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Series Editor-in-Chief

ADVANCES IN HOSPITALITY AND TOURISM

Medical Tourism and Wellness

Hospitality Bridging Healthcare (H2H)©

Frederick J. DeMicco. PhD, RD Editor

Foreword by Shirley Weis,
former Chief Administrative Officer, Mayo Clinic

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Frederick J. DeMicco, PhD, RD, MS PH, CGSP, is a Full Professor and holds the Aramark Endowed Chair in the Department of Hospitality Business Management at the University of Delaware. Formerly, he was Associate Director in the School of Hotel, Restaurant and Recreation Management at Penn State University, where he was Professor-in-Charge of the HRIM undergraduate and graduate programs for five years. He also holds the Conti Distinguished Professorship at the Pennsylvania State University, University Park, PA.

Dr. DeMicco's research and scholarship interests are in international strategic management, and hospitality leadership and Innovation. He has worked on projects with the Aramark Corporation for the last four Summer Olympics (Atlanta, Australia, Athens, and Beijing). He is on the editorial board of the *Hospitality Research Journal*, as well as author and co-author of more than 100 publications in the area of hospitality and tourism management. Dr. DeMicco is ranked 12th among the 119 most cited international hospitality faculty, and he is tied for 37th (with Harvard's Michael Porter) as a scholar most cited by hospitality education faculty.

He has sat on the boards of the Delaware Restaurant Association, the Delaware Hotel & Lodging Association, and International CHRIE. He was President of ICHRIE NENA.

Dr. DeMicco has taught and conducted research in Europe, Scandinavia, South America, Australia/NZ, China, and the Caribbean (including cruise ships). He has co-authored, with James Keiser, Cihan Cobanoglu with Robert N. Grimes, the textbook *Contemporary Management Theory: Controlling and Analyzing Costs in Foodservice Operations* (5th edition). The book is used at approximately 100 CHRIE-affiliated universities and has been translated into Japanese. He is also the first author of Restaurant Management: A Best Practices Approach with publisher Kendall-Hunt. Dr. DeMicco is also a co-author with Dr. Marvin Cetron and Owen Davies for the book *Hospitality 2015: The Future of Hospitality and Tourism,* which looks at trends for the tourism hospitality and travel industry.

In 2008, Dr. DeMicco received the AH&LA Educational Institute's Lamp of Knowledge Award for Outstanding United States Educator.

Lodging Magazine honored Dr. DeMicco as the Lodging Industry's Top Education Innovator for 2006.

Dr. DeMicco completed his PhD in Hotel, Restaurant, and Institutional Management at Virginia Polytechnic Institute and State University under major Professor Dr. Michael D. Olsen. In 1996, he completed a sabbatical in Hotel Management at Walt Disney World, Florida. Dr. DeMicco also obtained a Ducktorate Degree from Disney University, Orlando Florida.

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CONTENTS

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LIST OF ABBREVIATIONS

ACA	Affordable Care Act
ADR	Average daily rates
ANCC	American Nurses Credentialing Center
BPaaS	Business process as a service
CAHPS	Consumer assessment of healthcare providers and systems
CAT	Communication accommodation theory
CDC	Center for Disease Control and Prevention
CGSP	Certified Guest Service Professional
CHM	Chinese herbal medicine
CIC	China Investment Corp.
CMS	Centers for Medicare & Medicaid Services
CVM	Contingency valuation method
DMC	Destination medical community
EHR	Electronic health record
EMTALA	Emergency Medical Treatment and Active Labor Act
EVT	Expectancy violations theory
H2H	Hospitality bridging healthcare
HDI	Human development index
IPPS	Inpatient prospective payment system
JCI	Joint Commission International
KHIDI	Korea Health Industry Development Institute
KTO	Korea Tourism Organization
MHTC	Malaysia Healthcare Travel Council
MTAM	Medical tourism analysis map
NAAL	National assessment of adult literacy
PESTEL	Political, economic, social, technological, environmental, and legal
SHMTPPP	Shanghai Medical Tourism Products & Promotion Platform
STR	Smith Travel Research
SWOT	Strength, weakness, opportunity, and threat
TAT	Tourism Authority of Thailand
TCM	Traditional Chinese medicine
UNDP	United Nations Development Program

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Dr. Khan has received the Steven Fletcher Award for his outstanding contribution to hospitality education and research. He is also a recipient of the John Wiley & Sons Award for lifetime contribution to outstanding research and scholarship; the Donald K. Tressler Award for scholarship; and the Cesar Ritz Award for scholarly contribution. He also received the Outstanding Doctoral Faculty Award from Pamplin College of Business.

He has served on the Board of Governors of the Educational Foundation of the International Franchise Association, on the Board of Directors of the Virginia Hospitality and Tourism Association, as a Trustee of the International College of Hospitality Management, and as a Trustee on the Foundation of the Hospitality Sales and Marketing Association's International Association. He is also a member of several professional associations.

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FOREWORD

Hospitality and healing have been intertwined from ancient times. In the parable of the Good Samaritan, a Samaritan came upon a severely beaten man in need of assistance along the roadway. He disinfected the man's wounds with wine and used oil to soothe his pain. After rendering medical assistance, the Samaritan transported the injured man to an inn for a time of healing and rest.

The roots of the modern healthcare and hospitality industries can be traced back to the late 1800s. Pioneers in healthcare, such as the Mayo Brothers, travelled the world to learn about the latest advancements in medical care from colleagues in such far-flung places as China, India, and Europe. During their travels, they undoubtedly experienced the best—and the worst—of hotel and hospitality offerings. Perhaps they stayed in a hotel run by Cesar Ritz.

These pioneers of healthcare and hospitality developed similar overarching beliefs. For the founders of the Mayo Clinic, it was that "the needs of the patient come first." In the case of Cesar Ritz of Ritz Hotel fame, it was "Le client n'a jamais tort" or "the customer is never wrong."

Today, many healthcare and hospitality organizations are looking to strengthen and broaden their brands. The wise leaders of these enterprises have come to understand that the future belongs to those who can combine the best of hospitality with healthcare delivery to deliver an outstanding experience. Indeed, the secret of success in the expanding world of medical tourism is the mastery of hospitality and healthcare.

In his new book, *Hospitality Bridging Healthcare (H2H) and Medical Tourism & Wellness.,* Dr. Fred DeMicco shares his insights about the past, present and the future of healthcare and hospitality. His deep and broad experience in the practice, education, and research aspects of hospitality and healthcare are evident throughout the book. He is a recognized expert on Medical Tourism and Hospitality who has worked directly with iconic organizations such as Massachusetts General Hospital and Walt Disney World.

In this comprehensive book, Dr. DeMicco stresses that consumers expect quality and value from all products and services that they purchase. Section I contains methods to raise the bar for patient/guest services. In Section II, the processes and procedures used to deliver a high-quality guest experience

are discussed in detail using Mayo Clinic as an example. Dr. DeMicco also provides insights into the impact of the Affordable Care Act (often referred to as Obama Care) on American healthcare delivery and financing. Finally, he shares case studies and best practices in H2H operations.

Whether you have been in business for 150 years or 150 days, *H2H and Medical Tourism & Wellness* is an invaluable resource that will show you how to make excellence a habit, as you strive to delight your guests/patients.

–Review by Shirley A. Weis
Former Chief Administrative Officer, Mayo Clinic
January 11, 2016

Ms. Weis is President of Weis Associates, LLC. She is also Special Advisor to the President of Arizona State University and Professor of Practice in the W. P. Carey School of Business as well as the College of Nursing and Health Innovation. She previously served as Chief Administrative Officer of Mayo Clinic and is credited with transforming Mayo Clinic during her tenure as Chief Administrative Officer, a role in which she oversaw virtually all of the organization's business operations.

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PROLOGUE

This book is divided into three sections. Section I provides the overview of healthcare and hospitality and how the two have become, rightfully so, intertwined. Consumers expect quality in all of the products and services they purchase, and their healthcare purchase is no different. Section II will examine some examples of healthcare facilities and how they integrate and bridge hospitality and healthcare. Picture a Venn diagram with interlocking circles each circle representing healthcare and hospitality. The intersection of the circles provides the opportunity to raise the bar on patient/guest services for quality and positive and beneficial health, and wellness outcomes. The goal of this section II is to introduce Hospitality Bridging Healthcare (H2H) and Medical Tourism & Wellness and the importance of providing high quality patient/guest services. Included will be an overview of the Mayo Clinic as a system with many processes that have to be managed with optimal patient/guest services in mind. This section also provides an overview of the Affordable Care Act (often referred to as Obama Care), which is driving the delivery of high-quality patient/guest services (which are tied to federal reimbursement for healthcare at hospitals today). The patient/guest service and guest loyalty practices and techniques for delivering a total guest experience will be described in several chapters that follow. At the conclusion of Section II will be a discussion of trends and future areas for Medical Tourism & Wellness and H2H.

The final part of the book, Section III including case studies and best practices in H2H, provides some examples of the possibilities for H2H with some real world examples, and some case studies to help in designing, discussion of and planning H2H into these operations. We hope you learn from these examples. Please enjoy the knowledge gained from the H2H journey and we hope that the book in your hands adds value.

—Frederick J. DeMicco, PhD, RD,
Professor of Hospitality and Healthcare Management

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PREFACE

AN INTRODUCTION TO HOSPITALITY BRIDGING HEALTHCARE (H2H) AND MEDICAL TOURISM AND WELLNESS

BY FREDERICK J. DEMICCO, PhD

ABSTRACT

Medical tourism is one of the hottest niche markets in the hospitality and travel industries today. The preplanning of the medical journey leading up to the arrival at the medical/health/wellness destination begins a cascade of multiple H2H services to create an entire satisfying experience for the patient/guest which can lead to loyalty if performance in the entirety of the process is at the highest level. Hospitality and Healthcare services working in harmony and cadence will play a critical role for success.

1 WHAT DRIVES MEDICAL TOURISM?

For most of us, getting sick is a good way to ruin a vacation. However, for growing numbers of people, needing to see the doctor is the whole point of going abroad. When they require surgery or dental work, they combine it with a trip to the Taj Mahal, a photo safari on the African veldt, or a stay at a luxury hotel—or at a hospital that feels like one—all at bargain-basement prices. This is medical tourism, and it is one of the hottest niche markets in the hospitality.

2 WHY MEDICAL TOURISM?

With the growing presence of much focused websites which provide relevant information about the medical tourism destinations, medical procedures with their associated costs, and tourism attractions, the decision-making

regarding their trip for potential medical tourist will become much more facilitated. Therefore, medical tourists have a good cause to seek out care far from home. In some regions, state-of-the-art medical facilities are hard to come by, if they exist at all. For that reason, patients throughout the Middle East are traveling to Jordan or Asia for complicated surgery.

In other countries, the public healthcare system is so overburdened that it can take years to get a needed care. In Britain or Canada, the waiting list for a hip replacement can be a year or more long. And as Dr. Prathap Reddy, the Boston-trained founder of the Apollo Hospitals chain in India, comments, "If you wait six months for a heart bypass, you may not need it anymore." In Bangkok or Bangalore, you can be in the operating room the morning after you get off the plane.

But for most people, the real attraction is price. The cost of surgery in India, Thailand, or South Africa can be one-tenth of rates in the United States or Western Europe, and sometimes even less. A heart-valve replacement that would cost $200,000 or more in the United States, goes for $10,000 in India, including round-trip air fare and a brief vacation; a metal-free dental bridge worth $5,500 in the States costs $500.

In Thailand, a knee replacement with six days of physical therapy costs about $5,000, one-fifth the American price; Lasik eye surgery worth $3,700 is available for only $730. And a full facelift that would cost $20,000 in the United States runs about $1,250 in South Africa.

In Table 1, there are cost-saving estimations of having medical treatments in different countries comparing to the United States.

Inferior medical care would not be worth having at any price, and some skeptics warn that Third-World surgery cannot be as good as that available in the United States. In fact, there have been cases of botched plastic surgery, particularly from Mexican clinics in the days before anyone figured out what a gold mine cheap, high-quality care could be for developing countries.

Yet, the hospitals and clinics that cater to the tourist market often are among the best in the world. Many are staffed by physicians trained at major medical centers in America and Europe. Many countries aiming at developing medical tourism now increasingly seek Joint Commission International (JCI) accreditation for their hospitals to ensure the quality of health services to their customers.

Source: Health-tourism.com/jic-accredited-medical-centers.

Bangkok's Bumrungrad hospital has over 200 surgeons who are board-certified in the United States. One of Singapore's major hospitals is a branch of the prestigious Johns Hopkins University, in Bethesda, MD. In a field where experience is as important as technology, Escorts Heart Institute and

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Research Center in Delhi and Faridabad, carries out nearly 15,000 heart operations every year. Its death rate among patients during surgery is only 0.8%, less than half that of most major hospitals in the United States.

TABLE 1 Medical Services Cost Saving: Comparison between the United States and Other Countries.

Country	Treatment	Estimated savings (%)
Antigua (St. Johns)	Addiction and recovery	40
Barbados (Bridgetown)	Fertility/IVF	40–50
Brazil (Sao Paulo, Rio)	Cosmetic surgery	20–30
Costa Rica (San Jose)	Dentistry	30–70
Hungary (Gyor, Budapest)	Dentistry	40–75
India (New Delhi, Mumbai, Bangalore)	Orthopedics, cardiology	50–85
Israel (Jerusalem, Tel Aviv)	Fertility/IVF	30–50
Malaysia (Kuala Lumpur, Penang)	Health screenings	70
Mexico (Monterrey, Tijuana, Juarez)	Dentistry, bariatrics	30–60
Singapore	Cancer	30–40
South Africa (Cape Town, Johannesburg)	Cosmetic surgery	40
Thailand (Bangkok, Phuket)	Various services	40–75
Turkey (Istanbul)	Vision (Lasik)	40–50

IVF: in vitro fertilization.

Source: darkdaily.com/. Medical Tourism Continues to Flourish as US Patients Seek Lower Cost Healthcare in Overseas Countries.

In some areas, these clinics are backed by sophisticated research infrastructures. India is one of the world's leading centers for biotechnology research, while both India and South Korea are pushing ahead with stem cell research at a level approached only in Britain.

Skilled doctors and state-of-the-art equipment are not the only benefits offered by medical centers specializing in foreign patients. In many, the doctors are supported by more registered nurses per patient than any Western facility could offer. Some facilities provide single-patient rooms that look more like a four-star hotel, with a nurse dedicated to each patient 24 hours a day. Some assign patients a personal assistant for the posthospital recovery period. There is always the chance for a quick vacation, before or after surgery, to sweeten the deal. Many tourist clinics offer resort-like recovery

facilities at a nearby beach for those whose condition or schedule does not allow for an actual vacation. And many of the Asian national airlines offer frequent-flyer miles to ease the cost of returning for follow-up visits.

In some countries, there are even more benefits. Medical tourism is evolving into "wellness tourism." In this variation, the core medical clinic is surrounded by ancillary services, such as psychological counseling, exercise facilities, perhaps meditation, and more. The idea is that health-minded patients can heal their lives as well as getting treatment for a specific malady. Therefore the medical tourism scope can span the whole following spectrum (Fig. 1).

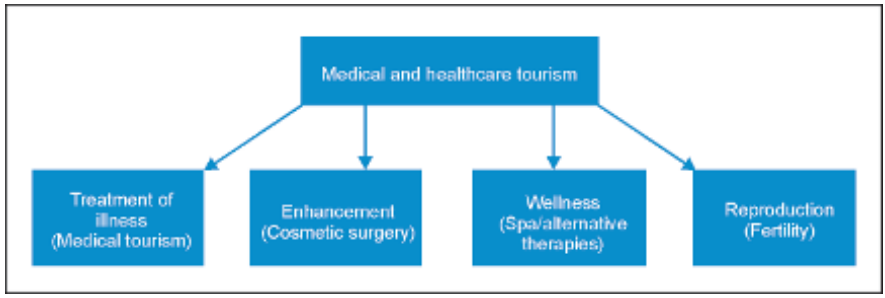

FIGURE 1 Four key components encompassing medical tourism.

3 MEDICAL AND HEALTH CARE SCOPE

Under the circumstances, it is no surprise that the medical tourism market for such a wide variety of services is growing rapidly. Ten years ago, it was hardly large enough to be noticed. In 2012, approximately over 850,000 foreign patients visited Singapore alone; nearly half arrived from the Middle East. Perhaps half a million annually travel to India for medical care; in 2002, the number was only 150,000 but the industry has grown consistency with only 21% growth from 2012 to 2013 and further growth will be expected in the future. Argentina, Costa Rica, Cuba, Jamaica, South Africa, Jordan, Malaysia, Hungary, Latvia, and Estonia all have broken into this lucrative market or are trying to do so, and it seems that a few more countries will join the list every year.

Some important trends guarantee that the market for medical tourism will continue to expand in the years ahead. In the near future, the health of the vast Baby Boom generation will have begun its slow, final decline. There are approximately over 70 million boomers in the United States, over 150

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million in all when Canada, Europe, Australia, and New Zealand are taken into account. They represent an overwhelming market for inexpensive, high-quality medical care.

Medical tourism will be particularly attractive in the United States, where an estimated 43 million people are without health insurance and perhaps 120 million lack dental coverage. The number of uninsured or underinsured Americans is likely to grow quickly, as many companies cut back or eliminate their medical and pension programs. Baby Boom workers who find themselves with little or no healthcare coverage will welcome any chance to cut the cost of care. Patients in Britain, Canada, and other countries with long waiting lists for major surgery will be just as eager to take advantage of care immediately available a plane-flight from home.

The future of medical tourism is characterized by three types of service offering. H2H is a model that indicates how hotels and hospital can merge in terms of their service package.

4 THE H2H MODEL

The model consists of different ways of merging the operations of hospitals and hotels in order to provide superior service quality. First, it proposes that hotels and hospitals can be operationally merged. The second way involves provision of an entire service package for the patients seeking treatment and that spans the whole service from the hospital and the hotel. The third model deals with merging both entities as a way that they represent one unit. For instance, Bad Ragaz in Switzerland (Fig. 2) is a medical resort designed as a patient's center equipped with variety of facilities and service such aquatic therapy and spa to help the patients experience a better care and faster recovery.

Source: Keep patients out of hospital beds and provide quality services to patients and families (Poorani, 2011).

In the future, patients can both enjoy of hospitality from the hotel industry and use the technological advancements in their room while receiving medical service offered by expert staff from the hospitals. The experience of getting treated as a patient will be improved considerably if hotels become partners of hospitals in delivering service experience for their customers (patients).

In addition, Deloitte, the consulting company, also predicts the growth of medical tourism in the future based on the increased demand for outpatient, dental, and cosmetic surgeries in the United States which can be

conducted abroad in a less expensive country. Also, highly diversified and global US workers with access to low-cost transportation will seek more medical services in their original homelands and contribute to the growth of medical tourism demand. Another forecast done with Tourism Research and Marketing Consultancy expressed the following points impacting the future of medical tourism as well.

FIGURE 2 Bad Ragaz wellbeing and medical center in Switzerland. **Source:** DeMicco Fred J (2012), Hospitality 2015: The Future of Hospitality & Travel. Presentation conducted in Helsinki Finland and Drexel University.

The future of patients' room

Source: DeMicco Fred J (2012), *Hospitality 2015: The Future of Hospitality & Travel.* Presentation conducted in Helsinki Finland and Drexel University.

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- "Growing governmental intervention
- Growing international private sector investment and joint ventures
- Increasing supply of medical tourism products, leading to greater competition
- An increasing role for tourism suppliers in the packaging and marketing of medical tourism
- Continuing barriers to medical tourism expansion, including a lack of governmental agreements on payment for treatment abroad and insurance coverage
- Growing ethical concerns about medical tourism, which may limit growth in some regions"

Here are the largest players in the global medical tourism industry:

Thailand got its start in medical tourism in 1997, when the economic crash that hammered much of Asia sent canny healthcare providers looking for new markets. Today, it is the largest and best-established destination for foreign patients, particularly from the Japan and the United States.

More than 89% of medical tourists travelled to Thailand, India, or Singapore in 2010, with Bangkok and Singapore leading the pack. Bangkok is the most popular place for medical tourism in the world, since the cost of hotel rooms and treatment are both far less in Thailand than in Singapore. In 2012, the number of international patients getting treated in Thailand was about 2.5 million people and the number is constantly growing annually.

Major centers for medical tourism are Bangkok and Phuket. No fewer than six medical facilities in Bangkok have hospital accreditation from the United States. Bumrungrad Hospital, listed 6th world's best hospital for medical tourists, alone sees 850,000 patients per year, 50 percent of them from abroad. It treated 55,000 Americans in 2005, 30 percent more than the year before. As in most tourist-oriented medical communities, the major attractions are cosmetic surgery and dental treatments. However, eye surgery, kidney dialysis, and organ transplantation all are among the most common specialties sought by medical vacationers in Thailand. Bangkok Hospital, which specifically caters to medical tourists, has an entire Japanese wing, while Phyathai Hospitals Group has translators for 22 languages, including Swedish, Khmer, and Flemish, as well as a team of English-speaking staff. When not pinned down by medical treatments or recovery, patients usually spend their time shopping or in local sight-seeing.

Suvarnabhumi Airport provides airline services all over the world, reasonably-priced hotel rooms abound, there is reliable public transportation and 30-day visas for many nationalities are easy to get upon arrival. The

Tourism Authority of Thailand (TAT), a medical tourism website, promotes and highlights many of the most popular treatments available, including dental work, dermatology, and cosmetic surgery, as well as listing reputed hospitals. Forward thinking in many of its approaches, TAT has also recently partnered with state-owned Krungthai Bank, the national bank of Thailand, to offer tourists a debit card called the Miracle Thailand Card, which offers some medical and life insurance coverage in case of an accident.

Yet, for vacation possibilities Phuket is clearly your destination, with some of the most spectacular beaches and shorefront scenery on the planet. The mess left by last December's tsunami has been cleared, and the beaches reportedly are cleaner than at any time in a decade. For a few patients, Phuket has another attraction as well: in the whole world, Bangkok Phuket Hospital probably is *the* place to go for sex-change surgery. In fact, that is one of the top ten procedures for which patients visit Thailand.

India is a relative newcomer to medical tourism, but it is quickly catching up to Thailand. Several years ago, McKinsey predicted that the number of foreign patients seeking care in India would grow by 15% per year. The most recent estimates say the growth rate is already 30%. A separate study by ASSOCHAM reported that the year 2011 saw 850,000 medical tourists in India and projected that by 2015 this number would rise to 3,200,000.

India has a large pool of trained medical practitioners, good hospital facilities at lower cost affordability with highly skilled personnel. Medical practitioners are having good competence in their profession as compared with their foreign counterparts. Hence India can become a most preferred destination for medical tourism.

It helps a lot that English is one of the many native languages in India, and the one spoken by all educated Indians, but there are other reasons for this country's popularity among medical tourists. An obvious one is the cost of care, which for many procedures is the lowest in the world. Trips for follow-up care also are relatively cheap, because Air India subsidizes them with frequent-flyer miles. Another is the range of high-level services available in such a large, technologically advanced country. There are top-notch centers for open heart surgery, pediatric heart surgery, hip and knee replacement, cosmetic surgery, dentistry, bone marrow transplants, cancer therapy, and just about any other specialty a patient could need.

Many of those centers are among the best in the world. Virtually all are equipped with the latest electronic and medical diagnostic equipment—and India, unlike virtually any of its competitors in this market, has the technological sophistication and infrastructure to maintain it. Additionally, Indian pharmaceuticals meet the stringent requirements of the US Food and Drug

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Administration, while its quality of care also is up to American standards. Most also provide accommodations that could be mistaken for five-star hotels.

Some Indian medical centers even provide services that are uncommon elsewhere. For example, instead of having the entire hip joint replaced, patients can undergo "hip resurfacing," in which damaged bone is scraped away and replaced with chrome alloy. The result is a smoothly functioning joint with less trauma and recovery time than total replacement, and at lower cost. The operation is well tested and highly successful, but has not yet been approved in the United States.

India has several other advantages for healthcare services. Unlike some of its competitors, India offers a high degree of transparency. Visitors need not worry about unexpected problems with their funds or legal status. Waiting times for surgeries and other treatment are lower than in other countries. A large number of private hospitals, where the medical facilities and serving doctors can be compared to the best in the world, are available. Traditional/alternative healing systems, like Ayurveda, Yoga, Ayush, Siddha, Unani, and Naturopaths, are famous around the world.

Of course, before surgery or after, India has a broad array of unique and exotic destinations for Western tourists. From a peaceful tour of the Taj Mahal to a half-day safari in the White Tiger-Bandhavgarh National Park, shopping for handicrafts in the tribal villages of Orissa and Madhya Pradesh, or skin-diving in the Indian Ocean, this 4000-year-old civilization has something to offer for anyone who visits.

Costa Rica has ecological wonders found in few other lands, from some of the largest, best-protected rainforests in Central America to the fire show of the Arenal Volcano. And for those of more urban tastes, the casinos of San José, Puntarenas, and Guanacaste provide all the action even a jaded Las Vegas regular could ever want.

According to United Nations Development Program (UNDP), Costa Rica is one of the very few countries that have a high Human Development Index (HDI) considering its income levels. Its rich culture, scenic beauty, white sand beaches, and rainforests make it one of the most loved travel destinations in the world.

But for North American patients, what Costa Rica really offers is inexpensive, high-quality medical care in their backyard. Its proximity to Canada and the United States have made healthcare in this country more sought after than even destinations like Thailand, India, and Korea. People travel to Costa Rica for medical help as it has emerged as one of the top five medical tourism destinations in the world. Excellent healthcare, recovery centers, and

affordability make Costa Rica a sought-after destination for medical tourists, especially because of its proximity to North America. In 2011, San José, the capital of Costa Rica, registered 46,474 foreign patients. The number of medical tourists in Costa Rica is expected to continue rising. At the same year, the country earned nearly $196 million through medical tourism alone, with an added $84 million earned through patients' expenditure on travel, hotels, shopping, and meals.

For plastic surgery, prices average roughly one-third of those in the United States—not the prices they would find in India or Thailand, but a lot closer to home for medical vacationers with limited travel budgets.

Cosmetic surgery and dental work are clearly the specialties here. Get a facelift, and chill on the beach until the bruises go away, and the folks at home will never quite be sure why you suddenly look so good. South Africa is the place to go for sun, surf, and surgery within easy reach of lions, elephants, or just the beaches of the Sunshine Coast. South African surgeons tend to be academically sound, but conservative, so this probably is not the best choice for the latest breakthrough in neurosurgery. Heart bypasses and joint replacements are available, but nearly all the medical tourists who visit South Africa come for cosmetic surgery. And at that, the many clinics in and around Cape Town excel. Most provide a personal assistant or frequent visits by a trained therapist to help out during the recovery, and trips to a top beauty parlor to help patients get the best from their new look. Nearly all medical tour packages include the medical procedure, postoperative care in a luxury hotel or guest house, and a safari or other vacation before or after the operation. Because the South African rand is so cheap on the world's foreign-exchange markets, prices tend to be lower than in some other destinations.

In addition to these major centers, half a dozen other countries have significant parts of the medical tourism market, while still others are breaking into the field:

- Argentina continued to see the highest current value growth in medical tourism, up by 37% and reaching ARS 410 million in 2012; around 1000 foreign visitors came to Argentina to receive a medical treatment per month. Argentina became one of the leading Latin American countries in terms of medical tourism because of its professionals of high level, availability of the latest medical technology, and high-quality services in clinics and hospitals.
- Cuba is resurrecting its once-renowned medical facilities in an effort to attract medical tourist dollars. Cosmetic surgery, eye care, and a well-regarded women's hospital all are among the attractions.

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- Hungary is drawing visitors from Western Europe, and growing numbers from the United States, for high quality plastic surgery and dental care at prices that can be as little as half of those in nearby Germany and 30–60% of American rates. The country is trying to heavily promote cosmetic surgery, eye treatment, fertility treatment, anti-aging treatment, and more. Hungary is also promoting medical spas showing clearly health benefits.
- Iran has set its sights on pulling in patients for cardiovascular and orthopedic surgery, dentistry, organ transplants, and even psychiatric care. Iran also is one of 12 countries with biological medicines technology and can serve medical tourists. Moreover, Iran is renowned for its hot springs and traditional medicines which can be the source of wellness tourism. However, despite the profitability and huge potential growth in medical tourism, medical tourism has not been recognized as a national industry in Iran. They plan to develop and make further investments in medical tourism industry.
- A better bet is Dubai, already known as a luxury vacation paradise on the Red Sea. Dubai Healthcare City was launched in 2002. It encompasses two hospitals and 120 outpatient medical centers and laboratories. It is the world's largest healthcare free zone with a new branch of the Harvard Medical School on site; it may also be the most prestigious. According to Dubai's healthcare officials, the emirate reached 107,000 medical tourists in 2012, generating revenues worth Dh 652.7 million (Fig. 3).

FIGURE 3 Al Rahba Hospital—Johns Hopkins Abu Dhabi, UAE.

Ramadan Ibrahim, director of the health regulation department and the director of the medical tourism project, has a plan that "by 2016 we expect a 15 per cent jump bringing the total number of tourists to 170,000 and the revenues to Dh 1.1billion and by 2020 if we consider a 20 per cent jump, it brings the number to 500,000 tourists and revenues to Dh 2.6 billion."

- Malaysia offers advanced care at low prices in a variety of specialties. It is English-speaking country, so there is no barrier for patients having direct communication with doctors. However, its efforts to develop medical tourism have been handicapped by an acute shortage of doctors and technicians. Malaysia is striving to cultivate more doctors, such as having 5000 new well-trained graduates each year. In 2012, Malaysia received 671,727 patients from around the globe and obtained RMB 594 million revenue contributing to Malaysia's economy. Malaysia medical tourism is regulated by the Ministry of Health Malaysia, guaranteeing the quality of medical providers to medical tourists. Malaysia Healthcare Travel Council (MHTC) is carrying out the promotion of medical tourism of the country.
- The Philippines are still an undeveloped land as far as medical tourism goes, but that may not remain true for long. Bangkok's Bumrungrad Hospital recently made a major investment in the Asian Hospital and Medical Center, outside Manila, where it hopes to clone its own success in attracting vacationing patients. Because of country's bright economic outlook, improvement of medical tourism and domestic tourism is expected to keep robust growth over the forecast period.

5 HEALTHCARE ("*HOSPITALITY*") MANAGEMENT AS A CAREER

Every hospitality/hotel and healthcare manager ("hospitality" manager) needs to reinforce the principles of service excellence and employ some of the tools and suggestions described further in order to bring about patient/guest loyalty.

They need to focus on; why patient or guest loyalty is very important, why satisfied patients/guests do not equate to loyalty and why each manager and employee has a role to play in the service setting, and how attitude, courtesy, and compassion are the bedrock for success.

Healthcare includes hospitals, clinics, nursing homes, life care, and continuing care facilities. It is a segment that shows no signs of slowing and there will be many career openings for hotel and restaurant management

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graduates. This is due to the fact that people are aging and will therefore require more medical procedures going forward into the future. This segment is managed by contract companies and also self-operated. For example, ARAMARK has hospitals such as Hahnemann Hospital in Philadelphia and the Massachusetts General Hospital in Boston (where I completed my dietetic internship for the RD certification) is self-operated.

Graduates from hospitality, business, healthcare management programs that join this segment of the healthcare/hospitality industry, can look forward to solid growth for the future, stable work hours, good pay and benefits (particularly medical insurance), often times day care for employee children, career growth, and making a difference serving people in need. Usually graduates of 4-year hospitality programs begin as an assistant director, work up to a director of food services, and eventually can become a GM or Vice President for patient/guest services. The US Labor force is expected to have slow if not anemic job growth as workers age. But much of the job growth will occur in the coming decades in jobs that focus on services for seniors. Healthcare occupations and related health industries are expected to have the fastest employment growth and add the most jobs through 2024 according to the US Department of Labor (The Wall Street Journal, 12/9 2015, P A2).

As more health-care facilities grow to become "medical campuses" and medical meccas for medical tourism, they emulate hotels in their quality and delivery of health and wellness services. Many build hotels or have partner hotels for medical guests and tourists. In fact, in hospitals, approximately 75% of the services provided to patients are hospitality/hotel related services (Fig. 4).

FIGURE 4 The 75% rule of hospitality in healthcare settings.

For example, medical centers they may add wellness and spa operations, which hospitality school graduates should be prepared to oversee. In addition, more food service directors are becoming General Managers of the entire healthcare campus enterprise who lead not only the traditional hospital facilities but also, the hotel(s), spa and wellness, environmental services (e.g., housekeeping), transportation services, parking, the grounds, snow removal, all dining venues. This is usually a vice president position on the healthcare campus and can provide challenge, excitement and very good pay and benefits in the six figure salary range. In sum, hospitality schools prepare graduates to be GMs of hotels and now graduates should think of becoming GMs/VPs of healthcare (nonmedical) operations and services in the future (see DeMicco, F. J.; Williams, J. A. Down-board Thinking (What Are Our Next Moves?). *J. Am. Diet. Assoc.* **1999,** *99*, 285–286).

6 THE OPPORTUNITY FOR A NEW CAMPUS MAJOR: HOSPITALITY BRIDGING HEALTHCARE

This is clearly a field for hospitality, business, and healthcare graduates that provides challenge and future growth opportunities.

Therefore a new major on campuses that concentrates on H2H prepares graduates for a growing field and challenging career (Fig. 5).

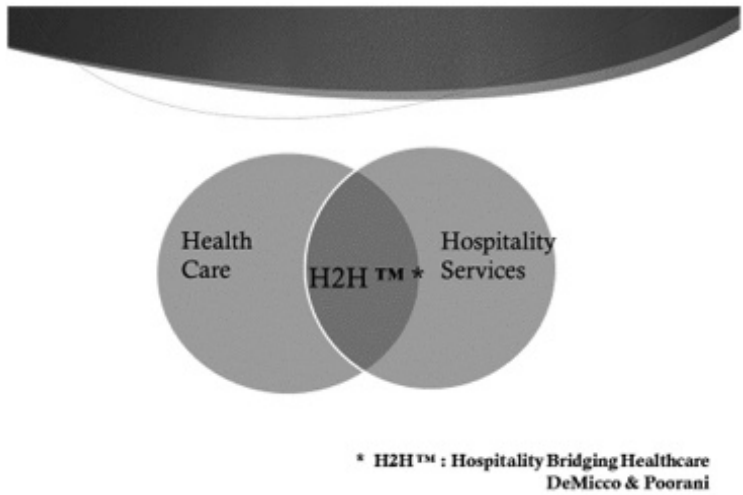

FIGURE 5 The intersection of hospitality with healthcare (H2H).

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7 CONCLUSION

The preplanning of the medical journey leading up to the arrival at the medical/health/wellness destination begins a cascade of multiple H2H services to create an entire satisfying experience for the patient/guest which can lead to loyalty if performance in the entirety of the process is at the highest level. Hospitality and healthcare services will play a critical role for success. Graduates of programs focusing on this intersection of H2H will be rewarded with challenging and lucrative careers. The path forward includes developing a core curriculum and courses for this promising new career track. It will be an intersection of business management, healthcare administration and hotel/hospitality business management theory and practice/hands on learning.

ADDENDUM

I obtained my *Ductorate Degree* from Disney University while I worked at Disney. Lessons learned from Disney University use a Sleeping Beauty Seven Dwarfs Disney analogy which has application to H2H. "Be Happy, by making eye contact and smile; Be like Sneezy and greet and welcome each and every guest. Spread the spirit of Hospitality, it is contagious; don't be Bashful, seek out Guest contact; be like Doc and provide immediate Service recovery; don't be Grumpy, always display appropriate body language at all times; be like Sleepy , and create dreams and preserve the "Magical" Guest experience and don't be Dopey, thank each and every guest" (Cockerell L. *Creating Magic: 10 Common Sense Leadership Strategies from a Life at Disney*. Crown Business Publisher, 2008; pp 1–270). Sharing this Disney vision with employees, and providing a structure for them to serve the patient/guest while understanding their role and following the script (storyboard) like Disney does can lead to patient/guest loyalty, and a successful and healthy outcome.

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PART I

Introduction and Overview of Hospitality Bridging Healthcare (H2H): Medical Tourism and Wellness

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CHAPTER 1

INTRODUCTION

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CONTENTS

ABSTRACT

This book looks at the merging of hospitality, wellness, and medical practices. Hospitality bridging healthcare or H2H is a natural progression, as today's savvy consumers seek timely information about their health and wellness, medical care and the quality of the service they want to experience.

1.1 INTRODUCTION

People all over the world are paying more attention to healthful living practices and also when seeking necessary or prescreening medical care. This book looks at the merging of hospitality, wellness, and medical practices. Hospitality bridging healthcare (H2H) is a natural progression, as today's social media savvy consumers seek timely information about their health and wellness, medical care and the quality of the service they want to experience. People seeking out good health options such as spas and thermal baths go back to Roman times or before. Given the plethora of information on the internet today, and on social media, consumers now are armed with the latest and best information. This allows consumers to search and seek out the health *experiences* that will provide the best customized and individually tailored health and wellness programs for them. Health, medical and wellness is about a 2 trillion dollar global industry (Cetron et al., 2010; Global Spa and Wellness Summit, 2008).

A depiction of the dichotomy of the relationship of wellness and health (and spa and other hospitality services on the right side) and on the opposite left side of the diagram, the spectrum illness and healthcare is shown in Figure 1.1. The *y*-axis shows the greater the degree of medical services provided at the top of the axis.

Healthcare includes hospitals, clinics, nursing homes, life care, and continuing care facilities. It is a segment that shows no signs of slowing, and there will be many career openings for hospitality and healthcare management graduates. This is due to the fact that people are aging and will therefore require more medical procedures going forward into the future.

Graduates from hospitality and health-professional programs that join this segment of the hospitality industry can look forward to solid growth for the future, stable work hours, good pay, and benefits (particularly medical insurance), often times day care for employee children, career growth, and making a difference serving people in need. Usually graduates of 4-year

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hospitality and professional-health programs begin as an assistant director, work up to a director of food services, and eventually can become a GM or Vice President for Patient/Guest services. As more healthcare facilities grow to become "medical campuses" and medical Mecca's for medical tourism, they emulate hotels in their quality and delivery of health and wellness services. In fact, in hospitals, approximately 75% of the services provided to patients are hospitality/hotel related services. For example, they may add wellness and spa operations, which hospitality school graduates should be prepared to oversee. In addition, more food-service directors are becoming GMs of the entire healthcare campus enterprise who leads not only the traditional hospital facilities but also the hotel(s), spa and wellness, environmental services (e.g., housekeeping), transportation services, security, purchasing, parking, marketing, the grounds, snow removal, and all dining venues. This is usually a vice-president position on the healthcare campus and can provide challenge, excitement, and very good pay and benefits in the six figure salary range. In sum, hospitality schools prepare graduates to be GMs of hotels and now graduates should think of becoming GMs/VPs of healthcare (nonmedical) operations and services in the future. This is clearly a field for hospitality graduates that provides challenge and future growth opportunities, well into the future.

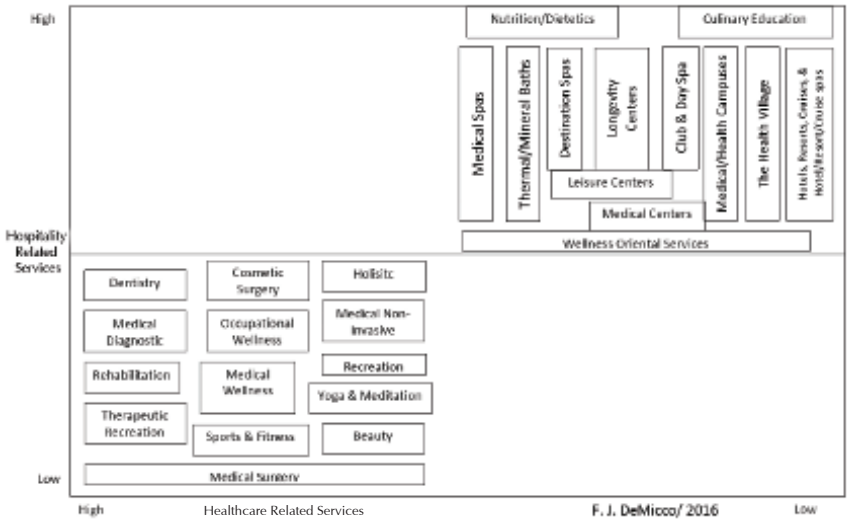

FIGURE 1.1 The healthcare and medical services matrix.

1.2 A NEW HEALTHCARE CONCEPT: HOTELS BRIDGING HEALTHCARE AND MEDICAL TOURISM & WELLNESS

Hospitals and luxury are two words that just don't seem to go together. Or do they? In a recent trend where medical recovery meets the comfort of a luxury hotel, the idea of "Hotels bridging healthcare," or H2H, is gaining ground.

A mixed-use concept, H2H creates a new and innovative business model for entrepreneurs to fulfill the unmet needs of certain patients and their families in a hygienic, complementary, and friendly environment that provides quality accommodations, upscale treatments, and state-of-the-art wellness centers for recovery.

As part of the broader field of medical tourism, which links medical facilities to hotels and/or spas, H2H strategically connects hotels and hospitals to create a total customer experience.

Medical tourism is a way for medical facilities to differentiate themselves from their competitors. Being able to stay and be pampered at the same place you are curing your ailment is the way many people with medical issues will want to go in the future. Furthermore, about 75% of all hospital services today are hotel and hospitality-related services (Cetron et al., 2010).

In the recent economic downturn, hotels connected to hospitals also appeared to be recession proof, which is likely a result of the appeal of completing a medical procedure and getting a vacation out of it at the same time.

Price is a real attraction with the cost of surgery in India, Thailand or South Africa can be one-tenth of rates in the United States. A heart-valve replacement that would cost $200,000 or more in the United States goes for $10,000 in India and that includes round-trip airfare and a brief vacation.

Spurring this H2H growth around the globe, US accrediting bodies recognize many healthcare facilities overseas, more corporations and insurance companies are paying for medical travel abroad.

Today and in the future, these H2H facilities will need hospitality and hotel school-trained graduates as the GMs of these medical campuses with hotels, food services, spas and other hotel like services brought to the healthcare segment.

This hotel hospitality is the focus in the book *If Disney Ran Your Hospital* by Fred Lee (Second River Press, 2004). If Disney ran a hospital, it would define your competition for customer loyalty as anyone the customer compares you to.(Additional information on hotels bridging healthcare can be found at: http://www.udel.edu/udaily/2013/jul/hotels-health-care-071612.html.)

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1.3 EXPLORING MEDICAL TOURISM

For most of us, getting sick is a good way to ruin a vacation. However, for growing numbers of people, needing to see the doctor is the whole point of going abroad. When they require surgery or dental work, they combine it with a trip to the Taj Mahal, a photo safari on the African veldt, or a stay at a luxury hotel—or at a hospital that feels like one—all at bargain-basement prices. This is medical tourism, and it is one of the hottest niche markets in the hospitality industry.

1.4 WHY MEDICAL TOURISM?

With the growing presence of much focused websites that provide relevant information about the medical tourism destinations, medical procedures with their associated costs, and tourism attractions, the decision-making regarding their trip for potential medical tourist will become much more facilitated. Therefore, medical tourists have good cause to seek out care far from home. In some regions, state-of-the-art medical facilities are hard to come by, if they exist at all. For that reason, patients throughout the Middle East are traveling to Jordan or Asia for complicated surgery.

In other countries, the public healthcare system is so overburdened that it can take years to get needed care. In Britain or Canada, the waiting list for a hip replacement can be a year or more long. And as Dr. Prathap Reddy, the Boston-trained founder of the Apollo Hospitals chain in India, comments, "If you wait six months for a heart bypass, you may not need it anymore." In Bangkok or Bangalore, you can be in the operating room the morning after you get off the plane.

But for most people, the real attraction is price. The cost of surgery in India, Thailand, or South Africa can be one-tenth of rates in the United States or Western Europe, and sometimes even less. A heart-valve replacement that would cost $200,000 or more in the United States goes for $10,000 in India, including round-trip air fare and a brief vacation; a metal-free dental bridge worth $5500 in the United States costs $500.

In Thailand, a knee replacement with 6 days of physical therapy costs about $5000, one-fifth the American price; Lasik eye surgery worth $3700 is available for only $730. And a full facelift that would cost $20,000 in the United States runs about $1250 in South Africa.

Table 1.1 shows cost saving estimations of having medical treatment in different countries comparing to the United States.

TABLE 1.1 Medical Services Cost Saving: Comparison between the United States and Other Countries.*

Country	Treatment	Estimated savings (%)
Antigua (St. Johns)	Addiction & recovery	40
Barbados (Bridgetown)	Fertility/IVF	40–50
Brazil (Sao Paulo, Rio)	Cosmetic surgery	20–30
Costa Rica (San Jose)	Dentistry	30–70
Hungary (Gyor, Budapest)	Dentistry	40–75
India (New Delhi, Mumbai, Bangalore)	Orthopedics, cardiology	50–85
Israel (Jerusalem, Tel Aviv)	Fertility/IVF	30–50
Malaysia (Kuala Lumpur, Penang)	Health screenings	70
Mexico (Monterrey, Tijuana, Juarez)	Dentistry, bariatrics	30–60
Singapore	Cancer	30–40
South Africa (Cape Town, Johannesburg)	Cosmetic surgery	40
Thailand (Bangkok, Phuket)	Carious services	40–75
Turkey (Istanbul)	Vision (Lasik)	40–50

*Medical services cost saving: comparison between the United States and other countries.

Source: darkdaily.com/Medical Tourism Continues to Flourish as the US Patients Seek Lower Cost Healthcare in Overseas Countries.

Inferior medical care would not be worth having at any price, and some skeptics warn that Third-World surgery cannot be as good as that available in the United States. In fact, there have been cases of botched plastic surgery, particularly from Mexican clinics in the days before anyone figured out what a gold-mine cheap, high-quality care could be for developing countries.

Yet, the hospitals and clinics that cater to the tourist market often are among the best in the world. Many are staffed by physicians trained at major medical centers in America and Europe. Many countries aiming at developing medical tourism now increasingly seek JCI (Joint Commission International) accreditation for their hospitals to ensure the quality of health services to their customers.

Source: Health-tourism.com/JIC-accredited-medical-centers.

Bangkok's Bumrungrad hospital has over 200 surgeons who are board-certified in the United States. One of Singapore's major hospitals is a branch of the prestigious Johns Hopkins University, in Bethesda, MD. In a field where experience is as important as technology, Escorts Heart Institute and

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Research Center, in Delhi and Faridabad, carries out nearly 15,000 heart operations every year. Its death rate among patients during surgery is only 0.8%, less than half that of most major hospitals in the United States.

In some areas, these clinics are backed by sophisticated research infrastructures. India is one of the world's leading centers for biotechnology research, while both India and South Korea are pushing ahead with stem-cell research at a level approached only in Britain.

Skilled doctors and state-of-the-art equipment are not the only benefits offered by medical centers specializing in foreign patients. In many, the doctors are supported by more registered nurses per patient than any Western facility could offer. Some facilities provide single-patient rooms that look more like a four-star hotel, with a nurse dedicated to each patient 24 hours a day. Some assign patients a personal assistant for the posthospital recovery period. There is always the chance for a quick vacation, before or after surgery, to sweeten the deal. Many tourist clinics offer resort-like recovery facilities at a nearby beach for those whose condition or schedule does not allow for an actual vacation. And many of the Asian national airlines offer frequent-flyer miles to ease the cost of returning for follow-up visits.

In some countries, there are even more benefits. Medical tourism is evolving into "wellness tourism." In this variation, the core medical clinic is surrounded by ancillary services, such as psychological counseling, exercise facilities, perhaps meditation, and more. The idea is that health-minded patients can heal their lives as well as getting treatment for a specific malady. Therefore, the medical tourism scope can span the whole following spectrum.

1.5 MEDICAL AND HEALTHCARE SCOPE

Source: http://www.tram-research.com/MedicalTourism.pdf.

Under the circumstances, it is no surprise that the medical tourism market for such a wide variety of services is growing rapidly. Ten years ago, it was hardly large enough to be noticed. In 2012, something over 850,000 foreign patients visited Singapore alone; nearly half arrive from the Middle East. Perhaps half-a-million annually travel to India for medical care; in 2002, it was only 150,000, but the industry has grown consistency with only 21% growth from 2012 to 2013 and further growth will be expected in the future. Argentina, Costa Rica, Cuba, Jamaica, South Africa, Jordan, Malaysia, Hungary, Latvia, and Estonia all have broken into this lucrative market or are trying to do so, and it seems that a few more countries join the list every year.

Some important trends guarantee that the market for medical tourism will continue to expand in the years ahead. In the near future, the health of the vast Baby Boom generation will have begun its slow, final decline. There are something over 70 million Boomers in the United States, over 150 million in all when Canada, Europe, Australia, and New Zealand are taken into account. They represent an overwhelming market for inexpensive, high-quality medical care.

Medical tourism will be particularly attractive in the United States, where an estimated 43 million people are without health insurance and perhaps 120 million lack dental coverage. The number of uninsured or underinsured Americans is likely to grow quickly, as many companies cut back or eliminate their medical and pension programs. Baby Boom workers who find themselves with little or no healthcare coverage will welcome any chance to cut the cost of care. Patients in Britain, Canada, and other countries with long waiting lists for major surgery will be just as eager to take advantage of care immediately available a plane-flight from home.

1.6 A SYSTEMS MODEL APPROACH TO H2H

A systems model approach used in manufacturing and services can be applied to the medical tourism integrated model with H2H.

A system model is the conceptual model that describes and represents a system. A system comprises multiple views such as planning, requirement (analysis), design, implementation, deployment, structure, behavior, input data, and output data view. A system model is required to describe and represent all these multiple views.

1.7 THE SYSTEMS MODEL IN THE FOLLOWING CHAPTERS OF THE BOOK

The Systems Model presented above also serves as the structure of chapters for this book and provides a vantage point for these desirable patient/guest services. The Mayo Clinic Systems Model (as an example) provides a roadmap or blueprint for the integration of all of the services from pre-Mayo to post-Mayo and the processes in between. The understanding of this model can lead to a very positive level of patient/guest satisfaction which can lead to loyalty and a positive health outcome.

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This book is organized to describe the *medical tourist/patient/guest* "journey" as they progress in these roles through the *processes of the system* for planning, arrival, entry, hospitality, treatment, and medical and wellness procedures. These are also referred to as human touch points. For example, the "input" in the figure below represents the planning or predeparture phase of the process to travel for medical care and/or wellness and as they enter the healthcare process. In this book, we also refer to the H2H in a holistic and total; excellent guest *experience* for the system. Once within the healthcare (and hospitality) system, many experiences take place along the journey including transportation, arrival at the hotel, and transport to the myriad of health services. In addition, the patient/guest encounters many important subsystems from dining to transportation, to medical/wellness treatments, lodging, entertainment, etc. Finally, in the output phase of the systems model process, the patient/guest departs the system and follow-up communication should take place. This entire systems process philosophy is shown in the model below.

1.8 SUMMARY

In summary, the preplanning of the medical journey leading up to the arrival at the medical/health/wellness destination begins a cascade of multiple H2H services to create an entire satisfying experience for the patient/guest which can lead to loyalty if performance in the entirety of the process is at the highest level.

KEYWORDS

- **hospitality**
- **healthcare**
- **quality**
- **medical**
- **tourism**

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RESEARCH NOTES IN BRIEF

Draft of Medical Tourism Study from the MMGY Global 2015 *Portrait of American Travelers*® by Frederick J. DeMicco, PhD, Tom Ivento, PhD and Peter Yesawich, PhD.

INTRODUCTION

Now in its 25th year, the MMGY Global *Portrait of American Travelers*® is the most insightful and actionable survey of the emerging travel habits, preferences, and intentions of Americans. The study examines more than 400 variables on each respondent, with the data reported on all travelers, by generation and by income group. Additionally, to reveal market trends over time, data are presented separately for All Leisure Travelers, Millennial Travelers and Affluent Travelers over a 3-year window, empowering the reader with the ability to discern emerging trends and put the data to immediate use.

METHODOLOGY

The national Portrait of American Travelers® is a probability survey of active US leisure travelers (have taken at least one trip that required overnight accommodations during the previous 12 months). The data presented below are from our 2013 survey, the last time that the "medical tourism" module of questions was included in the survey instrument. The travel trend information presented in this report was obtained by MMGY Global from interviews with 2511 active leisure travelers conducted during February 2013. Respondents were adults (>18 years of age) who reside in the United States and:

- Had an annual household income of $50,000 or more (805 of whom had an annual household income of $125,000 or more).
- Had taken at least one leisure trip of 75 miles or more from home during the previous 12 months requiring overnight accommodations.

Respondents were selected randomly and participated in a 45-minute online survey. All tests of statistical significance were made using a two-population test at the 95% level of confidence. The sample is balanced by statistical weighting to ensure the data are representative of all active leisure travelers in America who meet the target profile.

THE GENERATIONS

Throughout this report the terms *leisure travelers* and *active leisure travelers* are used interchangeably unless otherwise noted.

The four generational cohorts of adults referred to in this summary are defined below:

Generation	Birth years	Age in 2013	Size in millions (US Census, 2010)
Millennials	1979–1995	18–34	59.8
Xers	1965–1978	35–48	57.5
Boomers	1946–1964	49–67	73.6
Matures	1945 and before	68+	39.1

RESULTS OF MEDICAL TOURISM SURVEY

FINDINGS

Six out of 10 leisure travelers (61%) were familiar with the concept of "medical tourism," but only 2 in 10 (22%) would consider having a medical procedure done in a foreign country, assuming it was of comparable quality to that they would expect/experience in the United States. Among those who would consider having a medical procedure done in a foreign country, if it was of comparable quality, 9 out of 10 (87%) cited cost savings as the primary reason for seeking treatment. Nearly 7 in 10 (66%) cited comparable or better quality of care, while half (52%) were seeking procedures that were not covered by their insurance.

Canada (56%) was the top destination of interest among US leisure travelers who would consider traveling outside the United States for medical treatment, mentioned by more than half, followed by the United Kingdom (45%), Germany (44%), and Sweden (42%), all mentioned by approximately 4 in 10[1].

Leisure travelers were significantly more likely to be familiar with the concept of medical tourism in 2013 than in previous years.

[1]The previous numbers were overall. Among those who would consider visiting to have a medical procedure performed are Canada (56%), United Kingdom (45%), Germany (44%), and Sweden (42%).

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Respondents were asked the following series of questions over the previous four years the survey was conducted.

Are you familiar with the concept of medical tourism?

	Yes
2010	50%
2011	52%
2012	59%
2013	61%

Reasons for getting medical treatment done outside the United States (assuming treatment was of comparable quality)?

For *Cost Savings*?

2010	84%
2011	81%
2012	84%
2013	87%

	2010	**2011**	**2012**	**2013**
Comparable or better quality of care?	66%	59%	66%	66%
Seek care or procedures not covered by insurance	43%	45%	46%	52%
Shorter waiting periods for care	41%	44%	38%	43%

The top 10 overall destinations outside the United States mentioned by respondents for medical treatments included:

- Canada
- United Kingdom/Great Britain
- Germany
- Sweden
- France
- India
- Mexico

- Costa Rica
- Brazil
- Thailand

*FURTHER ANALYSES OF THE DATA**

Variables	Categories	Chi-square	p value	What
Gender	2	16.848	<0.0001	The probability of males considering foreign medical tourism is 1.38 times the probability of females
Age				The average age of respondents who consider foreign medical tourism is 2.58 years younger than those who don't
Generations	4	11.526	0.0092	Millennials 18–34 and Gen Xers 35–48 are *more* likely to consider foreign medical tourism
Income	8	3.666	0.5985	No difference by income category
Race	5	34.51	<0.0001	Hispanics, non-whites, and Other categories are *more* likely to consider medical tourism
Marital status	6	110.362	<0.0001	Respondents that never married, separated and unmarried couple living together are *more* likely to consider medical tourism
Occupational status	8	10.42	0.166	No difference was found by occupational status category
Educational level	5	16.014	0.003	Respondents with 1–3 years of college, 4 years college and Graduate school or more (higher education) are *more* likely to consider medical tourism
Children living	2	0.693	0.4051	No difference by children living category
Leisure trip (celebrate life event)	2	8.789	0.003	Those that took a leisure trip were 1.28 times more likely to consider medical tourism than those that didn't take leisure trips. The relationship is significant

*Items in bold and italic are statistically significant at $p < 0.05$.

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SUMMARY

The survey results indicate that the majority of active leisure travelers (61%) are familiar with the concept of medical tourism, but only 2 in 10 would consider having a medical procedure done in a foreign country, assuming it was of comparable quality to that they would expect to experience in the United States. Among those who would consider having a medical procedure done in a foreign country if it was of comparable quality, 9 out of 10 cited cost savings as the primary reason for seeking treatment. Nearly 7 in 10 (66%) cited comparable or better quality of care, while half (52%) were seeking procedures that were not covered by their insurance. The survey suggests that travelers perceive medical tourism as a viable option with quality and cost of care of the medical procedure being critical drivers of seeking care through medical tourism.

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CHAPTER 2

INTRODUCTION TO THE PHENOMENON OF "MEDICAL TOURISM"

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CONTENTS

ABSTRACT

Medical tourism is often discussed as if it is a monolithic activity. This fails to take into consideration the variety of medical treatments sought by travelers, the plethora of destinations offering medical and tourism services, and the legal and political environments within which the services are offered. A more productive way to evaluate and study medical travel might be undertaken by first assessing the nature of the medical or health treatments which initiate travel, what tourism often considers "push" factors in a traveler's motivation, and then considering the "pull" factors which cause a traveler to make a destination selection. This chapter presents a model for considering both the push and pull factors that contribute to the growing phenomenon of global health care. Included are specific criteria by which both factors may be categorized and evaluated.

2.1 INTRODUCTION

On April 24, 2005, the CBS television show 60 Minutes ran a story on traveling to other countries for medical treatment (http://sepiamutiny.com/blog/2005/04/24/medical_tourism/). The segment, entitled "Medical Tourists," was the first exposure for many Americans to the concept of international medical care, and the practice was dubbed by the reporters as "Medical Tourism."

The label has since been challenged as a misleading representation of the activity it identifies, for in most cases the focus is on receiving medical treatment, not tourism activity. Alternative names, such as "medical travel," "illness travel," "health tourism," "cross-border health care," or the one preferred by many healthcare providers, "global health care," have been suggested, but currently the original name of "medical tourism" has stuck in popular literature, and has been encouraged through the establishment of a variety of associations established to advance its practices. Most notably, the now defunct International Medical Travel Association in Singapore (http://www.hospitalitynet.org/news/4035697.html), and the current Medical Tourism Association, based in the United States, sought to bring together hospital, hospitality, and business stakeholders to advance the practice of medical travel and establish international guidelines for its practice.

The definition for the industry largely hinges on the perspective of the definer, and influenced by the manner in which popular media has portrayed the experience. Not surprisingly, those involved in the arrangement of travel,

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the marketing of destinations, and the businesses serving potential travelers have emphasized the tourism components potential in the activity. Hospitals, insurance companies, and the medical community have downplayed these factors and have stressed the provision of health care. Perhaps, one of the best encompassing definitions has been offered by Dr. David Reisman, a researcher based in Singapore, who suggests that medical tourism is "concerned with the improvement in felt well-being that results when the consumers and producers take advantage of the world economy to demand and supply … medical attention" (Reisman, 2010).

This broad characterization of medical tourism incorporates a variety of medical and wellness goals, as well as the multiple methods by which such services are provided. Depending upon the source, spa and wellness services form a part of medical tourism (Erfurt-Cooper & Cooper, 2009). Henderson (2003) attempts to provide an umbrella phrase, "healthcare tourism," to incorporate medical tourism, cosmetic surgery, and spas and alternative therapies.

The common understanding of medical tourism as travelers choosing to journey for less expensive medical care is only one aspect of the drivers of this phenomenon. The provision of services and the reason travel is elected vary greatly depending upon the motivations of those involved.

2.2 BRIEF HISTORY OF MEDICAL TOURISM

Traveling for one's health is far from a new concept. Over 2000 years ago, Greeks were traveling to Epidauria for the alleged benefits of the health god Asklepios (Connell, 2011). There are some indications that even 1000 years earlier Egyptians sought the aid of Sekhmet, the goddess of healing (ancientneareast.org). Romans continued the tradition, soliciting the assistance of the goddess Minerva (Francisco, 1994). In many cases, in addition to entreating the gods' blessings, spas and warm springs were utilized for their reputed healing qualities. This additional feature introduced an aspect of pleasure to the goals of the medical traveler—an aspect which would then be largely lost during the dark ages, slowly resurfacing in the 1500s before enjoying a resurgence in popularity during the 1800s (Smith & Puczko, 2009).

During most of this time, spa operations and their accompanying services were primarily the realm of inns, resorts, and other hospitality operations. The concept of hospitals as facilities to provide healing and recovery grew less rapidly. While the history of hospitals can be traced back to the Romans,

their goals were humanitarian and charitable in nature. The idea that one could recover from ailments and diseases did not come into acceptance until the 1700s in Italy, and hospitals as institutions to promote a restoration of health were not widely accepted until less than 200 years ago (http://www.nursing.upenn.edu/nhhc/Pages/History%20of%20Hospitals.aspx). It was not until London in 1842 that the first "pay" hospital opened (Gormley, 2010); hospitals remained an undesirable location for those who could afford to avoid them and they certainly were not viewed as destinations at which to seek medical treatment or healing.

2.3 RECENT HISTORY

A number of primary and secondary factors have converged to nurture a new boon in medical travel. Primary motives of travelers tend to depend upon their nation of origin. According to data of the McKinsey Report (Ehrbeck et al., 2008), for approximately 40% of medical travelers, inadequate or limited health care in the region compels travel to areas of more contemporary care.

For another 32%, decisions to leave their country of residence are due to expectations of better or more culturally familiar care. This may be a desire to return to a location in which a person's native language is also the language of the country, it may be that the treatment is something they want to remain private, or it may be in order to have treatment from a famous physician.

Other medical tourists have local health care available, but due to medical plans or governmental policies, there are delays in treatment which are judged unacceptable, motivating the impatient or desperate to schedule trips to other countries. These account for another 15% of the health tourists.

Governmental laws also force some to travel, especially for treatments such as abortions, in vitro fertilization, sex change operations, stem cell therapies, and other unapproved practices or regimens in the home country.

Manipulation of laws also can be a motivating factor. Some examples of this are women from Ireland traveling for abortion, couples visiting India to solicit pregnancy surrogates, individuals traveling to Switzerland for euthanasia, or mainland Chinese traveling to Hong Kong for births to circumvent the one-child-per-family law and to give the child Hong Kong residency for the benefits it carries later in life. Residents of some countries many times visit another nation so that a child may be born as a citizen of their chosen travel destination.

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According to the same McKinsey Report, only approximately 9% of medical tourism is motivated due to cost considerations, nearly all from the United States where medical costs are approximately 2.3 times the rate of those in other developed countries (Kaiser Family Foundation, http://www.kff.org/insurance/7670.cfm). For those travelers, savings are between 30% and 90% compared to similar treatments in the United States, with an average savings of $15,000 (Reisman, 2010).

Finally, for treatments which involve delays between intake and final completion (such as dental implants) or in which healing is desired prior to a return home (such as cosmetic surgery), the appeal of the resort elements of a location may be a significant consideration.

There are also secondary reasons for the rise of medical knowledge in the 20th century. These include a raised expectation of not only long life expectancies, but also greater health care by the general public. The World War II generation is the first to reach older age having lived its collective life under the expanded health expectations introduced by the World Health Organization in 1948 with the broad definition of health as "complete physical, mental, and social well-being" (Nahrstedt, 2004). Such a definition has influenced "physical, social, psychological, emotional, spiritual, and environmental" approaches to wellness (Edlin & Golanty, 1998) as the simple "absence of disease or infirmity" (Anderson, 1987) is no longer viewed as sufficient. Expectations increasingly revolve around holistic care and maintenance of good health (Douglas, 2001); expectations which further tax some healthcare systems.

Indeed, health care is identified in the economic model of long-wave influences as being a dominant factor for the foreseeable future, and medical tourism is a natural extension of the most recent dominant factors of globalization and growth of the field of information technology (Nahrstedt, 2004; Fig. 2.1).

Another influential factor in the United States is a physician shortage. Since the 1980s, medical schools have been capping enrollment, resulting in a shortage of physicians in the country which the US Department of Health and Human Service's Health Resources and Services Administration predicts to continue to grow to between 55,000 and 191,000 by 2020 (Hidalgo, 2008).

Population growth and demographic changes are also contributing factors. In 2002, Dr. Mary Maples of the University of Nevada, Reno, coined the term "silver tsunami" to describe the impending retirement of the baby boomer generation (Maples, http://www.counselingoutfitters.com/vistas/vistas07/Maples.htm). This extended longevity holds ramifications for many areas of society, not the least of which is health care.

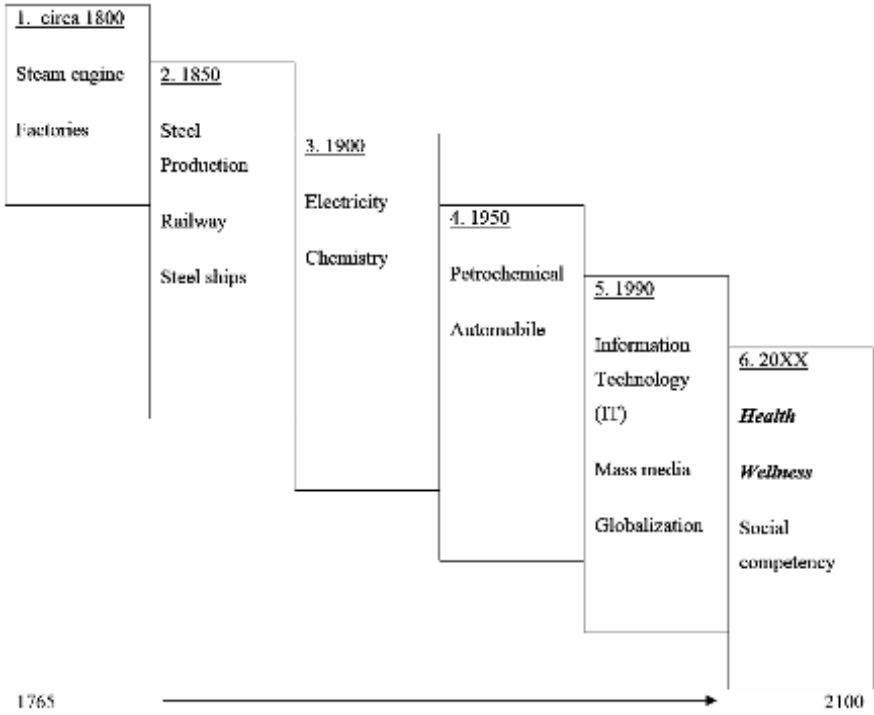

FIGURE 2.1 Long-wave economy: "Kondratieff cycles" (following basic innovations) (Nahrstedt, 2004, adapted from Nefiodow, 1996; emphasis added).

Although the arrival of this aging generation is a predictable phenomenon, it is difficult to judge its ultimate impact in advance. Between 2010 and 2030, the number of people on Medicare will increase from 46 million to 78 million. There is no reason to believe the current ratio of one quarter of Medicare recipients who suffer from serious health problems will change as Medicare enrollment grows. Adding to the anticipated strain on the US healthcare system from this growing population of seniors are rapidly rising costs for medical procedures for all in the United States (Nahrstedt, 2004).

A late arrival in the list of factors encouraging persons to consider medical tourism is the Affordable Care Act in the United States, which prevents insurance companies from limiting coverage for individuals with preexisting conditions. As a result, some insurance companies are adding treatments in international and other domestic destinations to the options offered to their customers. For instance, a heart valve replacement in the United States may cost as much as $200,000. If the insurance policy covers 80% of

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treatment costs, the company would be obliged to pay up to $160,000, while the patient would need to cover the remaining $40,000. An option therefore now offered in some cases is for the insurance company to waive the deductible, pay for all travel, lodging, hospital, and accompanying partner's costs to have the treatment in another country. In this example, the estimated cost for a flight to India, performance of the treatment, and 2–3 weeks of recovery in the country, averages $30,000–35,000. Such savings make this an appealing option to both the insurance company and the patient; however, legal considerations—especially potential malpractice suits—have resulted in both insurance companies and employers proceeding cautiously with this option; but as costs continue to rise in the United States, this will remain an appealing consideration.

2.4 CATEGORIES OF MEDICAL TOURISM

The 60 Minutes report in 2005 emphasized critical care, but in truth, treatments range from lifestyle adjustments to cosmetic and dental surgery to life-saving organ transplants and heart valve replacement. As initially suggested by Bookman and Bookman (2007), and further developed and adopted by the Medic al Tourism Association (Cormany, 2008), a classification system for medical tourism travel may include three broad areas and six categories:

1. Intrusive medical procedures (including three categories):
   a. Cosmetic surgery/body enhancement (e.g., plastic surgery, implants, cosmetic dentistry, tattoo removal).
   b. Medically required or recommended surgery of non-life-threatening conditions, including dental work (e.g., hip replacement, dental, bariatric, Lasik eye).
   c. Medically required or recommended surgery for life-threatening conditions (e.g., heart operations, cancer treatment, organ transplant).

2. Diagnostic procedures (one category, including, e.g., stress tests, screenings, cat-scans, "executive physicals" and electrocardiograms).
3. Lifestyle procedures (including two categories):
   a. Spa treatments and consultations (nonsurgical therapies; e.g., botox, massage, diet adjustment, addiction treatment).
   b. Nonsurgical alternative therapies (e.g., acupuncture, Ayurveda, homeopathic, herbal treatments, hydrotherapy).

It is also suggested that each of these six categories have unique components impacting the medical and tourism considerations. For cities contemplating or engaged in attempts to develop a medical tourism component to their region's travel appeal, four broad components need to be considered, as modified from suggestions by Bookman and Bookman (2007).

These four components are:

1. Available healthcare facilities and medical talent;
2. Hotel and restaurant support and quality;
3. General tourism infrastructure, especially transportation and safety issues; and
4. Governmental policies and laws (both locally and nationally) that support or constrain medical tourism development.

Each of these will be explained and expanded below, but the relative impact of each may vary depending upon the type of medical tourism being considered. For example, tourists traveling for major surgery will understandably be most concerned with the quality of health care available; those traveling for lifestyle reasons may be much more concerned about accommodations and tourism opportunities while visiting. While it is anticipated that quality of health care will remain central in all cases, the other elements will play a greater or lesser importance as depending upon the treatment desired.

These six categories of medical tourism and the impact the four components may have on each is illustrated in Figure 2.2.

The relative importance to each medical tourism category of each of the four components (medical care, hotel and restaurant facilities, tourism opportunities, and governmental policies) is represented by the portion of each pie slice attributed to it. This relative position is only suggested here, based upon the degree to which each component might seem to logically be factored into the selection of a destination by that sort of medical traveler. These currently are only assertions, and a judgment of the correctness of them represent a critical area needing study—is the assumed weight each carries in the guest's location selection process verifiable?

Since there is an absence of past research, even the possibilities are speculative until some foundation is built. The hope is that some of these possible research topics may lead to some fruitful discoveries, and even those which result in dead ends help to advance understanding and establish some parameters for further study and foster some additional creative consideration of other topics that may apply to medical tourism research.

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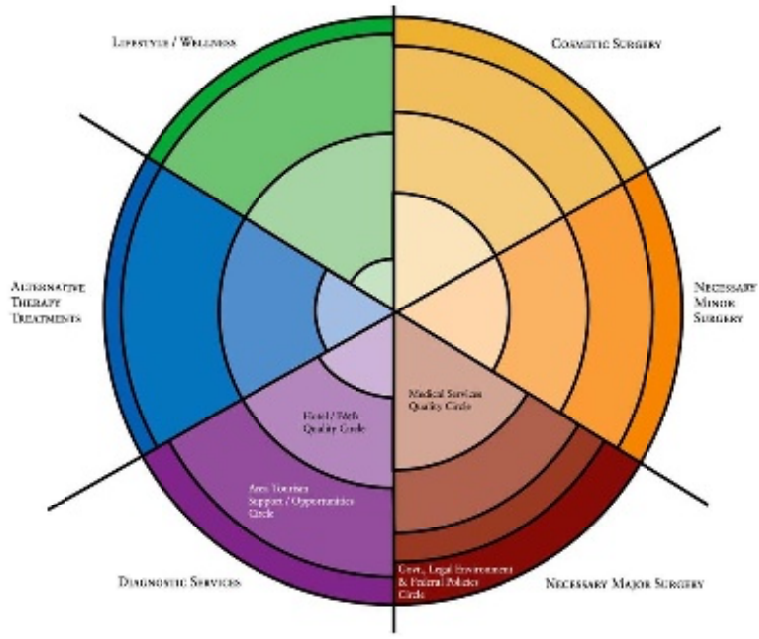

FIGURE 2.2 Importance of considerations of destination selection (Cormany, 2008).

2.4.1 INNERMOST CIRCLE: HEALTHCARE FACILITIES AND SERVICES QUALITY

The innermost component, that of healthcare facilities, is suggested here as the most key element in the decision making process of the true medical traveler. (Note that this raises a very significant dilemma in approaching the study of medical tourism, and one that needs clarification through study and analysis—when is a traveler classified as a medical tourist as opposed to a tourist to whom a spa, for instance, is just an appealing additional amenity? Douglas (2001) provides a discussion of this issue, for much travel could be classified as with the intention of relaxing and recuperating from everyday stresses, but the medical tourist is defined as a person whose travel is primarily motivated by health objectives.)

While this important "healthcare facilities and services" component is primarily under the control of the medical facilities offering services, some of these medical centers are modeling many of their services on hospitality models, including concierge support, ground transportation arrangements, expedited hotel-like check-in processes, personal translators, and even some

hospital-run recovery centers that resemble resorts more closely than hospitals (Leibrock, 2001). In fact, at least one facility, the Barbados Fertility Centre, has relocated the entire facility to provide seaside views from its rooms and a resort experience (Gahlinger, 2008). A growing interest by medical facilities is to learn and imitate hospitality operations—examples are Luxury Health Care options at the Mayo Clinic (Bookman & Bookman, 2007), the Cooperative Care Unit of Tisch Hospital of New York, in-house hotel accommodations of the Rhode Island Hospital (Leibrock, 2001), and the recent construction of a medical hotel by the Yale-New Haven Medical Facility (Polk, http://www.nytimes.com/2003/11/16/nyregion/after-surgery-a-hotel-suited-for-healing.html). Such efforts may reduce the use of outside hotel facilities for early stages of recovery, but may also provide hotel corporations and hospitality professionals new venues in which to apply their expertise as consultants or facility managers.

An outline of issues included in this medical facilities and services circle include:

1. Costs—medical
2. Labor available—medical
3. Training available—medical (medical schools, nursing programs)
4. Financial inducements for labor—medical
5. English commonly spoken among medical staff (or target market language)
6. Facilities
    a. Capacity
    b. Accreditation
    c. Licensure of staff
    d. Specializations
    e. Staff:patient ratio
    f. Ambulance service
7. Equipment available rental (oxygen, wheelchair, etc.)
8. Private nurses available for hire
9. Medications
    a. Availability
    b. Safety of medication quality
    c. Parallels to the US medication
10. Indigenous disease threats
11. Privately operated facilities

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This may be one method of how to assess the manner in which health care is provided in an area, determining whether medical tourism is a viable target for the area. Additionally, and more germane to hoteliers and those in the tourist sector, is the type of medical tourism model either in place or developing in an area. While currently these are usually driven by health-care facilities, it is conceivable that hospitality and tourism organizations could have a part in shaping how a region's approach develops. The current models include:

- Treatment in hospital, then moving to resort (hotel as "aftercare" provider—the most common current model for surgery patients).
- Hospital serving also as a resort (e.g., Barbados Fertility Centre).
- Treatment at resort with medical facilities (e.g., Palace of the Golden Horses, Kula Lumpur).
- Fly-in treatment to medical treatment at airport (e.g., Munich airport).
- Treatment and recovery on cruise ship (e.g., Renaissance Cruises).
- Traditional/alternative treatment provided at clinics or in hotel spa (applicable to any resort with extensive spa facilities and offerings).
- Diagnosis at hospital, lodging provided at resort (common model).
- Diagnosis done in resort med-spa (common at European spa/hotel facilities).
- Diagnosis (begun) on airplane while going to destination (e.g., Air Emirates)
- Lifestyle treatments at resort spa—relaxation, education, corrective behavior, cleansing, holistic approaches (services found at many spa operations).
- Drive in–drive out treatment, not involving traditional tourism/hotel support (particularly common in cross-border services such as dental clinics located in Los Algodones, Mexicali, and Tijuana) (Bookman & Bookman, 2007; Gahlinger, 2008; Page & Page, 2007; Woodman, 2008).

Apparent driver of which model develops in which regions are the quality of service and facilities, acceptance by insurance providers, follow-up care when the traveler returns home, utilization of treatments not recognized in the United States, and willingness to provide treatments not ethically condoned within the United States (Bookman & Bookman, 2007; Gahlinger, 2008; Schult, 2006; Woodman, 2008).

Of particular relevance here is the degree to which medical centers wish to absorb hospitality functions for the patient and his/her traveling partners, and

the manner in which they wish to provide those functions. Differing models are developing as these private, for-profit medical operations decide whether the added revenue potential, the marketing impact, and the additional physical plant commitment are financially wise for their business model.

Decisions are being made to (1) operate in-house such services as housing for family members, providing concierge services, coordinating travel and ground transportation details, offering luxury recovery accommodations, developing in-house restaurants of substantial quality and variety in contrast to standard hospital cafeteria fare, or (2) whether to plan for such facilities and accoutrements within the facility but outsource their operation, or (3) whether to rely on current and developing sources in the area to provide such services.

This is perhaps one of the most basic questions of how medical tourism may develop, for a hospitality firm's ability to profit from increasing medical tourism may either come from its own facility development, and operation, or facility management for medical centers of their nonmedical components. There are currently some expansive hospital offerings—several in Asia offer, in addition to surgical procedures, dental and cosmetic clinics, beauty makeovers, spas and alternative medicine all within the facility (Gahlinger, 2008). There are also frequent citations of partners being accommodated with the patient at the hospital (Grace, 2007).

It may be the potential of an additional revenue stream that has prompted the new OCA Medical Facility in Monterrey, México, to include an in-hospital hotel (Karakowsky, 2008). Other large developments, such as Dubai Healthcare City have courted renowned hoteliers to build luxury resorts next to the healthcare facilities they are constructing (http://www.dhcc.ae/en/Pages/Default.aspx).

In addition to plush facilities, some hospitals are offering concierge and trip-planning services as part of their amenity package. Frequently cited as a leader in this is Bumrungrad International Hospital in Thailand, where they partner with providers to arrange air transportation, ground transportation, hotel accommodations, translator support, medical records transfer, and general concierge support (http://www.bumrungrad.com). It appears this service is offered by Bumrungrad primarily for marketing, and not revenue generating purposes, but this may be a source of additional revenue for some hospital operations, or outsourced to hotel concierges.

Such developments blur the line between medical treatment and hospitality; however, currently most recovery time in most locations passes at nearby hotels (Bookman & Bookman, 2007; Schult, 2006; Woodman, 2008)—the second circle in the model.

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2.4.2 SECOND CIRCLE: HOTELS AND FOOD/BEVERAGE QUALITY

The second of the concentric circles, that of the availability of quality and appropriate hotel and dining facilities, is suggested as the second most influential aspect, for this defines the level of accommodation possible upon leaving a medical facility. In other cases, this circle also represents the venue at which medical services are provided, in the case of medi-spas or therapeutic spas located within resorts.

However, when the traveler is seeking more serious medical attention, the most common emerging model is that of a hotel as a facility serving the medical tourist briefly before medical treatment, and longer during the convalescence process prior to returning home. In essence, the hotel is an "aftercare" facility, as the guest moves from medical facilities while his or her strength returns, healing occurs, and family members supplement the medical travel experience with tourism and relaxation. This recovery period may range from a few days for minor and cosmetic surgery to a couple of weeks or more in the case of major surgery. Serving such patient/guests is relatively new ground for many properties, and it raises several new considerations.

Physical designs of guest rooms and access to facilities, ability to meet dietary restrictions, and staff understanding of needs are some of those vital considerations. Also important are the availability of privacy, service levels, and proximity to medical help. For instance, if the guest has noticeable bandaging, seclusion from other guests may be desired by the medical guest to avoid potential embarrassment, as well as by the hotel to avoid upsetting its transient trade.

To that specific end, one of the world's first resort chains exclusively catering to recovery after surgery has been developed in Phuket and Bangkok, Thailand. The Bodyline Resorts accommodate recovering patients and their families in an environment where all patients spend time healing, so no one feels stared at, and staff understand the physical and emotional needs of their guests (http://www.thebodylineretreat.com).

As discussed further, the way in which a facility is evaluated by the potential medical tourist may be greatly influenced by the sort of medical treatment they are receiving.

These are directly impacted by, and influencing, the currently developing medical tourism industry. Some factors important in this circle are:

1. Costs—lodging
2. Costs—food and beverage
3. Number of 4/5 diamond-equivalent rooms available (International ratings available?)
4. Labor availability—hospitality
5. Training available—hospitality
6. Financial inducements for labor—hospitality
7. English commonly spoken among hospitality staff (or target market language)
8. Availability of potable water in facilities
9. Reliability of electricity in facilities
10. Licensure and regulation existing for:
    a. Food and beverage operations
    b. Hotel accommodations
    c. Spa facilities
11. Dietary accommodations available (gluten free, low sodium, prescribed limits, etc.)
12. Internet availability
13. Hotel accommodations:
    a. Disability accommodations
    b. Private baths
    c. Elevators
    d. Room service available (24 hours?)
    e. Proximity to hospitals
    f. Heat/air
    g. Value for services provided ratio
14. Presence of spa services
    a. Medical personnel associated with spa
    b. Spa treatments
    c. Traditional treatments (acupuncture, herbal, Ayurveda. reflexology, etc.)
    d. Instruction in relaxation, diet, wellness (tai chi, yoga, nutrition, etc.)
    e. Diagnostic services
    f. Exercise/workout facilities (Gahlinger, 2008; Leibrock 2001; Schult, 2006; Woodman, 2008)

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It is posited that the relative importance of any of these factors to the medical tourist will be determined by the sort of medical treatment sought and the location of the destination. These may be broken down to areas of operations, physical plant design, services, and marketing to the medical traveler by hotels. Specifically, and in need of consideration separately for each of the six types of medical travelers, these are:

- What design modifications for medical accommodation are advisable? (Note that this may range from check-in facilities to in-room amenities and lay-out. It may also include "patient care service zones").
- What are the developing models of collaboration between hoteliers and medical facilities?
- How do the presence of medical tourists impact and influence marketing strategies of the hotel to leisure guests? (e.g., the comparative appeal of all-inclusive pricing).
- What lessons in staff training and sensitivity could be gleaned by hotels from medical staff models, and what may hotels offer to medical staff training models?
- How does price elasticity vary with medical tourists as compared to leisure or business visitors?
- What is the psychological impact of the presence of medical tourists on the attitudes of leisure guests?
- What marketing decisions, made by area medical facilities, may directly impact an area's potential to attract medical tourists? Hospitality firms, as a support element to medical travelers, need to identify and monitor these, as they may significantly affect the availability of such travelers for hotels. Potential issues may include pricing, accreditation of medical facilities, gain or loss of "star" physicians, and so forth.
- Upon what alternative criteria may hotel facilities be judged as appealing to medical tourists in their services and facilities?

Perhaps, one reason for the paucity of information for hospitality companies on medical tourism is that medical tourism places hotels and resorts in a unique and new position—that of placing new demands and expectations on those properties without primary control over the overall experience. For leisure travelers, these same properties serve a primary role as host, and indeed may be a major reason for the traveler to select one destination over another. Even if a specific destination is the primary motivator for the guest,

the hotel or resort plays a key role in the traveler's ultimate satisfaction with the experience. For business travelers, the property may serve a key role in providing meeting space and food/beverage support for the function attracting the traveler. For the business traveler needing only accommodations while conducting business in the area, the hotel's role is reduced to providing comfortable accommodations and decent service, but there are no additional facility requirements, nor staffing needs.

In contrast, for the medical tourist, if medical services are provided off-property, these services will ultimately determine the medical traveler's satisfaction with the trip. However, the expectation of the property is that provisions will be made to accommodate that traveler's additional needs. These accommodations may require modifications to the property's physical plant, the addition of staff, and the specialized training of current staff.

Offsetting these additional costs may be opportunities to retain these guests for longer stays than common for either leisure or business travelers. Since air travel is not recommended for at least 5 days after cosmetic surgery (Gahlinger, 2008), and for more complicated procedures the wait may be up to a month (Grace, 2007), if the guest does stay at a hotel or resort, his or her bill is likely to be not insubstantial.

Unless the hotel wishes to cater exclusively to medical tourists, such as Bodyline Resort in Thailand, the addition of medical tourists to the property's guest mix may raise a marketing concern. The impact of more than a few medical tourists, possibly in visible bandages or requiring wheelchairs, may be an off-putting sight for leisure travelers sharing the same facility. The Woodmark Hotel, outside of Seattle, has become a popular postoperative recovery center for a nearby cosmetic surgery clinic. It has handled this issue by creating a private entrance for medical tourists. The Four Seasons Hotel in Chicago has found that medical patients receiving treatment in the same downtown building it occupies with a surgery center prefer being given the cover of such privacy (Greenberg, 2007), and recommendations are made that such areas be provided private solariums or lounges, special services such as afternoon high tea, and easy access to the resort spa (Leibrock, 2001).

Nonetheless, this remains a potentially difficult balancing act, assuring the comfort of all guests, without isolating or compounding self-consciousness of the medical guests. Properties wishing to afford privacy if desired, and access to all facilities if wanted, may find this to be as great a management challenge as the physical accommodations of medical tourist needs. Studies of nonmedical guest attitudes may assist in determining how great an issue this has the potential to be for both marketing and operations.

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2.4.3 THIRD CIRCLE: AREA TOURISM SUPPORT/ OPPORTUNITIES

Depending upon the medical treatment, options for enjoying the sites, culture, weather, and relaxation opportunities of an area may also be a consideration in destination selection—especially for routine, minor procedures in which cost savings are the main consideration for an otherwise commoditized medical treatment. These factors, as well as other tourism infrastructures, such as international airport access and ground transportation availability, may be of greater importance in location selection for procedures such as minor cosmetic surgery, dental work, and other procedures which don't greatly restrict mobility or require great amounts of rest in order to recover.

Assessment of these destination amenities may not require significant departures from general tourism destination assessment models. Hall (2000) proposes that such destination assessment takes into account attractions, amenities, and accessibility. A topic of potentially fruitful future research is how this mix of these three elements is similar or different for medical tourists in the six categories of medical travel from that of the leisure tourist.

Specifically, this circle includes topics that impact the appeal of the destination for all potential visitors, either directly, through desired service provisions, or indirectly through impact on that area's ability to provide a pleasant, positive experience for the visitor:

1. Costs—general labor
2. Commonality of spoken English (or target market language)
3. Commonality of written English (or target market language)
4. Availability of educated translators
5. Airport
    a. Direct service from major American (or target market) cities
    b. Airlines servicing terminal
    c. Accommodations for disabilities
    d. Airfare rates
    e. Frequency of flights
6. Local transportation
    a. Availability of taxis, limos
    b. Availability of buses, other public transport in hospital/hotel areas
    c. Safety of available transportation options
    d. Accommodations for disabled available

7. Reliability of infrastructure
   a. Electric service
   b. Public services
   c. Waste management
8. Safety from crime
9. Local political stability
10. Distribution of service for:
    a. Cell phones
    b. Internet
11. Ease of disability/limited mobility maneuverability (hills, etc.; pedestrian friendly?)
12. Weather appeal for vacation and for recovery
13. Destination appeal
    a. City offerings
    b. Relaxation
    c. Education
    d. Culture
    e. Sight-seeing
    f. Traditional medicine supplements/alternatives
14. Receptivity by locals to Americans (or target market)
15. Current awareness/image of locale by Americans (or target market) (Bookman & Bookman, 2007; Edgell et al., 2008)

As with the factors in the hotel and food/beverage circle, these are factors that may be influential in any decision to visit. For purposes of study of medical tourism, the unstudied question is: Which of these factors are most critical for different categories of medical tourists, and how does the relative weight carried by these factors differ from that which would be assigned by the leisure or business traveler? These factors likely will vary depending upon the category of medical tourist under consideration.

There is also the question of whether the marketing approach for medical tourism is impacted by different perceptual standards than the marketing appeals available to attract leisure travelers. Marketing in the United States has been done to prospective patients for medical facilities since the 1970s (Bashe & Hicks, 2000), so the concept of marketing medicine is established. However, are there perceptual limits to the "propriety" of marketing medical services? As an example, one clinic in Argentina markets a "tango and breast enlargement" package, where guests learn to tango and receive breast enhancement surgery (Balch, 2006). Does this combine the cultural vacation

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appeal of the destination with surgery, or does it seem gimmicky, and reduce the credibility of the area for serious medical tourists? And, does it matter to potential travelers whether such offers are packaged by hospitality operators or the medical facility. Perhaps reflecting poorly on the anticipated level of professionalism and seriousness afforded patients if the promoter is the healthcare provider, but providing opportunities for hospitality operations? Answers to the perception of these sorts of packages may direct future marketing efforts for not only the medical facility but also the entire medical tourism efforts for the destination. Also to be considered:

- How does a destination avoid becoming commoditized in health services offerings, and therefore evaluated solely by lowest cost?
- What is the destination's general "brand" image, and how does that complement or conflict with its potential for medical tourism development?
- What role might the local destination marketing organization, "medical cities" (Stephano, 2009) or the regional or national department of tourism play in development of this market? What are the current or potential collaborative roles between these entities?
- What are the "pull" factors (Dann, 1977) in operation when tourists select a specific location for medical treatment, and how do these differ from motivational pull factors for leisure visitors?
- Does medical tourism keep more revenue in the local area than leisure tourism?
- What is the impact and attitude of local residents to the development of medical tourism in their community?
- To what extent does medical tourism contribute or detract from the economic vitality of the community?
- Can destination management through the inclusion of medical tourism even out the ebb and flow of seasonal tourist visitation patterns?
- Can medical tourism provide a counter to the cycle of destination maturity and subsequent tourism decline?
- Is there a psychographic profile of the medical traveler, and how does that profile change depending upon which of the six general reasons for medical travel are being considered? Is the destination better suited to attract a particular psychographic profile of visitor, and does that profile fit the sort of individual who may be seeking the primary medical care being offered.
- Are medical tourism destinations any more or less susceptible to the public perception aftermath to a natural or man-made disaster? (For

instance, was travel to Mumbai after terrorist attacks any more or less diminished among medical tourists than other visitors?)
- How do the underlying theories of medical marketing and destination marketing converge or diverge?
- Is the destination too greatly relying on only one of these:
  - Accessibility
  - Price
  - Location features
  - Source country regulations (such as Medicare)
  - Can any or all these be matched by competing countries/regions?

(Note that currently Medicare is not paid to any out-of-country facility, but Hospital Angeles in Tijuana has had negotiations to permit Medicare coverage for provision of its treatments. If this is eventually approved, it will be the first foreign site to receive such payment, and certainly give it a competitive advantage for attracting some patients (Gahlinger, 2008).

2.4.4 FOURTH CIRCLE: GOVERNMENT, LEGAL ENVIRONMENT, AND FEDERAL POLICIES

Finally, perhaps of little conscious consideration for some medical travelers, is the underlying governmental policy toward supporting and encouraging tourism. However, without such policies, the chances of an area developing a medical tourism offering of any sort are minimized.

In fact, these may be the most significant factor in the development of the region's viability as a medical tourist destination, for the underlying economics, legal system, civil liberties, national level of crime, sanitation, dependable support by utilities, and ease of access to the country all shape and determine that area's viability for any sort of tourism development (World Economic Forum, 2000).

While these are of great importance in the development of medical tourism offerings, by the time the individual traveler is considering a destination, the majority of these factors are either in place or developing; otherwise, the destination would never reach the level of attention for the traveler's consideration.

Some of these national factors overlap with considerations of the specific city being considered by a medical tourist, such as level of crime, provision of utilities, etc., but it is suggested here that consideration of these factors on both a local and national level is advised, for they have an impact on both a local and national scale. As an illustration of this, using an example from

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the United States, some US citizens would consider their regions fairly safe and secure, but might hesitate to visit areas reputed for high crime levels, such as Miami or Detroit. Similar gradations exist in other countries, and by including these overlapping categories in both circle three and four, these gradations are taken into account.

Some factors on this list are considerations for corporations considering expansion into an area to develop hotels or other services to foster and capitalize on expanding medical tourism. Other factors will be of interest primarily to those studying medical tourism from a legal, sociological, or economic perspective. National factors include:

1. Political stability of country
2. Stability of labor force—union strike potential
3. Currency fluctuations
4. Access to money/credit
5. Safety of country
6. Respect for individual rights
    a. Culture of tolerance
    b. Gender equality
    c. Protection of disabled
    d. Freedom from unreasonable arrest
7. Legal system
    a. Established laws
    b. Evenness of enforcement
    c. Ownership rights
    d. Legal recourse
        i. Protection of patients
        ii. Malpractice recognized
    e. Accounting and financial disclosure
    f. Tax system
    g. Recognition of patents, intellectual property rights
8. Ease of access
    a. Need for visa (by residents of target market)
    b. Visa access
    c. Visa processing time
9. Type of market (economic model)
    a. Capitalism
    b. Privatization

   c. Regulation/deregulation of areas impacting health care and tourism
10. Cultural strain
   a. Likeness of source and host country culture
   b. Host country's citizen attitudes toward source country (Bookman & Bookman, 2007; Edgell et al., 2008; Godfrey & Clarke, 2000; Mathieson & Wall, 1982)

Economically, does medical tourism aid an area in broader ways than other niche tourism? Not only are stays likely to be longer but also both medical and hospitality operations benefit, so is greater local employment enhanced? A common concern of international tourism destinations is the amount of money that does not stay in the area due to much of it being captured by global hotel chains, but generally medical dollars remain within a country, usually in the specific area in which the services are rendered (Bookman & Bookman, 2007); does this make this sort of tourism more beneficial than other forms to the economic growth of the area? Is this a strategy to inoculate an area from economic downturns if leisure travel drops off? If an area develops a reputation as a medical tourism destination, what impact could that have on its appeal for leisure travelers?

Additionally, in marketing terms, what are the differences in appealing to potential medical guests and leisure or business guests? While much of current tourism marketing aims at the upper levels of Maslow's Hierarchy of Needs, does medical tourism address the lower, more basic levels, and as such, require an approach not commonly used in tourism marketing (Page & Page, 2007)? Besides quality of medical service and overall cost, are there destination characteristics that make an area more or less appealing to medical tourists than to leisure tourists?

For instance, while many travelers gravitate toward warm, sun-drenched settings for leisure getaways, most cosmetic surgery patients must stay out of the sun or risk scarring during their healing process (Schult, 2006), so is the appeal to such travelers better based upon other features of the area? Would this seem to indicate that certain areas more readily lend themselves to certain categories of medical tourism than others? What criteria are of most significance to the traveler in making these determinations?

An area known for medical tourism may benefit from a destination appeal that is not as significantly impacted by seasonality, but conversely, makes it vulnerable to rapid swings in visitor appeal if there are public medical missteps by the caregivers. Such a perceived breach of trust could present recovery challenges to the area's tourism unlike that found in nearly

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any other form of tourism—the entire medical tourism industry being based upon the promise of quality medical care—and this vulnerability may be longer lasting than nearly any other public perception catastrophe an area could endure. To illustrate this point, the notoriously poor and fraudulent cancer treatment received by Steve McQueen in the late 1970s in México remains a cited example of why some still regard Mexican health care with suspicion (Gahlinger, 2008). An area banking on medical tourism as a revenue-generating effort could be rapidly devastated by such a high profile medical failure.

Finally, in seeking to best serve the area it represents, what are acceptable ratios of tourism patients to local patients needing medical care? While extending beyond the reach of the average tourism bureau, hinging on the answer to this question is possible local acceptance or resentment of efforts to promote medical tourism. If the local sensibility is that outsiders are being given preferential treatment in the availability of medical services, the perception may poison the long-term ability of an area to maintain such tourism as negative attitudes toward such travelers may take root (Bookman & Bookman, 2007).

2.5 SUMMARY

Medical tourism represents only one prong of the growing expansion of global health care. Such medical trade also includes doctors traveling to other countries or regions to offer services, medical corporations investing and developing facilities in remote destinations, and the current and growing practice of tele-medicine in which X-rays are read, diagnoses are made, and even robotic operations are conducted from afar. However, there is little doubt that the phenomenon of travelers seeking medical treatment has the greatest economic impact on a region, both in terms of health and hospitality income gained from such travelers.

To lump all medical travelers together, however, is simplistic and of limited use. The six types of travelers are likely to have greatly varying needs, and some regions are well equipped to serve only one or two of the categories. Collaboration between healthcare providers, hospitality facilities, and destination marketing organizations will become ever more critical as areas become more developed and competitive.

Perhaps, the most significant hurdles will be assuring patient privacy while attempting to gather data on the purposes of travel to a region. Declarations of intent at the border may be misleading, especially in the case

of sensitive, embarrassing, or secretive treatments. Hospitals frequently provide only self-serving information, and hospitality firms may not know the true nature of a guest's visit to an area. Until data is shared between the medical, accommodations, and marketing efforts of a region, much will remain of a speculative and generalized nature in this growing area of medical tourism.

KEYWORDS

- **global health care**
- **medical tourism**
- **medical travelers**
- **pull factors**
- **push factors**

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PART II

A Systems Model for Hospitality Bridging Healthcare (H2H) as a Driver for High Quality Patient/Guest Service Delivery

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CHAPTER 3

USING THE SYSTEM MODEL TO DESCRIBE THE WORKINGS OF THE MAYO CLINIC FOR MEDICAL TOURISM

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CONTENTS

ABSTRACT

The Mayo Clinic Systems Model presented in this chapter provides a vantage point through the window of desirable patient/guest services outcomes. The Systems Model provides a roadmap or blueprint for the integration of all of the services from pre-Mayo to post-Mayo and all the processes in between. The understanding of this model can lead to a very positive level of patient/guest satisfaction and a positive health outcome.

3.1 BACKGROUND

The healthcare industry faces obstacles of monumental proportions. Hospitals lose money on most of their patients. Staffing shortages and under-capacity exist in virtually every community. The average American feels vulnerable to financial disaster because of inadequate or unaffordable insurance coverage. Young people are not choosing nursing as a desirable profession or hospitals as desirable places to work. Hospitals teeter on the edge of bankruptcy because of reimbursement that is constantly adjusted downward (Carabello, 2008). Meanwhile, the costs of drugs and technology are skyrocketing. The constant threat of malpractice suits is driving physicians out of business and creating volumes of regulations and paperwork. According to the book "If Disney Ran Your Hospital," (Lee, 2004) Florida Hospital has a "SHARE" (sense people's needs before they ask [initiative], help each other out [teamwork], acknowledge people's feelings [empathy], respect the dignity and privacy of everyone [courtesy], and explain what's happening [communication]) mission for the employees. The authors would like to thank Linda Clarke of Mayo Clinic and her hosted students and professors from a Northwestern University class who helped work on the project for Mayo Clinic (2011, Personal Correspondence).

3.2 LITERATURE REVIEW

3.2.1 GLOBALIZATION OF MEDICAL TOURISM MARKET

Medical tourism is related to the broader notion of health tourism, which, in some countries, has longstanding historical antecedents of spas towns and

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coastal localities, and other therapeutic landscapes. Some commentators have considered health and medical tourism as a combined phenomenon but with different emphases. Carrera and Bridges (2006, p. 447), for example, define health tourism as the "organized travel outside one's local environment for the maintenance, enhancement or restoration of an individual's well-being in mind and body." This definition encompasses medical tourism, which is delimited to "organized travel outside one's natural health care jurisdiction for the enhancement or restoration of individual's health through medical intervention" (Lunt et al., 2010). The globalization of medical tourism may include, economic, social, cultural, and technological. A global map of medical tourism destination would include Asia (India, Malaysia, Singapore, and Thailand); South Africa; South Africa, South and Central America (including Brazil, Costa Rica, Cuba and Mexico); the Middle East (particularly Dubai); and a range of European destinations (Western, Scandinavian, Central and Southern Europe, Mediterranean) estimates rely on industry sources, which may be biased and inaccurate (Lunt et al., 2010). For some medical tourism destinations, attempts are being made to promote the cultural, heritage and recreational opportunities.

3.2.2 APPLYING THE SYSTEMS MODEL INTO TOURISM AND HOSPITALITY

3.2.2.1 THEORY OF THE SYSTEMS MODEL

A Systems Model involves a combination of elements or parts to complete a task. When the parts of a system work together, they accomplish a goal. The "inputs" to the system provide all the needed resources to accomplish the goals of the system. The "processes" are the action which brings about system goals using the inputs (resources). The "outputs" of the system include the ends or goals (products, services, and/or societal impacts).

3.2.2.1.1 System Inputs

The "inputs" to the system provide all needed resources to accomplish the goals of the system. Six general inputs to technology education systems are (1) people; (2) knowledge; (3) materials; (4) energy; (5) fixed capital-land, buildings, tools, and equipment; and (6) money.

3.2.2.1.2 System Processes

The "processes" area of the system is where action takes place to achieve the goals of the system. Knowledge of the processes and how to perform processes is called technology.

3.2.2.1.3 System Outputs

The "output" of a system if the goal to which all of the inputs and processes are applied. These may be products, services, new knowledge, and impacts of the system on society.

3.2.2.1.4 Feedback

Information can be transferred back to any position in the system for evaluation to see if things are going as planned. Corrections can be made in inputs and processes to alter the outputs from the system (Dallastown area Middle School, Universal Systems Model, 2010) The system model has been around and used for a long time by industry and now service industries are using the model to look at the guest/customer flow through their businesses and look at the entire service process to maximize service quality. The "input" stage or the pre-transaction is the phase, during which the consumer is conscious of a need for the service or product. The Systems theory described can be used for a Medical Tourism Systems Model as well.

He/she will do an in-depth search for information on the offerings. He/she will seek a highly qualified physician. For example, India boasts a number of reputed surgeons, trained in Europe, notably in the United Kingdom; Tunisia has 8500 doctors whose diplomas are recognized in Europe (Labelle et al., 2003; Saget, 2005). New users tend to feel more uncertainty. Transaction phase, considered as "the moment of truth" (Edvardsson, 1996; Edvardsson et al., 2000; Normann, 1984), is the step during which the consumer will evaluate the service provided. It is the moment during which the consumer interacts directly with the service. The greater the perception of risk, the greater probability of being a victim of a bad provider. In a recent study, Ye et al. (2011) explored the motivational factors and barriers to medical tourism among potential medical tourists in Hong Kong. The researchers divided the motivations of medical tourists into four categories: push factors, pull factors, facilitating factors, and other considerations. Their framework

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appears to be well organized. For example, a patient's family, partner, and companions are considered facilitating factors, whereas other considerations include destination attributes, attitude regarding time and service, and quality. They are likely to be push or pull factors. These factors are vague, and the identified motivations fail to include important components. As a result, the conceptualization of patient satisfaction is an important dimension of healthcare treatment. Relatively little is known about the experience and satisfaction of medical tourists. According to Ehrbeck et al. (2008, p 7), patients report generally high satisfaction with quality of care received overseas, but it is not clear that this can be extrapolated outside of the United States and to a range of treatments. Patient clinical outcomes and satisfaction do not necessarily go together and satisfaction is not always the primary indicator for some treatments such as dental work. Evidence of clinical outcomes for medical tourist treatments is limited and reports are difficult to obtain and verify. That a positive treatment outcome should result is important, not least because the patient's local healthcare provider takes on the responsibility and funding for postoperative care including treatment for complications and to remedy side effects (Cheung & Wilson, 2007). They suggested that patients' perception of service quality is a key determinant of healthcare organization's success due to its primary role in achieving patient satisfaction and hospital profitability (Donabedian, 1996). Conceptualizing and measuring patient satisfaction and service quality in healthcare settings continue to be of particular interest to practitioners and academic researchers. Customer loyalty is defined as prospects of future repurchase or renewal by customers for an organization (Andreassen & Lindestad, 1997). Loyal customers help promote the organization and its offerings through favorable world of mouth and recommendations directly or indirectly (Hennig-Thran & Hansen, 2000; Heskett et al., 1994). Thus, business performance of the organization improves through increased sales of products and services.

3.2.2.2 *WHAT IS DESTINATION MEDICAL COMMUNITY?*

Destination Medical Community (DMC) is collaboration between the Mayo Clinic and the city of Rochester, MN community to provide the ideal patient and visitor experience and become the world's premier DMC (Fig. 3.1).

DMC is an integrated collaboration between Mayo Clinic, and the Rochester, Minnesota community of businesses and services to provide the ideal patient/visitor experience to become the world's premier destination for medical community. This integrated (even holistic) approach—where all the

links in the chain of service with the System are strong—and deliver the optimal guest experience in a best of class–world class environment that are practical and functional in enjoyable environment for health and wellness. In general patient/visitors that will gain the most value from DMC's offerings are medical tourists from over 250 miles away and are most likely to stay in a hotel, dine in restaurants, and seek out entertainment, and need transportation services (Fig. 3.2).

FIGURE 3.1 Destination medical community (DMC).

Source: http://www.fastcompany.com/3041355/innovation-agents/the-65-billion-20-year-plan-to-transform-an-american-city.

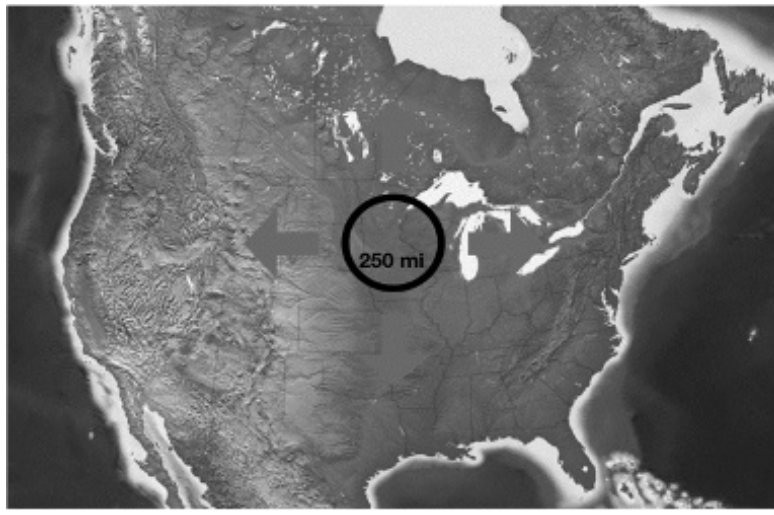

FIGURE 3.2 Which visitors will gain the most value from DMC's offering?

Visitors traveling >250 miles more likely to stay in hotel, eat in restaurants, seek entertainment, and need transportations.

Source: http://www.fastcompany.com/3041355/innovation-agents/the-65-billion-20-year-plan-to-transform-an-american-city.

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Mayo Clinic a multispecialty medical group brings together doctors from virtually every medical specialty—joined by common systems and values—who work together to care for patients (Berry & Seltman, 2008). In 1912, more than 15,000 individual patients were registered at Mayo Clinic. Twelve years later, when the Mayo brothers were at the height of their careers, Mayo doctor were seeing about 60,000 patients and performing more than 23,600 surgeries per year (see Table 3.1). The practice had access to more than 1500 hospital beds and 27 operating rooms. By 1983, the practice, with 276,800 individual patients, was about four and a half times larger than it was in 1924.

TABLE 3.1 Then and Now.

	1924*	**1983**	**2007**
Patients			
Individual patient registrations	60,063	276,800	520,000
Hospital admissions	63,600	135,000	
Surgeries	23,628	30,800	76,300
Hospital beds	1,507	1848	2400
People of Mayo Clinic			
Mayo physicians and medical scientists		889	2706
Administrative and allied health staff		5350	35,971
Residents, fellows, students		1504	3229
Total		7743	49,906
Operating performance (in millions)			
Total revenue		$411.6	$7322.4
Total expenses		$353.1	$6699.6
Excess of revenues over expenses		$58.5	$622.8

*Sketch of the *History of the Mayo Clinic and the Mayo Foundation* (W.B. Saunders, 1926, pp. 30–31).

Mayo Clinic annual report, 1983.

Mayo Clinic annual report, 2007.

The spirit and guiding principles of the Mayo Clinic include the following:

1. Continuing pursuit of the ideal of service and not profit.
2. Continuing primary and sincere concern for the care and welfare of each individual patient.

3. Continuing interest by every member of the staff in the professional progress of every other member.
4. A willingness to change in response to the changing needs of society.
5. Continuing effort toward excellence in everything that is done.
6. Continuing conduct of all affairs with absolute integrity.

The Mayo Clinic is located in the city of Rochester, Minnesota, about an hour or more from the very large Minneapolis metro area. In order to compete with the Johns Hopkins and Cleveland Clinics of the world, Rochester is being developed by an ambitious new model to make it a medical tourism destination Mecca. Over the next 20 years or so, approximately $6.5 billion will be spent on this tourism destination mecca, which will double its population. This is referred to as Destination Medical Center or DMC. This is a bold plan and model to be sure, one wrought with challenges and grand opportunities.

The vast scope of Destination Medical Center (DMA) can be seen in Figures 3.3–3.8.

FIGURE 3.3 The future vision of Destination Medical Center (DMC), Rochester, Minnesota.

Source: http://www.fastcompany.com/3041355/innovation-agents/the-65-billion-20-year-plan-to-transform-an-american-city.

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FIGURE 3.4 The future vision of Destination Medical Center (DMC), Rochester, Minnesota.

Source: http://www.fastcompany.com/3041355/innovation-agents/the-65-billion-20-year-plan-to-transform-an-american-city.

FIGURE 3.5 The future vision of Destination Medical Center (DMC), Rochester, Minnesota.

Source: http://www.fastcompany.com/3041355/innovation-agents/the-65-billion-20-year-plan-to-transform-an-american-city.

FIGURE 3.6 The future vision of Destination Medical Center (DMC), Rochester, Minnesota.

Source: http://www.fastcompany.com/3041355/innovation-agents/the-65-billion-20-year-plan-to-transform-an-american-city.

FIGURE 3.7 The future vision of Destination Medical Center (DMC), Rochester, Minnesota.

Source: http://www.fastcompany.com/3041355/innovation-agents/the-65-billion-20-year-plan-to-transform-an-american-city.

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FIGURE 3.8 The future vision of Destination Medical Center (DMC), Rochester, Minnesota.

Source: https://www.google.com/search?q=DMC+mayo+clinic&biw=1225&bih=810&source=lnms&tbm=isch&sa=X&ved=0ahUKEwjHqLW48tbLAhVGdT4KHWBQC5QQ_AUICCgD#imgrc=46doOtJnePMgCM%3A.

The challenge of the DMC and delivering optimal patient/guest services at the Mayo Clinic is getting all of the physical and process oriented components to mesh well together to create a personalized medical guest experience leading to a functional and positive medical visitor experience for the patient and family members. Previous work which will be presented will describe some of the disconnects in the medical experience processes which otherwise would have had a more favorable outcome and seamless experiences.

3.3 OVERVIEW OF OPPORTUNITIES IN THE MEDICAL TOURISM EXPERIENCE

Patients travel to seek out high quality and affordable medical services all around the world (Cetron et al., 2010). This often necessitates staying in a hotel or resort. These two entities should mess and work well together for an optimal guest services experience.

This is referred to as Hospitality Bridging Healthcare or H2H (Cetron et al., 2010), whereby the hotel/hospitality services complement the medical services. Approximately 75% of health services are “hospitality” related services. The careful integration of the H2H system will help to achieve an optimal level of service and bring about a positive medical guest experience. This relationship is demonstrated in Figures 3.9 and 3.10.

3.3.1 HOSPITALITY BRIDGING HEALTHCARE (H2H)

FIGURE 3.9 Hospitality Bridging Healthcare (H2H) and the 75 % hospitality service rule of thumb.

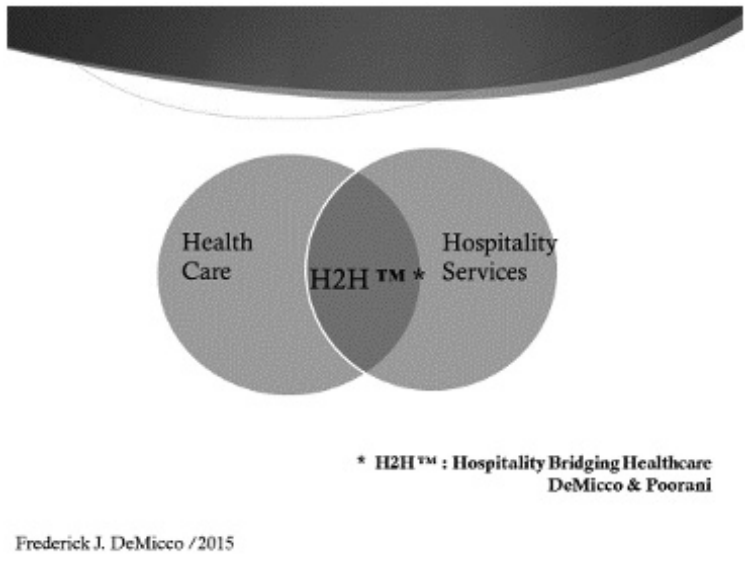

FIGURE 3.10 Venn diagram of Hospitality Bridging Healthcare (H2H).

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3.3.1.1 THE SYSTEMS MODEL: APPLICATION TO MAYO

A Systems Model represents aspects of a system and its environment. There are many different types of models, as there a variety of purposes for which they are built. It is useful to have a common way to talk about the concepts underlying of system behavior, while others enable the understanding of system structure. In their chapter, we apply the systems model-input-process-output into Mayo Clinic center.

A Systems Model approach (Systems Model concept) used in manufacturing and services can be applied to the medical tourism integrated model with H2H.

A Systems Model is the conceptual model that describes and represents a system. A system comprises multiple views such as planning, requirement (analysis), design, implementation, deployment, structure, behavior, input data, and output data view. A system model is required to describe and represent all these multiple views.

The Systems Model shown in Figures 3.11 and 3.12 examine *Inputs* into the medical "system" (in this chapter the system is Mayo Clinic and Rochester Minnesota).

Systems Model—Input

Trip Planning

Emotional states: Frustration, anticipation, confusion, and relief.

Common themes: "On my own, lack of knowledge, concern about money."

Observed and stated need: "Used travel agent," "My son did all the booking," "Used internet extensively," and "Found feature description of hotels very confusing," "very frustrating to find a good hotel."

Myth: Visitors are well aware of various transportation and travel options, including the Mayo Concierge, travel services, etc.

Reality: Visitors are uninformed and rely on people and organizations, they trust to help them make informed decision.

Need: Trusted, visible sources of information to show plethora of travel-related options.

FIGURE 3.11 The Systems model—input.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Systems Model—Input

Travel to Rochester

Emotional states: Uncertain, achievement, apprehension relief.

Common themes: Lack of information many drive FAR.

Observed and Stated Needs

Myth: Visitors make well-informed decisions.

Reality: Visitors default to a comfortable yet often irrational choice without information to help them decide otherwise.

Need: Information to help visitors fully understand the pros and cons of their transportation possibilities.

FIGURE 3.12 The Systems model—input.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

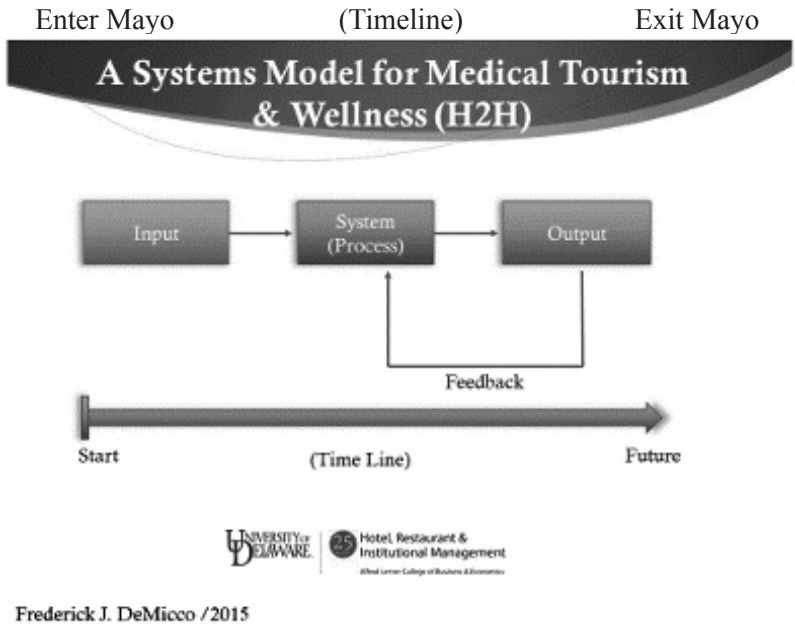

FIGURE 3.13 A systems model for medical tourism & wellness (H2H).

Source: Cetron et al. (2010).

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These *inputs* can include pre-arrival information gathering about the trip itself prior to travel to the Mayo Clinic, the medical information, paper processing, communication between patient/guest and the like (Figs. 3.13 and 3.14).

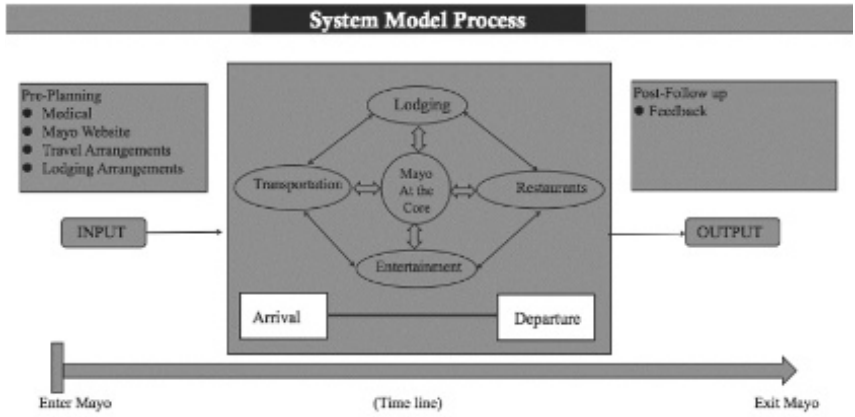

FIGURE 3.14 The systems model process.

Once inside the medical system at Rochester, MN a flow and cascading of processes (referred to as Process) and procedures take place for the patient/guest. The key here is to have the right drivers of guest services ii place, to meet the needs of patient/guests and their families.

What is the Mayo visitor experience?

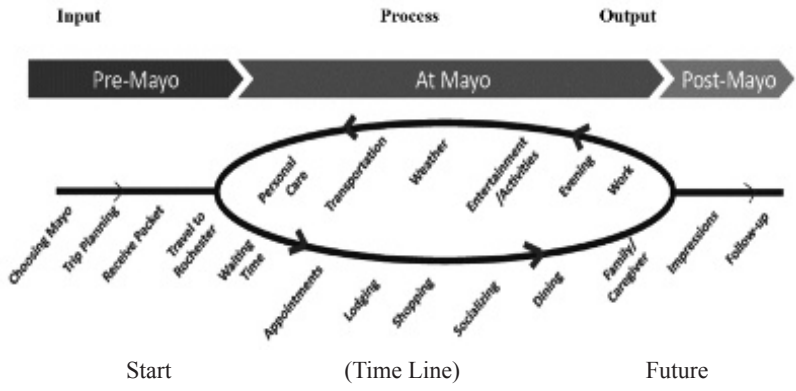

FIGURE 3.15 The Mayo visitor experience from input to output.

Source: Cetron et al. (2010).

Figure 3.15 presents a flowchart of the Medical Tourism process from input stage to output. For example, under "pre-Mayo" guests make initial plans to travel to Rochester, do their trip planning, schedule appointments, and the like. In examining the trip planning or Input stage, the myths uncovered included visitors are well aware of various transportation and travel options, including the Mayo Concierge service, travel services, etc.

The reality is visitors are likely uniformed as gathered from guest comments. There is thus a need for trusted, visible sources of information to show the range of medical travel related services that Mayo offers. In looking at guest perceptions of the actual travel to Mayo many guests do not know what the best means is. Should they drive since they may need a car to get around to their appointments? One couple drove from Delaware for this reason; only to find out they could have flown, since the hotels provide shuttle services to the clinics for their appointments. Therefore, better information is needed to assist medical visitors so they fully understand the range of transportation options available to them. Regarding the booking of hotels at Mayo, patient/guest are concerned with the price and location of the hotel rooms, but also care about comfort and amenities once they are in Rochester. They often regret their choices of lodging and make an effort to switch their rooms. Therefore, on the pre-Mayo planning *input* side of the H2H Systems Model, better information is needed to help patient/guests consider the menu of lodging rooms available and the amenities are important when making their initial reservation (Figs. 3.16–3.21).

The following discusses the patient/guest processes once inside the system (model). This includes transportation to and from Rochester, Minnesota, the hotel lodging, dining, and the entertainment perceptions while in the system.

Transportation within Rochester is also of concern. The reality is the public transportation is good, and the hotel shuttle system is effective and efficient. But trusted and up to date information on transportation to and from lodging to dining, lodging, and the entertainment to encourage use and exploration is required. (Perhaps an AP can be designed for smart phones and/or better signage, or up to date website.)

The dining experience is another area that needs attention once in the *system* at Mayo. The myth that food is solely for calorie replenishment. However, patient/guests and their families view meals as providing more than just nourishment, as dining out offers an opportunity to connect with someone else.

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Systems Model—Process

Transportation within Rochester

Emotional states: Helpless, clueless, anxious, and convenient.

Common themes: Lack of knowledge of options, desire for convenience, transportation tied to independence.

Observed and stated needs: "Didn't discover subway until 4th day," "didn't know about skyways," and "rented a car to give myself some independence."

FIGURE 3.16 The systems model processes.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Systems Model—Process

Transportation within Rochester

Myth: Public transportation within Rochester is confusing; it is a safer bet to stay downtown (close to Mayo) or drive/rent a car.

Reality: The hotel shuttle systems are efficient, but awareness is low.

Need: Trusted and up-to-date information on transportation to/from Mayo/lodging/dining/entertainment to encourage exploration.

FIGURE 3.17 The systems model processes.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Systems Model—Process

Dining

Emotional States: Routine, Anxiety (Health related), Escape.

Common Themes: Not satisfied with current dining, Options, Dining is a distraction

Observed and Stated Need: "Wish I had someone to grab a bite with tonight," "love famous Dave's, good distraction," "difficult to eat out because wife must watch salt content," "like to eat but don't think there is anything decent in Rochester."

FIGURE 3.18 The systems model processes.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Systems Model—Process

Dining

Myth: The need for food is solely to replenish calories.

Reality: Visitors view meals as providing more than just nourishment; "dining" offers an opportunity to connect with someone.

Needs: Opportunities for casual social interactions during meal times.

FIGURE 3.19 The systems model processes.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study 2011).

The myth that patient/guests are too tired to engage in entertainment activities persists. However, they are not necessarily too tired just unaware of entertainment available. Thus, promote and advertise entertainment options, such as free comedy show—a best medicine, provide movie theatre options downtown, etc.

Systems Model—Process

Entertainment/Activities

Emotional States: Unimpressed, Clueless, Escape, Bored, Tourist w/o the vacation

Common Themes: Discover options via pamphlet or word of mouth, Desire for a movie theater downtown, Want distraction-type actives

Observed and Stated Needs: "free comedy show-good medicine!," "borrow books from hotel to read," "feel trapped and confused about where to go," "even sick people want a diversion"

FIGURE 3.20 The systems model processes.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

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Systems Model—Process

Entertainment/Activities

Myth: Visitors are too tired to engage in activities

Reality: Visitors are not necessarily too tired, just unaware and unmotivated to seek out entertainment; their expectations are extremely low based on their unmet basic needs

Need: Inspired confidence, and options to pursue once visitors are more motivated

FIGURE 3.21 The systems model processes.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

3.4 WHAT IS THE OVERALL EMOTIONAL JOURNEY OF THE VISITOR?

3.4.1 THE MEDICAL TOURISM ANALYSIS MAP (MTAM)

The emotional journey of the visitor within the Mayo System is mapped in Figure 3.22. Presented are the stages from pre-Mayo to the post-Mayo or Output in the Systems Model is shown. It is possible to thus see the highs and the lows of the experience as discussed previously in this chapter, as they can offer solutions for improvements.

It should be noted that patients/guests most always rate their Mayo medical treatments as High, but the hospitality related services not as highly. Hence there is room for improvement.

In Figure 3.23, a diagram of what the patient needs are presented. These have been discussed in more detail previously, but Figure 3.23 represents this diagrammatically.

The output stage of the Systems Model involves collecting feedback on patient/guest satisfaction through surveys—both written or online surveys. This information that is collected can be used to improve the overall process for enhanced guest satisfaction. This feedback loop is necessary to bring about continuous quality improvement in the system at Mayo and other healthcare systems.

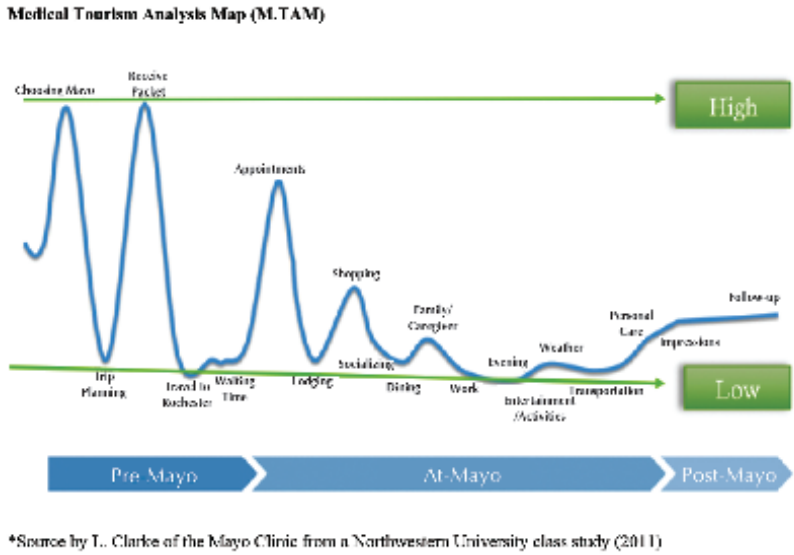

FIGURE 3.22 The Medical Tourism analysis map (M-TAM).

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

What is the emotional journey of the visitor with respect to Mayo?

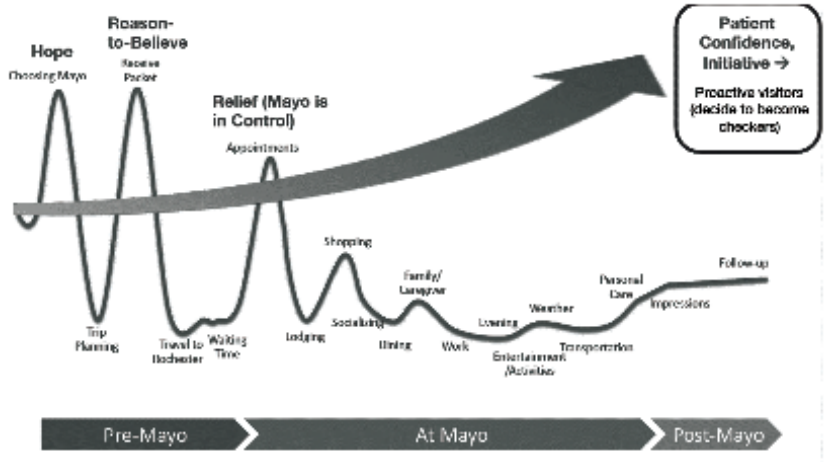

FIGURE 3.23 The emotional journey of the Mayo visitor.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

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The following describes the important key individuals that are also involved in the system along with the patient.

3.5 DISCUSSION OF THE KEY MEDICAL TOURISM MARKET SEGMENTS

It is vital to provide a centralized and trusted source of information to the patient/guests. It is also important to know who are the key target markets that enter the Mayo Medical System. Figure 3.24 lists the key target markets including patient/guests, family members, Nomads, and One-ers. There are unique promotional strategies for these groups

---

Systems Model—Output

Daughters: Caregivers balancing work, family, and patient's needs

Pass Through: Visiting Mayo for annual check-up

Healthcare Nomads: Long-term patient, relocated to Rochester for treatment/transplant

Families: Group travel for the care of one family member

One-ers: Travel alone for follow-up care

FIGURE 3.24 The systems model outputs.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Based on target demographic, which visitors did this research focus on?

The following provides the various key players in the medical tourism journey into the system. They are described and comments form of them are shared below to help in getting the system processes optimized to deliver a high quality and error free visit, along with increased patient/guest satisfaction and subsequent loyalty.

See Figures 3.25–29 for this diverse demographic groups and ways to personalize their experience needs at Mayo.

Systems Model—Output

I. Daughters Segment

Primary Needs (DMC-related)

Trip planning: Trusted, visible sources of information to help me plan my trip (will we need to rental car? Are there recommended hotels? How long should we stay?).

Travel to Rochester: Information to help me weigh the pros and cons (we live in different cities, so will be traveling separately… Should mom and I meet in MSP, or could I fly to the MSP and meet her in Rochester?).

Lodging: Information to help me understand long-term lodging options (mom is in a wheelchair-is there a handicapped-accessible room? Is there a gym for me?).

Secondary Needs (DMC-related)

Dining: Opportunities for casual social interactions during meal times (mom is tired and on dietary restrictions so heading to bed early, but I am starved-both for food and some socializing!).

Entertainment/Activities: Options to pursue (I'd like to get a massage and pamper myself while mom is in tests today; what are my options?).

Transportation within Rochester: Trusted and up-to-date information on transportation (I tried a great restaurant last night and want to take mom there, but do not know if the hotel shuttle will take us there?).

FIGURE 3.25 The systems model outputs.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Systems Model—Output

II. Healthcare Nomads Segment

Primary Needs (DMC-related)

Trip planning: Trusted, visible sources of information to help me play my trip (I did not know how long I will need to be there, so want some flexible and economical options).

Travel to Rochester: Information to help me weigh the pros and cons (are there Angel flights available? Should I drive for 3 days or splurge on a flight?).

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Lodging: Information to help me understand long-term lodging options (I cannot afford a hotel for eight weeks-what are my other options? Are there kitchens? Private rooms? Can I bring a guest?).

Secondary Needs (DMC-related)

Dining: Opportunities for casual social interactions during mealtimes (I am away from my family for weeks at a time-interacting with new friends keeps me going!).

Entertainment/Activities: Options to pursue (while many patients go home on the weekends, I stay in Rochester. What is there for me to do?).

Transportation within Rochester: Trusted and up-to-date information on transportation (I need to visit the grocery store to buy more food-how do I get there?).

FIGURE 3.26 The systems model outputs.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Systems Model—Output

III. "One-ers" Segment

Primary Needs (DMC-related)

Trip planning: Trusted, visible sources of information to help me plan my trip (I travel to Mayo often, but like to know about new offerings and accommodations).

Travel to Rochester: Information to help me weigh the pros and cons (I have always flown into Rochester, but just learned there is a shuttle from MSP? Could have saved me a lot of connecting flights!).

Lodging: Information to help me understand long-term lodging options (I usually stay at the same hotel, but sometimes explore other options.).

Secondary Needs (DMC-related)

Dining: Opportunities for casual social interactions during mealtimes (I always leave my wife and kids at home while I come to these check-ups… it would be great to have someone to dine with once in while).

Entertainment/Activities: Options to pursue (I love jogging-are there any jogging clubs in the area?).

Transportation within Rochester: Trusted and up-to-date information on transportation (One night last visit I really just wanted to see a movie but didn't want to take a cab all the way to the edge of town. Is there a better way?).

FIGURE 3.27 The systems model outputs.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

Systems Model—Output

IV. Families Segment

Primary Needs (DMC-related)

Trip planning: Trusted, visible source of information to help me plan my trip (we have been a Rochester before, but never with our kids. They have a whole different set of needs).

Travel to Rochester: Information to help me weigh the pros and cons (Buying airplane tickets for a family of four gets really expensive. What are our other options?) Even information for placing children in the Rochester schools (should the medical treatment be for a long period of time) may be needed.

Lodging: Information to help me understand long-term lodging options (The kids would love a pool but the last hotel stayed at did not have one. Also I did like a kitchenette to prepare economic breakfasts for everyone).

Secondary Needs (DMC-related)

Dining: Opportunities for casual social interactions during mealtimes (My kids are getting sick of each other-where is a kid-friendly restaurant where they might make friends?).

Entertainment/Activities: Options to pursue (I did like to take our daughter on an outdoor activities tomorrow while our son is getting tested. What are our options?).

Transportation within Rochester: Trusted and up-to-date information on transportation (We heard about a neat house on the edge of town we think the kids would like exploring. How can we get there?).

FIGURE 3.28 The systems model outputs.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

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Systems Model—Output

V. Pass Through Segment

Primary Needs (DMC-related)

Trip planning: Trusted, visible sources of information to help me plan my trip (we travel to Mayo annually for out check-ups, but like to know about new offerings and accommodations).

Travel to Rochester: Information to help me weigh the pros and cons (We've always flown into Rochester, but often have trouble with missed connections).

Lodging: Information to help me understand long-term lodging options. (We always stay at the same hotel, but recently heard of renovated one on the outskirts of town, Can't recall the name, however.)

Secondary Needs (DMC-related)

Dining: Opportunities for casual social interactions during mealtimes (These annual visits are like a romantic getaway for us-we love having a drink at the bar and meeting folks before cozying up in a booth).

Entertainment/Activities: Options to pursue (We are up for exploring the city at night-are there comedy show or live music venues?).

Transportation within Rochester: Trusted and up-to-date information on transportation (We heard of a new vegan restaurant but do not know how to get there because we always use the skyways and subways; it there a shuttle?).

FIGURE 3.29 The systems model outputs.

Source: L. Clarke of the Mayo Clinic from a Northwestern University class study (2011).

3.6 CONCLUSION

In conclusion and as gleaned through the Medical Tourism Systems Model, at the Input stage, first impressions do matter, needs come before wants, needs are universal; wants are individual. Therefore, DMC/Mayo should provide universal solutions and information about individual options, since visitor confidence in anticipation of their medical trip planning is the key for entering into the Medical Systems Model. By identities and understands, the

five market segments can help in this process. Through understanding all of the steps in the process for the medical tourist entering into the system, and into the myriad of processes, and then Exiting (Output stage of the Systems Model) can help to insure a quality overall medical tourism experience. Guest satisfaction can follow, and hopefully loyalty on the part of the patient/guest for the future can be attained.

KEYWORDS

- **medical tourism**
- **hotel**
- **healthcare**
- **systems model**
- **process**

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CHAPTER 4

AN OVERVIEW OF THE AFFORDABLE CARE ACT AND THE IMPORTANCE OF BRINGING HOTEL/HOSPITALITY QUALITY SERVICES TO HEALTHCARE

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CONTENTS

ABSTRACT

The author has worked as a director on hospital and physician's staff and as a healthcare consultant for the past 25+ years specializing in the area of Revenue Cycle. This chapter will examine the affect the Affordable Care Act and customer service (HCAHPS) has on the healthcare industry. In addition, it will provide some PowerPoint slides to be used for training of staff.

4.1 PATIENT PROTECTION AND AFFORDABLE CARE ACT

On March 23, 2010, the Patient Protection and Affordable Care Act or more commonly referred to as the Affordable Care Act (ACA) was enacted. Along with the Health Care and Education Reconciliation Act amendment of 2010, these laws put in place comprehensive health-insurance reforms. They were enacted to increase the quality of health insurance, lower the uninsured rate, and reduce the costs of healthcare for individuals and the government. These laws require insurance companies to cover all applicants with new minimum standards and offer the same rates regardless of the sex of the individual or preexisting conditions.

Significant reforms, mostly effective starting in 2014 are

- keeps insurers from denying coverage to individuals due to preexisting conditions;
- requires insurers to offer the same premium price to all applicants of the same age and geographical location without regard to gender or most preexisting conditions (excluding tobacco use); and
- provides a minimum standard/essential health benefits for health insurance policies:
  - outpatient care;
  - emergency department visits;
  - inpatient care;
  - maternity and newborn care;
  - mental health and substance use disorder services including behavioral health treatment;
  - prescription drugs;
  - services and devices to help the individual recover if they are injured, or have a disability or chronic condition to include physical and occupational therapy, speech-language pathology, psychiatric rehabilitation, and more;

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  - laboratory testing;
  - preventive and wellness services and chronic disease management; and
  - pediatric services to include dental care and vision care for children.

Note: Specific healthcare benefits will vary by state. Even within the same state, there can be small differences between health insurance plans.

- Requires all individuals not covered by an employer sponsored health plan, Medicaid, Medicare, or other public insurance programs (such as Tricare) to secure an approved private-insurance policy or pay a penalty, unless the individual has a financial hardship or is a member of a recognized religious sect exempted by the Internal Revenue Service.
- Health insurance exchanges can provide individuals and small businesses in every state the ability to compare policies and buy insurance (with a government subsidy if eligible).
- Low-income individuals and families whose incomes are between 100% and 400% of the federal poverty level will receive federal subsidies on a sliding scale if they purchase insurance via an exchange. (Many hospitals have increased their charitable (charity) care to 400% of the federal income guidelines published every year on April 1 in order to help individuals with healthcare expenses.)

Issues that hospitals and physician offices have faced since the establishment of ACA are

- Individuals never had any financial liability to pay for healthcare before but now do by paying premiums monthly and co-pays or deductibles. They are required to pay a monthly premium but will more than likely also be expected to pay a co-pay or deductible. Individuals do not understand the difference and when informed of they need to pay for the co-pay or deductible, they will inform staff they have already paid that.
- They cancel their insurance once they have had a major health expense covered. They know they need to have a procedure done thus will purchased health insurance until they have had the procedure and will then cancel their insurance.
- Health insurance companies do not keep their information up to date. Facilities and physicians will verify an individual has insurance

coverage and provide services in good faith based on this information. Later they will be denied as the health insurance will state the individual was not covered on that date of service.
- Individuals sign up but do not pay their first premium.
- Individuals make too much money to qualify for Medicaid benefits but make too little to purchase a private exchange insurance plan.
- A number of individuals are still not covered but will receive access to and services:
  - Illegal immigrants but because of 1986 EMTALA (Emergency Medical Treatment and Active Labor Act) are still eligible for emergency services.
  - Individuals eligible for Medicaid but will not enroll.
  - Individuals who opt out of purchasing the insurance but opt to pay the annual penalty.
  - Some States have opted out of Medicaid expansion covered by the Act thus limiting the number of people with coverage.

Hospital and physician's office staff need to spend more time now being knowledgeable and explaining to individuals their healthcare benefits. This means an increase in customer service as these terms and requirements are new to the individual as they have not had to deal with these in the past. Training programs and carefully crafted scripting (defining how to handle different issues that the individual will bring up as a reason not to pay) is needed for this staff. Well defined policy and procedures, standard operating procedures, and job aids need to be developed to help staff provide easily understandable information so that the individual patient will understand. The following are examples of slides from a customer service training created for Patient Access/Registration staff with some examples of scripting:

1. WHEN INSURANCE REQUIRES JUST CO-PAY

Your insurance has been verified. Your insurance requires you to pay a co-pay in the amount of *$25.00*. How would you like to pay that today? Cash, check, or credit card?

Here is a receipt for what you paid today. Thank you for choosing (Name of Facility/Office) for your healthcare needs.

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2. WHEN INSURANCE REQUIRES DEDUCTIBLE AND CO-PAY

Your insurance has been verified and your insurance states that you have a *$100.00* deductible and *$20.00* co-pay. Therefore, the total amount due is *$120.00*. How would you like to pay that today? Cash, check, or credit card?

Here is a receipt for what you paid today. Thank you for choosing (Name of Facility/Office) for your healthcare needs.

3. WHEN PATIENT LACKS INSURANCE

Since you stated you do not have any insurance Mrs. Smith, this service requires a deposit of $50.00. How would you like to pay that today? Cash, check, or credit card?

Here is a receipt for what you paid today. Thank you for choosing (Name of Facility/Office) for your healthcare needs.

4.2 HOSPITAL CONSUMER ASSESSMENT OF HEALTHCARE PROVIDERS AND SYSTEMS (H-CAPS)

With the foundation the Hospital Quality Initiative in 2002 and begun in 2006, the plan was to "empower consumers with quality of care information to make more informed decisions about their healthcare, and encourage providers and clinicians to improve the quality of healthcare…" (Centers for Medicare and Medicaid Services, 2005). As part of this initiative, the Centers for Medicare & Medicaid Services (CMS) developed the Consumer Assessment of Healthcare Providers and Systems (CAHPS) Hospital Survey[1] also known as Hospital HCAHPS (pronounced H-caps), which collects uniform measures of patient perspectives on various aspects of their care, using a standardized survey and data collection methodology.

There are three main goals for the HCAHPS survey. First, the survey is designed to produce comparable data on the patient's perspective on care that allows objective and meaningful comparisons between hospitals on domains that are important to consumers. Second, public reporting of the survey results is designed to create incentives for hospitals to improve their quality of care. Third, public reporting will serve to enhance public

[1]CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality, a U.S. Government agency.

accountability in healthcare by increasing the transparency of the quality of hospital care provided in return for the public investment. With these goals in mind, the HCAHPS project has taken substantial steps to assure that the survey is credible, useful, and practical. This methodology and the information it generates are available to the public (Centers for Medicare and Medicaid Services, 2015a).

The participants include Inpatient Prospective Payment System (IPPS) and Critical Access hospitals and exclude pediatric, psychiatric, and specialty hospitals. (PPS-Exempt Cancer Hospitals can voluntarily participate and IPPS hospitals are penalized if they don't participate.) Patients who are eligible to receive the survey are patients over the age of 18 who received medical, surgical, or maternity care who stayed overnight or longer and were alive at discharge. It exclude hospice discharge, prisoner, foreign address, no-publicity patient, patient excluded due to state regulations, and patients discharged to nursing homes, SNF swing bed within hospital, and skilled nursing facility. HCAPHS encompasses about 80–85% of inpatients (Centers for Medicare and Medicaid Services, 2015b, p. 15).

The survey is administered anywhere from 48 hours to 42 days post discharge in a random sampling of patients. The HCAHPS survey contains 21 patient perspectives on care and patient rating items that encompass nine key topics: communication with doctors, communication with nurses, responsiveness of hospital staff, pain management, communication about medicines, discharge information, cleanliness of the hospital environment, quietness of the hospital environment, and transition of care. The survey also includes four screener questions and seven demographic items, which are used for adjusting the mix of patients across hospitals and for analytical purposes. The survey is 32 questions in length.

There are four methods of how the CAHPS® Hospital Survey is administered: (1) mail only; (2) telephone only; (3) mixed (mail followed by telephone); and (4) active interactive voice response (IVR). Participating hospitals, second quarter 2014 (4361) (Centers for Medicare and Medicaid Services, 2015b, p. 19):

- Mail: 2657 hospitals: 61%.
- Telephone: 1692 hospitals: 39%.
- Mixed mode: 4 hospitals: 0.1%.
- IVR: 8 hospitals: 0.18%.

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The HCAHPS Survey is available in English, Spanish, Chinese, Russian, Vietnamese, and Portuguese in the mail format; English and Spanish in the telephone format; and English in the IVR format. On average, it takes respondents about 8 minutes to complete the HCAHPS survey items. The core set of HCAHPS questions can be combined with customized, hospital-specific items to complement the data hospitals collect to support internal customer service and quality-related activities.

Specific organizations/vendors can be hired and are approved to provide this service to hospitals. Based on the third quarter of 2014:

- 57 Approved survey vendors are responsible for 99.2% of surveys;
- 60 hospitals are Self-administering for 0.3% of surveys; and
- 2 are Multi-site hospitals or 0.5% of surveys (Centers for Medicare and Medicaid Services, 2015b, p. 20).

As of April 2015, publicly reported scores are based on more than 3.1 million completed surveys from patients at 4167 hospitals. Every day more than 8400 patients complete the HCAHPS Survey (Centers for Medicare and Medicaid Services, 2015b, p. 22). Scores are reported out quarterly (April, July, October, and December).

As part of the initiative a five-star quality ratings has been added to the Compare Web sites. The CMS publishes HCAHPS Star Ratings. Star Ratings make it easier for consumers to use the information on the Compare Web sites and spotlight excellence in healthcare quality. Twelve HCAHPS Star Ratings appear on Hospital Compare: 1 for each of the 11 publicly reported HCAHPS measures, plus an HCAHPS Summary Star Rating. CMS updates the HCAHPS Star Ratings each quarter. The public reporting of the HCAHPS Star Ratings in December 2015 will be based on patients discharged between April 1, 2014 and March 31, 2015. Below are listed the 11 reported HCAHPS measures:

HCAHPS composite measures

1. Communication with nurses
2. Communication with doctors
3. Responsiveness of hospital staff
4. Pain management
5. Communication about medicines
6. Discharge information
7. Care transition

HCAHPS individual items

8. Cleanliness of hospital environment
9. Quietness of hospital environment

HCAHPS Global Items

1. Overall hospital rating
2. Recommend the hospital

In order to receive HCAHPS Star Ratings, hospitals must have at least 300 completed HCAHPS surveys over a given four-quarter period. In addition, hospitals must be eligible for public reporting of HCAHPS measures. Hospitals with fewer than 300 completed HCAHPS surveys will not receive Star Ratings; however, their HCAHPS measure scores will be publicly reported on Hospital Compare. Below is an example of HCAHPS cover letter and survey (Centers for Medicare and Medicaid Services, 2015a).

Sample initial cover letter for the HCAHPS survey

(Hospital Letterhead)
(Sampled Patient Name)
(Address)
(City, State, Zip).

Dear (Sampled Patient Name):

Our records show that you were recently a patient at (Name of Hospital) and discharged on (Date of Discharge). Because you had a recent hospital stay, we are asking for your help. This survey is part of an ongoing national effort to understand how patients view their hospital experience. Hospital results will be publicly reported and made available on the Internet at www.medicare.gov/hospitalcompare. These results will help consumers make important choices about their hospital care and will help hospitals improve the care they provide.

Questions 1–25 in the enclosed survey are part of a national initiative sponsored by the United States Department of Health and Human Services to measure the quality of care in hospitals. Your participation is voluntary and will not affect your health benefits.

We hope that you will take the tie to complete the survey. Your participation is greatly appreciated. After you have completed the survey, please return it in the pre-paid envelope. Your answers may be shared with the hospital for purposes of quality improvement. (*Optional*: You may notice a

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number on the survey. This number is used to let us know if you returned your survey, so we don't have to send you reminders.)

If you have any questions about the enclosed survey, please call the toll-free number 1-800-XXX-XXXX. Thank you for helping to improve health-care for all consumers.

Sincerely,
(Hospital Administrator)
(Hospital Name)

Note: The OMB Paperwork Reduction Act language must be included in the mailing. This language can be either on the front or back of the cover letter or questionnaire, but cannot be a separate mailing. It is in English as follows[2]:

"According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0981. The time required to complete this information collected is estimated to average 7 minutes per response for questions 1–22 on the survey, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: Centers for Medicare & Medicaid Services; 7500 Security Boulevard; S1-13-05; Baltimore, MD 21244-1850."

HCAHPS Survey

SURVEY INSTRUCTION

You should only fill out this survey if you were the patient during the hospital stay named in the cover letter. Do not fill out this survey if you were not the patient.

Answer all the questions by completely filling in the circle to the left of your answer.

[2]OMG Paperwork Reduction Act language; English version. http://www.hcahps.org/Files/OMB%20Paperwork%20Reduction%20Act%20Language.pdf.

You are sometimes told to skip over some questions in this survey. When this happens you will see an arrow with a note that tells you what question to answer next, like this:

- Yes
- No; if No, go To Question 1

You may notice a number on the survey. This number is used to let us know if you returned your survey so we don't have to send you reminders.

Please note: Questions 1–25 in this survey are part of a national initiative to measure the quality of care in hospitals. OMB #0938-9081

Please answer the questions in this survey about your stay at the hospital named on the cover letter. Do not include any other hospital stays in your answers.

YOUR CARE FROM NURSES

1. During this hospital stay, how often did nurses treat you with *courtesy and respect*?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

2. During this hospital stay, how often did nurses *listen carefully to you*?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

3. During this hospital stay, how often did nurses *explain things* in a way you could understand?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

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4. During the hospital stay, after you pressed the call button, how often did you get help as soon as you wanted?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

YOUR CARE FROM DOCTORS

5. During this hospital stay, how often did doctors treat you with *courtesy and respect*?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

6. During this hospital stay, how often did doctors *listen carefully to you*?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

7. During this hospital stay, how often did doctors *explain things* in a way you could understand?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

THE HOSPITAL ENVIRONMENT

8. During this hospital stay, how often were your room and bathroom kept clean?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

9. During this hospital stay, how often was the area around your room quiet at nights?
   (1) Never
   (2) Sometimes
   (3) Usually
   (4) Always

YOUR EXPERIENCES IN THIS HOSPITAL

10. During this hospital stay, did you need help from nurses or other hospital staff in getting to the bathroom or in using the bedpan?
    (1) Yes
    (2) No; if No, go to question 12

11. How often did you get help in getting to the bathroom or in using a bedpan as soon as you wanted?
    (1) Never
    (2) Sometimes
    (3) Usually
    (4) Always

12. During this hospital stay, did you need medicine for pain?
    (1) Yes
    (2) No; if No, go to question 15

13. During this hospital stay, how often was your pain well controlled?
    (1) Never
    (2) Sometimes
    (3) Usually
    (4) Always

14. During this hospital stay, how often did the hospital staff do everything they could to help you with your pain?
    (1) Never
    (2) Sometimes
    (3) Usually
    (4) Always

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15. During this hospital stay, were you given any medicine that you had not taken before?
    (1) Yes
    (2) No; if No, go to question 18

16. Before giving you any new medicine, how often did hospital staff tell you what the medicine was for?
    (1) Never
    (2) Sometimes
    (3) Usually
    (4) Always

17. Before giving you any new medicine, how often did hospital staff describe possible side effects in a way you could understand?
    (1) Never
    (2) Sometimes
    (3) Usually
    (4) Always

WHEN YOU LEFT THE HOSPITAL

18. After you left the hospital, did you go directly to your own home, to someone else's home, or to another health facility?
    (1) Own home
    (2) Someone else's home
    (3) Another health facility
    (4) If another, go to question 21

19. During this hospital stay, did doctors, nurses, or other hospital staff talk with you about whether you would have the help you needed when you left the hospital?
    (1) Yes
    (2) No

20. During this hospital stay, did you get information in writing about what symptoms or health problems to look out for after you left the hospital?
    (1) Yes
    (2) No

OVERALL RATING OF HOSPITAL

Please answer the following questions about your stay at the hospital named on the cover letter. Do not include any other hospital stays in your answers.

21. Using any number from 0 to 10, where 0 is the worst hospital possible and 10 is the best hospital possible, what number would you use to rate this hospital during your stay?
    (0) Worst hospital possible
    (1) 1
    (2) 2
    (3) 3
    (4) 4
    (5) 5
    (6) 6
    (7) 7
    (8) 8
    (9) 9
    (10) 10 Best hospital possible

22. Would you recommend this hospital to your friends or family?
    (1) Definitely no
    (2) Probably no
    (3) Probably yes
    (4) Definitely yes

UNDERSTANDING YOUR CARE WHEN YOU LEFT THE HOSPITAL

23. During this hospital stay, staff took my preference and those of my family or caregiver into account in deciding what my heathcare needs would be when I left.
    (1) Strongly disagree
    (2) Disagree
    (3) Agree
    (4) Strongly agree

24. When I left the hospital, I had a good understanding of the things I was responsible for in managing my health.
    (1) Strongly disagree

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(2) Disagree
(3) Agree
(4) Strongly agree

25. When I left the hospital, I clearly understood the purpose for taking each of my medications.
(1) Strongly disagree
(2) Disagree
(3) Agree
(4) Strongly agree
(5) I was not given any medication when I left the hospital

ABOUT YOU

There are only a few remaining items left.

26. During this hospital stay, were you admitted to this hospital through the emergency room?
(1) Yes
(1) No

27. In general, how would you rate your overall health?
(1) Excellent
(2) Very good
(3) Good
(4) Fair
(5) Poor

28. In general, how would you rate your overall *mental or emotional health*?
(1) Excellent
(2) Very good
(3) Good
(4) Fair
(5) Poor

29. What is the highest grade or level of school that you have completed?
(1) 8th grade or less
(2) Some high school, but did not graduate
(3) High school graduate or GED

(4) Some college or 2-year degree
(5) 4-year college graduate
(6) More 4-year college degree

30. Are you of Spanish, Hispanic, or Latino origin or descent?
(1) No, not Spanish/Hispanic/Latino
(2) Yes, Puerto Rican
(3) Yes, Mexican, Mexican, American, Chicano
(4) Yes, Cuban
(5) Yes, Spanish/Hispanic/Latino

31. What is your race? Please choose one or more.
(1) White
(2) Black or African American
(3) Asian
(4) Native Hawaiian or other Pacific Islander
(5) American Indian or Alaska Native

32. What language do you *mainly* speak at home?
(1) English
(2) Spanish
(3) Chinese
(4) Russian
(5) Vietnamese
(6) Portuguese
(7) Some other language (please print):

Thank you
Please return the completed survey in the postage-paid envelope.
(Name of survey vendor or self-administering hospital)
(Return address of survey vendor or self-administering hospital)
Questions 1–22 and 26–32 are part of the HCAHPS Survey and are works of the US Government. These HCAHPS questions are in the public domain and therefore are NOT subject to US copyright laws. The three Care Transition Measure questions. (Questions 23–25) are copyright of The Care Transitions Program (www.caretransitions.org)

Beginning October 1, 2012, the Patient Protection and ACA (Public Law [PL] 111-148) effected the payments made to hospitals based on these scores. Enactment of the Deficit Reduction Act of 2005 created an additional

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incentive for acute care hospitals to participate in HCAHPS. Since July 2007, hospitals subject to the IPPS annual payment update provisions ("subsection (d) hospitals") must collect and submit HCAHPS data in order to receive their full annual payment update. IPPS hospitals that fail to publicly report the required quality measures, which include the HCAHPS Survey, may receive an annual payment update that is reduced by 2.0%. Non-IPPS hospitals, such as Critical Access Hospitals, may voluntarily participate in HCAHPS. The incentive for IPPS hospitals to improve patient experience of care was further strengthened by the Patient Protection and ACA of 2010 (PL 111-148), which specifically included HCAHPS performance in the calculation of the value-based incentive payment in the Hospital Value-based Purchasing (VBP) program, beginning with discharges in October 2012.

Hospital VBP is part of the CMS' long-standing effort to link Medicare's payment system to a value-based system to improve healthcare quality, including the quality of care provided in the inpatient hospital setting. Participating hospitals are paid for inpatient acute care services based on the quality of care, not just quantity of the services they provide. Congress authorized Inpatient Hospital VBP in Section 3001(a) of the ACA. The program uses the hospital quality data reporting infrastructure developed for the Hospital Inpatient Quality Reporting (IQR) Program, which was authorized by Section 501(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (CMS.gov, 2015).

CMS has continued implementation of the Hospital VBP program in the FY 2015 IPPS rule (see 79 FR 50049). In that final rule, CMS relied on the finalized methodology to calculate the value-based incentive payment adjustment factor and the portion of Medicare's IPPS payments that will be subject to the adjustment factor, which was adopted in the FY 2013 IPPS rule (see 77 FR 53573-76). In accordance with the Hospital VBP statute, CMS also updated the applicable percent for the FY 2015 Program, which is 1.50%. The value-based incentive payment adjustment factors for the FY 2015 payment adjustments under the Hospital VBP Program may be found at https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/hospital-value-based-purchasing/Downloads/Hospital-Based-Episode-Measures-Supplemental-Documentation.pdf (CMS.gov, 2015).

4.3 SUMMARY

Customer Service is having an increasing effect of the reimbursement facilities receive. All areas, clerical and clinical, affect the feelings patients have

about the care they receive. With the advent of the ACA, more individuals now have insurance and because they are paying for the insurance out of their pocket, they want the healthcare providers to meet certain expectations. Increasingly staff's compensation is dependent on what the "Overall performance" rating as given by individuals on the HCAHPS. Further, individuals make judgments based on these scores and will use them to determine which facility to regularly use.

KEYWORDS

- **patient protection**
- **Affordable Care Act**
- **healthcare**
- **health benefits**
- **financial liability**

WEB RESOURCES

Center for Medicare & Medicaid Services. Introduction to HCAHPS Survey Training, Session I, March 2015. http://www.hcahpsonline.org/Files/March_2015_HCAHPS_Intro_Training_Slides_Session_I.pdf.

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CHAPTER 5

A DISNEY APPROACH TO MEDICAL TOURISM AND WELLNESS

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CONTENTS

ABSTRACT

The author spent a part of his career working at Disney World in Orlando with the Contemporary Hotel and Wilderness Lodge. This chapter will examine the guest services, management, and leadership principles from Disney that could be applied to a healthcare environment.

5.1 INTRODUCTION

The author completed the Disney Traditions I and II classes required of all Disney employees and completed his *Ductorate degree* at Disney University. The question was asked there of us: Who is Disney's competition? The answer is not Universal Studios or others, but Disney takes a wider view and looks at "any competition that the customer compares us to." This could be Lexus, Costco, or Amazon-where they may witness a high level of service and an over the top experience.

Therefore, it is critical that throughout the Systems Model service processes that all points of service contact are at a high level of guest experience.

In the book, *If Disney Ran Your Hospital* (Lee, 2004), the statement: "In the battle for the supremacy of perceptions in the patient's mind, our competition is *anyone the patient compares us to*. Unfortunately they do not compare us to other hospitals."

According to a Gallup survey, the four top drivers of patient satisfaction included nurses anticipated your needs, the staff and department worked together as a team, staff responded with care and compassion, and the staff advised you if there were going to be delays (The Gallup Organization, 1999).

In a Press Ganey Associates patient satisfaction Report (2003), top drivers for patient satisfaction included: how well the staff worked together to care for patient; overall cheerfulness of the hospital; responses to concerns or complaints made during the patient stay; amount of attention paid to your personal and special needs; nurses kept patient informed; nurses attitudes toward patient requests, skill, and friendliness of the nurses.

However, hospitals spend much of their time on the clinical outcomes, but less on how the patient judges the outcomes. The patient therefore is evaluating the total experience of the healthcare facility (not solely the clinical medical experience).

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From a patient services perspective, focus is on improving outcomes and perceptions (Lee, 2004). This includes focusing on outcomes such as team responsibility, eliminate carelessness, stressing what the medical team should be doing, and process mapping. Focusing on improving perceptions includes focus on personal responsibility, be tuned into patient perceptions, improvement of staff behaviors and attitudes, stress what staff should be saying, seeking to impact impressions, and best possible thinking.

At Disney, employees are referred to as cast members and all customers are referred to as guest. The Disney strategy is to be "assertingly friendly" and to teach cast members what to say the make the best positive impression. Structured scripting for cast member and guest interactions does this. Healthcare can also follow these practices toward higher guest satisfaction and loyalty levels. It is about managing the moments of truth between guest and cast member interactions to create a powerful positive impression.

If Disney ran your hospital, nurses, for example, would begin to believe that they are judged not so much against the standard of other nurses, but against the standards set by the nicest people providing services anywhere. The same goes for the food service staff, housekeepers, and doctors (Lee, 2004).

During the Disney Traditions mandatory training program, the four most important areas in order that Disney stresses are (1) safety, (2) courtesy, (3) show, and (4) efficiency. The safety as number one aligns well with hospitals, but the other areas particularly related to patient satisfaction (e.g., courtesy) are not clearly defined and thus not carried out in service delivery.

This is why Disney places courtesy higher than efficiency.

5.2 THE OFTEN-USED 1–5 RATING SCALE FOR GUEST SATISFACTION

In a large national 2014 survey on patient satisfaction the results indicate that there is room for improvement (The Wall Street Journal, Nov. 30, 2015) P.R6). This is why a more common trend is for hospitals to form patient advisory councils to learn how they can deliver better patient care. From the national survey, 82% said that their doctors communicated well with them, 71% said their pain was always well controlled, 65% of patients said the staff always explained about medicines before administering, 62% of hospital patients said that their area around their room was always quiet at night, and 52% said they "strongly agree" that they understood their care when they were discharged from the hospital (*Source*: Center for Medicine

and Medicaid Services, 2014 Consumer Assessment of Healthcare Providers and Systems (3.1 million respondents). In fact, the surveys that many hospitality and healthcare facilities use is the Likert scale of 1–5 to assess patient satisfaction with their hospital visit. So everything above a 4 was considered that the patient was satisfied. But at Disney, they do not show guest satisfaction scores, it only shows cast members the percentage of guests giving "5"s to satisfaction (the top score for "Excellent").

The reason is only scores of 5 are linked to loyalty and thus the likelihood to return again as a guest. In fact, a guest that gives a 4 score is about six times more likely to defect than a customer who gives a score of 5 or excellent. Therefore, there is about a sixfold increase in customer loyalty between scores of 4s and 5s (Lee, 2004). Disney is interested in the *percentage* of guests giving a *score of 5*. Thus Disney is measuring loyalty (and likelihood to return), and loyalty not purely satisfaction is the most important factor needed to protect the organization against future competition in a complex market.

An example of this is a hotel staff cleaning all guests' windshields in the parking lot and placing a note on the windshield saying clean windshields on us—have a great day. By doing something special for guests, they will remember this and if you do not do something memorable, they will not remember their stay, as it is just another night in a hotel. This experience generates a buzz or story for others to tell—building loyalty.

A person that is "satisfied" has no story to tell as everything went as expected. It is the unexpected service experience that generates a memorable story. For every loyal guest, there is usually a memorable story (Lee, 2014).

Getting customers to return is the key to a profitable and long lasting business. Unfortunately hospitals cannot bank on getting guests to return because of "better prices" nor a convenient location, coupons, and the like to get guests to become loyal and sing the praises of the healthcare facility comes from compassion shown by the staff.

In a pyramid type model, at the base is competence, as healthcare and Hotel staff (we can refer to them as *Hospitelity Cast members*) are hired for their expertise and competence. The next level of the pyramid is courtesy. It may be referred to as service excellence. Then at the top of the *Hospitelity* pyramid we have compassion which is the emotional level of caring. While courtesy in the middle of the pyramid may get you a service score of 4, it is compassion that gets a 5 or very satisfied rating in the patient evaluation (adapted from Lee, 2004). Over the years, the Gallup and Press Ganey surveys that include questions with the word concern or compassion

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and care in them have the highest correlation with overall satisfaction and loyalty. The writers of the survey questions may question how compassion is measured, but it is the patient that "gets it" and knows what compassion feels like.

So in addition to hiring/selecting employees who demonstrate true compassion, along with considering "cleaning the windshield" so to speak, to create the memorable story which can lead to more loyal or at least patients who sing the praise of the facility. According to Lee (2004), there is nothing quite as powerful in patient satisfaction scores as a phone call placed to the home of a discharged patient. If it comes from the nurse or doctor, this is a powerful message of compassion and concern.

5.3 SAY "YES" TO PATIENT/GUESTS

Disney empowers cast members to say yes to solve a problem for the guest. Setting this type of service structure to do what it takes to serve the guest is practiced successfully by the service culture of Marriott, where the culture of following the mantra is if you take care of your employees, they will take care of the customer/guest. This guest first structure helps to shape and drive culture of compassion (for patient/guests). It is not possible to practice this level of service compassion if making guest decisions in real time is mired in many layers of bureaucracy, giving rise to slow and ineffective service.

When I worked at Disney World in the Hotels, Disney was "decentralized" to an extent where employees could move around the park to meet service peak time demands. For example, breakfast in the hotels was very busy (especially with Disney character breakfasts) and lighter during the lunchtime, whereas in the Parks, lunch was an extremely busy time. Therefore, the employees could shift over to the parks from the hotels to have to meet this demand crunch at peak times. This team structure helped to make sure guests were taken care of during the busy service times.

Management can also be a barrier to service excellence and saying yes to the guest. Do employees need management's support to treat people nicely, or to show compassion in a hospital waiting room? Do we need top management's support to give more authority to frontline people?

But do employees need to be able to solve problems and have the power and support of management for service recovery, which is a true test of decentralizing (Lee, 2004).

5.4 WRITE AN EFFECTIVE SERVICE SCRIPT FOR CAST MEMBERS

A service script provides a structured response for the employee in the service encounter in the system. Service scripts or storyboards provide a structured framework of what is expected in the service performance. It is not a rote-memorized script but allows the cast member to tailor the service respond to the situation and still get the message of care and compassion across to the patient or guest.

When I worked at Wilderness Lodge, on some days I had to do two costume changes (uniforms) based on my work placement.

And each place or department in the hotel has different service scripts. For example, while at Disney's Wilderness Lodge, valets would always greet car occupants at the porte-cochere as they drove up to check into the resort. They had structured storyboards for greeting. While it is not exactly a script, it is four things or service points that needed to take place during the service encounter. Give a big over the top welcome (big smile) to the Wilderness Lodge. Second, notice the license plate and say something about the state, or weather back home, for example, the Red Sox are awesome this year (If from a New England state). Wave and speak immediately to any children in the car and finally point four, notice anything interesting on the luggage rack, or bumper stickers, decals, etc. to make conversation with the guests. It is a unique script-no rote for the cast member, but it has structure at the point of contact. Most directors of acting would say adhering to the intent of the scene is much more important than adhering to the actual words of the script (Lee, 2004). In essence, the service script does not change, but the words expressed will be based on the four key components listed just above.

In selection of employees in the hiring practice, Disney auditions for talent instead of skills per se to perform roles rather than just jobs. In the healthcare setting, manager's needs to audition for the talent required in the role they will play again trying to exude compassion for the patient, which is more critical than the skills needed for the task (which often can be trained). In the restaurant setting, you hear the saying "hire the smile" or "hire friendly" as I cannot teach "happy" (happiness).

5.5 CONCLUSION

This chapter looked at service elements If Disney did indeed run your hospital. It is written by a person who worked for Disney and also obtained his Duckterate Degree from Disney University and also by examining some

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of the chapters from the popular book *If Disney Ran Your Hospital* by Lee (2004).

Every Hospitality and Healthcare manager (*Hospitelity* Manager) needs to reinforce the principles of service excellence and employ some of the tools and suggestions described in this chapter in order to bring about loyalty.

They need to focus on why patient or guest loyalty is very important, why satisfied patients/guests do not equate to loyalty; show why each employee has a role to play in the service setting, and how attitude, courtesy and compassion are the bedrock for success. Sharing this vision with employees and providing a structure for them to serve the patient/guest, while understanding their role and following the script (storyboard) can be a recipe for success.

KEYWORDS

- **healthcare**
- **hospitality**
- **patient satisfaction**
- **quality**
- **guest**

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CHAPTER 6

IMPROVING THE HEALTH CARE: THE PATIENT/GUEST EXPERIENCE ACADEMY

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CONTENTS

ABSTRACT

Today an increasing number of businesses are moving away from the traditional commodity, goods, and service model but are becoming more experience-driven. B. Joseph Pine II and James H. Gilmore first introduced "The Experience Economy" in 1999. What many hospitals fail to realize is that patients are also customers/guests, and these patient/guests are charged for the well-being they get by being engaged in an experience economy. Healthcare institutions are expected to offer travel, lodging, dining, transportation, spa care, and even fitness classes in order to cater to their patients' needs. The goal for the process of the medical care is evolving from transactional care to a transformational experience in which customers/patients receive health benefits, not limited to medical care.

6.1 INTRODUCTION

6.1.1 THE GOAL OF HOSPITALITY BRIDGING HEALTHCARE (H2H): EXCELLENT CARE

What are the key components for a profound healthcare experience? When it comes to medical tourism, the success of medical care obviously is one crucial determinant. Unfortunately, the patients and customers will not credit the well-done treatment coming with unpleasant customer service as excellent source of care. Moreover, as one of the most distinctive icons in the service industry, Disney has provided a convincing list summarized by Dr. Lee in his book "If Disney Ran Your Hospital": initiative, teamwork, empathy, courtesy, and communication (Lee, 2004). Based on the Disney model, six major factors should be considered necessary for realization of excellent care in medical care settings. To be more illustrative, the graphic model for medical care can be created as below:

Successful medical treatment serves as the primary goal of medical tourism. It is the core competency of hospitals while a hospitality team has expertise in customer care. Both teams have competitive methods to reinforce their core competence and enhance their strengths. However, the greater success in medical tourism is to align these two core competencies from both parties. Productivity and efficiency can be maximized by the alignment. Also, success in medical treatment and memorable customer care are compensating each other to deliver excellent medical tourism experience.

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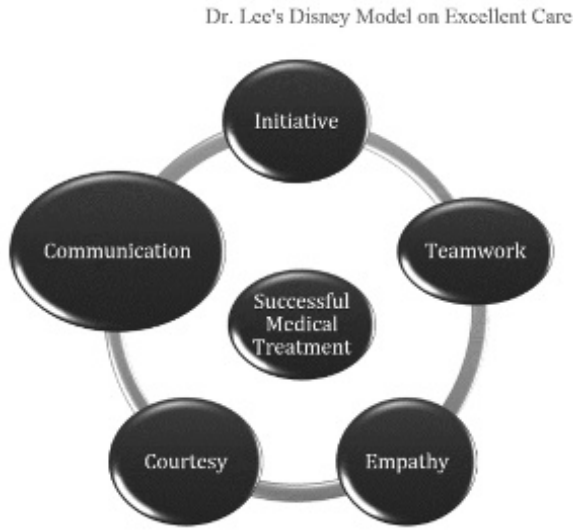

Dr. Lee's Disney model on excellent care.

For example, the majority of patients will not highly praise their healthcare experiences simply because the health institution is able to deliver successful medical treatments. It is likely that there are a handful of possible other institutions that can achieve the same result. However, H2H that is composed and complimented with medical staff, hoteliers, spa staff, personal trainers, and other well-being facilitators can significantly differentiate the healthcare institution from conventional ones. Since the expertise of customer care can complete and strengthen the circle of true care for patients' overall well-being, having a strong hospitality team inside the healthcare organization is a substantial competitive advantage. This H2H process bridges the gap between the successful medical treatment and excellent care perceived and experienced by patients. As an expert and pioneer in the field of bringing hospitality to hospitals, Dr. Lee summarized the rest of the five factors that define the excellent care performed by Disney (Lee, 2004).

Explanation of Disney Model by Dr. Lee.

Initiative	Sense people's needs before they ask
Teamwork	Help each other out
Empathy	Acknowledge people's feelings.
Courtesy	Respect the dignity and privacy of everyone
Communication	Explain what's happening

6.2 BEST PRACTICES IN MEDICAL TOURISM

6.2.1 CHRISTIANA CARE WAY

This summer the *Patient Experience Academy* is teaching a growing number of medical employees in Delaware how to use hospitality industry expertise to provide the best customer service to patients. This program, made possible by a partnership between the University of Delaware's Hospitality Associates for Research and Training and Christiana Care Health System (n.d.) with support from the Unidel Foundation, aims to effectively respond to patient needs and deliver outstanding patient experience and engagement to thousands of Christiana Care Health System clients.

The program has now expanded its scope to include site managers and supervisors of practices within Christiana Care's Medical Group. Training included the management team to provide the crucial leadership for medical assistants, nurses, clerical employees, and office. Common themes for training include the three core components to building a successful and engaging partnership with a patient are empathy, emotional intelligence, and solid customer service. The Patient Experience Academy is set up to build competency in these concepts through experience-based learning.

The curriculum also provides opportunities for employees to network among their peers through in-depth conversations about patient experience. By building these partnerships and provide these high-performing individuals with the tools they need to deliver on the promise of "The Christiana Care Way," they in turn become role models for their peers and help to disseminate these practices throughout the health system.

In a medical facility approximately 75% of services are hospitality related services (from dining, environmental services, housekeeping, transportation, entertainment, etc.). Patients have similar needs as hotel guests and highly ranked healthcare systems must do more than medically treat their patients. They must provide personalized, welcoming, and caring service and environments which is implemented in the H2H philosophy.

Participating managers of Christiana Care Medical Group practices asserted that the Patient Experience Academy is already making a difference the success of a program like this mainly depends on the leadership role that the managers will play as they engage staff through coaching, new performance management methods, recognition programs and continuous practice and communication. Christiana Care Health System has received remarkable rankings due to their commitment to learning, patient experience, and engagement in recent years.

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In addition to the above, Christiana Care has been recruiting a team of volunteers who act as Ambassadors and Greeters during recent years. The training also carries a promise that is the Christiana Care Way: "We serve our neighbors as respectful, expert, caring partners in their health. We do this by creating innovative, effective, affordable systems of care that our neighbors value" (Christiana Care).

When a daughter of a mother that was very ill, a nurse was taking care of her in Christiana Care hospital. When the daughter first met the nurse, she was soon impressed by her attentiveness and thoughtfulness. The nurse would ask questions about how would her mother like her to leave the door. She was always taking initiative and showing courtesy to the daughter's mother and her. There were days that the daughter was so worried about her mother's condition. However, after one event had taken place, the daughter became confident that her mother was going to recover from the illness with the help of the excellent care team onsite.

On that day, she had a pleasant conversation with her mother's nurse and was comforted by her kind words and excellent care. After visiting her mother, the daughter went to the cafeteria to have lunch. While she was taking her dishes, the nurse suddenly ran to her and anxiously explained to her: "I am taking my lunch break now for about ten minutes, and my colleague Julia is taking good care of your mother as we speak. I saw you are having lunch here. I want you to know that your mother is taken care of, and you do not have to worry when you see me here." The daughter was

grateful for the communication initiated by the nurse. She felt that there was a team providing excellent care for her mother not just one nurse. When one nurse is occupied, there are more team members to take initiative and ensure the coverage for the patients' needs. The nurse showed her great empathy by anticipating her being worried before the daughter even saw her.

6.3 A DISNEY APPROACH TO HEALTHCARE

The author completed the Disney Traditions I and II classes required of all Disney employees and completed his *Ductorate degree* (D.DU) at Disney University. The question was asked there of us: Who is Disney's competition? The answer is not Universal Studios or others, but Disney takes a wider view and looks at "any competition that the customer compares us to." This could be Lexus, Costco, or Amazon—where they may witness a high level of service and an over the top experience.

Therefore, it is critical that throughout the Systems Model service processes that all points of service contact are at a high level of guest experience.

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team responsibility, eliminate carelessness, stressing what the medical team should be doing, and process mapping. Focusing on improving perceptions includes, focus on personal responsibility, be tuned into patient perceptions, improvement of staff behaviors and attitudes, stress what staff should be saying, seeking to impact impressions, and best possible thinking.

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This is why Disney places courtesy higher than efficiency.

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When one of the authors (Dr. DeMicco) worked at Disney World in the Hotels, Disney was "decentralized" to an extent where employees could move around the park to meet service peak time demands. For example,

breakfast in the hotels was very busy (especially with Disney character breakfasts) and lighter during the lunchtime. Whereas in the Parks, lunch was an extremely busy time. Therefore, employees could shift over to the parks from the hotels to have to meet this demand crunch at peak times. This team structure helped to make sure guests were taken care of during the busy service times.

Management can also be a barrier to service excellence and saying yes to the guest. Do employees need managements support to treat people nicely, or to show compassion in a hospital waiting room? Do we need top management's support to give more authority to frontline people?

But do employees need to be able to solve problems and have the power and support of management for service recovery, which is a true test of decentralizing (Lee, 2004).

Every Hospitality/Hotel and Healthcare manager ("*Hospitelity*" Manager) needs to reinforce the principles of service excellence and employ some of the tools and suggestions described in this chapter in order to bring about loyalty.

They need to focus on: why patient or guest loyalty is very important, why satisfied patients/guests do not equate to loyalty. Show why each employee has a role to play in the service setting, and how attitude, courtesy, and compassion are the bedrock for success.

Lessons learned from Disney University use a Sleeping Beauty Seven Dwarfs Disney analogy which has application to hospitality bridging healthcare. Be Happy, by making eye contact and smile; be like Sneezy and greet and welcome each and every guest. Spread the spirit of Hospitality, it is contagious; don't be Bashful, seek out Guest contact; be like Doc and provide immediate Service recovery ; don't be Grumpy, always display appropriate body language at all times; be like Sleepy and create dreams and preserve the "Magical" Guest experience and don't be Doppy, thank each and every guest (Cockerell, 2008).

Sharing this vision with employee and providing a structure for them to serve the patient/guest while understanding their role and following the script (story board) leads to success.

6.5 HEALTHCARE HOSPITALITY MANAGEMENT AS A CAREER

Healthcare includes hospitals, clinics, nursing homes, life care, and continuing care facilities. It is a segment that shows no signs of slowing and there will be many career openings for hotel and restaurant management graduates.

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This is due to the fact that people are aging and will therefore require more medical procedures going forward into the future. This segment is managed by contract companies and also self-operated. For example, ARAMARK has hospital such as Hahnemann Hospital in Philadelphia and the Massachusetts General Hospital in Boston (where I completed my dietetic internship for the RD certification), is self-operated. The healthcare setting usually has several types of food service. There are the clinical patients that are in the hospital rooms that typically have their trays sent up from the kitchen (centralized service). There is also decentralized tray service will food is sent up in bulk in heated and refrigerated food carts no sugar added, etc.) And the trays are assembled on the guest floor. About half of all patient tray service is a special diet (such as reduced sodium, or low fat, etc.). In addition the healthcare facility will have food courts, and "coffee shops" and today more and more are adding restaurants and branded concepts to appeal not only to visitors of patients, but also to the medical and clinical staff employed at the facility. Graduates from hospitality programs that join this segment of the hospitality industry, can look forward to solid growth for the future, stable work hours, good pay and benefits (particularly medical insurance), often times day care for employee children, career growth, and making a difference serving people in need. Usually graduates of 4-year hospitality programs begin as an assistant director, work up to a director of food services, and eventually can become a GM or Vice President for Patient/Guest services. As more health-care facilities grow to become "medical campuses" and medical meccas for medical tourism, they emulate hotels in their quality and delivery of health and wellness services. In fact, in hospitals, approximately 75% of the services provided to patients are hospitality/hotel related services. For example, they may add wellness and spa operations, which hospitality school graduates should be prepared to oversee. In addition, more food service directors are becoming General Managers of the entire healthcare campus enterprise who leads not only the traditional hospital facilities but also, the hotel(s), spa and wellness, environmental services (e.g., housekeeping), transportation services, parking, the grounds, snow removal, all dining venues. This is usually a vice president position on the healthcare campus and can provide challenge, excitement and very good pay and benefits in the six figure salary range. In sum, hospitality schools prepare graduates to be GMs of hotels and now graduates should think of becoming GMs/VPs of healthcare (non-medical) operations and services in the future (see Williams & DeMicco, 1999). This is clearly a field for hospitality graduates that provides challenge and future growth opportunities well into the future.

6.6 CONCLUSION

In summary, the pre-planning of the medical journey leading up to the arrival at the medical/health/wellness destination begins a cascade of multiple H2H services to create an entire satisfying *experience* for the patient/guest which can lead to loyalty if performance in the entirety of the process is at the highest level.

EXERCISE

INDUSTRY INSIGHT: THE ROBOTS ARE COMING

Think about how robotics can or cannot be a game changer to providing top notch patient/guest services? What do you think? Read below first then jot down some thought on this.

A new breed of robots are handling the work of transporting food, laundry lines, and supplies to patient rooms in hospitals. The healthcare robots are new with a sophisticated brain and an unlimited tolerance to menial work. The iRobot sued to defuse bombs is making a major move into the healthcare segment. InTouch (of California) can connect doctors with far away patients using video conferencing. The robot enables the doctor to make patient rounds and virtually check on patients (even miles away). This technology can also be used by dietitians or food service managers to check on menu needs of the guests and for General Managers to inspect the entire grounds around the hospital as well as with in the hospital (see Wall Street journal March 14, 2012).

Question: Will robotics enhance or diminish the Guest Experience? Why or why not?

KEYWORDS

- **healthcare experience**
- **medical tourism**
- **Disney**
- **health institution**
- **patient experience**

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CHAPTER 7

BRINGING HOTEL HOSPITALITY SERVICE SKILLS TO HEALTHCARE: THE GUEST SERVICE GOLD TRAINING PROGRAM FROM THE EDUCATIONAL INSTITUTE OF THE AMERICAN HOTEL & LODGING ASSOCIATION

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CONTENTS

ABSTRACT

The American Hotel & Lodging Educational Institute offers a training program for optimal guest services for hotels. The online (or in person) training program leads to a certification in guest services. It is called Guest Service GOLD Training leading to a Certified Guest Service Professional or CGSP designation. It has seven steps for the training which this paper will describe in greater depth.

7.1 INTRODUCTION

The Guest Service GOLD (2016) focuses on the seven key elements required to consistently deliver the very highest levels of guest service on an ongoing basis. Providing guest service that goes above and beyond the typical should never have a start of an end. It should come from the desire to provide guests with the best a property has to offer (EI of the AHLA, 2011).

7.2 THE POWER OF THE GUEST STORY

Think about your past service experiences. Begin the leading of the training session by asking employees about a story about a good and bad stay by a guest (at your hotel or hospital). From a bad experience, think about the main reasons guests may never return to the property again. Why? Some never just return to the area, some wish to vary where they stay (seek variety), some guests are attracted by the competition, but by far they do not return because of poor guest services. Guests want and expect to feel welcomed and valued by the business. For example, they want hotels to feel like home away from home that is clean, safe, and attentive to their needs.

The AHLEI training recognizes and focuses on the importance of the value of delivering exceptional guest service. And the Value of the GOLD training incorporates seven elements into the moment of truths—or the daily interaction between employee and guests. The seven steps incorporate these basics: Be warm and engaging, make eye contact, be helpful, do not ignore guests, be polite and professional, be yourself, make a difference, action speaks louder than words, do not sound like a robot (be authentic), smile generously and genuinely, and do not be rude or impatient (be polite). Following this road map allows you to step up your game for guest services. When you arrive at work, you should and need to be prepared to deliver

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Guest Service Gold
Connect with Your Guests
NEVER FORGET: GUESTS WHO FEEL YOU CONNECT WITH THEM WILL REMEMBER YOU!
1
Authenticity:
Keep It Real
2
Intuition:
Read the Need
3
Empathy:
Use Your Heart
4
Champion:
Be A Guest Hero
5
Delight:
Provide a Surprise
6
Delivery:
Follow Through
7
Initiative:
Make the Effort
5
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exceptional service. At Disney we called it going on stage, it's show time. This includes in the GOLD program four points of engaged guest services. Guests want to feel important so treat me like an important visitor; make me feel like a valued guest; provide for my needs with dignity and respect; and make me feel special during my entire stay.

Welcome to Guest Service GOLD® Training

Guest Service GOLD® focuses on the seven key elements required to consistently deliver the very highest levels of guest service on an ongoing basis. Providing guest service that goes above and beyond the typical should never have a start or an end. It should come from a desire to provide guests with the best a property has to offer. The seven elements of Guest Service GOLD® are:

Authenticity: Keep It Real

Intuition: Read the Need

Empathy: Use Your Heart

Champion: Be A Guest Hero

Delight: Provide a Surprise

Delivery: Follow Through

Initiative: Make the Effort

As a Guest Service GOLD® seminar trainer, you will help participants learn how to apply the seven GOLD elements with guests each day. The higher level of guest service can have a positive impact on your property, employees, and guests.

To help you as you plan group training for the Guest Service GOLD® participant workbook, the American Hotel & Lodging Educational Institute has prepared this flexible seminar trainer's guide. The guide presents two different seminar formats: the Workbook Review Session and the Standard Seminar. Your choice of format will be determined by the needs, time constraints, and mission or goals of your property. The "Choosing a Training Option" section provides information to help you select the format that best fits your needs.

Professional Certification

The Guest Service GOLD® program will prepare individuals for the Certified Guest Service Professional® exam (available online or by hard copy), leading to designation as a Certified Guest Service Professional® (CGSP®). However, the Guest Service GOLD® program is useful to anyone wishing to upgrade their guest service skills to the GOLD standard.

In the training, ask the question how do you view the guest? Write down some of the answers to the four points of engagement listed above, and how in the past you have made guests feel important, valued, respected, and special. A follow-up question the trainer uses is to ask employees to identify some gold opportunities where they could easily provide an experience guests would remember for years to come. Finally, remember always and practice guests who feel you connect with them will remember you.

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7.3 EXPLORING THE AHLEI SERVICE ELEMENTS FOR GOLD LEVEL GUEST SERVICE

The first element for GOLD is Authenticity: Keep it real. Guests can sense and tell when an employee is merely playing a part and when you are truly being yourself (authenticity).

The AHLEI GOLD training uses scenario role playing. Here is an example. An extremely angry guest approaches you at the front desk and loudly demands to be helped immediately. However, you are currently assisting a mature guest named Mrs. Smith. Mrs. Smith has become extremely uncomfortable with this encounter. This is a perfect time to keep it "real." How would you handle the situation? Mr. Jones is a frequent traveler and getting ready to checkout he notices a charge he feels is ridiculous. He begins to come down to the lobby and discuss the charges with the front office employee. The elevator is stuck, and a line has formed at the front desk. He demands attention and is spouting off words of displeasure in the lobby.

Now consider how each of the people should view and react in this service encounter and situation.

You, the front desk employee?

Mrs. Smith the very uncomfortable guest and Mr. Jones the very angry guest?

Another activity that is done in the GOLD training is reflection activity. While you had to deal with a similar guest situation to this one above and how did you handle this situation?

Describe the situation? How did you handle this situation? What would you have done differently today? How would you have felt if it had been you in this service situation? Finally, what would be your expectation for the employee serving you?

7.4 INTUITION

Also think how can you best read the need of the guest? You can use soft skills of your intuition in order to discover a guest's need. These soft skills include being observant, listening carefully, and asking questions. Intuition read the need. Determining what a guest needs before they know they need it is an important skill.

The EI training also provides a guest "mind reader activity." Words are not the only way guests communicate with you. You have to pay attention to not only what they say but also the following:

How do they say it; how they "act" while talking; how they act when they are not talking; how the guest acts when alone or in a group; what they are doing; and whether the guest behavior seems odd or unusual.

Empathy. Empathy requires a lot more skill than other GOLD elements because of the types of emotions involved including fear, sadness, anger, and stress. The GOLD training facilitator asks trainees to share the type of reasons many guests will need empathetic guest service, such as illness or injury, personal loss or death, personal emergencies, and disaster situations. Ask the question: How can you help comfort a guest during very stressful times? Answer: By listening and acknowledging how they are feeling (often they just want someone who will listen) (AHLEI GOLD Training Manual, p. 28, 2011).

With employing empathy—use your heart. Exceptional guest service has to be delivered from the heart, especially in situations involving a personal crisis for your guests. One of the AHLEI training scenarios where a family's desperate situation is encountered. The formula for success includes relate to what the guest is dealing with; find ways to ease the guest's burden; find ways to help guests cope; remove the worry about personal daily needs so you can focus on the needs of the people; make the guest feel like family and emotionally help the guest cope with tragedy.

7.5 SERVING VERSUS CARING FOR GUESTS

Serving is a basic guest service expectation, it means providing the "generic" types of guest offerings that are typical for your size and type of property. Nothing about the guest service is personal or unique to the individual guest or their situation and needs. Caring, however is personal. It isn't expected and can't really be taught. Caring guest service happens when you decide to go above and beyond the basic expectation and do something special and unique for your guest. Caring happens because you empathize with your guest and know of a way to help them deal with the situation they are facing (AHLEI GOLD, p. 30, 1911).

Activity for describing serving vs. caring can be used in the training. The facilitator can ask the participants to write down words that describe; "serving" versus "caring." This can be followed up with the question: How does the mood you are in when you arrive at work affect the quality of the guest service that you provide? Mood affects a person's ability to successfully provide exceptionally guest service. In the training, it is emphasized how employees need to be able to "read" their personal mood and decide the

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best way to put it on hold so the quality of guest service is not impacted. A list of words on a so-called Mood Chart is described and trainees are asked to methods of controlling each mood so it doesn't control the level of guest service provided.

7.5.1 THE MOOD CHART LIST

Excited. You can change your mood by taking calming breaths of air (or go for a brisk walk).

Cranky. Focus on the guests and not on yourself.

Bored. Focus on the positive aspects of your job and guests.

Overwhelmed. Asking other fellow employees for help.

Exhausted. Use breaks to rest and restore your energy.

Frustrated. Ask co-workers for suggestions on better ways to get task done.

Sad. Find ways to make your guests smile to cheer yourself up.

Shy. Practice ways to professionally meet, greet, and assist guests.

7.6 CHAMPION: BE A GUEST HERO

The AHLEI training starts out with the great question: Have you ever felt like a guest needed your help or assistance, even though they didn't ask for it? In these circumstances, consistently providing excellent guest service is a talent everyone can learn, if they truly want to "Champion" their guests or patient's needs. For example, guests or patients in the hospital may need your assistance based on you knowing the local area. For example, let's say a patient arrives via shuttle or taxi and comes in and says she left her heart medication by accident in the taxi. How could you become a Champion for this guest? Perhaps by locating the shuttle or taxi company and calling, had it delivered back to the hospital and turned this negative guest experience into a positive and creates a patient/guest good will story to share with others. Suppose a family accompanied the patient to a medical tourism hospital/hotel facility from Latin America and had never been to the United States and their English is limited, how could you be a Champion and show them the sites of your community to make an overwhelmingly positive impression and create an experience for them to remember and tell positive stories to their friends on returning back home to their country. This type of scenario is used and the training, and trainees are given time to brainstorm

and respond to this situation on to how Champion for the guests. Furthermore being a Champion for the patient or guest means getting involved and not being passive or ordinary. Being a guest service champion means doing the extraordinary and acting as more than a host to guests or patients.

7.7 DELIGHT: PROVIDE A SURPRISE

By delighting the guest or patient it shows them that you see them not just as regular guests paying money to your hotel or hospital but as valued guests visiting your home—while they are away from home. By delighting and surprising guests is an important part of the GOLD level guest/patient experience.

Surprising and delighting guests is about making a creative effort and finding ways to surprise and delight guests makes their visit much more enjoyable and even your job more interesting. Be creative and come up with ways to surprise the guest, for example, delivering a special food item, plant, magazines they might enjoy, music they might enjoy, etc. These delightful surprises help to build guest loyalty and brings personal reward and satisfaction to the employee.

Each guest/patient is unique, so it will take different types of surprises. A brainstorming activity where the trainer might ask trainees to describe what they might do for a senior golfer, a teenage girl, a business women, a patient or guests with teenagers or toddlers, a guest who is hearing or visually impaired. This generates great discussion among the trainees on how to delight and surprise a guest/patient.

7.8 DELIVERY AND FOLLOW THROUGH

You know you have done all you can do for handling a guest/patient situation when you are truly satisfied there is nothing left for you to follow through on. An example in the AHLEI training (2011), gives an example of a guest or patient who lost their passport. In this example, the staff documented and began to search for the lost passport. They located the proper replacement paperwork and printed this from the US Department of State website. The hotel (or hospital if a medical tourist) contacted the US Consulate to arrange an emergency appointment for the guest to obtain a temporary passport. This created a story and buzz when the guest/patient shared their lost passport story on TripAdvisor. Finally, delivering personal attention, and often

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unexpected guest experiences, does not end with the experience, it happens in two parts: The initial delivery and the follow-through. The later follow-up is key if you want guests/patients to know the service you delivered is genuine and sincere.

In a training scenario, you can do a group activity by asking employees, if they ever handled a guest situation and how did they make sure that quest/patient is satisfied. Then, they can share their experiences they had.

7.9 INITIATIVE: MAKE THE EFFORT

Providing exceptional guest service depends on employees willing to take initiative to make the effort to provide a service that is extraordinary and move beyond the expected. Guests/patients will recognize when you are making a genuine effort to ensure their stay is excellent. This helps to build guest loyalty and very positive word of mouth for the facility.

Guest service is the perfect opportunity to show initiative. Through active listening to the guest/patient, look for the opportunity to pay personal attention to their unique needs/wants during their stay, then deliver a personal surprise to delight the guest can make a huge impact on them having a positive stay. It is the personal touch employees add to the guest's experience that shows that you want to make a difference in the guest/patient stay.

Think about a guest encounter, where you thought of something after they left and you think you could have handled the situation a lot better if you would have done one thing.

This is sometimes referred to as the "SWC" or "shoulda–woulda–coulda" done or should have done this. It does prepare out for next time and part of building service wisdom and experience on the job.

A very good training experience is to ask participants what they would do differently next time. Ask employees to recall a time when this happened? This is referred to a lost opportunity in guest/patient service and is part of the learning process to do it-next time it might happen.

7.10 THE MISSED OPPORTUNITY FOR DELIVERING GUEST SERVICE EXCELLENCE: LEARN FOR NEXT TIME

The following Blue Sky Activity provides a brainstorm technique to find better ways of handling guests situations that you may have missed, and help prepare you for the future service opportunity.

Have trainees list and describe times when they missed a GOLD service opportunity:

Describe the Lost Opportunity:

What Action did you actually take (if any):

What would you do next time (new idea)?

This can be repeated several times. Then have the employee trainees share their stories with the group.

7.11 CONCLUSION

The basic tenets for proving GOLD level service have been described above. But combining them in concert is needed to produce consistent and the ultimate high level of guest/patient service. By defining the question what does the ultimate guest experience look like, and the answer is that ever you personally want it to be and then take charge of this. The success of the outcome will always depend on the thoughts, efforts, and creativity one puts into it. Preparing yourself to always anticipating the opportunity to apply the principles of the GOLD level service described in this chapter. But are employees prepared for providing over the top levels of guest/patient services? In many cases probably not now, but they could be. Through training on improving listening and perception of guest/patient needs skills and asking questions and gaining the necessary information one can then deliver extraordinary guest/patient services when the integration presents itself. So preparation, having a plan or process road map and then practicing the GOLD service steps learned. The moment you recognize guest/patient needs is when the time is to act by stepping in to serve.

Excellent guest service will only happen when we are proactive to get personally involved to do the right things. Typical guest service follows the basic rules of smile, making eye contact, engage by using the guest/patient's name, and listening actively. Heightening the typical guest/patient service into Guest Service GOLD (2016) requires all employees and managers to engage with guests and discover what the guest/patient needs, and to provide an exceptional GOLD level memorable guest experience that tells a story to help build loyalty.

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KEYWORDS

- **guest service**
- **training**
- **role playing**
- **serving**
- **guest**
- **hotel**
- **hospital**
- **healthcare**

REFERENCE

Guest Service GOLD. A Training Course Leading to the Certified Guest Service Professional (CGSP*) Certification; American Hotel & Lodging Educational Institute, 2016; 2, https://ahlei.org/CGS.

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CHAPTER 8

HEALTH COMMUNICATION: INSIGHTS FOR QUALITY HOSPITALITY BRIDGING HEALTHCARE (H2H) DELIVERY IN MEDICAL TOURISM

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CONTENTS

ABSTRACT

This chapter examines communication in the healthcare setting. Health communication is a very important tool that healthcare professionals need to practice correctly with their patients. This chapter presents new strategies for optimizing the quality of health communication associated with all aspects of the medical tourism process.

8.1 KEY CHAPTER CONCEPTS

Expectancy violations theory
Communication accommodation theory
Convergence
Divergence
Cultural competency
Media framing theory
Medical travel
Medical tourism
Domestic medical tourism
International medical tourism
Health literacy
Buyer personas
Elective surgeries
Semi-elective surgery
Urgent surgery
Patient-centered care
Intracultural variability
Monochronic cultures
Polychronic cultures
Paternalistic orientation
Consumeristic orientation
LEARN approach
Virtual healing
Risk management

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8.1.1 HEALTH COMMUNICATION: INSIGHTS FOR QUALITY H2H DELIVERY IN MEDICAL TOURISM

Health communication broadly refers to the study of communication phenomena in healthcare settings (Thompson, 2003). Communication indeed transcends all aspects of the healthcare delivery process. Health communication scholarship about medical tourism helps to address important issues such as: (1) how to ensure there is high-quality patient-provider communication, (2) effective communication promotes health consciousness and improves health outcomes, and (3) this knowledge informs topics related to the legal and ethical promotion and delivery of international medical tourism services.

Scholars who research in this area frequently publish in peer-reviewed academic journals such as *Health Communication*, *International Journal of Communication and Health*, *Journal of Health Communication-International Perspectives*, *Journal of Communication in Healthcare*, and *Health Promotion International.* Dutta (2008) contends that most health communication scholarship generally falls into one of the two categories: (a) processed-based and (b) message-based. Processed-based research examines communication processes in healthcare settings and focuses on "how meanings are constructed, negotiated, resisted and sustained," (p 47). In the medical tourism context, this approach involves questions, such as *What attributes of communication lead to trust between providers and patients?* Or, *how does a patient's cultural worldview impact their comprehension of disease, diagnosis and treatment-related information?* Opposed to processed-based approaches, message-based health communication research focuses on "the impact of health messages on healthcare delivery and individual health outcomes, with a goal of developing messages with desired outcomes," (p 47). Examples of these questions include: *What is the impact of online marketing strategies on prospective medical tourists understanding of costs and risks when seeking international treatments?* Or, *what types of persuasive appeals are most effective at attracting medical tourism patients?* This body of research is important because high-quality health communication reduces healthcare costs (Parker & Ratzan, 2010) and increases the perceived quality of healthcare (Bowers et al., 1994). Findings from these common areas of inquiry will be used to describe the broad role of communication in medical tourism healthcare delivery.

Historically several bodies of health-related communication literature have informed theory-driven inquiries into the subject of medical tourism. At the individual level, expectancy violations, language expectancy, and

communication accommodation theories have been used to understand the role of interpersonal communication. Mass communication theories such as media framing theory have also been useful in generating knowledge for applied practice. These theories have provided explanatory insights and will be described in more detail below.

Expectancy violations theory (EVT) offers a unique perspective which may be opposite to what one think. EVT argues in some cases it is better to violate a patient's expectations rather than conform to them. In the realm of medical tourism EVT advances that our expectancies, both verbal and nonverbal, are oriented toward three key aspects the *characteristics of an actor* (i.e., doctor, nurse, tourism representative), toward the *interpersonal relationship between the actor and perceiver* (e.g., competency-based evaluations of providers by patients), and the *communication context* (e.g., formal medical environments and informal tourism environments). EVT advances that positive violations will produce favorable results. In the medical tourism context, this may be demonstrated by a patient who follows postoperative and convalescent medical instructions and appropriately uses pharmaceuticals. Negative violations can in turn produce more negative results (Dillard & Pfau, 2002). The complete process of medical tourism from initial inquiry to return home offers opportunities for positive expectancy violations. Recognizing this, some regions such Costa Rica has implemented a VIP pathway for visiting medical tourists to bypass the longer wait lines in customs when entering the country thus generating positive expectancy violations upon arrival (CRMG, 2015).

Communication accommodation theory (CAT) examines the variables of cultural appropriateness, relational appropriateness, and personal predispositions. CAT posits that there are two types of accommodations demonstrated in communication interactions. The first, *convergence* is a process where people will adapt the other person's communication characteristics to reduce the social differences. The second, *divergence* emphasizes the social and nonverbal differences between providers and patients. CAT predicts positive relational outcomes for situations that create a positive predisposition of agreement and compliance. Meaning that sources who adjust their behavioral styles to be increasingly similar to a target's (convergence) are perceived as being more persuasive and attractive. Ferguson (2008) argues that language is the currency of healthcare and that learning even a small amount of the patient's language is a valuable investment (para 1).

The degree of a provider's accommodation may impact a patient's health literacy, compliance to medical instructions, and adherence to continuing

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care. The ability to use convergent strategies is closely associated with the study of cultural competency. The term *cultural competency* refers to a healthcare professional's ability to engage and negotiate the "cultural mores and rituals of other cultures they interact with daily," (Campinha-Bacote, 1994). Cultural competency is expressed through the interactions and dialog between providers, patients, and medical tourism facilitators. The general goal of health communication research into cultural competence is to train healthcare professionals, and later assess their verbal and nonverbal communication competence. The ability to interpret and respond to subtle nonverbal cues requires awareness and education of cultural display rules, or ways of showing emotions in different cultures, and an understanding of one's personal preferences and cultural expectations (du Pre, 2005, p 8).

International healthcare organizations and agencies have invested heavily to accommodate and be responsive to the cultural needs of medical tourism patients. The concept of a culturally sensitive healing environment includes specialized cultural considerations based on a patient's worldview. Some healthcare organizations have built separate areas for medical tourists. For example, Bumrungrad Hospital in Thailand created a wing for Middle Eastern patients, which provides Arabic interpreters a kitchen with culturally sensitive food and several prayer rugs (Bookman & Bookman, 2007). Similarly the International Medical Center in Bangkok now provides Japanese patients a special wing which accommodates the social, religious, cultural, and dietary restrictions.

In addition to the interpersonal communication between providers and patients, the communication efforts designed to internationally promote medical tourism have been examined using mass communication theories. For example, media framing theory has been used to examine the format and content of health-related information used by those in the medical tourism industry, such as websites (Turner, 2011), educational materials (Master et al., 2013), promotional literature (i.e., brochures) (Crooks et al., 2012) as well as news representations of medical tourism (Imison & Schweinsberg, 2013). This message-based body of work of health communication scholarship has provided insights into the strategic persuasive appeals used to promote medical tourism services.

With these things in mind this chapter aims to: (1) describe the individual characteristics of medical tourists, (2) document how cultural differences in communication styles may augment the healthcare delivery process in provider–patient interactions, (3) review how online communication may serve as a social support mechanism for medical tourists, and conclude by (4) discussing how future health communication research involving medical

tourism can benefit a wide variety of stakeholders including patients, applied practitioners, and health communication scholars.

8.2 OVERVIEW OF MEDICAL TOURISM

Medical tourism is a distinct type of tourism during which a person travels to gain access to medical treatments and services, thus becoming a patient. Some have argued that the concept of medical tourism may be better presented as *medical travel* placing the emphasis on "travel," specifically for medical purposes. The semantic implications for this distinction are beyond the scope of this chapter. Unlike medical tourism, when a passenger travels to a spa, resort, hot spring, or healing retreat they are participating in what is known as "health tourism," "wellness tourism," or "spa tourism" (Carrera & Bridges, 2006; Kaspar, 1990). This distinction between medical and health tourism is rarely made in literature and the terms are often used interchangeably in mass media; however, the term "medical tourism" is most germane to travel involving diagnostic testing and medical procedures within the scope of biomedicine. In this chapter when referring to travel to access elective or obligatory medical services, we will use the term "medical tourism"; in doing so we recognize this process involves both the biomedical and tourism industries.

Medical tourism provides unique challenges and opportunities for health providers, medical tourism facilitators, and healthcare organizations. The emergence and popularity of medical tourism has facilitated the need for a language by which to discuss the nuances of this particular phenomenon. Medical tourism typically involves travel for elective, nonurgent medical interventions such as hip and knee replacements, dental procedures, and spinal surgeries (Crooks et al., 2010). Patients might desire prompt access to these treatments in their home country but if such treatments do not fall into an approved category of care for certain health conditions under nationalized health systems they may be denied access. This is a common reason that patients report seeking treatment abroad (Boyle, 2008).

One distinction that is more prominent in literature is between domestic and international medical tourism. *Domestic medical tourism* would include a patient from New York City seeking an advanced specialized treatment in Florida, within the same country, the United States. *International medical tourism* involves a patient leaving their home country for healthcare services abroad (e.g., the same patient from NYC flying to Dubai Health City). We argue the type of medical tourism, as either domestic or international, is

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an important distinction because the procedural steps required to obtain the necessary identification and travel documents (i.e., visas and passports) are unique to international medical tourists.

Identity labels have been socially constructed to distinguish specific types of medical tourists. These labels typically fall into two categories: (a) procedure-based and (b) outcome-based. Generalized procedure labels are quite common. Individuals travelling for kidney and liver transplants are referred to as "transplant tourists" (Schiano & Rhodes, 2010) others seeking dental procedures in Mexico are called "dental tourists" (Leggat & Kedjarune, 2009) while those travelling for in vitro fertilization and commercial surrogacy are referred to as "reproductive tourists," (Bassan & Michaelsen, 2013; Smith et al., 2010). Some procedural labels are more specific to the type of treatment they are seeking, for example "stem cell tourists" (Kiatpongsan & Sipp, 2009). In some situations outcome-based life and death labels are used to distinguish patients. "Birth tourists" seek to deliver their child in foreign countries (Turner, 2011), whereas "suicide tourists" travel seeking assistant suicide, while others seek to terminate a pregnancy are commonly referred to as "abortion tourists" (Doull & Sethna, 2012).

8.3 INDIVIDUAL DIFFERENCES IN MEDICAL TOURISM PATIENTS

Medical tourists differ in their degrees of health literacy and buyer personas both of which may impact their expectations and preferences when seeking medical care abroad. Given such, this portion of the chapter will focus on what we know about these two areas: health literacy and buyer personas.

The Institute of Medicine defines health literacy as "the degree to which individuals have the capacity to obtain, process, and understand basic health information and services needed to make appropriate health decisions," (NNLM, 2015). Health literacy is an important area of communication inquiry. Low health literacy was once perceived to be an individual patient's deficit resulting from a lack of knowledge. Today we now recognize that health literacy is a "systems issue" (Rudd, 2010) that includes both the complexity of the presentation of health information and the navigational ease of the healthcare system (Parker & Ratzan, 2010).

In 2003, the National Assessment of Adult Literacy (NAAL) measured the health literacy of adults living in the United States and found that only 12% of the US population have a proficient health literacy level, 36% of adults in the United States have limited health literacy, 22% have basic, and 14% have below basic health literacy (NNLM, 2015).

The Joint Commission, an agency that accredits and certifies healthcare organizations and programs in the United States, stresses the importance of health literacy, health communication, and cultural competencies as a central element of quality healthcare delivery. In a 2007 report entitled *Improving Health Literacy to Protect Patient Safety* the Commission states:

> Health literacy issues and ineffective communications place patients at greater risk of preventable adverse events. If a patient does not understand the implications of her or his diagnosis and the importance of prevention and treatment plans, or cannot access healthcare services because of communications problems, an untoward event may occur. The same is true if the treating physician does not understand the patient or the cultural context within which the patient receives critical information. (p 6)

The Joint Commission's accreditation standards underscore the need for patients to receive information about their health in a manner that they understand and comprehend, in both oral and written forms (NNLM, 2015). This position is a testament to the vital role of communication in the healthcare delivery process.

Beyond having different health literacy levels, Scott (2015) would argue that medical tourists have different *buyer personas*, and therefore have different consumer needs and expectations. Perhaps an individual seeking dental procedures in Mexico will choose to arrive early or stay a few days longer after an oral procedure to enjoy the "tourism" options; while another patient seeking a surgical ventricular restoration in the Philippines may require different amenities, such as postoperative convalescent care, tourism options for family or traveling companions, assistance with transportation, pharmaceutical delivery if convalescing away from the surgical site, and perhaps continuing care upon return home.

Medical tourists generally have a high level of involvement in the surgery location and physician selection processes, as well as scheduling and travel related decisions. Previous research has found that patients "who take an active role in medical encounters are more likely to be satisfied with their doctors, trust diagnoses, and carry out treatment regimens" (du Pre, 2005, p 12). While some work has focused on the differences between medical tourists, others have focused on finding commonalities. Bookman and Bookman (2007) posited that some individuals are simply more inclined to seek health services from foreign providers noting that medical tourists are more globally oriented, and further attributing this characteristic to experience with migration, travel, intermarriage, the Internet and music. These individuals

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are thought to have adapted to globalization and are often early adopters of advanced medical technology. Outside of being more globally oriented, Crooks et al. (2012) found medical tourists have distinct attitudinal characteristics such that they are (1) comfortable making health-related decision; (2) unwavering in their views about procedure necessity and urgency; and (3) are firm in their desires to maintain active lives.

Medical tourists seek a wide variety of specialized treatments (i.e., stem cell therapy), surgeries, affordable diagnostic testing, and/or health screenings. In addition to the individual differences of medical tourism related to their health literacy and buyer persona, the needs of medical tourists differ based on the type of medical treatment they seek and the level of risk associated with that treatment. Some medical tourist seek *elective surgeries* that are scheduled in advance and do not involve a medical emergency, while others may seek a *semi-elective surgery* which is conducted to preserve the patient's life, but does not need to be performed immediately, while still others may have an *urgent surgery* that must be performed without delay.

The degree of risk and urgency of care impacts patient needs and expectations of the medical tourism process differently. While some patients engage in the medical tourism process seeking low risk, cosmetic operations in exotic locations at affordable prices, others may seek access to restricted or banned high risk procedures in foreign countries to address more urgent healthcare needs. Table 8.1 indicates how procedural risk and urgency for treatment can be used to characterize differences in medical tourism patients.

Healthcare Business and Technology (2012) ranked the 10 riskiest medical procedures as bariatric surgeries/gastric bypass, septal myotomy, pancreatectomy, thoracic aortic dissection repair, esophagectomy, bladder cystectomy, coronary revascularization, spinal osteomyelitis surgery, surgical ventricular restoration, and craniectomy. Many of these procedures are being actively sought by medical tourists because many of these high-risk procedures are more cost-effective in other parts of the world. For example, the costs of a gastric bypass surgery in Mexico are one-third the cost in the US making it both a risky and popular choice for many US medical tourists (White & Cocchi, 2012).

Recognizing that patient needs will vary, *patient-centered care* is a philosophical approach to the planning, delivery and evaluation of healthcare, grounded in mutually beneficial partnerships among healthcare providers, patients, and families which is sensitive to the needs of patients. Medical organizations influenced by a patient-centered philosophy may have hotel style rooms with accommodations for companions, perhaps large picture windows for viewing and experiencing the outdoor environment, or healthy

gardens with labeled species and educational programs. Extant literature indicates patient-centeredness results in increases the emphasis on the participation and self-determination of patients in their healthcare choices (Maizes et al., 2009); increases the quality and efficiency of care thus potentially reducing healthcare costs (Coulter & Ellins, 2006, 2007); and has been found to be associated with multiple positive outcomes (e.g., higher patient satisfaction, enhanced adherence, improved illness-related knowledge and health behavior, and decreased healthcare utilization) (Michie et al., 2003; Robinson et al., 2008). This philosophy posits that all patients should be educated with the necessary medical terminology and understanding to make decisions in their best interests.

TABLE 8.1 Differences in Medical Tourism Experience.

	Low-risk	**High-risk**
Elective	Cosmetic	Sex reassignment surgery
	Basic dental	Oral surgery
	Diagnostic tests/screenings	Hysterectomy
	Lasik eye surgery	Spinal surgery
	Vasectomy	Colitis surgery
	Basic dental	Hysterectomy
	Tubal ligation	Bariatric surgery (Bariatric weight-loss surgery)
	Lasik eye surgery	
	Diagnostic tests/screenings	
	Vasectomy	
Urgent/ Semi-urgent	Kidney stone removal	Cardiovascular
	Gallbladder removal	Appendectomy
	Bladder lift	Organ transplant
	Tracheotomy	Stem-cell transplant
	Tonsillectomy	Organ transplant
	Tracheotomy	Cardiovascular
	Blood transfusion	Craniotomy/brain surgery
	Gallbladder removal	Pulmonary embolism treatments
	Kidney stone removal	Appendectomy

The concept of patient-centeredness is conceived to be a support system composed of a healthcare organization, healthcare and hospitality

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professionals, patients, and their family who all contribute and ensure the patient's wishes including their wants, needs, and values are followed. The idea of patient-centered care has been critiqued because: (1) there is a lack of conceptual clarity as to what "patient-centered care" actually is, (2) from a communication perspective little is known about what patient-centered communication sounds like in practice, and (3) much of the research assumes all patients are equal with equal needs; however, medical tourists' individual-level health orientations, cultural worldviews, previous travel experiences, and health histories vary.

8.4 CULTURAL DIFFERENCES TOWARD HEALTH AND HEALTHCARE

Despite the operational and communication challenges to offering patient-centered services, Samovar et al. (2010) hold that "in multicultural healthcare settings it is the healthcare provider who is responsible for communicating effectively with people from diverse cultural backgrounds," (p 359). In order to assist practitioners and providers, the following section describes common communication patterns of three dominant cultural groups. These groups were selected because of their population size, propensity to engage in medical tourism, and the cultural differences toward understanding the cause and treatment of illness and disease. It is important to note that the below merely offers a broad overview of these cultures, and members associated with these cultural groups and do not necessarily share that culture equally, we call this *intracultural variability.* This concept helps to explain individual differences in patient behaviors.

8.4.1 ISLAMIC CULTURES

Health is important to those of the Muslim faith. Traditional Muslim women may, depending on the region or their origin, cover their faces as a form of modesty. Health providers and physicians should know that commenting on a women's or child's appearance maybe perceived as improper. Given that premarital and extramarital sex are sources of disgrace for females, unmarried Muslims may be insulted if asked about the practices believing the question relates to their character. Many Traditional Muslims consider the left hand to be unsanitary and as a result do not eat or drink with that hand therefore it is not recommended for medical professionals to use that

hand to deliver pills, food, or drinking glasses. Furthermore, hospitality and health providers should be aware that Muslims' practice of fasting may, during certain time periods, dissuade them from taking oral and intravenous medications. Traditionally Muslim diet includes halal, permitted food, but excludes pork and alcohol. This can not only impact dietary services it may also impact medications such as insulin derived from pigs, and cough syrups including alcohol (du Pre, 2014, p172). Hammad et al. (1999) note that Islamic patients avoid autopsies because they believe the body feels pain until it is buried, as a result autopsies are considered horrifying experiences.

8.4.2 HISPANIC CULTURES

Hispanic patients may demonstrate alternative health behaviors. While religion is a source of great value to many Hispanics, these patients may be more resistant to engage in proactive, preventative health screenings, believing that life rests in the hands of God. Hispanic patients frequently involve family in the decision-making process and expect their family to be treated respectfully as a collective unit. Medical tourism providers should be aware that these patients may already be involved with "folk healers," and using alternative treatments involving herbs, massage, prayer and other remedies (Knoerl, 2007). It is recommended that practitioners are specific with references to time as many in Hispanic cultures view time is a fluid concept. Anthropologist Edward Hall proposed that cultures vary their use of time and can be classified as either *monochronic* or *polychronic*. Monochronic cultures such as Germany, Switzerland and mainstream U.S. culture view time as being a "resource" that is rationed and controlled, whereas polychronic cultures such as Arab, African and Latin American cultures typically value people over schedules (Samovar et al., 2010). These cultural time orientations have important health communication implications. Should medical providers use abstract instructions involving time such as giving a communication directive (i.e., take the medication in the morning) the instructions may be misunderstood or misinterpreted.

8.4.2 ASIAN PACIFIC/ISLAND CULTURES

Eastern perspectives toward health frequently reject the mind–body dualism concept held by Western health belief systems and instead seek holistic approaches to treatment that focus on finding balance between the yin and

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yang. Currently more than 60.5% of the world's population lives in Asia (du Pre, 2014, p 168). Historically, Asian cultural worldviews have created strong power distances between providers and patients, leading many patients to prefer decisions are made on their behalf. Teh and Chu (2005) note that Japanese and Korean patients frequently do not challenge their doctor's opinion (Bookman & Bookman, 2007). Many patients sharing this cultural background are not comfortable or experienced with asking questions, or openly contradicting individuals in conversation. More recent research indicates this may be an evolving area as Alden et al. (2010) found Vietnamese women reportedly preferred a collaborative decision-making style for private issues, such as contraceptive use.

Patients have different orientations toward health providers (i.e., doctors, nurses, staff). Some medical tourists will demonstrate a *paternalistic orientation* in doing so they feel their role is to obey and cooperate with the health provider. These patients expect the provider to take a dominant role during the interaction, and the provider's technical expertise is often the most important expectation. Asian cultures are more likely to demonstrate paternalistic patient orientations. In contrast, some patients will display a *consumeristic orientation* and be more likely to take an active role when communicating with the doctors. These patients will expect the provider to be less dominant during the interactions, and view the provider–patient relationship similar to a business transaction (Wright et al., 2013). Medical tourists from Eastern cultures will use the word "yes" as a sign of respect indicating a message was received and understood, yet this does not necessarily mean they agree. Furthermore, within international healthcare settings the nonverbal expressions of these patients may cause confusion as smiles may represent sadness or discomfort opposed to happiness (p 169). These cultures generally believe the dead continue to live on therefore, like many Muslims, they find the offering of services such as autopsies and organ donations distasteful.

8.5 PRACTICAL CONSIDERATIONS

Samovar et al. (2010) offer several strategies for practitioners to avoid cultural violations (pp 376–377). The authors recommend that practitioners do not treat a patient in the same way they would want to be treated. Cultural differences, as described above, highlight common differences related to the greeting rituals, disclosures of information, and healthcare expectations. Therefore, they recommend that providers begin an interaction by being more formal with foreign patients. Due to perceived power distances between

providers and patients in many cultures it is best to use formal procedures, until the patient indicates otherwise. Practitioners are encouraged to allow patients to be open and honest. Many foreign patients are reluctant to disclose alternative medical treatments, or non-biomedical treatments. Providers are encouraged to not discount or diminish the possible effects of supernatural or spiritual belief systems and their impact on healing. If patients believe the source of their medical issue is an external spiritual agent they may be less likely to engage in preventative care options, therefore providers are encouraged to indirectly inquire about possible use of nontraditional treatments and to never try to force change or compliance.

Providers are encouraged to use competent communication strategies that involve empathy when constructing messages, and to be culturally considerate when relating bad news. Western beliefs in the "right to know" are not shared cross culturally. For many cultures, the family is involved in the decision-making process and provides a buffering effect, absorbing the bad news and perhaps choosing instead to release the full extent of a diagnosis slowly and overtime. The authors hold that providers should follow the patient's lead on communication style. Behaviors that follow the patient's lead could be demonstrated by matching the rate and tone of speech (e.g., slowly and softly), directly your gaze in a similar manner so if a patient does not look you in the eyes when speaking, you do not look the patient in the eyes. This mirroring approach can also be applied to the patient's handshake or other greeting styles.

Luckmann (2000) advocates for a LEARN approach which encourages providers to *Listen* and ask questions to gather information about the patient's beliefs in the cause of illness, *Explain* what the patient needs to know concerning their health situation, *Acknowledge* that the patient's view may differ from your own, *Recommend* what the patient should do, and *Negotiate* with the patient to adapt treatment recommendations to fit their worldview.

8.6 ONLINE COMMUNICATION

In addition to utilizing patient-centered, culturally competent interpersonal communication practices, involvement in online communities can add a social support mechanism for many medical tourists. Social support has been extensively documented as a mechanism that helps manage physical and emotional strain and is believed to be related to positive health outcomes (Cohen & Wills, 1985; Eaves, 2014; Patterson et al., 1997). Both the presence

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of social support and the perception of availability for social support are related to improved well-being (Schafer et al., 1981). In the context of medical tourism this aspect of patient-centered care is reflected through support mechanisms for virtual healing. Virtual healing can be achieved through providing patients access to technology with Internet availability. Free online programs such as CarePages© provide a tool for patients coping with health issues to post photos, news and updates. Loved ones can visit online, engage, and post comments of their own. CarePages© users can also take part in online forums sharing blogs and engaging with people in similar situations.

Medical tourists feel a sense of belongingness in online communities and in some cases share their experiences as a form of consumer feedback. PlasticSurgeryJourneys.com has created a community for gathering these perspectives. On this platform both former and prospective patients can exchange information in online discussion forums on topics related to destinations of services, specific physicians and various types of surgery. Members post questions and frequently provide answers about any side effects and complications. If a provider performed low-quality work on a member, others in the community would know to avoid the provider. Online platforms such as these have been a useful mobilizing tool to empower patients. For example www.cirujanosplasticos.info is a site that was developed as a result of patients who were disfigured by Mexican cosmetic surgeons and created to warn away other patients.

8.7 FUTURE RESEARCH

The knowledge gained from health communication research not only helps improve the quality of communication between patients and providers, it can also be used to improve "patient preparedness" by informing health-related decisions, helping to manage the knowledge, and expectations prior to travel, which in turn reduces the likelihood for culture shock and negative expectancy violations. There are opportunities to improve patient preparedness by enhancing medical tourists' health literacy as to certain types of services and treatments.

Risk and crisis communication is a specialized niche of communication and was not reviewed in this chapter as it is not a dominant area of health communication scholarship; however, it certainly warrants further investigation. Risk management and communication is an important part of the communication process which should be addressed. The Center for Disease

Control and Prevention (CDC) highlights several specific risks associated with medical tourism noting that: (1) receiving care at a facility where you do not speak the language fluently increases the chance that misunderstandings will arise about the care; (2) depending on the hygiene protocols doctors may reuse needles between patients or have other unsafe injection practices; (3) medications may be counterfeit or of poor quality in some countries; (4) antibiotic resistance is a global problem, and resistant bacteria may be more common in other countries than in the United States; (5) the blood supply in some countries comes primarily from paid donors and may not be screened, which puts patients at risk of HIV and other infections spread through blood; and finally (6) postoperative travel such as flying after surgery increases the risk for blood clots (CDC, 2015). Successfully managing the perceived risks proactively in advance of travel may reduce patient anxiety and improve patient preparedness. Many medical tourism facilitators have adopted a "tour before" philosophy for medical tourists seeking high-risk procedures with longer recovery periods.

The medical tourism industry and specialized hospital networks must carefully monitor and engage in reputation management, and sometimes if necessary utilize crisis communication. Case studies which analyze the most effective issue management strategies for common events that may require organizational and industry responses to operational threats (i.e., unfavorable health outcomes) and perceptual/reputational threats (i.e., rumors or testimonies of poor services, dual delivery allegations) are needed.

Finally, the pivotal role that interpreters, translators, and telemedicine play in the medical tourism context is an important and needed area of future health communication scholarship. Due to the cultural differences and language barriers, medical tourists may find themselves reliant on intermediaries being people or technology to help cope and adjust throughout a medical tourism experience.

8.8 CONCLUSION

Communication permeates the medical tourism process and does so at the levels of interpersonal interactions (provider–patient communication), small group (healthcare teams), organizational (between facilitators and health organizations) and involves high rates of international and intercultural variation. Currently, some of the nation's largest corporations are encouraging employees to travel to large US medical centers for complex elective surgical procedures. The health industry involving medical tourism offers

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a wide range of career possibilities which motivates the need for continued educational training and professional development of culturally competent healthcare providers, promoters, facilitators, and navigators. Kreps and Thornton (1992) contends that "Health communication is the singularly most important tool health professionals have to provide health care to their clients," (p 2). It is important that health communication scholars and applied practitioners continue to seek and discover new and improved strategies for optimizing the quality of health communication associated with all aspects of the medical tourism process.

KEYWORDS

- **convergence**
- **cultural competency**
- **medical tourism**
- **elective surgeries**
- **monochronic cultures**

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CHAPTER 9

THE MEDICAL SPA IN HEALTHCARE: EXPLORING THE ROLE OF THE REGISTERED DIETITIAN

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CONTENTS

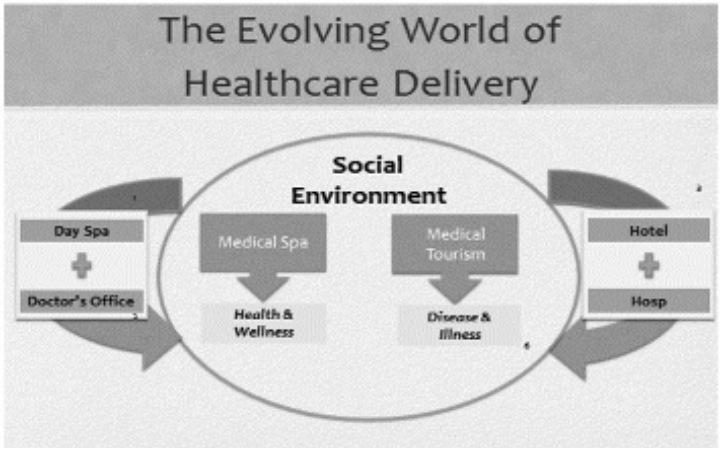
ABSTRACT

Medical spas and wellness represent new career opportunities across the healthcare spectrum. Registered dietitians and nutritionists are well positioned to have expanded roles in medical tourism, spa, and wellness management services as this segment expands in the future.

9.1 TRENDS SHAPING THE MEDICAL SPA

9.1.1 THE EVOLVING WORLD OF HEALTHCARE DELIVERY

The world of healthcare delivery is evolving due to the remarkable merging of the hospitality and medical industries. Two aspects of the hospitability field, beauty spas and hotels, are transforming to birth a new industry paradigm of medical spas and medical tourism. Medical spas are developing as beauty spas and doctors' offices merge while medical tourism is shaping through the union of the hotels and hospitals. Together, the spectrum of medical spas and medical tourism are defining a new medical care model that focuses on improving health beyond traditional boundaries. These new entities take into account social factors that are often not considered in a traditional doctor or hospital setting (K. Boerger-Bechtold, personal communication, June 9, 2015). Nutrition plays a key role across the spectrum of health and wellness and thereby has a growing and influential role in the development of both medical tourism and medical spas. This chapter will explore the evolution of the medical spa/tourism continuum and the role that nutrition plays in the evolution.



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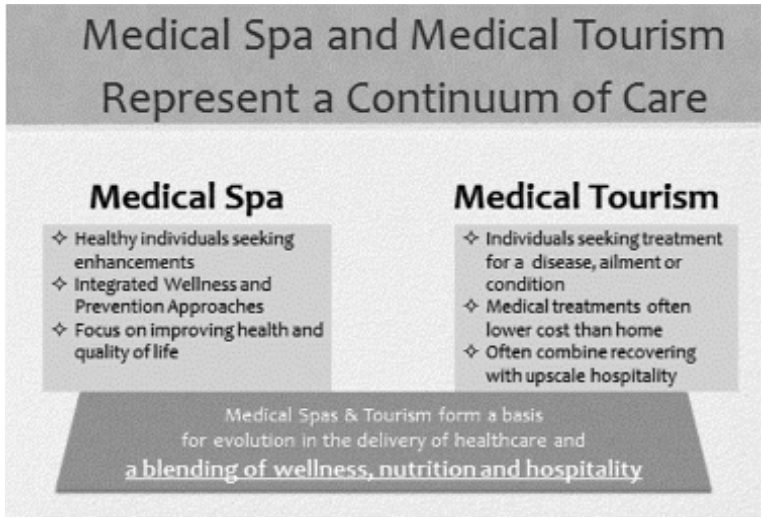
9.1.2 MEDICAL SPA VERSUS MEDICAL TOURISM

Medical Spas and Medical Tourism represent a broad spectrum of the healthcare continuum. The two sectors offer service different healthcare needs and different stakeholders. Medical spas typically attract healthy individuals seeking enhancements, integrated wellness, and prevention to improve their well-being and quality of life. Medical Spa facilities deliver unique, authentic, and location-based experiences/therapy not available at home. Whereas, medical tourism often appeals to individuals seeking treatment for a disease, ailment, or condition at either a lower cost and in an environment that affords both procedures and recovery within an upscale hospitality. The medical tourism term aligns with medical treatments, rather than health or wellness that is typically aligned with the Medical Spa. And though the focus of medical tourism and medical spas differ, together they form a new type of care that combines wellness, nutrition, and hospitality. With its focus toward health and wellness, the Medical Spa most closely aligns with the goals of nutrition management (Ellis, 2011).



9.1.3 THE NEW HEALTHCARE DELIVERY MODEL IS GROWING RAPIDLY

The Medical Spas and Medical Tourism industry's growth and varied definitions challenge the establishment of robust measures for size and scope.

However, most data points support the view of a rapidly growing industry. The SRI international research company estimates a 27% increase in the number of spas worldwide from 2007 to 2013 (Global Wellness Summit, http://www.globalwellnesssummit.com/industry-resource/industry-statistics-and-facts). The global spa industry growth is estimated from $60 billion–$94 billion in the same period, and in the United States, medical spas are estimated to have grown from 800 to 4500 spas from 2007 to 2013 (O'Brien, 2013). The global wellness tourism market expanded to $494 billion in revenues in 2013, and there was a 12.5% gain over 2012 and significantly outpacing original growth forecast of 9% (Global Wellness Summit, http://www.globalwellnesssummit.com/industry-resource/industry-statistics-and-facts). And though the growth is significant, it is noted that many medical spas are closing, as some of the early models are struggling to maintain an effective and profitable model (O'Brien, 2013).

9.1.4 KEY FACTORS DRIVING THE GROWTH OF THE MEDICAL SPA

Though there are many factors that are driving the growth of the Medical Spa, four of which are accelerating the growth. The expansive baby boomer population is interested in maintaining a youthful appearance. The baby boomers' vanity is driven by a strong desire to stay longer in the workforce and active members of society. Second, consumers are seeking to cut their medical costs as insurance payments continue to decline in an era where typical healthcare costs continue to rise. Third, doctors and other health professionals are looking for alternative revenue as insurance reimbursement decreases and their core compensation decrease. Lastly, gaps in healthcare and alternative country resources are causing people to look for care beyond their borders. Collectively, these factors are driving the growth of the industry (K. Boerger-Bechtold, personal communication, June 9, 2015).

9.2 MEDICAL SPA CHARACTERISTICS, SERVICES, AND CONSIDERATIONS

9.2.1 MEDICAL SPAS, A NEW CONCEPT OR NOT?

Though the recent growth of Medical Spas is rapid, the industry roots date back many centuries. Treating people with therapy and wellness has been

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a long-standing approach across parts of Europe and Asia. Water therapies with local baths were the staples of the early spas (Balint et al., 2004). Today, medical spas in Europe are the most integrated models of all the spas around the world. The United States follows with medical spas focused on skincare, but with an evolving service toward well-being and healing. Well-being is at the core of the Asian culture. Their medical spas are forming, with some countries focused on medical tourism as the cost of healthcare services tend to be lower and less regulated (P. Tschurkey, personal communication, June 9, 2015).

9.2.2 MEDICAL SPAS ADDRESS A CONTINUUM OF HEALTH GOALS

Medical Spas have expanded beyond the role of simply addressing clients' beauty needs. Today, they provide value to address patient needs of well-being and healing, providing a full continuum of goals.

Across the continuum, multiple goals are addressed, such as beauty needs of skin care and hair removal, whereas, well-being can focus on weight management, anxiety, and depression all geared to gain in beauty by addressing one's inner challenges versus external concerns of appearance. While, the area of healing focuses more on the pain causing diseases, such as arthritis, fibromyalgia, and knee osteoarthritis, but are expanding to other areas such as cardiovascular disease (hypertension and diabetes), cancer aliments and Parkinson's disease. This disease management approach ties back to the basic spa industry principles to improve one's sense of beauty (Medical Health—Grand Resort Bad Ragaz http://www.resortragaz.ch/en/medical-health/html).

9.2.3 MEDICAL SPAS OFFER A VARIETY OF SERVICES TO MEET GOALS

Medical Spas address the continuum of healthcare goals through a broad variety of services. These services are delivered as single services or a combination of services to address multiple healthcare goals.

(Medical Health—Grand Resort Bad Ragaz http://www.resortragaz.ch/en/medical-health/html).

As the figure reflects, key beauty treatment approaches include laser treatments, chemical peels, Botox, skin rejuvenations and micro-peels, whereas key well-being treatment approaches include nutrition services, meditation, exercise, water therapies (bath, steam room, mud), life coaches and oxygen therapy. Within the area of well-being testing such as bone density testing and blood analysis of the chemistry and vitamin levels may be explored; and key healing treatment approaches hydrotherapy, balneotherapy, massage, and acupuncture and hormone replacements.

9.2.4 MEDICAL SPAS SERVICES ARE DELIVERED BY VARIED HEALTH PROFESSIONALS

Medical Spas utilize a variety of healthcare professionals to meet the broad spectrum of services and health conditions addressed by the setting. Five core professional segments are often found at a full service Medical Spa they include:

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1. A **medical doctor** will often lead the facility, often a plastic surgeon or dermatologist. With broader medical spa service offerings, it is common to find primary care, ob-gyn, oncologists, and rheumatologist physicians on staff as well.
2. **Skin specialists** such as estheticians and other facial therapists support the doctor's goals and deliver targeted skin treatments.
3. **Registered nurses and lab technicians** are on staff to offer a variety of care management as well as any blood testing for patient evaluations.
4. **Personal trainers and massage therapists** staff deliver many of the healing and well-being services, and often complemented by physical therapists.
5. **Registered dietitians**, weight managers, and food planners will often represent the mix of individuals who lead the nutritional services and food management.

Each medical spa will deploy a different formation of their spa team depending on the variety of services offered and the type of patient they are seeking to attract (Medical Health—Grand Resort Bad Ragaz http://www.resortragaz.ch/en/medical-health/html).

9.2.5 MEDICAL SPA CARE MANAGEMENT APPROACHES VARY

A holistic-integrated model is a trademark of Medical Spas. Each healthcare goal is met through the deployment of a customized holistic approach. As we explore treatment plans for addressing the well-being challenge of weight management and the healing goals of Fibromyalgia one can see the varied approaches.

A weight management treatment plan is individualized using a holistic approach incorporating nutrition, movement, sleep, and stress. To address the broad needs, a cross-functional healthcare team would build out a plan to help boost your immune system, increase your physical and mental performance, build up your muscles to improve a patient's overall metabolic function, preserve a patient's muscle mass during aging, nutrition therapy in case of illness, increasing a patient's interaction between food, nutrients, and medicines, improve a patient's digestive function, and lastly increase the patients metabolic optimizing.

In contrast, an example of a treatment plan for healing fibromyalgia would be based on a variety of different therapies to help manage and decrease a

patients' pain. The patient would go through physiotherapy (initial assessment), musculoskeletal medical training, hydrotherapy, physical therapy, hot/cold treatment, pain therapy, psychotherapeutic care, social care and various group therapies (Medical Health—Grand Resort Bad Ragaz, http://www.resortragaz.ch/en/medical-health/html).

9.3 MEDICAL SPA NUTRITION SERVICES AND THE ROLE OF THE REGISTERED DIETITIAN

9.3.1 THE MEDICAL SPA ESTABLISHES A PLATFORM FOR NUTRITION SERVICES

Today, many medical spas have a registered dietician as a dedicated team member to capitalize on nutrition fundamentals that are geared to maintain health to live a healthy lifestyle. By addressing dietary insufficiencies of the patient, medical spas can use nutrition to address health and wellness concerns. Medical spas believe that modifying your diet by daily intake standards can often have a very positive effect on health. Medical Spas use a variety of approaches including private consultations, cooking demonstrations, and lectures to engage individuals to enjoy and live better (Medical Health—Grand Resort Bad Ragaz, http://www.resortragaz.ch/en/medical-health/html).

9.3.2 NUTRITION SERVICES ARE BROAD ACROSS THE CONTINUUM OF CARE

Nutrition services fit well across core continuum of medical spa care of beauty, well-being and healing. As the figure shows, key nutrition approaches for beauty include vitamins, minerals, & antioxidants and food choices for skin management. Key nutrition approaches for well-being include weight management, sports performance nutrition, digestive problems nutrition plans, preparation for Gastric Bypass Surgery and nutrition for the aging process. Key nutrition approaches for healing include nutrition services for key diseases such as diabetes, high blood pressure, muscular diseases, as well as management of cancer side-effects. The Medical spa may also deploy a dietitian to help patients manage their pregnancy and help teach them how to breast feed (Academy of Nutrition and Dietetics, 2014).

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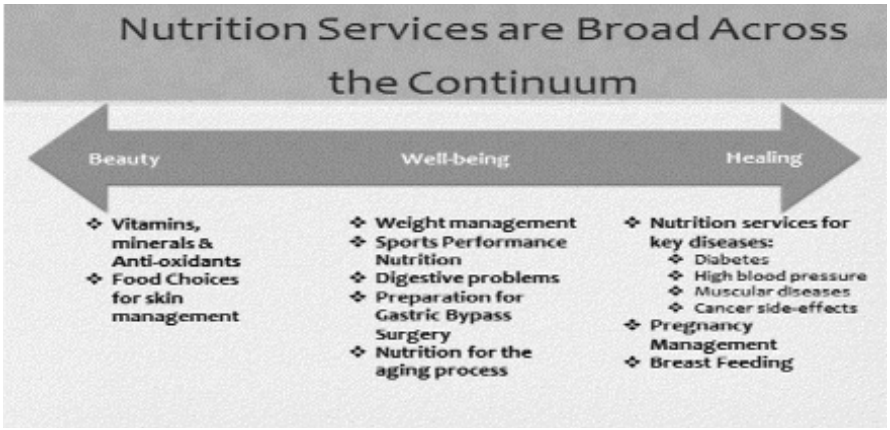

9.3.3 FUTURE OPPORTUNITIES FOR THE REGISTERED DIETITIANS AT THE MEDICAL SPA

Today, many Medical Spas employ Registered Dieticians or Nutritionists for general services. Most of the Medical Spa registered dietitians are working in the nutritional services and metabolic optimization; however, the expansion of Medical Spa Services may provide additional opportunities for RDs and RD specialization. As more Medical Spas experience the value of the Registered Dietitians, it's anticipated that the importance of the services will expand to other aspects of the beauty, wellness and healing continuum. This expansion may support the deployment of board certified Registered Dietitian Specialization opportunities. These opportunities include:

1. Board Certified Specialist in Gerontological Nutrition—Dietitians in this area work directly with older adults, helping design, implement, and manage safe and effective nutrition strategies to help create a healthy lifestyle (Bell-Wilson & Shadix, 2007).
2. Board Certified Specialist in Sports Dietetics—Dietitians certified in this area of nutrition assesses, educate, and counsel athletes and active individuals (Bell-Wilson & Shadix, 2007).
3. Board Certified Specialist in Renal Nutrition—Dietitians certified in this area work with individuals who have acute or chronic renal dysfunction or failure, under treatment by kidney transplantation, dialysis, or other modalities (Bell-Wilson & Shadix, 2007).

4. Board Certified Specialist in Pediatric Nutrition—Dietitians certified in this area work directly with healthy and/or ill children (newborn—18) as well as children with special needs (Bell-Wilson & Shadix, 2007).
5. General Specialties for cardiovascular management, muscular management and nutrition for strength in cancer management (Bell-Wilson & Shadix, 2007).

The medical spas evolution coupled with the expanding specialization of registered dietitians enable expansion of medical spa services and the relevance and importance of the registered dietitian within the medical spa industry (K. Boerger-Bechtold, personal communication, June 9, 2015).

9.4 SUMMARY

In summary, Medical Spas and Medical Tourism represent new opportunities across the healthcare continuum. The two sectors are merging to provide global alternatives to traditional healthcare services. The benefits when medicine and well-being are combined provide a natural fit for the field of nutrition. Registered Dietitians and Nutritionists currently provide many core services at the Medical Spa; however, the role of the Registered Dietitian and Nutritionist are well positioned for expansion as medical spa services and nutrition specialization grows.

KEYWORDS

- **healthcare**
- **dietitian**
- **medical tourism**
- **spa**
- **wellness**

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CHAPTER 10

DOMESTIC MEDICAL TOURISM: A NEGLECTED DIMENSION OF MEDICAL TOURISM RESEARCH[1]

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CONTENTS

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ABSTRACT

To date, the literature on medical tourism has focused almost exclusively on international medical tourism, or medical services outsourced to other countries. However, there are a growing number of patients who travel for medical care within their own country. Medical tourism experts have suggested that competition introduced from abroad, combined with healthcare reform, may stimulate improvement in healthcare offerings in the United States, and lead to an increase in such medical tourism. This chapter will therefore extend the literature by examining domestic medical tourism in the United States. There is a scarcity of research investigating consumer attitudes and beliefs toward the concept of medical tourism—particularly for domestic medical tourism—so the authors present a new model, and a research agenda for studying both attitudes toward such tourism, as well as the potential impact of domestic medical tourism on regional economies in the United States.

10.1 INTRODUCTION

Medical tourism, whereby patients travel to a different state or country for the enhancement or restoration of their health, is a worldwide, multibillion-dollar industry (Amodeo, 2010; Goldbach and West, 2010). Traditionally, medical tourism was deemed a luxury travel product consumed by the wealthy who could afford to travel for medical techniques or services not available in their place of residence. In more recent years, an increasing number of people are traveling for cost-effective medical treatments, which are in many cases packaged with complementary tourism services such as sightseeing or hotel accommodation (Crooks et al., 2011). It has become increasingly common for residents of industrialized countries to make long-haul trips to certain developing countries to take advantage of their less expensive, yet high-quality medical facilities and services. The rapid rise in this new industry is attributable to the high costs of medical care in developed countries, in conjunction with the comparative ease and affordability nowadays of international travel, rapidly improving technology and standards of care worldwide, and the proven safety records of medical care in many developing countries around the world (Bookman and Bookman, 2007). Although the exact size of the medical tourism market is difficult to measure, recent Frost & Sullivan research suggests that market was worth around $50–$65 billion in 2014, growing at approximately 20%. Certainly the market has tremendous potential (Ehrbeck et al., 2008).

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To date, the literature on medical tourism has focused almost exclusively on the import side of medical tourism—and in many cases Americans who travel to developing countries for medical services. However, the shape of medical tourism may not be confined to customers traveling abroad for their surgery or wellness treatments. There are a growing number of patients who shop around for medical care within their own country (IMTJ, 2010), a practice sometimes called intranational or domestic medical tourism. Such tourism is expected to grow significantly in the United States, as more employers and insurers are offering financial incentives to encourage workers to consider domestic medical travel (Business Insurance, 2009; Deloitte Center for Health Solutions, 2009; Sobo, 2009; Appleby, 2010; Sherwood, 2014).

Using the United States as a case therefore, this chapter will extend the literature by exploring the potential for domestic medical tourism, present a new model, and suggest a research agenda for studying the potential impact of medical tourism on regional economies and medical communities.

10.2 LITERATURE REVIEW

Reviewing the research on medical tourism is challenging due to the novelty of the concept, lack of specific data, and somewhat amorphous nature of the concept (Goodrich, 1993; Chambers and McIntosh, 2008). But the medical community in developed countries has started to recognize medical tourism as a real phenomenon (Horowitz et al., 2007), and peer-reviewed medical and health journals began publishing papers on this topic around the mid-2000s. The literature to date has been fairly descriptive and many researchers have called for more in-depth research on the topic (Goldbach and West, 2010; Lunt et al., 2010; Lunt and Carrera, 2010; Hopkins et al., 2010), particularly into economic and marketing issues (Chuang et al., 2014). Most of the research has focused on the following themes: (1) conceptualization and definition; (2) the reasons for growth; (3) quality and accreditation; (4) services offered and types of care; (5) medical tourism destinations; and (6) consumer attitudes toward medical tourism. These themes will be discussed in turn.

10.2.1 CONCEPTUALIZATION AND DEFINITION

The increase in efforts to define medical tourism in the past decade supports its prominent rise as an important tourism activity (Reddy et al., 2010). What

is a subject of much debate is whether or not medical tourism and health and wellness tourism should be treated as two distinct fields of study (Hall, 2013). Medical tourism was perceived initially as travel strictly for medical intervention, and many definitions tended to fall in line with this view. For example, Hume and DeMicco (2007, p. 76) define medical tourism as "the process of traveling to another country to receive medical, dental, and surgical care," and Sobo (2009, p. 326) similarly defines the practice as "contemporary travel for the primary purpose of obtaining indicated or elective dental or biomedical services."

Health and wellness too, was treated as a distinct area of study and was more associated with well-being. Carrera and Bridges (2006), for example, defined health and wellness tourism as "the organized travel outside one's local environment for the maintenance, enhancement or restoration of an individual's wellbeing in mind and body" (p. 447). Goodrich (1993) on the other hand, defined health tourism as the deliberate attempt on the part of the tourist facility (e.g., hotel) or destination (e.g., Baden, Switzerland, or Bath, England) to attract tourists by promoting healthcare services and facilities in addition to regular tourist amenities. These healthcare services may include medical examinations by qualified doctors and nurses at the resort or hotel, special diets, acupuncture, and special medical treatments for various diseases such as arthritis, and herbal remedies.

In more recent years, however, the term medical tourism (or medical travel as preferred by Cohen, 2010) has been used to encompass both medical and health and wellness tourism, partly because the line between medical treatments and health improvement is becoming blurred. Bookman and Bookman (2007), for example, use medical tourism as their preferred term for the entire industry, saying "this reflects the growing encroachment of medicine even in spa and wellness services" (p. 43). Heung et al. (2010, p. 236) similarly include wellness in their definition of medical tourism, saying that medical tourism involves "traveling across international borders to obtain a broad range of medical services."

For this book chapter, the authors will also use the term "medical tourism" to encompass both medical and health and wellness tourism. However, acknowledging that the breadth of medical tourism is vast, a new definition is proposed that divides medical tourism services into three areas: invasive, diagnostic, and lifestyle (Bookman and Bookman, 2007). The new definition also considers travel within one's country for medical services as a component of medical tourism, something that has not been explicitly discussed in the past (Reddy et al., 2010). Medical tourism is therefore defined as *tourism*

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(international or domestic) for the primary purpose of invasive, diagnostic, or lifestyle medical treatments.

Despite the lack of academic research in the medical tourism area, a few researchers have developed theoretical frameworks for this field. Smith and Forgione (2007) developed a two-stage model that indicates the factors that influence a patient's decision to seek healthcare services abroad. The authors argued that country-specific characteristics, such as economic conditions, political climate, and regulatory policies, influence the choice of destination; whereas such factors as cost, hospital accreditation, quality of care, and physical training have an impact on the choice of health-care facilities. Heung et al. (2010) have also proposed a framework for the study of medical tourism, and this includes both the supply and demand perspectives. The model highlights the importance of the medical tourist's needs when he or she selects a country, medical facility, and doctor. His or her selection process is also affected by such supply-side factors as the infrastructure/superstructure, promotional activities, quality assurance, and communication facilities in a destination.

10.2.2 REASONS FOR GROWTH

There are varying reasons for the growth in medical tourism. First and most importantly, is affordability (Reddy et al., 2010), but demand is also driven by the fact that some procedures and treatments are just not available or approved in home countries (Horowitz and Rosensweig, 2007). Another reason for the growth is the opportunity to vacation, which adds to the overall appeal of medical tourism (Bookman and Bookman, 2007). Medical tourism also provides privacy and anonymity for the customer (Marlowe and Sullivan, 2007).

SRI International (2010), suggested that there are three mega-trends driving growth in medical tourism: (a) an aging world population; (b) failing conventional medical systems, with consumers, healthcare providers, and governments seeking more cost-effective, prevention-focused alternatives to a Western model focused on solving health problems rather than preventing them; and (c) increased globalization, with consumers more aware of alternative health approaches via the Internet and the powerful reach of celebrity wellness advocates. The SRI study reported that there are 289 million active wellness consumers in the world's top 30 industrialized nations alone.

Others like Lunt et al. (2010) suggest that medical tourism growth has been largely facilitated by the emergence of specialized Internet websites.

According to the authors, a key driver in the medical tourism phenomenon is the platform provided by the Internet for gaining access to healthcare information and advertising.

The hospitality industry is also recognizing this growing trend and is targeting travelers who are looking to have their treatments performed overseas. Online travel providers have made improvements to their websites making it easier to identify hotels, which are near to popular hospitals (IMTJ, 2009), and some hotels are even providing specialized training for employees who care for medical tourists. The Ramada Plaza Herradura in Costa Rica, for example, in 2009 used Medical Tourism Training Inc., a Massachusetts company, to deliver a two-session training program called "Caring for the Medical Tourist."

Employers and insurance companies are also fueling the growth in medical tourism (Appleby, 2010). In 2006, Blue Ridge Paper Products, Inc., an American company, made national headlines when it introduced a medical tourism incentive to its employee benefit plan. The 100-year-old company, based in Canton, North Carolina, offered its employee's incentives if they elected to have nonemergency procedures at the new Preferred Provider Organization approved hospital in New Delhi, India. Among other inducements, Blue Ridge offered to pay for its employees' airfare overseas and extra sick-leave time, in addition to a $10,000 bonus.

Blue Cross and Blue Shield, with more than 1.5 million members, was the first insurance company in the United States to create a subsidiary specifically to provide the option of overseas medical procedures for its clients and brokers. The subsidiary, Global Companion Healthcare, interviews the patients; helps them choose the appropriate physician and hospital; obtains their medical records; arranges a phone consultation with the physician; makes all hospital, hotel, and travel arrangements; and often has a concierge person at the remote site host country to handle any problems that arise (York, 2008).

10.2.3 QUALITY AND ACCREDITATION

A number of articles on medical tourism have addressed the issues of quality and accreditation (Turner, 2007; Horowitz et al., 2007; Forgione and Smith, 2007; York, 2008; Reed, 2008; Han and Hyun, 2015). Medical tourists require concrete and quantifiable signals of quality, and these are provided through hospital accreditation. To address the growth of medical tourism, the Joint Commission, which accredits and certifies healthcare organizations

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and programs in the United States, initiated the Joint Commission International (JCI) to accredit hospital worldwide. More than 120 hospitals worldwide have been accredited by the JCI; another 20 are accredited through the International Standards Organization (Herrick, 2007).

Certification is also important for quality control in nonintervention type medical tourism. For example, the Thai Ministry of Health worked with the Thai Spa Association to come up with procedures for certification, since, according to a 2001 survey, there were 230 operators that attracted about 2.5 million clients, 80% of them from overseas (Henderson, 2003). In India, the Department of Tourism classifies all Ayurvedic centers into two categories, Green Leaf and Olive Leaf, and will not take any responsibility for those centers that are not classified into one of these two categories (Bookman and Bookman, 2007). Of course, certification and accreditation is less an issue for domestic medical tourism facilities than their international counterparts.

Related to issues of quality and accreditation are the ethical dimensions of medical tourism. While arguably ethical issues arise for all surgical treatments—informed consent, liability, and ensuring remedies for surgical malpractice—forms of medical tourism (fertility tourism, transplant tourism, stem cell tourism, and even euthanasia tourism) raise ever more fundamental questions (Lunt and Carrera, 2010). In addition, the impact of medical tourism on the overseas country, particularly when treatments are carried out in Third World countries raises a range of ethical and moral dilemmas. The expectation that economic and health benefits trickle down to local populations remains contentious (Bose, 2005). In Thailand, for example, the presence of well-endowed hospitals that cater to medical tourists has prompted an internal brain drain from the public to the private sector, thereby decreasing equity in access to health care for the local population (Ramirez de Arellano, 2007).

10.2.4 SERVICES OFFERED AND TYPES OF CARE

The breadth of medical tourism is vast, with international patients seeking services ranging from surgery to massage and recuperation to exercise. Bookman and Bookman (2007) divide medical tourism services into three areas: invasive, diagnostic, and lifestyle. Invasive procedures refer to those that are performed by specialists for people with non-communicable diseases, and the most popular procedure is dental work. Plastic surgery, eye surgery, cancer treatment, and joint replacements are other procedures in this category that tend to be high tech and rely on state of the art machinery. The

diagnostic sector in developing countries is also growing as people travel for blood screening, bone density testing, heart stress tests, and electrocardiograms. Services included in lifestyle medical tourism cover a broad range, but tend to focus on wellness, nutrition, stress reduction, weight loss, and anti-aging. Among the traditional health services, the most important are Ayurveda in India, yoga in India and Thailand, and acupuncture in China, Malaysia, Thailand, and the Philippines.

Since organizing health care in other countries requires purchasing air tickets, finding an appropriate medical facility and suitably qualified physicians, reserving hotel accommodations for accompanying travelers, negotiating prices and arranging payment, and transferring medical records, "medical brokerages," or "medical travel agencies" are emerging to bridge the gap between clients and caregivers (Turner, 2007). They link international healthcare facilities to prospective clients seeking inexpensive treatments. Medical brokers like Planet Hospital facilitate packages to Belgium, Costa Rica, India, Mexico, Singapore, Thailand, Argentina, Brazil, El Salvador, Panamá, Uruguay, and the United States.

Medical brokerages provide the "concierge services" customers receive when they obtain health care abroad, and often promote exotic side trips such as visits to the vineyards of Stellenbosch in South Africa, or the Taj Mahal in India. In some contexts hospital chains have also become integrated into the tourism industry. The principal hospital group in Singapore, Raffles, arranges airport transfers, books relatives into hotels and helps to arrange local tours. Hotels in Malaysia have become similarly horizontally integrated with hospitals. Hospitals themselves in these developing countries, are transforming their architecture, interior design, furniture, and visitor services, in order to resemble those of a hotel. They have become "hotelspitals" (Ongdee, 2003), a hybrid institutional form incorporating features of both a hospital and a five-star hotel. As Cohen (2010) says, these hotelspitals are a good example of the tendency of private hospitals in developing countries to turn medicine into fully commercialized, profit-seeking business, in which patients are treated as paying customers.

For developing countries with an already established inbound tourism reception system, medical tourism seems to be a natural extension, and can be incorporated into the system fairly easily. In comparison, the literature has provided almost no discussion on how domestic medical tourism services and care is organized and structured. There is evidence, however, that domestic medical tourism is becoming more organized. Healthplace America, for example, offers a travel-for-care benefit directly to health plans that offer discounts, including travel and lodging on surgeries performed in

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35 locations throughout the United States. Likewise, Healthbase, a medical tourism company based in Newton, Massachusetts, works with healthcare providers in California, Florida, Kansas, and Nevada helping them fill beds for certain discounted surgeries (Lubell, 2009). The company has found that for hospitals, the medical tourism business is an especially useful way to fill beds at weekends.

10.2.5 MEDICAL TOURISM DESTINATIONS

Though there is nothing new about travel in search of healing, what is novel is the increasing number of individuals traveling long distances in search of affordable, timely medical care. In addition, the direction of travel is changing (Ramirez de Arellano, 2007). The United States, with its strong pharmaceutical industry and high-tech hospitals, has traditionally been a destination for medical tourists. Cutting-edge research institutions like the Cleveland and Mayo Clinics and Johns Hopkins, have been targeting an international clientele for decades. But recent years have seen a flow in the opposite direction, with American patients traveling abroad in search of less expensive and often more luxurious health care. In a very competitive marketplace, India and Malaysia have joined the already-established destinations in Thailand and Singapore, with the Philippines and South Africa not far behind. In the Western hemisphere, Cuba has been a medical leader for decades specializing in plastic surgery and dentistry. Bringing inexpensive health care closer to the United States, India's Apollo Group signed a memorandum of understanding in 2007 with the American International Medical University in the Bahamas and St. Lucia. The Apollo Group has also built specialized teaching, treatment, and research hospitals in Barbados and the Bahamas (Turner, 2007).

India appears to have received more attention as a prominent medical tourism destination that any other country. In 2009, the Indian government announced that they would give medical tourists a chance to explore options like adventure tourism or rural tourism, and the cost of these packages would be borne by the government in order to attract more medical tourists to India (Ahmad, 2009). India's efforts to promote medical tourism took off in late 2002, when the Confederation of Indian Industry (CFI) produced a study on the country's medical tourism sector, in collaboration with international management consultants, McKinsey & Company, which outlined immense potential for the sector. The following year, then finance minister Jaswant Singh called for the country to become "a global health destination" and

urged measures such as improvements in airport infrastructure, to smooth the arrival and departure of medical tourists. In 2014, India hosted about 1.27 million medical tourists from countries such as the United States, United Kingdom, and Canada in addition to visitors from neighboring countries like Bangladesh, Sri Lanka, and China (Jayaraman, 2014).

10.2.6 CONSUMER ATTITUDES TOWARD MEDICAL TOURISM

There is a scarcity of research investigating consumer attitudes and beliefs toward the concept of medical tourism. One study that surveyed undergraduate students used the theory of planned behavior to investigate the beliefs of these students toward medical tourism (Reddy et al., 2010). The results showed a general reluctance on behalf of the sample population to learn more about medical tourism. But the authors themselves acknowledge that a major limitation of the study was that it was conducted with a convenience sample of students and so the results are not generalizable to the middle age and elderly populations for which medical tourism is more of an issue. Ye et al. (2008) examined the motivations and barriers to medical tourism among such potential tourists in Hong Kong. They adopted a case study approach, drew on a push-and-pull motivation model, and developed a framework for the motivations of medical tourists. They found (not surprisingly) that the motivations of medical tourists differ from those of their mass tourism counterparts.

As mentioned previously, medical tourists from the Western world are motivated by economic factors, the availability of treatments, the opportunity to vacation, and the advantages of privacy and anonymity. Herrick (2007) suggests that for savings exceeding $10,000, about 38% of uninsured Americans and one-quarter of those with insurance would travel abroad for care. But other studies have found that medical tourists would prefer to have major surgery near home if they felt it was a feasible or reasonable option (Turner, 2007; Horowitz et al., 2007). In a study of international medical tourists by Ehrbeck et al. (2008), researchers found that only 9% of medical tourists are motivated by lower costs for medically necessary procedures. Other factors like advanced technologies, better quality care, and quicker access to medical procedures take precedence in the considerations of medical tourists. However, it should be noted that this study included medical tourists from around the world, many of whom travel to the United States for treatment.

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10.3 A CASE FOR STUDYING DOMESTIC MEDICAL TOURISM

From the review of the literature above, it is apparent that research on medical tourism to date has been largely conceptual in nature, and major gaps exist in the evidence base supporting medical tourism research (Lunt and Carrera, 2010). As Hopkins et al. (2010, p. 185) conclude, "data collection, measures, and studies of medical tourism all need to be greatly improved if countries are to assess better both the magnitude and potential health implications of this trade." Medical tourism research to date has also focused almost exclusively on the import side of medical tourism—those who travel abroad to developing countries for medical services. However, according to Cohen (2010) the emergence and expansion of medical travel is largely due to intraregional travel in the non-Western world, and that the new medical tourists from the West began arriving only after the medical hubs had been well established. The authors of this chapter therefore recommend a more balanced view by paying more attention to domestic medical tourism.

Domestic medical tourism refers to domestic travel for medical tourism purposes, and in recent years, a number of medical tourism experts have suggested that competition introduced from abroad may stimulate improvement in healthcare offerings at home, and lead to an increase in such medical tourism (Sobo, 2009). An estimated $15 billion in revenue leaves the United States every year as Americans travel internationally for health care, predominantly for cheaper elective treatments (Sherwood, 2014). In 2006, a United States Senate Special Committee on Aging was established to investigate the implications of medical tourism for the United States healthcare system. As stated by the Committee Chairman, Gordon Smith, "Americans should not have to travel overseas to obtain affordable healthcare" (Forgione and Smith, 2007, p. 33).

Medical tourism is challenging American hospitals to rethink the way they do business. Experts believe that one possible outcome will be pressure to reduce prices in the United States (York, 2008). Forgione and Smith (2007) say that the current United States healthcare system must reach a broader segment of society, eliminate administrative and procedural inefficiency, and provide consumer-friendly price and quality information if it is to compete effectively in today's global, consumer-driven healthcare market. Rhea (2009) predicts that we will see more hospitals in the United States offering discounted bundled care for particular procedures in order to attract patients from across the nation. Galichia Heart Hospital in Wichita, Kansas, for example, decided that it could break into a market monopolized by overseas hospitals, and offer high-quality more-convenient care to

patients (Lubell, 2009). After conducting medical tourism research in other countries, the hospital decided to challenge itself to see if it could offer comparable prices on heart procedures and other services. By cutting prices, the hospital found it was attracting an additional two medical tourism cases a week, or approximately 100 a year, which generates $1 million in incremental revenue per year.

Other states in the United States are promoting domestic medical travel. Oklahoma is positioning itself as the medical tourism destination for oncology care in the United States (HealthLeaders-InterStudy, 2011), and Minnesota and Missouri are seeking to attract medical tourists from neighboring states for both intervention and intervention-type treatments (Sherwood, 2014). Missouri Hospital Association commissioned a study into domestic medical travel, suggesting that it created over 3000 jobs and generated $124 million in nonmedical travel expenditures in 2009 (Southeast Missouri Hospitals, 2010). The report suggests that the tourism industry should work with the healthcare community to inform potential patients about the opportunities Missouri offers in the state's largest cities—St. Louis, Kansas City, and Springfield.

In 2009, Hannaford Brothers, a supermarket chain in Maine, with 27,000 employees, offered to send its staff needing knee or hip replacements to Singapore. The medical costs would be so low that the company would pay the employee's insurance copayment of about $2500 and the travel expenses for the employee and a spouse or companion. The move attracted the attention of hospitals in Maine and Boston, who offered to match the Singapore prices. In the following 2 years, 10 employees had the surgery, but all elected to stay in the United States (Appleby, 2010).

Although it may be too early to make predictions related to the impact of on-going reform of the American medical system on medical tourism (Cohen, 2010), according to industry expert Laura Carabello, domestic medical tourism will expand under United States healthcare reform simply because of an increase in the number of people in the United States with health insurance (medicaltraveltoday.com). United States hospitals that can match prices of foreign medical care providers will be attractive domestic medical travel options. In 2010, the home improvement retailer Lowe's struck a deal with Cleveland Clinic making its cardiac care available to employees. This is the first time that a national company has selected one specialist hospital. The incentive for employees is that they incur lower out-of-pocket expenses for heart procedures at the clinic. Domestic medical tourism addresses two issues confronting United States employers: differences in quality outcomes

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and the wide disparity in medical pricing nationally. By negotiating with health systems on specific treatments or procedures, companies address both (Jacob, 2014).

Another reason for the potential growth of domestic medical tourism is the aging population and the baby boomer cohort in particular. With life expectancy over 80, there will be 115 million people 50 or older in the United States by 2020, 50% more than now. Total 76 million of them will be baby boomers, those born between 1946 and 1964. Boomers control more than 83% of consumer spending and account for over half of trips abroad (Hudson, 2010). Boomers are making healthy aging both a priority and the norm, as they wish to remain productive and useful (Green, 2005), stressing both physical and mental health (Robertson, 2008). These priorities are leading to an increase in medical tourism. Health and wellness centers are expanding all over the world, and spa tourism is seeing significant growth. In 2012, spa tourism represented a $179.7 billion market, with 224.9 million spa trips made both internationally and domestically (Global Wellness Institute, 2015).

Fried and Harris (2007) indicate that hospital leaders in the United States can take several steps to meet the challenge of competition from medical tourism overseas. The first is to demonstrate that the quality of services is worth the extra cost. Second, managers must reduce costs and improve the efficiency of operations. Third, United States hospitals could take concrete steps to improve their patients' privacy as well as the perception of receiving more personalized care. Finally, they suggest that United States hospitals should emphasize that patients treated in many foreign countries have limited legal remedies in the event of an adverse outcome caused by medical malpractice. Florida is currently promoting the quality of its medical centers, while also playing up its hospitality culture. More than 375,000 United States residents spend upward of $5.2 billion on domestic medical tourism in Florida in an average year (Sherwood, 2014).

As demonstrated by the aforementioned examples, some individual hospitals and regions in the United States are beginning to position themselves as medical tourism destinations, but few stakeholders have recognized the opportunities in bridging the gap between hotels and health care. In order to match the two sectors and develop strategies for a thriving medical tourism industry, research is required. The next section proposes a new model for medical tourism, and a research plan based on the model for a destination, state, or region in the United States that could provide a strong foundation for a domestic medical tourism strategy.

10.3.1 A NEW MODEL FOR MEDICAL TOURISM AND A RESEARCH AGENDA

With domestic medical tourism likely to expand under United States healthcare reform, research is needed to identify existing barriers to such tourism, and to provide a strong foundation for a domestic medical tourism strategy. Research is needed that can examine in detail both the medical and tourism sectors to find destinations most appropriate for medical tourism. Such research would begin the completed process of quantifying medical tourism's effects on the delivery of health care and on the economy should the state or region become a destination for medical tourists. Realizing the full potential of this sector requires strategic planning and coordination among such key players as hospitals, physicians, allied health professionals, the hospitality industry, and the medical tourists themselves (Heung et al., 2010).

The authors of this book chapter have built on previous frameworks and models to provide a new model of medical tourism to guide future research, one that depicts not only the demand and supply perspectives, and the intermediaries that bridge them, but also the growing trend toward the provision of an integrated medical tourism facility, a hybrid institutional form that incorporates features of both a hospital and a hotel (Fig. 10.1). Recognizing this overlap or relationship between medical and tourism stakeholders makes this model unique, as does the acknowledgment that medical tourists can be both domestic and international.

The left-hand side of the model is dedicated to the medical tourists themselves, influenced, according to the literature, by affordability (Reddy et al., 2010), availability (Horowitz and Rosensweig, 2007), the opportunity to vacation (Bookman and Bookman, 2007), privacy and anonymity (Marlowe and Sullivan, 2007), advanced technologies, better quality care, and quicker access to medical procedures (Ehrbeck et al., 2008). These medical tourists will in turn be influenced by source market externalities such as the state of the economy and political system in their country, and their current health system (Smith and Forgione, 2007).

Although some medical tourists may seek medical tourism providers via direct channels, the importance of intermediaries has already been acknowledged (Lee and Fernando, 2015), so the middle part of the model shows the various channels a customer might use to arrange his or her medical tourism experience. One such channel is the "medical brokerage," or "medical travel agency" referred to earlier, intermediaries that have emerged to bridge the

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gap between clients and medical tourism providers (Turner, 2007). Traditional travel agents might also fulfill this role, while some researchers like Lunt et al. (2010) have suggested that medical tourism growth has been largely facilitated by the emergence of specialized Internet websites. Others have documented the importance of employers and insurance companies in fueling the growth in medical tourism (York, 2008; Appleby, 2010). All these channels are represented in the model.

Finally, the right-hand side of the model depicts the supply side of medical tourism—a combination of hotels and resorts, and the medical tourism facilities themselves, providing the three types of treatment as identified by Bookman and Bookman (2007)—invasive, diagnostic, and lifestyle. The shaded area of the model is the "H2H" part of medical tourism, an overlap between hotels and resorts and the medical facilities themselves, often resulting in the provision of an integrated medical tourism facility (Ongdee, 2003; Cohen, 2010). As Reddy et al. (2010) have acknowledged, an increasing number of hospitals and health resorts that are geared toward medical tourism are building rooms that feel more like a hotel than a hospital room.

This supply side will be influenced by destination externalities such as brand awareness (Heung et al., 2010), political stability (Fried and Harris, 2007), accreditation of facilities (Herrick, 2007), and accessibility (Ehrbeck et al., 2008). As Heung et al. (2010) point out, an increasing number of governments, including India, Malaysia, Thailand, Singapore, the Philippines, South Africa, Cuba, and Puerto Rico, are actively promoting medical tourism. Since quality is of critical importance in a patient's choice of medical tourism destination, a priority for medical institutions in these countries is seeking accreditation to boost patient confidence to better compete in the medical tourism market. Although the model applies to both domestic and international medical tourism, domestic medical tourism, by definition, is subject to less uncertainty associated with/resulting from destination externalities. Hence, it is presumably a more feasible option in terms of matching medical tourism demand with supply.

Heung et al. (2010) recommend that any study of medical tourism should encompass both the supply and demand perspectives of medical tourism and that both qualitative and quantitative methods should be carried out to reveal the potential for medical tourism in a given region or country. Multimethods should therefore be employed to achieve the objective of increasing domestic medical tourism.

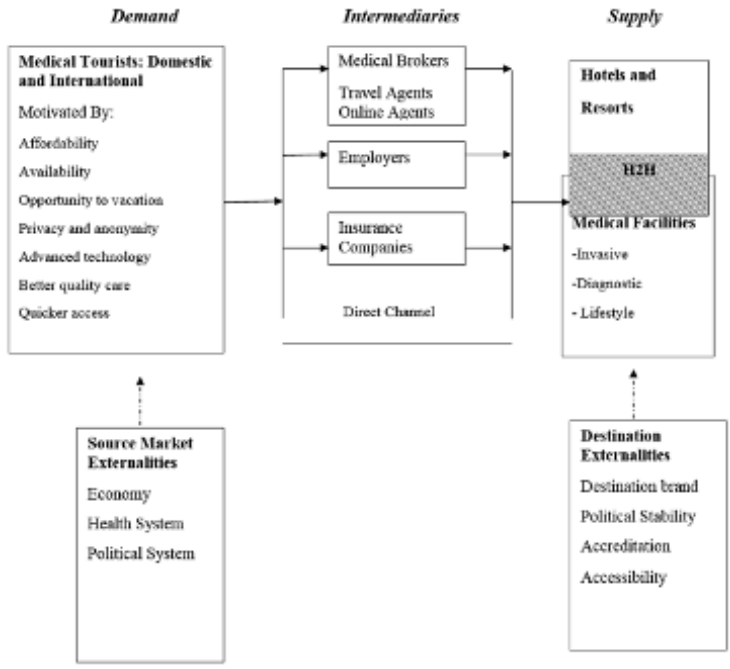

FIGURE 10.1 Medical tourism: an integrated model.

10.3.2 DEMAND PERSPECTIVE

Online panel surveys could be used in the United States to measure the desire to travel for treatment and consumer willingness to pay, and to measure medical tourism preferences among consumers. An online panel survey is a popular marketing research approach, which allows researchers to access panelists pre-recruited by online panel survey companies to participate in surveys over a period of time (Li and Petrick, 2008). Considering that the relevance of the topic may vary for different age groups, and following Reddy et al. (2010)'s recommendation, it is suggested that the online panel survey should target active American leisure travelers (i.e., who have taken at least one leisure vacation in the past 12 months) at the age of 45 or above. Before launching the survey, it is also recommended that 10–20 in-depth interviews with past and potential medical tourists would help generate important baseline information for questionnaire design.

The surveys could use the theory of planned behavior to investigate attitudes toward medical tourism. These scales have already been developed by Reddy et al. (2010) and could be used for potential medical tourists in

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specific geographic areas. Questions could identify people who are interested in participating in medical tourism and the perceptions they have toward purchasing healthcare products in the United States and in particular regions or destinations. Deloitte have touched on this in their studies of potential medical tourists in the United States They found that more than 40% of respondents would travel outside their immediate community for care if their physician recommended it or for a 50% cost savings (Deloitte Center for Health Solutions, 2009).

The contingency valuation method (CVM) (a survey that estimates subjects' maximum willingness to pay) could also be used to evaluate the value of medical tourism to potential markets. CVM is a logical method to determine the demand for medical travel. Most consumers will be unaware of the cost of medical procedures, so for the survey to be effective, survey takers should be informed about the cost of medical procedures in their region. This methodology will give the researchers a better estimate of how much people are willing to pay to travel outside their area for medical procedures.

Finally, conjoint analysis could be employed, which is a research technique that asks respondents to make trade-offs between different groupings of attributes. Such analysis has been used successfully in tourism research in the past (Lovelock and Wortz, 2007) and determines which mix of attributes at specific prices offers consumers the highest degree of utility. Questions to elicit perceptions of quality of available healthcare qualities and services could be included. Results will identify medical tourism products that represent the best balance between the price customers are prepared to pay and the physical and service features they most desire.

Once this background research has been conducted, economic statistics can assist in developing metrics of revenues and benefits from medical tourism (Hopkins et al., 2010). Estimating the economic impact of medical tourism domestically consists of two steps. First, the potential demand for domestic medical tourism can be estimated from the contingent valuation survey based on consumers' willingness to pay to travel for specific medical procedures. The second step involves estimating the direct (spending on health care), indirect (additional spending by the clients and their family members when traveling), and induced (estimating the expenditure multiplier) spending on medical tourism. The indirect spending can be approximated by multiplying the predicted number of medical tourists by the anticipated average stay to estimate the total travel days by medical tourists and then multiplying the total days of travel by the average spending per day of tourists in a given region. The induced spending can be estimated based

on the direct and indirect spending by using IMPLAN, a software program regularly used in economic assessment analysis. The potential impact of health tourism on employment, value added, and government revenue can also be estimated using IMPLAN. The study by the Missouri Hospital Association referred to earlier, estimated that non-resident inpatients daily spend averaged $143–$164, including $66–$88 for accommodation, $66 for meals, and $11 for fuel. Outpatient daily spending averaged $77 (Southeast Missouri Hospitals, 2010).

10.3.3 SUPPLY PERSPECTIVE

In order to understand the supply side of domestic medical tourism, focus groups are an appropriate way to collect qualitative information required. These could solicit opinions from hospital leaders related to the potential for medical tourism, and the projected effects on efficiency of service delivery, cost, and healthcare quality. Respondents could be asked if they have already hosted medical tourists, and if they have designed some products for this market. Stakeholders could be asked to identify their healthcare services and procedures that offer high value for money, and asked to identify the medical services and treatments most likely to bring tourists into their facilities. Health systems in Oklahoma City, for example, have identified proton cancer therapy treatments as an area of specialization that is attracting medical tourists from all over the United States (IMTJ 2011). Questions should elicit respondents' suggestions about the potential for medical tourism in their region and barriers or weaknesses to developing this sector. The focus should be on treatment areas suitable for domestic travelers: plastic surgery; cardiology; orthopedic surgery, obesity, dentistry; eye surgery; cancer treatment; joint replacements; diagnostics (blood screening, bone density testing, heart stress tests, and electrocardiograms); and lifestyle medical tourism (wellness, nutrition, stress reduction, weight loss, and anti-aging) (Hume and DeMicco, 2007).

Additional focus groups could seek opinions from tourism, hospitality, and economic development professionals about the potential for medical tourism in their regions. Once again, questions should elicit respondents' suggestions about the presence of existing partnerships that support medical tourism, the potential for medical tourism in the region, and barriers or weaknesses to developing this sector. Questions should explore the potential for specific partnerships—based on geographical location—between hotels and hospitals. Houston Texas promotes such partnerships. The Houston Marriott

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at the Texas Medical Center, for example, advertises itself as being in the heart of the Medical Center, connecting (via a climate-controlled skyway) to medical schools and the Methodist Hospital.

10.5 CONCLUSION

Medical travel is a highly relevant market worthy of further observation (Ehrbeck et al., 2008) but for some reason the medical tourism literature to date has not acknowledged travel for health care within one's country of residence as medical tourism (Reddy et al., 2010). In this chapter, the authors have argued that definitions and models of medical tourism need to be more encompassing and include domestic medical tourists—particularly those crossing state boundaries in the American case—in addition to those travelling abroad for treatments.

Conservative estimates warn that by 2017, outbound medical tourism could account for $372 billion in lost spending for the United States (Keckley and Underwood, 2008). The United States industry will have no choice but to pursue reforms and undertake new initiatives that will ensure its competitiveness with its foreign counterparts; otherwise it is likely to feel the economic loss of this shift in access to care (Amodeo, 2010). Some destinations in the United States, like Oklahoma and Kansas, for example, are beginning to compete with their foreign counterparts in an effort to keep American patients from leaving the country for treatment. But in order to understand all of the facets of domestic medical tourism, more data needs to be collected, so that researchers can begin to understand the impact on both tourism and healthcare sectors (Goldbach and West, 2010).

In order to determine the potential for domestic tourism in a region, the authors have presented a research agenda, one that includes the theory of planned behavior, conjoint analysis, and willingness-to-pay surveys to determine the consumer demand for medical tourism; economic models to determine the potential economic impact for a region should it attract medical tourists; and interviews with key players in both health and tourism sectors in order to identify areas of potential opportunities for specialization in medical tourism for a region.

With domestic medical tourism likely to expand, this research would be timely and have significant implications. If regions in the United States—particularly depressed ones—can build a reputation for specializing in specific areas of treatment and surgery, the economic and social impacts could be significant. Medical tourism can generate diversified job

opportunities for regions, not just in areas directly related to hospitality and catering, but also in terms of jobs for nurses, doctors, and specialists, which results in a much higher value added to the economy. If specialty clinics like the Mayo Clinic in Minnesota can draw patients from across the nation on the basis of their specialization, expertise, research, reputation, and patient success, then there is no reason others cannot follow suit.

KEYWORDS

- **medical tourism**
- **domestic**
- **new model**
- **health**
- **travel**

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CHAPTER 11

EVALUATING THE PERFORMANCE OF THE HOTELS IN THE VICINITY OF THE SELECTED WORLD'S PROMINENT HOSPITALS: AN EMPIRICAL RESEARCH PROJECT

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CONTENTS

ABSTRACT

The field of medical tourism where patient seeks medical services abroad is gaining more attention in both research and in practice. Patients (medical tourism) might also take advantage of tourist attractions of their destination and couple their medical experience with some pleasurable activities. While traveling, therefore, they have basic needs such as accommodation, and transportation services as well. Thus, this phenomenon might have some direct implications for the hotel industry as to how to serve these basic needs. Developing the hotels' properties close to the hospital, where foreign patients prefer, appears to be promising. Thus, the study investigates the performance of the hotels nearby 12 top quality hospitals located in 10 countries known as main tourism destinations. The study confirmed that, however, just locating in a close proximity to the selected hospitals does not necessarily result in better performance, in terms of both RevPAR and Occupancy Rate moving average, comparing to other hotels sited farther away from the hospitals.

11.1 BACKGROUND AND INTRODUCTION

Comparing the health care costs in different countries including the United States brings about the fact that many Americans who are uninsured or underinsured might not afford some medical care services within their home country. The same might hold for other developed countries with high cost of healthcare as well. This fact might encourage people to travel abroad for receiving the needed medical treatment at lower rates in some developing countries such as India, Thailand, and Singapore. For that reason the field of medical tourism has gained attention during the recent years. Countries that have seen the demand from the medical tourist have invested heavily on building infrastructures with high standards and technologies in their healthcare facilities in order to build the confidence and assure the quality of services for foreign customers (patients).

In addition to receiving the medical services a medical tourist might have secondary purposes as well. Traveling to a new country and hospitality attractiveness of the country might drive the decision for them to choose their destination country. That creates an opportunity for the countries that are well-known as a tourist destination in the world. Existence of high standard medical centers in these countries can therefore create an extra tourist demand for them.

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Building hotels nearby the medical facilities might be also beneficial for both patients who have received the treatment and are recovering or for those who traveled to their destination and waiting for medical procedure to be executed. They might choose to stay close to the healthcare facilities to have an easy access to their doctors and at the same time enjoy their stay in the hotel and its axillary hospitality services such beaches and spas. Thus, understanding the financial performance of the hotels near medical facilities and comparing it with their competitive sets in their own market seems helpful for the hotel developers and investors who look for high potential location to build hotels.

11.2 OBJECTIVE AND RESEARCH QUESTION

Because of the growth of medical tourism in general and the tourism attractiveness of some well-known tourist destinations such as Thailand, Turkey, and Brazil, these countries can be seen as potential medical tourism destinations for patients who seek both medical treatment and wellness as well as hospitality services while enjoying their time at the destination. Therefore, development of hotels in the region where quality medical centers are present seems promising. Thus, we can lay out the objectives of this study as follows:

- To examine the performance indicators of hotels including Occupancy Rate and RevPAR for three different clusters of hotels that are located nearby the selected medical centers. The study investigates the four closest (called first tiers), the next four hotels as the second tier, and the third tier, including the four next hotels neighboring the chosen medical center.
- Overall investigation of the profile of the hotels near the hospitals to understand what class of hotels are located close to the hospitals.

Accordingly, the study's research questions include:

Is there any difference between the financial performances of hotels near medical centers in comparison with other hotels that are farther away? Whether the closest ones outperforms the others?

In other words, the study's hypothesis regarding the hotels' performance involves:

H: *The average performance of the first group is better (greater RevPAR and Occupancy rate) than the second group's and the second group's performance is better than the third group.*

11.3 LITERATURE REVIEW

According to the objective of the project regarding medical tourism and hotel performance evaluation, the study scrutinizes the body of relevant literature to achieve the basis for further investigation.

11.4 MEDICAL TOURISM

According to Connell (2006), increasing health and well-being have been part of tourism industry for a long time when in 18th century spas were prevalent in many parts of Europe. Smyth (2005) stresses that in 19th century curative tourism places in conjunction with recreation properties were developed even in some remote regions like French territory of New Caledonia. The health benefit aspect of tourism has continued its presence to the date and people still visit countries such as Kyrgyzstan to use health spas (Schofield, 2004). Even recently, more people travel to other countries for even more direct medical and substantial interventions and that creates medical tourism notion.

In a report by Tourism Research and Marketing (2006), the scope of medical and healthcare tourism is represented, Figure 11.1. The continuum ranges from so called soft to a more disease related groups. Therefore, they may be subjects of different literature (Smith and Puczko, 2009). Wellness or health tourism typically includes spas, exercise and massage, diet, yoga, herbal healing, acupuncture, meditation, and services of that similar type. Carrera and Bridges' (2006) definition of wellness tourism involves the organized travel outside one's local environment for the maintenance, enhancement or restoration of an individual's well-being in mind and body enhancement category contains cosmetic surgery involving deliberate plastic surgeries such as facelift and breast enhancement. This category includes dentistry services as well. Under reproduction group people travel to seek fertility related treatments which might be unavailable or even illegal in their home countries. For treatment of illness category, there exists a range of medical procedure from checkups and screening to cancer treatment and open heart surgery.

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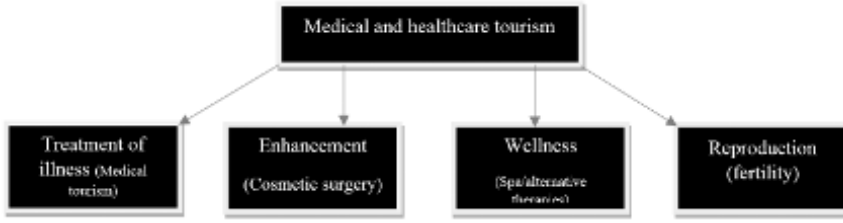

FIGURE 11.1 Medical and healthcare tourism scope.

Basically, there is not one consolidated definition for medical tourism on what types of procedures should be included or who distinctively medical tourists are. For instance , Pollard (2010) exclude the people whose primary reason to travel to another country is not medical treatment, not cosmetic or dentistry, as medical tourists but Connell (2013) believes that dentistry or cosmetic surgery do not need to be excluded from the definition since some medical interventions are involved in spite of lacking the notion of treatment. On the other hand, Bookman and Bookman (2007) use medical tourism for entire industry including wellness tourism. Their definition proposed that medical tourism services comprise of three areas: invasive, diagnostic, and lifestyle treatments.

Despite the lack of an agreed upon definition for medical tourist and tourism, the study, however, presents some of the widely cited definitions here. According to Medical Tourism Association: "Medical Tourism is where people who live in one country travel to another country to receive medical, dental, and surgical care while at the same time receiving equal to or greater care than they would have in their own country, and are traveling for medical care because of affordability, better access to care or a higher level of quality of care." According to Horowitz (2007) "Medical tourists are presently traveling to faraway countries for cosmetic surgery, dental procedures, bariatric surgery, assisted reproductive technology, ophthalmologic care, orthopedic surgery, cardiac surgery, organ and cellular transplantation, gender reassignment procedures, and even executive health evaluations." Another definition from an industry includes: "patients travelling to another country for more affordable care, or care that is higher quality or more accessible" (Edelheit, 2008). The notions of non-emergency medical services and patients paying out of pocket for the services are also included in the definition of medical tourism, however established cross-border travels between neighboring is excluded from the medical tourism definition signifying the fact that diaspora traveling back to their home country for medical services are not considered medical tourists (Crooks, 2010).

Horowitz (2007) mentions that medical tourism today is somewhat different from the traditional view of international medicine travels when patients from less developed countries travel to developed countries to seek medical treatments that are unavailable in their origin countries. He emphasizes that the modern definition of medical tourism does not actually tell where the patient and the medical facilities that are provided. This definition correspond the fact that traveling both from and to developed/less developed countries can take place in this regard.

Most of the literature on medical tourism assume medical tourists' major intention to travel abroad is to receive medical treatment; therefore, intention to use the holiday components of their trip will be slight (Connell, 2013). In the same vein, Nahai, 2009 stresses that traveling abroad for patients mainly includes undergoing medical procedure not vacationing. Also, Cohen, 2008 suggested a classification for medical tourists in Thailand. "Medicated tourists": who receive medical treatment in case of accident and health problem while vacationing, the second category involves "medical tourist proper" who visits a country for medical purpose or decides to undergo medical procedure while traveling. The third group are "vacationing patients" who may use tourists facilities and opportunities in addition to medical services, and the last category are "mere patients" whose sole intention for traveling is medical treatments and do not use the holiday opportunities. Thus, a matrix representation of the medical tourists categories based on the level of tourism activity and the medical reason of traveling abroad may be drawn as follows.

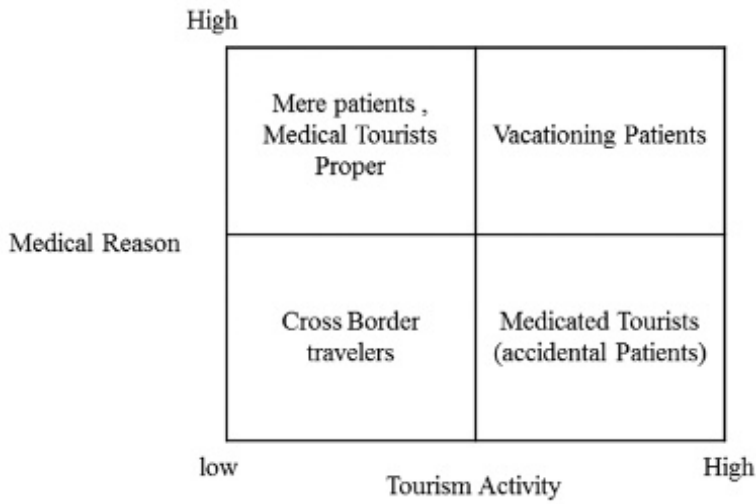

FIGURE 11.2 The medical tourists matrix.

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The last two groups are more considered in the literature and Connell, 2013 argues that what has been emphasized on in most studies on medical tourism involves travelers' who want to avoid high cost of medical procedures as well as long waiting time and the ones seek discretionary procedure. These groups only form a small yet relevant portion of medical tourism market. He argues that high proportion of travelers' are the well-off ones seeking high quality care in countries like the United States or the United Kingdom. Therefore, he draws the attention from the fact that only the developing countries are the main destinations for medical tourism. Based on hierarchical structure and typology of medical tourism suggested by Connell, 2013. First group consist of most well-off people seeking superior medical services in place such as Berlin or London. That group is followed by emerging middle class who basically due to insufficient insurance coverage move to other countries for better and cheap care. Third group consists of diasporic patient returning to their home countries for different economic, health, cultural, and political reasons. The fourth category involves cross-border patients who travel to obtain cheaper, quicker, better care. And the last group includes the reluctant or desperate patients who seek last resort for cost benefit purpose and due to unavailability of healthcare in their home country. Figure 11.2 provides the matrix representation of medical tourist categories.

11.5 TOURISM LINKAGE WITH MEDICAL TRAVELER

To date, there is no comprehensive study on how important tourism attraction comparing to other motivational factors for medical tourists. In a study, for instance, Moghimehfar and Nasr-Esfehani (2011) stress that tourism aspects on the destination is of trivial importance. Solomon (2011) also reported that in India very few group of medical tourist and their companies intended to go vacationing. However, Yu and Ko (2012) argue that tourism facilities play important role for medical tourists who choose to undergo some medical procedures while vacationing with companions. According to Anon (2010), 85% of patients in Bumrungrad hospital in Thailand claimed that they had gone for some tourist activities such as sightseeing, shopping, and eating out.

Nevertheless, Connell (2013) emphasized that at least medical tourists can passively contribute to a local economy through hotels and food and transportation expenses that incurred during their trip. It is also worth knowing that medical tourists, for instance in India, spend about twice as much regular tourists (Reisman, 2010: 102). Therefore, it can be indicated

that regardless of the type of medical and wellness services that medical tourists go through, although the level of touristic activities might be different, the contribution to the local tourism industry is minimally present. Connell (2013) states "The notion of pleasure in medical tourism may be implausible concerning medical procedure the complication and pain involved in them." For some receiving dramatic or invasive medical services such as transplant surgery the linkage between engaging tourism activities might be loose (Connell, 2013), but still provision of basic touristic amenities with high quality might seems to be relevant. The practical examples of such phenomena can be observed in Foyers Hospital in Singapore and Bumrungrad Hospital in Thailand where high quality and customized service provision make the hospitals resemble hotels.

Since the focus of medical tourism literature is on the vacationing patients including cosmetic and wellness tourism, they are primarily connected with non-invasive and low key procedures as well as dentistry and check-up services. Therefore, the linkage between tourism industry including hotels and patients/service consumer may be stronger in a sense that those people may stay longer and spend more while waiting for their services or recovering from the conducted medical or health services (Ackerman, 2010).

11.5.1 DRIVERS OF MEDICAL TOURISM: PULL AND PUSH FACTORS

As briefly stated in the previous section, people from high income countries usually have two types of motivational factors for going abroad to receive the medical services. According to Crooks et al. (2011), people in the countries such as the United States with privately funded health system usually find the cost saving incentive as the most relevant factors for their travels abroad. Also, for countries with publicly funded medical system such as Canada and some European countries avoiding long waiting time for receiving medical treatments is the most important factor to travel abroad for a medical purpose (Burkett, 2007; Hume and DeMicco, 2007 Mudur, 2003).

Many authors also categorize the motivational factors driving medical travels as "push" and "pull" factors. Cost benefit, convenient travel, transportation cost, tourist attractiveness of the destination and enjoying the trip, more personalized care, high quality of care and services, shorter waiting time, availability of treatment are among the pull factors that create demand (Burkett, 2007; Connell, 2006; Garcia-Altes, Leahy, 2007; Ramirez De Arellano, 2007 ; Turner, 2007). Connell (2103) also states that geographical

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and cultural (including religious) aspects of a destination can also affect the patient's decision in choosing a destination. People tend to travel to a country where they know the language and find cultural similarities to be able to better communicate and understand complex procedures. For instance, South Africa's success in medical tourism attraction is because of the spoken language is English (Mazzaschi, 2011). For some religion, it is important for the patients that protocols corresponding in their religion are practiced in the destination where they receive medical services (Moghimehfar et al., 2011).

On the other hand, push factors such as low quality of medical services and lack of advanced medical facilities and expertise, high cost and pay out of pocket as a result of being uninsured or underinsured are also responsible for generating demand for some patients to travel (Howze, 2007; Moghimifar et al., 2011; Pennings, 2002). Some favorable regulations in the United States for patients to travel abroad also involve push factor, according to Bramstedt and Xu (2007).

In addition to pull and push factors that influence the decision-making of the medical tourists, having access to information about the credential of doctors and medical facilities, type of available treatments, cost and quality of care and services, and tourism opportunities through different media can influence their decision making process. Facilitators/brokers dedicated to medical tourism, web sites related to medical tourism, weblogs, and social media where the former patients share their experiences and of course word-of-mouth from family and friend with relevant experience are among the sources of information that potential customer can benefit from in selecting a destination (Crooks, 2010; Moore, 2009; Kangas, 2007; Leng, 2007).

11.5.2 DRAWBACKS OF MEDICAL TOURISM

Despite all motivational factors influencing the decision of potential tourists to travel abroad for health purposes, there are also some disadvantages associated to medical tourism phenomenon.

Risk to health and safety of medical tourists might occur due to possible complications and side effects after receiving the treatment (Heung, 2010). Crooks et al. (2013) also clustered five main risks pertaining to medical tourism. The first risk is related to potential complications after receiving the medical procedure. The second risk is associated with specific issues such as infectious disease regarding organ transplant. The authors mention that "because of the unclear organ screening standards and a lack of information about organ provenance and infection rates at facilities, individuals going

abroad for transplant are at risk of exposure to infectious diseases." The third category of risk is linked to discontinuity of medical documentation which in turn might result in risk of losing proper follow-ups after they return home (Niechajev and fame 2012). The fourth type of risk cited by the authors is transmission of antibiotic-resistant organisms followed by the risk related to uninformed decision making based on non-comprehensive search on the medical facilities, procedures, and procedures in the destination countries.

Poor malpractice lows is another negative aspect of medical tourism that was brought about by Hume and DeMicco (2007), is a source of riskiness of medical tourism. Also, risk to local population physical and socio-psychological well-being through diverting the funds from other sectors of economy toward medical tourism facilities with most advanced technologies that might become, although not expensive for people from developed countries, unaffordable for local people of a country (Burkett, 2007 ; Tan 2007; Awadzi and Panda, 2006). And that put people, for instance in Hong Kong, against medical tourism (Heung et al., 2011). Other example can be found in Thailand where public sector has experienced an internal brain drain toward private sector and that has limited the access for local population to health care (Ramirez de Arellano, 2007).

11.5.3 HOTEL FINANCIAL PERFORMANCE AND DRIVERS

Since the hotels financial performance is tied to the demand for the rooms meaning that the more demand they receive the more financially successful they are, therefore realizing ways to actually capture and meet the demand is critical for hotels. In the current business environment, for hotels to stay competitive, they need to be innovative in their service offerings. One implication could be accessibility to the medical tourism facilities and consequently meet the specific demand from those facilities. In recent years, in many cases traveling abroad to receive health treatment and enhancement is packaged by other services such as hotel accommodation and sightseeing (Crooks et al., 2011). Also, integration of hospital and hotel in service packaging example is observed in Singapore and Thailand. "The principal hospital group in Singapore, Raffles, arranges airport transfers, books relatives into hotels and helps to arrange local tours" (Connell, 2006). Other research shows hoteliers need to design the room and hotels facilities in accordance with customer's expectations in order to achieve a high level of satisfaction and in turn to enjoy better reputation and promotion through word of mouth (Xu, 2010). Therefore, it might be claimed that hotel can

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enhance their performance and revenue by integrating to the facilities that are attract the foreign patients.

11.6 RESEARCH METHODS

Taking advantage of the collaboration between the Hotel, Restaurant, and Institutional Management (HRIM) department at University of Delaware and Smith Travel Research (STR), this study aimed at obtaining the relevant data and reports (trend report and ad-hoc) from the STR. The requested data included specific selected locations in the world and the areas around those major points.

In total, 12 medical centers and hospitals in 10 different countries were selected for the study purpose. Then the information regarding the location (Latitude and longitude) was given to STR to retrieve ad-hoc report of the hotels nearby the hospitals.

For the purpose of investigating relationship between the performance of hotels and their proximity to the medical centers, we requested data for each four hotels surrounding the hospitals. There are basically three sets of data including the four closest hotels, the second four closest and followed by the four hotels that are located closest to the second group.

Based on three different sets of data, a three-level categorical variable containing all the selected hotels was created. The study then assigned number one for the four most closely located hotels, two for the second group of the hotels, and number three for the third group.

Consequently, some statistical testing methods of ANOVA will be used to compare the selected variables including 12-month moving average RevPAR, and Occupancy rate from September 2006 until March 2014 to reach a conclusive observation regarding the objective of the project.

11.6.1 SELECTED COUNTRIES

Medical tourism destinations consist of a number of countries offering different medical, dental, and surgical services with modern facilities with advanced technologies and well-trained staff. Countries such as Thailand with the largest private hospital in South Asia and holiday destinations like Bangkok, Samui Island Phuket boasts as one of the main tourist destinations in the world and it provides many medical treatments from plastic surgery to sex reassignment surgery. India with about 400,000 travelers in 2012

seeking health treatment is another major player in medical tourism market place. According to Ramirez de Arellano (2007), India has been reputable high-tech destination for cardiac care, cosmetic surgery, joint replacement, and dental works. India also is investing on traditional medicine such as Ayurveda and seeks attracting a potential niche market. Receiving accreditation form the Joint Commission International is a sound strategy that main healthcare providers take (Cetron, DeMicco & Davies, 2010). As mentioned above, one motivational factor of medical tourism is the convenience or maybe proximity of the destination to potential medical tourists. Many choose to travel to nearby countries instead of crossing oceans to receive the medical services. Thus, the study selected different other countries all around the worlds including India and Thailand, to be able to better scrutinize the impact of their widely known medical centers. Turkey, South Africa, Germany, Lebanon, Singapore, USA, Brazil, Malaysia are supposed to be a representative sample of tourist attractive destinations in the world in terms of their location and medical tourism attractiveness. From the selected countries, 12 medical centers and hospitals were chosen to be studied. In fact, according to Medical Travel Quality Alliance, seven of the chosen hospitals are among top 10 best hospitals for medical tourism in 2013. In the study sample, of course, Cleveland Clinic and Johns Hopkins Hospital are among the world's best medical centers.

11.6.2 ANALYSIS AND FINDINGS

The study, first, tested the hypothesis of better performance for group one. Below, the profile of each group for different classes of hotel is presented. It can be seen that, for all the groups, the participating hotels are mainly (more than 50%) upper upscale and luxury class hotels with group three with highest number of upper upscale and the least number of luxury hotels. Group two has the most luxury hotels. The economy and midscale hotels represented the least number of participating hotels in all three groups.

To begin to test the hypothesis of having better performance hotels in the first group and then second group and the third, the study pooled the whole sample into one data set and performed the ANOVA test. However, since the hotel average daily rates (ADR) and tourist attractiveness of their locations vary from country to country, it did not seem appropriate to draw any conclusion about the sample characteristics. Therefore, it was decided to test the hypothesis case by case. In the following section a number of 12 hospitals in different locations in the world are tested.

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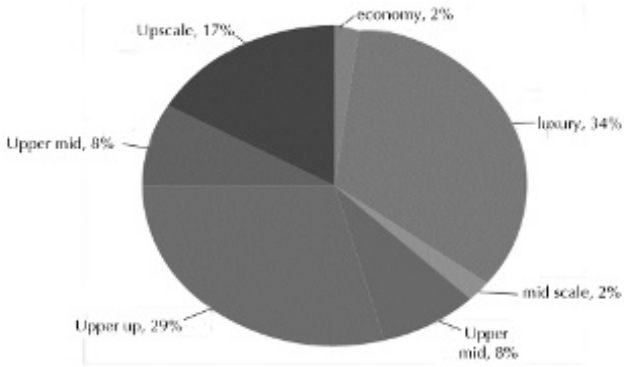
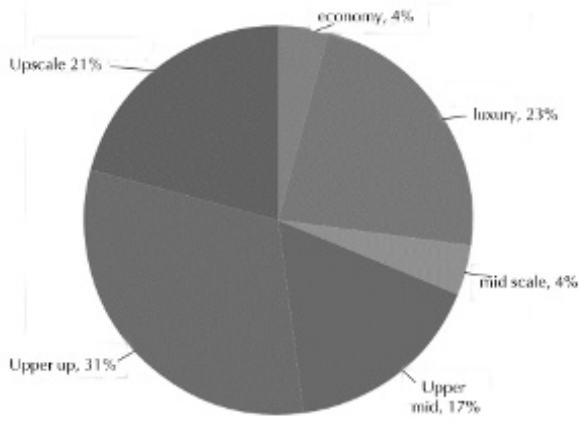
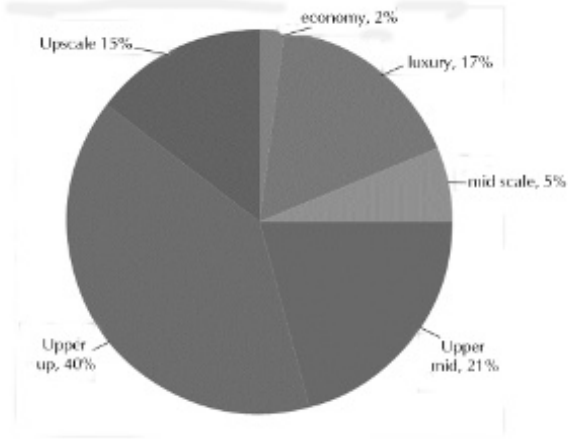

economy, 2%
Upscale, 17%
luxury, 34%
Upper mid, 8%
mid scale, 2%
Upper up, 29%
Upper mid, 8%


economy, 4%
Upscale 21%
luxury, 23%
mid scale, 4%
Upper up, 31%
Upper mid, 17%


economy, 2%
Upscale 15%
luxury, 17%
mid scale, 5%
Upper up, 40%
Upper mid, 21%

11.6.2.1 AIIMS HOSPITAL—NEW DELHI, INDIA

The four closest hotels to the hospitals that are participating in STR program include two luxury and two upper upscale hotels, the next group consists of three luxury hotels together with one upper upscale hotel. The third nearest hotels are two luxury and two upper upscale hotels as well. Descriptive statistics showed that there are differences among each group's RevPAR and Occupancy Rate (see Tables 11.1 and 11.2).

Conducting an ANOVA test, to compare the means of each group with respect to both moving average of Occupancy Rate and RevPAR, resulted as follows (see Table 11.3 and Figs. 11.3, 11.4).

TABLE 11.1 Descriptive Statistics for RevPAR for Group 1–3 (AIIMS Hospital).

	Mean	Std. deviation	Minimum	Maximum
First tier	225.69	47.23	145.67	324.06
Second tier	176.36	36.07	116.46	252.62
Third tier	143.67	37.45	90.63	220.96

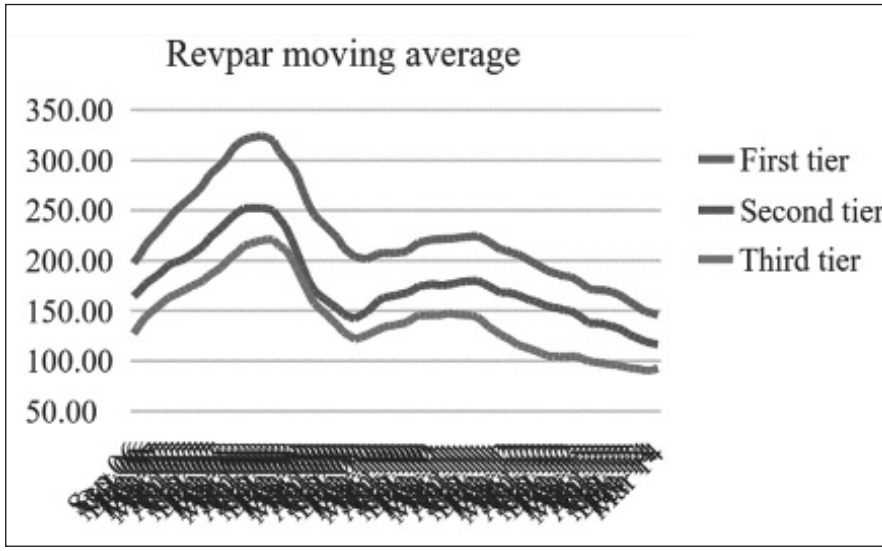


FIGURE 11.3 RevPAR moving average (AIIMS Hospital).

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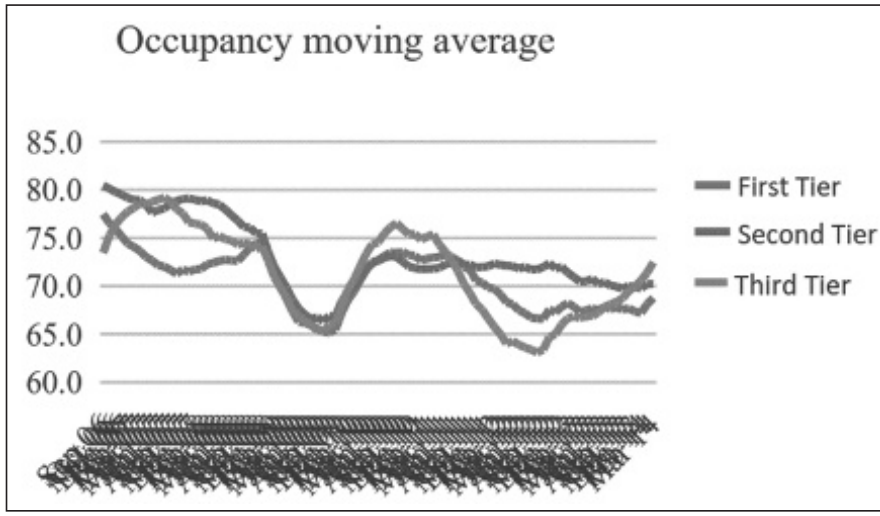

FIGURE 11.4 Occupancy moving average (AIIMS Hospital).

TABLE 11.2 Descriptive Statistics for Occupancy Rate for Group 1–3 (AIIMS Hospital).

	Mean	Std. deviation	Minimum	Maximum
First tier	70.50	2.98	65.20	77.50
Second tier	73.09	3.78	66.40	80.40
Third tier	71.33	4.75	63.10	79.20

TABLE 11.3 ANOVA Test for RevPAR and Occupancy Rate.

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	94.313	0.00
Occupancy rate	2	10.44	0.00

The ANOVA results confirmed that the first tier group outdoes other groups with respect to RevPAR and the second tier performs better than the third tier. Although the ANOVA results overall show significant differences among the groups' occupancy, Tukey test did not confirm the existence of differences between group one and three in regard to occupancy. Therefore, the hypothesis is supported for RevPAR but rejected for Occupancy rate.

11.6.2.2 ASKLEPIOS KLINIK BARMBEK—GERMANY

Looking closely at the distribution of hotels near this hospital, the four first participating hotels include two economies, one upper upscale, and one upper midscale hotel followed by the second tiers consisting of one upscale, two upper upscale, and one upper midscale hotel. And the third triers involve two upper upscale, one luxury, and one midscale hotel.

Using the 12-month moving average of the three groups' occupancy and RevPAR, the following statistics were shown (Tables 11.4, 11.5 and Figs. 11.5, 11.6).

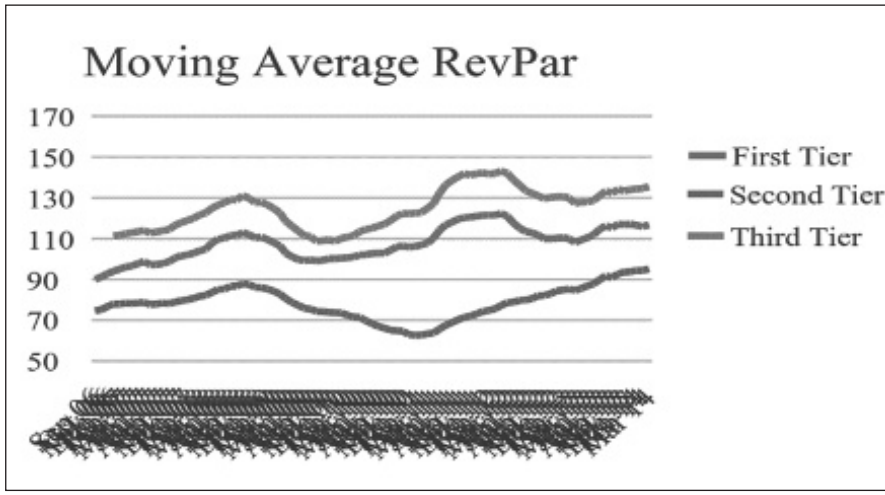

FIGURE 11.5 RevPAR moving average (Asklepios Klinik).

TABLE 11.4 Descriptive Statistics for RevPAR for Group 1–3 (Asklepios Klinik).

	Mean	Std. deviation	Minimum	Maximum
First tier	107.64	8.07	90.05	122.33
Second tier	78.53	8.22	62.64	95.20
Third tier	124.91	10.08	108.70	143.09

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TABLE 11.5 Descriptive Statistics for Occupancy for Group 1–3 (Asklepios Klinik).

	Mean	Std. deviation	Minimum	Maximum
First tier	71.54	2.05	68.40	75.80
Second tier	66.03	4.75	57.70	71.90
Third tier	72.69	2.04	68.30	77.90

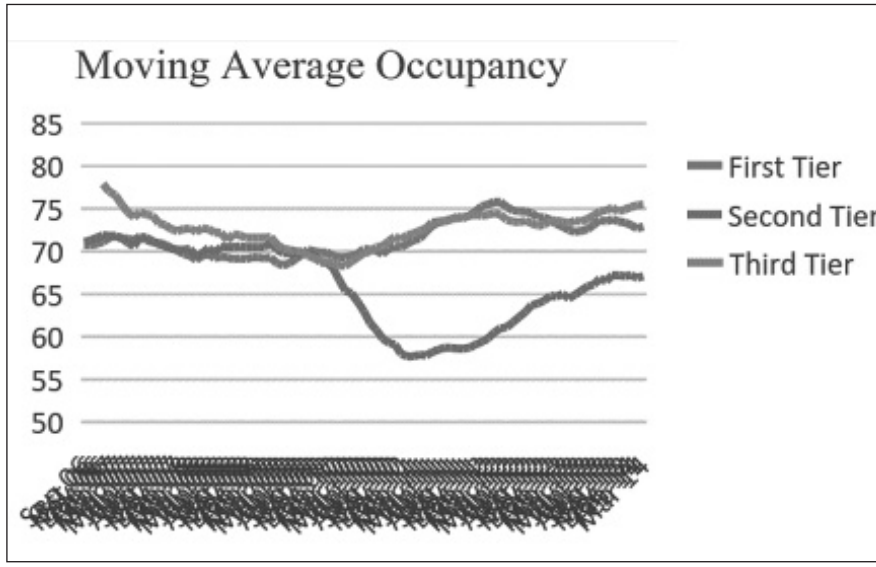

FIGURE 11.6 Moving average occupancy (Asklepios Klinik).

ANOVA test then was performed to understand whether there is significant difference among the groups' RevPAR and Occupancy rate. Table 11.6 summarizes the ANOVA results.

TABLE 11.6 ANOVA Test for RevPAR and Occupancy Rate.

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	109.91	0.00
Occupancy rate	2	93.82	0.00

In addition, Tukey test results confirmed that the paired-wise comparisons between each two groups shows significant differences in occupancy

and RevPAR. Thus, the assumption of observing higher performance for hotels that are closer to the hospital is not supported both in terms of occupancy and RevPAR.

11.6.2.3 HOSPITAL ISRAELITA ALBERT EINSTEIN—SAO PAULO, BRAZIL

The surrounding hotels near this hospital consists of two upper upscale and two upscale hotels, which are most closely located to the hospital. The second closest ones are a luxury, two upscale, and upper midscale hotels. The third tiers involve two upper upscale, one upscale, and one midscale hotel.

The followings illustrate the descriptive statistics on occupancy and RevPAR for each group of hotel (Tables 11.7, 11.8 and Figs. 11.7, 11.8).

TABLE 11.7 Descriptive Statistics for RevPAR for Group 1–3 (Albert Einstein).

	Mean	Std. deviation	Minimum	Maximum
First tier	134.99	43.47	62.37	196.93
Second tier	71.16	23.68	30.44	102.64
Third tier	94.98	22.71	53.74	130.46

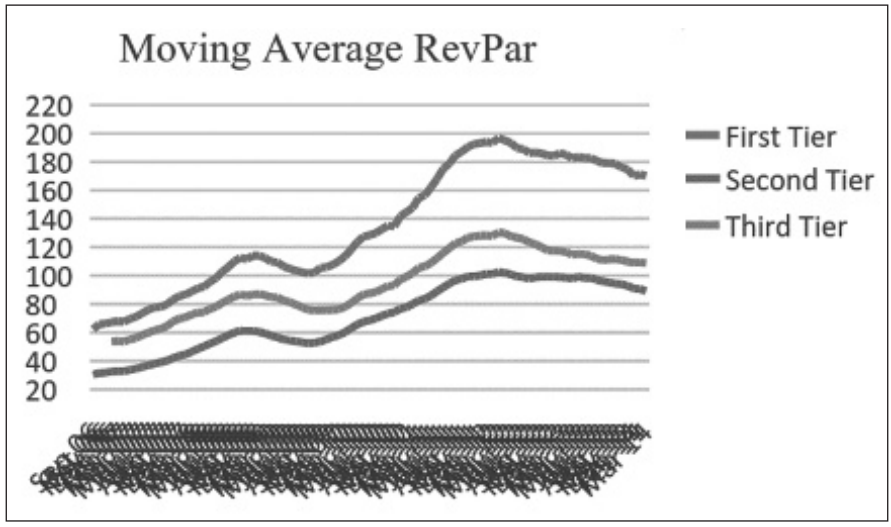

FIGURE 11.7 RevPAR moving average (Albert Einstein).

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TABLE 11.8 Descriptive Statistics for Occupancy for Group 1–3 (Albert Einstein).

	Mean	Std. deviation	Minimum	Maximum
First tier	65.17	6.83	51.10	74.50
Second tier	59.72	1.86	55.80	62.60
Third tier	68.68	2.34	63.30	73.40

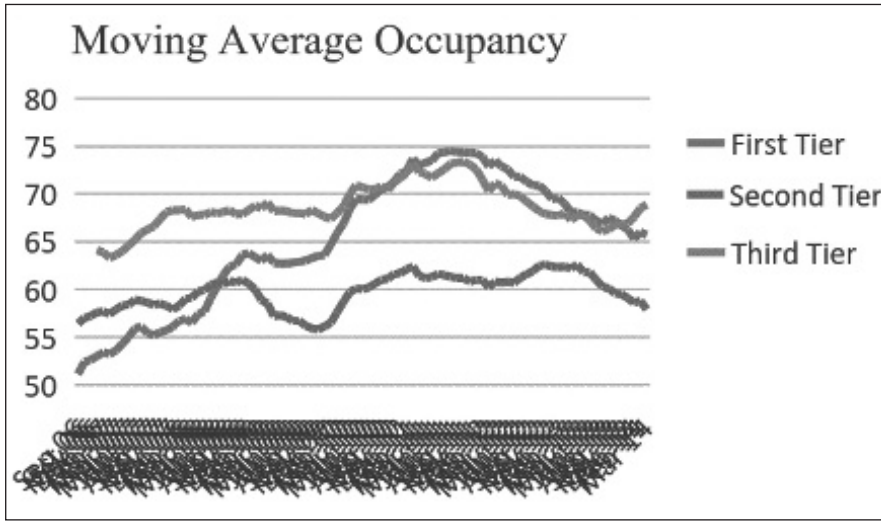

FIGURE 11.8 Moving average occupancy (Albert Einstein).

The same test, ANOVA, was conducted to examine the difference between each group regarding the two measures. The results are shown in Table 11.9. The Tukey test also confirmed the existing difference for each pair of group. The third group performs better than group two in terms of RevPAR and even better than group one in terms of Occupancy rate. Thus, the hypothesis is not supported based on the results.

TABLE 11.9 ANOVA Test for RevPAR and Occupancy Rate (Albert Einstein).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	93.82	0.00
Occupancy rate	2	97.90	0.00

11.6.2.4 ANADOLU HOSPITAL—ISTANBUL, TURKEY

The four closest hotels are one upscale, one luxury, and two upper midscale hotels. The next group includes two upper upscale, one luxury, and one midscale hotel. One upper upscale, one upscale, one midscale, one luxury hotel form the third group (Tables 11.10, 11.11 and Figs. 11.9, 11.10).

TABLE 11.10 Descriptive Statistics for RevPAR for Group 1–3 (Anadolu).

	Mean	Std. deviation	Minimum	Maximum
First tier	149.30	19.26	103.67	183.57
Second tier	173.68	22.54	124.53	208.95
Third tier	209.29	30.48	139.12	255.51

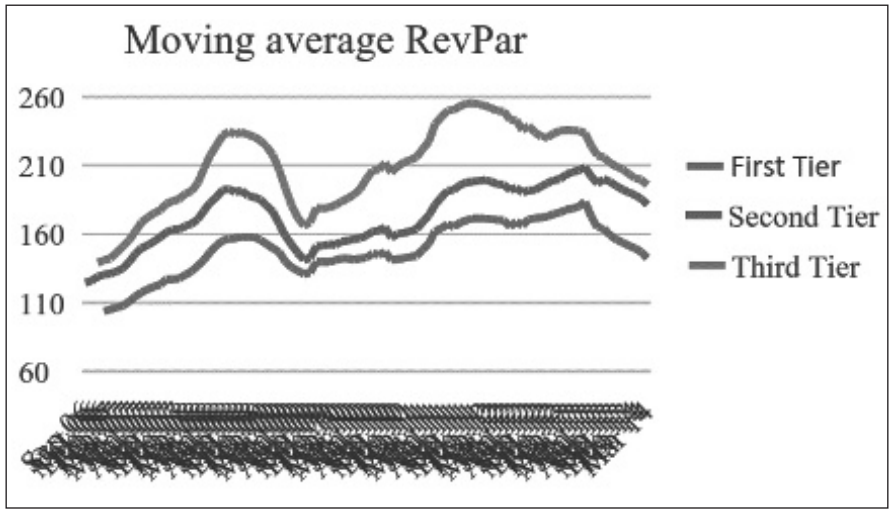

FIGURE 11.9 RevPAR moving average (Anadolu).

TABLE 11.11 Descriptive Statistics for Occupancy for Group 1–3 (Anadolu).

	Mean	Std. deviation	Minimum	Maximum
First tier	68.04	2.96	57.80	72.20
Second tier	73.38	3.00	65.60	79.30
Third tier	67.82	4.89	54.00	75.30

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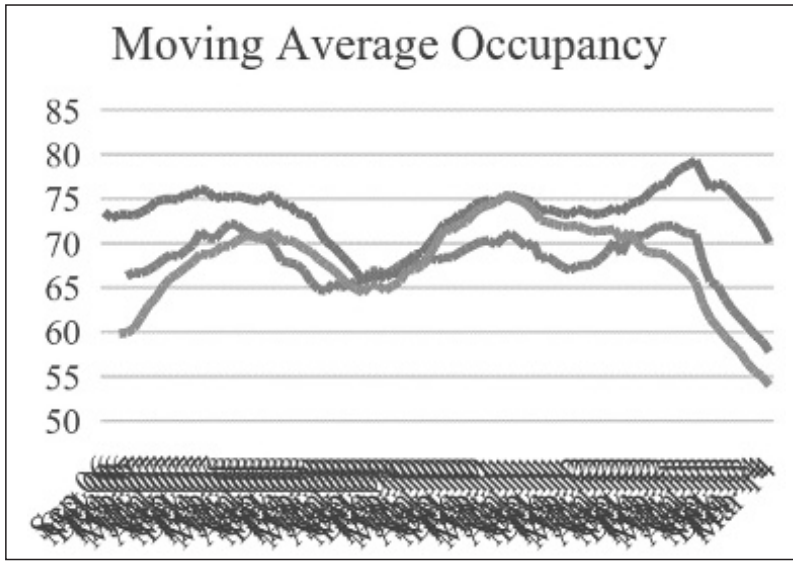

FIGURE 11.10 Moving average occupancy (Anadolu).

ANOVA and Tukey also proved the existing difference among each group's occupancy and RevPAR. However, the results (Table 11.12) showed that the third and second group does better based on RevPAR. And in terms of occupancy the second tiers are the best among the other hotels.

TABLE 11.12 ANOVA Test for RevPAR and Occupancy Rate (Anadolu).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	133.67	0.00
Occupancy rate	2	67.47	0.00

11.6.2.5 ASIAN HEART INSTITUTE—MUMBAI, INDIA

The four closest hotels to this hospital are two luxury and two upper upscale hotels. The next group also includes two luxury and two upper upscale hotels and finally the third closest hotels are two luxury and two upper midscale hotels. The descriptive statistics are shown in Tables 11.13 and 11.14 (Figs. 11.11, 11.12).

TABLE 11.13 Descriptive Statistics for RevPAR for Group 1–3 (Asian Heart).

	Mean	Std. deviation	Minimum	Maximum
First tier	128.49	39.27	77.38	212.62
Second tier	145.51	47.71	89.59	237.73
Third tier	129.12	39.36	87.97	215.78

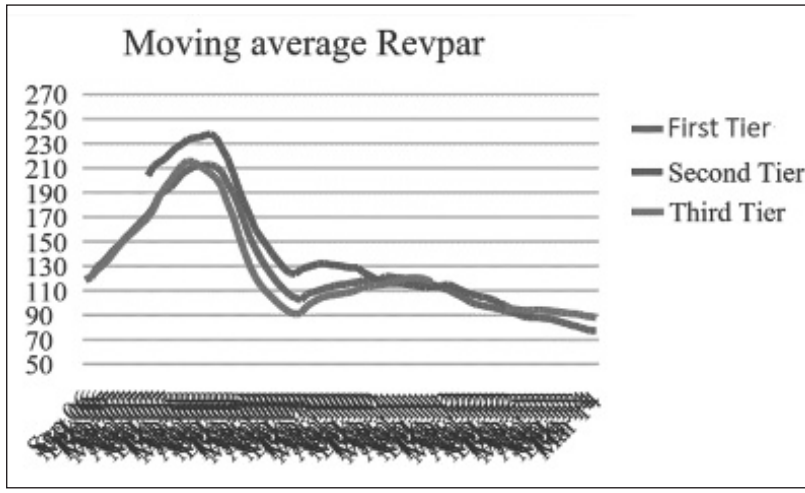

FIGURE 11.11 RevPAR moving average (Asian Heart).

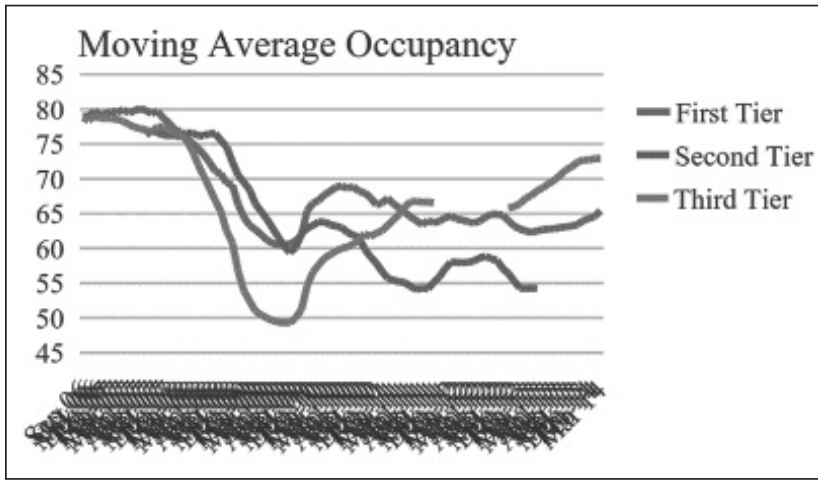

FIGURE 11.12 Moving average occupancy (Asian Heart).

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TABLE 11.14 Descriptive Statistics for Occupancy for Group 1–3 (Asian Heart).

	Mean	Std. deviation	Minimum	Maximum
First tier	68.13	6.31	60.50	80.10
Second tier	63.27	7.97	54.10	77.00
Third tier	66.38	9.09	49.30	79.00

The ANOVA test (Table 11.15) although shows significant difference in RevPAR among the group, the significance is not as great as the other previous tests. However, a significant difference between groups with respect to Occupancy rate is again observed. But, it was confirmed that the second tiers are outperforming the rest in RevPAR and underperforming in terms of Occupancy rate.

TABLE 11.15 ANOVA Test for RevPAR and Occupancy Rate (Asian Heart).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	3.19	0.021
Occupancy rate	2	34.50	0.00

A complimentary Tukey test was conducted to observe whether a significance difference exists between each pair of group. The result showed that between first tier and second tier groups, a significant difference is not existing (*P* value = 0.076) for occupancy. However, the same does not hold between other pairs. For RevPAR, the *P* value for comparing group 1 and 3 is 0.995 which shows non-significant results, and the rest of comparisons are significant, nonetheless.

11.6.2.6 BUMRUNGRAD HOSPITAL—BANGKOK, THAILAND

The profile of the hotels around the hospital's location includes one midscale, one upper upscale, one upper midscale, and one upscale hotel as the first group. The second group involves two luxury, one upper upscale, one upper midscale. The third group has one upper upscale, two upper midscale, and one upscale (Tables 11.16, 11.17 and Figs. 11.13, 11.14).

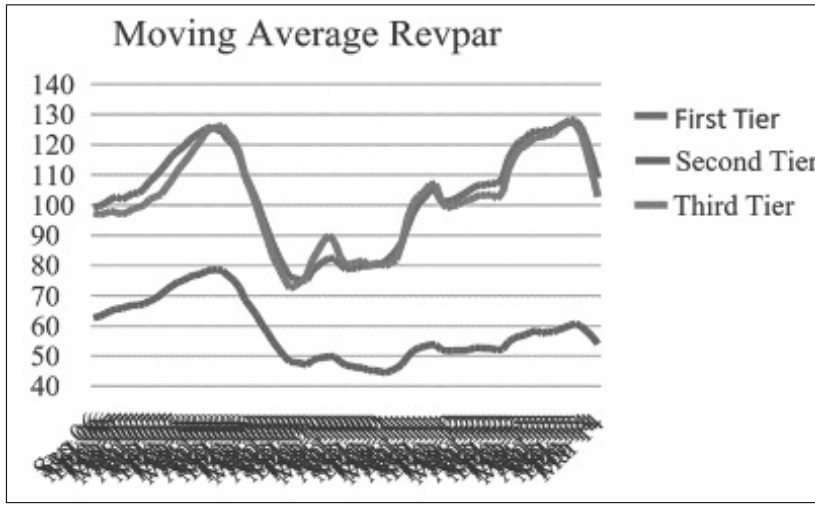

FIGURE 11.13 RevPAR moving average (Bumrungrad).

TABLE 11.16 Descriptive Statistics for RevPAR for Group 1–3 (Bumrungrad).

	Mean	Std. deviation	Minimum	Maximum
First tier	103.49	16.56	74.99	128.26
Second tier	58.32	9.99	44.48	78.56
Third tier	101.84	15.73	72.36	127.52

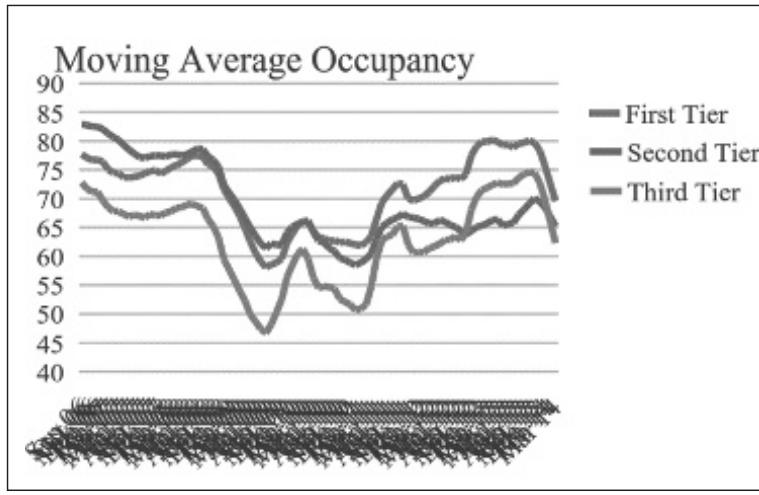

FIGURE 11.14 Moving average occupancy (Bumrungrad).

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TABLE 11.17 Descriptive Statistics for Occupancy for Group 1–3 (Bumrungrad).

	Mean	Std. deviation	Minimum	Maximum
First tier	71.36	6.40	58.10	80.20
Second tier	69.10	6.97	58.50	82.90
Third tier	63.03	7.80	46.70	74.60

The ANOVA test (Table 11.18), as the descriptive statistics suggests, showed the statistically significant difference among the groups. However, Tukey test does not show any significant difference between the first and the third group regarding RevPAR (*P* value = 0.719). Also, the difference between the first and second tiers' occupancy is not significant (*P* value = 0.076). In this case, thus, the hypothesis is not supported again despite observing the differences in RevPAR and Occupancy rate.

TABLE 11.18 ANOVA Test for RevPAR and Occupancy Rate (Bumrungrad).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	288.09	0.00
Occupancy rate	2	67.09	0.00

11.6.2.7 CLEVELAND CLINIC—OHIO, USA

The first group of hotels surrounding the clinic are two luxury, one upper upscale and one upscale which are followed with the second group, one upper midscale, one economy, one upper upscale, and one upscale hotel. The third tiers include two upper midscale, one upscale, and upper upscale hotel (Tables 11.19, 11.20 and Figs. 11.15, 11.16).

TABLE 11.19 Descriptive Statistics for RevPAR for Group 1–3 (Cleveland).

	Mean	Std. deviation	Minimum	Maximum
First tier	69.67	6.93	61.47	88.04
Second tier	62.34	8.78	48.26	82.94
Third tier	77.13	7.40	68.67	93.45

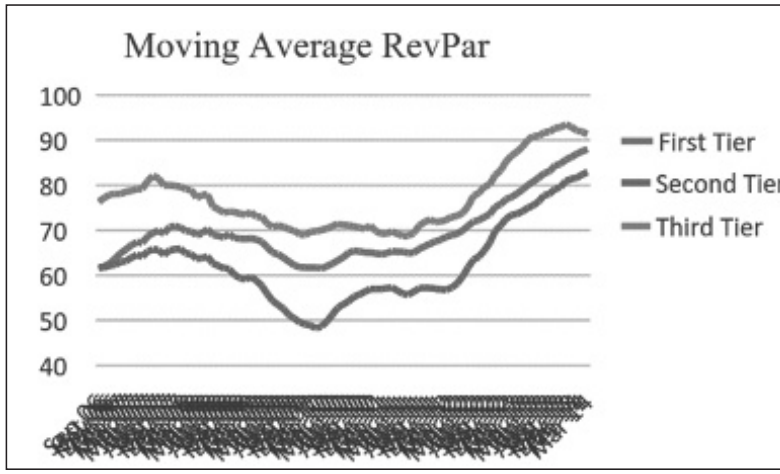

FIGURE 11.15 RevPAR moving average (Cleveland).

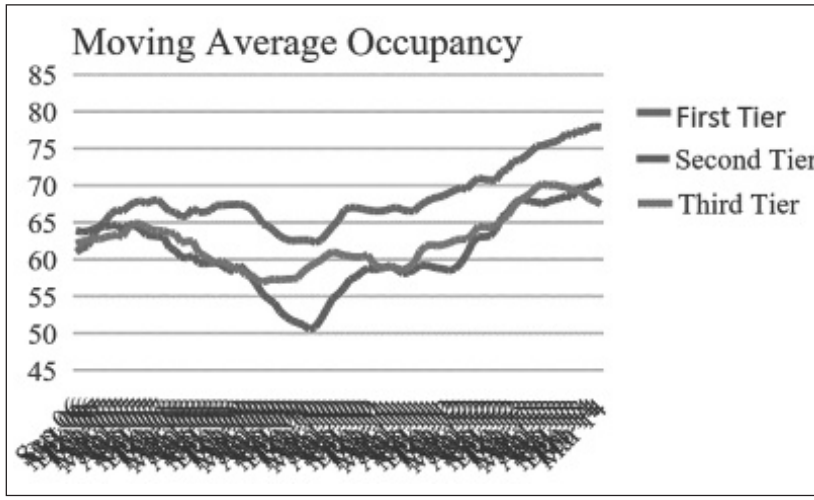

FIGURE 11.16 RevPAR moving average (Cleveland).

TABLE 11.20 Statistics for Occupancy for Group 1–3 (Cleveland).

	Mean	Std. deviation	Minimum	Maximum
First tier	68.18	4.32	61.00	78.00
Second tier	60.96	5.10	50.50	70.70
Third tier	62.51	3.73	56.90	70.20

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TABLE 11.21 ANOVA Test for RevPAR and Occupancy Rate (Cleveland).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	83.39	0.00
Occupancy rate	2	67.09	0.00

The existence of a significant difference among the group's RevPAR and occupancy was confirmed after ANOVA test was performed (see Table 11.21 above). Despite seeing the statistically significant differences with regard to RevPAR and occupancy, the hypothesis is rejected in this case as well.

11.6.2.8 GLENEAGLES HOSPITAL—SINGAPORE

The first closest hotels are two luxury, one upper up, and one upscale. The second groups include three luxury and one upper upscale hotels. Four upper upscale hotels shape the third tier group (Tables 11.22, 11.23 and Figs. 11.17, 11.18).

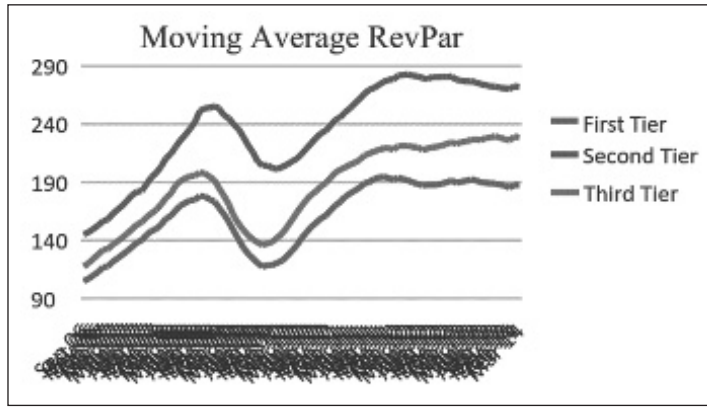

FIGURE 11.17 RevPAR moving average (Gleneagles).

TABLE 11.22 Statistics for RevPAR for Group 1–3 (Gleneagles).

	Mean	Std. deviation	Minimum	Maximum
First tier	162.17	28.08	105.08	194.61
Second tier	235.83	40.38	145.05	282.86
Third tier	186.55	34.32	117.55	229.54

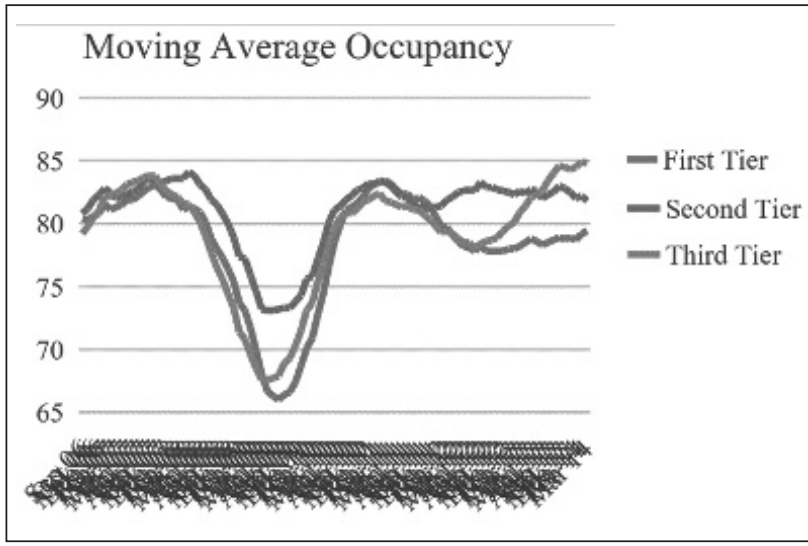

FIGURE 11.18 Moving average occupancy (Gleneagles).

TABLE 11.23 Statistics for Occupancy for Group 1–3 (Gleneagles).

	Mean	Std. deviation	Minimum	Maximum
First tier	70.30	2.34	65.00	73.60
Second tier	52.65	5.78	42.60	65.80
Third tier	63.18	3.72	55.60	69.60

The significant differences in RevPAR and occupancy among the group is confirmed by ANOVA results (see Table 11.24). Also, Tukey test showed that the groups vary in terms of occupancy and RevPAR, pairwise comparisons except between group one and three Occupancy rate. Nonetheless, the hypothesis of the study is again not supported for these hotels.

TABLE 11.24 ANOVA Test for RevPAR and Occupancy Rate (Gleneagles).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	106.83	0.00
Occupancy rate	2	10.31	0.00

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11.6.2.9 JOHNS HOPKINS HOSPITAL—MARYLAND, USA

Two upper midscale and two upscale hotels are in the closest proximity to the hospital and the second closest hotels are three upscale and one upper upscale hotels. The last group involves an economy, an upper midscale, and upper upscale, and upscale hotel (Tables 11.25, 11.26 and Figs. 11.19, 11.20).

TABLE 11.25 Statistics for RevPAR for Group 1–3 (Johns Hopkins).

	Mean	Std. deviation	Minimum	Maximum
First tier	105.82	10.27	89.61	123.89
Second tier	66.67	11.68	50.46	85.59
Third tier	95.43	11.48	50.46	123.89

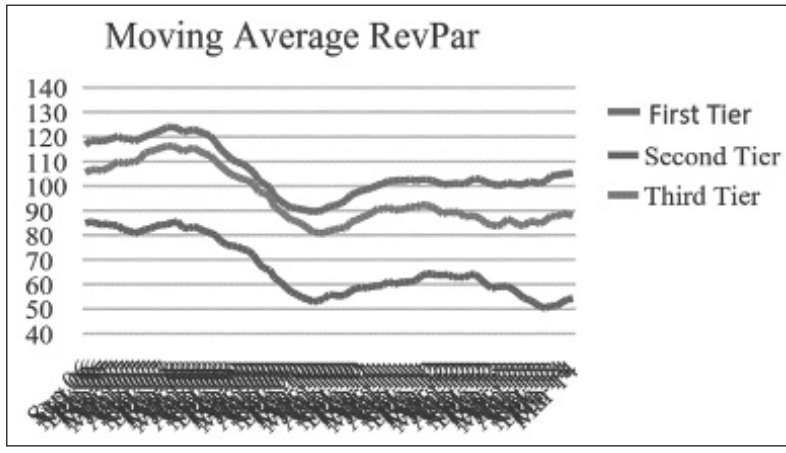

FIGURE 11.19 RevPAR moving average (Johns Hopkins).

TABLE 11.26 Statistics for Occupancy for Group 1–3 (Johns Hopkins).

	Mean	Std. deviation	Minimum	Maximum
First tier	70.30	2.34	65.00	73.60
Second tier	52.65	5.78	42.60	65.80
Third tier	63.18	3.72	55.60	69.60

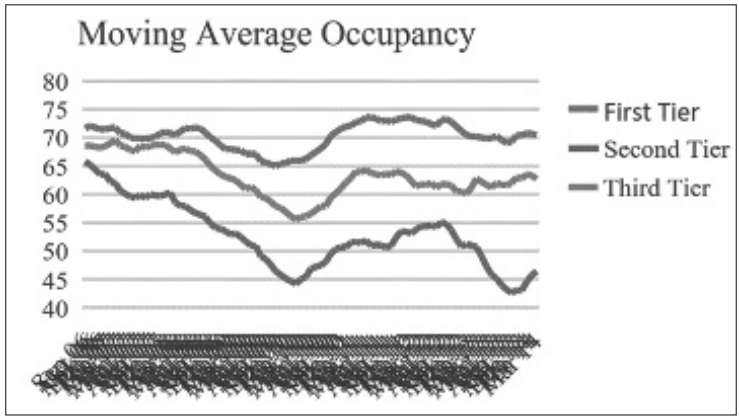

FIGURE 11.20 Moving average occupancy (Johns Hopkins).

Both ANOVA and Tukey test resulted in existing a significantly different RevPAR and Occupancy rate among the three groups (Table 11.27). However, on average the third group stood second in the ranking for both RevPAR and Occupancy rate. So, for these hotels the hypothesis is not supported.

TABLE 11.27 ANOVA Test for RevPAR and Occupancy Rate (Johns Hopkins).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	300.42	0.00
Occupancy rate	2	407.57	0.00

11.6.2.10 CLEMENCEAU MEDICAL CENTER—BEIRUT, LEBANON

The nearest hotels to this medical center are three upper upscale hotels together with a luxury hotel. The next group consists of two upper midscale, one upper upscale and one luxury hotel. The following group has one luxury, one upper upscale, and one upper midscale, upscale (Tables 11.28, 11.29 and Figs. 11.21, 11.22).

TABLE 11.28 Statistics for RevPAR for Group 1–3 (Clemenceau).

	Mean	Std. deviation	Minimum	Maximum
First tier	91.23	33.64	37.10	148.46
Second tier	124.33	49.68	50.23	208.09
Third tier	77.63	30.01	27.66	125.29

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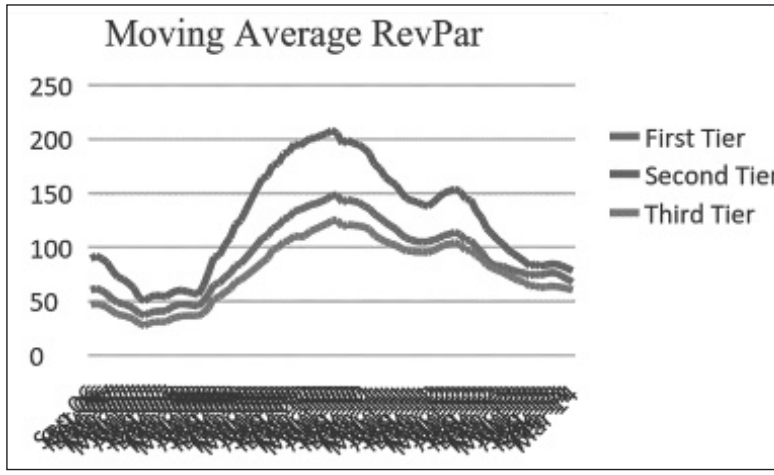

FIGURE 11.21 RevPAR moving average (Clemenceau).

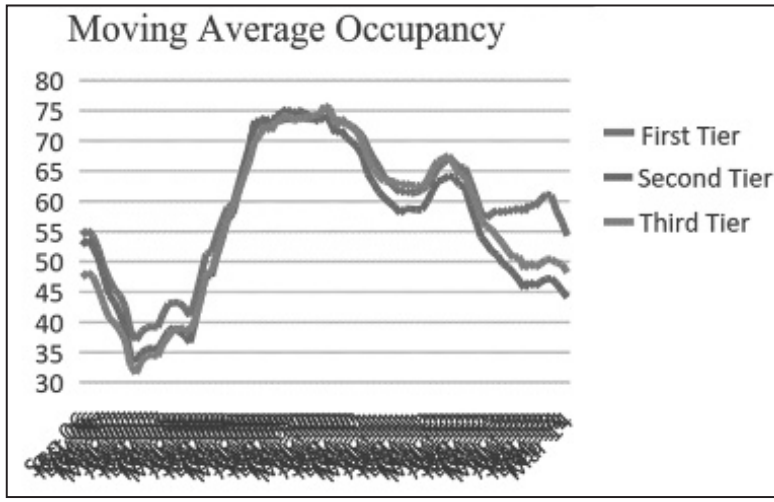

FIGURE 11.22 Moving average occupancy (Clemenceau).

TABLE 11.29 Statistics for Occupancy for Group 1–3 (Clemenceau).

	Mean	Std. deviation	Minimum	Maximum
First tier	59.64	10.92	37.00	75.60
Second tier	55.87	12.59	33.40	75.30
Third tier	56.76	13.06	31.50	75.80

ANOVA and Tukey tests do not show any significant difference in occupancies for different groups (Table 11.30). However, the existence of difference for RevPAR is confirmed. Also, in this case the third group took the second place in terms of average RevPAR and occupancy which cannot be confirmed regarding the hypothesis.

TABLE 11.30 ANOVA Test for RevPAR and Occupancy Rate (Clemenceau).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	34.92	0.00
Occupancy rate	2	2.36	0.096

11.6.2.11 PRINCE COURT MEDICAL CENTER—KUALA LUMPUR, MALAYSIA

Two upscale, one upper upscale, and one luxury hotel form the first four closest hotels to the medical center. The second group consists of three luxury and one upper upscale hotel which are followed by the third tier hotels including two upper upscale, one upper midscale, and one upscale hotel (Tables 11.31, 11.32 and Figs. 11.23, 11.24).

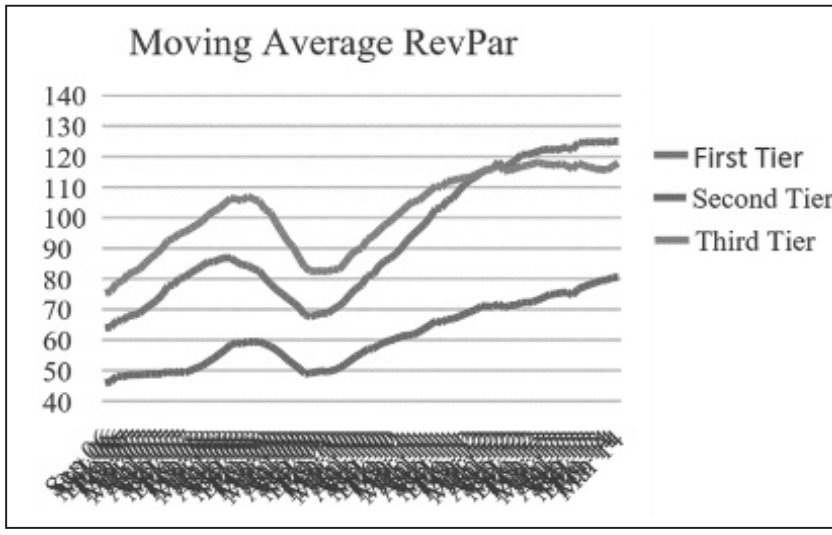

FIGURE 11.23 RevPAR moving average (Prince Court).

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TABLE 11.31 Statistics for RevPAR for Group 1–3 (Prince Court).

	Mean	Std. deviation	Minimum	Maximum
First tier	92.96	20.75	63.92	125.09
Second tier	60.84	10.37	45.87	80.54
Third tier	101.63	13.05	75.32	118.15

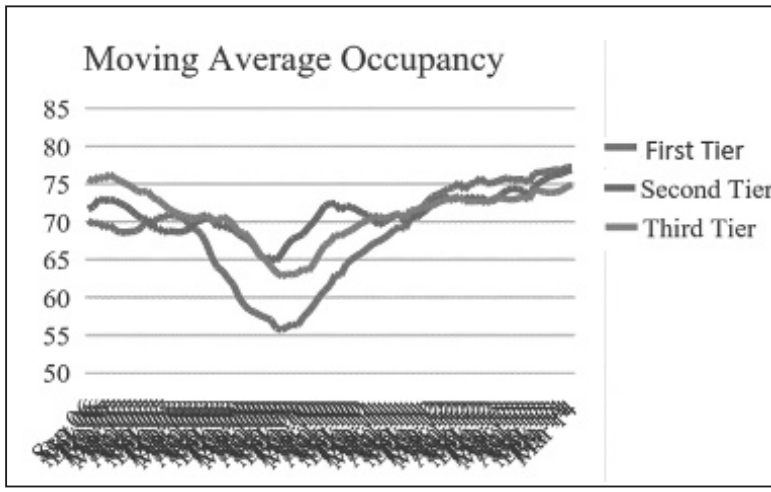

FIGURE 11.24 Moving average occupancy (Prince Court).

TABLE 11.32 Statistics for Occupancy for Group 1–3 (Prince Court).

	Mean	Std. deviation	Minimum	Maximum
First tier	68.30	6.40	55.70	77.20
Second tier	71.12	2.68	64.80	76.80
Third tier	70.94	3.47	62.80	76.30

TABLE 11.33 ANOVA Test for Occupancy and RevPAR (Prince Court).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	177.78	0.00
Occupancy rate	2	11.24	0.00

Tukey test for occupancy, showed significant differences between group except between group two and three (P value = 0.961). The rest of the test

including ANOVA for RevPAR and occupancy showed statistically significant difference among the groups (Table 11.33). Despite the confirmed difference among the group, the first tier took the second and third position in terms of average RevPAR and occupancy, respectively, which is contrary to the study's hypothesis.

11.6.2.12 MEDICLINIC MORNINGSIDE—JOHANNESBURG, SOUTH AFRICA

Two upper midscale, one upper upscale, and one midscale hotel are in the first group. The second group includes two upper midscale, one upper upscale, and one upscale hotel. And the third tiers include two upper upscale, one luxury, and one upper midscale hotel (Tables 11.34, 11.35 and Figs. 11.25, 11.26).

TABLE 11.34 Statistics for RevPAR for Group 1–3 (Morningside).

	Mean	Std. deviation	Minimum	Maximum
First tier	73.48	9.97	57.63	92.76
Second tier	78.99	11.96	51.67	99.12
Third tier	70.63	6.82	57.97	84.62

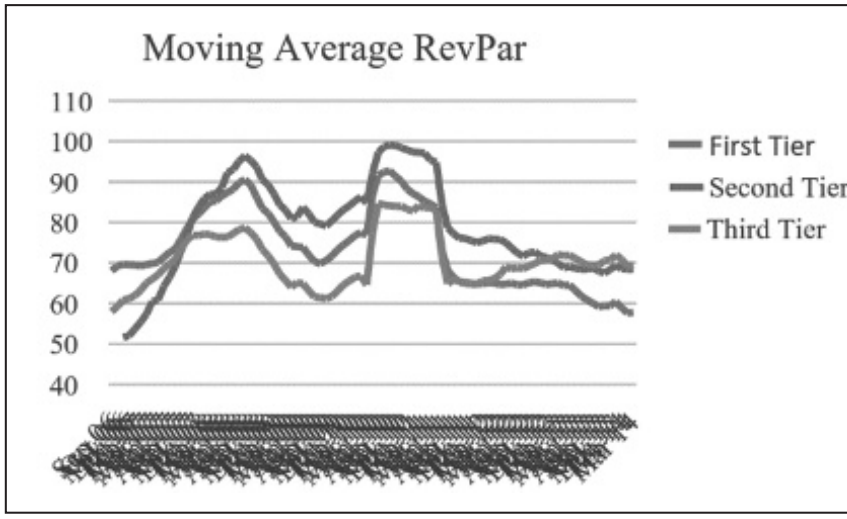

FIGURE 11.25 RevPAR moving average (Morningside).

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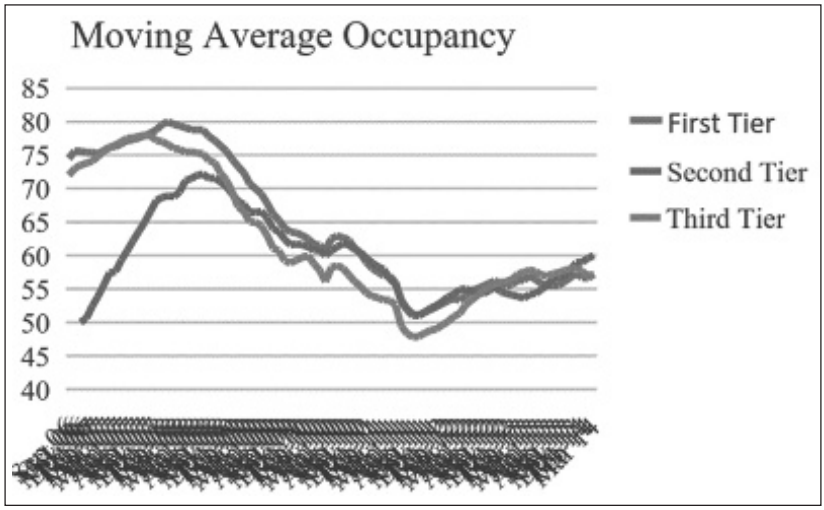

FIGURE 11.26 Moving average occupancy (Morningside).

TABLE 11.35 Statistics for Occupancy for Group 1–3 (Morningside).

	Mean	Std. deviation	Minimum	Maximum
First tier	64.55	9.84	51.10	80.00
Second tier	59.93	6.21	50.00	72.20
Third tier	62.28	9.70	47.80	78.00

Tukey test showed the pair wise comparison between group one and three does not reveal any significant difference in RevPAR and occupancy (*P* values = 0.123, 0.191, respectively). Also, between group two and three with respect to Occupancy, the Tukey test does not show a significant difference (*P* value = 0.172). However, ANOVA showed, overall, there are differences among the group with regard to RevPAR and occupancy (see Table 11.36). However, the assumption of the closer the hotels to the hospital, the better performance is not supported based on the results.

TABLE 11.36 ANOVA Test for Occupancy and RevPAR (Morningside).

One-way ANOVA test among three group	Degree of freedom	*F* value	*P* value
RevPAR	2	16.89	0.00
Occupancy rate	2	6.241	0.02

11.7 CONCLUSION AND DISCUSSION

Medical tourisms' market growth around the world because of its specially cost saving benefit among other beneficial factors seems continuing in the future. Many countries have realized that potential and invested in medical tourism heavily. Specifically, countries with higher tourism attractiveness also want to take advantage of it to build their name as medical destinations. Thailand, for instance, can be considered as a pioneer and has been able to attract many patients to the country and provide high quality medical and wellness services to them. In fact, according to DeMicco (2013) in IMTJ News: "about 75% of all hospital services are hotel and hospitality related," which implies the fact that hotels and hospitals can mutually be beneficial to each other if they manage to merge their services for their customers (patients). The example of this trend on providing a whole service package including hospital services and hotel and wellness services are growing in other places such as Cleveland and Los Angles in the United States (Cleveland and Los Angeles Seeking Medical Tourists, 2013).

Of course, being provided with all different variety of services, in turn, has implications for the local economy in terms of absorbing money in form of different expenses that patients may make while staying in his/her at the destination country, including dining, accommodations, wellness services, transportation, and other expenditures.

Therefore, by locating in prime areas near the prominent hospitals, hotels can attract the patients who are at their destination while waiting for the medical service provision or recovering from the treatment. Of course, most of the patients would have some accompanying individuals with them and providing them with accommodation service can generate more income for those well-located hotels. Thus, it was hypothesized by this study if the hotels' location is closer to the hospitals they can outperform the ones that are located farther away.

As the main objective of the study, to examine the existence of a positive relationship between hotels closeness to the hospital and their financial performance, 12 well-known hospitals in four different continents were selected to see whether the potential relationship holds for the hotels' performance. After conducting a descriptive statistic study on the dispersion of hotels' class in each selected group, it was observed that the hotel types tend to vary from location to location. Hence, a conclusion regarding what hotel class mostly presented in the hotel markets around the hospitals cannot be made.

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According to the findings, regarding performance measures of hotels in some locations, for instance, AIIMS hospital area, it was confirmed that the first tier hotels that are located very close to the hospital actually do better than the two other groups in terms of RevPAR. In some other locations such as Mediclinic Morningside in South Africa, the first group of hotel outperforms the other groups in terms of Occupancy rate but not RevPAR. In some other examples, there is no sign of existence of consistent higher performances from closer hotels.

Since the combination of the hotels for each group in terms of class varies so much, it cannot be really confirmed which specific hotel group outdo the others in that specific market around the hospital. Not surprisingly, where the profiles of the hotels in each tiers are somewhat similar, for example hotels near Asian Health Institute in India, the performance of the hotels appears be to very close to each other in terms of two measures. However, statistically significant differences still exist and that might be related to each individual hotel factors such as its ADR or even its popularity. One other observation from the results could be that not necessarily building higher end hotels near the hospital result in more revenue per available room, implying that the hotels customers cannot be definitely interested in staying in higher class hotels with higher rates at a very close distance from the hospital where they receive the medical services.

In sum, the main hypothesis of the study was not supported by the data. Individual investigation about the groups of hotels did not show consistent results. That can be attributed to the dispersion of the hotels' classes in each group or individual characteristics of each hotel in a set and of course each hotel in each group has its own ADR which can be reflected in the STR report. In fact, it was confirmed by the results that only locating hotels in a prime area will not necessarily result in a superior performance of hotels that are closer to the hospital. Possibly, adding more complimentary services such as wellness for patients who need them might add to the hotels performance level. On the contrary, since each patient's intention and the level of spending differ, therefore, their needs differ as well. For instance, staying in an economy hotel for a short while, receiving the medical treatment, and traveling back to the homeland might be just a mere intention for some patient coming from less developed countries with lower income. Thus, in some countries establishing high-end hotels might not be justifiable regarding the patient's needs.

11.8 FUTURE RESEARCH AND RECOMMENDATION

The study suggests there is a significant potential for further research regarding this topic. First, further investigation on the customers (patient's) profile in different parts of the world in order to understand their needs which can be satisfied by a hotel operation seems to be promising. Understanding the customers' type can give a better indication of the nearby hospital on the hotel performance. Future research can contribute to an understanding of what class of hotels are in most demand by the customers. Second, examining the profitability of each individual hotel that are located near well-known hospital to understand which services are in most demand and contribute to the hotel's profitability will form another potential research. Third, making a direct comparison between the same hotel classes at different distances from a hospital to figure out if the distance makes any difference in terms of the hotels performances shapes another relevant research in the future. Also in order to achieve a better understanding of hotels accepting the patients, a more in-depth qualitative study can be conducted in order to understand the impact of patient's presence on those hotels' profitability. Another area for further research includes comparing the hotels that are specialized in offering service packages to the medical tourists versus the other hotels that are closely related but not customizing their offerings for the patients. Examining new hotel construction over the time period to evaluate supply and demand of the area near the existing healthcare facilities may also be of interest. Lastly, more variables that might influence the hotels performance such proximity to an airport, close distance to a shopping mall or tourist attraction can be included in the study in order to better examine the hotels performance.

11.9 LIMITATION OF THE STUDY

Concerning the objective of the study, the data that was requested from STR contained four hotels for group one to three. Basically, the study had to include all the different hotel classes that are considered to be the closest set, the second closest set, and the third closest set and take an average of their performance measures, Occupancy rate and RevPAR. Thus, that might hinder the study to distinguish between the hotels' class and consequently make a direct comparison between each specific hotel type within all three groups to reach more robust results and conclusion regarding their performances. Of course, it was according to the STR policy for not disclosing the individual hotel and the study had to abide by that.

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On the other hand, in some locations among the selected hospital, the distribution of hotels around the area varied considerably. Some of the hospitals are surrounded by many hotels nearby whereas for some other longer distances needed to be considered to find four next hotels. Therefore, equal distances range could not be used for the study's purpose.

KEYWORDS

- **medical tourism**
- **hotel's performance**
- **hospitals in top tourist destinations**
- **hotels**
- **hospitals**
- **healthcare**
- **REVPAR**
- **financial performance**

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CHAPTER 12

FUTURE TRENDS IN MEDICAL TOURISM AND WELLNESS: CLUB MED OR CLUB MEDIC?[1]

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CONTENTS

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ABSTRACT

With healthcare costs sky rocketing and some medical specialties in short supply in some countries, patients are traveling abroad to seek the medical advice and treatments they need. This chapter looks at the availability, cost, and opportunities in the growing field of medical tourism.

12.1 WHAT DRIVES THE MEDICAL TOURISM?

Medical tourism is one of the hottest niche markets in the hospitality industry (Cetron et al., 2010).

12.1.1 WHY MEDICAL TOURISM?

With the growing presence of much focused websites which provide relevant information about the medical tourism destinations, medical procedures with their associated costs, and tourism attractions, the decision-making regarding their trip for potential medical tourist will become much more facilitated. Therefore, medical tourists have good cause to seek out care far from home. In some regions, state-of-the-art medical facilities are hard to come by, if they exist at all. For that reason, patients throughout the Middle East are traveling to Jordan or Asia for complicated surgery.

Source: DeMicco Fred. J. (2012). *Hospitality 2015: the future of hospitality & Travel*. Presentation conducted in Helsinki Finland and Drexel University.

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In other countries, the public healthcare system is so overburdened that it can take years to get needed care. In Britain or Canada, the waiting list for a hip replacement can be a year or more long. And as Dr. Prathap Reddy, the Boston-trained founder of the Apollo Hospitals chain in India, comments, "If you wait six months for a heart bypass, you may not need it anymore." In Bangkok or Bangalore, you can be in the operating room the morning after you get off the plane.

But for most people, the real attraction is price. The cost of surgery in India, Thailand, or South Africa can be one-tenth of rates in the United States or Western Europe, and sometimes even less. A heart-valve replacement that would cost $200,000 or more in the United States goes for $10,000 in India, including round-trip air fare and a brief vacation; a metal-free dental bridge worth $5500 in the States costs $500.

In Thailand, a knee replacement with six days of physical therapy costs about $5000, one-fifth the American price; Lasik eye surgery worth $3700 is available for only $730. And a full facelift that would cost $20,000 in the United States runs about $1250 in South Africa.

In Table 12.1, there are cost-saving estimations of having medical treatment in different countries comparing to the United States.

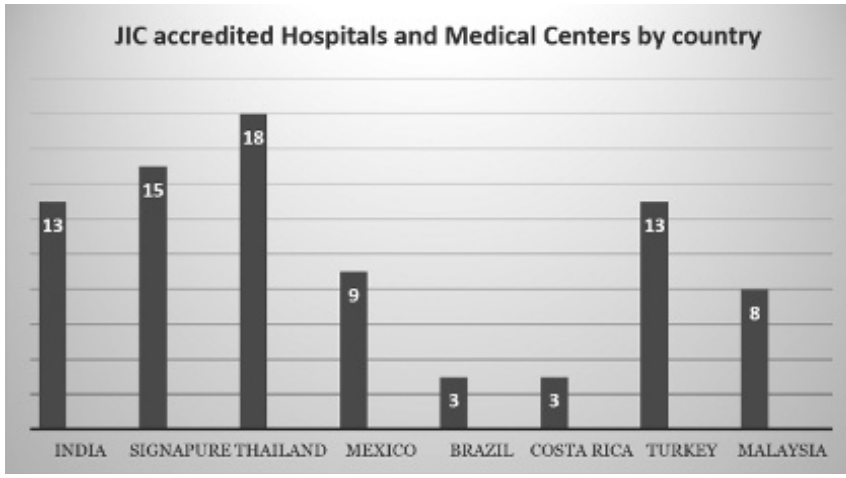
TABLE 12.1 Medical Services Cost Saving: Comparison between the United States and Other Countries.

Country	Treatment	Estimated savings (%)
Antigua (St. Johns)	Addiction & recovery	40
Barbados (Bridgetown)	Fertility/IVF	40–50
Brazil (Sao Paulo, Rio)	Cosmetic surgery	20–30
Costa Rica (San Jose)	Dentistry	30–70
Hungary (Gyor, Budapest)	Dentistry	40–75
India (New Delhi, Mumbai, Bangalore)	Orthopedics, cardiology	50–85
Israel (Jerusalem, Tel Aviv)	Fertility/IVF	30–50
Malaysia (Kuala Lumpur, Penang)	Health screenings	70
Mexico (Monterrey, Tijuana, Juarez)	Dentistry, bariatrics	30–60
Singapore	Cancer	30–40
South Africa (Cape Town, Johannesburg)	Cosmetic surgery	40
Thailand (Bangkok, Phuket)	Various services	40–75
Turkey (Istanbul)	Vision (Lasik)	40–50

Source: darkdaily.com/Medical Tourism Continues to Flourish as U.S. Patients Seek Lower Cost Healthcare in Overseas Countries.

Inferior medical care would not be worth having at any price, and some skeptics warn that Third-World surgery cannot be as good as that available in the United States. In fact, there have been cases of botched plastic surgery, particularly from Mexican clinics in the days before anyone figured out what a gold mine cheap, high-quality care could be for developing countries.

Yet, the hospitals and clinics that cater to the tourist market often are among the best in the world. Many are staffed by physicians trained at major medical centers in America and Europe. Many countries aiming at developing medical tourism now increasingly seek JCI (Joint Commission International) accreditation for their hospitals to ensure the quality of health services to their customers.



Source: Health-tourism.com/jic-accredited-medical-centers.

Bangkok's Bumrundgrad hospital has over 200 surgeons who are board-certified in the United States. One of Singapore's major hospitals is a branch of the prestigious Johns Hopkins University, in Bethesda, MD. In a field where experience is as important as technology, Escorts Heart Institute and Research Center, in Delhi and Faridabad, carries out nearly 15,000 heart operations every year. Its death-rate among patients during surgery is only 0.8%, less than half that of most major hospitals in the United States.

In some areas, these clinics are backed by sophisticated research infra-structures. India is one of the world's leading centers for biotechnology research, while both India and South Korea are pushing ahead with stem-cell research at a level approached only in Britain.

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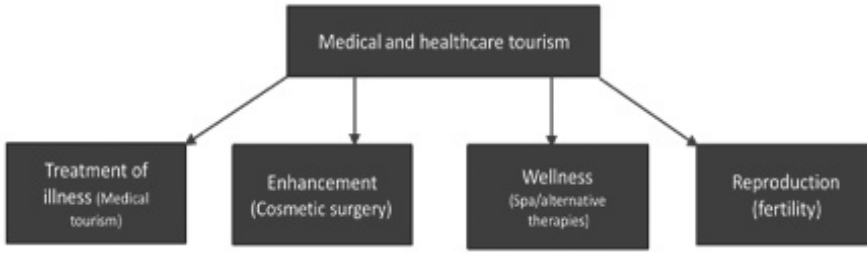
Skilled doctors and state-of-the-art equipment are not the only benefits offered by medical centers specializing in foreign patients. In many, the doctors are supported by more registered nurses per patient than any Western facility could offer. Some facilities provide single-patient rooms that look more like a four-star hotel, with a nurse dedicated to each patient 24 hours a day. Some assign patients a personal assistant for the post-hospital recovery period. There is always the chance for a quick vacation, before or after surgery, to sweeten the deal. Many tourist clinics offer resort-like recovery facilities at a nearby beach for those whose condition or schedule does not allow for an actual vacation. And many of the Asian national airlines offer frequent-flyer miles to ease the cost of returning for follow-up visits.

In some countries, there are even more benefits. Medical tourism is evolving into "wellness tourism." In this variation, the core medical clinic is surrounded by ancillary services, such as psychological counseling, exercise facilities, perhaps meditation, and more. The idea is that health-minded patients can heal their lives as well as getting treatment for a specific malady. Therefore, the medical tourism scope can span the whole following spectrum.



Source: http://www.tram-research.com/MedicalTourism.pdf

12.1.2 MEDICAL AND HEALTHCARE SCOPE

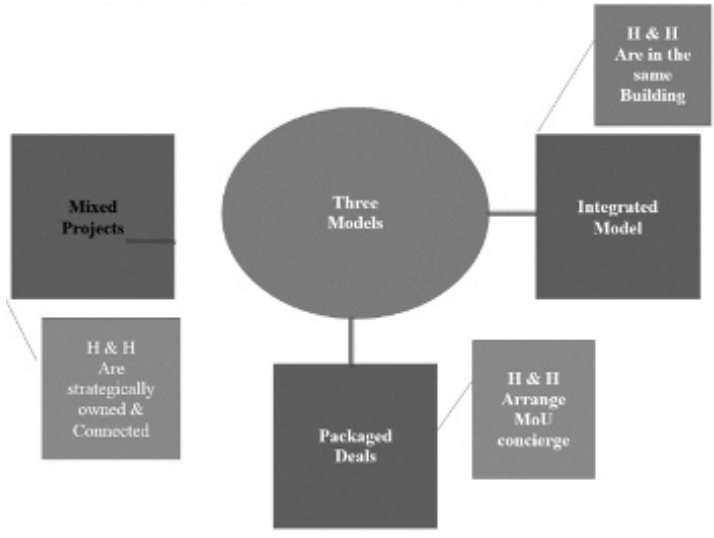
Under the circumstances, it is no surprise that the medical tourism market for such a wide variety of services is growing rapidly. Ten years ago, it was hardly large enough to be noticed. In 2012, something over 850,000 foreign patients visited Singapore alone; nearly half arrive from the Middle East. Perhaps half a million annually travel to India for medical care; in 2002, it was only 150,000 but the industry has grown consistency with only 21% growth from 2012 to 2013 and further growth will be expected in the future. Argentina, Costa Rica, Cuba, Jamaica, South Africa, Jordan, Malaysia,

Hungary, Latvia, and Estonia all have broken into this lucrative market or are trying to do so, and it seems that a few more countries join the list every year.

Some important trends guarantee that the market for medical tourism will continue to expand in the years ahead. In the near future, the health of the vast Baby Boom generation will have begun its slow, final decline. There are something over 70 million Boomers in the United States, over 150 million in all when Canada, Europe, Australia, and New Zealand are taken into account. They represent an overwhelming market for inexpensive, high-quality medical care.

Medical tourism will be particularly attractive in the United States, where an estimated 43 million people are without health insurance and perhaps 120 million lack dental coverage. The number of uninsured or underinsured Americans is likely to grow quickly, as many companies cut back or eliminate their medical and pension programs. Baby Boom workers who find themselves with little or no healthcare coverage will welcome any chance to cut the cost of care. Patients in Britain, Canada, and other countries with long waiting lists for major surgery will be just as eager to take advantage of care immediately available a plane-flight from home.

The future of medical tourism is characterized by three types of service offering. H2H is a model that indicates how hotels and hospital can merge in terms of their service package.



Source: Keep patients out of hospital beds and provide quality services to patients & families.

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12.1.2.1 H2H MODEL

The model consists of different ways of merging the operations of hospitals and hotels in order to provide superior service quality. Frist, it proposes that hotels and hospitals can be operationally merged. The second way involves provision of an entire service package for the patients seeking treatment and that spans the whole service from the hospital and the hotel. The third model deals with merging both entities as a way that they represent one unit. For instance, Bad Ragaz in Switzerland is a medical resort designed as a patient's center equipped with variety of facilities and service such aquatic therapy and spa to help the patients experience a better care and faster recovery.

12.1.2.2 BAD RAGAZ WELL-BEING AND MEDICAL CENTER IN SWITZERLAND

In the future, patients can both enjoy of hospitality form the hotel industry and use the technological advancements in their room while receiving medical service offered by expert staff from the hospitals. The experience of getting treated as a patient will be improved considerably if hotels become partners of hospitals in delivering service experience for their customers (patients).

The future of patients' room

Source: DeMicco Fred. J. (2012). *Hospitality 2015: the future of hospitality & Travel.* Presentation conducted in Helsinki Finland and Drexel University

In addition, Deloittle, the consulting company, also predicts the growth of medical tourism in the future based on the increased demand for outpatient, dental, and cosmetic surgeries in the United States which can be conducted abroad in a less expensive country. Also, highly diversified and global US workers with access to low cost transportation will seek more medical services in their original home lands and contribute to the growth of medical tourism demand. Another forecast done with Tourism Research and Marketing (2006) Consultancy expressed the following points impacting the future of medical tourism as well.

- Growing governmental intervention.
- Growing international private sector investment and joint ventures.
- Increasing supply of medical tourism products, leading to greater competition.
- An increasing role for tourism suppliers in the packaging and marketing of medical tourism.
- Continuing barriers to medical tourism expansion, including a lack of governmental agreements on payment for treatment abroad and insurance coverage.
- Growing ethical concerns about medical tourism, which may limit growth in some regions.

Here are the largest players in the global medical tourism industry:

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Thailand got its start in medical tourism in 1997, when the economic crash that hammered much of Asia sent canny healthcare providers looking for new markets. Today, it is the largest and best-established destination for foreign patients, particularly from the Japan and the United States.

More than 89% of medical tourists traveled to Thailand, India, or Singapore in 2010, with Bangkok and Singapore leading the pack. Bangkok is the most popular place for medical tourism in the world since the cost of hotel rooms and treatment are both far less in Thailand than in Singapore. In 2012, the number of international patients getting treated in Thailand was about 2.5 million people and the number is constantly growing annually.

Major centers for medical tourism are Bangkok and Phuket. No fewer than six medical facilities in Bangkok have hospital accreditation from the United States. Bumrungrad Hospital, listed sixth world's best hospital for medical tourists, alone sees 850,000 patients per year, 50% of them from abroad. It treated 55,000 Americans in 2005, 30% more than the year before. As in most tourist-oriented medical communities, the major attractions are cosmetic surgery and dental treatments. However, eye surgery, kidney dialysis, and organ transplantation all are among the most common specialties sought by medical vacationers in Thailand. Bangkok Hospital, which specifically caters to medical tourists, has an entire Japanese wing, while Phyathai Hospitals Group has translators for 22 languages, including Swedish, Khmer and Flemish, as well as a team of English-speaking staff. When not pinned down by medical treatments or recovery, patients usually spend their time shopping or in local sight-seeing.

Suvarnabhumi Airport provides airline services all over the world, reasonably priced hotel rooms abound, there is reliable public transportation and 30-day visas for many nationalities are easy to get upon arrival. The Tourism Authority of Thailand (TAT), a medical tourism website, promote highlights many of the most popular treatments available, including dental work, dermatology, and cosmetic surgery, as well as listing reputed hospitals. Forward thinking in many of its approaches, TAT has also recently partnered with state-owned Krungthai Bank, the national bank of Thailand, to offer tourists a debit card called the Miracle Thailand Card, which offers some medical and life insurance coverage in case of an accident.

Yet, for vacation possibilities Phuket is clearly your destination. With some of the most spectacular beaches and shorefront scenery on the planet. The mess left by last December's tsunami has been cleared, and the beaches reportedly are cleaner than at any time in a decade. For a few patients, Phuket has another attraction as well: In all the world, Bangkok Phuket Hospital

probably is *the* place to go for sex-change surgery. In fact, that is 1 of the top 10 procedures for which patients visit Thailand.

India is a relative newcomer to medical tourism, but it is quickly catching up to Thailand. Several years ago, McKinsey predicted that the number of foreign patients seeking care in India would grow by 15% per year. The most recent estimates say the growth rate is already 30%. A separate study by ASSOCHAM reported that the year 2011 saw 850,000 medical tourists in India and projected that by 2015 this number would rise to 3200,000.

India has a large pool of trained medical practitioners, good hospital facilities at lower cost affordability with highly skilled personnel. Medical practitioners are having good competence in their profession as compared with their foreign counterparts. Hence, India can become a most preferred destination for medical tourism.

It helps a lot that English is one of the many native languages in India, and the one spoken by all educated Indians, but there are other reasons for this country's popularity among medical tourists.

An obvious one is the cost of care, which for many procedures is the lowest in the world. Trips for follow-up care also are relatively cheap, because Air India subsidizes them with frequent flyer miles.

Another is the range of high-level services available in such a large, technologically advanced country. There are top-notch centers for open heart surgery, pediatric heart surgery, hip and knee replacement, cosmetic surgery, dentistry, bone marrow transplants, cancer therapy, and just about any other specialty a patient could need.

Many of those centers are among the best in the world. Virtually all are equipped with the latest electronic and medical diagnostic equipment—and India, unlike virtually any of its competitors in this market, has the technological sophistication and infrastructure to maintain it. Additionally, Indian pharmaceuticals meet the stringent requirements of the US Food and Drug Administration, while its quality of care also is up to American standards. Most also provide accommodations that could be mistaken for five-star hotels.

Some Indian medical centers even provide services that are uncommon elsewhere. For example, instead of having the entire hip joint replaced, patients can undergo "hip resurfacing," in which damaged bone is scraped away and replaced with chrome alloy. The result is a smoothly functioning joint with less trauma and recovery time than total replacement, and at lower cost. The operation is well tested and highly successful, but has not yet been approved in the United States.

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India has several other advantages for healthcare services. Unlike some of its competitors, India offers a high degree of transparency. Visitors need not worry about unexpected problems with their funds or legal status. Waiting times for surgeries and other treatment is lower than in other countries. A large number of private hospitals where the medical facilities and serving doctors can be compared to the best in the world are available. Traditional/alternative healing systems, like Ayurveda, Yoga, Ayush, Siddha, Unani and Naturopaths, are famous around the world.

Of course, before surgery or after, India has a broad array of unique and exotic destinations for Western tourists. From a peaceful tour of the Taj Mahal to a half-day safari in the White Tiger-Bandhavgarh National Park, shopping for handicrafts in the tribal villages of Orissa and Madhya Pradesh, or skin-diving in the Indian Ocean, this 4000-year-old civilization has something to offer for anyone who visits.

Costa Rica has ecological wonders found in few other lands, from some of the largest, best protected rainforests in Central America to the fire show of the Arenal Volcano. And for those of more urban tastes, the casinos of San Jose, Puntarenas, and Guanacaste provide all the action even a jaded Las Vegas regular could ever want.

According to United Nations Development Program (UNDP), Costa Rica is one of the very few countries that have a high Human Development Index (HDI) considering its income levels. Its rich culture, scenic beauty, white-sand beaches and rainforests make it one of the most loved travel destinations in the world.

But for North American patients, what Costa Rica really offers is inexpensive, high-quality medical care in their backyard. Its proximity to Canada and the United States have made healthcare in this country more sought after than even destinations like Thailand, India, and Korea. People travel to Costa Rica for medical help as it has emerged as one of the top five medical tourism destinations in the world. Excellent healthcare, recovery centers and affordability make Costa Rica a sought-after destination for medical tourists, especially because of its proximity to North America. In 2011, San José, the capital of Costa Rica, registered 46,474 foreign patients. The number of medical tourists in Costa Rica is expected to continue rising. At the same year, the country earned nearly 196 million dollars through medical tourism alone, with an added 84 million dollars earned through patients' expenditure on travel, hotels, shopping, and meals.

For plastic surgery, prices average roughly one-third those in the United States—not the prices they would find in India or Thailand, but a lot closer to home for medical vacationers with limited travel budgets.

Cosmetic surgery and dental work are clearly the specialties here. Get a facelift, and chill on the beach until the bruises go away, and the folks at home will never quite be sure why you suddenly look so good.

South Africa is the place to go for sun, surf, and surgery within easy reach of lions, elephants, or just the beaches of the Sunshine Coast. South African surgeons tend to be academically sound, but conservative, so this probably is not the best choice for the latest breakthrough in neurosurgery. Heart bypasses and joint replacements are available, but nearly all the medical tourists who visit South Africa come for cosmetic surgery. And at that, the many clinics in and around Cape Town excel. Most provide a personal assistant or frequent visits by a trained therapist to help out during the recovery, and trips to a top beauty parlor to help patients get the best from their new look. Nearly all medical tour packages include the medical procedure, post-op care in a luxury hotel or guest house, and a safari or other vacation before or after the operation. Because the South African rand is so cheap on the world's foreign-exchange markets, prices tend to be lower than in some other destinations.

In addition to these major centers, half a dozen other countries have significant parts of the medical tourism market, while still others are breaking into the field:

- Argentina continued to see the highest current value growth in medical tourism, up by 37% and reaching ARS 410 million in 2012; around 1000 foreign visitors came Argentina to receive a medical treatment per month. Argentina became one of the leading Latin American countries in terms of medical tourism because of its professionals of high level, availability of the latest medical technology and high-quality services in clinics and hospitals.
- Cuba is resurrecting its once-renowned medical facilities in an effort to attract medical tourist dollars. Cosmetic surgery, eye care, and a well-regarded women's hospital all are among the attractions.
- Hungary is drawing visitors from Western Europe, and growing numbers from the United States, for high-quality plastic surgery and dental care at prices that can be as little as half those in nearby Germany and 30–60% of American rates. The country is trying to heavily promoting cosmetic surgery, eye treatment, fertility treatment, anti-aging treatment, and more. Hungary is also promoting medical spas showing clearly health benefits.

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- Iran has set its sights on pulling in patients for cardiovascular and orthopedic surgery, dentistry, organ transplants, and even psychiatric care. Iran also is one of 12 countries with biological medicines technology and can serve medical tourists. Moreover, Iran is renowned for its hot springs and traditional medicines which can be the source of wellness tourism. However, despite the profitability and huge potential growth in medical tourism, medical tourism has not been recognized as a national industry in Iran. They plan to develop and make further investments in medical tourism industry.
- A better bet is Dubai, already known as a luxury vacation paradise on the Red Sea. Dubai Healthcare City was launched in 2002. It encompasses two hospital and 120 outpatient medical centers and laboratories. It is the world's largest healthcare free zone with a new branch of the Harvard Medical School on site; it may also be the most prestigious. According to Dubai's healthcare officials, the emirate reached 107,000 medical tourists in 2012, generating revenues worth Dh 652.7 million.

Al Rahba Hospital—Johns Hopkins Abu Dhabi, UAE.

Ramadan Ibrahim, director of the health regulation department and the director of the medical tourism project, has a plan that "by 2016 we expect a 15 per cent jump bringing the total number of tourists to

170,000 and the revenues to Dh 1.1billion and by 2020 if we consider a 20 per cent jump, it brings the number to 500,000 tourists and revenues to Dh 2.6 billion."

- Malaysia offers advanced care at low prices in a variety of specialties. It is English-speaking country, so there is no barrier for patients having direct communication with doctors. However, its efforts to develop medical tourism have been handicapped by an acute shortage of doctors and technicians. Malaysia is thriving to cultivate more doctors, such as having 5000 new well-trained graduates each year. In 2012, Malaysia received 671,727 patients from around the globe and obtained RMB 594 million revenue contributing to Malaysia's economy. Malaysia medical tourism is regulated by the Ministry of Health Malaysia, guaranteeing the quality of medical providers to medical tourists. Malaysia Healthcare Travel Council (MHTC) is carrying out the promotion of medical tourism of the country.
- The Philippines are still an undeveloped land as far as medical tourism goes, but that may not remain true for long. Bangkok's Bumrungrad Hospital recently made a major investment in the Asian Hospital and Medical Center, outside Manila, where it hopes to clone its own success in attracting vacationing patients. Because of country's bright economic outlook, improvement of medical tourism and domestic tourism is expected to keep robust growth over the forecast period.

12.2 KEY TRENDS FOR MEDICAL TOURISM

12.2.1 POPULATION OF THE DEVELOPED WORLD IS LIVING LONGER

Each generation lives longer and remains healthier than the last. Since the beginning of the 20th century, every generation in the United States has lived three years longer than the previous one. An 80-year-old in 1950 could expect 6.5 more years of life; today's 80-year olds are likely to survive 8.5 more years. Life expectancy in Australia, Japan, and Switzerland is now over 75 years for males and over 80 for females. A major reason for this improvement is the development of new pharmaceuticals and medical technologies that are making it possible to prevent or cure diseases that would have been fatal to earlier generations. Medical advances that slow

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the fundamental process of aging now seem to be within reach. (This is a controversial issue within the medical community, but the evidence appears quite strong.) Such treatments could well help today's younger generations live routinely beyond the century mark.

12.2.1.1 ASSESSMENT

Demographic trends such as this are among the easiest to recognize and most difficult to derail. Barring a global plague or nuclear war—wildcard possibilities that cannot be predicted with any validity—there is little chance that the population forecast for 2050 will err on the low side.

12.2.1.2 IMPLICATIONS FOR MEDICAL TOURISM

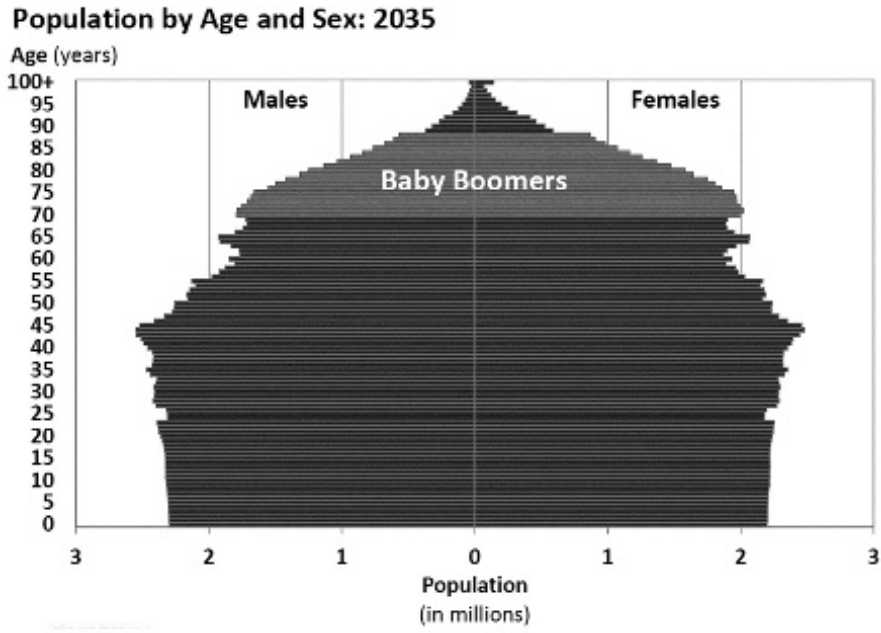
If a future medical breakthrough slows the aging process and extends the health and vigor of midlife, less care will be required for disorders such as arthritis and prostate cancer, which are strongly associated with aging.

This market may be replaced by growth in lifestyle disorders such as heart disease and lung cancer, which will have more time to develop.

In the absence of an anti-aging treatment, many geriatric diseases will be delayed, but not prevented. These patients will still need care, often at overseas facilities. They will simply need it later in life.

12.2.2 THE ELDERLY POPULATION IS GROWING DRAMATICALLY THROUGHOUT THE WORLD

Worldwide, the elderly (age 65 and over) numbered 440 million and represented 6% of the global population in 2002. Their numbers will nearly double by 2020 (and form nearly 9% of the total population) and more than triple by 2050 (becoming nearly 17%). In the developed world, people age 60 and over made up one-fifth of the population in 2000 and will grow to one-third in the next half century. Throughout the developed world, population growth is fastest among the elderly. In the United States, in 2035 the population distribution is shown below. There are 4.2 million people age 85 and up. By 2050, there will be 19.3 million. In Europe, the United States, and Japan, the aged also form the wealthiest segment of society.



US population: 2035.

Source: United State Census Bureau.

12.2.2.1 ASSESSMENT

Again, this is a demographic trend, difficult to derail and unlikely to change while the massive Baby Boom generation remains on the scene.

12.2.2.2 IMPLICATIONS FOR MEDICAL TOURISM

Seniors represent the primary market for most forms of medical care. Their growing number promise rapid expansion of medical tourism for at least the next 20 years. With more than 115 million people age 50 and above in 2020, it is predictable that they will contribute to the expansion of medical tourism.

Thus far, we have not heard of a medical tourist-oriented hospital or clinic specifically designed to provide a full range of services for geriatric patients. We expect many such facilities to appear in the decade ahead.

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12.2.3 IMPORTANT MEDICAL ADVANCES WILL CONTINUE TO APPEAR ALMOST DAILY

Research into human genetics, stem cells, computer-aided drug design, tissue transplants, cloning, and even nanotechnology promise to ease or cure diseases and injuries that do not respond to today's medicine. Radical new treatments for diabetes, Parkinson's disease, perhaps Alzheimer's, and many other disorders are expected to arrive within the next 5–10 years. Scientists even are beginning to understand the fundamental processes of aging, bringing the possibility of averting the diseases of old age, and perhaps aging itself.

12.2.3.1 ASSESSMENT

The flow of new medical advances will not slow in the next 40 years, and probably not in the next 75.

12.2.3.2 IMPLICATION FOR MEDICAL TOURISM

With increasing availability of more advanced methods to cure some diseases that are so costly and require long waiting times, in some developed countries might create a good opportunity for developing countries such as India to serve the patients with much less costly medical services in the future.

12.2.4 THE PHYSICAL CULTURE AND PERSONAL-HEALTH MOVEMENTS ARE IMPROVING HEALTH IN MUCH OF THE WORLD, BUT THEY ARE FAR FROM UNIVERSAL

During the 1990s, health in the United States improved by 1.5% annually, based on such measures as smoking prevalence, health-insurance coverage, infant mortality rates, and premature deaths. Since 2000, health improvement has slowed to just 0.2% a year, largely due to personal choices. The global obesity crisis is a significant countertrend to the physical-culture movement. Poor diet, physical inactivity, and associated obesity contribute to 47% of diseases and 60% of deaths worldwide. However, health consciousness is spreading to Europe. For example, a recent poll found that two-thirds of Britons now spend more to maintain a healthy lifestyle than they did a

decade ago, and three out of four say they enjoy leading a healthy lifestyle. Unfortunately, much of the developing world still worries more about eating enough than about eating well.

12.2.4.1 ASSESSMENT

This trend always seems a case of two steps forward, at least one step back. We expect it to continue for at least the next generation.

12.2.4.2 IMPLICATIONS FOR MEDICAL TOURISM

So long as obesity remains epidemic, the medical tourism industry will remain healthier than its customers.

Growing interest in maintaining health, rather than healing ills that might have been avoided, will propel the growth of "wellness tourism," an offshoot of medical tourism that has just begun to appear. Both tourist-oriented medical facilities and general-interest resorts will add wellness programs to their offerings and with economic growth in developed and developing countries and due to high cost of healthcare in many developing countries more wellness tourists will be seen in medical tourism destinations in the world.

12.2.5 TOURISM, VACATIONING, AND TRAVEL (ESPECIALLY INTERNATIONAL) CONTINUE TO GROW WITH EACH PASSING YEAR

International tourism grew by more than 6% in the first half of 2007, thanks in part to global prosperity. By 2020, international tourist arrivals are expected to reach 1.6 billion annually, up from 842 million in 2006. By 2020, according to the World Trade Organization, 100 million Chinese will fan out across the globe, replacing Americans, Japanese, and Germans as the world's most numerous travelers. Some 50 million Indian tourists will join them.

12.2.5.1 ASSESSMENT

Travel seems to be in the DNA of the middle and upper economic classes. This trend will continue so long as national economies continue to generate new prosperity for the formerly poor.

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12.2.5.2 IMPLICATION FOR MEDICAL TOURISM

As the number of tourists increases, the opportunity for medical tourism, specifically for wellness tourism, increases accordingly. That implies the countries which are already established as main tourist destinations can include extra service such as spa, yoga, and acupuncture into their service packages.

12.2.6 GENERATION X, THE DOT-COMS, AND THE MILLENNIALS ARE GAINING SOCIAL AND ORGANIZATIONAL INFLUENCE

Members of each group—ranging from nearly 50 to the 20-somethings—have much more in common with their peers than with their parents. Their values and concerns are remarkably uniform throughout the world. Socially and in business, they are nearly color-blind and gender-blind. Generation X is starting new businesses at an unprecedented rate, and the Millennial generation is proving to be even more business-oriented, caring for little but the bottom line. They will work for others, but only on their own terms.

Generation X and the Millennials thrive on challenge, opportunity, and training—whatever will best prepare them for their next career move. Cash is just the beginning of what they expect. Employers will have to adjust their policies and practices to the values of these new and different generations, including finding new ways to motivate and reward them.

However, they also have a powerful commitment to society. Gen Xers are mainstays of "voluntourism," spending part of their vacations on volunteer work. In a recent survey, 60% of respondents said they would be interested in doing scientific or environmental work while on vacation. Even more would be willing to teach English or another academic subject.

12.2.6.1 ASSESSMENT

As trends go, this is an evergreen. In a few years, we will simply add the next new generation to the list.

12.2.6.2 IMPLICATIONS FOR MEDICAL TOURISM

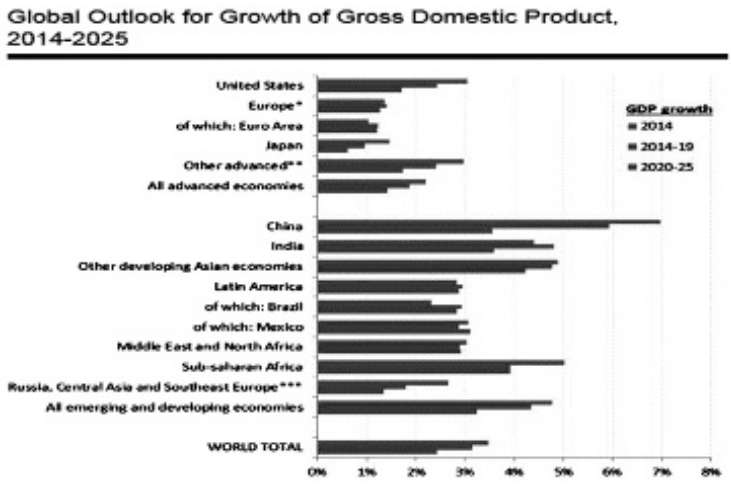
Younger consumers tend to be extremely well informed about their options in all fields, thanks in large part to their comfort with the Internet. Though older patients are a much larger medical market, younger ones are more likely to be aware of medical facilities abroad. They will form a disproportionate segment of the tourist patient load.

Younger consumers also are more open to nonstandard alternatives in all fields. This will promote their acceptance of medical tourism.

12.2.7 THE ECONOMY OF THE DEVELOPED WORLD IS GROWING STEADILY, WITH ONLY BRIEF INTERRUPTIONS

When the United States catches a cold, the rest of the world gets pneumonia, or so economists used to say. Late in 2008, the United States has pneumonia. Home prices remain in free-fall, and the credit market has collapsed. Jobs are disappearing at a rate of more than 1 million every two weeks. Consumer confidence is plummeting. Most of the world is in recession. It turns out that 2008 and some of 2009 are one of the interruptions contemplated in the trend.

Looking abroad, we can see effects of America's problems. The entire European Union is in recession. China, Australia, India, Japan, and Russia are in or near recession. In all, the economies of the world seem a lot less healthy than they did a few months ago.



Source: The Conference Board Global Economic Outlook 2014, February 2014 update.

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Throughout the world, governments are scrambling to shore up lending institutions, stem the tide of foreclosures, restore the flow of credit, and provide jobs for the newly unemployed. These efforts will continue through 2009. Now, according to International Monetary fund, the economic growth in the United States is expected to be 2.8% in 2014 and 3% in 2015. In the Euro area, the expected growth will be 1% and 1.4% in 2014 and 2015, respectively. And in developing economies such as China and India with rates around 7% and 5% is predictable. In sum, it is projected that the global economy will be 3.7 % in 2014 and 3.9% in 2015.

12.2.7.1 ASSESSMENT

These trends have been revised many times since they were first codified in the late 1980s. Some trends have fallen out of the list as they matured or as circumstances came along to change them. Others have been added as they were recognized. This trend has remained a constant, and with each revision its effective period has been extended. To invalidate this trend would take a catastrophe on the order of the permanent loss of Middle Eastern oil from the Western economies. Not even the recession of 2008 and 2009 rises to that level of destruction.

12.2.7.2 IMPLICATIONS FOR MEDICAL TOURISM

The United States is piling up enormous bills to dig its way out of the recession that began in 2008. So are most other western countries. Some of this money will be repaid when governments sell their stakes in financial companies after the economic tide has turned. The rest will have to be paid down as part of their national budget deficits. This will undermine their ability to fund medical programs just as the Baby Boom generation ages into its period of greatest need. Many Boomers may face long waits for needed treatment. Many will dig into their savings to pay for care abroad, where it is more affordable.

The growing cost of insuring workers will lead many American companies to look abroad for expensive medical care at discount prices. Employee health programs will grow into a stable, profitable segment of medical tourism by 2020.

Growing prosperity in China, India, and other formerly poor lands has promoted the spread of Western-style diets, overeating, and tobacco use.

Hospitals and clinics established to serve medical tourists will find a new growth market among the wealthy of their own lands who seek the best care available. This may raise demand for urgent care at facilities originally designed for patients who could afford the delay of making international arrangements.

12.2.8 THE GLOBAL ECONOMY IS GROWING MORE INTEGRATED

By some counts, only half of the world's one hundred largest economies are nation-states. The rest are multinational corporations. In the European Union, relaxation of border and capital controls and the adoption of a common currency and uniform product standards continue to make it easier for companies to distribute products and support functions throughout the Continent. The Internet also brings manufacturers effectively closer to remote suppliers and customers. Companies are increasingly farming out high-cost, low-payoff secondary functions to suppliers, service firms, and consultants, many of them located in other countries. Companies in high-wage countries also are outsourcing management and service jobs to low-wage countries. In 2013, 2637,239 jobs were outsourced from the United States. An estimated 3.3 million US jobs are expected to migrate to India and China by 2015, and it will be very probable that the same trend will continue in the future. In the future, some 40 million jobs are believed vulnerable to outsourcing.

12.2.8.1 ASSESSMENT

This trend will continue for at least the next two decades.

12.2.8.2 IMPLICATIONS FOR MEDICAL TOURISM

The most respected western hospitals and medical colleges have begun to tap the market for medical tourism. Some are forming alliances with tourist facilities in India, Thailand, and other countries. Some are building their own tourist-oriented hospitals and clinics in prominent medical destinations. This practice will grow rapidly.

Eventually, facilities not allied to a major western institution may find it difficult to compete with those that are.

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12.2.9 THE UNITED STATES IS CEDING ITS SCIENTIFIC AND TECHNICAL LEADERSHIP TO OTHER COUNTRIES

"The scientific and technical building blocks of our economic leadership are eroding at a time when many other nations are gathering strength," the National Academy of Sciences warns. "Although many people assume that the United States will always be a world leader in science and technology, this may not continue to be the case inasmuch as great minds and ideas exist throughout the world. We fear the abruptness with which a lead in science and technology can be lost—and the difficulty of recovering a lead once lost, if indeed it can be regained at all."

Although R&D spending is growing in raw-dollar terms, when measured as a percentage of the total federal budget or as a fraction of the US GDP, research funding has been shrinking for some 15 years. In 2005, the United States spent about 2.68% of its GDP on R&D, down from 2.76% in 2001. Washington has often reduced the post-inflation buying power of its R&D funding request. In the FY 2007 budget, for the first time, it cut R&D funds in absolute dollars as well. However in 2013, the government increased the funding level by 1.4% comparing to FY2012. Washington's neglect of basic science is being felt in many ways. Only half of American patents are granted to Americans, a number that has been declining for decades. Only 29% of the research papers published in the prestigious Physical Review in 2003 were by American authors, down from 61% in 1983.

More than half of American scientists and engineers are nearing retirement. At the rate American students are entering these fields, the retirees cannot be replaced except by recruiting foreign scientists. Between 25% and 30% of high school graduates who enter college plan to major in science or engineering. Fewer than half of them receive a degree in those fields. The number of US bachelor's degrees awarded in science and engineering in 2010 was nearly 1.2% below the percentage in 1997.

12.2.9.1 ASSESSMENT

This trend emerged from a wide variety of ill-conceived political decisions made over the last 30 years. It will take at least a generation to reverse.

12.2.9.2 IMPLICATIONS FOR MEDICAL TOURISM

There will be many opportunities for tomorrow's founders and staff of medical tourist destinations to train in the United States—if they still wish to do so.

Overseas medical facilities will have access to a growing number of new drugs and procedures not available in the United States. These assets will be a strong "draw" for many patients.

12.2.10 TECHNOLOGY IS CREATING A KNOWLEDGE-DEPENDENT GLOBAL SOCIETY

More and more businesses, and entire industries, are based on the production and exchange of information and ideas rather than exclusively on manufactured goods or other tangible products. At the same time, manufacturers and sellers of physical products are able to capture and analyze much more information about buyers' needs and preferences, making the selling process more efficient and effective. The number of Internet users in the United States more than doubled between 2000 and 2007, to nearly 268 million, or 84% of the population in 2013. And while the percentage of Internet users in China is smaller than in the United States, the number of users there passed the United States early in 2008.

12.2.10.1 ASSESSMENT

This trend will not reach even its half-way mark until the rural populations of China and India gain modern educations and easy access to the Web.

12.2.10.2 IMPLICATIONS FOR MEDICAL TOURISM

The Internet is a primary marketing tool for many hospitals and clinics specializing in foreign patients. Targeted marketing operations in western countries will grow to supplement online information. Yet, the Net will remain the first place most patients go to shop for medical destinations.

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12.2.11 INSTITUTIONS ARE UNDERGOING A BIMODAL DISTRIBUTION: THE BIG GET BIGGER, THE SMALL SURVIVE, AND THE MID-SIZED ARE SQUEEZED OUT

Economies of scale enable the largest companies to win out over mid-sized competitors, while "boutique" operations can take advantage of niches too small to be efficiently tapped by larger firms. We see the result in a wide range of industries throughout the developed world. In agriculture, banking, auto-manufacturing, telecommunications, and many other sectors, the largest firms have been buying up their mid-sized competitors or driving them out of business. At the same time, hundreds or thousands of tiny operators have arisen in each industry to get rich by serving markets beneath the notice of the giants.

12.2.11.1 ASSESSMENT

Thanks in part to technology; this trend is likely to be a permanent feature of the business scene from now on. It will accelerate significantly during the recession of 2008/2009.

12.2.11.2 IMPLICATIONS FOR MEDICAL TOURISM

This trend will reach the medical tourism industry no later than 2015 and will be well established by 2020.

We will see the rise of multinational chains operating hospitals and clinics that specialize in care for medical tourists. Their primary assets will be a reputation for quality care and an advertising budget capable of global reach.

Many of these chains will be established or affiliated with "name" institutions in the West.

12.2.12 MILITANT ISLAM CONTINUES TO SPREAD AND GAIN POWER

It has been clear for years that the Muslim lands face severe problems with religious extremists dedicated to advancing their political, social, and doctrinal views by any means necessary. Most of the Muslim lands are

overcrowded and short of resources. Many are poor, save for the oil-rich states of the Middle East. Virtually all have large populations of young men, often unemployed, who are frequently attracted to violent extremist movements. During its proxy war with the Soviet Union in Afghanistan, the United States massively fortified the Muslim extremist infrastructure by supplying it with money, arms, and, above all, training. It is making a similar mistake today. The overthrow of Saddam Hussein and the American occupation of Iraq has inspired a new generation of jihadis, who have been trained and battle-hardened in the growing insurgency. In a now-declassified National Security Estimate, the American intelligence community concluded that Al Qaeda was more powerful in 2007 than it had been before the so-called war on terror began—more dangerous even than it had been when it planned the attacks of September 11, 2001.

12.2.12.1 ASSESSMENT

This trend may wax and wane, but it seems unlikely to disappear this side of a Muslim reformation comparable to those that transformed Christianity and Judaism.

12.2.12.2 IMPLICATIONS FOR SECURITY

Virtually all of the Muslim lands face an uncertain, and very possibly bleak, future of political instability and growing violence. The exceptions are the oil states, where money can still buy relative peace, at least for now.

The West, and particularly the United States, is likely to face more, and more violent, acts of terrorism for at least the next 20 years.

Both Europe and the United States ultimately may face home-grown Muslim extremist movements. Thanks largely to waves of immigration during the 1980s and 1990s, Islam is the fastest-growing religion in both regions. There are credible reports that extremist clerics in Europe are successfully recruiting young Muslims to the cause of *jihad* against their adopted homes.

Western interests also will be vulnerable in many countries outside the Muslim core. The strong international ties formed among Islamic militants during the anti-Soviet war in Afghanistan have produced an extremist infrastructure that can support terrorist activities almost anywhere in the world.

This development must be taken even more seriously, because for the first time a Muslim country—Pakistan—has nuclear weapons, which

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Muslim extremists view as an "Islamic bomb," available to promote their cause. As the world has learned, some high-ranking Pakistanis already have been willing to donate nuclear technology to other Muslims. From here on out, the possibility of nuclear terrorism is a realistic threat.

12.2.12.3 IMPLICATIONS FOR MEDICAL TOURISM

Hospitals and clinics specializing in the treatment of western patients are an obvious target for terrorist attack.

The first successful attack on a medical-tourism destination will depress travel to all such facilities in the affected countries for at least two years.

This will give tourist medical facilities in Eastern Europe and South Africa a significant advantage over those in India, Thailand, and the Philippines.

Hospitals and clinics that serve western tourists will need to devote significant resources to security. They must secure their facilities without making patients feel they are under siege. The best defended facilities may be able to use their security as a marketing tool, particularly after a successful attack elsewhere.

12.3 MINI-CASE: KNOW THE FIELD OF BATTLE FOR THE CUSTOMERS' MIND

"It is only natural that to a physician, administrator, or clinician, quality is primarily judged by clinical outcomes. And rightly so. What isn't so obvious is that the satisfaction and loyalty of their customers are not primarily won on the field of who has the best clinical quality, any more than airlines win the loyalty of their customers on the field of who has the best safety record. Most airlines have about the same safety records. And most clinical outcomes are viewed by patients as the purview of their physician who would not put them in the hands of incompetent people or an unsafe environment. When there is a plane crash, an airline will suffer a major setback in public opinion, just as a hospital suffers when a preventable tragedy occurs in its operating room. But precluding such a catastrophe, patients judge their experience by the way they are treated as a person, not by the way they are treated for their disease. The tables below include a list of the questions from inpatient-satisfaction surveys that have the highest correlation between likelihood to recommend and overall satisfaction with their hospital. Notice how the questions with the highest correlation are mostly from perceptions

about how one is treated as a person, not clinical competencies." (Adapted from *If Disney Ran Your Hospital*: 9 1/2 Things You Would Do Differently by Fred Lee, 2004. Second River Healthcare Press).

In the battle for the supremacy of perceptions in the patient's mind, our competition is anyone the patient compares us to. Unfortunately, they do not usually compare us to other hospitals. People don't make an exception by saying, "Compared to other nurses she's okay but she couldn't cut it as a waitress or any other service provider." Nine out of ten of the top drivers of satisfaction could apply to how a person is treated anywhere. Only one in ten is hospital specific. After many years of collecting data on patient satisfaction and loyalty, we now know quantitatively what we have always known intuitively patients reserve their good word of mouth and loyalty for hospitals where they feel their needs were anticipated and met by a courteous, caring staff. When one reads through this list of top drivers of patient satisfaction and loyalty from two of the largest organizations that do hospital surveys, it is clear that often what hospital managers focus on, namely clinical and process outcomes, is not where the battle for the consumer's mind is being waged.

12.4 TOP DRIVERS OF PATIENT SATISFACTION

12.4.1 PRESS GANEY ASSOCIATES: TOP 10 DRIVERS OF PATIENT SATISFACTION

Mail-in survey questions (out of 48) that correlate most highly with "likely to recommend."

1. How well staff worked together to care for you	0.79
2. Overall cheerfulness of the hospital	0.74
3. Response to concerns/complaints made during your stay	0.65
4. Amount of attention paid to your personal and special needs	0.68
5. Staff sensitivity to the inconvenience of hospitalization	0.65
6. How well nurses kept you informed	0.64
7. Staffs effort to include you in decisions about your treatment	0.64
8. Nurses attitude toward your requests	0.64
9. Skill of the nurses	0.63
10. Friendliness of the nurses	0.62

Source: Press, Ganey *Satisfaction Report,* August, 2003.

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12.4.2 GALLUP: TOP SEVEN DRIVERS OF PATIENT SATISFACTION

Telephone survey questions (out of 27) that correlate most highly with "overall satisfaction."

1. Nurses anticipated your needs	0.64
2. Staff and departments worked together as a team	0.64
3. Staff responded with care and compassion	0.62
4. Staff advised you if there were going to be delays	0.61
5. Nurses explained about medications, procedures, and routines	0.60
6. Nurses responded promptly to pain management	0.60
7. Nurses responded in a reasonable amount of time	0.60

Source: The Gallup Organization (1999).

12.4.3 PATIENTS' SATISFACTION IS FOOL'S GOLD

After spending years touting patient satisfaction, it was unsettling to learn that patient satisfaction is fool's gold. It looks valuable but you can't take it to the bank if it doesn't mean that patients will be loyal and sing your praises. When I analyze my own evaluation process, one readily understands the difference between satisfaction and loyalty, let's say I receive a survey in the mail from a place I had stayed for several days. I think back over my experience and I remember nothing special and nothing bad. Everyone did exactly as I expected. Everyone was polite. Everything worked. My room was clean. Nothing stood out one way or the other. What would I put on the survey? Probably a 4—satisfied. When you can't remember anything, you are satisfied. It takes something memorable to tum an ordinary, satisfactory experience into something special. Either something happened that you remember as bad, or something happened that you remember as special. Dissatisfaction comes from the bad. Loyalty is generated by memorable things that happen that we didn't expect.

12.5 WHAT I EXPERIENCED IN DISNEY?

I went backstage at one of Disney's luxury family resorts. On a large wall near the cast dining room was a gigantic poster that listed seven or eight questions that determine guest satisfaction at the resort. Beside each question

was a percentage number. I assumed this number represented the percentage of guests that had indicated they were satisfied with the resort's performance on that item on a questionnaire.

What surprised me was how low these scores were compared to the scores we generally see in hospitals. The highest score was somewhere in the high 70s, while the lowest score was in the 60s. Typically in a hospital scores run 10–20 percentage points higher than that! Given my perceptions about how much easier it must be to deliver guest satisfaction at Disney than in a hospital, I was surprised, almost shocked.

I thought I must be missing something, so I stopped a person who looked like a manager and asked, "Are those the questions you ask your guests?" "Yes." 'Tm surprised at the percentages," I continued. "Is that the Percentage of respondents who say they are satisfied with your performance on that item?" "Not exactly," the person replied. "That is the percentage of respondents who said they are very satisfied. We use a five-point scale. A four means you are satisfied. A five means you are very satisfied." "Oh," I said. "I came from a hospital where we combined the threes, fours, and fives because they are all satisfied." The person chuckled. "If we did that, all our scores would probably be 99 or 100 percent, and what would that tell our employees? That we are perfect? But we are not perfect unless everyone gives us fives."

Case taken from: *If Disney Ran Your Hospital: 9 1/2 Things You Would Do Differently* by Fred Lee, 2004. Second River Healthcare Press.

QUESTIONS FOR DISCUSSION

1. What lessons can be learned from Disney's way of measuring satisfaction and loyalty and how they can be applied in a healthcare setting?
2. How the concept of loyalty can be defined in a hospital context?
3. In your opinion, what can create a very satisfying experience for patients in a hospital? What are the top drivers of patients' satisfaction in hospitals in your opinion? Relate to two tables in the text and reflect on your own experience at a hospital?
4. In what ways can satisfaction and loyalty contribute to a hospital financial performance?

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KEYWORDS

- **medical tourism**
- **medical facilities**
- **heart-valve replacement**
- **inferior medical care**
- **physicians**
- **hospitality**
- **hotel**

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CHAPTER 13

A COTTAGE INDUSTRY EMERGING IN MEDICAL TOURISM: MEDICAL CANNABIS TOURISM

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CONTENTS

ABSTRACT

This chapter examines the prospects for medical cannabis tourism where medical marijuana could find a niche as an alternative to opioid narcotic drugs for chronic pain. Medical marijuana could also become an affordable alternative to generic drugs for certain disorders. It could be a remedy for people not receiving insurance coverage and as an emergency access alternative to mitigate symptoms for a wide range of diseases with no current pharmacological remedy. Medical cannabis tourism could offer the opportunity for patients to experience an ancient healing plant, currently inaccessible in modern times, at a cost in line with other over-the-counter remedies.

13.1 INTRODUCTION

Medical cannabis tourism is a subsegment within the medical tourism industry that is fast emerging due to the softening of public opinion and loosening of laws that restrict the use of marijuana for medical patients. "Tax and regulate" is the transition from prohibition US states are shifting to and within these states, the laws can vary widely. This can force people seeking medical marijuana to travel. It can promote domestic medical cannabis tourism, it can invite international medical cannabis tourism.

Many people have not reconciled marijuana as a viable medical product yet, the idea of it being a recreational drug so deeply embedded into consciousness. To many of these individuals, the idea of marijuana being used to fight cancer and other degenerative or terminal illnesses doesn't seem legitimate and can even be offensive. Smoking weed can happen anywhere, but it is neither always easily obtained nor safe. State regulators want a high-quality item, lab-tested, and food safe cannabis option.

Finished goods from cannabis are not as easily found on the "black market," usually the buds or *flowers* of the female cannabis plant are bought and sold. However, there has been an increase in the sophistication of the "black market" over the last few years in the United States due to the influences of dispensaries throughout the United States. There is a science to producing whole plant cannabis products that have effective formulas.

Conditions that patients seeking treatment for such as cancer, AIDS, and Alzheimer's disease are the norm on most state medical marijuana programs. These serious conditions and more are on the disease list in most states. Worldwide patients have these conditions and are all waking up to the reality that cannabis is working for them, it has healing properties. Patients

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are reporting success anecdotally and have done so for thousands of years, with the last few years now coming into the mainstream. Some diseases such as anxiety, depression, and posttraumatic stress disorder are being argued for, while many neuropathic conditions are as well. Within the industry of medical tourism, this subsegment is just being established globally and is a topic of interest for inbound patients in the United States which has several states with legal marijuana where tourists can walk in and purchase. These states are Washington, Colorado, Alaska, and Oregon.

Marijuana in the United States and most countries in the world is classified as a narcotic with a high potential for abuse, more often than not falling into the category of the highest level of drug enforcement. In the USA, marijuana is still classified as a schedule 1 drug with no medical value. Despite the designation as a drug without medical use, medical marijuana is a thriving industry scheduled to approach $4 billion by 2018 in the United States alone. Currently, medical marijuana is a $2 billion business, with only 23 states having a legally taxed and regulated medical marijuana program.

In 2016, Missouri, Pennsylvania, and Florida are launching strong campaigns through ballot initiatives that will legalize marijuana. All are expected to legalize marijuana for medical use bringing the number of states to surpass 25, making more than half of the United States with a legal medical cannabis taxed and regulated system. Already Hawaii, Alaska, Oregon, and Washington have a legal medical marijuana system rendering the entire west coast legal for patients to obtain medical marijuana. Hawaii is the only state on the west coast without a dispensary for patients to obtain marijuana commercially, although patients do have the right to grow their own depending on conditions.

One of the main drivers of medical tourism in general is restricted access to specific treatments. It could be argued that federal restrictions are at the cornerstone of successful medical tourism. The inability of healthcare providers to administer certain drugs, treatments, or therapies due to the FDA gives rise to medical tourism facilitation businesses that concentrate either with inbound patients (bring patients to the United States) or outbound patients (sending patients abroad). In fact, a study conducted by qSample.com in 2012 showed that restricted access to treatment was the third most pertinent driver of medical tourist as 33% of responders cited it as a key driver after only cost (44%).

The FDA does not approve ophthalmologists to offer eye pigmentation augmentation surgery. Stroma Medical, founded in 2009, is one company located in Laguna Beach, CA which is in late stage clinical trials to conduct eye color change for all nationalities. Stroma claims that within 20 seconds,

they can begin the color transformation process which takes two to four weeks to complete. While their technology is not available for sale yet, countries such as Thailand, Lebanon, Jordan and others are prepared to offer the irreversible, $5000 surgery upon completion of the clinical trials. In the USA, the FDA believes this surgery is far too dangerous at this point.

Medical cannabis tourists often face the same dilemma, many times within states that offer a medical marijuana system with a highly restrictive disease list. In New York State, for example, only nine medical conditions are approved for medical marijuana, unless a patient has one of the approved medical conditions their only options are to turn to illegal black market marijuana which is highly accessible in New York City, to travel, or make an application to the Department of Health for emergency access. Medical cannabis tourists are often labeled "Marijuana Refugees" by national media.

There are many conditions which have shown anecdotal efficacy with marijuana that are well-documented, but these patients are excluded from access. This can drive a patient to cross state borders to procure medical marijuana in states like Colorado where marijuana is fully legal for adult use. The main issue is getting it home. In the United States, traveling across state lines with marijuana is a Federal crime known as drug trafficking regardless of whether it was purchased legally from a marijuana dispensary for legitimate medical use.

The facilitation of medical cannabis tourism is sure to become a cottage industry in the future due to the hodgepodge of global legislation where one country may have a strong medical marijuana program, such as Israel, while neighboring countries may have extremely harsh penalties as they do in the rest of the Middle East. Israel, already one of the top medical tourism destinations is well positioned to benefit from medical cannabis tourism as this market matures.

For the foreseeable future, medical cannabis tourism will continue to be driven by the North and South America, but the laws in Europe, Australia, the Caribbean, and India are already softening as people are learning very quickly that marijuana is nontoxic, virtually harmless, and treats hundreds of conditions effectively. As more clinical science becomes available on humans and biotechnology firms begin to invest in this market medical cannabis tourism is sure to become a hot media topic.

Marijuana is already being used anecdotally to treat cancer, drug abuse, diabetes, multiple sclerosis, Alzheimer's disease, inflammation, anxiety, depression, chronic pain, and many more conditions. As more and more anecdotal evidence becomes available patients will want to find a safe haven

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to travel to and try medical cannabis if conventional medicine has failed. We are going to take a look at the overall scope of this nascent industry (ArcView Group, 2015; Ben-Shabbat, 1988; Blevins, 2015; Covert, 2014; Drug Enforcement Agency, 2014; Furn, 2013;Goni, 2013; Hughes, 2014; Marijuana Business Media, 2015; Medical Tourism Magazine, 2015; Nerdwallet, 2014; Palet Secorum 2014; Poppick, 2015; Rahn, 2014; Rodman 2015; Shell, 2014; Walsh & Bennet, 2014; University of Florida, 2012; U.S. Food and Drug Administration, n.d.).

13.2 OBJECTIVE

The purpose of this chapter is to give readers a first-look at what is sure to become a topic of discussion worldwide as pain management doctors seek alternative solutions for opioid-based medicines. Narcotics have led to widespread drug abuse, addiction, and death in the United States. Many doctors have already stopped issuing opioid prescriptions. Pain management is one of many areas of healthcare where medical marijuana can be part of the healing regimen of a healthcare provider. The potential for medical marijuana across a wide range of diseases is immense, but it does face resistance from conservative parties still unconvinced of marijuana's safe and effective use by the masses. Before this business takes flight, we will address those concerns as well.

In 2014, the Obama Administration moved to restrict hydrocodone combination drugs such as Vicodan. Moving these drugs from schedule 3 to schedule 2 in the Controlled Substances Act made narcotic drugs inaccessible beyond 90 days without obtaining a new prescription. "These products are some of the most addictive and potentially dangerous prescription medications available," said DEA Administrator Michele Leonhart.

The future of medical marijuana offers alternatives to opioid-based medicines which are prescribed for dental surgery, back issues, broken bones, and more. The primary driver is the nontoxic, nonaddictive nature of marijuana. The argument of just how addictive marijuana is continues to be a debated topic by experts. The subject often takes two primary viewpoints, those who believe that marijuana is physically addictive and those who believe it is psychologically addictive. Millions of people enjoy the euphoric sensations of the drug so much they refuse to give it up, often using it as coping mechanism for low-level stress, anxiety, and chronic pain in lieu of pharmaceuticals. Millions more use it strictly to get "high," as a purely recreational substance and entire culture is formed around "stoners," people who proudly

consume marijuana strictly as an intoxicant. Herein lies one of the biggest issues facing legalization.

The anecdotal evidence available on marijuana shows efficacy for a wide range of neurological disorders, as an anti-inflammatory, even treatment for HIV, cancer, and as a bone stimulant. Despite these bold claims by patients worldwide, marijuana has strong opposition from political figures, many who are funded by corporations which could potentially be hurt by a natural plant-based medicine. As a result, worldwide marijuana laws will continue to be an ongoing battle, setting the stage for a very promising industry in the facilitation of inbound-and-outbound medical cannabis tourism.

One of the primary reasons for the prohibition of marijuana is the limited ability to patent drugs around marijuana that are as effective as the natural plant. While there has proven to be efficacy around some synthetic cannabinoids and natural plant-based formulas known as Botanical Drug Products in the USA, there is still strong evidence that natural plant-based medicines are cannabis are more effective, both in terms of cost and actual medical efficacy.

There are many social issues that are a concern to objective thinkers around cannabis, starting with the marijuana recreational culture which uses media and infused sweets to glorify the use of the psychoactive properties. Many objective thinkers and detractors of legalization are concerned that celebrity encouragement, promoted strongly through rap and rock music promotes use from people under the age of 25, when the brain is still undergoing development.

Another concern around objective thinkers and opposition to cannabis reform is the creation of "Big Marijuana," a conglomerate of large corporations creating a "closed-loop" system. These business strategies involve an integrated approach to a myriad of businesses and media channels to drive culture into a state of marijuana abuse for the sake of profits. America has seen vice companies leverage media and clever business strategies in the past with tobacco and alcohol.

The social costs of legal marijuana have yet to be quantified. Pro-marijuana supporters are known to overlook the potential for a marijuana driven culture due to its lack of toxicity, low potential for overdose, and the fact there is little to no evidence that marijuana is life threatening. Many marijuana advocates will go so far as to believe that smoking cannabis and driving is safe activity, one that doesn't warrant so much as ticket. This opinion is strongly opposed by many still; however, in some US states police do not give DUI or DWI tickets for people caught smoking cannabis and driving.

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Many countries such as Colombia, Uruguay, Israel, Czech Republic, Mexico, Canada, Jamaica, Australia, USA, Chile, Italy, and the United Kingdom are all moving to legalize marijuana for medical use offering a safe haven for medical cannabis at the local level. Few, if any, of these territories are offering a free market and legal access to travelers who use cannabis for medical use, but that could change. In the United States, there are currently laws in place that allow individuals to grow their own medical marijuana and for patients to join collectives in which they can allow a marijuana grower to produce medical marijuana on their behalf.

California has liberal laws, where a traveler, both domestic or abroad, can acquire a medical marijuana card due to the lack of regulations set forth in the state. In the state of Nevada the first concept of "reciprocity" was introduced into the legislation, making tourist hot spot Las Vegas the first true tourism destination to accept the medical marijuana recommendation cards of anyone from anywhere in the world. This highly unpublicized provision is set to make Las Vegas the world's first global hotspot for medical cannabis tourists. Regardless of whether the individual is in favor of medical marijuana or not, a cottage industry for medical cannabis tourism is developing. We will explore some of the drivers of this nascent industry, who will participate, what it means for healthcare, where it will be factor in the short and longer term, and why it has the potential for worldwide global growth.

13.3 UNDERSTANDING THE DIFFERENCE BETWEEN RECREATIONAL AND MEDICAL MARIJUANA

Recreational marijuana and medical marijuana are both marijuana but the regulations on how the program is taxed and regulated make the industries different. In the short term, there is much confusion about the difference between medical marijuana and recreational marijuana, but as more sophisticated products become available through biotechnology the blur between the two will become more clear. The US Food and Drug Administration has a drug development process starting with a NDA or "New Drug Application" for which the FDA calls an "IND"—Investigational New Drug and has made it available for drug companies to develop either over-the-counter or pharmaceutical grade products known as Botanical Drug Products. Botanical Drug Products are drugs derived from plants that have been approved by the FDA to make safe and effective medical claims. To understand the difference between medical marijuana and recreational marijuana, one needs to also learn about Botanical Drug Products involving cannabis.

Medical marijuana is a whole plant-based nutritional wellness product made under specific regulations restricted from FDA patent approval due to its federally illegal status. Due to whole-plant marijuana having a high concentration of the chemical THC, a psychoactive compound within cannabis, the plant has a high potential to make the user feel some "intoxicating" effect. Many medical marijuana whole plant products are high in the compound CBD, which actually counteracts the high effect of THC. Strains of marijuana high in the compound CBD are popular in recreational dispensaries now, but it is common that you will find more options for high-CBD products in a medical marijuana dispensary. Marijuana products can offer a broad spectrum of cannabinoids such as CBN, CBD, THCV, and other non-psychoactive cannabinoids which assist in delivering results.

The belief in whole-plant cannabis is due to what has been coined "The Entourage Effect" in a 1998 medical journal by Israeli researchers Shimon Ben-Shabbat and Raphael Mechoulam. "The Entourage Effect" was popularized in America by Dr. Sanjay Gupta in a world famous CNN documentary series known as "Weed." The concept is that whole-plant marijuana is more effective than isolated cannabinoids required by pharmaceutical Botanical Drug Products. Due to the accompaniment of the total chemical compounds in whole-plant marijuana, it is believed by some researchers that "The Entourage Effect" from whole-plant marijuana has the following advantages over Botanical Drug Products:

1. Ability to affect multiple targets within the body.
2. Ability to improve the absorption of active ingredients.
3. Ability to absorb bacterial defense mechanisms.
4. Ability to minimize side effects.
5. Ability to provide a low cost alternative to pharmaceutical drugs.

Botanical Drug Products are not whole plant extracts or flowers like medical marijuana, they are fast-tracked prescription drugs or OTC from isolated chemicals. Botanical drug products pass through a similar, albeit shortened drug approval process than a standard pharmaceutical drug. Due to the shortened process in terms of both duration and depth of clinical study, the cost to produce botanical drugs are typically 40–60% less than a standard pharmaceutical. The most common Botanical Drug Products currently available are Nabiximol and Marinol, FDA-approved drugs available by prescription through the standard process of other drugs. Cannabis has the potential to be the most widely used plant for Botanical Drug Products in the future due to the cannabinoid molecules proven efficacy. The United States

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has patented several cannabis formulations; China leads the world in this area with over 300 of the world's nearly 400 marijuana patents.

Medical marijuana isn't medicinal at all according to the US Drug Enforcement Agency, Food and Drug Administration, and many medical doctors in the United States. The schedule 1 distinction on the Controlled Substance Act specifies that the plant has no medical value with a high potential for abuse. The idea of a plant being served for medical purpose to individuals lacks scientific study; however, the access to marijuana to create these studies is highly restricted. There is only one facility operated by the United States to federally cultivate marijuana—the University of Mississippi.

The difference between medical marijuana and a Botanical Drug Product are that medical marijuana dispensaries are offering an array of whole plants, their extracts or finished packaged goods derived of these products. Botanical Drug Products are produced by pharmaceutical companies under similar protocols of pharmaceutical drugs, simply not as costly and time consuming. Medical marijuana is sold in a dispensary from a doctor's "recommendation" and a Botanical Drug Product is a prescription or OTC drug dispensed in a pharmacy through a prescription from a doctor. An example of medical marijuana may be a strain such as "Charlotte's Web" which is high in a cannabinoid known as CBD, but low in the psychoactive cannabinoid THC, from which can be consumed in its whole plant form, an extract, or a finished good derived from the extract such as an edible oil, food, transdermal patch, beverage, capsule, and many other forms.

An example of a Botanical Drug Product would be Nabiximol, a patented drug which sells under the trade name "Sativex" and is available only through a doctor's prescription. Nabiximol is a Botanical Drug Product in which isolated THC and CBD have been removed from marijuana, underwent clinical testing, and were approved by the FDA for sale in the United States nationwide under doctor's prescription. Both "Charlotte's Web" and "Sativex" are derived from cannabis although they offer different benefits. It is important to note that Botanical Drug Products need not be derived from cannabis, merely that cannabis will be a popular base for pharmaceuticals in the future.

"Charlotte's Web" has the benefit of "The Entourage Effect." "The Entourage Effect" is used to describe the interplay of the 400+ known chemicals, many of them unique to the genus of cannabis on how they impact bioavailability and act on numerous targets within the body. One benefit of a product such as Sativex is that it is an FDA approved substance. Sativex has undergone safety and efficacy testing, with a consistent proven dose free of

any unwanted chemicals, and free radicals. The patient will know all of the ingredients in precise metered dosages, how it interacts with other drugs, and will have the drug's clinical studies to review before consumption. Botanical Drug Products have the support of the Drug Enforcement Agency, unlike medical marijuana or the concoctions and decoctions associated with it.

Despite resistance from the US government, anecdotal evidence is coming forward from the media with people claiming to have been cured or substantially relieved from their conditions across a wide range of life threatening and chronic conditions. The National Institute of Health has published positive records of the anecdotal evidence across many different health segments from the National Institute of Drug Abuse to the National Cancer Institute supporting medical marijuana's effective results.

Many doctors are still wary, many saying that not having a highly regulated system leaves the door open to charlatans, safety, and efficacy being a major concern. Patients argue that those protocols violate human rights to self-medicate with a natural plant and drive up the cost of medicine making a relatively inexpensive therapy prohibitive to patients who cannot afford a pharmaceutical grade version of marijuana approved by the FDA. In November of 2015, both Canada and Mexico have agreed to legalize marijuana to make it accessible to all citizens citing it as a human rights issue. The USA is still grappling with national marijuana reform at the Federal level.

As time passes, the confusion between recreational and medical marijuana will become more clear as recreational products will tend to focus on the psychoactive properties of THC and less in the medical capacity. The antipsychotic effects of CBD work against THC, but at the moment a high demand of high-CBD strains and products exist in recreational dispensaries due to the amount of tourists seeking access for medical use. As medical marijuana programs expand in each state to include more states and more conditions, less CBD will most likely be available in recreational stores due to consumer demand being driven to a wider selection of consumer branded cannabis from marijuana cigarettes, vapor oils, edible products, and innovative trendy methods of consumption of extracts.

13.4 UNITED STATES LEADING THE WORLD IN MEDICAL CANNABIS TOURISM

In the United States, there are several factors which have set the nation up for very strong medical cannabis tourism program beyond that of any other

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country. The governance of the United States 50 US states and 560 plus Native American sovereign states offer a wide variety of alternative access to marijuana in the long run. Currently, Washington DC has fully legalized marijuana offering travelers to the nation's capital the ability to have marijuana on their person legally. Washington DC allows the cultivation of marijuana and has a strong medical marijuana program. There are four states in Colorado, Alaska, Oregon, and Washington which have legalized recreational marijuana, giving access to marijuana for adults over the age of 21. Marijuana in its plant form is not necessarily any different from recreational to medical, with some slight exceptions. These states allow citizens to cultivate.

Any state which offers cultivation of marijuana has opened up treatment opportunities for people known in the media as "Marijuana Refugees." A "Marijuana Refugee" essentially is someone who has moved for an extended period of time to gain treatment by the use of legal marijuana. Many families have uprooted themselves or split apart in order to gain legal access to medical cannabis.

While this form of tourism is not the typical model of medical tourism, to which a specific resort is built specific to the treatment of a patient. The reality is that most families are coming for a short time, staying in hotels, renting cars, and doing their treatment in locations they find interesting. According to Marijuana Business Daily, the industry's leading news website since January 2014, 53% of all cannabis businesses have become operational so there hasn't really been enough time for the business of Medical Cannabis Tourism to truly take off.

At this stage, there are many marijuana dispensary owners that are providing anecdotal evidence through the media that people are traveling worldwide to their stores to gain access to marijuana for medical purposes. We have seen a Holiday Inn in Denver Colorado sue the state of Colorado due to the marijuana smoking in their hotel from tourists seeking access to medical marijuana. In February 2015, a tourism destination in Colorado known as Igadl, LTD opened, a massive tourism and cultivation facility was built specifically for marijuana tourism.

Interestingly enough, in late 2014, US Department of Justice put out a memorandum to the 560+ federally recognized Native American tribes to allow them to grow and cultivate marijuana on their reservation with certain caveats. None of the First Nations actually requested this permission and few were prepared to address the idea of marijuana reform on their reservations. Few of the Nations moved forward, with fear and indifference being a major factor as reported by several news sources. Still the opportunity to

grow tax-free marijuana and hemp on the reservation is one that some tribes are looking to exploit. There are some restrictions that limit their viability, however, starting with the provision that all cannabis must be *produced and fully consumed* on their territory. That said, opportunities for medical facilities such as drug rehabilitation, wellness centers, and resorts that all offer medical marijuana tourism make the First Nations an attractive opportunity for sustainable economic development, particularly those in more desirable travel destinations.

Colorado has provided the most tangible data on medical cannabis tourism, it has essentially become the "Silicon Valley" of marijuana to the tune of $700 million in tax revenue its first year and over $100 million per month in 2015. In certain towns in Colorado, such as Crested Butte, marijuana has been a main tourism driver, for example the town of only 1600 is supported by four dispensaries. Hotels.com reported a 73% year-over-year increase among shoppers hunting for rooms during the time period of 4/20/14 a well-known "marijuana holiday" amongst advocates and activists. From January 1st–July 31st year-over-year room searches at Hotels.com were up by 37% for Denver and up 17% across the whole state of Colorado.

According to National Geographic, a dispensary owner in Southern Colorado claims that upward of 80% of his sales comes from tourism with most visitors being from Texas, Utah, and Kansas, three states with highly prohibitive marijuana laws. How much of that is medical is unknown. Many patients were quoted in the National Geographic article with one terminally ill tourist claiming that medical marijuana "saved his life." With strong anecdotal evidence such as this in highly publicized media, there is no doubt as legalization continues a medical cannabis tourism will become a more studied field.

At the end of 2015, Colorado Tourism Office released a study commissioned to figure out the impact of marijuana tourism in general. Although they did not isolate medical from recreational tourism, the results were notable. Surveys conducted in October and November 2015 indicated that marijuana laws had influenced summertime tourism 49% of the time. Of the 49%, 22% of that number responded that marijuana "extremely influenced" their decision to travel to Colorado. Twenty percent of the 49% of affirmative responders responded "very much influenced their decision" and the remaining 7% chose marijuana "somewhat influenced" their decision. Colorado spent $5.3 M in tourism advertising in 2014 and drew 2.1 M tourists which had an economic impact of $2.6 billion.

Washington State has also been impacted by marijuana tourism. During July of 2014, the month that Washington State legalized cannabis, Hotels.

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com reported hotel searches increased by 68% year-over-year. When recreational marijuana went legal in July 2014 year-over-year room searches were up 29% for Seattle and by 11% across the whole state. It's clear that regardless whether it's in the Midwest or Pacific Northwest, medical marijuana is a driver of tourism and accessibility is all that is needed to create viable market. Whether or not the growth in these numbers are due to medical cannabis tourism or simply standard tourism is hard to discern and no data is available to substantiate what percentage of this growth is medical, but there is enough anecdotal evidence driven through the media on "Marijuana Refugees" to warrant further review.

The ArcView Group is considered the #1 venture capital group in the marijuana industry and they have predicted that 25 states will have some form of marijuana legalization by 2016 making legal cannabis cover half of the United States.

13.5 THE INTERNATIONAL LEGALIZATION LANDSCAPE

The importance of global acceptance for medical cannabis cannot be overstated if patients and caregivers want to have the best alternatives to treatment. Cannabis is unique because the proprietary chemicals created by the plant vary widely from strain-to-strain, grower-to-grower. The applications created as finished goods are crafted with unique processes. Some nations have thousands of years of ancient medical cannabis research in old texts such as Azerbaijan, Uzbekistan, China, India, and Morocco. These ancient texts and processes could become very valuable in the future medical cannabis laws loosen up internationally. There has been legislation written by Czech Republic, the state of Hawaii, Israel, and others that all for the import and export of marijuana; however, no one has been lawfully importing or exporting the drug yet.

When cannabis laws open up internationally, the import and export of cannabis-based medicines will be a business that will also impact medical cannabis tourism to be sure, but time will tell how long it will take to get there. There is little question however that unique healing medicines will be needed to treat certain ailments and a market for specific cannabis-based medicines will expand far beyond the borders of a given state. Interstate and international transport of the medicines made from cannabis are going to fuel legalization as anecdotal evidence of successful cannabis medicines hits the internet.

One example of a well-known cannabis medicine is "Charlotte's Web," a strain of marijuana known for helping children with epilepsy. "Charlotte's Web" received international stardom for the success of many children in Colorado, yet this medicine is unavailable outside of Colorado at the moment and it has driven many families to relocate or visit Colorado to get access to this unique strain of marijuana and it's rare cannabinoid profile which doesn't create a high, but has proven successful to help some children with their epileptic seizures. If state and international laws were to loosen, then "Charlotte's Web" could be shipped to any state or nation which has an import/export policy and regulations on medical marijuana.

International cannabis laws are changing all over the world and some countries are even looking at reforming UN treaties which prohibit the international import/export of medical marijuana. Medical marijuana is becoming a phenomenon of an industry legislatively, with some countries legalizing it and seeking a first mover advantage while many others are lagging behind taking a wait and see approach. Under the international laws and treaties signed by all parties of the UN all nations party to the UN have agreed to restrict the use of cannabis to legitimate scientific and research purposes. All UN parties were required to make marijuana a controlled substance. The UN has already threatened the United States for its policy changes leaving in question if the UN will ever condemn the marijuana legalization initiatives or if they will amend the treaties.

The UN conventions that solidified these agreements were the 1961 Single Convention on Narcotic Drugs as Amended by the 1972 Protocol, which prohibited the production and supply of narcotics which focused on cannabis; the 1971 Convention on Psychotropic Substances which added more controlled substances, and United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances in 1988 which gave further mechanisms for enforcement.

These controls are now being tested as countries are seeking expansion with medical marijuana. Australia, United Kingdom, Canada, Mexico, Uruguay, United States, and Israel are just a smattering of the nations that quickly went from demonizing cannabis to promoting the idea of a taxed and regulated marijuana market. The medical marijuana produced within these nations will end up having appeal worldwide as companies begin to develop products that come from unique strains and manufacturing processes. For example, a product in Israel for oral mucosal delivery of a cannabis extract could be in high demand in a place such as Australia and the export of this product from Israel could be a possibility in the future as these UN treaties are loosened or lifted.

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It is clear that cannabis reform will take time to spread across the globe however as more territories see the amount of tax money coming from this business it will be difficult for nations to ignore the allure of the revenue. In the long run, it is possible every nation will have access to medical marijuana and a wide variety of finished packaged goods after they see that the benefits outweigh the costs. Hospitals will dispense medical marijuana as a low-cost alternative to pharmaceutical drugs which cost far more to produce, reducing or in some case eliminating the costs of unpaid medical expenses derived from expensive opioid pain killers that could have been replaced with medical marijuana.

It is the prohibition of marijuana in countries in the Far East in such places like Singapore, in the Middle East in countries like Dubai, and in Africa in places like Nigeria where people have wealth where outbound medical cannabis tourism may thrive. It is well documented that cannabis is providing relief for many conditions that are serious by which pharmaceuticals have no answer for. Citizens in these countries with oppressive laws will eventually learn of the anecdotal evidence happening worldwide and seek to try medical marijuana, as the laws in their nation could be so severe they would land them in jail for an extreme length of time.

In Dubai for example, one gram of cannabis could lead to 4–5 years in jail for basic possession. A medical patient in need of consistent cannabis to treat epilepsy could end up in the penal system for their legitimate medical use. Moreover, marijuana found on the streets of these countries may be of a certain quality, but without a taxed and regulated system allowing for the manufacture of specific strains and finished packaged goods, patients will be limited to cannabis more often than not that is high in the THC, but no CBD. Medical marijuana often is only effective for certain conditions when high concentrations of the CBD exist. These strains do not produce a strong "high" so street level drug dealers have minimal market for them.

Some nations have a long standing, ancient cultural history with cannabis, for example, India and Nepal are known for their Ayurvedic therapies (or natural medicine). Both nations historically listed cannabis in their top 5 most frequently used herbs to make these therapies. Over the years, cannabis was removed from these lists due to the prohibition, but historical record proves cannabis was in fact a sacred healing plant.

Other nations such as Swaziland are known for a popular strain such as "Swazigold," a pure sativa strain offering unique properties derived from a rare soil, or Morocco which is known for its hashish, and Turkey also well known for its proprietary hash blends. As the markets for medical marijuana mature these international products will be available for import/export for

legitimate medical or scientific use. They will not be patented or approved by any governing body, but they will offer the world a holistic natural alternative to expensive drugs. Long before the globe is importing/exporting medical marijuana, medical cannabis tourism will be the answer.

As medical tourism grows globally, medical cannabis will grow with it as a way to save self-funded insurance plans money. It is entirely possible that self-funded health insurance will restrict certain drugs and/or procedures for certain conditions. For example, employers who provide their own health insurance may provide a program that only includes medical marijuana and not any pharmaceutical drugs. Self-funded employers may provide a mix of medical marijuana and some pharmaceutical drugs, and finally they may provide a healthcare plan that provides both medical marijuana and all pharmaceutical drugs. There are many configurations of self-funded health insurance programs, adding a medical marijuana component simply adds more possibilities.

Some employers may not provide any medical marijuana at all in the future, just as some employers may continue to drug test for marijuana long after it is legal. The cost of these medical marijuana products figure to be far less expensive as supply increases. In 2015, the market price in the United States ranges from $15–20 per gram and experts agree that as prohibition comes crashing down the price is scheduled to be reduced as low $1 per gram. This has already been proposed by the President of Uruguay to offer medical marijuana at only $1 per gram, at that price medical marijuana would be an easy sell to patients looking for an affordable and natural approach to pharmaceutical drugs and an attractive incentive for self-funded insurers to consider folding into their programs.

Making medical marijuana available through the same or similar means as pharmaceutical drugs is unlikely however, as these products are not FDA-approved products. The Botanical Drug Products coming to market, such as Nabiximol, as mentioned earlier would be covered under many insurances because they are FDA-approved drugs. Insurance and healthcare are two things that are intertwined so it seems as if the medical cannabis tourism facilitators will want to address these issues with their patients in the beginning and set the proper expectations.

If there are no insurance companies to provide medical marijuana, then the currency conversion from the local currency of the patient will need to be compared to the foreign currency where they will be traveling for treatment to determine the cost of medical marijuana as part of the treatment. For example, an American traveling to Thailand for medical tourism may find

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a medical cannabis resort offering medical marijuana on a cash-only basis, but the cost may be very low compared to the medical marijuana in Europe where the Euro is stronger than the Thai bhat. These factors can be a great driver of medical cannabis tourism for self-funded insurers to drive down insurance reimbursements even further than they are in the present.

13.6 FUTURE PREDICTIONS FOR THE MEDICAL CANNABIS TOURISM INDUSTRY

Despite opposition to the legalization of marijuana by conservative groups the outlook on medical cannabis tourism remains strong. Driven by scientific and anecdotal data becoming more available each week, we are finding that many of the narratives used to keep marijuana away from people were not founded on science but by conjecture. People are finding that the damage enforcing prohibition to people are more damaging than drug use itself. There are financial interests in legalizing marijuana that are powerful and seek to control the various markets. Special interest groups are forming to lobby politicians to bring forth marijuana legislation and countries will continue to seek ways to meet the interests of all of the parties involved without hurting the existing businesses and political organizations profiting off of prohibition.

We believe that medical marijuana will find a comfortable niche as an alternative to opioid narcotic drugs for chronic pain. Medical marijuana could also become an affordable alternative to generic drugs for certain disorders. It will be a remedy for people not receiving insurance coverage and as an emergency access alternative to mitigate symptoms for a wide range of diseases with no current pharmacological remedy. Medical cannabis tourism offers the opportunity for patients to experience an ancient healing plant, currently inaccessible in modern times, at a cost in line with over over-the-counter drugs.

According to the Medical Tourism Association, health insurance companies are hiking premiums by as much as 40% or greater since the passing of the Affordable Care Act known as "Obamacare." This has left middle income Americans watching their cost of healthcare and the drugs that accompany them increase as well. Nearly 10% of all household income now goes to pay premiums and deductibles. In other words, obtaining health insurance does not guarantee the ability to pay for care. Non-elderly Americans with private insurance coverage do not have sufficient funds to pay even a mid-range deductible. The costs of medical marijuana are affordable and can help

to provide an alternative for these medications, many of which may not be effective or have serious side effects.

Employer-sponsored plans, from which 2/3 of Americans receive their healthcare coverage have been the hardest hit. The rise in healthcare costs and a better understanding of the benefits of medical tourism have started to gain traction with US companies. With that in mind legislative initiatives aimed at providing a hospitable legal landscape for medical tourism, both inbound and outbound is beginning. Medical cannabis tourism is sure to benefit all of the above factors.

We believe as higher insurance premiums continue, higher pharmaceutical drug expenses will follow, favorable legislative changes are already happening to invite a taxed and regulated medical marijuana industry. Combine these environmental factors with an increase in marijuana supply (which will drive down price as low as $1 per gram), scientific and anecdotal evidence proving effective across hundreds of conditions in dozens of countries, and the loosening of marijuana laws in some geographic territories, while others lag far behind all create compelling drivers for worldwide growth of the medical cannabis tourism industry in 2016 and beyond.

KEYWORDS

- **medical tourism**
- **medical cannabis tourism**
- **marijuana refugees**
- **CBD**
- **THC**
- **entourage effect**
- **botanical drug product**

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PART III

Case Studies and Best Practices in Hospitality Bridging Healthcare

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CHAPTER 14

NEW INNOVATIONS IN MEDICAL TOURISM AND WELLNESS IN EUROPE: SWITZERLAND

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CONTENTS

ABSTRACT

This chapter describes a comprehensive state-of-the-art medical tourism resort in Switzerland. It is a unique design concept that includes hotels, medical treatment facilities, rehabilitation spa, and thermal baths in one beautiful setting in the Swiss Alps.

Hospitals and luxury are two words that do not seem to go together; or do they? In a recent trend where medical recovery meets the comfort of a luxury hotel, the idea of "Hotels Bridging Health Care," known as H2H, is gaining ground.

A mixed-use concept, H2H creates a new and innovative business model for entrepreneurs to fulfill the unmet needs of patients and their families; all achieved in a hygienic, complementary, and friendly environment that provides quality accommodations, upscale treatments, and state-of-the-art wellness centers.

"Medical tourism is a way for medical facilities to differentiate themselves from their competitors," said Fred J. DeMicco, Aramark Chair and Professor in the University of Delaware's Department of Hotel, Restaurant and Institutional Management. "Being able to stay and be pampered at the same place you are curing your ailment is the way many people with medical issues will want to go in the future."

"A case in point," said DeMicco, "about 75 percent of all hospital services today are hotel and hospitality-related services."

In the recent economic downturn, hotels closely connected to hospitals appeared to be recession proof, which likely results from the appeal of completing a medical procedure and having a vacation at the same time.

"Price is a real attraction," said Ali Poorani, Associate Professor of UD's HRIM program and Director of Hospitality Associates for Research and Training. "The cost of surgery in India, Thailand or South Africa can be one-tenth of the rates in the United States. A heart-valve replacement that could cost $200,000 or more in the U.S. goes for approximately $10,000 in India, and that includes round-trip airfare and a brief vacation."

DeMicco added that as US accrediting bodies recognize many healthcare facilities overseas, more corporations and insurance companies are paying for medical travel abroad.

Drs. DeMicco and Poorani have been watching the growth of H2H worldwide and are situating the program at UD to play a key role in expanding the concept. Over the past three years, DeMicco and Poorani have joined Kathleen Matt, the Dean of UD's College of Health Sciences, and have held roundtable discussions on H2H, spas, and wellness. The discussions have

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brought together constituents from Delaware's Health Care and Hospitality communities in an effort to share information and ideas about the alignment of the H2H concept with potential plans for UD's Science and Technology Campus.

Building upon the roundtable, as well as research by DeMicco and Poorani, HRIM held a conference on Hotel, Wellness and Medical Tourism Entrepreneurship to be held at The Grand Resort Bad Ragaz, a top medical tourism model near Davos, Switzerland. The interdisciplinary conference involves several UD departments. Conference sessions include an overview of medical tourism today and the future and concept of H2H with wellness spas. It also includes panel presentations and discussions on the operational model of The Grand Resort Bad Ragaz, the branding of cities and towns for medical tourism, financial and investment issues, potential infrastructure and legal issues, and the impact of communication on doctor/patient relationships. Students from HRIM, the Lerner College, and Nutritional Health Science will be returning June 2015.

14.1 THE GRAND RESORT BAD RAGAZ

The Grand Resort Bad Ragaz is a unique well-being destination defined by the seamless integration of healthcare and luxury and is a leader in the H2H concept that bridges resorts with medical facilities. Located in Switzerland, the resort is part of the epicenter of medical tourism, rooted in the nation's century-old reputation for high-quality healthcare and exquisite service. The Grand Resort Bad Ragaz, has a long-standing experience in the care of convalescent patients, who have been using the therapeutic and healing thermal water from the nearby Tamina Gorge to relieve their complaints for centuries. According to Peter Tschirky, the CEO of The Grand Resort Bad Ragaz, the resort has roots in medicinal hot springs that were discovered in 1242. Today, the hot springs have become a luxurious spa experience known as the Tamina Therma; a 7300-square-meter area of restaurants and shops that also includes a whirlpool, recliners, waterfall, current channels, outdoor pool, steam bath, and sauna.

The Grand Resort Bad Ragaz Group has continued this tradition in their Medical Health Center, founded in 1957, for the areas of outpatient diagnostics, prevention, therapy, and rehabilitation. Making history once again, The Grand Resort Bad Ragaz Group is setting an important milestone for rehabilitation treatment in Switzerland. In the newly opened Clinic, The Grand Resort Bad Ragaz patients can benefit from a unique combination of

first-class inpatient rehabilitation and exclusive five-star care services. The inpatient rehabilitation department, located on the first to third floors of the Spa Suites, is composed of 26 beds that can be adapted to meet patients' needs.

The "Grand Resort Bad Ragaz Clinic—The Finest Art of Rehabilitation" comprises the following areas of inpatient rehabilitation:

- Musculoskeletal Rehabilitation
- Internal Medicine Rehabilitation
- Psychosomatic Rehabilitation (from 2015)

In addition, a number of doctors from the following areas of medicine are available to patients at the Medical Center:

- Check-up Diagnostics
- Rheumatology, Orthopedics, & Rehabilitation
- Internal Medicine, Pneumology, & Nephrology
- Nutrition, Workout, & Metabolic Optimizing
- Movement, Sport, & Performance
- Mental Health
- Dermatology
- Dental Health & Implantology
- Gynecology
- Ophthalmology
- Complementary Medicine

14.1.1 FEATURES OF THE GRAND RESORT BAD RAGAZ CLINIC

- Rehabilitation combined with a comprehensive, optimal, and individually tailored service—all under one roof.
- Interdisciplinary collaboration between the individual medical specialists, care staff and therapists provides an optimal framework for rehabilitation. Qualified care staff guarantee personal, 24-hour care that takes the patient's individual needs into account.
- Patients can take breakfast, lunch, and dinner in their room or in one of the five restaurants of the Grand Resort Bad Ragaz—three menus are available daily, one of which is based on the resort's own culinary health brand "Cuisine Equilibree."

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- 18 luxury Spa Lofts with spacious balconies and running thermal water are optimally tailored to the needs of patients undergoing inpatient rehabilitation.
- Direct access from the Clinic Bad Ragaz to the Tamina Therme, a place of relaxation and recuperation. Patients also have access to all thermal water and sauna facilities in the 36.5″ Wellness & Thermal Spa.
- An additional person can be accommodated in the same room for a discounted price and also make use of all the facilities in offer at the Grand Resort Bad Ragaz. Two golf courses and four tennis courts are available in addition to the 36.5″ Wellbeing & Thermal Spa.

The benefits for patients are clear; thanks to the highly qualified medical team and the professional treatment and care teams, every patient is guaranteed optimal, individual, and lasting rehabilitation.

The Grand Resort Bad Ragaz has continued proving to be the perfect location for the conference, as all who attended took away new and exciting industry information. Tschirky believes the "Hospitel" concept—a concept represented by a combination of the words hospital and hotel—will grow in the future. "Prevention is less expensive than treatment," he said. Certain insurance companies are even starting to cover stays at these luxury wellness retreats. Yet, Tschirky also claimed "that good is not good enough anymore" when it comes to competition. The Grand Resort Bad Ragaz Wellness and Medical Health Center strives to be on the industry forefront and remains steadfast to its four core values, the four steps to excellence—respect, progress, passion, and sustainability.

"This marks the sixth year returning to The Grand Resort Bad Ragaz with UD to study health and wellness and medical tourism," said DeMicco. "This is a growing field for our UD graduates, as hospitality, food and wellness are at the forefront of many consumer lifestyles."

"If you want to design your future, you must know your history," Tschirky told the students. He also encouraged the students to take ownership of their career path. "Have knowledge of your field, love what you do, learn as many languages as you can, travel the world as much as possible, plan your career carefully, and if you're not happy, change it."

Elana Berk, an HRIM major studying abroad, said students had the privilege of listening to The Grand Resort Bad Ragaz CEO and President, Peter Tschirky, giving a passionate speech about his professional journey and the future of The Grand Resort Bad Ragaz during a one-day seminar. "We had the chance to take a dip in the natural thermal hot springs that have supposed

medicinal qualities," Berk said. "I believe patients can really benefit when they are placed in a soothing, relaxing environment rather than the typical antiseptic, cold environment of most hospitals."

Peter Kappert, president of the Swiss Leading Hospitals association, also spoke to the students during the one-day seminar and discussed the high demand for hospital managers. He explained that hospital managers will increasingly play an important role in improving the field and the quality of service. DeMicco agreed.

"Our graduates will be managing directors and general managers of these blended hospitality and wellness 'campuses' – as medical tourism/travel continues to expand across the globe," said Fred DeMicco, a professor at the University of Delaware.

"Our prediction is that health and medical tourism will mature even faster than in the past three decades that culminated the rise of the hotel industry, mainly due to today's sophistication in operations, system design, brand strategies, technology, and the like," said Ali Poorani. "This will require expertise and working seamlessly together."

A case-in-point, Switzerland has been able to engineer The Swiss Leading Hospitals, one of the top health clusters in the world, bringing more than 27 influential hospitals, clinics, intermediaries and resorts to create synergy between top hospitals and quality infrastructure that serves the needs of medical travelers to Switzerland.

While discussing the trend of H2H, Mr. Kappert said, "it could be easier here [Switzerland] because a smaller system means more personalized and a better position to have those important details." This is why Switzerland is often the first choice for treatment of serious diseases. The Swiss hold high standards for themselves, getting the job done efficiently and extremely effectively which leads to their very prestigious reputation.

"There is a great need for incorporating the expertise of hospitality professionals to medical tourism and there is a need for more hospital management schools/ majors," said Kappert, who explained the need for hospital managers is high, and when filled will help improve the field and quality of service in these establishments. "The Swiss Leading Hospitals coordinates services, such as hotel accommodations, visas, family matters, and even entertainment."

The continued expansion of medical tourism and hospitality in Switzerland are further defining the multitude of benefits the country will provide as a hospitality leader. For example, not only can Swiss resorts offer medical treatments, they can also offer high professionalism, room accommodations, and advice regarding excursions. Furthermore, they can help provide

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interpreters for translating. Patients will be able to experience the beauty of Switzerland, its scenic nature, and its well-developed facilities.

Hospitality students do not need to be deeply informed about the medical field, but they should learn how the medical and hospitality fields relate and what opportunities they have when combined. Clinical and hospital manager positions are openly available for graduates. If hotels bridging healthcare continues to grow, there will be a need for qualified hospitality graduates. Therefore, adding a medical tourism aspect to the hospitality and hotel school curriculum would be a good investment.

14.1.2 THE GRAND RESORT BAD RAGAZ, SWITZERLAND PHOTOS

Comfortable, stylish, and modern guest room.

Spa bathroom in guest room.

Fine dining food and service.

Tamina Therma spa.

Private spa.

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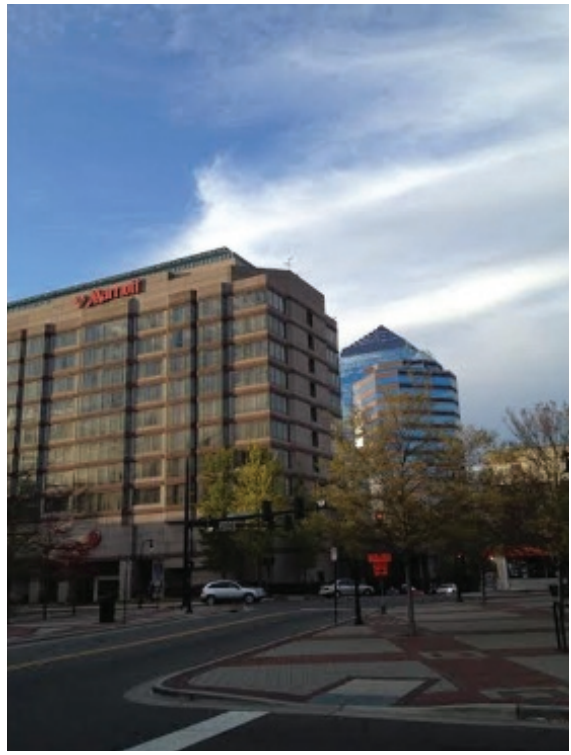
Restaurant Bel-Air, one of the eight restaurants at The Grand Resort Bad Ragaz.

Resort golf course.



At Duke University Medical Center—Medical Tourism with a Shaner Hotels owned and managed Marriott Hotel in Durham, North Carolina, USA.

KEYWORDS

- **hospitals**
- **luxury**
- **medical recovery**
- **hotel**
- **resort**
- **medical spa**
- **healthcare**

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CHAPTER 15

BEST "EXPERIENCE" PRACTICES IN MEDICAL TOURISM

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CONTENTS

ABSTRACT

The principal objective of this chapter is to demonstrate the best practices in the rising trend of H2H and Medical Tourism. The concept of "Experience Economy" expedites the merging process of hospitality and hospitals: patients are also travelers now whose needs are not merely commodity type of medical care anymore but a memorable well-being experience. Moreover, H2H optimizes the process of realizing excellent care, which serves as the fundamental reason for tourism industry. In the section of "Best Practices in Medical Tourism," "Christiana Care Way," "Starwood Five Human Truths," and "H2H packages" in Switzerland are selected to show how patient/guest experience can be made more interactive and less transactional. Therefore, although H2H demands the considerable collaboration from all parties involved in order to ultimately present the excellent care customers, tourists, and patients want, it carries tremendous opportunity for hospitals, hotels, Spa, restaurants, transportation, and more.

15.1 CURRENT TREND

With the development of technology, transportation, and global economy, many tourists have begun traveling to other destinations for medical or health and wellness services. This process is called Medical Tourism, also known as healthcare tourism or wellness tourism (Medical Tourism Association, 2016). In 2007, an estimated 750,000 Americans traveled abroad for medical care with $2.1 billion spent overseas for care (Deloitte LLP, 2009). According to the results of an online Survey of more than 3000 Health Care Consumers conducted by Deloitte Center for Health Solutions (2009), almost 39% said they would go abroad for an elective procedure, if they could save half the cost and be assured quality was comparable. About 88% said they would consider going out of their community or local areas to get care/treatment for a condition, if they knew the outcomes were better and the costs were no higher there.

In 2008, more than 400,000 non-US residents sought medical care in the United States and spent almost $5 billion for health services. Inbound tourists are primarily from the Middle East, South America, and Canada. The most common treatments sought by inbound medical tourists included oncology (31.69%), cardiology (14.17%), and neurology (11.75%), followed by "other" specialties (Stackpole & Associates, 2010). In the

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research titled as Asia Medical Tourism Analysis and Forecast to 2015, Asian medical tourist number of arrivals is expected to cross the figure of 10 Million by 2015 and the market value in 2011 is expected to double by 2015; three countries—India, Thailand, Singapore—are expected to control more than 80% market share in 2015. Many other countries in Asia like Malaysia, Philippines, and South Korea are all keen to make traveling abroad for medical treatment a growth industry within their own economies (Renub Research, 2012).

15.2 MACRO ENVIRONMENT: THE EXPERIENCE ECONOMY

In the modern world, an increasing number of businesses are moving away from the traditional commodity, goods, and service model but are becoming more experience-driven. B. Joseph Pine II and James H. Gilmore first introduced "The Experience Economy" in 1999. What many hospitals fail to realize is that patients are also customers, and these customers are charged for the well-being they get by being engaged in an experience economy (Pine & Gilmore, 2011). The medical care institutions are expected to offer travel, lodging, spa care, and even fitness classes in order to cater to their patients' needs. The goal for the process of the medical care is evolving from transactional care to a transformational experience in which customers/patients receive health benefits, not limited to medical care.

15.3 GOAL OF H2H: EXCELLENT CARE

What are the key components of a fond healthcare experience? When it comes to medical tourism, the success of medical care obviously is one crucial determinant. Unfortunately, the patients and customers will not credit the well-done treatment coming with unpleasant customer service as excellent source of care. Moreover, as one of the most distinctive icons in the service industry, Disney has provided a convincing list summarized by Dr. Lee in his book *If Disney Ran Your Hospital*: initiative, teamwork, empathy, courtesy, and communication (Lee, 2004). Based on the Disney model, six major factors should be considered necessary for realization of excellent care in medical care settings. To be more illustrative, the graphic model for medical care can be created as below:

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Professor DeMicco, F
Mengyu Li Nov 30 2013

Successful medical treatment serves as the primary goal of medical tourism. It is the core competency of hospitals while a hospitality team has expertise in customer care. Both teams have competitive methods to reinforce their core competence and enhance their strengths. However, the greater success in medical tourism is to align these two core competencies from both parties. Productivity and efficiency can be maximized by the alignment. Also, success in medical treatment and memorable customer care are compensating each other to deliver excellent medical tourism experience.

For example, the majority of patients will not highly praise their healthcare experiences simply because the health institution is able to deliver successful medical treatments. It is likely that there are a handful of possible other institutions that can achieve the same result. However, H2H that is composed with medical staff, hoteliers, spa staff, personal trainers, and other well-being facilitators can significantly differentiate the healthcare institution from conventional ones. Since the expertise of customer care can complete and strengthen the circle of true care for patients' overall well-being, having a strong hospitality team inside the healthcare organization is a substantial competitive advantage. This H2H process bridges the gap between the successful medical treatment and excellent care perceived and experienced by patients. As an expert and pioneer in the field of bringing hospitality to hospitals, Dr. Lee summarized the rest of the five factors that define the excellent care performed by Disney (Lee, 2004).

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Initiative	Sense people's needs before they ask
Teamwork	Help each other out
Empathy	Acknowledge people's feelings
Courtesy	Respect the dignity and privacy of everyone
Communication	Explain what's happening

15.4 BEST PRACTICES IN MEDICAL TOURISM

15.4.1 CHRISTIANA CARE WAY

Christiana Care has been recruiting a team of volunteers who act as Ambassadors and Greeters during recent years. In orientation training, Rose Wessells, a Volunteer Services manager at Christiana Care Health System, told a memorable personal story that explicitly demonstrates the excellent care Christiana Care provided to her family. This story also carries a promise that is the Christiana Care Way: "We serve our neighbors as respectful, expert, caring partners in their health. We do this by creating innovative, effective, affordable systems of care that our neighbors value" (Christiana Care Health System, 2016).

When her mother was very ill, a lovely nurse was taking care of her in Christiana Care hospital. When Ms. Wessells first met the nurse, she was soon impressed by her attentiveness and thoughtfulness. The nurse would ask questions about how would her mother like her to leave the door. She was always taking initiative and showing courtesy to Ms. Wessells' mother and her. There were days that the daughter was so worried about her mother's condition. However, after one event had taken place, the daughter became confident that her mother was going to recover from the illness with the help of the excellent care team onsite.

On that day, she had a pleasant conversation with her mother's nurse and was comforted by her kind words and excellent care. After visiting her mother, Ms. Wessells went to the cafeteria to have lunch. While she was taking her dishes, the nurse suddenly ran to her and anxiously explained to her: "I am taking my lunch break now for about ten minutes, and my colleague Nancy is taking good care of your mother as we speak. I saw you are having lunch here. I want you to know that your mother is taken care of, and you do not have to worry when you see me here." Ms. Wessells was grateful for the communication initiated by the nurse. She felt that there was a team providing excellent care for her mother not just one nurse. When one

nurse is occupied, there are more team members to take initiative and ensure the coverage for the patients' needs. The nurse showed her great empathy by anticipating her being worried before Ms. Wessells even saw her.

15.4.2 STARWOOD FIVE HUMAN TRUTHS

In this touching story, the nurse has demonstrated what excellent care should be. Her kind words exemplified the Five Human Truths developed by Starwood and practiced in their hotels as the graph demonstrated below:

The nurse showed Ms. Wessells that she is understood by her anticipatory empathy. The explanation that the nurse gave made the patient's family feel special that the patient's well-being was important to the care providers. Because of that, they can still have more control over their lives when battling with diseases. Consequently, the success rate can be increased and the patients can better reach their potentials. In the long run, the excellent care will be the reason for patients to come back to enhance their well-being; they feel belong to the particular medical institution among all options.

15.4.3 H2H PACKAGE

The diversity of patients is obvious at Christiana Care that they receive guests not only from the local area, but also other countries. The multilingual Ambassadors/Greeters can assist with translating for the patients. Also, the hospital

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has gift shop named the Glass Box available for the convenience of visitors and patient families. Christiana Care demonstrates the other trend of H2H that hotels offer special rates for the patient family or visitors during hospital stays. There are a variety of hotels for them to choose from: Embassy Suites Newark, Courtyard by Marriott, Sheraton, Blue Hen Bed and Breakfast, Days Inn, etc. The documents from the hospital can reduce the cost of their stay by 10–15%. These guests are welcomed to enjoy the spa, swimming pool, and in-room dining facilities during their hotel stay as well.

15.5 REFLECTION BASED ON H2H WORK EXPERIENCE

This experience of working at a hospital provides me with a different perspective on medical tourism. When patients arrive medical care institutions, especially from overseas, they are much more vulnerable and sensitive than a regular hotel guest. Instead of taking a vacation with their loved ones at a hotel, they are at the risk of losing everything they have in a hospital. For patients who need extensive care, they are likely to feel losing control of their own bodies, health or even dignity. These patients may have to be assisted to complete the essential functions of living, such as conversing, dining, and bathing. Therefore, as the trend of H2H indicated, excellent care should be provided by all the involved parties, such as hospital staff, hotel employees, Spa therapists, restaurant servers and so on. When everyone focuses on patients themselves, the patient's families tend to be left out of the loop; nevertheless, due to the tremendous pressure and anxiety, sometimes they are the ones who need excellent care and great attention.

Switzerland has been one of the most popular destinations for medical tourism for decades. The local hospitals offer packages that include medical treatments, personalized care, hotel stays, medical spas, sightseeing, shopping, and nightlife activities. This greatly eases anxiety and concerns for patients and their families because they perceived the medical care package as a well-arranged plan for them and their families. The key concentration for medical tourism is the overall well-being where medical care is playing an important part. It incorporates many more service providers in a larger scope. The realization of medical tourism carries significant opportunities, not limited to hospitals, hotels, spas, restaurants, and transportation (Cetron et al., 2010).

See: http://www.udel.edu/udaily/2013/jul/hotels-health-care-071612.html and http://www.udel.edu/udaily/2014/aug/swiss-medical-tourism-080713.html.

15.6 CONCLUSION

Under the umbrella of the current Experience Economy, medical tourism represents a golden opportunity: hospital's operation model can transform from service business to experience business where patients are no longer charged for the medical treatment performed by doctors and nurses. Instead, customers are paying for their own well-being benefits and receiving excellent care. The process of H2H demands the considerable collaboration form all parties in order to ultimately present the excellent care customers, tourists, and patients want. Furthermore, the fond experience of wellness tourism is rewarded with positive reviews and feedbacks so that an increasing number of tourists are going to be attracted. As a result, these care-providing entities are capable of creating unique competitive advantages that generate tremendous profits for businesses.

TEACHING NOTES

1. In the chapter, what is the ultimate goal of H2H? Do you agree? Why?
2. Based on the current trend and the macro environment of medical tourism, please conduct a SWOT analysis (SWOT: strength, weakness, opportunity, and threat).
3. Does the goal of H2H, or say "Hotels Bridging Hospitals", co-align with the PESTEL (PESTEL: political, economic, social, technological, environmental, and legal) environment of medical tourism? If yes, how?
4. "Balanced score cards" is a widely used assessment tool to analyze the effectiveness of a company. It measures four aspects of business: financial performance, guest satisfaction, employee scores for managers, as well as sustainability. According to Dr. Lee, how does Disney's five factors play a role in achieving balanced score cards?
5. In the story of Ms. Wessells, how did she interpret the nurse's explanation? What effects did the nurse have on Ms. Wessells's perception of Christiana Care?
6. Will Starwood Five Human Truths possess similar effects if applied in a hospital setting, like Christiana Care? Why or why not?
7. If you were given an opportunity to redesign a creative H2H plan for hospitals, like Christiana Care, what would you like to do?

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8. Do you think that H2H and medical tourism is inevitable or dispensable? Why?
9. What are some concerns you have regarding medical tourism or H2H? Please explain.
10. Have you observed or experienced good practices in medical tourism? What have they done to make you feel special?

KEYWORDS

- **medical care**
- **inbound tourists**
- **healthcare experience**
- **customer service**
- **medical tourism**
- **hospitality**
- **hotel**

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CHAPTER 16

MEDICAL TOURISM AND INFORMATION TECHNOLOGY

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CONTENTS

ABSTRACT

To facilitate medical tourism and travel around the world, information technology is necessary for patients. The technology provides medical records for patients and to their providers along with aiding in scheduling and many other areas of patient care. This chapter describes the importance of technology to provide information on medical patients who travel away from their country of origin.

16.1 INTRODUCTION

16.1.1 DEFINITION

With the development of technology, transportation, and global economy, many tourists have begun traveling to other destinations for medical or health and wellness services. This process is called Medical Tourism, also known as healthcare tourism, or wellness tourism.

16.1.2 REASONS

Medical tourism is a niche market that makes healthcare bridge hospitality and is booming around the globe. This phenomenon emerged and grows fast upon the following factors:

- Some developed regions, such as Europe, Canada, United States, have constrained healthcare systems, which bring limited equipment and hospital rooms within certain areas and long waiting times for surgeries, especially in public hospitals.
- With baby boomers becoming aged, healthcare resources are in scarce need day by day, while other countries provide safe and qualified treatment.
- Most importantly, the dramatically rising US healthcare expenses drive US citizens to pursue-saving costs overseas.

By contrast, there are still certain numbers of inbound tourists who boost the US healthcare market due to higher technology, specialized physicians, better service, safe environment, and business or leisure needs.

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16.1.3 TYPES

Major types of medical tourists:

- Lifestyle/wellness tourists
- Alternative therapy treatments tourists
- Diagnostic services tourists
- Necessary major surgery tourists
- Necessary minor surgery tourists
- Cosmetic surgery tourists

16.1.4 CURRENT DEVELOPMENT IN THE UNITED STATES

There are three categories of medical tourism (Keckley & Underwood, 2008; Edelheit, n.d.):

- Outbound: refers to patients traveling out of a country;
- Inbound: refers to patients coming into a country;
- Intra-bound: refers to patients traveling within a country (also referred to as "domestic medical tourism").

In 2007, an estimated 750,000 Americans traveled abroad for medical care with $2.1 billion spent overseas for care (Keckley & Underwood, 2008). According to the results of an online Survey of more than 3000 healthcare consumers conducted by Deloitte Center for Health Solutions (2008), almost 39% said they would go abroad for an elective procedure, if they could save half the cost and be assured quality was comparable. And 88% said they would consider going out of their community or local areas to get care/treatment for a condition if they knew the outcomes were better and the costs were no higher there.

In 2008, more than 400,000 non-US residents sought medical care in the United States and spend almost $5 billion for health services. Inbound tourists are primarily from the Middle East, South America, and Canada. The most common treatments sought by inbound medical tourists included oncology (31.69%), cardiology (14.17%), and neurology (11.75%), followed by "other" specialties.

CURRENT DEVELOPMENT IN ASIA:

According to HeraldOnline, medical tourism in Asia will reach $8.5 billion market value by 2013, as the emerging healthcare crisis is continuing in Western World. And according to Renub Research, Asia medical tourist number of arrivals is expected to cross the figure of 10 Million by 2015 and the market value in 2011 is expected to double by 2015; three countries—India, Thailand, Singapore—are expected to control more than 80% market share in 2015. Many other countries in Asia like Malaysia, Philippines, and South Korea are all keen to make traveling abroad for medical treatment a growth industry within their own economies.

TABLE 16.1 Comparison of Top four Asian Destinations.

Destination	Thailand	India	Singapore	Malaysia
No. of inbound tourists (2006)	1200,000	450,000	300,000	410,000
Avg. cost	30% of United States	20% of United States	35% of United States	25% of United States
No. of JCI accredited hospitals (2011)	28	19	21	21
Primary procedures	• Cardiology • Sexual reassignment • Cosmetic surgery • Orthopedics	• Orthopedics • Cardiology • Cosmetic surgery • Non-conventional therapies	• Cancer • Cardiology • Vascular surgery • Orthopedics	• Health screenings • Cosmetic surgery • Alternative medicine • Non-conventional therapies

Source: Deloitte Center for Health Solutions (2008) and MCT (2011).

Thailand is the leader in medical tourist arrivals holding more than 40% share in Asia medical tourist arrivals in 2011. It has Asia's first American-accredited facility Bumrundgrad International Hospital, and is also known for cosmetic surgery, including famous gender reassignment. India is one of the world's most fast-growing medical travel destinations with savings of 60–90% on an array of procedures. With fluent English speakers everywhere, advanced technology, high degree of transparency and an array of comprehensive treatments, India is becoming the new growing center in medical tourism. Singapore ranks sixth in healthcare worldwide, the best

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facilities in Asia, according to World Health Organization, though its cost is a bit higher than its competitors. Malaysia is medical travel's best-kept secret, with fluent English spoken everywhere and cost savings comparable to India in a less adventurous setting.

16.2 MEDICAL TOURISM BUSINESS MODEL

16.2.1 BUSINESS PROCESS

According to Asian Hospital & Healthcare Management Magazine, in medical tourism industry, a typical business process looks like this:

(1) Patient can not afford the treatment or can not get relief from the medical condition at where the patient lives, and the patient is seeking ways to be cured at a lower cost and as soon as possible.
(2) The patient then decides to travel to a place where he or she can receive proper treatment, or the treatment requires less cost or both.
(3) The patient chooses a competent care provider that locates in a foreign country to analyze his or her case and to help making appointments with the medical tourism institution.
(4) The patient then travels to the country where the institution is located and receives the treatment.
(5) Before and after the treatment, the patient can choose to conduct sightseeing around the institution, when the patient leaves, all treatment records will be provided.
(6) Finally, patient will be provided instructions for follow-up activities that need to be undertaken at the patient's location.

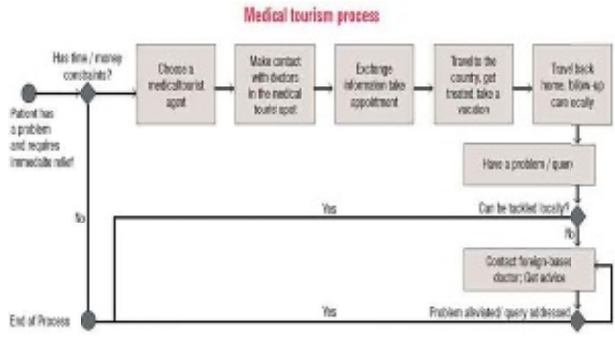

FIGURE 16.1 Medical tourism process.

In this business process, the consideration is that the patient will be treated by an institution that have never seen him before, and probably never see him after. So after the patient departs the institution and returns to the original country, if anything happens that require follow-up treatment, there is going to be a gap between the institution that provided the treatment and the institution currently dealing with the patient. Very good communication and information sharing about the patient's treatment is required in order to close this gap (Fig. 16.1).

16.2.2 BUSINESS MODEL

A good business model for medical tourism is the AHP model, developed by the Advanced Healthcare Partners consulting agency. Figure 16.2 is the visualized business model.

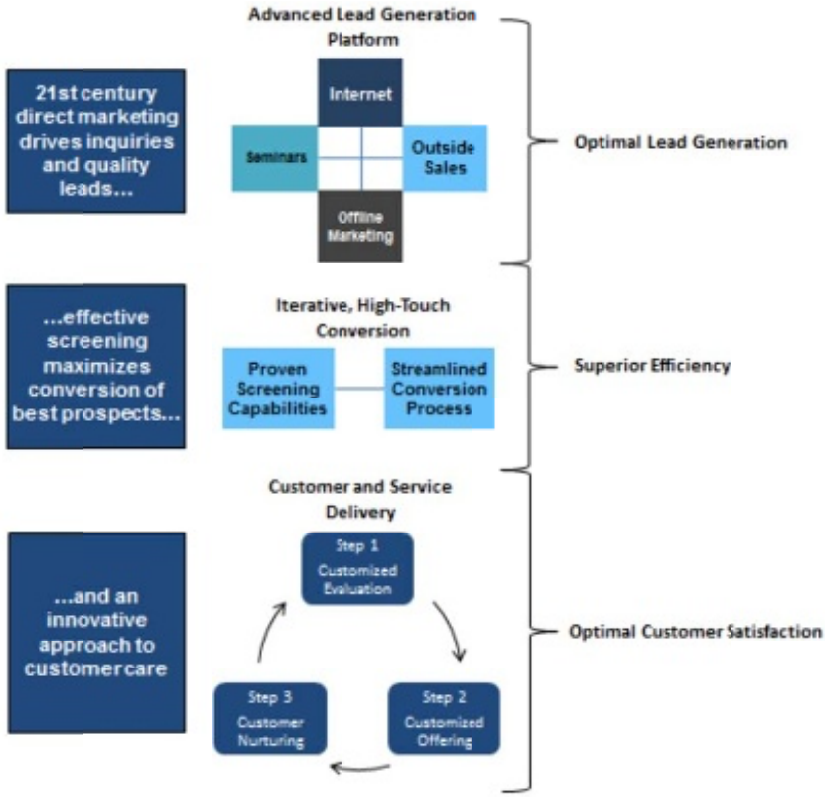

FIGURE 16.2 AHP business model.

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(1) The business model starts with lead generation. Before creating any kind of marketing strategy, the medical tourism institution should build brand equity for its clients from the initial step, make good use of the development and design team to create a consistent brand image. After the branding, the first piece of the multichannel marketing platform is the online marketing, including activities such as search engine optimization, social media channels, pay per click model, and website optimization. The second piece is offline marketing which cooperates with online marketing, including TV advertisements, newspaper, radio, and seminar strategies. Together with online and offline marketing efforts, lead traffic will be generated.
(2) After the lead generating process, the second part of the business model is superior efficiency, which tries to convert the leads into new treatment options. In order to carry out this process more successfully, a concept of medical concierge representative is raised by AHP. Medical concierges are well trained and nurture patients from the beginning of the process to the end. The propose of the medical concierges is to increase the volume of the practice, making sure patients feel comfortable, educating them on every aspect of the medical process and financial transaction, also following up with them after the treatment to ensure satisfaction. Every step of the lead converting process will be measured to make sure the efforts are successful.
(3) The final component of the business model is the customer service delivery and operational efficiency model, which makes sure that patients are treated like customers with excellent customized service.

16.3 MEDICAL TOURISTS

Since the medical tourism is an updated concept these days and it is combine with hospitality and hospital business, so the target market of customers can be defined as medical tourist.

16.3.1 GEOGRAPHIC

16.3.1.1 US OUTBOUND MEDICAL TOURISM

According to the Deloitte Center for Health Solutions, there were 750,000 outbound American medical tourists in 2007, a number which may increase

to up to 1.6 million by 2012 (Deloitte, 2009). A 2009 Gallup poll found that "up to 29% of Americans would consider traveling abroad for medical procedures" (Edelheit, n.d.).

16.3.1.2 US INBOUND MEDICAL TOURISM

Stackpole & Associate did a survey in 2010 related to the inbound medical tourism by region difference, which shows that Mexico (21.18%), the Middle East (14%), South America (12.33%), Central America—excluding Mexico (11.25%) and Europe (11.23%). The purpose for inbound medical tourists who traveled to the United States for medical care are seeking better access, higher medical treatment, and comprehensive specialized care. Some common treatments that inbound medical tourists are looking for include oncology (31.69%), cardiology (14.17%), and neurology (11.75%), followed by "other" specialties (Stackpole & Associates, 2010).

16.3.2 DEMOGRAPHICS

For 99% of medical tourism providers, well-traveled, well-educated, affluent, Internet-savvy 30–65-year olds will serve as a strong demographic foundation. However, creating an "ideal customer" profile will help define the key demographics of the core market.

16.3.2.1 BABY BOOMERS

This part of population is expect to show positive growth in medical tourism and will match the demand and supply of healthcare market. According to the US Department of Health and Human Service (2011), in the years of 2001, 12.4% of the population were 65 years or older, and by the end of the year 2030, there will be 19 % of the population who are 65 years or older (2011). Therefore, the increasing need of expensive and high quality of medical treatment and care are obvious. Older consumers are those who will need access to more expensive healthcare procedures, requiring advanced technology, and will have more frequent need for care. Usually, older people will require long-term care such as longer recovery after surgery or hospice and end of life care from many perspectives. These treatments are costly and labor intensive which personalized attention is highly required. Also,

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patients have choice to go overseas due to the lower cost of labor and greater degree of personalized services (Pafford, 2009).

16.3.2.2 YOUNGER GENERATION

Besides the baby boomer that we think it might be the dominant target customer segment; recent study show that younger generation is also interested in medical tourism. The study did by Karuppan and Karuppan found that 81% of medical travelers were under the age of 50 (Karuppan & Karuppan, 2010). Another study gave statistics that prove this assertion indicating that among all the potential customers, 36.7% of baby boomers, 41.9% of Generation Xers, and 51.1% of Generation Yers would be willing to undergo surgery abroad (Keckley & Underwood, 2009). The most common reason of such findings is that younger people willing to travel for medical care. Therefore, web-based marketing effort will be conducted to better reach these consumers, the people who can offer greater lifetime value to medical tourism providers and facilitators.

16.4 TECHNOLOGY IN MEDICAL TOURISM

Technology acts as a big role in medical tourism. To provide the best facilities for medical practitioners from all over the world consistently is critical. Technologies drive more and more patients across the world to get the best medical care they can find. Applications of technologies such as Web 2.0, cloud computing, mobile social media, and so on already have expanded the field of medical research. The barriers of geographic factors are becoming blurrier. For example, an American doctor can give lessons on some foundation surgeries for his/her colleague from another side of the world, using web 2.0 based video chat. Patients can use international credit cards to pay bills, make web-based payments and pay health insurance, which has made medical tourists traveling and treating much easier (Fig. 16.3).

So, by using technologies to work together operators can build an effective solution for medical healthcare. One technology is using cloud computing on medical information like EMR, which can provide low cost medical solutions for each patient across the world based on the fact that cloud computing can restore all the profiles of patients with minimized fees, making it easy for doctors to access the information on a daily basis. Medics can update these medical reports by doing tests. And now, social media is

also a big part of interconnection among doctors, tour operators, hospital and patients.

FIGURE 16.3 Web 2.0.

Source: blog.websiteboston.com.

EMR means electronic medical records. It has changed ways for disseminating information, and this technology has driven slowly the medical records from paper-based to electronic medical record management. It includes clinical notes, medical administration records, result reviews, discharge summaries, etc. (Fig. 16.4).

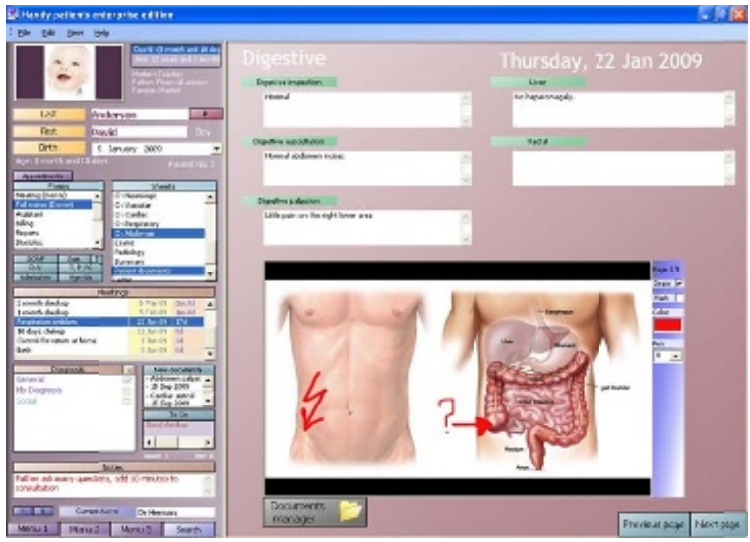

FIGURE 16.4 Electronic medical records.

Source: commons.wikimedia.org.

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Other services for customers are like toll-free telephone, free wireless Internet, other healthcare facilities, physicians, customized amenities, and environment, which provide the foundation of interrelated services (Fig. 16.5).

FIGURE 16.5 The hospital room of tomorrow.

Source: en.paperblog.com.

16.4.1 TECHNOLOGY SIMPLIFIES THE PROCESS OF COST REDUCTION

If a customer goes to a foreign country to have treatment, the system automations give them a package that includes a traveling plan to the country, lodging, booking, and payment of the hospital charges in advance.

16.4.2 TECHNOLOGY CAN SECURE MEDICAL DATA TRANSFERS

Collecting data from different sources, like medical journals in some cases, can help the diagnosis system create a huge database. In their smart phone, people can carry their medical records, which could keep the security and require a password to access. This application can generate a one-time password.

16.4.3 TECHNOLOGY PROVIDES GLOBAL COMMUNICATION

Data mining systems can create a global database in medical cloud based structure to serve as a Business Process as a Service (BPaaS) to the world. Different tourism agencies or insurance companies can join the service to complete the circle of helping people. Medical Cloud can find disease and suggest the best budget solution in the world, and at the same time, social networks can also provide suggestions.

16.5 SYSTEMS IN MEDICAL TOURISM

16.5.1 PRE-ARRIVAL SYSTEMS

As Medical Tourism becomes increasingly popular amongst patients in the United States, the pre-arrival process of finding accredited doctors and facilities can be done with ease and precision. There are countless locations, each specializing in different procedures, which are now being advertised to patients through multiple different outlets. Intermediaries have simplified the process of booking these trips, providing vast amounts of information on facilities and offering all-inclusive packages.

16.5.1.1 LOCATIONS

Currently, over 50 different countries have medical tourism. Each nation has a specialty where it has made the most advancement. Australia is known for cardiovascular, neurological, and orthopedic surgeries. Costa Rica, which is located close to America, has many patients visit for dental procedures. India, one of the main leaders in medical tourism, is well known for its cardiology surgeries. Brazil is famous for its cosmetics and Israel is one of the fastest growing medical tourism nations in the world. Below is a map provided by the Deloitte Center of Health Solutions; it illustrates the statistics on some of the many medical options each of these countries specializes in, as well as statistics about medical tourism in general (Fig. 16.6).

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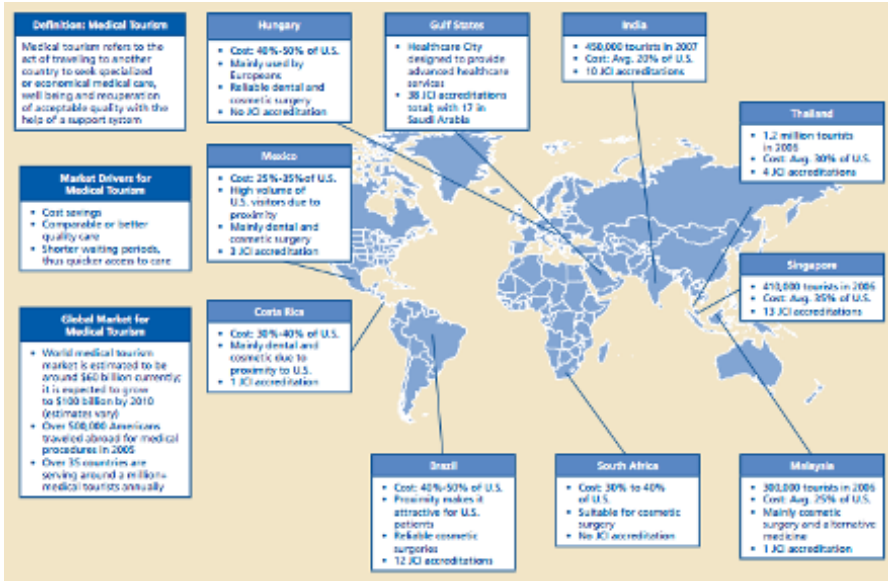

FIGURE 16.6 Medical tourism map.

Source: Deloitte Center of Health Solutions.

16.5.1.2 ADVERTISEMENTS

Every business needs to attract customers to be successful. Marketing is the steps businesses take to attract and retain customers; this includes developing advertisements that enhance customer awareness about products and services. This applies to the medical tourism industry as well.

In order to save time and cut unnecessary costs, it is important for patients and travelers to plan their treatments and trips in advance. Advertising is imperative for both medical facilities and tourism destinations at this point in order to persuade potential customers to choose their institutions over competitors. There are multiple advertising outlets that can be used to attract customers and relay information including magazines, TV commercials, and websites.

In order to convince consumers to make decisions effectively, it is important to realize how audiences may connect to advertisements. There is significant relationship between involvement and tourism destination selection (Josiam et al,, 1999). Involvement with an advertisement is a consumer's perceived connection of the advertisement itself based on inherent needs, values, and interests (Josiam et al,, 1999). Thus, medical tourism companies

must make advertisements that convince audiences of their needs and interest to travel to specific destinations.

16.5.1.3 INTERMEDIARIES

Online intermediaries in the medical tourism field act similarly to intermediaries in the hospitality industry. The main goal and function of these intermediaries is to provide knowledge about the industry and specific facilities to potential consumers, while assisting in the organization of travel plans. One distinct problem that intermediaries in the medical tourism field face, is trying to sell not just their service, but their industry as well. The problem is that many potential medical tourists (patients) are skeptical that the quality of medical care in poorer countries is not going to be as efficient and trustworthy as medical care at home in the United States.

Besides these specialty travel channels, other intermediaries include specialty packages, which will be discussed later and travel agents. An important point to realize with travel intermediaries in the medical tourism industry is that technology is their biggest weapon to be successful and the lack thereof could be their biggest weakness. With online intermediaries getting easier and easier to use, all other intermediaries must use every source of technology possible to stay ahead of the game. Specialty channels have implemented Google as a big tool in staying ahead of the game with technology. Patients can easily stay in contact with medical professionals around the world and through the use of Google's translator, language barriers are practically nonexistent.

Travel agents are another extremely important channel in the small subindustry of intermediaries associated with medical tourism. Many travel agents now specialize in planning and informing consumers about potential medical tourist destinations. Other travel agents have now implemented themselves into the medical tourist industry, and now market themselves as medical tourist travel agents. The biggest challenge these travel agents have to face is continuously using different tools associated with the latest technology to give them an edge on online intermediaries.

What is important to understand is that all forms of travel intermediaries in the medical tourism industry must be adamant about setting health and safety inspections, clear communication facilities, certification, and insurance/site inspections. Many of these intermediaries are now offering attractive inclusive packages that greatly simplify the process of arranging all aspects of a patient's trip.

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16.5.1.4 PACKAGES

Medical tourism packages ensure that all aspects of a patient's trip are accounted for in one complete bundle at affordable prices. Patients are simply urged to make sure that all health information is updated concerning medical history files and reports, current and past prescriptions, allergies and insurance information. All of this information can be easily translated to doctors anywhere in the world electronically through the Internet, building a personal profile for each patient. The only thing that guests must worry about bringing with them is their passport, any current medications and basic travel necessities.

Many packages include air and ground transportation, assistance in acquiring a visa, transfer of medical records, insurance billing, and communication between doctors and patients before they physically meet. Each of these aspects are part of the inside systems running in many medical tourism businesses today.

With new technologies, communicating between doctors and patients from different countries becomes very easy. There are things such as Skype, Oovoo, and iChat for video chatting and third parties that help with different conference calls. The agencies can easily receive user IDs and phone numbers easily through e-mails and faxes. With new technologies in our generation, planning the trip for a medical procedure will be a lot more stress free and simple than people ever imagined it to be.

16.5.2 INSIDE SYSTEMS

Inside these medical facilities, destinations are adding and managing multiple systems or added amenities to allow patients to enjoy a worry free and comfortable environment where they can solely focus on getting better. These systems include sanitation, transportation, treatment scheduling, hotel offerings, menu and meal management, communication systems, and family accommodations throughout each property.

16.5.2.1 SANITATION

India, being the biggest culprit of poor sanitation, has a target on its back. According to a 2012 report by UNICEF, "More than half of the nation's 1.2 billion residents defecate in the open, and 23% of city dwellers have no

toilets" (Gale, 2012). This being said, the Reinvent the Toilet Challenge is something that can help India and other countries that struggle with sanitation issues. Patients within the medical tourism sector need the exact opposite of what is currently being provided. This challenge was a global competition run by the Bill & Melinda Gate's Foundation to help improve water, sanitation, and hygiene within medical hospitals and beyond. The main goal of this project was to determine methods of developing toilets that do not require a sewage system or electricity and only cost approximately five cents per use (Bill & Melinda Gate's Foundation, 2013). The creators of these ideas used chemical engineering to recover and reuse human waste. The following are three successful prototypes from the challenge:

(1) **California Institute of Technology (United States):** Solar-powered toilet that creates electricity.
(2) **Loughborough University (United Kingdom):** Toilet that extracts biological charcoal, minerals, and clean water from human waste.
(3) **University of Toronto (Canada):** Toilet that sanitizes feces and urine and recovers resources and clean water from both. These three designs can be incorporated within the medical tourism industry to ensure the water supply that comes into contact with all patience is clean and helps, rather than hinders, the healing process. Small improvements like these in technology can go a long way for the medical facility as well as the patient.

Alongside the technology involved in toilet development, advancements in mobile devices will also play a key role in the improvement of sanitation within medical tourism. More specifically, the mobile application entitled Taarifa, created by Mark Iliffe, will focus on this issue. According to Iliffe, "Taarifa creates positive feedback loops, engaging communities and governments and is developed by a core of humanitarian volunteers and developers" (Technology.org, 2013). Put more simply, this application will be able to compile all information about sanitation and present it in one place for experts, patients, and the general public to view and contribute to. For example, guests in medical hospitals will be able to voice complaints and needs to sanitation as they see fit. This idea is beneficial because "over 2.5 billion people worldwide lack access to proper sanitation, yet over one billion of these people have access to a mobile phone" (Technology.org, 2013). With the development and continued growth of the mobile application craze, Taarifa will continue to thrive and benefit sanitation within the medical tourism field.

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Throughout the globe, sanitation is a key factor for the health and wellness of all. Even more important, sanitation standards need to exist within medical tourism. By incorporating technology, the workers as well as the patience will benefit. The development of new concepts for toilets is a creative way to develop clean water. As well, the growing nature of mobile device applications will create a connected community for those in the medical tourism field. Although these ideas seem small in scope, if performed efficiently, these processes will offer patients a safe experience. Meeting and abiding sanitation codes/regulations is essential in providing patients with the most reliable services. To enhance the safety of their experience abroad, many facilities offer transportation to their guests.

16.5.2.2 TRANSPORTATION

Medical tourism is on the rise and is projected to grow at a rate of 40% every year (ILifeFlight). The patient transfer and transportation segment of Medical Tourism is an important part of the process. There are three types of medical tourism in the United States: outbound, going to another country; inbound, patients from other countries coming to the United States; and intra-bound, patients traveling within the United States (Keckley). Many people will travel to different countries and/or states to undergo medical treatment due to specialization, higher quality care, and/or cost of treatment. Most of the medical tourism facilities offer transportation to their clients but there are other medical travel intermediaries that focus specifically on medical transportation. These include companies such as

- Angel MedFlight Worldwide
- ACC Medlink
- World Medical and Surgical LLC
- AeroMedical
- International Life Flight
- MMT—Managed Medical Transport
- Afia Indiz
- Deloitte

Be it by plane, vehicle, ship, or other mode of transportation, these medical transports must be equipped with not only medical tools such as defibrillators, monitors, ventilator, etc., but qualified staff to ensure the safety of their clients (International Medical Tourism). There are different

modes of travel depending on the severity of the patient's condition. There is emergency transport and nonemergency medical transport and the patient's condition will be taken into consideration when deciding on mode of travel.

Due to the rising use of medical tourism many of these specialized service providers such as those listed above will promote healthcare packages as discussed earlier. An essential part of these packages is treatment scheduling.

16.5.2.3 TREATMENT SCHEDULING

The trend of Medical Tourism is on the rise, and it is crucial that each place who offers treatments and procedures has the highest levels of technology. People from all over the world spend thousands of dollars to travel to state-of-the-art medical centers and spas to have a relaxing and typically necessary "vacation" of sorts, where treatments and procedures are performed for often important health reasons. These trips are planned well in advance, require research to be done on the destination, and take a lot of effort on the part of the patient. Facilities must have the most advanced technology and information systems for scheduling spa treatments, check-ups following procedures, and the procedures themselves. Without using the best and most up-to-date technology, medical tourism destinations risk losing patients, increasing the risk of mistreatment, and potentially mixing up critical information.

There are new computer programs and systems that help spas, hospitals, and hotels that offer treatments for the purpose of medical tourism keep track of all of their patients' schedules. These programs include databases of information on each guest with their medical history, their needs, their scheduled treatments and procedures, and what their follow-ups should be. Such programs include the "Maestro Spa & Activities Management System," a scheduling and billing application "developed in cooperation with leading international spas and resorts to make any club or spa operation more efficient and profitable" (Spa & Activities, 2013). This program is used in multiple areas by all levels of medical tourism destinations. It is interactive and simplified enough that all levels of staff can work with the program, and guests or patients can input their information and receive all of the details they need about their schedules. Maestro says many of its benefits include "Secured data access…scheduling by treatment type, service provider, time, or facility…guest health attribute information tracking…staff service provider scheduling…email confirmations, itineraries, and other correspondence" among other things (Spa & Activities, 2013). Each of these aspects

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to this program and others like it enables these medical tourism facilities to remain at the top of their field and retain their customers safely and healthily.

When treatment scheduling, whether it be massages at a spa or surgical procedures, goes smoothly, guest satisfaction increases. Since the main focus of this type of tourism is to serve each patient with the utmost care, it is important to remember "improved communication channels can also make the medical experience more enjoyable and satisfactory for patients, which will boost recovery and reimbursement rates" (Pasqual, 2013). Having easy to use technology both from the staff side and patient side of the medical tourism spectrum means improved satisfaction from everyone involved. "Evolving rapidly along with the pace at which lifestyle disorders are conquering the world population, it (technology) has become the emerging face and an indivisible aspect of any treatment regimen undertaken abroad" (Prem, n.d.). Technology is not only important during treatment scheduling, but throughout the entire trip, especially in accommodations and hotel systems.

16.5.2.4 HOTEL SYSTEMS

The popularity of medical tourism can be accounted for in many ways, whether it be the worldclass facilities they provide, personalized services, and access to the latest technology. The more popular medical tourism becomes, the more of a need for up-to-date information systems to keep the most accurate records possible for each patient that comes through their doors (Healthbase, n.d.).

The best way to keep track of patient information throughout the facility is through Electronic Medical Records, also known as EMR. EMR has propelled the medical world from paper-based medical records to electronic records. These records contain information including clinical notes, medical administration records, result reviews, discharge summaries, etc. Benefits to using EMR include integrated support for wide varieties of caring activities such as decision support, monitoring, electronic prescribing, laboratory ordering, etc. These electronic records essentially act as a main PMS system if you were to compare it to a hotel. It is the main hub of information for each patient, and different departments throughout the facility can pick and choose the information that they need to retrieve at a certain time. For example, housekeeping can be alerted when a patient checks out of the facility; therefore, an extreme cleaning of the room will need to take place prior to the check-in of the next patient.

Other benefits of the EMR system include ease for automating, structuring, and streamlining clinical workflow, maintaining data sets needed for medical audit and quality assurance, disease surveillance, etc., and analytical and trend analysis of medical reports. The success of EMR depends completely on the overall implementation of the system. Due to the fact that it involves all departments in the healthcare facility, everyone must be on board and ready to take the time to train and learn the transition from paper to computer. Overall, EMR is a massive investment, but has a high rate of success when integrated with other communication systems (Healthbase, n.d.).

16.5.2.5 COMMUNICATION SYSTEMS

Communication is a key component in the success of a medical tourism trip. Coordination of treatment schedules, medical needs, dietary restrictions and medication schedules is critical to maintaining a patients' wellbeing. Therefore, communication amongst doctors, nurses and hotel employees is of the utmost importance. According to one article, "the delivery of high-quality healthcare remains founded upon a face-to-face encounter between healthcare providers and patients" (Melrose, 2010). However, due to the variability in medical tourism and potential language barriers, it is possible that patients may have minimal direct contact with their primary doctor or surgeon. As a result, other individuals at the recovery facility are responsible for effectively communicating with doctors, to then communicate and interact with patients. In order to complete this communication, healthcare providers are now using technological devices to store and maintain digitized health records, as well as convey important messages to each other.

However, this utilization of communication technology is a recent trend in the healthcare field. The use of pagers, phone calls, and email was common practice in many medical facilities until people began to recognize the need for real-time information and telecommunication (Coiera, 2006). In fact, systems such as Electronic Health Record (EHR), Telehealth Manager and OmniTouch 8660 My Teamwork have only just been developed and implemented to increase access to medical records and improve communication amongst medical professionals (LGS, 2013).

In addition to communication amongst healthcare providers, nurses, and employees, it is also vital that the patient be able to communicate with these individuals. Many times after surgery, patients are confined to a bed or wheelchair making movement difficult. Additionally, persons that have surgery on

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they head or face, may be limited in their ability to speak. As a result, a basic communication system is necessary to help patients contact their nurses or hotel employees should there be an emergency, they need assistance or require additional hotel resources. In order to complete this communication, the traditional system of nurse call buttons, as seen in hospitals, is still in place. This system is quite outdated with its use of beepers; however, it has proven effective. Yet, it seems that as with intra-organization communication people are beginning to realize the need to take advantage of technological advances. Therefore, companies such as Hill-Rom have developed NaviCare Nurse Call, which is a system that uses a graphical touch screen patient station to improve the nurse-patient interaction (Hill-Rom, n.d.). This system provides more detailed information to the nurse and utilizes wireless devices as opposed to beepers. In addition to this advancement, teleconsultation is becoming more popular in medical facilities (Coiera, 2006). This system allows access to remote areas, which is particularly beneficial if a patient's specialist is located at another facility in the foreign country.

It is obvious that these telemedical systems have proven quite effective in improving the communication processes in healthcare facilities. However, it still remains a priority that medical records remain confidential. Therefore, as new technology is adopted, security systems must continue to improve as well. Systems of encryption and personnel access codes must evolve to prevent unauthorized individuals from accessing personal information (Coiera, 2006). This is particularly relevant for medical tourism because while hotel personnel need to understand dietary constraints or treatment schedules, they should not be able to see medical records and medication information of guests. However, this security may become harder to maintain as access points become more mobile and broadband/wireless becomes more easily accessible. In fact, "one area of recent interest has been the area of wearable computing, where devices are small enough to become personal accessories like wristwatches or earrings" (Coiera, 2006). Should this occur, it will be interesting to see how it is implemented into the healthcare field and how security will be maintained. The mobility aspect of this change is crucial to the medical field and will continue to be relevant in the future. Advancements in technology such as this will certainly improve communication and ultimately advance the patient experience. An area that many tourism facilities are now focusing on to improve customer satisfaction even further is menu and meal management for their patients.

Tablet PC or iPad technology in medical tourism industry can also create a competitive advantage if used properly. The following article *Creative Uses for the Tablet PC and iPad in Hotel F&B Operations* is taken from the

online journal Hotel F&B Observer in order to show the possible solutions for medical tourism operators.

Creative Uses for the Tablet PC and iPad in Hotel F&B Operations
By Frederick J. DeMicco, Dr. Food Tech and Mike Teng

Tablet PCs, including iPads are taking our hospitality industry by storm. About 140 million tablets are manufactured and shipped worldwide each year and this is projected to increase to at least 2017 (Statista, 2013).

We recently asked our capstone hospitality strategic technologies class here in the Lerner College at the University of Delaware to provide some examples of how the tablet/iPad could be used in an F&B operation. One interesting idea that was germinated was using the iPad as an ordering device from the table (not very new or novel these days), but the novelty was being able to view the entire preparation of your dish live via a camera in the kitchen (and see the step of the recipe in real time) from your restaurant seat as the chef prepared your menu item. We like this, as today's consumers generally tend to be "culinary literate" but not as "culinary savvy" (in preparing menu items). So this video of the action of menu item preparation is a type of culinary education for the guest.

Some other suggestions from the UD class include the following:

- Use the iPad for interactive media for guests while they wait, including games, and menu rating/comments available to all guests in the nearby environment.
- Social media: open comment cards available to all diners (Nina Clark, Robert Serpico, Lindsay Rogers, Madeline Gouge).
- The iPad is a combination of "Open Table," a menu, and an ordering system, and there would be one iPad per table, as the home screen would be a replica of the table. Guests would tap the seat they are in, fill in their name, and then click on the items on the menu that they would like. If a guest orders an alcoholic beverage, they can snap a picture of their ID, and the iPad would scan the ID. This way, restaurants only need food runners and bussers who will be able to address the guests by name (Caroline Sohodski, Allison Hanik, Mary Palma, Katelyn Morse).
- A new way to use the iPad would be as an entertainment system for the guests before they are seated. They can even act as the buzzer system to let them know when they will be seated, it will then act as the menu where customers can input their order themselves and then will show the process of time as the food is being made (Callie

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D'Ambrisi, Alexandra Giannini, Adam Cowperthwait, Stephanie Johnson).

- Use the iPad as an Internal Yelp! in which to enter your information to see what you ordered the last time and see the ratings of what other guests said about their dishes (Brian Prickril, Alexander Vellios, Seth Bergman, Anne Truono).
- Guests could use the iPad on the table to summon the server. Many times servers don't know the right time to clear the table, the guests can push the button on the iPad to send a signal to the server to avoid any confusion; at the same time, it can be used to request the check (Lindsay Canell, Rachel Borkoski, Samantha Dominguez, Stephanie Hepner).
- Use as a Built into cutting board (Anam Ahmed, Teal Murphy, John Guzman, Justin Tansey). (Cutting board providing preparation and cooking instructions on the imbedded tablet PC or iPad and may be feasible when the tablet prices come down drastically—perhaps in the future.)
- The menu is an iPad with behind the scene options + videos of the kitchen preparing your meal (Jean Thomae, Morgan West, Maria Trasolini, Kaitlyn Wendler).
- Commercial free Pandora—personalized (increased bapasa) jukebox to create a nice atmosphere at your restaurant table or booth (Junyi Chung, Michael Diminick, Qichao Zhou, Matthew Heck).
- Providing games or social media apps of the company on the iPad (Wang Yanqin, Zhao Qian, Dongqiong Luo).
- Guests could use the iPad at their table to track where the ingredients of the menu offerings originate from; this gives restaurants more incentive to use local, organic, quality ingredients (Lauren Mitchell, Julie Garafalo, Dingchao He, Brandon Groux, Alexander Vellios).
- Use the iPad as a digital dessert tray to showcase desserts and specials on menu. Interactive nutritional information allows guest to see how adding ingredients will affect the nutritional value of an item (Amy Cohn, Kimberly Lindell, Alexandra Rufo, Megan Smutz).
- Use the iPad to order food and drinks. Then can use as a payment device with a credit card swipe attachment on the iPad such as the "Square" plug in on the iPad (or iPhone) device (Jessica Rosenberg, Sara Kazmierski, Dennis O'Malley, Leigh Redefer).
- And finally, provide live streaming videos of your meal being cooked and plated. And also receive real time regular progress notifications/updates throughout the meal (Jennifer Turowski, Jessica Wincott, Schuyler Lehman).

16.5.2.6 MENU AND MEAL MANAGEMENT

Diet and nutrition have become a huge part of medical tourism, not only because advancements in science have discovered that proper nutrition is essential to recovery, but also because these international facilities must cater to patients with many different dietary needs. In a recent survey, out of the 23% of guests who had at least one complaint about their international experience, food options were the top concern (Akitunde, n.d.). Communication between hotels, hospitals, and patients is key to meal management, and technology is continuing to make things easier and more efficient for everyone.

Hospitals have struggled for many years to feed patients a balanced, appetizing diet that caters to individual needs; budget restrictions, facilities, logistics, and a lack of specially trained employees have limited service in this field for decades. Not long ago, patients could expect lukewarm lumps of food dumped on a tray in front of them, waking them from much needed rest or inadvertently being delivered right before surgery. But recently, developments have been made in the hospitality–healthcare merge that look better for everyone. Research on diet led doctors to realize that poor nutrition and lack of appetite resulted in longer recovery time and malnutrition, which cost more to fix than simply budgeting more for meals in the first place. They also recognized that they needed to practice what they preached: when telling patients to lower their red meat intake, it was silly to then dish out a roast beef sandwich on soggy white bread for lunch. In response, hospital dining departments around the globe have begun cutting out fried, frozen food and putting fresh, local dishes together instead (Hellmich, n.d.). In a medical tourism setting, where minimizing patient time abroad (during an already lengthy stay) and providing individualized care is essential, food has quickly become the focus for development.

The majority of medical tourism patients receive elective treatments such as gastric bypass surgery or extensive dental work, which limits the amount and consistency of food they can eat (Deloitte). Sometimes, patients are limited to liquids, purees, and soft foods for the length of their multi-week stay. Similarly, patients from different religious or cultural backgrounds also need individualized meals (e.g., Muslims eat only kosher meat and the Jewish observe fasting periods). This is not to mention the patients who flat out have dietary restrictions like Celiac disease (no gluten) or lactose intolerance (no dairy). Nutritionists and chefs across the globe are now working together to create protein-rich, nutritious, and appetizing meals for these

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patients. They are quickly moving away from pre-prepared "batch" meals and surging toward room-service style meals. ARAMARK Healthcare recently created 12 different menus for healthcare facilities with 33 different options to accommodate special diets (Keller, n.d.). Chefs in US children's hospitals have also begun the global movement for incorporating healthy food into meals that patients will actually eat. For example, a children's hospital in Atlanta, GA has come up with a gluten-free chocolate cake with black bean paste (that you can't taste!)—which perfectly encompasses a healthy, appetizing option that also happens to serve the community of celiac patients. The same hospital has also begun incorporating protein-rich white beans into their tomato soup for those with liquids—only diets (Hellmich, n.d.). Another common issue with medical travelers is that some patients inadvertently lean toward the hospitable, "vacation" environment of many upscale medical tourism facilities. It is challenging for the hotel operations to balance portion control, meal scheduling, and fine dining menu options for this clientele as well; this is where technology comes in.

The "luxury" setting of medical tourism facilities must combine the art of creating nutritionally superior meals with the science and technology to implement these meals to a wide variety of people with a wide variety of needs. Globally, many hospitals have begun utilizing a menu-style meal software called Dial-for-Dining, where people can order when they're hungry, *not* when the traditional meal times are dictated. This system not only reduces food waste, but it also increases food temperature safety and calorie intake. The trend from mass-produced "batch" meals to room-service style delivery in hospitals has become so big that it has inspired ARAMARK Healthcare to create software that manages ordering, preparation, nutritional content, and cost. ARAMARK has also taken the process one step further by integrating this "room service" software with medical records, letting nutritionists in the kitchen know about any dietary restrictions or needs. This computer system interfacing is essential to avoid serving acidic food or drink (like orange juice) to a patient who may be on drugs that will react negatively with the food. Food allergy data is similarly synced.

"Montefiore Medical Center has a computer program that converts the doctor—prescribed diets for each patient into a menu. The meals are delivered to the floors on a specially designed cart that is heated on one side and refrigerated on the other. 'This way, the foods stay hot and stay cold without blending temperatures on one tray'" (Keller, n.d.).

Automated robots (TUG) are even being developed to help deliver food more efficiently to appropriate wings/floors of hospitals using maps and

pathways coded into their system (Keller, n.d.). As quoted above, food safety is also a major concern in facilities where viruses and bacteria are rampant. Advancements in food cooling, heating, and sanitation have been helping kill more bacteria and improve employee safety (Premier Inc.).

The meal management systems for healthcare facilities have improved drastically in the last couple of years. Not only has the technology helped (ultimately) lower food cost for hospitals, but it has also allowed patients to have some control over their care and diet. These improvements have led patients to have more confidence in the quality of care they are receiving, and they have also encouraged patients to remain in a hospital's care for longer periods of time—two essential boosts for medical tourism. In these international facilities where patients expect individualized attention and a "luxury" experience, menu options, delivery systems, and technological advancements are key to business. A final additional amenity that is being executed in medical tourism facilities is family accommodations.

16.5.2.7 FAMILY ACCOMMODATIONS

Although medical tourism offers many amenities and benefits, many people are hesitant to leave family members or loved ones while receiving procedures overseas. Medical tourism providers, therefore, have begun to cater to not only patients, but their families as well. The use of technology and Internet registration makes it easier for prospective patients to inform providers of exactly what they want. Medical providers can then build a schedule and include activities that match a person's direct needs. For example, in a Costa Rica Medical Tourism Service, a patient has an option of two exceptional tours. One tour has a span of four days and takes patients and family members to the best destinations in Costa Rica while the other is a seven-day tour that caters to a patient with a longer, more flexible stay.

Another innovation in the medical tourism industry is the creation of accommodations with two room suites or the inclusion of separate living/sleeping spaces for additional family members. This also gives guests the available option of having the support of family members. Family accompanying patients can also reap the benefits of traveling abroad for a medical procedure as they enjoy family activities and a slight relief from having a loved one under the knife.

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16.5.3 EXIT AND DEPARTURE SYSTEMS

Once patients have finished their stay at the destination of their choice, exit and departure services are offered to guests. These services include discharge procedures to ensure that patients are ready to leave the facility, follow-up services after their medical treatment to ensure proper healing and recovery, and online rebooking services that easily allow patients to reschedule any future appointments. Finally, like any medical facility or tourist destination, medical tourism businesses must ensure that they are consistently monitoring their online reputation to ensure satisfaction in their guests and a positive public image that will attract future and returning guests.

16.5.3.1 DISCHARGE PROCEDURES

Before a patient can leave the medical facility, they must go through various discharge procedures to ensure that they are in the right condition to leave. Medical tourism is becoming a very popular trend, especially in the Middle East. More particularly the Istishari Hospital in Jordan, is becoming more widely known. They offer a variety of medical services at affordable prices with overnight stays in luxury hotels. Furthermore, the hospital is equipped with the latest technologies to safely expedite procedures.

The Istishari Hospital website contains a detailed description of their discharge procedures. This includes that all patients leave at a standard time on their day of discharge, as well as having their entire pick up arrangements and needs sorted out. Moreover, nurses will provide patients with post-care instructions including nutritional information and will provide the necessary medication. Their medical files will then be transferred to another department of the hospital. Lastly, if patients need further assistance or records, they will be prepared in a timely matter.

The technology encompassed during the discharge procedures is very simple, as compared to the rest of the technology used throughout the patients stay. Patient information is recorded and stored on computers. Although Istishari Hospital does not mention the variety of other technology used during discharge procedures, they do however mention their online second opinion. This section of the website can be useful for patients who have had complications after discharge who are no longer in the area, as well as possible new patients. There is a fee for this service. In summary, Istishari Hospital has a thorough discharge procedure to ensure the patient is in the

best condition. In the future they should continue to enhance technological systems in this area.

16.5.3.2 FOLLOW-UP SERVICES

This is a very critical step in the departure process. In order to release the patient you must first ensure that everything went smoothly with their operation and stay. Nurses and physicians must follow-up for safety measures of their operation as well as for positive word of mouth of their facilities and technicians. A follow-up is necessary to provide ongoing analysis of the guest experience and to see if there is any way to improve it.

One way that follow-up is completed is by having the guests fill out a survey indicating how their experience was. "Experience" is emphasized because that is what medical tourism wants to create to differentiate themselves among ordinary trips to local physicians. Technology is a key component in implementing these surveys. Having guests answer them on Ipads or tablets is one of the main outlets of technology used. Dr. DeMicco stated in the article, *ROI or Return on Interactions*, that doctors love using iPads in their work, "66% cited iPads or other tablets, up from 45% just a year earlier." Mostly iPads are used to extract data about the guest's history but now many are using it to input data as well. Rather, than handing guests a hard copy of the survey to fill out and then input into their system, they can fill out an online format instead. Online surveys as well as iPad technology enables information to be implemented in a fast, easy, and accurate manner.

The second aspect in the follow-up with guests is by conducting medical checks every few months after the surgery. This can be implemented by having the guests answer a few questions about their health. Did the surgery help, was it effective, would they go back to them again? These questions are important in monitoring the physical health of the patients as well as maintaining a positive relationship. Technology can implement this by using a trigger. A trigger is defined as something that sets off another event. This reminds the hospital that they need to send a report every 3 months after the visit for up to a year or so depending on the procedure. This system automatically sends an email with the attached questionnaire to ensure no patient is forgotten. Connecting these services with the guest history is important as well. Making sure all the systems are integrated helps reduce redundancy.

The last part of the follow-up is answering any questions or concerns the guests might have. With most medical tourism locations in areas that are not accessible in a short drive, technology is used to help decrease

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communication barriers. With the utilization of Skype, physicians, and nurses can better assist the guest with their questions. By having the capability to see the incision or area of healing, physicians are better able to analyze the situation. As well as being able to see the physician face to face provides guests with comfort. Skype interviews are also used within one year of the procedure as the last conversation about their experience and analysis of their recovery.

16.5.3.3 ONLINE REBOOKING SERVICES

After a long-term medical tourism stay, it is extremely important that the departure goes smoothly to leave a positive lasting impression with the guest. After the patent has been discharged and followed up with, the next important step is to have them make another appointment for the future. In the hospitality industry, research shows that it costs less to keep a current customer than to acquire a new one. That data shows why it is extremely important to give your customers reasons to come back. Many medical tourism facilities offer health and lifestyle guidance in addition to the medial procedures. Patients who when through successful medical treatment should be convinced to come back to partake in health and wellness classes. These offers can be communicated through email and regular mail service. If the facility has a CRM database, they will be able to tailor their marketing campaigns toward each individual guest. For examples, a guest who underwent gastric bypass surgery will be looking for ways to remain healthy and fit in their new body. The medical tourism facility can send them information about signing up for fitness classes, health eating seminars, and one-on-one meetings with a nutritionist. Having the ability to personalize these communications makes it more meaningful to each guest.

Once they have been convinced to make an appointment, they will receive an email confirmation of their booking. On this email, they will be able to find out more information about the specific procedure/class that they signed up as well as multiple other options. When someone books a medical procedure, it is important for him or her to know exactly what he or she can expect when arriving at the facility. This confirmation email and other follow-up materials will give the patient all the information they need to calm their nerves and assure them that they have made the right decision in booking with your facility. Medical procedures can be a scary thing to go through, so reading success stories about the same procedure being done in the past will ease the worry. Many patients like to research the doctor who

will be performing the treatment ahead of time. The post-rebooking emails will contain all this detailed information so the patient does not have to go researching the web. This is beneficial to both the patient and the facility. This makes the research process easy for the patient because all the information they need is in one place. This is also good for the medical tourism site because they can control what information is being relayed and avoid most negative publicity. Unfortunately, there are medical horror stories out there, but with emails coming directly from the hospitals, this information can be seldom read.

After reviewing this information, the patients can ask any questions or make any special requests regarding their upcoming procedure. They even have the opportunity to have a live discussion with doctors and other medical staff. Since most patients live far away from the facility, these meetings can be held over Skype, an online video chatting software. This allows the patient to meet the doctor "face-to-face" without having to travel to the facility. This is a crucial step in the process because it clears up any misconceptions. Often, on the day of a procedure, patients get nervous and forget to ask certain questions or inform the staff of any important information. This also helps the hospital make sure that all of the patients' needs are met.

Lastly, sometime after rebooking and the procedure date, it is important to confirm information with the patient. The hospital needs to be made aware of any changes in personal or insurance information. It is important to get this all squared away before the time of the procedure. All of the patients' information and preferences will be stored in the CRM database, so all the customer needs to do is simply confirm it. Having a patient rebook simplifies the whole process; because they won't need to fill out the lengthy paperwork, since their information is already available to the facility.

Overall, follow-up and rebooking is a crucial function in the medical tourism industry. A patient who visits the facility must be treated as a patient for life!

16.5.3.4 ONLINE REPUTATION MANAGEMENT

With medical tourism emerging as an important sector in the hospitality industry, it is becoming more and more important for medical tourism businesses (such as clinics, medical practices, and medical travel facilitators) to manage their online reputation. Medical tourists, more so than any other healthcare seekers, rely heavily on the Internet to determine which location

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they would like to visit and which facility or surgeon would be best for the procedure they are in need of. Because of this, it is simply not an option for medical tourism businesses to ignore what is being said about them on the Internet. It only takes a few negative reviews or comments to ruin any business' reputation.

When guests depart their medical tourism destination, they will more than likely write about their experiences somewhere on the Internet. This can be very beneficial or very harmful your business. If the guest had a great time, their review may help to boost your reputation and attract more guests. However, if your guest had a bad experience, their scornful review may deter potential guests from choosing your location. In order to ensure positive Internet reviews, you may want to consider asking guests who enjoyed their stay to write about their experiences at your location. Whether your business is big or small, your online reputation is always going to be incredibly important. Every business should put in the effort to build, watch, and manage their online reputation. There are five basic steps that every business can follow in order to boost their online reputation (Stefan, 2013):

(1) **Seek out your online reputation**—As a business owner in the medical tourism field, you must take an active part in seeking out what people have to say about you, good, or bad. Even if you are a small business with a limited budget for reputation management, there are still many low-cost ways to find out what people are saying. For example, Google is a great way to screen the Internet for information about your company. Even the least tech-savvy person can simply type in their company name or other keywords into the search bar and sort through the results for relevant information.
(2) **Create a profile for everyone to see**—By creating your own profile, you can ensure that you get important and relevant information about your business out to the public through the web. Company-made profiles can help combat any negative comments or reviews that come from unsatisfied customers. In the medical tourism industry, one of the most important sites to have a profile on is LinkedIn. Potential patients rely on LinkedIn in as a reputable and useful source for checking professional backgrounds and experience of physicians. Most importantly, by creating a LinkedIn, you are in total control of the content that appears on that webpage. Other popular social network sites that you should consider creating a profile on are Twitter, Google Plus, and Facebook. There are also

several localized search sites that you should have a presence on like FourSquare, Yelp, TripAdvisor, and Citysearch.
It is important to note that just creating a profile on one or more social media sites is not enough; you also have to maintain that profile. This includes constantly updating the profile with new information and finding ways to engage and interact with any site visitors.

(3) **Manage your reputation**—Unfortunately, you cannot stop people from writing negative reviews about your business. What you can do, however, is respond to those negative reviews and try to turn a negative into a positive. When responding to reviews, always remain calm and composed. If you feel that you're emotions are high, it may be best to respond at a later time when you have calmed down and when you have had a chance to really think through what you are going to say. Responding hastily and with a rude tone will only make a bad situation even worse.

(4) **Protect your reputation**—Always try to stop trouble before it begins. If you notice the comments of a disgruntled customer, do not assume that the comments will just go away. As mentioned in the previous step, take action and respond in an attempt to rectify the situation. Sometimes, however, there are even bigger problems than just an unhappy customer. Some circumstances may call for legal action. To stay on top of problems like these, you should consider having a public relations department that can act fast in the face of potential threats to your reputation.

(5) **Promote yourself using the web**—So you have already created online profiles and you are doing a great job maintaining them; so, now what? Think of unique ways for your business to be noticed on the Internet. For example, start advertising on other websites, create videos, or maintain a blog. Dr. Kevin Pho, a blogger on social media for physicians, says "the bottom line is that the more physicians are active in social media, the bigger their digital footprint will be, and that gives them more control over their online presence (Aiello, 2013)."

16.5.4 TOOLS

There are many tools that any medical tourism destination can use to manage their online reputation; some of these tools are even free! Some of the most popular tools are listed below (Top Ten…):

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Tool	Description
Trackur	Trackur scans hundreds of millions of web pages—including news, blogs, video, images, and forums—and lets you know if it discovers anything that matches the keywords that interest you
Naymz	Naymz focuses on measuring and managing your online reputation. It calculates your influence across social media sites and compares your reputation against your peers
BrandsEye	This is a basic reputation management tool that also offers competitive analysis and works well if you have several employees looking to work with this tool
Brandwatch	This is one of the most popular tools to manage an online reputation. It works best for social media management and helps monitor certain keywords on these social sites
Technorati	Good for beginners or those who want basic results. It will track your blog posts to see who is linking back to that post, which gives you a good indication about how successful that post was with your readers. You can also subscribe to alerts for this information
Bankur	This is a good tool if you're a small company, yet it still offers a lot of analytics and demographic information. It helps you see your online reviews, monitor your competitors, and is available in many different languages
Alterian	This is one tool that offers tons of information and data. You can discover what people think of your brand in different countries, from different demographics, in different languages, etc.
Social mention	This tool can send you alerts for all of your keywords. It also analyzes when your brand is mentioned and just how important those mentions actually are
WhosTalking	You can see mentions on almost all social media accounts as well as videos and images; however you can only look at one "type" of mention at a time
Google alerts	This is probably the most basic form of reputation management, but it's also the easiest. You simply add in the term you want to track), and you will get emails telling you when and where that word was mentioned. It doesn't do any type of analysis for you, but it gives you the facts

16.6 TRENDS IN MEDICAL TOURISM

As more and more people start to care about the quality of their lives, they try their best to seek good facilitated hospitals and excellent professionals in the global range in case they need medical care. The demand is boosting medical tourism. Right now, medical tourism is being recognized as "one of

the hottest niche markets in the hospitality industry" (DeMicco et al., 2010). As a fast growing industry, medical tourism has several key trends in the future including market, demographics, economy, and technological changes.

16.6.1 MARKET TREND

The growing trend of outbound medical tourism is expected to continue to grow exponentially in the next 10 years (Keckley & Underwood, 2008). According to the results of an online Survey in the topic of Health Care Consumers conducted by Deloitte Center for Health Solutions (2008), outbound medical tourism is expected to experience an explosive growth over the next three to five years.

Generally for the US market, outbound medical tourism is a hot topic. The number of US citizens traveling overseas for treatment is estimated to increase to 15.7 million by 2017, which means US healthcare providers are losing market share. "That represents a potential $30.3 to $79.5 billion spent overseas for medical care, resulting in a potential opportunity cost to U.S. healthcare providers of $228.5 to $599.5 billion" (Keckley & Underwood, 2008).

On the other hand, inbound medical tourism and medical tourism across states will continue to be a hot spot for patients seeking treatments unavailable elsewhere in the world or in a community setting.

16.6.2 DEMOGRAPHIC TREND

First of all, with the development of living quality, "the population of the developed world is living longer" (DeMicco et al., 2010). But they still need to think about the diseases that affect lifestyle disorders such as cardiovascular disease and cancers. And it is the future focus in medical tourism market.

Second, there are over 220 million baby-boomers in the United States, Canada, Europe, Australia, and New Zealand. In the next several years, these people will step into the aging group. They need more advanced technology. What's more, their treatments are not one-time quick business. They may require frequent and long-time treatments. At that time, the expansion of medical tourism market will definitely occur. Additionally, "there has not been a medical tourist-oriented hospitals or clinic specifically designed to provide a full rang of services for geriatric patients" (DeMicco et al., 2010). Such facilities are expected to appear in the future.

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Third, young generations also care about their wellness. For an example, as we know, obesity is common among young generations. So, in young generations' medical tours, they focus more on maintaining fitness. Finding all kinds of information online is a distinguishing characteristic in young generations. Thanks to the Internet, young people can find the best medical care that meets their needs in the world. So, with the wide use of the Internet, they promote the growth of medical tourism. And this growth will continue in the future, as long as there is the Internet.

16.6.3 ECONOMIC TREND

In 2008, financial crisis swept the whole world. Especially in the Western countries, governments have had to cut down the budget on medical care. There are also stresses from population expansion. As a result, the medical system will be congested. At that time, numerous people will resort to the other medical cares outside the United States. Some American companies look abroad for good medical care at discounted rate because of the growing cost of insuring workers.

On the other hand, the wealthy populations in developing countries, such as China and India, are looking for the best medical treatment available in the world. "The growth of the middle class and concomitant demand for high-quality and accessible health services is putting pressure on resource-constrained health ministries to improve services. With greater disposable income, individuals have a greater willingness and ability to pay for health services, or at least to share the cost of higher quality and accessible care" (Fried & Harris, 2007). Eventually, hospitals serving medical tourism will not worry about the patient sources.

There is another situation that "the most respected western hospitals and medical colleges have begun to tap the market for medical tourism. Some are forming alliances with tourist facilities in India, Thailand, and other countries" (DeMicco et al., 2010). It means that the alliance will be the monopoly in the future medical tourism and the facilities not allied with them will have a difficult time with both patient sources and advanced technologies.

16.6.4 TECHNOLOGY TREND

The rapid growth of medical tourism counts mainly on the advanced technologies. First of all, as we mentioned above, the Internet helps people

to find the medical cares around the world. And it's also the marketing tool for hospitals and clinics that target foreign patients. Second, the high technologies help shorten the distance between patients and destination. With advanced transportation and communication, patients will feel easier and more efficient. Third, the attractions of the destination to the patients are almost about the facilities and skills of the doctor. The medical cares with more advanced equipment and more professional doctors will have more competing power in the future market. Additionally, the outbound medical cares will use drugs and procedures not available inbound. This is one of the strongest attractions for the patients. Fourth, "Because medical procedures are becoming less invasive and decreasing the discomfort of recovery, patients are more likely to consider traveling for care, and are more likely to engage in leisure activities during their stay" (Stephano & Samuels, 2012).

16.6.5 SECURITY TREND

"Hospitals and clinics specializing in the treatment of western patients are an obvious target for terrorist attack. They will need to devote significant resources to security" (DeMicco et al., 2010). The hospitals and clinics in the low security places, such as India and Thailand, will pay more attention to security.

16.7 SUMMARY

From the information and material above, medical tourism refers to a booming business type combining medical service with hospitality. The rationale and the requirements behind medical tourism are rising with the increasing number of middle-class families and their ever-improving attention on health. On the other hand, different countries with different medical condition and living level have varied reasons for medical tourism. Based on the data from Deloitte Development, an estimated 750,000 Americans traveled abroad for medical care with $2.1 billion spent overseas for care. Also, in 2008, more than 400,000 non-US residents sought medical care in the United States and spend almost $5 billion for health services. Furthermore, together with some other information shows that the medical tourism business has a potential huge market within and even outside United States.

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There are variety of medical tourism types and three categories of medical tourism as of outbound, inbound and intra-bound. Speaking of the business model of medical tourism, it follows the normal cycle with most of the consuming behavior. People have a need for this special bounding service, and then they do search to decide which hospital they want to check in, and after the recovery, they decide whether they want to travel at that place or country. Taking the medical and nursing service into consideration, the process would be more complicated in terms of special service for patient clients, nutritional diet under professional advices. In order to identify who are the target clients of medical tourism, a series of report and survey results are introduced in the paper. Mexico (21.18%), the Middle East (14%), South America (12.33%), Central America—excluding Mexico (11.25%), and Europe (11.23%) are the main inbound medical tourism destinations while the bulk of customers have the following features of well-traveled, well-educated, affluent, Internet-savvy 30–65-year olds (Wendt, 2012). Because of the complication of medical tourism process, the technology used and applied in medical tourism can be cloud computing on medical information like electronic medical records, which could provide low cost medical solutions based on the fact that cloud computing could restore all the profiles of patients with minimized fees. Some other technologies like toll-free telephone, free wireless Internet, other healthcare facilities, physicians, customized amenities and environment, all provide the foundation interrelated services. Trends of medical tourism are discussed. First of all, market trend shows that outbound medical tourism is expected to experience explosive growth over the next three to five years, while On the other hand, inbound medical tourism and medical tourism across states will continue to be a hot spot for patients seeking treatments unavailable elsewhere in the world or in a community setting. Demographic trend shows an explosive population of baby-boomers. There are over 220 million baby-boomers in the United States, Canada, Europe, Australia, and New Zealand. And they are called "baby boomers." On the other hand, young generations' medical tour, they focus more on maintaining health. Economic trend showed that the financial crisis swept the whole US economic since 2008 and caused a serious economy recession and downturn. However, some developing countries are, instead, showing a vibrant and upturn trend. In the technology trend, Internet and highly precised machine are involved in. Also, security trend has been receiving more and more attention.

KEYWORDS

- **healthcare tourism**
- **hospitality**
- **healthcare**
- **medical tourists**
- **medical travel destinations**
- **information technology**

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CHAPTER 17

CASE STUDY: MEDICAL TOURISM—RECOVERY, RAINFORESTS, AND RESTRUCTURING: OPPORTUNITIES FOR HOTELS BRIDGING HEALTHCARE (H2H)

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CONTENTS

ABSTRACT

This chapter looks at medical tourism in Costa Rica. The role that a tropical rain forest plays in providing a natural and relaxed setting is explored. The relationship between a relaxed rain forest setting and other more main stream medical tourism settings and patient recovery is discussed.

17.1 INTRODUCTION TO MONTAVERDE, COSTA RICA

Imagine a place, more of a paradise, to go to escape the everyday hustle and bustle of a hectic busy life. This paradise, or shall it be said, "Garden of Eden," is surrounded by a tropical rainforest on one side filled with hundreds of species of wildlife untouched by the human hand of destruction. The only sounds to be heard are those of the howling monkeys and the occasional afternoon rain pouring on the large leaves. On the other side of this paradise lies a waterfall whose water pours into warm pool surrounded by colorful and vibrant flora. In the middle of this Garden of Eden lies a large open space ideal for shelter without disruption of the wildlife. Here lies a home

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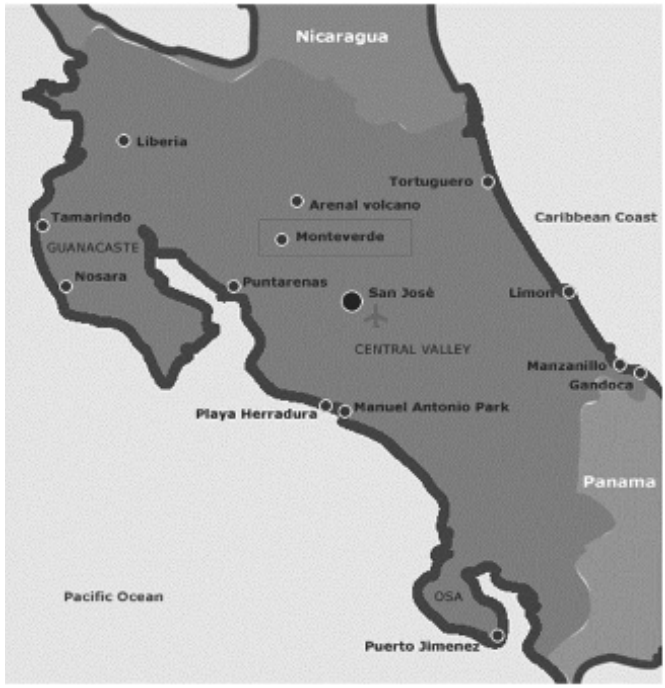
that provides shelter to visitors who are so very intrigued by the relaxing life in this paradise. This shelter "Jardin de Eden" is one amongst many hotels located in Costa Rica that provide its guest with a touch of some of nature's world wonders and their natural relaxation mechanisms, along with just a simple place to rest for the duration of their stay. The hotel, located in Monteverde, Costa Rica, is one of the few lucky establishments whose location is priceless and hidden.

Monteverde, Costa Rica is a small town in *Puntarenas, Costa Rica*. Located in the *Cordillera de Tilarán*, roughly a 4-hour drive from the *Central Valley* of Costa Rica, Monteverde is considered a major *ecotourism* destination in Costa Rica. In *Newsweek*'s "100 Places to Remember Before They Disappear," Monteverde appears as the Americas' No. 14. It has also been deemed one of the *Seven Wonders of Costa Rica* by popular vote, and has been called by National Geographic "the jewel in the crown of *cloud forest* reserves."

Monteverde is misty and windy, with a mean annual temperature of 64.4°F. Currently, an estimated 250,000 tourists visit Monteverde per year. Improved goods and services, including partially paved roads, have arrived in recent years making tourism both easier and comfortable for foreigners. As in the majority of Costa Rica, the official and most-spoken language is *Spanish*; however, it is commonplace now to expect a fair amount of people to speak English as well.



Tourism is a growing sector in Monteverde's economy. Having grown from less than a hundred yearly visitors in 1975 to 250,000 in recent years, much of the economy is becoming increasingly dependent on tourism. An increase in hotels, taxis, guides, and other tourist-geared services have appeared since the early 1990s. Due to the acclaimed rain forests and cloud forests in the Monteverde area, Monteverde has become a major part of the Costa Rican tourist trail.

The bulk of Monteverde's rain forest and cloud forest can be found in the *Reserva Biológica Bosque Nuboso Monteverde*, a private nature reserve created in 1972. The area around the park entrance is the most visited, though camping deep in the reserve is possible with reservations. Nine main trails are well-kept and easy to access. Arguably the main attraction of Monteverde, the massive 10,500 ha *Reserva Biológica Bosque Nuboso Monteverde* draws 70,000 tourists a year. It is known as the site with the largest number of *orchids* in the world, with 34 of its 500 species newly discovered. In terms of nature-related attractions, Monteverde boasts a modest array of businesses. There are several serpentariums, insect museums, butterfly gardens, and other zoological attractions in the area. A surge in these types of attractions has occurred within the last five years. For those interested in a little more

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adventure, zip lines and suspension bridges through surrounding forest have also become popular. Hanging bridges, which are tree top walkways though cloud forest, are one of the most amazing ways to experience the beauty of this rare ecosystem. Other activities include horseback riding and mountain biking. In addition to daytime activities, night tours are equally enthralling where encounters with nocturnal insects, amphibians, and mammals are commonplace.

17.2 MEDICAL TOURISM INDUSTRY IN COSTA RICA

Fast-growing medical tourism in Costa Rica owes its existence to tourists from the United States and Canada traveling primarily to get medical and surgical procedures done abroad. Traditionally, the procedures that have been popular with medical tourists in Costa Rica have been cosmetic and dental treatments. But with growing standards of medical care, there is rapid *medical tourism* demand for various other surgeries and medical procedures. Many unique factors make Costa Rica healthcare a preferred medical travel destination. Medical treatments are usually about 50–70% cheaper than in the United States and no one has to wait their turn for surgery (refer to Table 17.1 for additional cost information). With Costa Rica being easily accessible from the United States and Canada, visas are not required for visits less than 90 days. In addition, the presence of top private accredited hospitals and clinics makes Costa Rica a reliable and desirable location for medical tourism. It is very common for leading doctors and surgeons in *Costa Rican hospitals* to have gained experience, certifications or trainings from the United States. The Costa Rican medical system is ranked very highly by the World Health Organization and above many other developed nations. In addition, the Costa Rican hospitals have good experience in treating patients from the United States because the top private hospitals in Costa Rica are comparable with the best anywhere else in the world. Hospital Clinica Biblica in San Jose, Costa Rica, has taken the lead in expanding medical tourism in Costa Rica, providing medical tourists many cutting-edge medical procedures. Another popular private medical center is the *CIMA Hospital in San Jose, Costa Rica* which is a leading world class medical center. It is owned and managed by a leading United States hospital corporation. New Smile Dental Clinic is leading the growth of Dental Tourism in Costa Rica. Dental packages in Costa Rica include all costs like X-ray, prosthesis, etc., at the clinic, and the dentist's fees, and yet they are 50–70% cheaper than what you will find in the United States, United Kingdom, Canada, and most

developed countries. For the 100 million plus people in the United States without dental insurance, a dental holiday to Costa Rica is easily an attractive option. Another attractive feature is that there is always an English-speaking personal case manager at the medical destination, and knowledge of the English language is much more common. Alongside the low cost of procedures, medical tourism in Costa Rica is ideal because it provides an excellent place to relax before surgery and recovery afterward. Although the big city of San Jose is not the ideal place to recover, there are many areas just outside the city that offer tourists tropical paradise escapes.

TABLE 17.1 Surgery Cost Comparison Chart.

Surgery	USA	Costa Rica
Heart bypass	$144,000	$25,000
Angioplasty	$57,000	$13,000
Heart valve replacement	$170,000	$30,000
Hip replacement	$50,000	$12,500
Hip resurfacing	$50,000	$12,500
Knee replacement	$50,000	$11,500
Spinal fusion	$100,000	$11,500
Dental implant	$2800	$900
Gastric sleeve	$28,700	$10,500
Gastric bypass	$32,927	$12,500
Lap band	$30,000	$8500
Liposuction	$9000	$3900
Tummy tuck	$9750	$5300
Breast implants	$10,000	$3800
Rhinoplasty	$8000	$4500
Face lift	$15,000	$6000
Hysterectomy	$15,000	$5700
Lasik (both eyes)	$4400	$1800
IVF treatments	$14,500	$2800

Source: http://www.medicaltourismassociation.com/en/for-patients.html.

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17.3 THE PROBLEM

The "Jardin de Eden" Hotel, located in the beautiful Monteverde Costa Rica, is the ideal place for healing. The hotel contains 80 private rooms inclusive of 10 suites. The hotel is owned by Jose and Paulina Hernandez who inherited the land after a death of a family member and felt it was the perfect place to open a retreat for people looking to escape, relax, and renew their energy. Paulina, a retired nurse, worked in the San Jose hospital system for years, while her husband, a reputable accountant, was able to save up enough money to retire as well and fully run the hotel. Currently, Paulina is the "general manager," Jose runs all the financials and the rest of the staff includes seven housekeepers, an adventure excursion concierge, three person front desk team, one grounds maintenance/gardener, two inexperienced cooks, and two cafe wait staff. The hotel rarely reaches 50% occupancy during off season and still struggles to fill the hotel in season.

"Jardin de Eden" hotel's location is a 3-hour drive from San Jose, both the capital and home to many reputable hospitals known for medical tourism. The location of the hospitals in San Jose makes it slightly difficult for medical patients to arrive at the luxurious hotel in Monteverde. The big city of San Jose makes it an undesirable location to relax and recover from a surgery. Since the hotel is in a hidden location and also a "Mom and Pop" hotel, it is difficult for "Jardin de Eden" to market themselves to international guests, especially those in Costa Rica for medical procedures. Jose and Paulina Hernandez want to boost their occupancy percentages in their off seasons by taking a share of the medical tourism market, but are unsure how to achieve this goal.

17.4 QUESTIONS

(1) How can "Jardin de Eden" attract medical tourists?
(2) If they attract medical tourists, what will they need to do to accommodate patients who have had recent medical procedures?
(3) What should the hotel do to overcome the issue of distance between their resort and the hospitals in San Jose?
(4) Aside from medical tourists, what other market segments should the hotel consider in marketing their accommodations to?
(5) What are the opportunities today and in the future for medical centers to build hotels to attract medical tourists (from around the world)?

(6) What are the potential present/future opportunities for hospitality management graduates to work in hotels to healthcare (H2H)?

17.5 POTENTIAL SOLUTIONS/TEACHERS GUIDE

First, since having medical procedures can already make people feel uneasy, a hotel that guests have never heard of will just add to the unease. The best solution not only to this problem of comfort in a foreign country but also for marketing would be to flag the hotel with a well-known brand. Large companies such as Marriott, Starwood, and Hilton are familiar names that people trust. By flagging their hotel, the Hernandez's will be able to better attract guests. When flagging their hotel, the marketing will be done for them by the company that they choose to franchise with. The Hernandez's will have to carefully choose which flag is best for their hotel based upon the standards each company has for their franchises and the fees associated with franchising. By searching through the Franchise Disclosure Documents of the chosen companies, they will be able to determine which is best suitable for "Jardin de Eden." In addition, the hotel can try to build relationships with the hospitals and surgeons in San Jose in order to bring guests to the hotel with a reliable recommendation from their doctor. The hotel can also set up special packages for medical tourists the help in their recovery process. Packages may include things like room service with specified foods helpful in recovery, planned day trips for relaxation, spa treatments, and/or specific amenities in the room for a more comfortable recovery.

Second, as a hotel that wants to attract medical tourists there are a few things that they will need to adjust. Some guests may need medical assistance while staying at the hotel. It is important that the hotel have medical staff such as nurses or medical concierges to deal with any complications that may occur after surgeries. Paulina Hernandez, a former nurse, will be able to contact her previous coworkers to see if they are interested in a position such as this.

Next the hotel will have to employ a dietitian that will be knowledgeable about the types of foods guests can eat after procedures. The dietitian will work closely with the newly hired chef to ensure all the food needs of the guests are taken care of. Finally, the hotel will have to ensure that all areas are wheelchair accessible since many guests may be in wheelchairs after their procedures.

Third, the hotel is approximately 3 hours away from the capital of San Jose where the majority of the reputable hospitals in the country are located.

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To make it easier for the guest and their family, the hotel will have a shuttle that will transport them. This shuttle will bring the patient and their family back and forth for consultation appointments, the physical surgery, and visitation of the family. If privacy is an issue, the hotel will be more than willing to provide a private car for the patient to ride in. The hotel will also form strong bonds with the doctors and transport them if necessary to and from the hotel.

Lastly, the hotel can also market its accommodations to people seeking adventure tourism. There has been an increase desire for new vacations that include exotic locations that provide adventurous experiences. The hotel can partner with local adventure companies to offer discounted rates to guests as well as transportation to the locations. These types of adventure activities include zip lining, camping, white water rafting, surfing, hiking, biking, repelling, etc. In addition, according to the key trends for medical tourism in the book *Hospitality 2015*: "the physical culture and personal-health movements are improving health in much of the world but they are far from universal." This trend creates a need for places to go to help battle obesity or health issues (aside from surgery recovery). The hotel could hire nutritionists and fitness instructions who together could create a wellness program for those people who are trying to regain energy, become healthier, or simply lose some weight.

17.6 ADDITIONAL RESOURCES: STRATEGIC TOOL KIT

By utilizing certain strategies, tools, and models, it may be easier to find solutions to the problem of attracting medical tourists to the "Jardin de Eden" hotel. First, the hotel can use the **coalignment model**. By first scanning the environment and looking at the current competition, the hotel can get a grasp on the potential market share. This also means keeping up to date with the newest medical findings and surgeries as well as the trends occurring in the spa and wellness sector. In addition, by looking at the environment and the economic health, the hotel could see if this is truly feasible. Second, the hotel should do a SWOT analysis to research further where the hotel has an advantage and where it needs to improve. By then investing in competitive strategies, people, and new technology, the hotel will be able to take advantage of opportunities and eliminate weaknesses and threats. Lastly, if the hotel makes changes, they should keep accurate records in order to check their performance. In addition, feedback and customer comment cards are a great source of performance information.

In the past, usually if a message was to reach more people, the richness of that message declined. With the Internet and new technologies today, messages are able to be **Rich and Reach** many people. The hotel can take advantage of the Internet and create rich messages that not only make the guest feel special, but also reach many guests. They can use the Internet for marketing and gaining guests with a great and interactive website as well as the use of social media. Social media, like Twitter or Facebook can give information in real time about things like guest yoga instructors or the addition of a new innovative chef!

Another great tool is to use the **Delphi Technique** and utilize the doctors in San Jose. This could easily be done with the hotel owner's connection to the hospitals in San Jose. By polling the large group of people on the particular topic (in this case, the needs of patients after surgery to recover and relax), the hotel can have a better understanding on what they should strive to provide. In addition, it could help to make future predictions.

By having extensive knowledge of the **Strategic Impact Grid,** the hotel has yet another tool to help in evaluating the current and future needs of the hotel. The hotel will most likely fall into the Strategic Quadrant. IS will need to be highly reliable because the hotel will be dealing with medical conditions and recovery. Also, confidentiality plays a large factor in the need for reliable IS. In addition, new IS is also critical in keeping the hotel innovative and different than the competition. By always being one step ahead of its competitors in terms of IS, the hotel will be able to give its guests the best services available.

Porter's 5 Forces Model can be utilized by the hotel owners to get a grasp on the competition in the area as well as the threats of new entrants as the hotel begins to target the particular market of medical tourists. By then looking at the bargaining power of the suppliers and consumers, the hotel will be better able to understand the people with whom it is dealing, their needs and powers, and how to best serve them. Lastly, by researching substitute products, the hotel will be able to further detail any additional threats in the market.

It is also very important for the hotel owners to know the **Life Cycle of a Service Firm.** They must be aware that as they attract this new segment, grow, and reach maturity, they will be at an important strategic cross road. Other hotels will see this success and enter the market. It is then the job of the hotel to innovate its product/service in order to once again stand out in the market. This can be done with constant review of customer feedback, implementation of new desired technologies in-room, new food and beverage concepts, innovative exercise classes, and up-to-date medical technology.

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If they do not innovate, in time, the hotel will decline and eventually have the potential to become bankrupt. By maintaining a **Blue Ocean Strategy**, the innovative uniqueness of the hotel will reduce competition and make the hotel stand out among the rest.

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KEYWORDS

- **rain forest**
- **medical tourism**
- **recovery**
- **travel**
- **hospitality**

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CHAPTER 18

CASE STUDY: PROVIDING THE COMFORTS OF HOME FOR PATIENTS AND FAMILIES OF GEISINGER MEDICAL CENTER

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CONTENTS

ABSTRACT

This chapter describes the relationship between a major medical center in Central Pennsylvania and a national hotel company. The synergistic partnership for providing patients or medical tourist with a hotel on the healthcare campus with a high level of hospitality and healthcare services is explored.

18.1 PROVIDING THE COMFORTS OF HOME FOR PATIENTS AND FAMILIES OF GEISINGER MEDICAL CENTER

With the current increase in well-being tourism, many hotels and resorts feature unique facilities and services that cater to people who travel to a different place to proactively pursue activities that maintain or enhance their personal health and well-being, and who are seeking unique, authentic, or location-based experiences/therapies not available at home.

Medical Tourism is served by a smaller number of hotels cater to people who travel to a different place to receive treatment for a disease, an ailment, or a condition or to undergo a cosmetic procedure, and who are seeking lower cost of care, higher quality of care, better access to care or different care than what they could receive at home.

One such medical tourism related hotel is the focus of this presentation. In partnership with the Geisinger Health System, The Pine Barn Inn is the premier full-service hotel in the Danville, PA area, and recently was awarded the 2015 Certificate of Excellence by TripAdvisor.com.

Geisinger Health System is an integrated health services organization widely recognized for innovative delivery of health care, including the use of

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the electronic health records and the development of advanced care models such as ProvenHealth Navigator® and ProvenCare®.

As one of the nation's largest rural health services organizations, Geisinger has been nationally recognized for integration, quality, and service. Its physician-led system is comprised of more than 21,000 employees, including a 1100-member multi-specialty group practice, eight hospital campuses, two research centers and a 467,000-member health plan—making Geisinger a major contributor to the economic as well as medical health of the region—providing high-quality healthcare services to more than 2.6 million residents throughout 44 counties in central and northeast Pennsylvania.

Geisinger has recruited top physicians from across the country, in virtually every medical field, to provide patients with the most innovative healthcare available at the Geisinger Medical Center, its flagship facility located in Danville, Pennsylvania. Opening in 1915, the Geisinger Medical Center is also home to some of the most advanced technology in the country, including a Level I trauma center, the region's lone pediatric trauma center, the renowned Janet Weis Children's Hospital, the state-of-the-art Hospital for Advanced Medicine and clinical research facilities.

Physicians in Pennsylvania and the surrounding states refer their most complex cases to Geisinger Medical Center. In addition to being a regional leader in patient care, the 505-bed facility received the 2012 Thomson Reuters 100 Top Hospitals®: National Benchmarks Award. The medical center has also been designated a Magnet® hospital by the American Nurses Credentialing Center (ANCC). These credentials represent just a sample of the national awards and distinctions that Geisinger has earned because of its strong commitment to innovation, quality, and top-notch patient care.

The Center for Continuing Professional Development of Geisinger Health System serves the educational needs of the integrated health care delivery system and the community. Located at the Geisinger Medical Center, courses have been created for doctors, nurses, pharmacists, social workers, imaging technologists, physician assistants, nurse practitioners, dietitians, athletic trainers, counselors, psychologists, and occupational therapists. The Danville Geisinger Medical Center campus includes a number of nearby facilities that provide a range of specialized medical, research, and hospitality services.

Owned by the Geisinger Health System and operated by Shaner Hotels, the Pine Barn Inn is a 99-room hotel and meeting center conveniently located immediately in front of Geisinger Medical Center, just a short walk from the hospital's main entrance. The Inn serves as host to visiting physicians and continuing professional development attendees. The Pine Barn Inn

and its hospitality staff are attentive to the pre- and post-procedure needs of Geisinger Medical Center patients and their families. Free parking, and complimentary shuttle transportation is available from the Inn to the hospital main entrance. Special dietary needs are easily accommodated and flexible check-in and check-out times are available to minimize any inconvenience to patient guests and their families.

Built on its 19th century history, the Pine Barn Inn thrives on hospitality in the tradition of early innkeeping. Pleasant lodgings, a rustic tavern, and various cheerful dining rooms combine with a standard for delicious food and excellent service. With modern amenities including complimentary Wi-Fi and dressed in the style of another era, the Pine Barn Inn awaits travelers and guests whose journeys bring them to central Pennsylvania.

The exposed stone walls and antique posts and beams in the Pine Barn Inn's dining rooms date back to the 19th century when this typical German bank barn was built on one of Danville's earliest farms. As the town grew, and local property changed hands, the old farm became part of the land on which Geisinger Medical Center rose in the second decade of the 20th century.

As the medical center developed, the barn maintained an interesting life. Geisinger's first doctor stabled his horse in the barn, which was operated as a riding stable in the 1930s. During the Second World War, the barn was turned into a house by an eccentric man who boasted it was the first all-electric house in Pennsylvania.

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In 1950, the barn was sold again—this time to an entrepreneur who saw its potential as an ideal place to house a restaurant. Over time, the innkeepers kept up with the demand for lodging, and today the Pine Barn Inn offers 99 comfortable guest rooms in two buildings next to the original Inn.

Partnering with Geisinger, The Pine Barn Inn participates in the Geisinger **Center of Excellence Program**. This program is available on a contract basis, with major corporations such as Lowes, Walmart, Jet Blue, and McKesson and provides special pricing and availabilities for cardiac and spinal procedures for member company associates.

The hotel's close proximity to the center—not only within comfortable walking distance, but also via complimentary hotel shuttle to the main entrance, upon demand—is a key feature in the hotel's relationship with the facility.

While other medical travel hotel facilities may have small clinics connected to their facility, our Danville location is the closest hospitality facility to the largest and most full service teaching medical and trauma center in Central Pennsylvania. Throughout its existence, the Pine Barn Inn has provided warm, comforting hospitality to patient families and to recovering patients who have been discharged, but for whom follow up care is still needed.

In providing unique hospitality services to Geisinger patients, their friends and families, and visiting medical personnel, the Pine Barn Inn focuses on three specific areas: Accommodations and Services, Rates, and Food & Beverage Dietary Considerations.

18.1.1 ACCOMMODATIONS

- Ground floor drive up rooms are available, providing a convenient means of entry and egress.
- ADA compliant special needs guest rooms are available. The hotel is extremely handicap access friendly and has wheelchair transportation available on site up-on request.

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- Patient and family shuttle bus transports from the hotel to the main entrance at the Medical Center.
- Check in and check out flexibility is provided, to accommodate schedule changes which sometimes occur at the Medical Center.
- The hotel features a Fitness Center with elliptical trainers, treadmill, multiweight body gym, free weights. Additionally, all guests can use the indoor pool & facilities of the Danville Area Community Center at no charge.

18.1.2 RATES

- *Patient family rate*—This program is available to patients, family and their friends for pre- and post-procedure needs. The rate is authenticated and extended through the medical center concierge desk, and it represents a roughly 25% discount below prevailing hotel rates. The rate is honored by the hotel on a last room available basis.
- *Critical care rate*—It is a special program for family members who find a last minute need to stay overnight—usually when a family member is admitted to the critical care unit. The rate is offered only through the critical care unit and it provides for a one double bedded room. The rate represents a significant discount of roughly 55% below prevailing hotel rates.
- *Apartment rate*—It is a special rate for medical personnel on temporary duty work status at Geisinger Medical Center. The hotel has two different long-term apartment buildings with one-bedroom apartments which provide long-term stay availability for medical personnel on temporary work status at the Center. Each unit is a fully furnished one-bedroom apartment, and rentals are available in one-month increments. Apartment guests have full use of hotel facilities and services during their stay.
- *Professional suites*—Three executive suites are on a permanent contracted basis with Geisinger. They provide last room availability which provides Geisinger with availability on a moment's notice.
- *Medical rate*—**For medical students** who come in for residency programs, as well as participants of Geisinger continuing education programs, held at the Geisinger conference center, the medical rate represents a discount of between 10% and 20% below prevailing hotel rates.
- Additionally, the hotel's sales department works with the center to accommodate other groups which make use of the conference facilities.

18.2 FOOD AND BEVERAGE DIETARY CONSIDERATIONS

- The restaurant features an overall health conscious menu, with health options marked on menu.
- Upon request, the hotel provides nutritional information for every menu item.
- Responsive to special dietary requests, the restaurant also provides dairy free and gluten free options.
- Room service is available at extended hours for the convenience of recovering procedure guests.

For more information visit the Pine Barn Inn website.

KEYWORDS

- **medical center**
- **hotel**
- **hospitality**
- **medical tourism patient**

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CHAPTER 19

THE BRANDING OF MEDICAL TOURISM IN CHINA: A SNAPSHOT USING A STRATEGIC MODEL ANALYSIS

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CONTENTS

ABSTRACT

This chapter looks into the medical tourism phenomenon is China. It takes a strategic approach to three prominent tourism cities in China. The chapter describes a strategy for a three-step branding model for the medical tourism market.

Global business travel spending is expected to expand in the next several years with China leading the charge. According to the 2013 Global Business Travel Association study sponsored by Visa, Inc. China is projected to experience double-digit annual growth, reaching 375 billion dollars by 2017, greater than any other country represented in the study.

19.1 CAN CHINA ENGINEER A MEDICAL TOURISM DESTINATION WITH THIS PROMISING OUTLOOK?

What are the opportunities and threats? Traditional Chinese Medicine (TCM) and Chinese Herbal Medicine (CHM), in the forms of naturopathy (natural therapy), acupuncture, massage, footbath, and herbal beauty, have a solid foundation in Mainland China; however, it has yet to establish itself as an attractive medical tourism destination.

19.2 IS THERE A POTENTIAL DEMAND FOR MEDICAL TOURISM IN CHINA?

Situated near Thailand, India, Malaysia, and Singapore, Mainland China faces a stark competition, primarily due to the fact that these destinations currently enjoy government funding and other auxiliary support. Though China cannot compete with its neighbors on cost, its booming economy, soaring travel, both domestic and international, and established infrastructure, medical tourism in China can be viewed as one of the most underpenetrated segments in China. Certainly, there is a strong potential for demand. Many Mainland Chinese have chosen Taiwan and South Korea for healthcare and cosmetic surgeries (CruiseGuide, 2009) by targeting the Chinese Diaspora (Country Outlook Reports, 2011; CruiseGuide, 2009). Additionally, there are a growing number of patients who shop around for medical care within China, yet are forced to seek care elsewhere due to a lack of facilities to support this demand. Coupled with an advancing retirement age, and increased patient dissatisfaction with public hospitals, China is faced with an

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urgent need to develop medical tourism destinations within its own borders highlighting advanced services, efficient infrastructure, and a strategy that emphasizes TCM and modern Western Medicine techniques.

In this chapter, we take three pioneer Chinese cities, Beijing, Shanghai, and Sanya, and by incorporating the principles of the Health Care Cluster Model and the three-step branding model, create a recipe for potential entry points into the Medical Tourism market. The cities share important common elements necessary for successful medical tourism, namely advanced infrastructure and international exposure, while maintaining a distinct cultural identity.

19.3 THREE REPRESENTATIVE DESTINATIONS IN CHINA

Beijing, Shanghai, and Sanya are dispersed across the mainland, in Northeastern China, Southeastern China, and South China, all having achieved worldwide recognition. Beijing and Shanghai have started building medical teams, launching associations and developing related support systems. By contrast, Sanya, is a hot destination for domestic travel, but has yet to establish a firm foundation as an epicenter of Chinese medicine. Figure 19.1 shows these three important medical tourism cities in China.

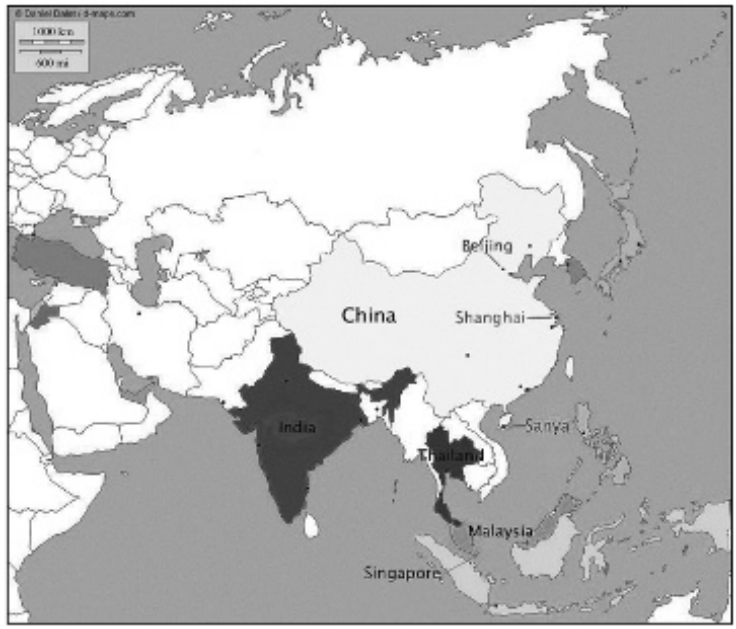

FIGURE 19.1 Location map of three Chinese medical tourism destinations.

19.4 PROPOSED CLUSTER MODEL

According to the Medical Tourism Association' s definition, "A Healthcare Cluster is generally an independent organization of hospitals, clinics, medical professionals, and the government in a specific city, state, or region. A healthcare cluster is funded by all the participants in the healthcare cluster and represents the interests of all the members; the cluster may also be supported by government funding." For instance, Swiss Health is the representative body for 27 leading hospitals, clinics, and resorts that provides marketing support, facilitates travel plans and makes recommendations for international medical tourism seekers in their exploration of Swiss Medical Tourism.

19.5 WHAT IS THE CURRENT STATUS OF MEDICAL TOURISM IN THESE THREE DESTINATIONS?

19.5.1 BEIJING

In order to support the development of medical tourism in Beijing, the local government and associations have already began working together to establish a collaborative goal and plan the future. In December 2012, Beijing Health Culture and Creative Industry Association and State Administration of TCM, and Beijing Municipal Commission of Tourism Development held a symposium on Beijing TCM Tourism Development. Governors expressed their support in the development of the Chinese cultural tourism industry, particularly TCM, by rewarding exceptional achievements and travel agencies.

As a city with one of the most extensive histories in the modern world, TCM and CHM have a solid foundation in Beijing. Given Beijing's significance in the international market, TCM and CHM are recognized around the world for their wide application, high efficiency, minimal side effects, and low cost. Besides, TCM can be used as a tool to fight obesity and carry out anti-aging treatments for seniors.

In terms of unique tourism resources, Beijing is the cultural center of China, with an internationally recognized artistic community encompassing music, drama, dance, craft, sculpture, museums, libraries, and heritage architecture.

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19.5.1.1 CURRENT NEEDS

There is a need for an effective facilitator for Beijing to establish a well-defined healthcare cluster and assist in branding itself as an international medical destination. Great training is needed for hospital and hotel staff to learn how to treat Medical Tourists, with specific strategies to target specific market needs.

19.5.2 SHANGHAI

Shanghai is the most developed city in Mainland China, typified by a fascinating mix of East and West. In 2010, it officially launched the development of Medical Tourism through the Shanghai Medical Tourism Products & Promotion Platform (SHMTPPP, http://www.shmtppp.com). SHMTPPP is a great success story and a notable facilitator example in China. Most notably, it is the first official portal site of medical tourism in China. Supported and granted by multi-government agencies, the SHMTPPP is committed to strengthen Shanghai's position as Asia's leading medical hub. By combining the responsibilities of Industry Association and the Facilitator, it opens a gateway for international patients to seek medical treatment in Shanghai.

As an international city, Shanghai has the charm and power to introduce the latest technology, promote world corporations and draw talented people to work there. "Creative people, in turn, don't just cluster where the jobs are. They cluster in places that are centers of creativity and also where they can afford and like to live". Shanghai is such a place, full of chances and ideas, and gathering place of universities and global enterprises. Give Shanghai a chance, she will wow the world.

19.5.2.1 CURRENT NEEDS

Shanghai needs a clear positioning and an effective information-sharing cluster, which could be led by local government or medical tourism association of China. With certain medical expertise and valuable practice experiences, a well-trained management team will help better internal resource integration and build a multi-way communication system. Next step is to develop more cooperating tourist centers overseas, carry out more foreign customers-targeted campaigns to broadcast our city program, and meanwhile keep eyes on after-service standards to maintain customer relationship.

19.5.3 SANYA

Sanya is a tropical coastal city and the second largest on the Hainan Island. Touted as a hot destination for travellers, Hainan is the first International Tourism Island in China and has been given the nickname "Hawaii of the Orient." Sanya is blessed with strong government support, an easy Visa policy for group tourists, and two tax-free shopping areas. The government of Hainan intends to expand the province's medical tourism industry by introducing tax incentives for international investment to industry growth.

Sanya is at the forefront of China's hotel boom, with luxury resort and hotel facilities everywhere, providing a good foundation for the hospitality sector in the Medical Tourism Cluster. Cooperating with time-share resorts is another possible way to promote a cozy lifestyle there.

In the healthcare sector, Sanya is a perfect place to develop wellness/health tourism, such as counseling, meditation, SPA, recuperation therapy, and physical check-ups. What's more, with powerful help of International Tourism Island, Chinese first Medical Tourism Zone (Healthcare Free Zone)—Le Cheng River Eden—is under construction in a nearby town to Sanya. The State Council has approved the development of Lecheng Island as a medical tourism-themed destination. Without doubt, its practices, guiding theories, awareness of Hainan and even volume of tourist arrivals will assist Sanya in the future.

19.5.3.1 CURRENT NEEDS

Sanya will greatly need academic support to lead the direction of development. Besides, it will need a great management team with certain medical expertise and practice experiences, in order to relocate resources properly and also increase the logistic efficiency. In the end, a successful case design of medical tourism can't be more important, which is a most practical way to target customers.

19.6 WHAT IS THEE-STEP CITY BRANDING?

The three-step model incorporates the main components of effective marketing strategy, namely a solid strategic planning; clear value proposition and differentiation; as well as detailed action plans with timelines and accountabilities.

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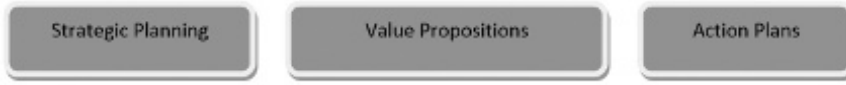

19.6.1 STRATEGIC PLANNING

Starting slow and late, China has to create its own way based on a relatively thorough market research and competitor analysis. The guiding principle to follow in this model is to create new markets and new needs. Performance of competitors and benchmarking destinations should also be taken into consideration. To include in a strategic SWOT analysis, will be a comprehensive analysis of the market development, competitor performance, destination attributes, and consumer behavior.

19.6.2 VALUE PROPOSITIONS

Tourists travel abroad for medical treatment, not only for affordability and availability but also more for value propositions. "Customers don't really buy what you do, but buy why you do it". It's not simply building, branding, and waiting; it is critical to know what's your special value preposition, the unique selling point of each destination, the participants, and the community. Only if you know why you build it, will your customers know what they come for.

China is the origin TCM; China is a mix of ancient and modern; besides, China recently "happen" to have world-class healthcare, hotels, and attractions, best technology, and caring staff, which will contribute to the deal. China out to feel comfortable telling her story, creating new rules, new features and being innovative with its rich ancient culture.

19.6.3 ACTION PLANS

Quality control is probably at the core of China's medical tourism ambitions, whether it is the quality of medical treatment or quality of tourism arrangements. Quality management aims for sustaining an ongoing improvement of the standard of facilities, products and services provided.

To provide quality services, China needs to bring together various players in each touch point, develop detailed analyses, and solicit not only

commitment, but also enthusiasm from all involved to create detailed action plans and new milestones. These action plans may include pre-arrival, encounter, and posttreatment activities of patients and their families.

As a gateway to China, these three destinations, could take advantage of functional websites, up-to-date software, social media, and online advertisement for effective branding, communicating clear value propositions, and commit to providing excellent services at all touch points. Their unique geographical locations of these three destinations will allow China opportunities to create its first medical tourism cluster to meet its domestic needs and facilitate development of second-tier cities by drawing patients across borders.

19.7 CLOSING WORDS

Beijing, Shanghai, and Sanya are three promising entry points to start medical tourism in China. They all have their distinctive characteristics, advanced infrastructure, international insights, and other basic requirements. They can be model cities and then apply their successful experience into other Chinese cities' branding.

KEYWORDS

- **China**
- **medical tourism**
- **strategy**
- **wellness**

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CHAPTER 20

MEDICAL TOURISM TODAY AND IN THE FUTURE FOR CHINA

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CONTENTS

ABSTRACT

In order to analyze medical tourism cluster launching procedures and differentiation process of branding cities, this chapter discusses and synthesizes models, strategies, tactics, and principles for establishing medical tourism cluster and branding Chinese medical tourism destinations. It comprises two parts. Part I includes two chapters covering relative researches and secondary data to elaborate the current development of Medical Tourism. In three chapters, Part II explores important theories of the strategic procedure model and cluster model, then builds a strategic SWOT model and examines it in three settings: Beijing, Shanghai, and Sanya. The Goal of this research project is to bridge the gap between Chinese healthcare industry and tourism industry by analyzing fundamental requirements that the Chinese medical tourism market needs and barriers in its growth, in order to supplement the medical tourism field in current Chinese market.

20.1 INTRODUCTION

20.1.1 DEFINITION

Medical Tourism is, fundamentally, planned travel for those who want to obtain medical service but do not need immediate emergency treatment. Table 20.1 provides some definitions for medical tourism.

TABLE 20.1 Medical Tourism Definitions.

Authors	Definitions
Medical Tourism Association	Medical Tourism is the process in which patients travel to other destinations for medical or health and wellness services
Nahrstedt (2004), Erfurt-Cooper and Cooper (2009)	Hospitality has been linked to health issues for years, with travelers visiting foreign areas for spa therapies, alternative treatments, and using hotels as a home away from home as they have sought health diagnostic services, and cosmetic surgery
Munro (2012)	The term medical tourism has come to embrace all facets of consumers seeking treatment, improvement or change through medical or wellness practices—provided they cross an international border to do so
Deloitte Development LLC	Medical tourism refers to the act of traveling to another country to seek specialized or economical medical care, well-being and recuperation of acceptable quality with the help of a support system
Wikipedia	Medical tourism is patient movement from highly developed nations to other areas of the world for medical care, usually to find treatment at a lower cost

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Medical Tourism is a fast-growing overlapping sphere between medical healthcare and tourism, the appearance of which changed the traditional operating model of both. Nevertheless, there are significant differences among medical tourism, traditional medical travel, and traditional tourism. Table 20.2 provides these comparisons.

TABLE 20.2 Comparisons among Medical Tourism, Traditional Medical Travel, and Traditional Tourism.

Comparison	Medical Tourism	Traditional medical travel	Traditional tourism
Tourists sources	Developed regions, usually with high quality healthcare	Less developed places, with lower quality healthcare	Could be anywhere
Destinations	Developed or developing area with high-quality healthcare	Major global medical centers in highly developed countries	Places with unique culture, or unique scenery, or developed economy and technology
Purposes/Driving forces	Cost savings, special treatment, travel opportunity	Medical treatment that is unavailable in their own communities	Exotic culture, unique scenery
Expenditure	Medical treatment and tourism costs	Mainly medical treatment cost	Tourism and hospitality cost
Expectations of accommodations	Average	Low	High
Customerization	Could be high	Low	High
Repeated frequency	High for wellness tourism, low for surgeries	Low, except chronic patients	High for shopping tours; low for culture tours

20.1.2 INDUSTRY HISTORY

The concept of Medical Tourism is almost as old as medicine itself. The first form of Medical Tourism is "mineral water tourism." Dating back thousands of years, ancient Greeks flocked to hot springs to use mineral water for recovery or fitness. And also it is Greece where the term "Medical Tourism" was invented and the original travel destination was. In the 19th century, "spa tourism" emerged. With the growth of industrialization and urbanization, pursuing relaxing life in fresh air and clean water was emphasized; so

functional SPA became popular. After centuries, "dental tourism" grew fast, with Americans traveling to Central American countries like Costa Rica for dental treatments that are not covered by insurance.

Asia is also a historical Medical Tourism destination. Thousands of years ago, yoga originated in India, which made India the first medical tourism destination in Asia. In late 20th century, Thailand marketed itself as a hot destination for plastic surgery, hoping to boost revenues. Now Thailand turns out to be a hot spot for all types of plastic surgery as well as routine medical procedures.

As we can see from the history of Medical Tourism, most of the peak periods focused on wellness or health recovery, never emergency treatment; people are pursuing a safe, healthy, and joyful experience. Only in the most recent 20 years, major surgeries are involved in the domain of medical tourism. While from 2007 to 2009 the economic recession had slowed the growth rate for medical tourism by approximately 13.6%, according to a new report by the Deloitte Center for Health Solutions at the World Medical Tourism and Global Health Congress in Los Angeles, California in 2010.

In 2010, the home improvement retailer Lowe's made cardiac surgery welfare to its employees through a deal with Cleveland Clinic, as Simon Hudson mentioned in *Domestic Medical Tourism—A Neglected Dimension of Medical Tourism Research*. This is the first time that a big corporation has selected one hospital to be its healthcare provider with a lower price for its employees.

20.1.3 MAJOR TYPES AND RECENT GROWTH IN ASIA

Medical Tourism bridged hospitality to healthcare, with travelers visiting foreign destinations for therapies and hotels serving as a home away from home (Cetron et al. 2010). Ranging from a dental treatment, knee surgery, plastic surgery, health check-up or a trip to a wellness spa, many experts consider medical tourism a lucrative business and relatively niche market (Rosenthal, 2009; Stephano and Cook, 2010; Turner, 2007). Cormany divides medical services that medical tourists seek into six major types: wellness, alternative therapy treatments, diagnostic services, necessary major surgery, necessary minor surgery, and cosmetic surgery.

Now, the onetime niche market has developed into a multi-billion-dollar industry (DailyMail.com, 2014). Asia has definitely established its

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reputation as one of the most popular and thriving destinations for medical tourism. Asian Financial Crisis led private hospitals to seek alternative revenue sources; governments also take important roles in leading the Asian industry development (Ivy & Calvin, 2005).

TABLE 20.3 Medical Tourism Revenue in Four Asian Countries (2007–2012).

Year/Country	India	Thailand	Malaysia	Singapore	Total ($billion)
2007	0.8	0.8	0.08	0.9	2.58
2008	0.86	0.85	0.1	1.15	2.96
2009	0.92	0.98	0.09	1.16	3.15
2010	1.0	1.1	0.12	1.28	3.5
2011	1.13	1.27	0.14	1.4	3.94
2012	1.25	1.44	0.16	1.55	4.4
Total increase	0.45	0.64	0.08	0.65	1.82

TABLE 20.4 Volume of International Medical Tourist Arrivals in Four Asian Countries (2006–2012).

Year/Country	India	Thailand	Malaysia	Singapore	Total (million)
2006	0.6	1.2	0.30	0.41	2.51
2007	0.68	1.37	0.34	0.46	2.85
2008	–	1.48	0.37	0.53	–
2009	–	1.7	0.34	0.55	–
2010	–	1.74	0.39	0.62	–
2011	–	1.98	0.58	0.68	–
2012	1.6	2.24	–	0.74	–
Total increase	1.0	1.04	–	0.33	–

Source: World Travel Tourism Council; Department of Health Service Support Thailand; Renub Research (2012), www.health-tourism-india.com; Deloitte Consulting Southeast Asia (2010); Singapore Tourism Board; Malaysia Healthcare Travel Council; "Medical Tourism—Malaysia," International Medical University (IMU), Abu (2012).

Based on Information in Table 20.3, Medical Tourism revenue in these four Asian countries has increased $1.82 billion during the past six years. Besides, Singapore and Thailand are the most fast-growing countries in revenue. In terms of volume of international medical tourist arrivals (Table

20.4), Thailand and India are the most attractive destinations. According to the World Travel Tourism Council, average expenditure of medical tourists is $362 per day per capita, more than twice that of traditional tourists, which is $144. The average expenditure of a medical tourist in India is more than $7000 per visit, as against a traditional tourist spend of $3000 per visit, according to the Indian Ministry of Tourism, while the average spend in Asia is $10,000 per tourist. From Tables 20.3 and 20.4, we can calculate that medical tourism cost in Singapore is the highest among these four destinations. Or, to put it another way, Singapore has the highest average expenditure of medical tourists.

20.1.4 REASONS FOR GROWTH

Why do these countries benefit a lot from this niche market? What overwhelming advantages do they have, compared to tourists exporters? Reasons are as follows.

1. *Affordability*. Foreign areas have relatively low prices for the same treatments within their own countries so that medical tourists will gain cost savings. With health insurance rates going up, many people in the United States are uninsured, which means they probably can't afford high expenses of surgeries if they need one. In the hospitality aspect, four or five star standard hotels and world-class facilities with cheaper prices absolutely sweeten the deal.
2. *Availability*. By 2010, there are 799,509 active physicians[1] in the United States. However, a third of these physicians is over age 55 and is likely to retire in the next 20 years—just when the baby boom generation begins to turn 70 (Stephano & Cook, 2010). When domestic healthcare is in short supply, patients have to travel to seek opportunities overseas. Moreover, certain areas in the world have constrained healthcare systems, especially developed regions, such as Europe, Canada, and the United States. They may have certain surgeries forbidden by strict laws; they may have limited equipment or physicians inside the country, resulting in a long waiting time for patients. By contrast, there are more nurses available to each patient, more rooms available, and resort-like recovery facilities.

[1]According to Physician Workforce Data Book of the Association of American Medical Colleges (AAMC), 2011 [accessed at source: https://www.aamc.org/download/263512/data/statedata2011.pdf].

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Especially developing-world health qualities improve and also the Internet broadens patients' horizons and gives them more available options.

3. *Travel opportunity*. You probably won't feel as painful and depressed while you are receiving treatments in an exotic place with exotic beauties caring for you. In addition, your companions will also have a chance to feel the culture of another country. Moreover, extensive airline network allows more convenience for travels abroad and global aviation links spread.

20.1.5 STUDY GOALS AND SIGNIFICANCE

There do exist reasons to believe that medical tourism is a niche and promising market, which has been thriving in Asia for a few years. However, there is a big country nearly absent from this industry and market—China.

China's recent economic rise is unprecedented in history. "Where there were fields twenty years ago, there are bustling cities with over one million people living in them. With the economic boom, come the things associated with increased wealth and prosperity, more metropolitan areas, and better access to education, the Internet, and health benefit.".

This study attempts to bridge the gap between Chinese healthcare industry and tourism industry. It is only recently that branding concepts started to expand into the tourism industry. Specific research projects working on branding in medical tourism are scarce. To the best of the authors' knowledge, there exists no article that applies Strategic SWOT Analysis in order to analyze medical tourism cluster launching procedures and differentiation process of city brands. This chapter discusses and synthesizes models, strategies, tactics and principles for establishing medical tourism cluster and branding medical tourism destinations. It comprises two parts. Part I includes two chapters covering relative researches and important theories of the model. In two chapters, Part II mainly builds a strategic SWOT model and examines it in three settings: Beijing, Shanghai, and Sanya based on theories in Part I. The Goal of this research project is to analyze fundamental requirements that Chinese medical tourism market needs and barriers in its growth, in order to supplement medical tourism field in the current Chinese market.

20.2 LITERATURE REVIEW

20.2.1 OVERVIEW OF MEDICAL TOURISM STUDIES

20.2.1.1 LUCRATIVE MARKET, BUT LACK OF DATA SUPPORT

According to increasing tourist numbers and revenues from medical tourism, the medical tourism industry has experienced massive growth over the past decade. However, not every participating area centralizes and submits its data. Even in submitted data, they are not consistent from database to database. Data collection has not been taken seriously until very recent years. There are few records to be tracked in the last century and records are not complete in this century. So how accurate and reliable these data are is questionable.

A report by the Confederation of Industries (CII)-McKinsey forecasted that, medical tourism would generate $2.4 billion during 2009–2012 for India by attracting 1.1 million medical tourists going up from 150,000 in 2002. The fact is, medical tourism revenue in India was more than $5 billion during the four years and the recorded volume of medical tourists was 1.1 million only in the year of 2012. It turns out to be a conservative estimate, because raw data is so unreliable that the estimate is hard to make.

"These new figures are interesting as they are the first official confirmation of what many in the medical tourism industry have argued", and others have denied, that most "medical tourists" are actually holiday or business travelers and expatriates resident in that country. "There are still concerns that even the new figures are inflated by including outpatient use such as use of hospital pharmacies". The Singapore Tourism Board acknowledges that the 646,000 medical tourists in the 2008 figure includes 370,000 people who had medical treatment; the other 230,000 were family members of the patients who accompanied them and had no treatment.

From Table 20.5, we can tell that Generation Y—consumers between ages 17 and 28—are most interested in traveling for treatment. Upper-income consumers are more willing to travel for medical treatment. Individuals covered by Medicare are more likely to follow doctor's recommendations to purse medical tourism outside. Those without medical insurance are least likely to travel for medical treatment whether doctors recommend it or not. Besides, the discovery that so many young consumers are opting for medical tourism is promising, since they are more likely to spread information and share their experiences through social media and online networking (Wendt, 2012).

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TABLE 20.5 US Consumers Attitude toward Medical Tourism overseas.

	Willing %	Unwilling %	US average %
Generation Y	51.1		41
Baby boomers	36.7		41
Seniors	29.1		41
Medicare	47.9		41
Uninsured		38	24.6
Insured		22.8	24.6
Annual Income between $75,000–$100,000	46.1		41
Annual income more than $100,000	45.7		41

Sources: MTA May 2010, Joint Commission International, and the Deloitte Center for Health Solutions 2011.

20.2.1.2 BORROWED IDEAS ABOUT BRANDING CITIES

The hospitality industry has been defined as a multidisciplinary field of study borrowing a lot from other related industry. "In recent years, tourism has become a highly competitive market. The development of the tourism industry reflects the wider development of tourist destinations, which are becoming more important than individual business". Medical tourism is a relatively blue ocean, especially less competitive in China. We want to keep this trend and create our own rules, avoiding being trapped into a bloody battle among Asian destinations.

Mill and Morrison noted that a destination is composed of attractions, facilities, infrastructures, transport, and hospitality. It involves both tangible and intangible features (Kozak & Baloglu, 2011). How to balance or combine two features to promote our destinations? Chinese characteristic Medical Tourism destinations need to go deeply into the "Vision, Mission, and Tactics." Travelers today—domestic or international—are more educated, informed, demanding, and experienced. With fast development in information and communication technology, changes in customer demands require responses from all aspects of marketing strategy (Kozak & Baloglu, 2011). "Tourists are more familiar with the practicalities of travel – booking their holidays, making the journey, learning other languages and making return visits to a favorite destination".

"Urban ethnocultural diversity" contributes to the degree of openness, innovation and ability to engage with different cultural traditions, as Richard Florida said, "An attractive place doesn't have to be a big city, but it has to be cosmopolitan." People emphasize the term "community" strongly when they accept a new place, not only about their perceptions of place, but also more about the organization of everyday life. Create a way to organize time and enjoy the "microsocial space." Make your resort become a meeting spot for the global friends, or make the swimming pool become a public sphere for informal socialization, recreation, and exchange of information. Increase their visibility and familiarity to the city by establishing alternative uses of the open space. Besides, the social space is highly gendered, as most active people are men (Stephanie et al., 2009). So hoteliers probably want to provide more tailored service for male customers.

Drawing on the lessons of globalization in manufacturing and IT, medical tourism will need to establish quality and consistency in their processes as well as work to balance growth with risk (Deloitte Consulting Southeast Asia, 2010). Quality is the first. "Patients treated in many foreign countries have limited legal remedies in the event of an adverse outcome caused by medical malpractice (Pestronk 2012)." We have to ensure a certain-high success rate. As Brian S. Kern wrote in *Medical Tourism liability may fall on domestic doctors*, hospitals should address all added risks of quality issues on consent forms, even when providing follow-up care for tourism patients.

Also, the term *sustainability* has been emphasized in every industry in recent decades, because countries are conscious that economic development should not be achieved at the cost of environment and the welfare of future generations (Carey et al., 1997; Prideaux, 2009). So Savitz states the triple bottom line suggests a destination to operate in a way so that its economic interests, society or resident interests and environment interests intersect.

20.2.2 GENERAL ECONOMICS AND MEDICAL TOURISM IN ASIA

The global research department of HSBC has released a report predicting the rise and fall of the world's economies by the year of 2050. The world's top economy in 2050 will be China, which was 29th in 2012. By 2050, India will be among top three from 59th in 2012. South Korea will be 13th. Philippines will be the fastest-growing economy, leapfrogging from 65th to become the world's 16th largest economy and followed by Indonesia. And Malaysia and Thailand will be 21st and 23rd, respectively.

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In a report of *The Global Competitiveness Index 2012–2013: Country Profile Highlights* by World Economic Forum, Singapore is considered the second-most competitive economy in the world. It wrote, "Singapore has world-class infrastructure (2nd), with excellent roads, ports, and air transport facilities. In addition, the country's competitiveness is reinforced by a strong focus on education, which has translated into a steady improvement in the higher education and training pillar (2nd) in recent years, thus providing individuals with the skills needed for a rapidly changing global economy."

According to HeraldOnline, medical tourism in Asia will reach $8.5 billion market value by the end of 2015, as the emerging healthcare crisis is continuing in Western World. And according to Renub Research, Asia medical tourist number of arrivals is expected to outnumber 10 million by 2015 and the market value in 2011 is expected to double by 2015; three countries—India, Thailand, Singapore—are expected to control more than 80% market share in 2015. Many other countries in Asia like Malaysia, Philippines, and South Korea are all keen to make traveling abroad for medical treatment a growth industry within their own economies.

In the light of World Medical Tourism & Global Healthcare Conference, the global medical tourism market is $100 billion per year, which is a powerful impetus for a country's economic development, including hotel, restaurant, transportation, and laws. In 2006, about 6 million global patients sought medical treatment overseas, half of which chose Asia. Average spend there is $10,000 per tourist. Merely tourists from the United States generated $40 billion market share in 2010, which is the biggest subsidiary group. Suresh Sadasivan, head of Asian equities at Legal & General, says the development of the medical tourism market provides an extra element of growth for Asian healthcare services. Table 20.6 shows the completion of Asian destinations.

Many countries in Asia desperately jumped into this "gold sea." Fierce competition is happening in Singapore, Thailand, and India. Taiwan and South Korea are stepping in recently. A report in *Time International* (2009) states that six emerging industries in Taiwan are being supported with state funds or government programs, one of which is medical tourism. The government is determined that Taiwan should become a center for medical tourism, as written in *Country Report* (Aug 2007), attracting investments of up to $200 million from the private sector, creating 3500 jobs by 2009 and generating an annual market value of around $1.5 billion by 2015. Many Asian countries also have government support in issuing long-term visas to foreign visitors seeking medical treatment overseas. *Business Monitor*

TABLE 20.6 Competitiveness of Asian Destinations.

Destination	India	Thailand	Malaysia	Singapore	China
Medical cost[a]	20% of United States	30% of United States	25% of United States	35% of United States	–
No. of JCI accredited organizations[b]	22	28	8	19	29
Technology[c]	68th	74th	30th	2nd	58th
Infrastructure[c]	91st	46th	27th	3rd	72nd
Government support	Medical visas	Visa exemptions	Extended visas for health tourists	Tax incentives	–
Primary procedures[a]	Orthopedics	Cardiology	Health screenings	Cancer	Stem cell treatment
	Cardiology	Sexual reassignment	Cosmetic Surgery	Cardiology	Traditional Chinese medicine
	Cosmetic surgery	Cosmetic surgery	Alternative medicine	Vascular surgery	Cardiology
	Non-conventional therapies	Orthopedics	Non-conventional therapies	Orthopedics	Neurology
					Orthopedics

Notes: JCI stands for Joint Commission International. JCI is a not-for-profit organization responsible for providing accreditation and certification services.

Sources: [a]Deloitte Center for Health Solutions (2008); [b]JCI, 2013; [c]World Economic Forum (2013).

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International wrote that the Korean government is keen to make medical tourism a key growth driver of not just the tourism industry but also of the broader economy.

Indonesia and the Philippines are both teenagers in Medical Tourism development. Currently in China, Hong Kong, and Taiwan have put great efforts into developing Medical Tourism, but they can't compete with India and Thailand on low cost, partly due to the higher cost of labor. Caroline Keen, alternate manager of the Newton Asian Income Fund, said that underpenetrated sectors in China indicate a potential for growth.

20.2.3 MEDICAL TOURISM IN CHINA

According to one of Annual Conference Reports of Boao Forum for Asia in 2011, global Medical Tourism has a market value of $75 billion in 2010, and Asian market will reach the amount of $100 billion services very soon.

In order to share a piece of thriving medical tourism in South Asia and southeastern Asia, pioneer cities like Beijing and Shanghai have started building medical teams, launching associations and developing systems. On the other hand, located in the newly developed Hainan International Tourism Island with strong government support, Sanya needs more ideas on branding it as a medical tourism destination, taking advantage of its tropical livable environment. So this chapter will deliver some insights about branding Chinese medical tourism destinations based on strategic models in the following chapters.

Actually, China has tried Medical Tourism a few years ago. Transplant tourism, which involved wealthy foreigners coming into the country to get organ transplants and developed into a profitable business for Chinese hospitals that were in need of funds after a collapse of state funding for medical care, was a hot topic in Chinese hospitals until 2006. However, not having enough organs to take care of domestic citizens who need them, the practice created an ethical dilemma in the country. Chinese government solved the dilemma with a ban. Similarly, according to China Investment Corp. (CIC), China doesn't have many advantages if attracting international patients only. The reason CIC analysts gave is that exceptional medical resources are relatively scarce in China given that a large number of domestic needs, and that special treatment would consume a huge quantity of medical resources, which will cause unfair access for common people.

However, to be sustainable, the strategy shouldn't be opening hospitals or hotels only for medical tourists, but first to serve the local needs. And

then the focus could be more on wellness tourism, especially themes such as Traditional Chinese Medicine (TCM) and Chinese Herbal Medicine (CHM). According to state admission of TCM, Hospitals of TCM have already specially set up health centers for international patients, which provide a good example for other hospitals and clinics. Besides, branding a medical tourism destination can actually give back to the local population, such as higher quality of healthcare, better infrastructure and environment, and more access to medical training and lectures.

There are a growing number of patients who shop around for medical care within their own country, a practice sometimes called intranational or domestic medical tourism. Certainly, there are also great needs within China. With the rising wealth in China, health benefits are becoming important, especially for the wealthier people in the nation. Every year in China, there are 200 million people seeking medical service; currently, there are not enough facilities to support this demand. And the retirement age is pushed back often, and patient dissatisfaction with public hospitals is always on the rise. Given this, there's a big market for private hospitals to draw affluent people. Considering that Mainland China doesn't have attractive medical tourism destinations so far, many Mainland Chinese have chosen Taiwan and South Korea for healthcare and cosmetic surgeries (CruiseGuide, 2009), which aim at the Chinese Diaspora (CruiseGuide, 2009).

20.3 STRATEGIC BRANDING MODEL ANALYSIS

20.3.1 STRATEGIC PROCEDURE ANALYSIS

Jeff Malpas wrote, "city-branding is linked to consumerist cosmopolitanism, and so to the conception of the individual as having no independent affiliation to any place in particular, the language and imagery associated with city brands also seeks to establish the brand in terms of its own uniqueness."

The character of branding—"the tension between the commodification that branding implies, and the way in which the brand constructs nevertheless aims to project a sense of uniqueness, individuality, distinctness, and differentiation". "In the case of branding cities, the branding draws on much of the same imagery and language that otherwise contribute to a sense not only of the identity of a city, but also of the identity of its inhabitants" (Kozak & Baloglu, 2011).

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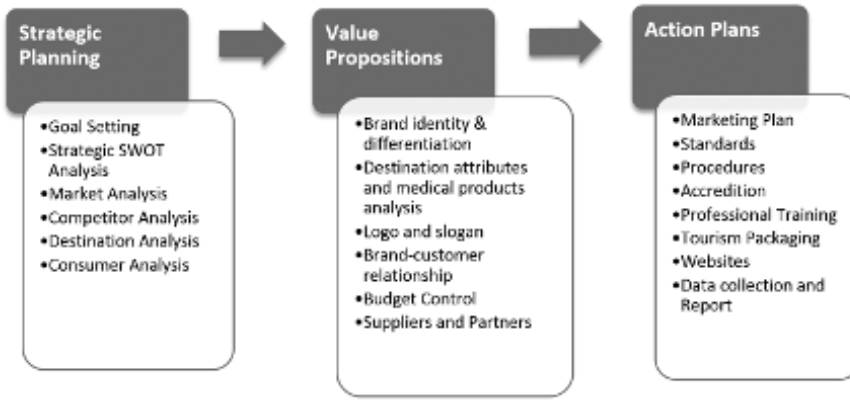

FIGURE 20.1 Strategic Procedure Model for Medical Tourism in China.

20.3.1.1 PLANNING STAGE

"Each destination could establish goals and objectives to attract the type of tourists who are relevant to what it has to offer. To achieve this, priority might be given to identifying major tourist motivations and needs and whether they are likely to return." Performance of competitors and benchmarking destinations should also be taken into consideration. Starting slowly and late, China has to create its own way based on a relatively thorough market research and competitor analysis. Relative authorities, such as tourism officers and governors, should study national or international best practices in order to establish our own standards or effective solutions to particular problems. Strategic SWOT analysis will be a general comprehensive analysis of the market development, competitor performance, destination attributes, and consumer behavior.

20.3.1.1.1 Strengths

Stable political and economic environment and friendly local people are fundamental requirements to be an international tourism destination. With an international environment, tourism patients visiting China enjoy relatively low medical and lodging cost and have more access to information. Besides, domestic economy growth provides powerful support for business development; international fame introduces more potential investment. China has all-scale accommodations, one of the most convenient public transportation

systems, world-class medical teams, unique oriental culture, rich history, and tons of attractions.

20.3.1.1.2 Weaknesses

Since China is a new player in Medical Tourism industry, professionals in pioneer theories are in great need to guide the practices. There are only 15 hospitals accredited by JCI across the country, with only a few bilingual personnel, although average education level of healthcare practitioners is higher than before. In terms of lodging industry, an indispensable part of Medical Tourism, there is still a lack of a brand that is optimal for medical/wellness tourism travelers, differentiating in building design, amenities, and service.

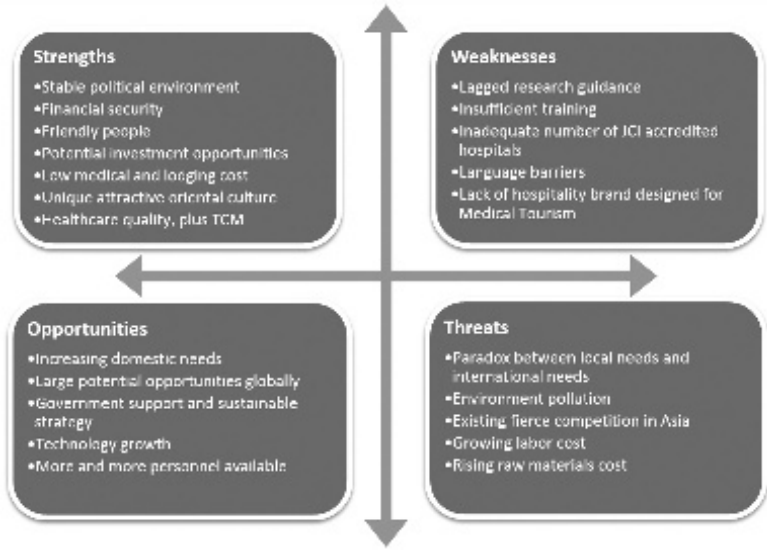

FIGURE 20.2 Strategic SWOT Analysis of general Medical Tourism Market in China.

20.3.1.1.3 Opportunities

DeMicco and Cetron believe that many of the US baby boomers will elect to travel to benefit from the greatly reduced pricing of equally high medical services outside the country. Domestic demands within China are also vastly growing. Every year in China there are 200 million people seeking medical

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service; currently, there are not enough facilities to support this demand. Public hospitals are always being built and more private hospitals are expected to be built, which is fully supported by the Chinese government (MTA). A number of private and government hospitals in major cities have established international departments. Moreover, medical tourism is a labor-intensive industry obviously; it will be creating more jobs.

20.3.1.1.4 Threats

China's National Ministry of Health stated in 2005 that public medical institutes should limit the scale of high-end medical service, beds of special wards should be no more than 10% of the total number of beds in the institute, which cast a spell on public medical institutes needing a rapid development in high-end service. In the context of Chinese policy environment, private medical institutions, and Chinese-foreign cooperative medical institutions should lead in high-end medical service and satisfy multi-need in medical tourism, forming a rational division with public medical institution, which idea Chinese government is supporting and advocating.

Many countries in Asia desperately jumped into this "gold sea," creating a fierce existing rivalry in the Asian market. Plus, with a constant appreciation in the Chinese Yuan and labor cost growth, the low-cost advantage is losing its position.

20.3.1.2 VALUE PROPOSITIONS

Tourists travel abroad for medical treatment, not only for affordability and availability, but also more for value propositions. Richard and Cohen pictured the theory of hierarchical categorization of marketing slogans for tourism campaigns analysis by the United States.

How to reach level 3 even level 4 when doing a destination branding campaign in medical tourism? We need to think about the following questions to answer. Aiming at those levels of consumers we want to attract, what are the attributes of the city? Among those attributes, what is the most attractive or unique to the clientele we want to target? What are the attributes or uniqueness of our medical products and tourism products? Based on those reasons that global tourists seek medical treatment overseas for, how can the slogan be the first to impress people by our safe, effective, and affordable service? What's the brand-customer relationship? How can we establish our

differentiating brand image, not only identified by our guests, but also by the local residents? How could our medical tourism branding strategy finally give back to our local community by attracting more investment, better infrastructure and environment, and higher quality of healthcare? What are the goal and budget for 5-year plan, 10-year plan? How to attract and choose right suppliers and partners?

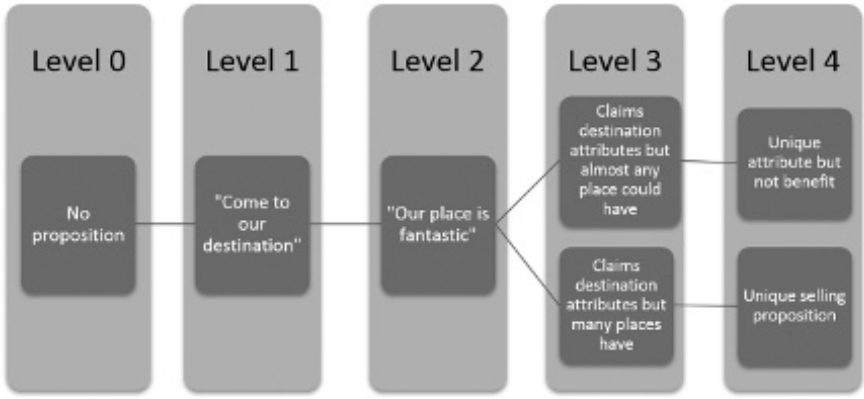

FIGURE 20.3 Hierarchical Categorization of Value propositions for Medical Tourism Destination Branding. Level 0: No proposition; Level 1: proposition equivalent to "Buy our product". Level 2: Proposition equivalent to "Our product is good". Level 3: (a) proposition gives a product attribute, but virtually any tourism destination could claim the same attribute. (b) Proposition gives a product attribute, but many tourism destinations claim the same attribute. Level 4: (a) Proposition gives a unique product attribute, which is not a product benefit (i.e., does not "sell"). (b) Unique selling proposition. Adapted from hierarchical categorization of marketing slogans for tourism campaigns analysis by Richard and Cohen (1993).

20.3.1.3 ACTION PLANS

The next stage, based on the information from SWOT analysis, is to define a vision and tactics for the destination's branding efforts in order to implement market positioning and value propositions.

The hospitality industry has been defined as a multidisciplinary field of study borrowing a lot from other fields. Those theories doing well in other industries should really be put into practice, at least trials in medical tourism development.

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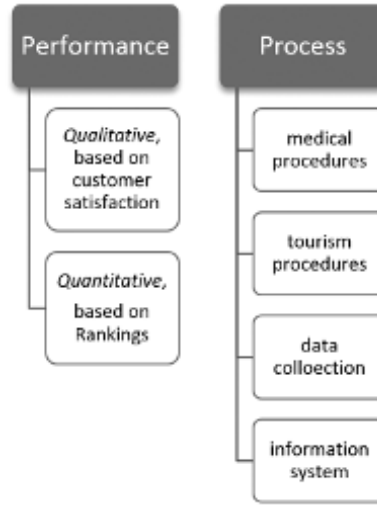

FIGURE 20.4 Contents of Quality Control.

Quality Control is probably the most core item we should focus on, no matter whether it is the quality of medical treatment or quality of tourism arrangements. Quality management aims for sustaining an ongoing improvement of the standard of facilities, products and services provided (Kozak & Baloglu, 2011). Metin Kozak wrote in the book "Destination Benchmarking": there are two kinds of quality control. One is *performance benchmarking*, which includes elements of customer satisfaction and qualitative measures based on rankings. The other is *process benchmarking*, which compares specific processes to a leading company or an industry standard, including discrete work, process and operating systems, and investigation in how others achieve their aims.

In performance benchmarking, there are two methods of measurement: *Qualitative* method that means attributes or items that tourists most liked or most disliked, including tourist satisfaction, tourist comments, tourist motivations, image and attitude perceptions, and repeat tourists opinions. *Quantitative* method that means such data as tourist arrivals, repeat tourists, tourism receipts, tourist expenditure, and length of stay, income from medical tourism, the number and the type of accommodation available and chosen. Since it's difficult to quantify components of services, Qualitative measures such as customer satisfaction count much more in service industry. So far Quantitative data is always in urgent need in Medical Tourism, not only in China but also globally.

Other items to be checked include: infrastructure, medical equipment, human resources, capital, testimonials accredited by the Joint Commission International (JCI), reception capacity, price strategy, qualified employee experts doctors, and experienced English speaking nurses, environment pollution, sustainability, international marketing (online: website, social media, and advertising campaigns), value for service, medical quality and outcomes, price and procedure transparency, attention to the unique needs of the medical traveler, international patient management, leadership and management, partnerships, alliances and external support, and government policies (adapted from Cohen's Levels, 1993).

Below is the figure of typical procedures of taking care of a medical tourist, adapted from Mayo Clinic practical examples. With total revenue $8844 millions in 2012, Mayo Clinic is a successful global example in Healthcare industry. Every year, more than a million people from all 50 states and nearly 150 countries come to the Mayo Clinic for care. Besides, Mayo Clinic puts great efforts in training and research, exporting qualified physicians and translating new discoveries to practices. A percentage of 5.65 total personnel are residents, fellows and students, which provide us a good possible practice to involve some volunteer or English-speaking students to lower labor costs. [Access at source: http://www.mayoclinic.org/about/facts.html].

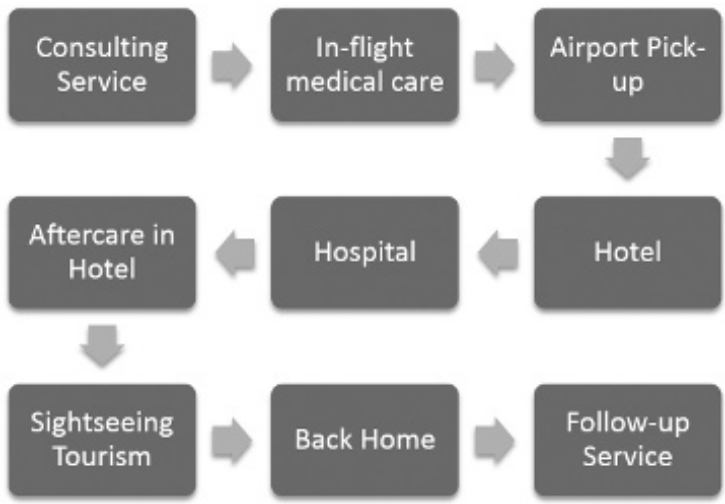

FIGURE 20.5 Procedures for Taking Care of a Medical Tourist (adapted from Mayo Clinic).

Guest experience begins long before checking in, and it should continue long after paying bills at checkout, from referral through treatment to

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aftercare service, from super-specialized physicians and nursing teams to logistics arrangements and hospitality services (Ivy & Calvin, 2005). It is all about service and differentiation, not only healthcare but also service.

Western-style hospitals such as in the United States, United Kingdom, or Australia for instance feature on-site accommodation, both for patients and their companions. Many Asian hospitals that do not manage their own accommodations also offer link-ups with hotels, hostels, B&Bs, etc. In terms of customized diet, Bumrungrad Hospital in Thailand features a Starbucks café and McDonald's outlet. Bangkok's Piyavate Hospital features spa facilities that offer a holistic wellness experience. Ivy and Calvin pointed out more about customized service and privacy in a report, "apart from bedside manners, hospital staff members are also being recruited to accommodate to their religious, dietary and cultural needs. Hospitals in the US or the UK that are experienced in seeing royalty, politicians, prominent businessmen or celebrities are even trained to manage anonymity concerns, such as with the use of code names for all cases and confidentiality agreements."

20.3.2 MEDICAL TOURISM CLUSTER NETWORK

"Maturation of medical/wellness tourism industry will not happen on its own merits, since this industry relies heavily on many players and in some cases, an entire community. For that reason alone, medical tourism will face many more challenges than more defined tourism segments like timeshares and theme parks." (Poorani, 2013).

As more and more regions join in each year, competition in this niche market is rising. Competition doesn't happen among a couple of hospitals or within a city. Our sight should not be limited; we need to see globally. So establishing a citywide, even a nationwide, Medical Tourism cluster is probably the very first step in branding a medical tourism destination. It eliminates regional competition, but allows competition on a global scale. All the participants must collaborate with each other toward the same goal—to achieve high quality of service, to create a "brand" image for the destination to global patients.

In a Medical Tourism cluster, participants often are from different industries, such as hospitals, tourism operators, hotels, Ministry of Health, Ministry of Tourism, Ministry of Economic Development, and more. This platform may be founded through government support, or private sectors funding, or a combination of both, representing collective interests of cluster members. Apply high standards of medical treatment and service. "These

standards will need to be developed based upon the existing medical requirements and licensure standards for the country, state, city or region" (Medical Tourism Association, 2011).

Finally, appropriate aftercare systems need to be created to appropriately handle patients. This means that tourism organizations and hotels or recovery centers need to be incorporated into the cluster for the purpose of creating safe and reliable aftercare networks. In this way, the Healthcare Cluster can create self-regulation within the location to achieve its goals of being established as an independent arm of the healthcare and tourism sectors." (MTA)

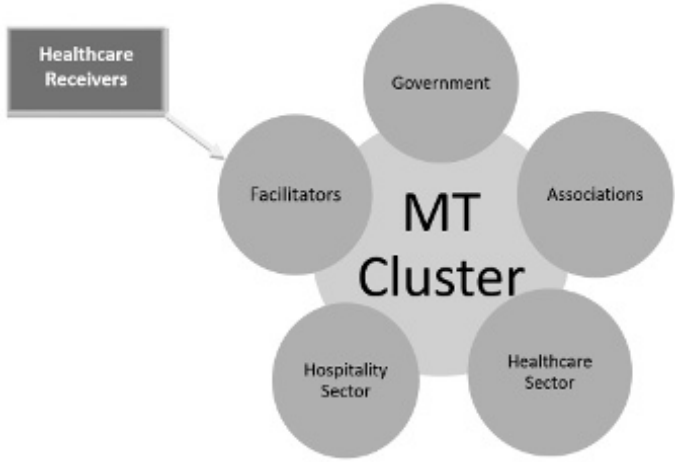

FIGURE 20.6 Medical tourism cluster network.

This model has indicated general critical components in a Medical Tourism Cluster Network. The principles to be applied to the design and delivery of this model can act as a general guide for civil planners and hoteliers and provide a useful set of initial performance criteria.

20.3.2.1 GOVERNMENT SUPPORT

Deloitte Consulting Southeast Asia (2010) states that the changing profile of medical tourism patients forces businesses to catch customers' characteristics and change along with their paces. However, enterprises have limited power when it comes to industry level, especially in an initial stage. What kind of support can medical facilities get from government to excavate this lucrative market together?

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- Attract investment: Organizational and individual interaction, forming a mix of public funding and private funding by tax incentives.
- Advertising budgets. A national medical tourism branding is essential.
- Infrastructure support.
- Governmental sponsorship or policy support or land support in project construction, such as Medical Tourism Zone, tax-free or tax reimbursement policy.
- Medical Visa privilege
- Different authorities have discrete roles (referred to Medical Tourism Association).

  Ministry of Health → sets professional standards and control licensing to hospitals and physicians or training or relative researches.

  Ministry of Tourism → brings tourists in and makes sure good hospitality experience.

  Ministry of Economic Development → introduces investment inside.

- Safe and steady environment, politically, economically, and ecologically.

20.3.2.2 ASSOCIATION

An Industry Association is an organization or a platform representing businesses either nationally or locally, which plays a big part in Medical Tourism Cluster. They can be healthcare association, or tourism association, or medical tourism association; they can be citywide or nationwide. An effective and powerful association can produce results that any individual participants are incapable of obtaining by themselves. Brand the destination and build a good reputation that the place has extremely high-quality healthcare, safe environment, and pleasant attractions. It will count a large part of "selling" the idea of medical tourism to consumers.

- Organizes alliances and sets a collaborative goal.
- Two-way communication with global pioneers, congresses and domestic cluster participants.
- Negotiation with stakeholders. This is essential when local authorities are involved and provides a means of encouraging genuine ownership of the project. And coordinate between healthcare and hospitality, not letting any part outside the cycle.
- Establishes and manages International Patient Center.

- Sets professional standard for medical service, training, or relative research.
- Makes transparency in pricing and quality in all hospitals.
- Centralizes data that are collected from hospitals, patients, aftercare service, tourism agencies, hotels and more, and share information with all members.
- Not only be responsible for ensuring quality service for international patients but also for local residents.
- Composes and issues *City Guide*, combining information from healthcare, tourism, hotels, transportation, and more.
- Develop lists of model practices or rankings of cities, hospitals and hotels annually.

20.3.2.3 HEALTHCARE SECTOR

Hospitals and clinics are healthcare providers in the cluster network, which is the traditional and most important component, because those are the reasons patients come to a destination. Now in China, a number of private and government hospitals in major cities have established international departments. Many leading hospitals provide treatments integrating TCM with Western medical technology and techniques.

- Have enough qualified professionals and get accredited by JCI.
- Proper operational process.
- English speaking nurses, bilingual/trilingual staff training, passing the language barrier in service.
- Provide surgery/treatment package for the convenience of patients and their companions.
- Fast online response and concierge services and timely experience review.
- Computerized data of clientele and networked information for better managing customer experience.
- Loyalty/Referral perks.
- Attract "right" patients whose real needs and wants are fit into each specialty.
- Written rules about how to deal with malpractices, complications, and insurance coverage.

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20.3.2.4 HOSPITALITY SECTOR

This sector is a challenge to traditional operations. Many tourism operators and hotels joining the cluster are competitors before, but now they should work together to meet expectations of patients and their companions. Sometimes they should share certain resources and even compromise for the group benefits. "Cost pressures force hospitals to discharge patients in a timely fashion to hotels or homes nearby. Hotel industry's appetite for building hotels near hospitals is further fueled by optimizing occupancy and financing needs." (Poorani, 2013). And hotels need to provide certain services concentrating on medical tourists' needs, such as aftercare service or a clinic, which is still a relative weakness with few hotels providing such service. How to balance the traditional business and medical tourism customers is also a question.

20.3.2.4.1 Local Tourism Agencies/Tourism Operators

- Transportation between sites, between hospital and hotel, airport pickup and drop-off
- Inclusive tours
- City breaks
- Beach destinations
- History and culture tours
- <H4>20.3.2.4.2 Hotels
- Various scales hotels are available to meet various needs of patients
- Patient-focused services
- Nutritional special diet
- Recovery retreat and recuperation plan
- Nursing and aftercare service, and herbal treatment
- Spa—massage, yoga, physical therapy, hot spring
- Have medical team visit regularly
- Provide more than they expect; deliver more than you promised
- Special in-room technology for patients

20.3.2.5 INTERMEDIARY/FACILITATOR

The intermediaries and tour facilitators are having an increasing impact on the market. Intermediaries need to interface with all other members or components in the cluster and approach international customers directly.

- Build ongoing communication systems among hospitals, hotels, tourism agencies, patients, and even government and associations.
- Know well all attributes and specialties of each destination, each hospital, and even each physician. They even should know which hotel that has suitable service and room, and which tour route would attract patients with such personality or such diseases.
- Most of the time, the facilitator is the one with whom patients directly contact with. So it's up to them to promote attractive tour arrangements and tourism packages. It's up to them to promote suitable and available accommodation. It's up to them to coordinate with relative authorities to help get valid passport and visa. It's up to them to contact airlines to book flight. All in all, the facilitators should be responsible for the entire itinerary.
- However, most of the time, patients' doctors will give them recommendations on which destination to choose, even which hospital to choose. Facilitators should work closely with international hospitals and relative associations, making sure they know and know well about the destinations you stand for.
- IT support: Website, social media, software, online advertisement management, and more. The goal is to integrate online resources together to support customers' choices. Start and manage an E-commerce network platform to support B2B and B2C relationship.
- Travel agencies should prepare patients well for treatment abroad with travel preparation information: complete itinerary, destination profile, packing list, flight information, hotel information, local tour guide/transportation contact information, and emergency contact information. The goals are to delight guests at every stage of their lifecycle so that they will be convinced to return again and again, and spread your destination's reputation through word of mouth.

20.3.2.6 HEALTHCARE RECEIVERS

Healthcare receivers are becoming more and more diversified. They could be international and domestic patients; they could be from insurance company; they could benefit as employees' welfare, such as staff from foreign companies, state-owned enterprises, and military. Healthcare receivers may obtain information about places of interest through facilitators. And then followed by is to anticipate an unprecedented foreign journey.

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20.4 CASE STUDIES OF THREE DESTINATIONS IN CHINA

In order to share a piece of thriving medical tourism in Asia, Chinese pioneer cities like Beijing and Shanghai have started building medical teams, launching associations and developing systems. By contrast, Sanya, as a hot destination for domestic travel, still needs more ideas on branding itself as a medical tourism destination. These three destinations are scattered in northeastern China, southeastern China, and south China, standing for three different typical lifestyles in China.

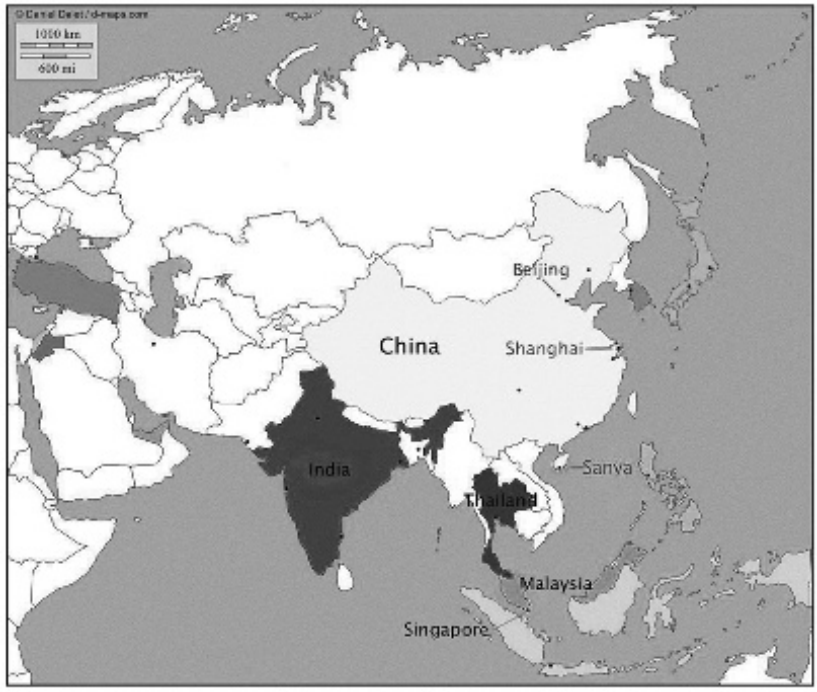

FIGURE 20.7 Location map of three Chinese Medical Tourism destinations.

20.4.1 BEIJING

With a rich history and profound culture, Beijing is the political, cultural, and educational center of China. Many famous governmental and cultural institutions, and global enterprises headquarters are located there. It's a world-renowned cultural tourism destination, but less known for medical tourism.

20.4.1.1 STRENGTHS

As the capital of China, it has world-class equipment, best professional physicians, and advanced patient care. It's a multicultural city with its own long rich history. As a host to the 2008 Summer Olympic Games, as an international city, it has one of the most convenient communities in the country, whether for shopping, for sight-seeing, or for historical trips. The city has undergone rapid modernization in recent years, with improvements of institutions, business environment, and work conditions. It has quality of infrastructure, friendly people, and more access to English services.

In order to support the development of medical tourism in Beijing, government and associations have worked together to establish a goal and plan the future. In December 2012, Beijing Health Culture and Creative Industry Association and State Administration of TCM, and Beijing Municipal commission of Tourism Development held a symposium on Beijing TCM Tourism Development. Governors expressed their protection and support to the development of cultural tourism industry of TCM, rewarding exceptional demonstration units and travel agencies.

20.4.1.2 WEAKNESSES

Though Beijing has government and association support, there's no cluster cooperation to create a platform to share information, which makes the development directionless. Services are standard but lack customization; only three hospitals in Beijing are JCI accredited. An international patient center is needed, with official branding efforts, more theory guidance and more professional training in this field. As a capital city, considering the long-term city image, Medical Tourism has to integrate with all other parts existing in the city. So that there will be more limitations for the city in selecting investors and accepting projects.

20.4.1.3 OPPORTUNITIES

There are still growing domestic medical needs. And many Northern Chinese people would like to seek treatment in Beijing because of the reputation and radiation effects of location. Moreover, TCM and CHM are more and more well-known and recognized around the world, such as Naturopathy (natural therapy), acupuncture, massage, foot bath, and herbal beauty. And as we can

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see from previous study in Chapter 2, the young generation are more likely to join wellness tourism abroad, it's a great opportunity for destinations to develop attractive services and offer tours of selected buildings and routes through the city, creating a stage for cultural diffusion. Besides, Beijing is the cultural center in China, with all access to attractive Arts globally—music, drama, dance, craft, sculpture, museums, libraries, and heritage architecture. Technology and relative investment grows recently in Beijing. Top equipment providers and IT support team create more opportunities for better experience.

20.4.1.4 THREATS

As a political center, Beijing always attracts eyes everywhere. The paradox between local needs and international patients' needs is a controversial question. Air pollution is a challenge for healthcare destination. Existing competition from South Korea has impacts on Chinese market share. With labor cost going up and constant RMB Appreciation, Beijing has no more apparent price advantages over other competitors.

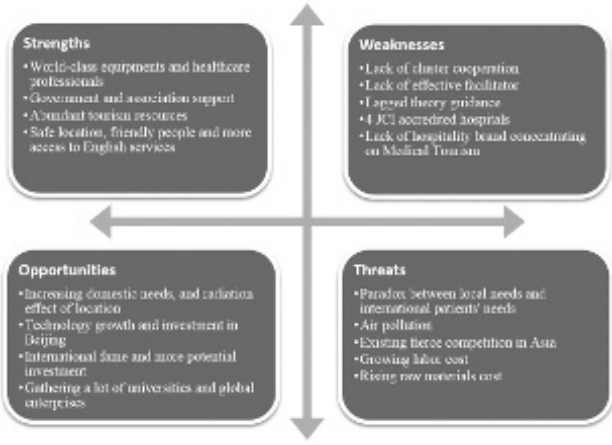

FIGURE 20.8 Strategic SWOT Analysis—Beijing.

20.4.2 SHANGHAI

Shanghai is the most developed city in Mainland China, and a fascinating mix of East and West. It is always been a hot choice for both domestic tourists

and international tourists. From 2010, when Shanghai officially launched the development of Medical Tourism, it has been growing steadily with a strong commitment.

20.4.2.1 STRENGTHS

It is worth mentioning that Shanghai has a good platform, which is an important participant in Cluster Model. Shanghai Medical Tourism Products & Promotion Platform (SHMTPPP) is a greatly successful facilitator example in China. It is the first official portal site of medical tourism in China, established in 2010. Supported and granted by multi-government agencies, it is committed to strengthen Shanghai's position as Asia's leading medical hub. The platform commits itself to consolidate Shanghai's leading position in Asia medical industry, and make Shanghai as a world-class medical tourism destination with combination of medicine, tourism, health and leisure [Accessed at source: http://www.shmtppp.com/shmtppp/about-us]. SHMTPPP promotes medical travel to Shanghai, works with top facilities in Shanghai, and helps patients seeking quality healthcare options. "Standard medical travel packages include physician recommendation and consultations, medical record and history collection, translation services, assistance with travel arrangements and paperwork, airport pickup and drop-off, and in-country concierge service" [Accessed at source: http://www.shmtppp.com/shmtppp/why-choose-shanghai/]. The functions of it combine the responsibilities of Industry Association and the Facilitator; it opens a gateway for international patients to seek medical treatment in Shanghai.

20.4.2.2 WEAKNESSES

Although there is the SHMTPPP to coordinate between patients and hospitals, few hotels are involved in the unshaped "Cluster." There are only three JCI accredited hospitals in Shanghai. Lagged theory guidance and lack of consistence in hospitality sector with healthcare sector make medical tourists and their companions unconfident and inconvenient. Shanghai, as one of the four municipalities in China, needs more special government policy support in future development, such as medical visa or tax incentives to draw more international investors and patients.

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20.4.2.3 OPPORTUNITIES

As an international city, Shanghai has the charm and power to introduce the latest technology, world corporations and draw talented people to work there. "Creative people, in turn, don't just cluster where the jobs are. They cluster in places that are centers of creativity and also where they can afford and like to live." (Florida 2002). Shanghai is such a place, full of chances and ideas, and gathering a lot of universities and global enterprises in the city. As a gateway of China to the world, there are opportunities to take advantage of functional websites, up-to-date software, social media, and online advertisement to brand the destination, lifestyle and world-class healthcare. Moreover, its unique geographical location, right in the center of the Chinese east coast, allows Shanghai more opportunities to meet domestic needs and to be less affected by fierce rivalry in Asia.

20.4.2.4 THREATS

Recently, water pollution is a big issue and challenge for Shanghai to confront. During a period of time, the whole society is questioning the drinking water safety in Shanghai. Besides, like the situation in Beijing, with labor cost going up and constant RMB Appreciation, Shanghai has no more apparent price advantages over other competitors.

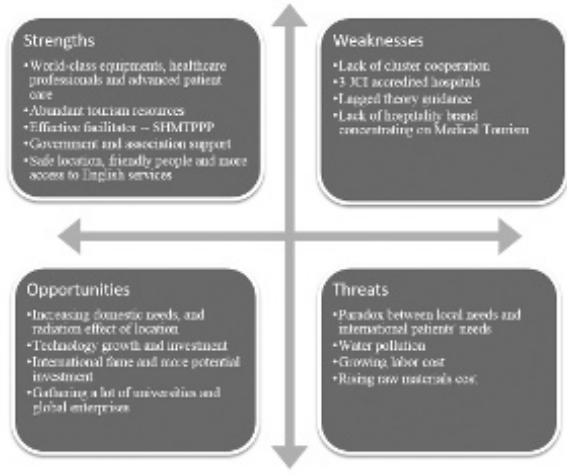

FIGURE 20.9 Strategic SWOT Analysis—Shanghai.

20.4.3 SANYA

Sanya is a tropical coastal city and the second largest city on Hainan Island, which is the first International Tourism Island in China and has the nickname of "Hawaii of the Orient."

20.4.3.1 STRENGTHS

Sanya has a number of beaches, hot springs and other tourism resources, outstanding the city as the most famous destination in China. Picturesque tropical views consisting of blue sky, sea, breeze, sunshine, ocean waves, sand beaches, and the tropical garden is luxury, cozy, and romantic. Sanya has the most concentrated luxury hotels and resorts in China. According to the Hainan Tourist Bureau, the 33,000-square-kilometer island houses more than 209 starred hotels, including large percentage of multifunction hotels and resorts with complete settings for spending vacation, relax, tourist sightseeing, international meeting, and business negotiation. Notably, Sanya has strong government support. It has easy Visa policy for group tourists with stay length less than 30 days and a tax-free shopping mall. The government of Hainan intends to expand the province's medical tourism industry. Tax incentives for international investment has been developed to support the industry.

20.4.3.2 WEAKNESSES

Nearly saturated natural resources urge Sanya to think of redevelopment strategy. Medical Tourism is a good opportunity. But there are distances to be a world medical tourism destination. Relatively low technology and less competent surgery physicians, no JCI accredited hospitals, relatively less educated local practitioners, and language barriers are all calling for cluster cooperation to strengthen the destination's industry players. Besides, there is a small population of local people; most facilities are built for tourists, which is not sustainable. Representing the city healthy living philosophy, building a Medical Tourism Cluster will help generation of jobs and graduate retention. Last, Sanya, as a domestic hot beach destination, lack international branding and brand recognition in the world. It needs its shining features to distinguish itself from other island destinations in Southeast Asia.

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20.4.3.3 OPPORTUNITIES

Sanya's redevelopment is promising, with increasing domestic medical needs and popularity as one of the top domestic tourism destinations. Its goal is to be a world-class resort place like Bali. Sanya is the forefront of China's hotel boom, with luxury resort and hotel facilities everywhere, which provides good foundation for hospitality sector in Medical Tourism Cluster. Cooperating with time-share resorts is a possible way to promote a cozy lifestyle there. In the healthcare sector, Sanya could focus much more on Wellness Tourism, such as counseling, meditation, SPA, recuperation therapy, and physical check-ups. As TCM and CHM are more and more well-known and recognized around the world, it is time to show the long rich history of TCM. TCM can be used to cure obesity for younger generation, and carry out Anti-aging treatments for seniors. What's more, with powerful help of international tourism island, Chinese first Medical Tourism Zone (Healthcare Free Zone)—Le Cheng River Eden—is under construction in a nearby town to Sanya. The State Council has approved the development of Lecheng Island as a medical tourism-themed destination. Without doubt, its practices, guiding theories, awareness of Hainan and even volume of tourist arrivals will assist Sanya a lot in the future.

20.4.3.4 THREATS

Sanya is located near Southeast Asia, easily affected by existing fierce competition there. With constant RMB appreciation, it could lose some price-sensitive customers.

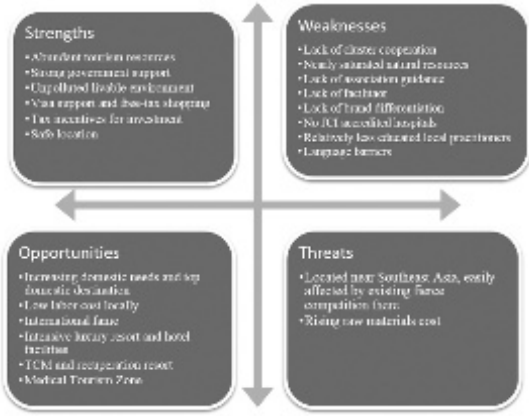

FIGURE 20.10 Strategic SWOT analysis—Sanya.

20.5 CONCLUSIONS AND LOOK FORWARD

Medical Tourism is a fast-growing overlapping sphere between medical healthcare and tourism, the appearance of which changed the traditional operating model of both. Apparently, medical tourism is a different industry from medical care or tourism so that it needs its own developing and operating model, though borrowing heavily from other industries. There are a couple of pioneer theories and successful practices in the global medical tourism, which could be great references for China but certainly not guidance. A Chinese characteristic cluster model is a prerequisite for branding medical tourism in China. Beijing, Shanghai, and Sanya are three perfect entry points to start medical tourism in China. They all have their distinctive characteristics, advanced infrastructure, international insights, and other basic requirements. They can be model cities and then apply their successful experience into other Chinese cities' branding.

20.5.1 ROADMAPS

20.5.1.1 GOVERNMENT & ASSOCIATIONS

Medical Tourism Cluster beckons. Establishment of a nationwide Medical Tourism association is imperative; establishment of coordination mechanism between national health system and tourism system is imperative. From three dimensions of government, academics and industry, upgrade the planning of medical tourism development to a strategic level. Government has to rectify and standardize the market order; strengthen the formulation and execution of new hygiene regulations, paving the way for healthy cluster network. Special Visa privilege and tax incentive policy can promote destinations greatly. Associations have to control strictly licensing qualified medical tourism participants and qualification of employees. A nationwide association needs to create a two-way communication between global pioneers, congresses, and domestic cluster participants, sending delegates to annual World Medical Tourism & Global Health Congress.

20.5.1.2 FACILITATORS

Facilitators need to interface with all other members or components in the cluster and approach international customers directly. Facilitators should

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market destinations through website and social media about Chinese characteristics, such as TCM, Martial arts, Tai chi. They should work closely with international hospitals and relative associations, making sure they know and know well the destinations you stand for. Similarly as a third party administration, market research needs to be carried out to know clientele needs; data and feedback should be collected and compiled into reports, ensuring best patient experience in the presale—process (surgery/tour)—after-sale loop. Through Data Mining, identify performance gaps and inform each performer. Track customer behavior and feedback to guide business decision-making and effectively manage Customer Relationship, making sure most profitable customers have exactly the right info they need so that loyalty continues.

20.5.1.3 HEALTHCARE SECTOR & HOSPITALITY SECTOR

20.5.1.3.1 Healthcare Sector

To avoid the dilemma of "transplant tourism" and to be sustainable, the strategy shouldn't be opening hospitals only for medical tourists, but first to serve local needs. Drawing on the lessons of globalization in manufacturing and IT, medical tourism will need to establish quality and consistency in their processes as well as work to balance growth with risk. Implement strict quality control; provide healthcare to patients which has to be as good as, if not better than, that they get home. Strengthen international exchange, get JCI accredited, update equipment timely, ensure quality aftercare service, promise transparency in quality, process and price, develop risk prevention measures and have written policy to deal with medical complications, and insurance coverage. For international patients, the focus could be more on wellness tourism, especially themes such as TCM and CHM. In the context of Chinese policy environment, private medical institutions and Chinese-foreign cooperative medical institutions should lead in high-end medical service and satisfy multi-need in medical tourism, forming a rational division with public medical institution, which idea Chinese government is supporting and advocating. Ultimately, successful healthcare provider will win the reputation for healthcare excellence and patient-focused service.

20.5.1.3.2 Hospitality Sector

Hotels and Tourism agencies should provide comprehensive logistic support, from worldwide cuisine, convenient transportation to good entertainment. Participating hotels, resorts, or recovery centers should be located near hospitals or provide convenient commute, with handicap access, special in-room facilities, dietary menus, spa, and more. As known from Table 20.5, Generation Y—ages between 17 and 28—are most interested in traveling for treatment; upper-income consumers are more willing to travel for medical treatment. It is a great opportunity for Chinese destinations to develop high-end service and also focus on young generations. Make your resort become a meeting spot for the global friends, or make the swimming pool become a public sphere for informal socialization, recreation, and exchange of information. Increase their visibility and familiarity to the city by establishing alternative uses of the open space. Besides, the social space is highly gendered, as most active people are men. So, hoteliers probably will provide more tailored service for male customers.

20.5.1.4 CITIES

20.5.1.4.1 Beijing

With rich historical tourism resources, Beijing needs more favorable policies to create an investor-friendly environment, attracting public funding, private funding, and Chinese-foreign joint venture. Powerful Association and effective facilitators needs to be established. Focusing more on domestic medical tourists, public hospitals probably want to promote more patient-concentrated service. Since most hospitals in Beijing are public, those hospitals and hospitals-of-TCM may want to establish international health center or department to develop specialized services. For international patients, surgeries that are not easily operated in foreign countries are more welcomed, such as stem cell surgeries. Medical Translation or language training can be outsourced. Participation and standardization of lodging industry will first depend on large hotel brands because of their brand development, customer loyalty, and resources accessed in other industries. Specialized hospitality brand focusing on medical tourism service then needs to be developed. Projects should be sustainable to the economy and ecological environment. City guides can be composed, either to put online or put into international patient center.

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20.5.1.4.2 Shanghai

Shanghai is "New York City" in China; it will be more attractive to younger customers. Wealthy individuals in Asia who prefer first-world quality treatment within the region is a good target. The inelastic demand among such patients represents a more lucrative revenue stream, more loyalty, and even a willingness to travel further distances. The discovery that so many young consumers are opting for medical tourism is promising, since they are more likely to spread information and share their experiences through social media and online networking. With world-renowned appealing local cuisine, good nightlife and entertainment, Shanghai should focus globally, and specialize in high-tech surgeries, such as tumor treatment. Effective facilitators, which can directly do international marketing and data reports, need to be established. Participation and standardization of the lodging industry will first depend on large hotel brands because of their brand development, customer loyalty, and resources access in other industries. Specialized hospitality brands focusing on medical tourism service then needs to be developed. Projects should be sustainable to the economy and ecological environment. City guides can be composed, either to put online or put into the international patient center.

20.5.1.4.3 Sanya

In the healthcare sector, Sanya could focus on both domestic and international patients, concentrating much more on Wellness Tourism, such as counseling, meditation, SPA, recuperation therapy, and medical check-ups. As TCM and CHM are more and more well known and recognized around the world, they can be introduced with wellness treatment service, such as naturopathy (natural therapy), acupuncture, massage, footbath, and herbal beauty. Take beach destination as an entry point. Traditional tourists come here for vacation; they may be offered a wellness package for free with their lodging, and have a good experience of spa massage or acupuncture in the resorts. Then they're interested in the TCM culture, get confidence in the service and look for healthcare treatment. Learning from Singapore's successful practice, professional training and education should be emphasized. Medical Translation or language training can be outsourced. Participation and standardization of lodging industry will first depend on large hotel brands because of their brand development, customer loyalty, and resources access in other industries. Specialized hospitality brands focusing

on medical tourism service then needs to be developed. Projects should be sustainable to the economy and ecological environment. City guides can be composed, either to put online or put into an international patient center. Moreover, in the end of 2016, with the opening of first Chinese Wanquan Lecheng Medical Tourism Zone, there will draw vast investment, world-class facilities and talents. In addition, policy privilege and medical tourist visa will also add great advantages to Sanya destination.

20.5.2 TRENDS

20.5.2.1 IMPORTANT WORLD TRENDS

In the background of globalization, distances are much shorter both geographically and virtually. Economic globalization requires different nations to open up to the world, never being isolated; and the distance between developed countries and developing countries are getting shorter. Education is globalized, more and more young people studying abroad; knowledge becomes the wealth of all mankind, physician skills in developing countries catching up.

With rapid growth of technology, information is globalized. There is more and more equal access to high-tech and better facilities. Mass media makes us know what's happening out there, the fear of cultural shock decreased. E-commerce network create an equal and powerful platform for business opening to all Internet users.

Extensive airline network provides more chances and conveniences to go abroad, allowing the healthcare globalization.

With insurance rates in North America going up, and long waiting time and strict control of certain surgeries in Europe, healthcare overseas will be more attractive.

Another reason for the potential growth of domestic medical tourism is the aging population and the baby boomer. With life expectancy over 80, there will be 115 million people at the age of 50 or older in the United States by 2020, 50% more than now. 76 million of them will be baby boomers that were born during 1946–1964, controlling more than 83% of consumer spending and accounting for over half of trips abroad [Accessed at source: http://www.agingsociety.org/agingsociety/publications/public_policy/cqboomers.pdf]. Baby boomers are making healthy aging, as they want to remain contributable, enduring both physically and mentally.

Above all, these important world trends guarantee the growth of future medical tourism market.

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20.5.2.2 MEDICAL TOURISM TRENDS

Medical Tourism is a niche market, and it is still growing. It has kept gaining increased media attention. More and more reports and news are composed about the current thriving spectacle happening overseas. Through websites or word of mouth, medical tourism is known and accepted by a larger population. Awareness is also raised of professionals and researchers who initiate pioneer services and theories available. With future trends showing an increased demand for healthcare worldwide, as well as an increasing trend toward the globalization of healthcare, there is significant revenue opportunity for companies catering to this market, as well as for cities and nations, such as equipment suppliers, hospitals, tourism agencies, hotels and resorts, mass media, and more. The hospitality and tourism markets will be affected not just by trends in supply and demand, but also by the economic and geopolitical parameters set by governments worldwide (Wendt, 2012). There will be an increasing number of patients coming across borders for economic and geopolitical reasons. Above all, no matter whether they are patients within borders or across borders, revenue will be generated in the industry as well as related fields.

20.5.3 LIMITATIONS AND FUTURE RESEARCH

20.5.3.1 LIMITATIONS

Until very recently, efforts to study medical tourism in China have been put in research field, among which few concentrated on individual organizations or projects. And there is little actual data that has been collected from day-to-day operation. So there has been too little empirical research done in the medical tourism field, especially focusing on specific destinations. On second thought, current empirical studies have several weaknesses in terms of literature and methodology. However, the same problem may occur to this study, which brought more room to improve in the future. Model construction and analysis in this study are generally based on secondary data, which may not be reliable. Moreover, due to limited ability to obtain information and time constraint, the study and investigation might not be comprehensive.

20.5.3.2 FUTURE RESEARCH

First of all, primary data could be introduced and analyzed for any potential destinations.

Second, topics on branding strategies focusing on revenue could be studied. Average expenditure of medical tourists is $362 per day per capita, more than twice that of traditional tourists, which is $144. The average expenditure of a medical tourist in India is more than $7000 per visit, as against a traditional tourist spend of $3000 per visit, according to the Indian Ministry of Tourism, while average spend in Asia is $10,000 per tourist according to World Travel Tourism Council. So how to brand a destination, ensuring the increase in tourist arrivals and the increase in per capita spending spontaneously? How to increase medical tourists expend per day and extend their stay length? These are questions worth study.

Third, more research needs to be done to understand the consumer behaviors in this industry, and to compare consumer perceptions and decision-making processes based on different variables. Are consumers increasingly viewing healthcare as a product or commodity that can be provided through global markets, just like other services? If not, how to change the traditional view to medical consumption?

Last but not least, more research should be conducted to understand the barriers to consumer entry into the market, including language barriers, worries about complications, insurance coverage issues, difficulty in finding out destination options and travel details, etc.

Globally, medical tourism is a rising trend. Since healthcare is a must to almost everybody, medical tourism provides an extra element of growth for economy. From a nation's perspective, it will generate more jobs to release social pressure; from an enterprise's perspective, it will be a great opportunity for both healthcare sectors and hospitality sectors. So it is critical to grab the chance and keep pace with the tide. China has a lot of growth potential to tap into the medical tourism market as well as target new markets. However, there's a long way to go. So far Chinese cities have still been relatively new destinations for medical tourists, among whom there might be those who wrinkle their noses at the thought of going under the knife in a foreign, let alone still developing, country. China has to create a Blue Ocean rather than compete in the Red Ocean. Borrowing theories from other mature industries and regions to strengthen the foundation, Chinese destinations must brand themselves overseas to let cities well known for their unique specialties. People go to South Korea for cosmetic surgeries, go to Thailand for SPA, and go to India for Yoga. We hope, speaking of TCM, people will think of China.

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No matter what kind of destination it is, it can't build a citywide cluster, hang the slogans overseas, and just wait for tourists to pour in. This is a long-term investment and strategic planning, which never happens overnight. In Medical Tourism, the competition doesn't simply rely on the quality of healthcare, but also relies on the soft power—what else we can add to the value to sweeten the deal. The model and practice have to be tested and modified by hands-on experiences. Only if the destination is heading along with changing times, will this lucrative industry survive and be evergreen. Wish Chinese destinations would establish "easy, safe, and joyful" medical tourism to wow guest experiences and to pave the long way ahead.

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KEYWORDS

- **medical tourism**
- **wellness tourism**
- **strategic SWOT analysis**
- **Traditional Chinese Medicine (TCM)**
- **China**
- **medical tourism cluster**
- **medical tourism zones (healthcare free zones)**

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CHAPTER 21

TRENDS IN MEDICAL TOURISM IN SOUTH KOREA

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CONTENTS

ABSTRACT

In the medical tourism industry, Asian countries are getting attentions as the destination with a high quality of service and low price compared to European and American countries. In this chapter, we look at how Asian countries, and especially South Korea, have become popular medical tourism destinations due to their interest in developing tourism related to both medical and travel services. Furthermore, unique characteristics of both service providers and customers will be provided along with general information about medical tourism in South Korea. In conclusion, we suggested that the government and operators need to have convergence management perspective on medical tourism which should be implemented to improve synergy among technology, hospitality, culture, and tourism services.

21.1 INTRODUCTION

Medical tourists choose medical services according to a range of criteria, including services that are provided comparatively faster and more conveniently and at lower prices and of better quality than they could obtain in their home countries. As healthcare technologies have improved and diffused into many Asian countries, travel to those countries for medical services has become popular and acceptable (Fig. 21.1). Many Asian countries now play an important role in the growing medical tourism industry, with price the most important factor in deciding which Asian countries to visit for medical services. In addition, the numerous advantages in purchasing Asian medical travel services include short waiting times, efficient processes, satisfactory outcomes, professional medical staffs, and compassionate services. In Asia, many countries stand out with regard to technological change, skilled health workers, and major international airline hubs. Middle-class interest in high-quality healthcare has increased growth in both the public and private medical sectors.

After the Asian financial crisis of the late 1990s, Asian countries began to regard medical tourism as an important source of economic growth. The shrinking of the middle class also led private hospitals to revise their marketing strategies to accommodate overseas patients. Malaysia and Thailand were pioneers in the medical tourism business—other Southeast Asian countries rapidly developed public and private medical services based on innovative technologies. In addition, governments have supported and promoted medical tourism businesses to remain competitive among Asian

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countries. For instance, in India, Malaysia and Thailand, governments offer benefits to medical travel service providers such as tax concessions on land purchases and infrastructure (Alsharif et al., 2010; Gupta, 2008; Leng, 2010; Wilson, 2011). Although difficult political situations, language differences, and lack of familiarity with patients' cultures have served as barriers, continuous innovations by Asian countries to handle these and related issues have increased the success of the medical tourism business.

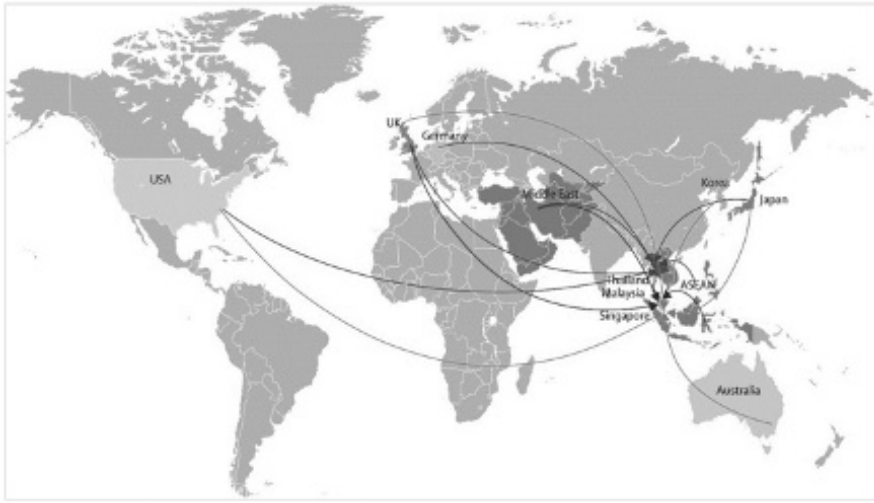

FIGURE 21.1 General flow of medical services in Asia.

Source: Kanchanachitra et al. (2011).

According to Toyota (2011), India, Thailand, and Malaysia should be considered as the "first wave" of countries engaging in Asian medical tourism; Japan and South Korea are regarded as the "second wave." This chapter looks at how Asian countries, and especially South Korea, have become popular medical tourism destinations due to their interest in developing tourism related to both medical and travel services. Based on number of medical tourists, Malaysia, Thailand, Singapore, India, and South Korea are the major destinations in Asia (Fig. 21.2). Among these countries, South Korea has grown most rapidly by global medical standards and ranks high on the technical proficiency of medical staff and service facilitators. South Korea's stable growth path has influenced the success of its medical tourism industry.

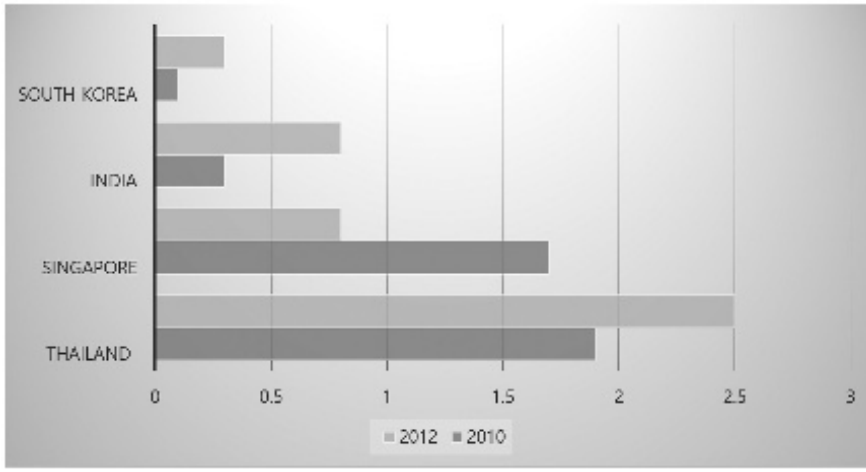

FIGURE 21.2 Medical tourists by Asian destination (in millions).

Source: Nikkei Asian Review (2015).

21.2 CENTER OF EAST ASIAN MEDICAL TOURISM

Medical tourism is a complex concept that may be analyzed from different perspectives and is composed of a variety of individual components that relate to various product/service attributes. In order to understand recent trends in medical tourism in Asian countries, we must identify the push and pull factors in Asian destinations. Tourism researchers have found that the pull and push factors influence people's decision-making regarding travel and choice of destination (Baloglu & Uysal, 1996). Push-factors are related to sociodemographic factors (e.g., age, gender, income, education) or health (e.g., insurance status, health status) factors. These factors influence the intentions of individual travelers to engage in medical tourism. Although push factors have a significant influence on decisions whether or not to travel, pull factors relate more to destination decisions (Dann, 1981; Klenosky, 2002).

In medical tourism settings, pull factors focus on the offer. They relate mainly to medical tourism destination factors such as overall country environment (e.g., preserving a clean country image), high quality of the medical facility and services (e.g., healthcare costs, quality care, reputation of doctors), and those facilitating medical travel services. Among various pull factors, cost-effectiveness is the most influential factor. Table 21.1

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reveals the various costs of different types of procedures. The availability of high-quality, cost-effective medical services are increasing the number of Chinese travelers choosing outbound travel for medical treatments in South Korea.

TABLE 21.1 Country Procedure (US$).

Country	Heart bypass	Hip replacement	Knee replacement	Face lift
India	7000	7020	9200	4800
USA	133,000	57,000	53,000	16,000
Thailand	22,000	12,700	11,500	5000
Singapore	16,300	1200	9600	7500
Malaysia	12,000	7500	12,000	6400
South Korea	31,700	10,600	11,800	6600
Mexico	27,000	13,900	14,900	11,300
Costa Rica	24,100	11,400	10,700	4900
UAE	40,900	46,000	40,200	N/A

Source: Anita (2014).

21.3 MEDICAL TOURISM IN SOUTH KOREA

South Korea is emerging as a major medical tourism destination, despite political issues with North Korea. High levels of medical standards at both private and public hospitals in South Korea have influenced the rapid growth of both medical services and the tourism business. According to the Korea Tourism Organization (KTO; Korea Tourism Organization, 2015), 266,501 tourists visited South Korea for medical treatment in 2014—this number is a 26.2% increase over the previous year (Fig. 21.3). Also, the KTO predicted that revenue would increase to 3.5 trillion won (US$ 2.9 billion) by 2020, from the treatment of 998,000 medical tourists. The KTO expects average per-capita spending in Korea by medical tourists to grow to 3.56 million won (US$ 2950) in 2020. Since the country's launch of a promotional campaign to promote medical tourism in 2009, the number of medical tourists has increased by 34.7% annually. The number of hospitals and clinics involved in the industry grew to 3800 in 2014.

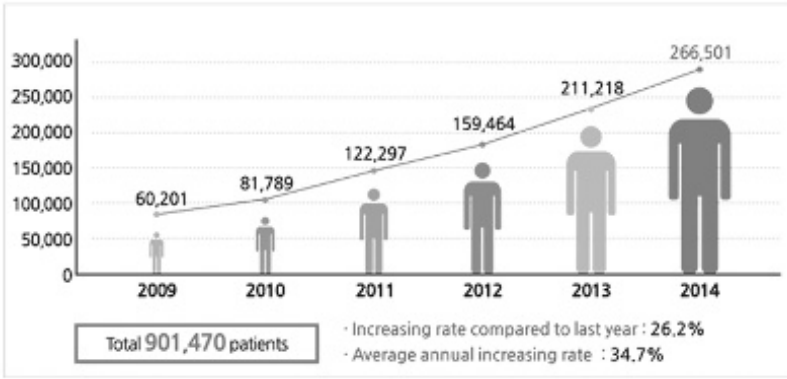

FIGURE 21.3 Number of medical tourists in Korea.

Source: Korea Tourism Organization (2015).

21.3.1 ATTRACTIVENESS OF AND BARRIERS TO MEDICAL TOURISM IN SOUTH KOREA

South Korea has reported high survival rates for cancer patients and ascribed those rates to the provision of reliable and up-to-date technical medical services. This sort of information has led international travelers to choose South Korea for their medical treatment (Fig. 21.4). In addition, its advanced screening techniques in physical examinations offer a high level of accuracy—patients may learn the results of up to 60 types of tests within 2 days.

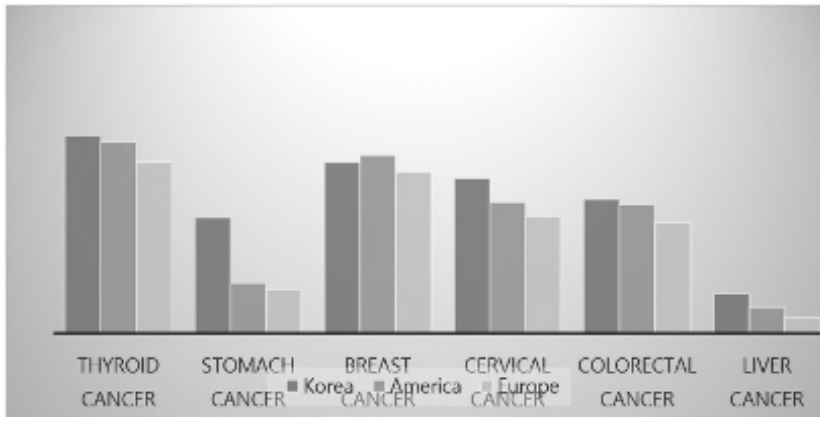

FIGURE 21.4 Survival rate for major cancers.

Source: Docfinderkorea (2015).

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South Korea is also well known around the world for its technology and digital development—the percentage of online penetration is more than 84%. South Korea also has a large online population, numbering 41 million Internet users (Statista, 2015). Among Asian countries, South Korea is already a leader in the medical sector due to its advanced hospital facilities. Recently, more and more Asian consumers are interested in healthy living and want to improve their standard of living. This global trend has increased interest in medical travel services in South Korea.

Table 21.2 summarizes the strengths of South Korea's medical tourism industry, as revealed in 2008 research by the Korea Medical Tourism Association. The results indicated that strong competitiveness in medical service quality and various promotional programs have motivated foreign tourist travel to South Korea for medical treatment. To ensure the high quality of medical staff and facilities, South Korea has relied upon a stable and reliable IT infrastructure and maintained a partnership with 70 hospitals. In addition, the Korean government and organizations have provided education opportunities for service providers, such as medical seminars.

TABLE 21.2 Strengths of Korean Medical Tourism.

Scope	Factors
Economics	Strong competitiveness in medical service quality
	Lunching of "Seoul Beauty Tour" by the Seoul municipal government
	Increasing number of general foreign tourists
Sociocultural	Increased intentions to visit Korea by potential medical tourists
	Hospitals send promoting groups overseas for marketing activities
Technological	Advanced medical technology and facilities

Source: Korea Medical Tourism Association (2008).

In addition, the Korean Wave (Hallyu) is a major attraction for international medical tourists. "Hallyu" began in the late 1990s via Korean-television dramas that focused on beautiful environments, kind people, and romantic characters. In 2000, Korean-pop culture became popular in the Middle East and South American countries, serving as another pull factor in medical tourism in South Korea. "Hallyu" has influenced Korean medical tourism by increasing awareness of Korean culture, especially among Japanese, Chinese, and other Asian tourists. Kim and Arcodia (2014) found that the "Hallyu" is the one of the main drivers of medical tourism, along with advanced South Korean brand equity and government support.

"Hallyu" fever has influenced developments and advancements in medical techniques across cities and medical travel service providers. Recently, local hospitals in South Korea have been promoting their medical travel services by increasing local experiences based on famous drama or TV show locations. The Korean government also has supported the promotion and worldwide popularity of "Hallyu," thereby increasing local economic growth. Due to the popularity of and support for "Hallyu" (Korean wave), medical travel for cosmetic surgery is increasing among foreign travelers, as well as awareness and purchase of cosmetic products and the K-beauty (Korean beauty supply) industry. The popularity of K-beauty has led South Korea to hold an annual K-Beauty Expo, which is the largest exhibition for the Korean beauty supply industry (Fig. 21.5). In 2013, more than 100 companies participated from all around the world. K-beauty trends have extended to other parts of the world, including the United States (Fig. 21.6).

FIGURE 21.5 The Fifth Korea Beauty and Cosmetic Expo, 2013.
Source: Business Korea (2015).

Although South Korea has many attractive medical tourism services, there are two specific barriers for medical tourists: language and the legal system. Effective communication is a fundamental requirement for any type of hospitality services. English is not the first language of Korean doctors and staff members, and thus language-related difficulties present a barrier for some international patients. To provide effective medical services to international medical tourists, the medical tourism-hosting countries need to hire medical staff who can speak foreign languages.

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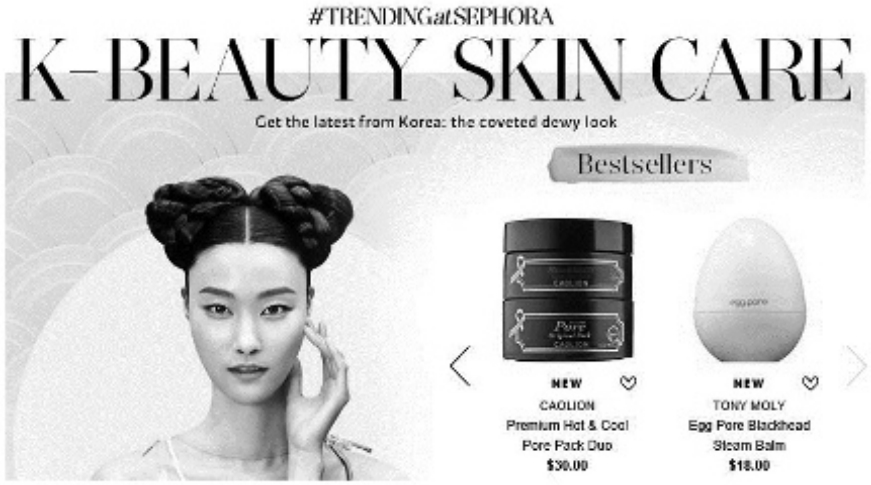

FIGURE 21.6 K-beauty promotion in America.

Source: Sephora (2016).

Since South Korea has become a major player in the medical tourism industry, service providers have been attempting to communicate, obtain, and review travelers' information in the patient's language. Also, governments and hospitals are recruiting medical translators and coordinators who can address patients' language and cultural needs (Fig. 21.7). Hiring same-language staff ensures that foreign travelers to South Korea are less likely to face a language barrier compared to other popular medical tourism destinations (e.g., India and Thailand). A recent study found that 71% of respondents had not encountered language barriers or communication problems during medical travel to South Korea (Yu & Ko, 2012).

In addition, there are general concerns about inadequate personal insurance coverage and malpractice lawsuits in the medical tourism industry. Since the South Korean government regards medical tourism as one of the top priorities for the national economy, a governmental task force was formed to identify ways to remove barriers. One result is that South Korea has amended several policies relating to tourism and medical services. The Medical Service Act was amended in January 30, 2009 to permit hospitals and other types of medical tourism operators (i.e., facilitators) to actively engage in promoting, referring, and seeking foreign patients. As a result of this and related amendments, foreign medical tourists may receive benefits from service providers to cover fees related to transportation or insurance

(Jeong, 2011). Also, the Tourism Promotion Act was amended in March 2009, to relax legal barriers to supportive infrastructures, including accommodations and travel agents. Based on this amendment, those engaging in medical tourism operations will benefit from the formation of a tourism development fund.

Despite governments' continuous efforts, improvements are still needed in several areas, including providing clear guidelines to foreign patients on precise medical fees, translation issues in medical institutions' subsidiary enterprises, and certain types of malpractice insurance.

FIGURE 21.7 Korean medical tourism marketing strategies.

Source: Korea Tourism Organization (2015).

21.3.2 MAINLAND MEDICAL TRAVELERS IN SOUTH KOREA

Recent interest in tourism research has looked at mainland Chinese residents' overseas travel. According to the World Tourism Organization, China will be the fourth largest tourist-sending country by the year 2020 with 100 million tourists leaving the country. This trend also impacts South Korean medical tourism. In 1998, the Chinese government designated South Korea as a country to which its people were free to travel. Now an increasing number of Chinese travelers visit South Korea for medical services. In addition to geographic proximity, developments in medical technologies are attracting more Chinese medical travelers. In 2012, the number of Chinese medical tourists who visited South Korea was 31,427—this number was higher than the number of tourists from the United States and Russia (Fig. 21.8).

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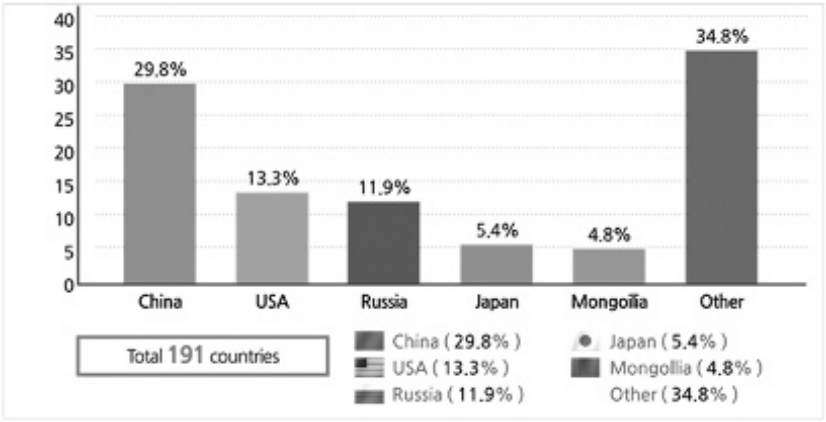

FIGURE 21.8 Medical tourists in Korea by country.

Source: Ministry of Health and Welfare.

Chinese customers who are interested in "Hallyu" are more likely to purchase items reflecting Korean style—especially fashion and cosmetics. In fact, Chinese medical tourists who visit South Korea for differentiated medical tourism products both engage in cosmetic surgery and purchase cosmetics. In 2013, 16,282 Chinese tourists visited South Korea for cosmetic surgery (Fig. 21.9). Specifically, the popularity of Korean plastic surgeons among Chinese female tourists has increased among mainland medical travelers. Due to the spread of Korean TV across China, there has been a growing infatuation about looking just like Korean celebrities.

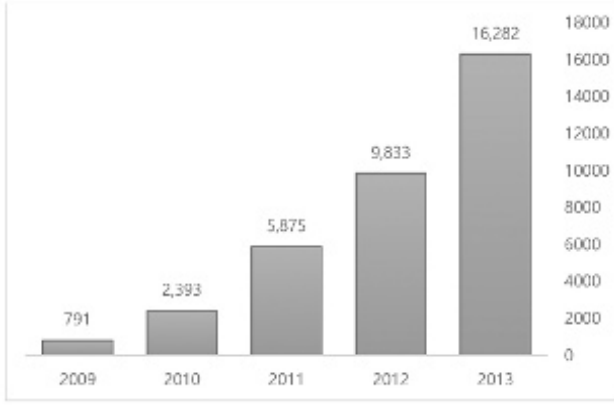

FIGURE 21.9 Chinese plastic surgery tourists in Korea.

Source: Ministry of Health and Welfare.

Further, China's economic growth means that more Chinese are willing to travel to South Korea for cosmetic services and products. According to the Korea Health Industry Development Institute (Korea Health Industry Development Institute, 2013), the number of foreign tourists visiting South Korea for plastic surgery is projected to increase to 1000,000 patients by 2020. However, international travel for medical treatment is not easy, especially when faced with two barriers—language and legal issues. Thus, the role of facilitator is essential to a successful medical tourism industry.

21.3.3 FACILITATORS IN KOREA

Among previously mentioned advantages, one main driver of medical tourism is price. Thus, medical tourism is a great opportunity for both local private hospitals and travel service providers. The presence of an efficient system that connects foreign medical travelers with local medical service facilities exerts a positive impact not only at the country level but also on local economies. In the Korean medical industry, well-governed medical tourism facilitators steer medical travel services toward various locations. A medical tourism facilitator is an independent company that helps foreign customers to engage in medical tourism.

Korean facilitators play an important service role by providing multilingual services, providing information about medical and touristic values, and monitoring overall quality control (Labour and Social Affairs, 2011). The role of facilitators in South Korea has four main facets: healthcare, tourism/concierge, documentation, and travel (Medical Avenue, 2015). Facilitators mainly provide healthcare services by identifying travelers' medical needs, providing an accurate solution, estimating medical treatment within travelers' budget, and monitoring the quality of service. As the facilitators of medical tourism, they offer free translation services for both medical and nonmedical activities during travel. In addition, they provide a personalized travel services plan based on travelers' needs. For foreign travelers, documentation can be a significant challenge. Facilitators help medical travelers fill out medical forms and submit claims for insurance reimbursements and referral benefits. According to Yu and Ko's (2012) survey, 51% of Korean, Chinese, and Japanese medical travelers used medical tourism facilitators. Medical tourism facilitation is one of the fastest growing sectors in the medical tourism industry in South Korea (Gan & Frederick, 2011).

However, some concerns have been raised regarding medical tourism facilitators. The most important is confidentiality, especially when past

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clients become facilitators of medical tourism. Some of these medical tourism facilitators may offer clinical information on patients to medical facilities. In the United Kingdom, signed informed consent prior to an elective procedure is required to ensure the privacy of medical tourists. Korea needs these types of laws and regulations to ensure medical confidentiality. Another issue is conflict of interest arising from incentive referrals (Snyder et al., 2012). The supply chain for medical tourism in the Korean market has many key stakeholders. One key stakeholder, facilitators, broker travel services, provide translation services, and negotiate Korean medical service arrangements and fees between the inbound foreign patient and service providers. The Korean government has sought to accommodate inbound needs for medical travel and improve the quality of medical facilitation services (Fig. 21.10). For example, the Korean Health Industry Development Institute and Department of Health Administration agree that all facilitators should be accredited and promote transparency by fully disclosing their fees and providing potential patients with more information about risks.

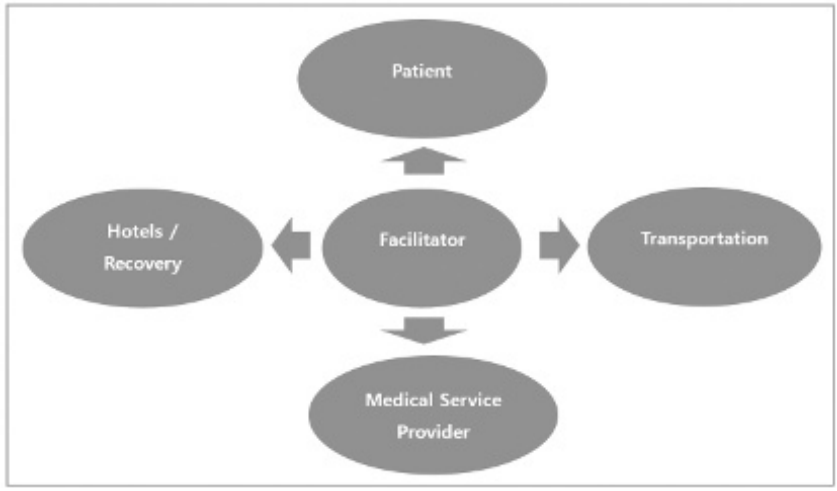

FIGURE 21.10 The role of the medical tourism facilitator.

21.4 CONCLUSION

This chapter offers a selective representation of medical tourism-related topics in South Korea. In general, medical tourism industry-related findings for South Korea point to huge future growth opportunities for this market.

Advanced technology, low cost, short wait time, accredited and US-affiliated facilities, tourism infrastructure, and positive cultural image (e.g., Hallyu, K-pop, K-beauty) are contributing to this industry's significant success. This is especially the case since the Korean government's amendment of several policies relating to medical tourism in order to relax various regulations and institutional limitations.

It is obvious that the medical tourism industry is profitable for the country. However, the government should consider several issues and further development in the following areas:

- Competitors in Asia—Aside from Thailand and India, several emerging markets are challenging this lucrative market. Korea must continue to develop and promote its unique medical tourism products, especially those associated with other K-cultural products.
- Hardware and software—With advanced technology, Korea has already established strong destination image. However, they need to focus on enhancing the quality of the software side of the products, such as reliable and responsive service quality in dealing with insurance coverage, transparent fees involving with hospitals and facilitators.
- Enhancing the target market—The current customer base depends heavily on maintaining and retaining Chinese interest in South Korea's medical tourism industry. Proactive and country-specific promotional strategies are needed to capture all types of customers from diverse target markets.
- Regulation—The Korean government must keep monitoring current policy and identifying areas of improvement in order to further enhance the feasibility and marketability of the medical tourism business.

In sum, medical tourism can create numerous opportunities for the Korean economy. Given the numerous strengths of the Korean medical tourism industry, there is a bright future for future growth. The government and operators must focus on these strengths and communicate effectively to their target markets by conducting continuous research and development efforts and sharing the results. The convergence management perspective on medical tourism should be implemented to improve synergy among technology, hospitality, culture, and tourism services.

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KEYWORDS

- **medical tourism**
- **Asian medical tourism**
- **South Korea**
- **globalization**

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INDEX

C

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H

I

J

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K

L

M

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S

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