

The American Healthcare Crisis Creating Strategic Marketing Opportunities for Turkish Healthcare Providers



Medical Tourism Association, Inc.

www.MedicalTourismAssociation.com

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Medical Tourism Defined

What is Medical Tourism?

Medical Tourism occurs when people who live in one country travel to another country to receive medical, dental and surgical care for either better quality, better availability, better access, or for better pricing than they have in their own country.



Medical Tourism Association

- International Non-Profit Association
- Healthcare Leaders from around the world
- Produce Medical Tourism Magazine
- Hold one annual conference in the US, the only medical tourism event in the US
- Several Regional events ~ One in Latin America, One in Europe/Asia



Medical Tourism Association Offices

MTA Offices in:

- Headquarters in West Palm Beach, Florida, USA
- Dubai, UAE
- Seoul, Korea
- Munich, Germany
- Tel Aviv, Israel
- San Jose Costa Rica
- Monterrey, Mexico
- Istanbul, Turkey (New)





Medical Tourism Association Three Tenets

The Medical Tourism Association advocates creating a transparency in the medical tourism industry in quality of care and pricing so patients know exactly what quality of care they are receiving and what they are paying for such care.

The MTA creates a forum for communication amongst all of the players in the medical tourism industry, allowing competitors to work together for the first time to promote their country first as a medical tourism destination.

The MTA provides education to patients, insurance companies, employers and new players in the medical tourism industry about all of the issues involved in medical tourism ~ legal, economic, accreditation, best practices, strategic marketing



The Business Case for Medical Tourism



Market Potential in the U.S.

- There is a healthcare crisis in the US and Americans cannot afford health insurance and the government does not provide healthcare to a majority of the population.
- About 50 million Americans with no health insurance
- Over 120 million Americans with no dental insurance.
- These Americans have no option to but travel overseas for medical tourism when they need an expensive medical or dental procedure done.



Healthcare Crisis in US

- HealthCare Costs Continuing to Rise, getting worse with no solution in sight.
- The cost of health care has been rising at a rate much higher than inflation and family incomes.
- The problem is compounded when employers discontinue employee insurance, contributing to the rising number of uninsured Americans.
- Employers and employees can't afford Health Insurance and many are canceling health insurance for their employees
- Many Employers are looking for creative solutions



Credit Crisis & Economic Recession

- What does this mean for Medical Tourism?
- Employers can't get credit for new projects
- Hundreds of thousands of employees terminated/layoffs
- Why will the credit crisis and economic recession help grow medical tourism?

Potential of US Marketplace

- Deloitte Report – Consumers In Search of Value – Medical Tourism 2008

• **2007 2010 2011 2012 2013 2014 2015 2016**

0.75 6.75 10.13 12.66 15.19 17.47 20.09 22.09

Patients (millions)

Deloitte Report → By 2017 potentially over 23 million Americans could be Traveling overseas.



Patients are Leaving & Why

- United States (looking for better cost)
- Canada (avoid long queues)
- Europe (avoid queues & better cost)
- Middle East (better quality)
- Latin America (better care and cost)
- Asia & Southeast Asia (better care and cost)
- Russia (better care)
- Africa (better care)



Understanding the Medical Tourism Patient

Value = Quality + Affordability + Access
+ Perception of Tourism in the Country

- Patients will be different with unique expectations
- Open Communication reveals what their individual expectation is.
- Individual Expectations : 1) the patient may not be able to afford treatment at home, 2) may want higher quality than they can get at home, 3) may want privacy during treatment and recovery, 4) may want more advance treatments than they can receive at home



Already Outsourcing Care in the US

- 25% of doctors in America are foreign trained
- Large % of Nurses in America are foreign nurses

Quality of Care and Service in America?

- Less service
- No Personalized Service
- Declining quality of care





What Surgeries are they going for?

Orthopedics ~ Hip, Knees, Back or Spine

Heart Procedures ~ Angioplasty, Bypasses, Valve Replacements,

Ophthalmology ~ Cataract, Retina, Lasix Surgeries

Bariatric Surgery ~ Lap Band, Gastric Bypass, Gastric Sleeve

Cosmetic Surgery ~ Face Lifts, Breast Implants, Corrective

Dental Treatment ~ Implants, Whitening, Orthodontics

Cancer Treatment ~ Diagnostics, Cyberknife, Stem Cell

IVF Fertility Treatments

Transplants ~ Liver, Kidney, Lung

Alternative Treatment/Wellness ~ Spa treatments, Stem Cell

Diagnostics ~ Executive Wellness Exams, Screenings



Sample Cost Differences

Heart Bypass

USA	India	Thailand	Singapore	Costa Rica	Mexico	Korea
\$130,000	\$9,000	\$11,000	\$16,500	\$24,000	\$22,000	\$34,150
Average Cost in Turkey \$17,000						

Knee Replacement

USA	India	Thailand	Singapore	Costa Rica	Mexico	Korea
\$40,000	\$8,500	\$10,000	\$11,100	\$11,000	\$12,000	\$24,100
Average Cost in Turkey \$13,000						

Hip Replacement

USA	India	Thailand	Singapore	Costa Rica	Mexico	Korea
\$43,000	\$7,100	\$12,000	\$9,200	\$12,000	\$14,000	\$11,400
Average Cost in Turkey \$13,000						

Prices do not reflect PPO discounts. Prices will vary based on zip code, region, provider, and more factors.



Baby Boomers in the US

- The number of Americans aged 65 or over will double by 2050
- The number of people age 85 or over will quadruple by 2050
- By 2030 over half of U.S. adults will be over age 50
- The over 65 population will nearly triple as a result of the aging Boomers.
- More than six of every 10 Boomers will be managing more than one chronic condition.
- More than 1 out of every 3 Boomers – over 21 million – will be considered obese.
- One out of every four Boomers – 14 million – will be living with diabetes.
- Nearly one out of every two Boomers – more than 26 million – will be living with arthritis.
- Eight times more knee replacements will be performed in 2030 than today.

Reference: A joint report from First Consulting Group and the American Hospital Association, titled "When I'm 64: How Boomers Will Change Health Care."



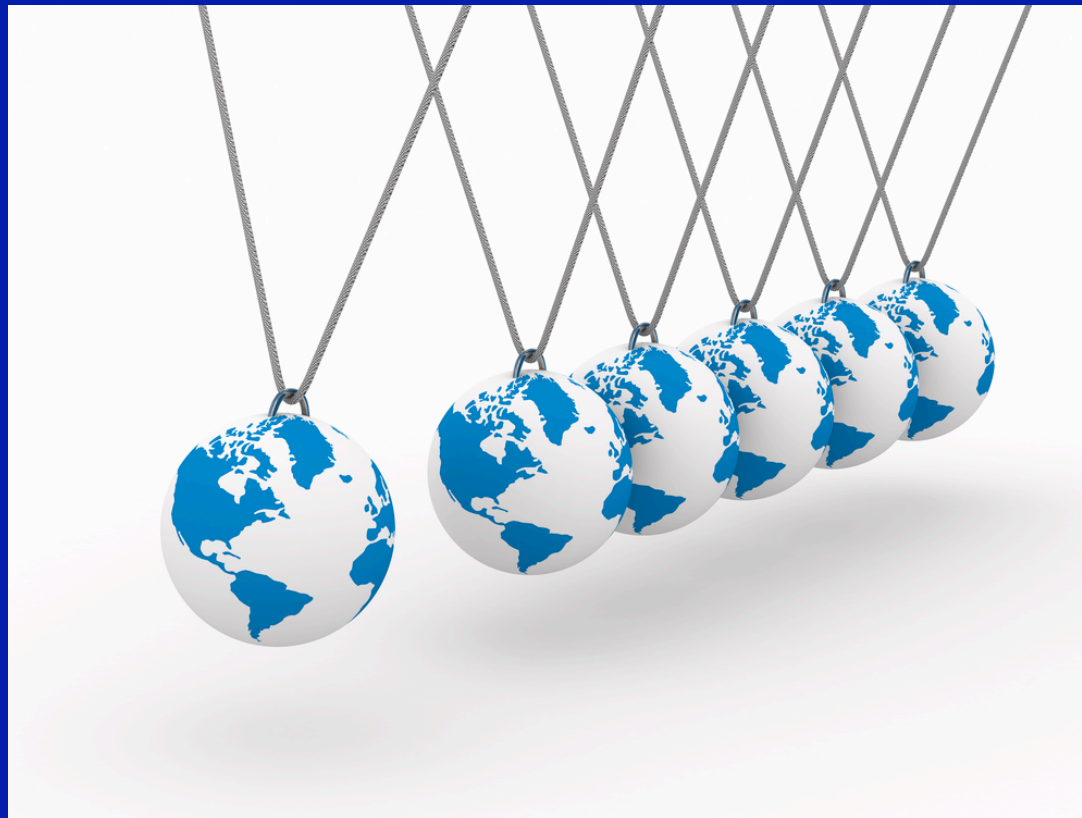
Medical Tourism & Baby Boomers

- 62% of 50 to 64 year olds reported they had at least six chronic conditions (hypertension, high cholesterol, arthritis, diabetes, heart disease and cancer). As Boomers age, this number will grow from almost 8.6 million today (about one out of every 10 Boomers) to almost 37 million in 2030.
- By 2030, there will be nearly twice as many adult physician visits as there were in 2004, and Boomers will account for more than four of every 10 of these visits.
- By 2030, if all Boomers with diabetes receive recommended care, they will need 55 million lab tests per year – 44 million more than today.
- Physician office visits will number more than one billion by 2020. Four out of 10 will be Boomers.
- The increase in longevity of Boomers – on top of advances in medications, less invasive treatments and diagnostic testing – will greatly increase the demand for cardiology.

Reference: A joint report from First Consulting Group and the American Hospital Association, titled "When I'm 64: How Boomers Will Change Health Care."



Updates on Medical Tourism Destinations What's Working and What Is Not?



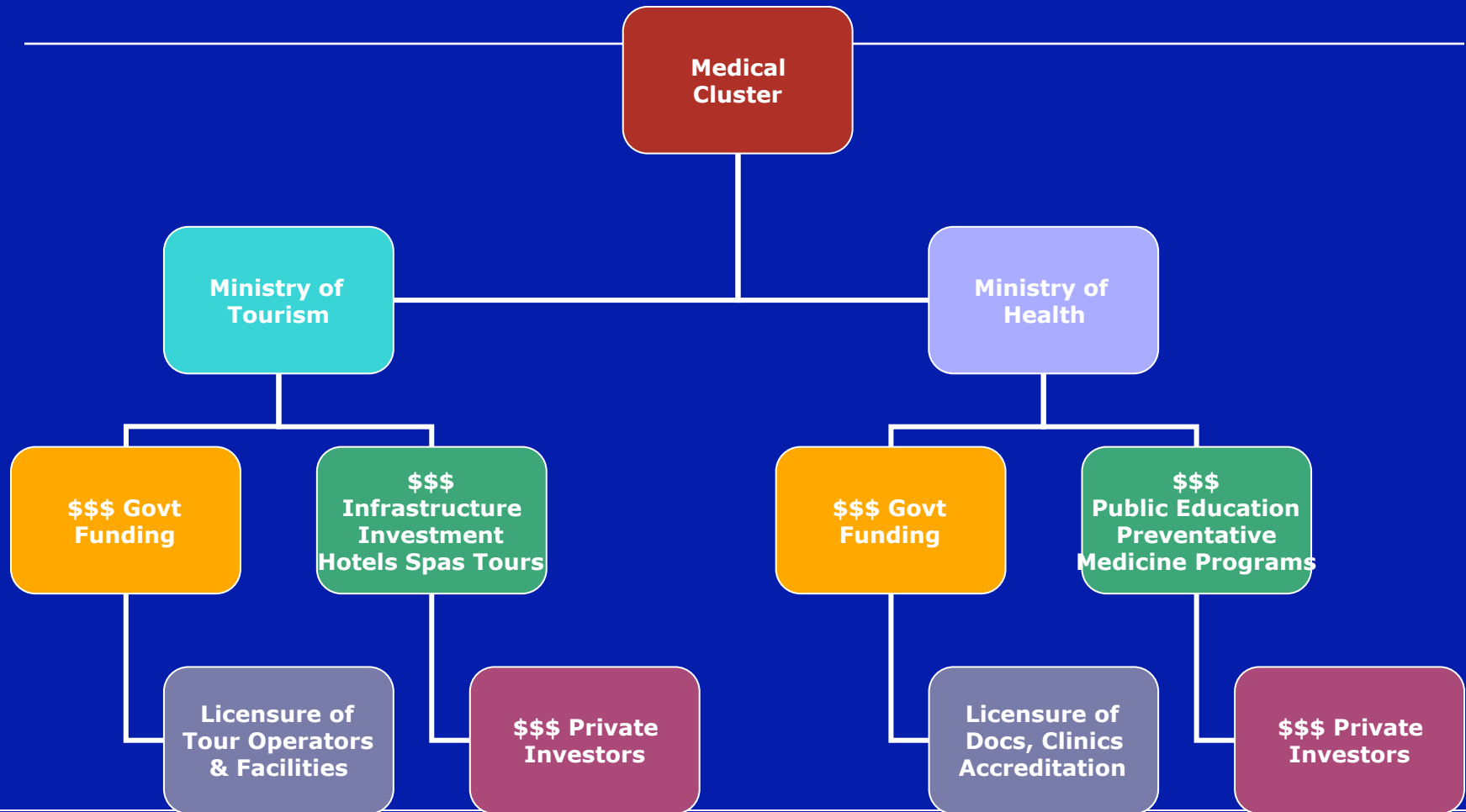


Creating “Healthcare Clusters”

Promoting a Country as a destination for Medical & Health Tourism

- **Government working with hospitals to form a cluster**
- **Hospitals working together to promote image of country above all else**
- **Increasing quality**
- **Regulating who should be able to within the country promote medical tourism**
- **Creating new laws to assist in Medical Tourism**

Medical Cluster ~ Sustainability Model





Benefits of Clusters

- ✓ Creating Credibility
- ✓ Budget
- ✓ Power in Numbers
- ✓ High Standards and Qualifications (Putting Rules in place on who plays)
- ✓ Control over Reputation
- ✓ International Organization Support
- ✓ Assistance in Marketing
- ✓ Alternative Funding



Healthcare Cluster Examples

States in Mexico

Costa Rica

El Salvador

Guatemala

Korea

Philippines

Singapore

Barcelona, Spain

South Africa

*Others Countries around the world now creating healthcare clusters –
Germany, Malaysia and many other countries*





Medical Tourism & Insurance





Find the right target audience In US Two Forms of Medical Tourism

In the US outbound medical tourism - there are three segments of Medical patients

- **The Uninsured (Approx 50 million)**
No access to health care, no alternatives except going overseas for health care.
- **Self Funded Employers**
Employers who take the financial risk of their healthcare on themselves and do not contract with a fully insured health carrier.
- **Fully Insured**



Fully Insured Carriers

- Where Employer pays a set premium each month to buy health insurance.
- Aetna, Blue Cross Blue Shield, Humana, United Healthcare, CIGNA, Assurant Health and more.
- Fully Insured Carriers save themselves money when they implement medical tourism.
- Majority of Americans who have health insurance are insured on fully insured health plans.
- For Example: Employer has 1,000 Employees and pays Aetna \$1 million dollars for health insurance for it's employees and then has no financial responsibility afterwards.



Self Funded Employers

- Employers who take the risk of their health plan on themselves. They do not use Aetna, CIGNA, or other fully insured carrier.
- They hire a TPA – Third Party Administrator to perform functions of an insurance carrier
- Employers funds all medical claims and costs themselves.
- Self funded Employers – Huge opportunity for Medical tourism because the money they save goes in the employers pocket.



First Starters in Outbound Medical Tourism

- Aetna ~ Hannaford Brothers
- Blue Cross Blue Shield SC
- Wellpoint BCBS
- Other BCBS agencies
- Swiss Re
- US Now





How Employers/Insurance Co's Provide Incentives for Medical Tourism

- Waiving Deductibles/Coinsurance
- Example - \$2,500 Deductible for Surgery and 20% coinsurance up to maximum out of pocket of \$7,000.
- Aetna Health Insurance → Knee Replacement – cost \$40,000. I pay \$2,500 deductible, then 20% of the cost up to a maximum total out of pocket expenses of \$7,000. So, my OOP for knee surgery is \$7,000.
- Paying for all expenses (travel, hotel, etc) for an employee and a loved one.
- In some cases giving cash incentives (up to \$5,000 in cash).
- Employee saves thousands of dollars, in some cases make a profit.
- Even with employers providing an incentive to employees there is still potentially over 80% in savings.



Reducing The Risk of Liability and the Importance of Accreditation





International Insurance Companies & Medical Tourism

Legal Liability

- Who is responsible if something goes wrong?
- Where are they liable?
- When are they liable?
- Under what law are they liable?

Possible Precautions

- Requiring foreign providers to provide additional corrective care at no additional cost.
- Indemnification of the patient's domestic doctor for vicarious liability for the foreign providers negligence.



Judging the Quality?

- ISQUA www.isqua.org



- JCI www.jointcommissioninternational.org



- Trent www.trentaccreditationscheme.org



- Canadian Accreditation www.accreditation-canada.ca



- Australian Accreditation www.qhc.com.au



- Surgical Facility Resources www.aaaasf.org





Risk & Liability

- Risk of Liability needs to be assessed.
- Medical Care can not produce uniformity in medical care, uniformity of results or uniformity of post-care recovery and therefore adverse results will occur.
- Risk can be reduced through precautions, but not eliminated entirely.
- Risk may be reduced through choice of law and forum clauses.
- Risk can be reduced through waivers and disclaimers to some degree.
- Risk can be transferred through indemnification.

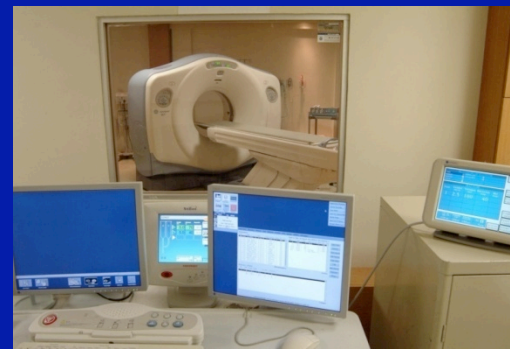


International Insurance Companies & Medical Tourism

Concerns from Insurance companies are coming from two different concerns: **Quality & Continuity of Care** and **Legal Liability**.

Quality, Aftercare & Continuity of Care

- **Who has the responsibility of the ancillary treatment while the patient is overseas**
- **Who is responsible for the additional unrelated treatment of the patient overseas?**
- **Who is responsible for the follow up care?**





Successful Market Penetration Techniques





Marketing Myths & Failure

- **Most Hospitals fail when it comes to marketing to foreign patients. National vs. International Brand**
- **Can't just open your door and think foreign patients will come.**
- **Can't just build a website and think patients will come.**
- **Can't just partner with one company in foreign country and think the patients will start to come.**
- **Can't just attend one conference and think people will come.**
- **Can't think people will come.**



Actively Marketing

- **Need to actively market aggressively and have a strategic marketing plan.**
- **Need to know what region/patients you want to attract and how you will market to those patients.**
- **Need to make sure for every patient that comes they have an amazing experience, - word of mouth marketing. If they don't you won't get patients.**
- **Need to create tie-ups, business relationships with medical tourism companies/facilitators and insurance companies.**



Turkish Market Potential





Turkish ~ American Relations

- **7 chambers of commerce across the US in NY, NJ, PA, DE, Conn., GA, Chicago, FL, CA**
- **4-5 business forums, councils, societies**
- **Turkish-American population is estimated to be over 500,000 in the US located primarily in NY, NJ, CA, FL, VA, TX, OH, ILL, PA and Mass.**
- **Cities most located in New York City, Brooklyn, Newark, DC, San Diego, Miami, Chicago, Philadelphia, LA, San Francisco, Atlanta, Houston, Columbus, Tampa, Norfolk, Orlando, Sunnyside NY, Seattle, Pleasanton CA, Arlington VA, Clifton NJ, Long Island NY, Boston, Dallas, Charlotte NC, Raleigh NC etc.....**



How Does a Turkish Hospital or Clinic Seize the Opportunity

- Developing International Patient Department
- Having Procedures in place to handle foreign patients flow
- Continuity of Care Networks
- Communication & Telemedicine
- Having Access to “buyers” who will send you patients, i.e. medical tourism companies/ brokers, insurance companies, and direct access to the patient
- Networking Opportunities



Why Would Patients Come to a Turkish Hospitals/Clinics?

- More Personalized Treatment and care
- High Quality of Care and excellent reputation
- Affordability
- Transparency in Quality of Care and Pricing
- Transparency in experience of surgeons
- No language or cultural barriers
- Ease of travel



THANK YOU



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