to the same data. Care coordinators and payers must also be able to access this information to coordinate care and pay the bills when the patient returns to his country of origin. Personalized and transportable electronic health records are also critical to understanding costs and determining future insurance premiums, both locally and globally.

Absence of an Integrated Legal Framework

The US is a litigious society. Related to the healthcare market, our liability legislation and massive body of common law clearly establish the patient's right to sue whenever they feel they have been wrongfully treated. It is this specific right (or maybe even a sense of entitlement) which gives rise to the need for medical providers to over-test, over-prescribe and practice defensive medicine. The fear

of one's medical decisions being challenged down the road, with the benefit of hindsight and a good legal counsel, drives US providers to seek the best treatment, procedures and advice. This approach costs money. Accordingly, a portion of the high costs of US health care is the cost of protecting against over litigations.

With that background in mind, receiving medical treatment outside the US offers interesting challenges. The first has to do with conflicts of law. Let's provide an example. As Americans we have contractual and natural law expectation of how we will be treated and informed during the health care process. If we see a Web site offering treatment outside the US and opt to receive this treatment, does that mean that US law applies if we want to sue for negligence performed in that country? Can we sue the treating health care provider in the US even though we weren't treated in the US? Do we have the right to sue under the laws of the country where treatment was rendered? Do any of our expectations as US citizens have legal strength in the country where we were treated?

Clearly, there are conceivable commercial solutions to such legal obstacles. However, finding solutions may first require testing our assumptions through global legal challenges and court rulings.

Unavailability of Country-of-Origin Support Systems

At some point, most patients who receive treatment overseas will return home with ongoing health needs relative to their recovery that require clinical support.

Outside of the legal considerations, the fundamental issue is ensuring that a returning patient has access to the clinical support they need to continue their recovery. It is too early to tell whether US clinicians will be fully supportive of their patients who have received treatment overseas, but let's assume that this is the case. Even the best intentioned, fully supportive providers will have a need for data, assessments and support to provide for appropriate continuity of care.

Again, commercial and infrastructural business solutions can be developed to address this issue.

Conclusion

Medical travel is in vogue, primarily because affordability challenges are driving consumers' search for health care outside their home countries. Because it is a consumer-driven phenomenon, suppliers across the world are preparing themselves to meet demand and, in many cases, are actively promoting it. Country of origin providers of care may begin to accept that their patients are increasingly interested in services outside the home country. What are lacking are the processes and infrastructures required to facilitate and enable this growing movement. However, the challenges outlined here may not be as difficult as they appear. Many of the tools are resident in our current US

system of health care intermediaries. Care coordination, provider-payer contractual arrangements, claim payment and customer service are all skills that can be applied to global health care delivery.

Trends such as global health care move inevitably and inexorably. In the end, they are destined to provide more individuals with more access and more choices. That is the imperative. Facilitating this movement is the responsibility of and opportunity for every stakeholder involved in this growing industry. Our challenge is to recognize the needs, demands and opportunities of medical travel and continue the global dialog required to address them.

About the author:

***Ori Karev** is the CEO of UnitedHealth International, a UnitedHealth Group company. In this capacity, he is responsible for leading UnitedHealth International's growth and advancing its position as the leading global health and Well-being Company. Under his leadership, Ori ensures that the company actively pursues its local and global potential in its various market segments: global health insurance, third-party administration, health care management consulting and global health solutions for leading benefit plan sponsors. Mr. Karev holds a BA in Political Science and Labor Studies, an MBA in Finance and International Marketing and a Juris Doctor degree in Law. He is a member of the legal bar of the states of New York and Connecticut.*

###

For additional information, please contact:

Nancy Calderon
Marketing Consultant
UnitedHealth International
+1 860 702 6614
nancy_calderon@uhc.com