President of the United States Barack Obama recently urged Americans to seek medical treatment at domestic health care facilities, rather than traveling overseas. In India, where so-called "medical tourism" (known internationally as the global healthcare delivery system) is a booming industry, his statements have created quite a stir. In this opinion piece, Ravi Aron, a professor at Johns Hopkins University and a senior fellow at the Mack Center for Technological Innovation at the University of Pennsylvania, argues that people can't take advantage of something that doesn't exist. Until affordable universal care is a reality in the U.S., Aron says, Americans will continue to travel abroad for health care services.

President Barack Obama has asked Americans not to go to India and Mexico for medical treatment. There are reasons why these appeals will have no impact on global health care delivery. Patients do not travel to India for health care services because they have a choice and they choose to go to India. They travel to India because they have no choice. They are either uninsured or grossly underinsured and they cannot afford the cost of care in the U.S.

If a consumer exercises choice -- among comparable options -- then he or she can be asked to buy American. But the choice that these consumers of global health care services face is between care delivered overseas (Mexico, India or elsewhere) and no care at all. So asking them to stay in the U.S. is pointless. Until affordable universal care is a reality in the U.S. they will continue to travel abroad for health care services. This is not a discretionary spending that they can postpone or redirect.

Characteristics for Success

The globalization of health care services is inevitable in this environment. What are the characteristics needed for the industry to flourish? Look at it at the level of the multi-specialty hospital. The hospital needs to address the patients' sense of risk. If somebody in frail health is going to fly 12 hours to reach a point on the other side of the globe to get a bypass surgery or a hip replacement done in a country that they know very little about and one with a strange culture, they experience anxiety that stems from risk. Most of us weigh the choice of a vacation destination carefully; these people are literally entrusting their lives and well-being to a hospital and doctors that they do not know. So this is a decision that is characterized by a great deal of risk. Hospitals like Bumrungrad in Thailand go out of the way to address this risk. There are four levels at which they do this:

The Four Levels of Addressing Risk

The physical environment: The hospital lobby and the building feel like an excelsior hotel in a first world country. They go out of the way to showcase the sense of order and calm that prevails everywhere. The Western patient would instantly feel at home with the Starbucks Café and Wi-Fi-enabled waiting lounges. The hospital and its lobby, lounges and wards gleam in their antiseptic cleanliness.

Process discipline: Bumrungrad hospital is pretty close to what we call a 360-degree automated hospital. From the point the patient has been admitted (from his overseas location) till discharge, all processes are centrally linked to the patient's records and care delivery, and support services are delivered and monitored at the level of each patient. They have extraordinary efficiency in the way they support clinical care with other services -- travel, hospitality (accommodation), transport...
within the city, billing and post-procedure follow-up.

Excellence in clinical care: Many of their doctors are board certified in the U.S. and in Thailand and Bumrungrad was the first hospital to get the JCI [Joint Commission International] accreditation in the region. On most parameters of medical care -- these statistics are available at the hospital site -- they compare more than favorably with the median hospital in U.S. and the E.U. (They were in the 90th percentile in patient satisfaction scores compared to similar hospitals in the U.S. and Europe).

Strategic use of IT: They use IT both to offer fine-grained information about the hospital, treatments and procedures at the hospital, and physician background to overseas patients, as well as information as a tool for monitoring and delivering clinical outcomes.

In terms of clinical information, they have been able to automate three crucial elements of clinical information flow: (i) Physician-level information from multiple physicians attending on the same patient; (ii) Information from clinical sources pertaining to a patient (tests, labs, nurses and clinical support services); and (iii) patient case history. This, in turn, has allowed them to implement a variety of innovations in care delivery that minimize medical errors, infection rates, etc. It also allows them to monitor patients and their progress in fine-grained detail. (Automating these three kinds of clinical information flows is very critical not only to deliver higher quality of care, but also to create "patient information portals" where the patient can constantly access his or her EHR (electronic health record) after the procedure from his or her country of origin, as well as schedule repeat check-up visits. Automating these three kinds of information flows is one of the reasons that Bumrungrad is referred to by some as the "gold standard" in global health care delivery).

First World Skills in Emerging Regions

So why is all of the above important? These are first-world institutions of skill and service excellence located in developing regions. The developing region economics makes these regions attractive from a cost (price) standpoint to overseas consumers. The first world skills and service excellence makes them attractive from the standpoint of actual care delivered to patients. For the paying patient, it is important to signal that the hospital is an island of calm and order founded on a reliable first world infrastructure and where care delivery is monitored with great precision and discipline. The patient needs to feel that this hospital has been insulated from its environment.

India is not lacking in clinical skill (quality of physicians). Traditionally, Indian hospitals were seen as weak in post-procedural care delivery (sometimes referred to as "post operative care"). But that, too, is changing. Some hospitals are beginning to get their acts together on post-procedural care in terms of significantly lowering medical errors and hospital infections, and improving nurse and support clinician hygiene standards. There is still much that can be done in this regard.

An area that is often overlooked by the Indian care delivery establishment is that of support services: travel, logistical support, accommodation and hospitality, transport within the destination city, billing, etc. Overseas patients are probably comfortable with the quality of Indian physicians; they are more concerned with clinical post-procedural care, support services and the infrastructure.

Medical services in India are where the IT-enabled services and the business process outsourcing (BPO) industries found themselves in the mid 1990s -- the challenge is to convince the customers that these hospitals are islands of excellence that have been insulated from the frailties of India, even as they draw upon its strengths. These services are not branded as "made in India" as much as "made in spite of India."

The Advantages of India

The one advantage the country has is that a doctor in India -- especially a surgeon -- would have acquired in 10 years' time more experience -- both in terms of scale of procedures done and the exposure to varying levels of complexity -- than what a surgeon in the U.S. would get in, say, 30 years of practice. So a doctor with about 15 years experience will probably be unrivalled in the scope and scale of his exposure.

In the well-run hospitals and multi-specialty centers, they have deep reservoirs of capability to treat patients who come in for a procedure with comorbidities [the presence of one or more disorders in
addition to a primary ailment]. Not only can they perform the procedure, but they can also deliver related chronic care where necessary (procedure plus care for cardiovascular disease, diabetes, etc). Specialists are readily available to deliver care for comorbidities from a single location.

Almost all these institutions are private hospitals that cater to the needs of India's wealthy, powerful (Anglophone) elites. They are used to delivering services to a demanding clientele. This serves them well with overseas customers. A large number of physicians in the U.S. and the U.K. and in some Gulf countries are of Indian origin. So, overseas patients do not have the problem of entrusting themselves to Indian doctors.

The doctors of Indian origin can also serve as a distribution channel of sorts to hospitals in India. These institutions can tie up with these doctors to deliver some measures of post-procedure diagnostic care and ongoing care in the countries of origin of the patients.

The Low Cost Is a Given

The other advantage is, of course, cost. But there is no need to stress the difference in costs. The patient is usually acutely aware of the difference in the sticker price for care. The multiples range from eight to one to three to one, even after factoring in travel and other non-clinical costs. There is no reason to draw attention to this. It is far better to highlight capabilities and excellence for two reasons. First and less important, is that this will translate into "capabilities and excellence at an affordable cost" in the patient's mind. Second, and more important, the patient is worried about capabilities and support care and the risk of entrusting his life and well-being to a strange system far away from his home. So it is vital to address those concerns rather than emphasize "cheap." The patient is all too aware of the cost difference anyway.

Finally, the use of web-based channels to inform potential patients is key to running an efficient marketing operation. Hospitals should be able to offer information about JCI certification, physicians' experience and qualifications, the depth of their capabilities in performing specific medical procedures (coronary bypass, hip replacements, etc.) and give patients an accurate estimate of the costs.

Bumrungrad's use of electronic channels is a case in point in effective marketing. The hospital has developed a cost simulation where the patient can key in details of his or her condition and the simulation gives a clear estimate of the cost frontier that he or she will face: it gives the patient a distribution of costs that similar patients in the past faced -- including an average, a high percentile and a low percentile number -- allowing the patient to form his or her own estimate of the costs of care. This electronic estimate is based on actual costs of past patients and it is constantly updated from the hospital's database. Bumrungrad is able to do this because every element of the final cost the patient pays is itemized and categorized in the final invoice. This is yet another example of their strategic use of IT to both serve the customer and market their services effectively.