

# Mass medical tourism

**Medical tourism goes mainstream as low-cost cardiac surgery and broader healthcare provision join dentistry and cosmetic surgery to have global impact.**

Switzerland has long been a centre for medical holidays – a place where the rich have gone for relaxation and treatment. Over the past few decades, it also became a centre for more surgical vacations, often focused on providing cosmetic enhancement for its customers. In a similar vein, both South Africa and Brazil are also well known as places to go to get good-quality cosmetic surgery. London, LA and Miami are also renowned as centres of cosmetic excellence. Today, new locations such as Dubai, Venezuela, Thailand, Jamaica and the Philippines all variously compete in respective niches as the places for the two-week holiday with an inclusive tummy tuck or breast enhancement. They have all been recruiting leading plastic surgeons and building hotels-cum-hospitals to provide cosmetic services at competitive prices.

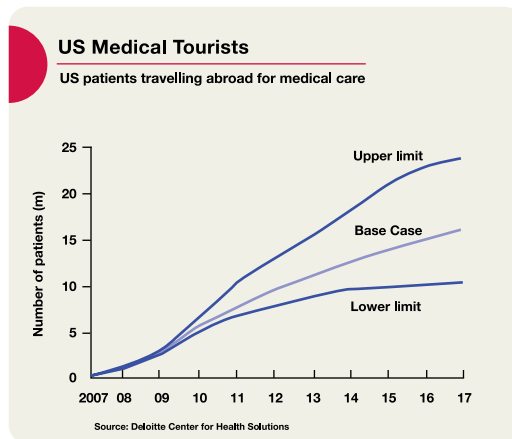
While cosmetic surgery has largely paved the way, other areas of medicine have followed suit over the past few years, as high-quality services have been made available in key locations at low cost and so have become attractive destinations for people from different countries. Dentistry has been a primary area here: Hungary fast became a centre for dental tourism in Europe, as has Bangkok in Asia. Costa Rica, El Salvador and Panama have all played a similar role in Central America. In these areas, high-quality dental work at relatively low cost in attractive destinations is provided for those with the money and the desire to travel. In 2007, over 100,000 UK residents went aboard for medical treatment, of which 43% sought

dental procedures and 30% went for cosmetic surgery. The average spend for such trips was just under \$4,000 per head.

Today there is a shift happening, not just in quality and cost but also in the complexity of operations being made available and, going forward, the niche activity of medical tourism will go increasingly mainstream as low-cost cardiac surgery and broader healthcare provision are added into the mix. New business models and new areas of focus are creating new destinations.

In many cases, it is India that is leading the way. Most significantly at first were the advances made by Aravind Eye Hospitals with cataract operations. Adopting process techniques from the fast food industry, Dr G. Venkataswamy, founder of Aravind Eye Care System, has pioneered change in the speed, scale and cost of operations. Primarily aimed at making life-changing eye surgery available to a wide range of the Indian population, the five Aravind Eye Hospitals in India conduct over 300,000 operations a year; costing on average \$50 rather than the usual \$500. Today, as the success of the business model scales up, India is also becoming a centre for medical tourism as patients

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from the US and Europe fly in for an operation that is done as well as anywhere at a fraction of the price.

Also in India, the Narayana Hrudayalaya Hospital in Bangalore is already performing over 600 heart operations a week – eight times the average at other Indian hospitals, and the highest in the world. What is significant about these examples is not just the volume, nor that the quality of the surgery and success rates are as good as anywhere in the world, but, due to the nature of the business model and process innovation, the costs are significantly lower: Narayana charges just \$2,000 for open-heart surgery compared with between \$20,000 and \$100,000 in the US. With high

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quality at this price difference, it is not surprising that there are already around 1 million medical tourists going from the US to India each year and by 2012 this is expected to rise to over 1.6 million. By 2013, the India medical tourism market is expected to be worth more than \$2 billion.

The Narayana Hrudayalaya Hospital is the centre of the rapidly developing Narayana Health City in Bangalore. This campus will consist of eight other hospitals and research institutes, ranging from a 1,000-bed cancer hospital to a 500-bed eye hospital to institutes for neuroscience and thrombosis. Over the next decade, the organisation plans to recreate a similar health city and medical university in partnership with the government of the Cayman Islands that will 'revolutionize tertiary healthcare' in the islands, providing medical procedures at half the cost of US facilities. An initial 200-bed facility will open in 2012 and this will eventually develop into a 2,000-bed centre.

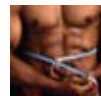
Similar initiatives are under way in other countries as well: Dubai is aiming at being 'GMT+4' centre of cardiac surgery and, as well as attracting the best surgeons, is also building more dedicated hospital hotels, which include post-operative support. Turkey is planning for more revenue from medical tourism than the 'sun and

sand' type; the Mexican federal government's Tourism Secretariat has a new initiative to grow medical tourism in the country, with the expectation of 650,000 visitors, who will spend \$50 million a year by 2020; and in South Korea, where high-quality medical treatment is around 30% of the price in the US and around 60% of that in Japan, big plans for expansion are also taking shape, targeting 1 million patients by 2020. In addition, public health systems in Europe

and healthcare insurance companies in the US are all ramping up plans to formally take advantage of the economics associated with this movement. Overall, the medical tourism market is expected to be worth \$100 billion by 2012 and close to \$500 billion by 2020. At this scale, what was once a niche option only for the very rich will be a mainstream activity, and one that will increasingly become a credible option for the majority in many developed economies.



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