



Medical Tourism: Consumers in Search of Value

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Agenda

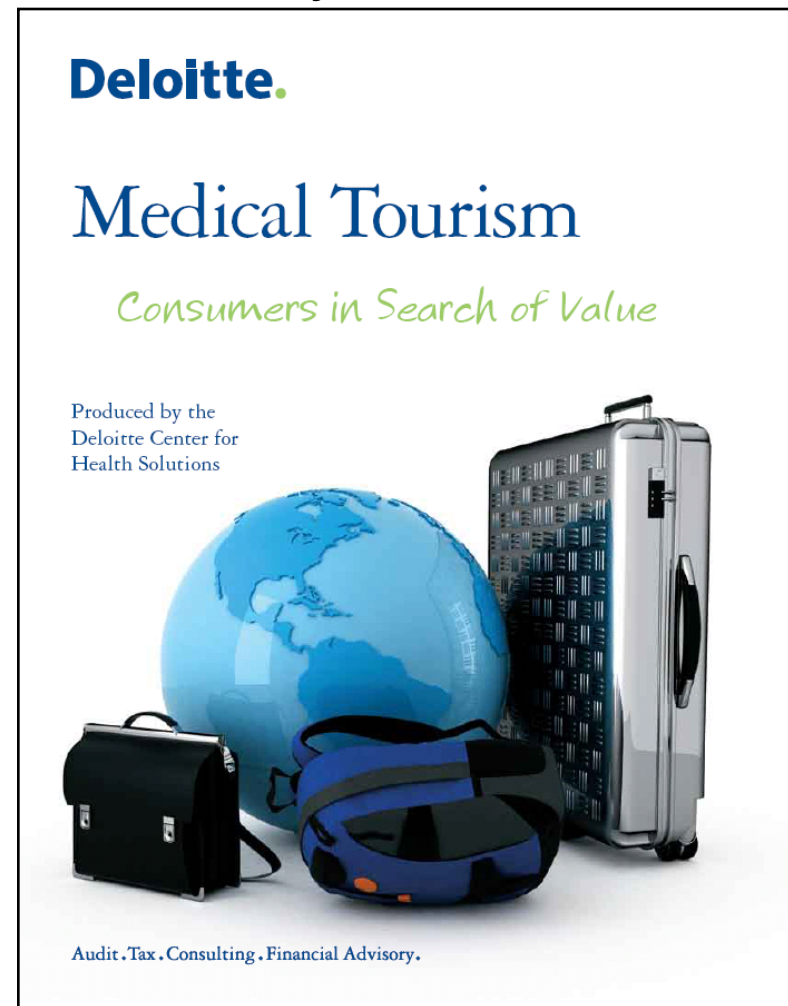
- What defines the Medical Tourism industry and what is driving the growth?
- What types of patients are attracted to Medical Tourism?
- What does this mean for employers?

Analysis: New Medical Tourism Study

Medical Tourism – the process of “leaving home” for treatment and care abroad or elsewhere domestically – is an emerging phenomenon in the health care industry.

- 750,000 adults used off-shore health services for a surgical procedure in 2007 (commercially insured adults make up the core market)
- Cardiac, orthopedic, dental and cosmetic procedures are primary uses
- Employers and health plans are driving awareness and facilitating the use of medical tourism
- Savings could be as much as 90% after travel costs

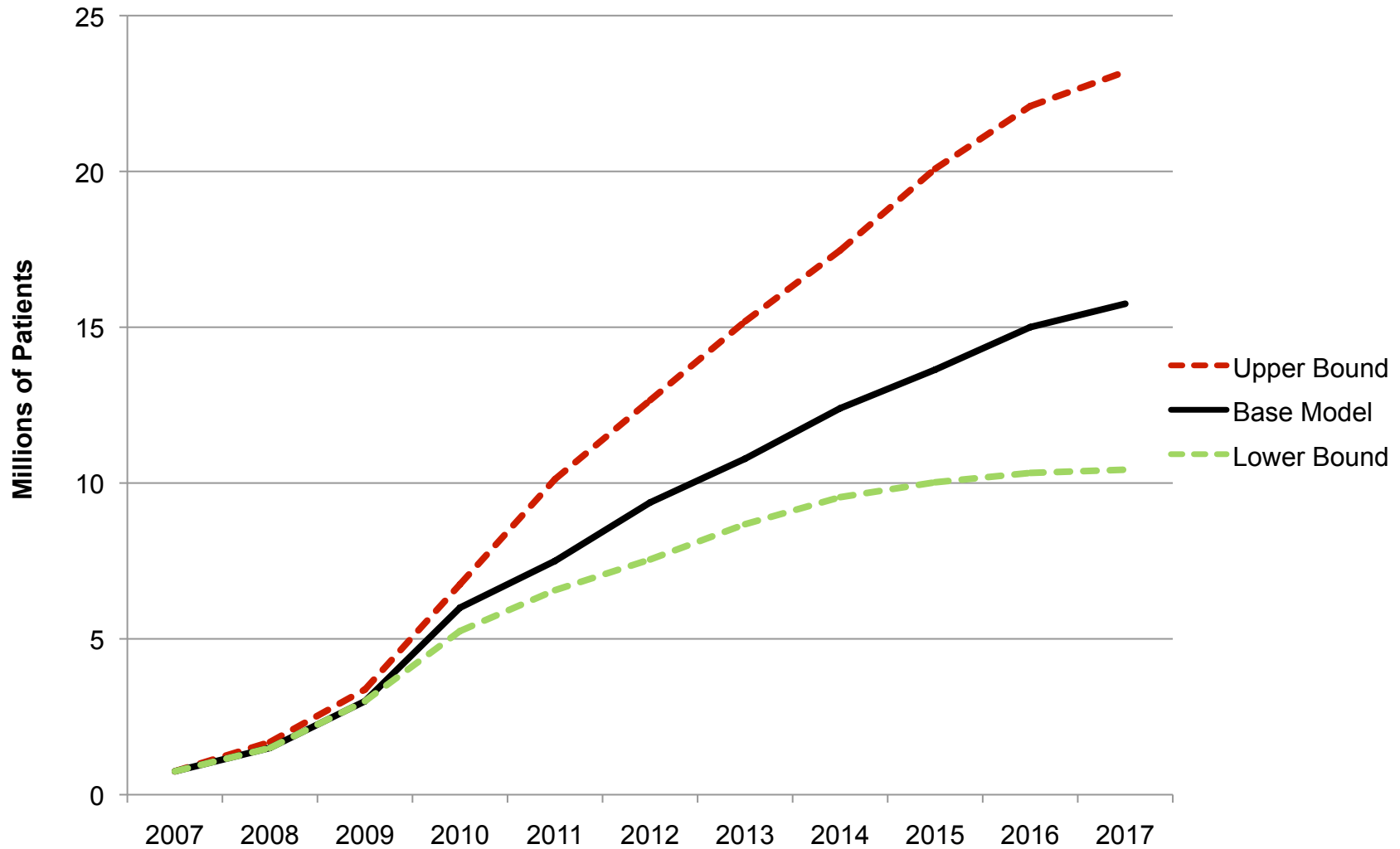
www.deloitte.com/us/medicaltourism



Source: 2008 Survey of Health Care Consumers (www.deloitte.com/us/healthcareconsumersurvey)

U.S. Outbound Patient Flow 10 Year Projection

The number of American traveling outside the US for medical care is expected to increase to 6 million in 2010, and continuing to grow, but at a slower pace into 2017.

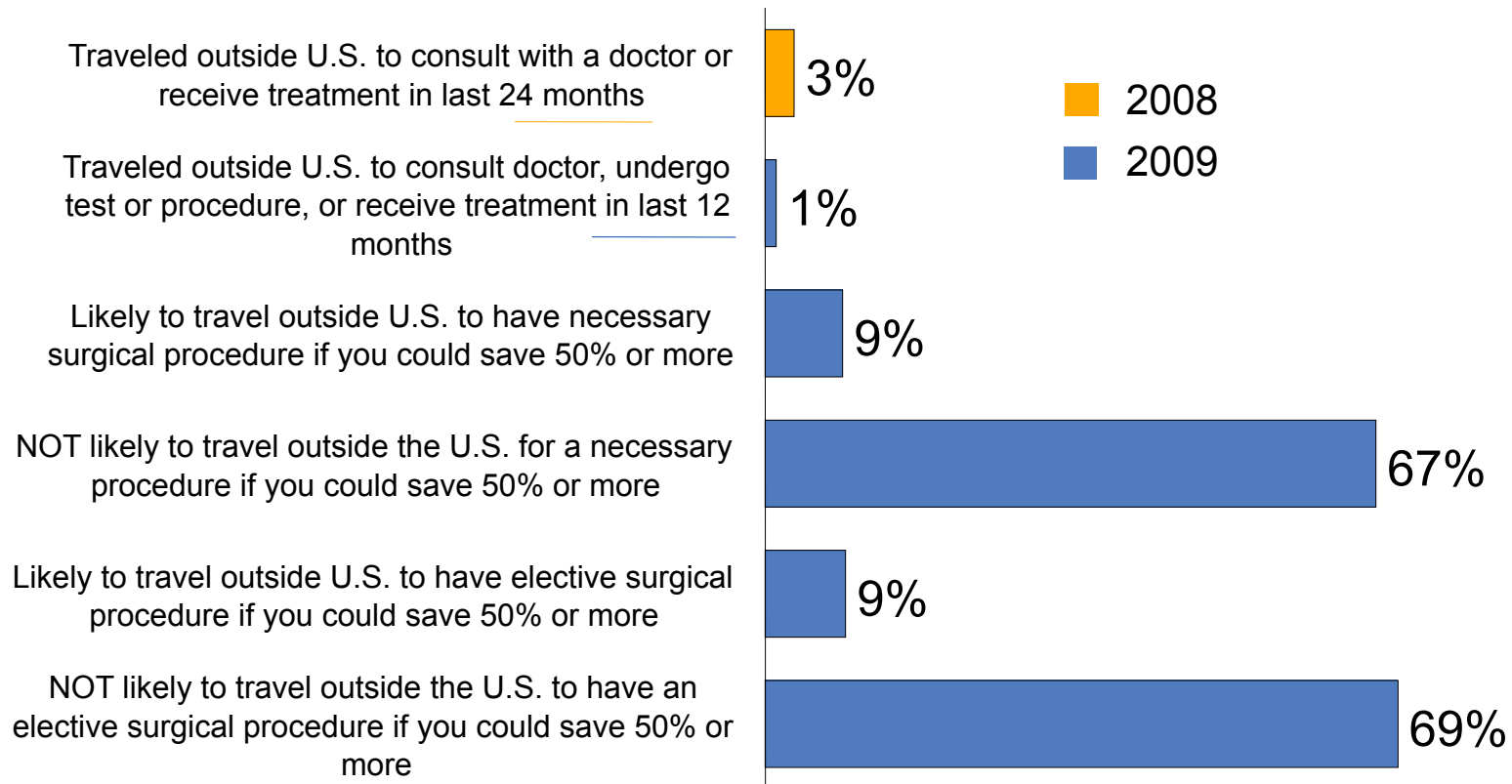


Source: Internal Deloitte Analysis

U.S. Consumers interest in Medical Tourism

In the upcoming Deloitte 2009 *Survey of U.S. Health Care Consumer*, 1% of respondents reported using an offshore health care provider, 9% said they'd be likely, and 69% said they'd be unlikely

Percentage Who Traveled Outside the U.S. for Care and Likelihood of Doing So



NOTE: "Likely" = % who gave rating of 8, 9, or 10 while "Not likely" = % who gave rating of 1, 2, or 3 on a 10-point scale Deloitte's 2008 and 2009 Surveys of Health Care Consumers

International Sites of U.S. and Non-U.S.-Based Providers

Consumer safety and quality concerns are being addressed through affiliations with leading U.S. teaching hospitals and independent accreditation organizations.



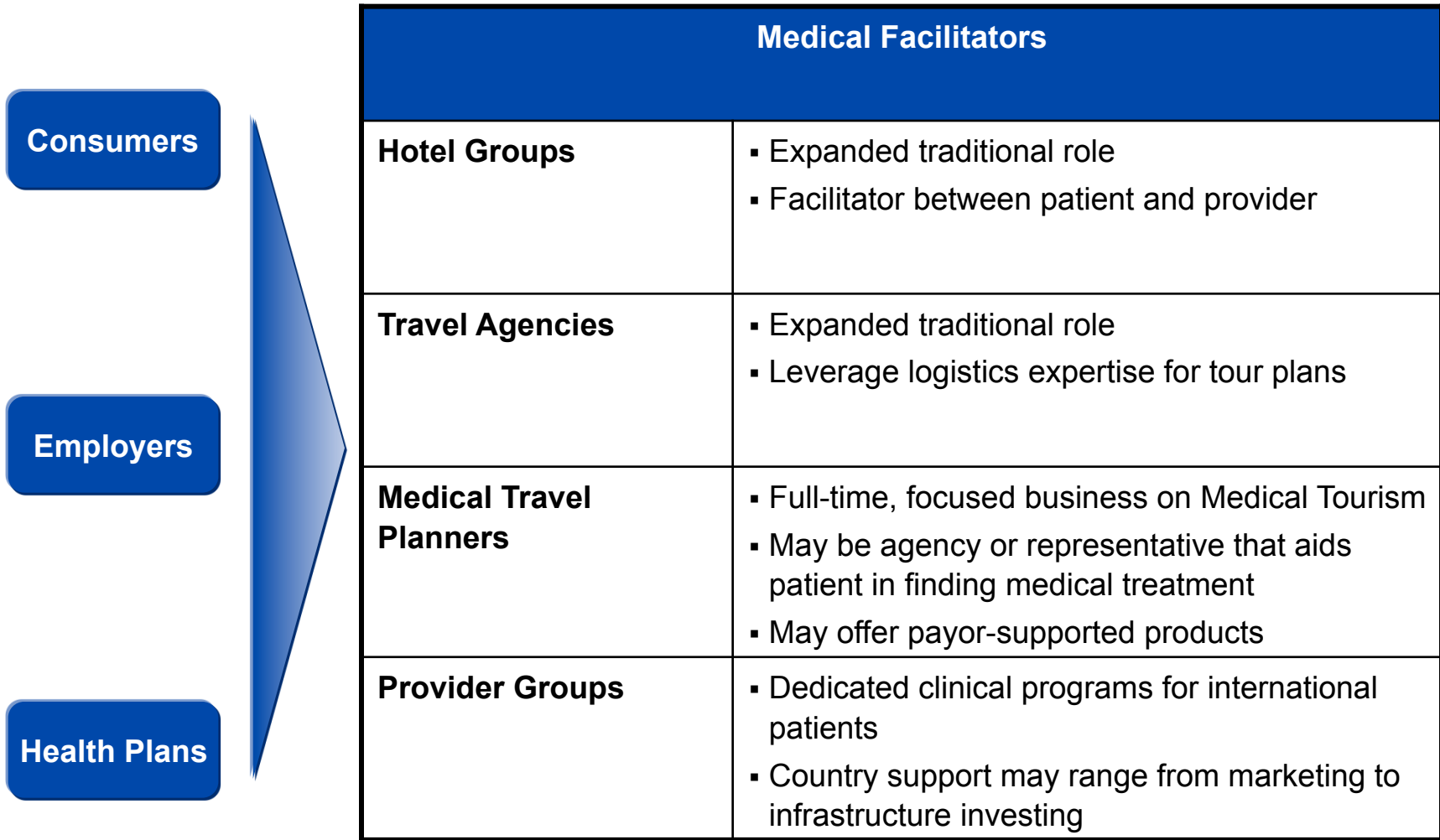
Illustration Key

- Country with US provider footprint/presence
- B/T/C Branding/ Training/ Consulting
- HS Hospital Service
- MS Medical School

U.S. providers with International Sites	B/T/C	HS	MS	Total
Cleveland Clinic		2		2
Cornell Medical Clinic			1	1
Duke Medical School			1	1
Harvard Medical International	23			23
Johns Hopkins International	11	1		12
Memorial Sloan Kettering	9			9
University of Pittsburg		3		3
Columbia University Medical School	3		1	4

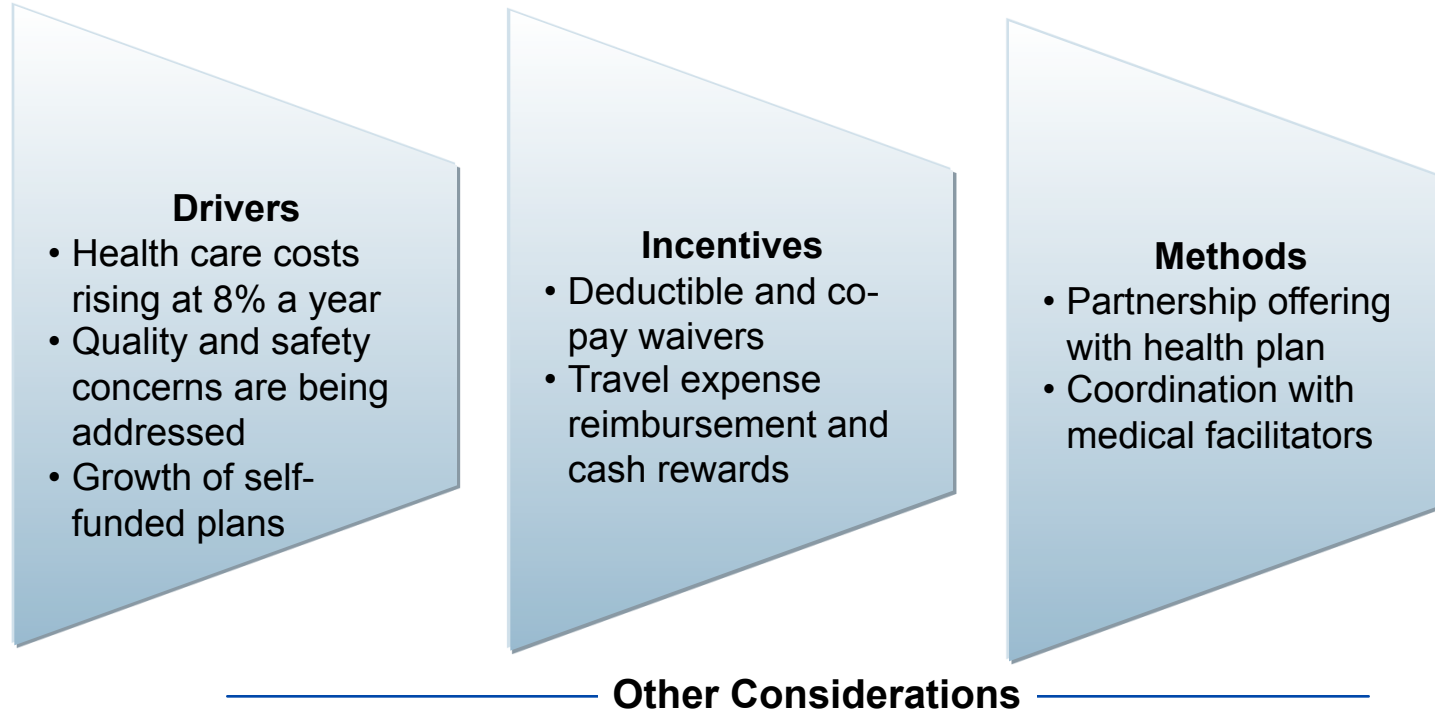
Medical Tourism Landscape

As the Medical Tourism Landscape takes shape, a number of stakeholders in this market are emerging and defining their role and value to the market.



Employer Position

Although currently medical tourism is primarily consumer-driven, employers are increasingly looking to it as a way to curb the rising costs of providing health care for employees.



- Employers need to analyze their true cost savings
 - When the costs of US procedures are examined, and the negotiated health plan costs are figured in, savings from medical tourism may be less than expected
- Employers need to thoroughly consider how insurance companies are offering medical tourism options to employees, and where the liability lies in cases of malpractice

Health Plan Reaction

US health insurance companies to date have taken a “wait and see” approach with medical tourism, however given the interest of employers, this will take shape in the near term.

Medical Tourism Offerings

- Self-funded groups are most interested in options
- Generally, large insurers placing a limited focus on medical tourism in an effort to maintain domestic provider relationships



Future Considerations

- Data transparency to ensure **quality care**
- **Development of networks** that ensure accredited hospitals, surgeons and anesthetist who have been trained and potentially board-certified in the U.S.
- Determining **liability** and exposure to malpractice issues
- **Member incentives** to participate
- Coordination and review of **pricing trends** which may make certain services more attractive domestically
- Domestic physicians may be hesitant to serve members involved with **post operative complications** from services of foreign providers

Source: "Positive Prospects for Profit – US Insurance Companies and Medical Tourism", Medical Tourism Magazine, 12 Oct 2008; "Medical tourism: sometimes sightseeing is to look at your x-rays", New York Times, 20 May 2007; "Employers, Insurers Consider Overseas Health Care", NPR, 14 Nov 2007

For More Information

- To download a copy of the Medical Tourism: Consumers in Search of Value report please visit: www.deloitte.com/us/medicaltourism
- To subscribe to receive complimentary e-alerts when new research is published by the Deloitte Center for Health Solutions, please register at: www.deloitte.com/centerforhealthsolutions/subscribe
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