High cost of care creating “medical tourists”

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Ravi Aron tells the following true story, with the central figure’s identity made vague to protect his privacy. A business consultant retired early, then found he needed heart surgery, a triple bypass. The bill for the procedure plus treatment for some co-morbidities was projected to be six figures. The man was too young for Medicare and his private insurance was going to leave him with a huge co-pay. Then a physician he had known for a long time told him of an alternative, a hospital in Thailand, Bumrungrad International, that is Joint Commission International accredited, just like top American hospitals, and staffed by many surgeons and physicians trained at U.S. medical schools. The retired consultant could get the procedure done there for about a quarter of what he would pay in the United States, travel included.

Aron, an assistant professor in the Johns Hopkins Carey Business School, studies, among other things, how information technology and measures of operational quality affect delivery of medical services. By examining Bumrungrad (according to its Web site pronounced “Bahmroong- RAHT”), he has gained a greater understanding of what he has come to call “the global supply chain of health care.” Americans, Europeans, and patients from the Middle East who need eye surgery, hip replacements, or cardiac procedures are flying to India or Mauritius or Singapore or Abu Dhabi and receiving what he describes as excellent care for a fraction of the cost.

“Bumrungrad is probably the gold standard in offshore health care,” Aron says. Hospitals like it are technologically advanced and carefully monitor outcomes with sophisticated quality metrics, says Aron, who has visited Bumrungrad several times as he completes a book about IT and operational excellence in health care. The hospital has such a sophisticated electronic information system, it spun off its IT division and sold it to Micro- “Bumrungrad is probably the gold standard in offshore health care,” Aron says. Hospitals like it are technologically advanced and thoroughly wired, and they carefully monitor outcomes with sophisticated quality metrics. soft. What Bumrungrad and other hospitals have found, Aron says, is a market in clients from Asia or the Middle East who cannot find commensurate quality of care in their own countries, clients from Europe who do not want to spend months on a waiting list for a procedure that in Thailand they can obtain in a few days, and Americans who cannot afford procedures in U.S. hospitals.

“There are a lot of highly qualified Thai doctors who come to the United States to be educated at the best schools,” says Aron. “They are board certified both in the United States and in Thailand, and the vast majority prefer going back to Thailand. Indians, Koreans, Chinese, when they come here for higher education, tend to stay here—half the companies in Silicon Valley were started by immigrants. Thais prefer going back, especially Thai doctors, who are very highly regarded in Thai society and like the quality of life.”

Aron maintains that offshore medicine is not costing hospitals like Johns Hopkins because patients heading to Bangkok or Chennai were not coming to Hopkins anyway. “The kind of person who goes there is a greatly underfunded patient. If you have the opportunity to go to Hopkins or Massachusetts General and your insurance covers it, you are not going to go somewhere in Asia. American physicians do not lose a customer because the customer wouldn’t be able to pay for their services in any case.” Aron argues that offshore medicine actually expands a market for American practitioners. “People go abroad to get their surgery and they come back, and they need high-quality ongoing care, which their doctors

in rural Pennsylvania or Spokane, Washington, will provide. Because they could get an affordable procedure, what is left of their insurance is able to cover the ongoing care that they need.” He notes that a large Indian hospital chain, Apollo Hospitals, has an agreement with groups of physicians in the United States to provide follow-up care for patients after they’ve had procedures done in India.

Pursuing less expensive care abroad does entail risks. If something goes wrong in an American hospital, the patient has legal recourse to seek compensation; frequently that option does not exist in other countries, Aron says. He cautions that many facilities and practitioners around the world are nowhere near as sophisticated and competent as Bumrungrad and its doctors. “There is an abundance of quacks and concrete buildings that basically just hold people in white uniforms and pass for medical centers,” Aron says. “You’ve got to be really careful.” Furthermore, a new business has sprung up—the medical broker. In too many cases, Aron says, these are former travel agents who saw their businesses tank when the Internet claimed their clients. Now they broker patients for hospitals abroad. They have little medical knowledge and simply match the budgets of their clients with places that claim to perform the procedure for that amount. His succinct characterization of this trade is “uninformed brokers leading uninformed patients into misery.”