



the cutting edge

When Karen Kuck of Texas found out she needed a new hip, the cure sounded worse than the disease: \$90,000 in medical costs, a stint in a rehab facility and little chance of returning to her active lifestyle.

"I just about freaked out," said the 53-year-old Kuck, who is one of 47 million Americans without health insurance. "I like adventure vacations — kayaking in Alaska and things like that. I don't want to be a fragile little creature that can't do anything."

Kuck started surfing the Internet for alternatives. She quickly learned about a more promising and less invasive procedure called hip resurfacing, which was not yet approved by the FDA but was being performed overseas at a fraction of the cost of a hip replacement in the United States.

With the help of a Southern California-based company called PlanetHospital, Kuck underwent the resurfacing procedure at a private hospital in New Delhi, India, in early November. Two weeks later, the single retiree and her "marvelous little hip" were recuperating back home in the Dallas suburb of Waxahachie. Total cost? \$16,500, which included all hospital charges, roundtrip airfare for two (a girlfriend came along for moral support) and 11 nights at the five-star Hotel Nikko New Delhi, three meals a day included.

Kuck is one of the growing number of Americans — mostly uninsured or underinsured — who are traveling overseas to get medical and cosmetic treatment they can't afford or can't get in the United States. Breast augmentation in Thailand? Full-smile dental veneers in Panama? A heart bypass in India? It's all available at bargain-basement prices for those willing to take the leap of faith to undergo medical treatment in a foreign country.

Medical tourism packages often include sightseeing at popular tourist destinations and pampered stays in luxury hotels. The South Africa company Surgeon and Safari offers cosmetic, dental, eye and orthopedic surgery at top-notch hospitals, along with a side trip to enjoy trumpeting elephants and snorting hippos oblivious to the swollen faces and sutures. MedRetreat, a Chicago-area medical tourism company, books patients undergoing treatment in Penang, Malaysia, at the six-star Eastern and Oriental Hotel, a boutique property built in 1885.

The National Coalition on Health Care in Washington, D.C., estimates that 500,000 Americans traveled out of the country in 2005 for medical or dental work. Fueling the phenomenon are America's 78 million baby boomers, the oldest of whom turned 60 this year. Many lack adequate health insurance just as their bodies are beginning to break down and cosmetic surgery starts to look more appealing.

The stampede into overseas operating rooms has spawned a cottage industry of medical travel and tourism companies, most of which have relationships with hospitals and surgeons in countries like Singapore and Thailand, where the quality of private medical care is high but labor and materials costs are low.

Rudy Rupak, co-founder and president of PlanetHospital, is sending five to 10 patients a day overseas.

"We have a package for Costa Rica and Thailand, air, hotel, transfers, meals and breast augmentation for \$4,995," Rupak said. "Now keep in mind that's with a high-quality doctor who is board certified in the U.S. That doctor would be charging \$8,000 to \$12,000 for the same procedure in the United States."

MedRetreat has sent a total of 550 people for medical treatment abroad — 80 percent for cosmetic work but increasingly for orthopedic procedures like Kuck's hip surgery.

"We have another 430 waiting to go and that's without spending a dime on advertising," said Patrick Marsek, MedRetreat's managing director. "It's quite overwhelming."

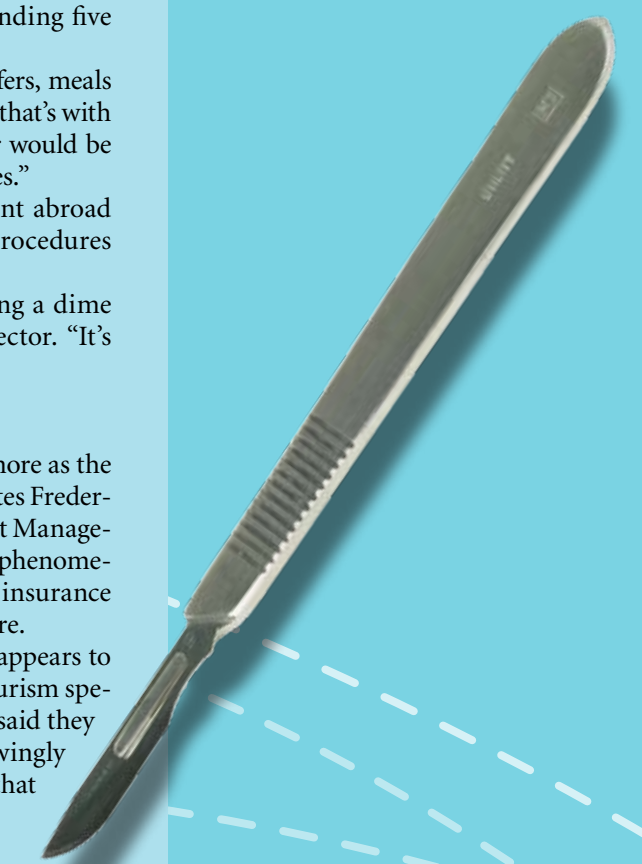
A Growing Market

Demand for low-cost, high-quality medical care will grow even more as the baby-boom generation begins its slow, final decline around 2015, writes Frederick J. DeMicco, ARAMARK endowed chair in the Hotel & Restaurant Management program at the University of Delaware, who has studied the phenomenon. Facing higher costs in the United States, some American health insurance companies have even begun paying for low-cost overseas medical care.

Despite the strong market indicators, however, medical tourism appears to be off the radar screen for travel agents. ASTA reports no medical tourism specialists among its members. Several agents questioned for this story said they had never sent anyone overseas for medical treatment — at least knowingly — and most expressed little interest in doing so. The consensus was that it just seemed too scary, with liability a big concern.

While hardly mainstream, the medical tourism market is taking off. Will it be the next big money maker for agents?

By Anne Burke



"We love all of our clients," said Pat Fulton of Departures in Mesa, Ariz., and secretary of Arizona ASTA. "I would feel dreadful if I sent somebody for major surgery and it didn't turn out."

"I would be very afraid to be involved in it because of the issue of liability," said Susan Tanzman of Martin's Travel and Tours in Los Angeles.

Maureen Kaye, senior vice president for the Berkely Group, which specializes in insurance products for the travel industry, said she would decline outright an application from a travel agent or tour operator engaged in medical tourism.

"General liability policies typically have a medical-services exclusion," Kaye explained. "Even if you had an insurance company that was willing to offer a travel agent or tour operator a liability policy, chances are that policy is going to have an exclusion directly related to medical malpractice, so it would be useless anyway."

But what makes medical tourism so different from high-risk adventure travel? "The whole purpose of the trip is to offer medical services, and the only reason travel agents are involved is to get the patient from point A to point B," Kaye said.

Rupak and Marsek said the liability issue is not insurmountable. Both said their companies are not in the business of providing medical services, but rather act as facilitators. Patients must sign liability waivers.

"If it's a problem with surgery, we have no control over that. [The patient] would have to seek some kind of solution with the hospital," Marsek said.

Kaye said waivers "will help with the defense, but that does not prevent a claim from being filed." She added that one workable solution might be for medical facilities to include booking agents in their liability coverage. Rupak said the facilities he works with do not do so.

Rick Thues, 53, a Southern California computer consultant who went through PlanetHospital for a hip resurfacing in India, said he had no qualms about getting treated outside the United States. Thues found PlanetHospital in an online newspaper article.

"You think of a foreign country as being not as good. But the hospital was cleaner than any I had been in here, and the hospital staff was more experienced. The surgeon had done about 200 [hip resurfacings]," he said.

Some hospitals and clinics used by medical tourism companies are accredited by the Joint Commission International, a branch of the U.S.-based Joint Commission on Accreditation of Healthcare Organizations. Among them is Johns Hopkins Singapore International Medical Centre, affiliated with the prestigious university in Baltimore, Md.

To win accreditation, a facility must meet "very rigorous international standards of both clinical care and hospital operations and management — anything from infection control to patient rights," said Anne Rooney, a vice

Many top foreign hospitals actually are accredited by an international commission.



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Countries for Medical Tourism

Here are a few top destinations and their specialties.

Thailand: A longtime leader in this type of tourism due to its hospitality, well-trained medical personnel and famous Bumrungrad hospital in Bangkok. Specializing in everything from dental work to sex-change operations.

India: Top-notch centers equipped with the latest medical equipment make this country popular for open-heart surgery, pediatric heart surgery, hip and knee replacement and other procedures.

Costa Rica: A mecca for North Americans seeking plastic surgery without a trans-Pacific flight.

South Africa: Attractive exchange rates make this a favored destination for plastic surgery.

(Source: Frederick J. DeMicco, ARAMARK endowed chair, Hotel & Restaurant Management program, University of Delaware.)



Rick Thues, sightseeing in India after undergoing hip surgery in that country

president with the Joint Commission International.

While accreditation is no guarantee of a happy outcome for the patient, "there are hospitals in different parts of the world where I would feel absolutely comfortable in terms of medical care and cleanliness," Rooney said.

'This is a fantastic opportunity for travel agents. In addition to giving them an additional opportunity to make commission-based revenue, it's giving them an entirely new product.'

Still, she advises patients to do some sleuthing on their own to find out about a hospital's reputation.

Travel agents — whose databases brim with the demographic that medical tourism companies are targeting — could be a potential gold mine for the industry. Several companies said they're eager to work with travel agents, if the agents can put aside their fears.

"I believe medical tourism can revive the travel agency business," Rupak said. "Most of the agents who are in business today are there because they have an excellent network of clientele who are either empty nesters or baby boomers."

PlanetHospital will pay up to 15 percent commission on the travel portion.

"We're also exploring a flat payment per package," Rupak said.

GlobalChoice Beauty & Wellness, an Albuquerque, N.M., start-up that specializes in cosmetic surgery holidays in Singapore, Turkey and Costa Rica, is in discussions with a prominent retail travel consortium to advertise commissionable vacations to clients, said Alaina Paradise, GlobalChoice's marketing director. She declined to name the consortium.

Participating travel agents would be required only to register clients at the GlobalChoice Web site. After that, a GlobalChoice account manager would take over, Paradise said.

"This is a fantastic opportunity for travel agents," Paradise said. "In addition to providing them an additional opportunity to make commission-based revenue, it's giving them an entirely new product."

Paradise said the commission rate would be "attractive" and would be based on the entire cost of the package, including the medical portion.

Marsek hasn't yet worked out an arrangement with agents, "but if they have an interest in a program like this, call us and we'll talk about the possibilities."

MedRetreat makes money by taking a 20 percent cut of the hospital bill. "It's extremely advantageous for a client to come to us because it's not going

The Price of Beauty

So how much can your clients save by going overseas for their cosmetic surgery? Here are some sample offerings.

Liposuction in Thailand: \$5,995, includes air, hotel and a personal attendant (through PlanetHospital)

Breast Augmentation in South Africa: \$4,550, includes hotel and one-day safari (through Safari & Surgeon)

Face and Neck Lift in Malaysia: \$2,800, covers medical expenses only (through MedRetreat)

Nose Job in Costa Rica: \$3,695, includes air, hotel and a personal attendant (through PlanetHospital)

Tummy Tuck in Brazil: \$4,800, covers medical expenses only (through MedRetreat)

to cost them a dime more," Marsek said.

PlanetHospital charges patients a \$295 consultation fee and takes commission from hospitals.

Marsek said patients are better off going through a medical tourism company than purchasing services on their own.

"If somebody just goes there on their own and there's a problem situation, what's the worst that's going to happen to the hospital? They lose one client. Whereas with our company, they stand to lose an entire account," he said.

Thues said he was "treated like a VIP" at the Max Super Specialty Hospital, where Kuck also underwent surgery. When Thues contracted a minor stomach ailment after his surgery, a physician from the hospital promptly called him in his hotel room, diagnosed his condition and phoned in a prescription. That same afternoon, a PlanetHospital concierge, who was at Thues' disposal during his two-week recuperation at a hotel, picked up the medication and delivered it to Thues.

Thues sought treatment in India because his HMO refused to authorize the procedure, which would have cost \$40,000 out of pocket in the United States, or \$22,000 through his wife's PPO. The tab in India: \$12,000, including roundtrip airfare for Thues and his wife, and accommodations at a three-star hotel.

Emerging Markets

Healthcare systems in developing countries see medical tourism as a financial boon. Experts predict that medical tourism could bring India as much as \$2.2 billion a year by 2012, according to Marvin Cetron, president of Forecasting International, quoted in the University of Delaware's *UDaily*. Thailand expects to earn more than \$1 billion this year alone from medical tourism, according to a story in *The Nation* newspaper.

Bangkok's JCI-accredited Bumrungrad Hospital, a pioneer in attracting well-heeled foreign patients, has 200 board-certified doctors on staff. About 40 percent of patients treated at Bumrungrad come from abroad, many from rich Middle Eastern countries, according to DeMicco. Last year, Hawaiian singer Don Ho checked into a Thai hospital for an experimental stem cell procedure on his heart. The famed crooner credited the procedure with saving his life.

While companies like PlanetHospital focus on treatment over tourism, others are marketing sightseeing opportunities as a powerful inducement. GlobalChoice Beauty & Wellness hopes to carve a niche in a crowded field by selling escorted, cosmetic surgery packages to groups. In particular, Paradise said women recuperating from cosmetic surgery in a foreign country feel more comfortable in the company of companions who are similarly sore and sutured.

With so many uncertainties, the role of the travel agent in medical tourism isn't yet clear. What is clear, however, is that agents who are interested in this trend need to keep an eye on this growing niche and jump in only when they are comfortable with the risks. ❖

For contact information for the companies mentioned in this story, visit TravelAgeWest.com and click on "Cover Stories."