

Holidays for Health

People are traveling overseas for cheaper medical procedures like colonoscopies and hip replacements.

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Two years ago, when Suzanne Rakow was diagnosed with breast cancer, doctors recommended a mastectomy followed by two months of radiation. Underinsured and retired, the 59-year-old Californian was shocked when she heard the hospital bill would total \$100,000 or more. She had already received a \$10,000 doctor's bill for a second opinion and a 25-minute needle biopsy, and her insurance wouldn't cover any of it. "I am not poor and I am not rich," says Rakow. "I didn't know what I was going to do. If I spend all of my money now, what if the cancer comes back? I have to live on something."

A friend she met while traveling in China recommended she call Planet Hospital, a medical-travel company that connects patients with 32 hospitals in 18 countries. Within 36 hours, she was on the phone with a surgeon at Mount Elizabeth Hospital in Singapore. "I was very confident he knew what he was doing," she says. So Rakow packed up her medical files and flew to Singapore. Planet Hospital scheduled her medical procedures and found hotel accommodations, as well as a local concierge. Her total bill, including the surgery, radiation, airfare, hotel, concierge and a two-week side trip to Bali, was under \$30,000. She paid it out of pocket.

Jetting off to a foreign country for affordable cosmetic surgery has been a popular option for years. But now, pinched by rising health-care costs, travelers are going abroad for routine required surgeries and procedures, including colonoscopies and ob-gyn exams. By 2012, experts predict, medical tourism will turn into a \$100 billion international industry with more than 780 million patients seeking health care abroad. Planet Hospital and similar companies, like Global MD and Med Retreat, are based predominantly in the U.S. and serve mostly retired baby boomers who don't yet qualify for Medicare. The companies shop around for a hospital and make all the arrangements; in return, the hospitals pay them referral fees. Patients pay the health-care providers directly.

It's not only the underinsured who are eager to take advantage of geographical differences in the cost of health care. Private employers and government-run health-care agencies in such places as the Middle East, Canada and Germany are hoping to reduce costs and long waiting times by encouraging employees to take advantage of medical treatments while traveling.

The savings are enormous. A new hip in the U.S., for example, averages \$100,000; at the Bumrungrad hospital in Bangkok, the cost starts at \$11,000. In Colombia, a person can buy four orthopedic shoes for the cost of one American one. "My gastroenterologist is in Bangkok," says David Boucher, the president and chief operating officer of BlueCross BlueShield/Companion Global Healthcare, who paid \$602 for a standard colonoscopy in Thailand soon after his 50th birthday, compared with the \$2,260 it would have cost in the U.S. Knee- and hip-replacement surgeries are two of the most popular services offered by Companion Global Healthcare, which sends patients to Thailand, Singapore, Turkey and Ireland.

Insurance companies are also signing on to save money. South Carolina retiree Ben Schriener, 62, recently had outpatient hernia surgery at Costa Rica's Hospital Clinica Biblica in San José. If he'd had the surgery at home, the bill would have been \$14,000, of which Schriener would have had to pay a \$10,000 deductible. But his insurer, BlueCross BlueShield, teamed up with Companion Global Healthcare to go in-network in San José. The total bill: \$3,900. Schriener's cost? Nothing.

Many see the overseas trend as an inevitable development in health care. Americans travel

across state lines to get second opinions, says Dr. Jason Yap, director of marketing for the Raffles Hospital Medical Group in Singapore. "This is just a continuum of care across borders."

The line between vacation and health care will continue to blur; next year Singapore will open Asia's first medical hotel, a 260-room luxury high-rise connected to the east wing of a new hospital in Farrer Park. The hotel will feature a 500-seat conference hall, indoor and outdoor gardens and a spa, as well as a dialysis machine and other medical equipment for patients who don't want to stay in the hospital. It will add new meaning to the concept of a healing holiday.

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