



Commercial Medical Tourism

An Emerging Healthcare Phenomenon

**Alternative Solution to Exorbitant Healthcare Costs Incurred by
U.S. Corporations, Institutions, and Insurance Companies**



med retreat

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What is Medical Tourism?

- Medical Tourism is the practice of traveling outside of your home country to receive quality healthcare at affordable prices. For North American citizens, a savings of up to 80% can be realized.
- Although medical tourism is coined as the dominant phrase for this new emerging industry, other terms such as medical travel, health tourism and medical outsourcing have been gaining popularity.

An important issue to consider:

- The term "medical tourism" should not be taken literally. Although patients travel great distances to receive "medical" care, the term "tourism" should be less emphasized. As the term "tourism" is generally associated with the practice of touring for pleasure, when combined with a medical procedure, nothing could be further from the truth. In reality, most patients do not feel like touring once they have received their procedure.
- The importance of international medical travel should be placed on receiving high quality medical care and then recuperating with supervision to a reasonable level before traveling back home.



Health Care Trends in North America

As health care costs continue to rise, more and more Americans are simply being priced out of the market for treatment, with no resolution in sight. According to a poll report by Kaiser Health, "Personal health care costs are more terrifying to most Americans than being able to pay rent or mortgage, losing a job, losing savings in the stock market, or being a victim of a terrorist attack or violent crime."

The following facts support medical tourism industry growth:

- 47M uninsured Americans and rising
- Over 18% of the 250M insured Americans have pre-existing medical conditions, not qualifying for insurance coverage, resulting in out of pocket expenses
- 76M Baby Boomers with disposable income to support the elective surgery market
- Socialized medicine in Canada creates waiting lists for surgeries
- American Insurance companies seeking ways to reduce costs
- Corporate and institutional companies anxious to reduce healthcare costs



Company Overview

- Founded in July 2003
- Entrepreneurial staff totaling over 150 years of experience in organizational development and communications
- First U.S.-based company to actively facilitate medical tourists
- Providing full service patient management
- Offering no obligation / risk free services to clients
- Has performed due diligence on all overseas hospital affiliates
- Committed to high quality service and customer satisfaction



Mission Statement

Enable the American consumer, corporations, institutions and insurance companies to select affordable, truly viable, highly personalized, world-class medical alternatives that include recuperation packages in destinations around the world.

Vision Statement

We envision developing North American consumers, corporations, institutions and insurance companies into informed users of international health care services.

They will be empowered by current, customized information, products and services that our industry partners will provide.

By providing an interactive forum linking North American consumers of healthcare and organizations abroad, we promote the development of a highly effective healthcare system at a fraction of the cost.



Value Proposition

Medical tourism is not a new concept to Asians and Europeans, who have traveled to foreign destinations for decades seeking medical treatments with lower costs and non-existent waiting times. However, Americans are being exposed to this concept on a wide scale for the first time as the media is beginning to explore this growing trend. As this trend begins to gain momentum in America, we see our value proposition to our customers and partners as follows:

- Based in America, managed and operated by Americans
- Strong executive team with valuable experience in general management, communications, customer service and operations
- In-depth knowledge of American market, culture and values
- Toll free telephone support access to customer service - 18 hours per day / 7 days per week
- Established relationships with global hospital affiliates
- Low cost, high value alternative to healthcare in the U.S.



Marketplace Trends (1-4)

- 1) The consumption of healthcare services is growing faster than any other service in North America. As a whole, Americans are demanding more options for healthcare products and services from providers and suppliers, but lack the access.
- 2) Consumers of healthcare services are becoming more technologically savvy, and are seeking new channels to fulfill their healthcare needs.
- 3) With complexity and fragmentation of the medical tourism market process, patients are seeking an easy to use, personalized system with real time customer support.
- 4) An increasing number of overseas hospitals and clinics are investing resources in an effort to attract American consumers. The challenge going forward is to continually incorporate innovative ways by which to effectively facilitate the communication process.



Marketplace Trends (5-7)

- 5)** Increasing globalization of professional services and all business operations are forcing organization leaders to view the world as one global competitive marketplace for all goods and services, and thereby moving towards the Ricardian Trade Model, where certain regions are better positioned to be the lower cost service provider.
- 6)** Increasing awareness of medical tourism as a truly safe and viable option for obtaining World-Class care at a fraction of the cost, brought about by continual mainstream media coverage of highly successful cases. (see following reference list of press coverage – slide 21)
- 7)** Increasing regulatory oversight by organizations with a vested interest in the successful growth and development of international patient care, such as the AMA, JCI, ISO, leading hospitals, foreign government agencies responsible for trade, tourism, health, and consumers of healthcare.



Partnerships

We are continually building strategic partnerships with market leaders in the medical, travel and insurance industries in order to construct a community that not only provides our customers with total end-to-end service and confidence, but also benefits all of the following parties:

- Consumers
- Corporations and Institutions offering Private Health Plans
- Insurance Companies
- Hospital Systems and Physicians
- Destination Program Managers
- Hotels and Resorts
- Airlines
- Ground Transportation Providers
- Tour and Excursion Operators
- Communications Services
- Finance Companies



Business Partners

- MedRetreat has developed a way for providers of health and non-health related services to focus their efforts on an attractive, targeted population, without the expense of sales, marketing and administrative costs involved in client acquisition.
- In exchange for the unique and valuable menu of services MedRetreat offers, our business partners provide us with discounted pricing that will allow for a reasonable income to support our company expenditures and shareholder compensation.
- By utilizing this financial model, we can provide our clients with a high level of service at no additional cost. So, in effect, our services would be completely free to them.



Corporate / Institutional / Insurance Sector

Currently, U.S. healthcare costs Americans approximately \$2 Trillion, 16% of the U.S. GDP, and is still on the rise. To circumvent the financial burden on company funded major medical care to their employees, a safe and viable option will be available to businesses and insurance companies willing to allow their healthcare recipients the opportunity to travel abroad to receive their medical procedures at a fraction of the cost.

The first issue that must immediately be addressed is the quality of care overseas. Just because your organization will be potentially saving huge sums of money by outsourcing your medical care to foreign countries, does not mean that your healthcare recipients will be receiving lower quality. In fact, the hospitals in our network are among the most elite healthcare institutions in their respective countries, using the same standards, technology, procedures, and protocols as most hospitals in the U.S. The majority of these hospitals are clean, ultra-modern, state-of-the-art facilities that would immediately convey confidence to any American accustomed to high quality medical care. Additionally, the majority of the doctors are board certified in the U.S., Australia, or the U.K. MedRetreat will help bridge the confidence gap by providing a host of information about our global affiliates to healthcare recipients.



Considerations to Outsourcing Your Medical Care

Q: How will your healthcare recipients respond to the option of receiving their medical care in a foreign country?

A: We believe that with the proper education, healthcare recipients will be absolutely confident that the medical care conditions in our global network are very comparable to US standards, and may even find the customer service to be far superior.

Q: If we outsource our medical care to foreign hospitals, will we receive negative PR?

A. We believe that there may initially be adverse public opinion about outsourcing your medical care to foreign countries. However, if you think about it, there has always been adverse publicity about trade of all goods and services throughout history. Outsourcing medical care is simply the natural progression of globalization, where we are already witnessing the outsourcing of professional services such as legal and accounting functions. Furthermore, the global competition of medical care will likely be a major factor in solving our current U.S. healthcare crisis by lowering costs and increasing the level of care.



Considerations to Outsourcing Your Medical Care

Q: What is our liability exposure when sending someone overseas for health related procedures?

A: We view the issue of liability as the greatest impediment to the rapid advancement of medical outsourcing at the organizational level to date. Although the U.S. is perhaps the most litigious society in the world, Americans at least feel that they have significant recourse in the event of malpractice. However, this recourse has greatly contributed to the exorbitant cost of care in the U.S. In an effort to offer such recourse overseas, Medretreat is currently working with major liability insurance companies in the development of a liability product that will serve to protect the healthcare recipients' organizations in the event of malpractice. We are certain that this product will be available in a short period of time and will be glad to discuss this in further detail upon your request.

For the immediate term, it is very important to emphasize that organizations already have tremendous leverage in insuring positive medical outcomes through our affiliate hospital partners abroad. The executives and surgeons of these elite private hospitals understand that a malpractice issue would very likely receive tremendous negative press coverage and could ultimately lead to the end of their medical tourism business, which is where over 30% of their current operating profit is generated from. As such, our hospital partners have expressed to us from the outset that they will do everything in their power to avoid any potential errors and/or correct any that are made even if means absorbing significant financial cost to do so.



Considerations to Outsourcing Your Medical Care

Q: How will continuity of care be addressed for the patient that returns home and is in need of follow-up care?

A: In our opinion, continuity of care in the U.S. will further need to be addressed by the insurance industry. Insurance companies have great leverage with their affiliate healthcare providers and are in a much stronger position to require U.S. doctors and hospitals to participate in any post operative care, if necessary.

In our experience, this has not been an issue to date. MedRetreat has developed a minimum timeline for medical tourists to remain in the hospital and destination based on the specific procedure(s) they are receiving. In most scenarios, if a complication is to occur, it will happen within the time period the patient is in the destination country and any follow-up care can be addressed by the hospital and surgeon before they travel back home.

In the worst case scenario, a patient can always visit an emergency room in the U.S. and not be denied care.



Incentivizing Overseas Healthcare

To most effectively offer overseas medical care, you may need to offer an incentive to your healthcare recipient, otherwise, they may choose not to travel abroad for their procedure. Here's an example of the most popular incentive model to the recipient of overseas healthcare:

Let's use a hip replacement procedure as our example.

In the U.S., hip replacements can cost from \$40,000.00 - \$65,000.00. You can offer the following incentive to the patient:

- 1)** Waive the deductible
- 2)** Waive the co-pay
- 3)** Offer them the opportunity to take a companion along on their medical retreat
- 4)** Allow an extended stay in the destination for recuperation
- 5)** Offer a cash incentive to receive their procedure abroad (not included in cost calculations that follow)



Let's review the savings:

For purposes of averaging the costs, let's use \$50,000.00 as the base price for a hip replacement in the U.S.

The average cost for this procedure in one of our overseas destinations is approximately \$15,000.00 and includes the following:

- Hip replacement including doctor's fees
- Anesthesiologist fees
- Operating theater
- Prosthesis
- 10 days physical therapy
- 8-10 days stay in a private room
- Surgeon's follow-up visits
- 24/7 Nursing care
- Meals



Let's review the savings (cont):

- Supplies
- Initial supply of medications
- Two round trip coach tickets
- Three weeks post operative recuperation in a 4-5 star hotel
- Full facilitation by MedRetreat
- Destination Program Management Services

This calculates to a savings of \$35,000.00, or, 70% of the costs in the U.S. leaving a considerable amount of surplus for a cash incentive to the employee.

Note: The savings are based on the average consumer price. Pre-negotiated discounted pricing for large insurance companies may yield less of a savings.



**Let's take this one step further and offer to share
a portion of the savings with the healthcare recipient :**

The net result, the healthcare recipient will be in a positive cash flow situation instead of a cash deficit if they chose to stay in the U.S. - In our research, the biggest motivating factor to someone choosing to receive surgery abroad is financial preservation.

As you can clearly see, there are huge financial benefits to a company considering this option. And, by utilizing the services of MedRetreat, you will be providing a clear, proven medical tourist model to your healthcare recipients that will best guaranty a safe and enjoyable medical retreat.

However, there are many issues to consider before venturing into the medical tourism marketplace. We'd like to share these issues with you in advance of your efforts to make this vision of healthcare abroad a reality.



Conclusion

This is the initial phase of a widespread effort to reduce health care costs in the U.S.

Due to the fact that every company has different and unique needs, MedRetreat is committed to developing a comprehensive program for each of its commercial clients. To do this, we must perform a needs assessment to identify the best way to incorporate overseas healthcare into your current health facilitation structure.

Our initial consultation will take approximately 1.5 hours. Please feel free to invite as many people within your organization to this teleconference. We will discuss the issues relating to overseas healthcare and collect pertinent information to tailor a specific program for you.

Consultation Contact:

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Press Coverage References Featuring MedRetreat

Television:

ABC 20/20
ABC 7 News Chicago
FOX News Washington, D.C.
FOX News Philadelphia
FOX News Seattle
FOX 59 News Indianapolis
FOX News North Carolina
FOX 11 News Los Angeles
KODE-TV Missouri
KTVB-7 News Boise, ID
KXTV 10 News Sacramento
NBC-11 News San Jose
WCTI-12 News New Bern N.C.

Magazines:

Business 2.0
Good Housekeeping
Inc.
Fitness
Forbes
Men's Health
Men's Journal
More Magazine
News Day
Smart Money
Success
Time

Newspapers:

Baltimore Sun
Boston Globe
Chicago Sun Times
Los Angeles Times
New York Times
Seattle Post Intelligencers
USA Today

Radio:

Health Talk Radio – Judy Foreman
KSGF Newstalk Radio – Vince Jericho
MoneyDots – Barbara Sparhawk
NPR – Talk of the Nation
WGN – Steve Cochran Show



Please click on the icon below to visit MedRetreat's Website for more information about medical tourism and the services that we offer.





Thank you for the opportunity to present our company's information.

Wishing you a healthy and happy day!

The MedRetreat Team

