



Health care

## Sun, sea and surgery

### More people are going under the knife abroad

**I**N THE tiny Croatian town of Zabok patients arrive in their thousands each year from across Europe and the Middle East, seeking replacement hips or knees at the St Catherine hospital, which specialises in orthopaedic work. Some come for treatment they cannot get at home, others to escape long waiting-lists for public health care or high prices for private operations. Croatia is one of a number of treatment hotspots in the medical-tourism industry. Babies are made in Barbados, sexes are changed in Bangkok, teeth are replaced in Hungary or Mexico and hair is transplanted in Turkey (see map on next page).

Precise numbers are hard to pin down, partly because of differences between countries in what is counted as medical tourism. Some national statistics include a mere spa visit or a tourist who falls sick. Allied Market Research, a research firm, puts the industry's value at \$61bn in 2016. Keith Pollard, head of LaingBuisson, a health-care research outfit that specialises in medical-tourism data, reckons it is much smaller, at around \$10bn-15bn.

Rising numbers of middle-class patients in Asian and African countries mean more people willing to spend if they cannot find what they need at home. And consumers are incentivised to travel by substantial price differences across borders for the same treatment. The average heart-▶▶



▶ valve replacement, for example, costs €30,000 (\$35,000) in Germany but only €35,000 next door in Austria, with little or no drop in quality. A hip operation can be had for €12,000 in Britain, €10,000 in Turkey and only €4,725 in Poland.

Governments are responding to rising demand. South Korea, Malaysia and Dubai have all invested heavily in creating regional centres of medical expertise to attract foreign patients. The Dubai Healthcare City seeks to attract patients from Gulf nations who have in the past been sent further afield by their health systems, to Europe or America. Some niche areas are showing particularly strong growth. Mr Pollard says that international travel for in vitro fertilisation (IVF) is increasing rapidly because many wealthy countries have restricted access to free treatment. A number of European countries, such as Germany, offer only three rounds of IVF and limit access to those with medical conditions or to younger women.

Medical tourism is still hampered, however, by a lack of detailed, reliable information on the quality of hospitals and clinics and of their doctors and surgeons, notes Valerie Crooks, a professor of geography at Simon Fraser University in British Columbia. International hospitals are often verified by the Joint Commission, a non-profit organisation that awards accreditation to medical-services providers. These aside, patients have had to rely solely on reputation or on intermediaries that grease the wheels of medical travel. Patients often do not realise that these "facilitators" may be working exclusively with certain clinics; some receive undisclosed commissions. If things go wrong, patients may have little recourse to help. Doctors have long complained about people who return from treatment abroad with complications.

Two newish online firms, Qunomedical and Medigo, both based in Berlin, hope to improve matters. They allow patients to search for medical treatments from a large

selection of providers, offering clear information about pricing and the quality of staff and services. Both take fees from the hospitals and clinics that they list, as disclosed on their websites; Medigo also earns money from patients and corporate customers in the form of fees. Patients write reviews, and human advisers are available to help with choosing where to receive treatment. Such information should make foreign medical treatments more appealing.

But making money out of medical tourism can still be hard. Variations in exchange rates can instantly make a destination less appealing. The market for "scalpel safaris" in South Africa has proved volatile, say people in the business, due to currency fluctuations. Sometimes demand fails to materialise. When work first started on a 2,000-bed hospital called Health City Cayman Islands, the \$2bn project was expected to attract more than 17,000 foreign patients annually, mostly from America. But when the first wing of the hospital opened in 2014, the *International Medical Travel Journal* reported that fewer than 1,000 overseas patients arrived in its first year. One reason was that its backers based projections of customer numbers on a flawed study, according to a subsequent investigation by a government public-accounts committee. Fewer American patients came than expected partly because health insurers were not interested in sending people overseas.

In time, health-care providers are likely themselves to travel to serve patients. Vikram Kapur, a partner at Bain & Company, says that China has in the past been an exporter of patients but now American hospitals, such as Johns Hopkins, the Cleveland Clinic and the University of Pittsburgh Medical Center, are undertaking joint ventures with local Chinese hospitals to deliver services to patients closer to their homes. One way or another, health care is becoming more footloose. ■

