

Healthy Travels

Think going abroad for cheaper medical procedures is scary? These businesses are here to help.
By Geoff Williams | October 31, 2007

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The idea of Americans flying overseas to get a heart valve replacement before sightseeing at the Taj Mahal is no longer foreign.

In fact, medical tourism is a \$40 billion business globally, and the people packing their bags most frequently are Americans. Numerous nations--notably India, Singapore, Thailand and Malaysia--are making a lot of money off the American healthcare system's problems, but it isn't all bad news for the U.S. Medical tourism companies are cropping up across the country--approximately 50 so far--and there's no end in sight.

"It's exploding, right now, this year," says Josef Woodman, author of *Patients Beyond Borders: Everybody's Guide to Affordable, World-class Medical Tourism*. "Medical tourism isn't a gimmick, it's not fun in the sun, like the press used to say. It's become a component of the larger global healthcare landscape, and because of that, there are business opportunities out there."

Woodman isn't just spouting hyperbole, hoping to sell a few copies of his book to interested readers. In August, the Medical Tourism Association launched in West Palm Beach, Florida, and just debuted its magazine, *Medical Tourism Magazine*. The association also has a conference planned in Washington, DC for early November.

Meanwhile, across the globe, the International Medical Tourism Forum just held a conference in Goa, India, and the International Medical Travel Conference has an upcoming summit taking place in Manila, Philippines. And it's not just a case of Americans traveling abroad for surgery. Europeans are going to other countries as well. Also, ArabMedicalTourist.com directs Arabs to countries like South Africa and Singapore.

Patrick Marsek, 49, saw the light about four years ago when he was listening to an NPR broadcast about Britons traveling overseas for cosmetic surgery; his co-founder Judson Anglin, 38, realized the industry's opportunities when he found someone to perform a cosmetic procedure for his mother in Thailand for \$5,000 versus \$16,000 to \$20,000 in the U.S. But that's nothing. Woodman notes that a quadruple bypass surgery might run an uninsured American \$100,000 in the U.S., as opposed to \$14,000 in India, which includes airfare.

How do the doctors feel about this? Not as bad as you might imagine, according to Woodman. "Some physicians will say that it's a great way to offload treatments that don't pay well, anyway, because the insurance companies will only pay \$19,000 for that \$100,000 operation, and \$19,000, by the time they take care of overhead, isn't that much."

It's easy to see why Marsek and Anglin jumped into the industry after conducting market research and looking into the viability of a medical tourism agency. In 2003, they co-founded what they claim to be the first actual medical tourism business.

Neither are doctors, though they employ medical professionals to help them find new hospitals and surgeons. Marsek won't say how much revenue the company is bringing in a year, but they have nine employees, and he certainly doesn't appear bothered that increasing competition might encroach on their success.

"We're not too concerned," says Marsek. "I believe there's enough business for competitors. Our concern is that they do it right, because the ones who don't, give the industry a bad name."

Woodman says that a lot of the medical tourism companies fail within a year of opening. "It's not a get-rich-quick scheme. The business is essentially referral-based, so growth is incremental," notes Woodman. "But I think it's a solid business." He suggests that entrepreneurs who plan to enter the industry truly love serving customers, because much of the business is about helping people, many of them seriously ill, and making them feel comfortable.

Woodman adds that medical tourism is a "particularly potential litigious time bomb" if an entrepreneur doesn't do his or her

homework. And there is much homework.

Amar Kambhatla, 41, set up Global Med Network earlier this year in Michigan, making it the first such business in the state. He had been a former business manager for a doctor's office and understood the need for the service. He partnered with his wife, Dr. Sujata Kambhatla, 38, and they began visiting hospitals around the world.

"We were down to each and every hospital in our network, and one of the key things I need to make sure is that the quality of each hospital meets the standard of the hospitals in the United States," says Kambhatla, who found hospitals that weren't just equal in quality, but better, he feels.

Kambhatla may have a point. Several years ago, the Joint Commission of Accreditation of Healthcare Organizations, the oldest and largest health care accrediting body in the U.S., began allowing hospitals overseas to apply for accreditation by meeting the same standards as their American counterparts. "That's not a coincidence that it was since then that medical travel has risen rapidly, particularly the number of quality hospitals in Asia," says Woodman.

Of course, Americans could contact an accredited hospital in Malaysia directly to find out if one of its surgeons can do a kidney transplant, but because it's complicated to determine which hospital is right for each person and operation the medical tourism agencies have caught on.

The best agencies also make all of the travel arrangements and ensure that the patient's family physician and hospital can be on hand should complications occur after the operation when the patient is back in the states.

Medical tourism doesn't just sound good for uninsured and underinsured Americans. A few American health insurance agencies already have pilot programs looking into the feasibility of paying lower costs for people to travel abroad and have expensive surgery, which means that businesses may soon be offering medical tourism packages to their employees. Even more telling, some American hospitals now have branch hospitals overseas to capitalize on medical tourism.

And what about the tourism part, anyway? Marsek says that MedRetreat definitely handles the sightseeing arrangements for its clients, and while some people have cosmetic surgery on their teeth in Costa Rica and then go snorkeling, not everyone is up to the rigors of venturing out after surgery. Marsek says they learned early on to have places for patients to go, but not to book anything in advance because some people find that after an intense surgery, they just want to relax in their hotel room. "Tourism takes the back seat," says Marsek. "The most important thing is receiving the procedure."