

2.MEDICAL TOURISM OVERVIEW

2.1 The Concept of Medical Tourism

Although there are many definitions of medical tourism, the medical tourism is most commonly defined as an activity that provides transnational travelers with various kinds of medical services, including dental medicine, condition detection and disease analysis. In addition, there are many definitions of medical tourism, such as:

Medical tourism refers to the activity that residents of a country travel to another country for medical services. The quality of the received medical services is better than that of their own country or the same as their own country. Under certain conditions, the cost of received medical services is lower than that in their own country.

The medical tourism is part of health tourism. While visiting some natural cultural landscapes experiencing the local customs, conducting some other tourism activities in the destination countries, patients also receive some medical services in the process of the tourism, such as: physical treatment, physical examination, health recovery, etc.

Surapong Lukhanumanjao and Piyanuchhongyok believe that health tourism is to receive some medical services, and combine leisure travel with health services at the same time. Some of the tourists choose health tourism to treat physical problems or congenital diseases; some of them plan to receive regular physical examinations or physical rehabilitation; others are to receive some beauty services when traveling to keep themselves in a better state and a beautiful look after returning home.

Tourism Bureau of Thailand: Medical tourism is a tourism with intention of medical treatment. People can get treatment in hospitals or other places where medical services can be provided. The medical services include physical examinations, various kinds of disease treatments, cosmetic plastic surgery and transsexual operation.

Hall's definition of health tourism is that a person spends the night in a tourist attraction different from their original environment. And the environment of this tourist attraction can make their physical condition better. From the initial significance and nature of medical tourism, it can be drawn that medical tourism is part of Health tourism. Its market value in 2012 was between US\$5 billion and US\$6 billion, and it is predicted that it will grow rapidly and the market will continue to expand (SRI international, 2013). As is shown in Figure 2-1.

Figure 2-1 Relationship between health tourism, medical tourism and health-keeping tourism From: Hall, C.M

In summary, medical tourism is an activity for a tourist to travel to another country in order to receive better treatment compared with that in his own country. They choose medical tourism probably for the purpose of health check-up, cosmetic, dental correction or

treatments of other special diseases. What motivates them to choose a destination country may be the lower medical costs in destination country, or the inaccessibility of medical services they need in their own country, or the inconvenience to receive the required medical services in their own country.

2.2 The Origin and Development of Medical Tourism

Historically, patients of developing countries often journeyed from less developed countries to medical centres in more developed countries, where they received services that were not available in their countries of origin - as medical know-how and technology were missing. As technology and medical know-how dissolved to emerging market countries, a new model of medical tourism – from rich to poor countries – evolved over the last two decades. Rich country tourists started to exploit the possibility of combining tourist aspects with medical ones. Today, one finds modern hospital facilities close to major tourist attractions in countries like India, Hungary, South Africa, Thailand and Turkey.

The output value of medical tourism accounts for a high proportion in the entire tourism industry, and it continues to grow at a rate of 28% annually. In 2000, the total value of medical tourism in the world was less than US\$10 billion. After that, the value of medical tourism industry in the world reached 478 billion US dollars in 2014. In addition, according to the statistics of The Global Spa Summit, about 283 billion people chose medical tourism in 2010. From the current information on medical tourism, the number of medical tourists and its proportion in total tourists is constantly increasing.

Medical tourism mainly involves people who receive medical services, including beauty therapy and disease treatment in other countries. In the past, it is common for people from developing countries travel to developed countries for medical tourism for the purpose of seeking advanced medical technologies that were not available in their own countries. Since 1990, the above situation has begun to change: countries that can provide patients with cheaper medical costs and more convenient medical services are becoming popular with medical tourists. Most of these countries are developing countries, especially Asian developing countries such as Thailand, Singapore, Malaysia, South Korea, and India. Therefore, the current medical tourism is different from that of the past. People in developed countries began to travel to developing countries for medical treatments.

Most of the multinational tourists receiving medical tourism can be roughly divided into two types according to the reason for their choices. As follows:

Technology gap/or Service gap. For example: Burmese, Lao, Cambodians travel to Thailand for medical services in order to find a high level of treatment that is unavaiable in their country.

The price gap of medical tourism. For example, the Australians came to Thailand to receive beauty and cosmetic surgery treatment with less cost, because Thailand's beauty and cosmetic techniques are no worse than that in other countries. However, the cost of beauty and cosmetic surgery in Thailand is relatively low in Asian countries.

In the past decade, many of the world's medical tourism have continued to develop. From the world-leading medical tourism destination given by the Deloitte Center for Health Solution, Thailand is one of the world's leading medical tourism destinations. Singapore and Malaysia are major competitors of Thailand in Asia. According to the information released in 2006, the amount of hospitals in Singapore that meet the standards of JCI(Joint Commission International Accreditation) is about three times that of Thailand. However, due to Thailand's lower medical expenses,large-scale private hospitals, Thailand's cultural atmosphere, the development model of the combination between hospitals and hotels and famous tourist destinations, the number of patients in Thailand is approximately three times that of Singapore. For Malaysia and India, the number of the patients in those two countries are less than that of Thailand, because they are far behind Thailand in terms of national stability and resources, although their medical costs are lower.To sum up, Thailand has become a leader in medical tourism in this region.

The reasons for the importance and popularity of medical tourism also include:

With the continuous increase in the population, especially in developed countries, such as Europe, the United States, and Japan, the ageing population continues to grow, resulting in the increase in the number of chronic disease patients, and the increase in demand for medical tourism. However, some developed countries have some limitations on medical tourism. The health care cost in developed countries increases (Healthcarecost). Most of the developed countries provide the medical services with inconvenience and a long waiting list.

The general decline in ticket prices has reduced the cost of round trips between countries, and cut the time of flight.

Affected by the above factors, the number of tourists going abroad for medical tourism continues to grow, especially medical tourism tourists from developed countries such as the United States, Australia, Russia and other European countries.

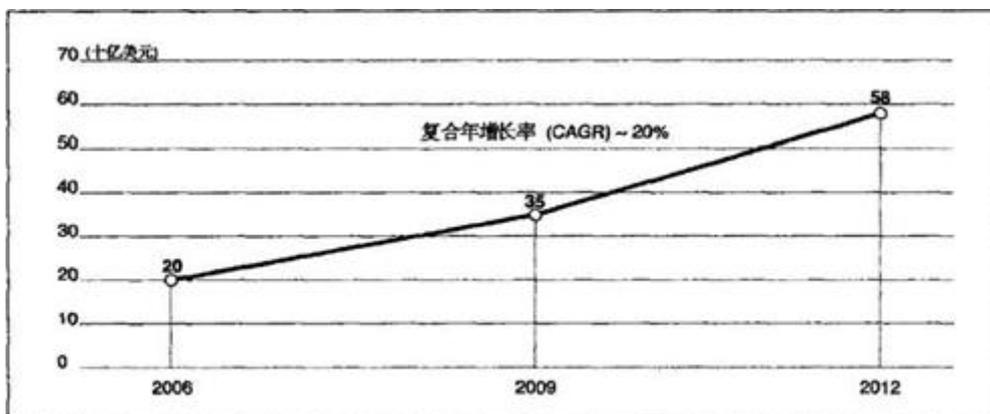


Figure 2.2.1 The scale of the world medical tourism market

From the study of The Boston Consulting Group (2008) and RNCOS (2009), the market value of medical tourism has continued to rise since 2006. The market size of medical tourism was approximately US\$20 billion in 2006 and was expected to increase to 58 billion US dollars in 2012, with an average annual compound growth rate of 20%. (Figure 2-2) At the same time as Asia's important medical tourism market, the market size of South Asia and Southeast Asia accounts for 15% of the world, and continues to increase, with an average annual compound growth rate of 28% (Figure 2.).

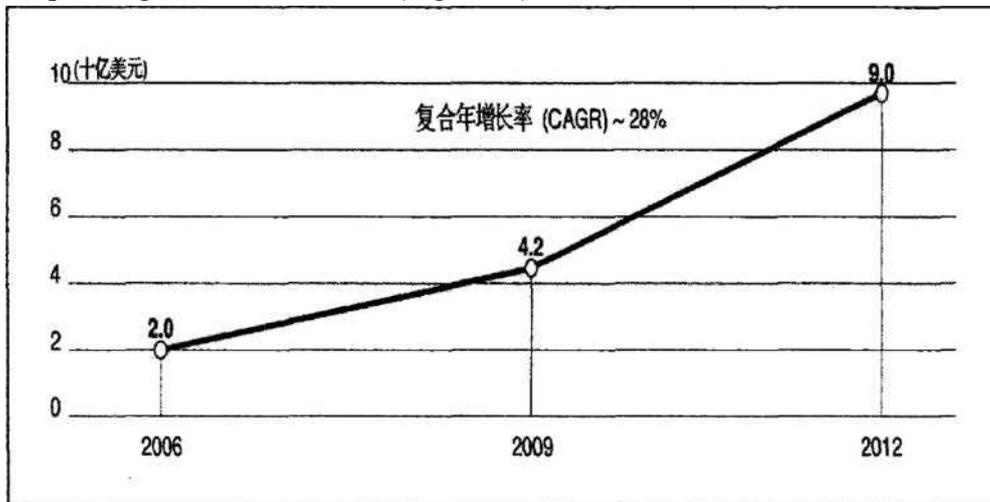


Figure 2.2.2 The medical tourism market scale of Southeast Asia Source: The Boston Consulting Group, RNCOS

2.3 Medical Tourism Products

Consumers can choose their own medical tourism products according to their own personal preference and health conditions, such as: dental treatment, cosmetic surgery, orthopedic surgery, heart surgery, neurotherapy, health examination and so on.

According to the survey by Horowitz & Rosensweig, there are seven medical specialties that are widely pursued by patients in medical tourism. As shown in the table (Table 2.3)

Cosmetic surgery	Breast augmentation
	Facelift
	Blepharoplasty
	Liposuction/ Body contouring
Dentistry	Cosmetic dentistry
	Dental reconstruction / Prosthodontics
Cardiology and Cardiac surgery	Coronary artery bypass
	Cardiac valve replacement/Reconstruction
	Percutaneous coronary angioplasty/Stenting stem cell therapy for heart failure

Orthopedic surgery and Spine surgery	Hiprep acement/Resurfacing/knee replacement Arthroscopy / Joint reconstruction Laminectomy /Spinal decompression Disk space reconstruction/
Bariatric surgery	Disk replacement Gastric bypass Laparoscopic adjustable gastric banding In vitro fertilization
Reproductive system	Hysterectomy
Organ and Tissue Transplantation	Prostatectomy/Transurethral resection Gender reassignment procedures Solid organ transplantation,Renal, Hepatic Bone marrow transplantation Stem cell therapy,Heart failure,Neuro ogic diseases Laser eye surgery
Other (Other services)	Genera medical evaluation/check-up Wide range of diagnostic studies

Table 2.3 Demand of Medical Tourism Patients

According to Deloitte's research, among the above medical services, American citizens mainly choose medical services related to surgery that require follow-up care for a week. In recent years, the number of Americans that have gone abroad to receive medical services is growing. Some tourists will choose cosmetic surgery, dental treatment, orthopedic treatment and cardiovascular disease treatment. At the same time, Pollard research also shows that these four medical services are the most popular.

2.4 Medical Tourists

Medical tourists are individuals who travel abroad for medical services. They may simply go for treatment with no other purpose. They may conduct some tourism activities after receiving treatment or recovering,such as Shopping, beach tour or Citytour.In addition, the medical tourists also include: those tourists who once went abroad for tourism but decide to get medical services,including medical examinations, plastic surgery, dentistry, etc. in destination country after understanding the relevant information of the destination country's medical tourism. Foreign patients that can receive medical tourism can be roughly divided into the following categories:

(1) Medicated tourist. Foreign tourists who get treatment in hospitals,clinics and other medical institutions in another country.That is, the country where they get treatment when they suffer physical diseases or accidents during travelling.

(2) Medical Tourism Proper: Tourists that have planned to receive medical services abroad, such as orthopedic surgery, cosmetic surgery, and beauty treatments, and also want to conduct some tourism activities during medical services. Or, after arriving in the country of destination, they decide to carry out medical tourism. For example, they may become interested in medical tourism because of the medical tourism information of the country released on the relevant media. Then they are motivated to experience physical examinations, dental treatments, etc.

Vacationing patients: Tourists with a very clear intention when going abroad. They come to the destination country for treatment, and enjoy shopping, spa, and other tourism activities related to the country of destination after the treatment or during the recovery of the body.

Merepatients: Foreign tourists who come to the country of destination in order to receive treatment. No tourism activities during the process.

From the above classification of patients, it can be seen that Medicated tourists are not medical tourists because this type of tourists has no intention to get treatment in a foreign country, but they have to stay for a treatment due to their physical conditions.

2.5 The Summary

There are many factors that affect the decision making of medical tourists, including the prices of medical services, medical service technologies, doctors' attitudes and capabilities, and tourist attractions and natural beauty of destination countries. Popular medical services include: dental treatment, cosmetic surgery, orthopedic surgery, cardiac surgery, neurolophathy, and physical examination.

According to the definition of medical tourists, medical tourists include foreign tourists who have received medical services in Thailand for less than 12 months, tourists that have plans to receive medical services in Thailand or have decided to receive medical services after noticing relevant promotions in Thailand, and tourists that have received medical treatment in Thailand and have enjoyed other tourist activities. Tourists who have suffered medical accidents while traveling in Thailand and have to receive the treatment are not medical tourists.

