



U.S. Domestic Medical Tourism Delivers Sustainable Tourism for America's Cities and States

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Abstract

While international medical tourism has dominated the discussion and media coverage of the fast-growth medical travel industry, the emergence of US Domestic Medical Tourism and its role in advancing sustainable tourism is now generating significant attention. The phenomenon of this new trend in medical travel -- inter-state to Centers of Excellence (COEs) throughout the country and inbound to the U.S. -- is largely the result of the impact of U.S. health reforms, employer receptivity to introducing a medical travel benefit, consumer willingness to travel to other parts of the United States to access quality care with improved outcomes, and increased demand for more cost-effective care that meets budget requirements. Additionally, foreigners increasingly travel to the US to take advantage of the Centers of Excellence and treatments available in the US. Many COEs have installed dedicated units to treat foreign patients, who very often travel with entourages and extended families that stay in local hotels and shop locally. In fact, the United States is now one of the top three destinations worldwide for medical travel, and receives as many as 800,000 international patients seeking help with the most difficult health conditions. This article examines these trends and some of the key drivers of the industry, and provides illustrations of U.S. cities that are connecting medical tourism to sustainable tourism.

Keywords: Medical Tourism; Health care; Surgery; Sustainable Tourism

Introduction

Medical tourism is not a new concept, but what is new is the recognition of its emergence as a global medical business potentially challenging the dominance of health care markets in the developed world countries. Medical tourism -- also known as medical travel -- emerges as a new platform for international commerce, impacting healthcare delivery throughout the world [1]. Some of the factors which have contributed to the growth of the industry include increasing health care costs, long waiting periods in the developed world, low wage and competitive health markets in the developing world, availability of low cost transportation, and access to advanced information technologies [1].

The international medical tourism industry is now estimated to be worth \$40 billion, with about seven million healthcare travelers seeking quality, affordable medical care that might not be available in their home countries [2]. Treatments and surgeries span everything from dental work to weight-loss procedures, orthopedic surgery and cancer treatments. The recent trend in medical travel can best be described as travel from developed countries, by the middle class, to a foreign country to avoid treatment delays, to access affordable, quality medical care or simply to have elective surgery combined with sight-seeing and other local tourism opportunities [3].

From an economic perspective, the phenomenon of medical tourism is regarded as a strategy for economic growth, with revenues from international patients translating into output, jobs, income [4]. Medical tourism follows the principals of sustainable tourism, aimed at improving the quality of life of everybody involved in the tourism sector. Countries throughout Central America now recognize the potential, as illustrated by Medical Tourism Guatemala which promotes on its Web site that, "... sustainable tourism favors a win-win situation: enhances the life experiences of the tourist and benefits the host people while respecting their cultural identity and their natural environment [5]".

Similar to other tourism ventures, there are many entrepreneurial

opportunities associated with this emerging healthcare industry. Asian countries were among the first in the world to embrace the concept, and have enjoyed a competitive advantage because of the support and promotion by their governments. Medical and healthcare enterprises in countries such as India, Thailand, Singapore and Malaysia make ongoing investments in attracting tourists for this specialist market, with special emphasis on health and wellness destinations. As the costs of medical treatment and waiting times for accessing care gradually increase in western countries, the demands for medical services in developing countries are expected to increase. As a result, Asian countries specializing in attracting medical tourists create new entrepreneurial activity that can lead to a profitable and sustainable tourism industry in the region [6].

But the newest phenomenon in the medical tourism sector is the growth of U.S. domestic medical travel: inter-state to Centers of Excellence (COEs) throughout the country and inbound to the U.S. The United States is now one of the top three destinations worldwide for medical travel, and receives as many as 800,000 international patients seeking help with the most difficult health conditions [7]. This translates into good news for the tourism and hospitality industries since these sectors will benefit from the upward trend.

Growing receptivity among employers to introduce a domestic medical travel benefit correlates to consumer/employee willingness to travel to other parts of the United States to access quality care with

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improved outcomes, and is coupled by increased demand for more cost-effective care that meets budget requirements. Employers build in incentive programs to prompt workforce uptake of the benefit, including waiving co-pays and deductibles, and covering both patient and companion/caregiver travel expenses. One of the drivers is the documented track record of a COE to achieve better results for specific procedures, mitigating complications, re-do's, and readmissions – which can be very expensive in terms of hard costs, time lost from work, and the health of employees.

However, it may be challenging to calculate the precise size and scope of the domestic medical tourism marketplace since it is a relatively new trend and there is a paucity of reliable data from employers and other payers. About the only information comes from Lowe's, which introduced a program in 2010 to its 234,000 employees and reports that by the end of the first quarter of 2012, it had sent 50 employees and covered dependents to Cleveland Clinic for care. Although a small number, it exceeded expectations [8]. The program expanded to chronic pain management and spinal surgery in September 2012 [8].

Beyond Lowe's, there appears to be additional employer interest based upon ongoing announcements of the introduction and adoption of a domestic medical tourism program involving travel to another state or region within US borders. Healthcare services have traditionally had a positive impact upon local tourism, and with the surge in domestic medical travel this is likely to grow. Upon review of the preferred COEs, the discussion of sustainable tourism in key cities throughout the United States becomes evident.

PepsiCo: Another Pioneer

PepsiCo, the world's second-largest food and beverage business, announced on December 8, 2011 that the 250,000 employees covered by its health insurance plan could travel to Johns Hopkins Medicine in Baltimore for heart surgery and joint replacements with no out-of-pocket costs.

PepsiCo, which sponsors its own self-funded medical plans, will waive deductibles and coinsurance for those who elect to have their surgery at Johns Hopkins. The company will also cover the travel and lodging expenses to Baltimore for the patient and a companion. The payment methodology for these procedures is a bundled rate, an all-inclusive rate for hospital and physician charges and certain preoperative testing. This innovative reimbursement model provides payment for all the patient care over the course of a clinical episode instead of paying for each service on a fee-for-service basis.

To be eligible for the new program, the patient must be approved for surgery in advance and be healthy enough to travel. Other types of surgery may be made part of the program in the future.

Wal-Mart Announcement

Wal-Mart Stores announced October 12, 2012 that, as of Jan. 1, 2013, 1.1 million people covered under its employee health insurance would have access to heart and spine surgeries, and organ transplants at one of six health systems identified as "Centers of Excellence." Wal-Mart chose these health providers for their Center of Excellence program [9]:

- Temple's Scott & White Memorial, Texas (cardiac surgeries, spine surgeries)
- Mayo Clinic's three hospitals (organ transplants)
- Cleveland Clinic, Ohio (cardiac surgeries)

- Geisinger Medical Center, Pa. (cardiac surgeries)
- Mercy Hospital Springfield, Mo. (spine surgeries), the closest to Wal-Mart's corporate headquarters in Bentonville, Ark.
- Virginia Mason Medical Center, Wash. (cardiac surgeries, spine surgeries)

HCR Manor Care

HCR ManorCare, a leading provider of short-term, post-hospital services and long-term care which has 60,000 employees, began offering fully covered cardiac surgery at Cleveland Clinic as of April 1, 2012. The HCR ManorCare Advanced Heart Care Program with Cleveland Clinic is a special program through the Company's medical plan that offers members state-of-the-art services focusing on complex heart procedures. This unique program allows those in need an opportunity to get quality care from the nation's leading heart-care provider [8].

This program benefits any HCR ManorCare employee and his/her covered dependents enrolled in the MyCare Plan or MyHealth Plan medical plan option, who meet clinical criteria for specific covered procedures. It focuses on certain complex cardiac procedures. These heart care procedures include inpatient heart surgeries and minimally invasive procedures. Upon return home, members use their own local physician(s).

Boeing Co. Introduces Benefit

As of October 1, 2012, Boeing Co., the world's largest aerospace company and leading manufacturer of commercial jetliners and defense, space and security systems, announced that it now offers approximately 83,000 of its non-union employees and retirees, and their eligible dependents, the opportunity to travel to the Cleveland Clinic for its cardiac care specialty program. The program covers comprehensive treatment for certain cardiac conditions, such as heart-valve replacements, coronary bypass procedures and other non-emergency cardiac procedures.

The program is available for US-based non-union employees and non-Medicare-eligible retirees and their covered dependents enrolled in Boeing medical plans administered by Blue Cross and Blue Shield of Illinois, United Healthcare, Aetna and Cigna. While the program was initially open to non-union, Boeing would eventually like all employees to have access to this specialized care.

The aim of this specialty care benefit is to ensure that employees and their dependents have access to high-quality cardiac care from a leading medical facility with a proven track record of specialized cardiac care. Patients, who need certain cardiac procedures such as valve replacements and bypass surgery, have access to care for little or no out-of-pocket expense. The fixed-price, bundled-payment arrangement gives the self-insured company additional predictability because all expenses for a given procedure are wrapped into one payment. Patients can choose other medical centers but would likely pay more, in keeping with the provisions of their individual insurance plan.

Boeing and the Cleveland Clinic have a decades-long relationship, with the two working jointly to find innovative ways to deliver high-value healthcare for Boeing's employees, retirees and families, including a program to manage healthcare for workers with chronic conditions. This program has significantly reduced hospital admissions, days of hospitalization and absenteeism, while also cutting direct costs of care by more than 20 percent [10].

Cleveland Health Line: Medical Travel Boosts Sustainable Tourism

With the Cleveland Clinic attracting the lion's share of domestic medical travel to date, the city of Cleveland is leveraging its world class healthcare to reap the benefits of sustainable tourism. Euclid Avenue in Cleveland connects the two largest commercial districts in northeast Ohio: downtown Cleveland and University Circle, and in 1988, the city moved forward with bus rapid transit (BRT).

The resulting \$200 million, 6.8-mile (11km) Euclid Corridor Transportation Project catalyzed a powerful transformation along the avenue. Since the BRT line opened in 2008, the corridor has attracted \$5.8 billion in investment—\$3.3 billion for new construction and \$2.5 billion for building rehab, together totaling more than 110 projects. Disproving naysayers and exceeding the expectations of supporters, the project has generated the economic growth that many thought could only be achieved with rail—and at a fraction of the cost.

By connecting downtown with University Circle, the BRT service contributes to the unification of Cleveland's top economic generators across the entire city. The Cleveland Clinic and University Hospitals of Cleveland—the city's two biggest employers—purchased naming rights to the BRT line in a 25-year, \$6.25 million deal. Dubbing it the HealthLine ties the service to Cleveland's branding as a hub of medical care and research. By physically linking large hospitals, startups, convention space, and cultural amenities, the corridor is propelling Cleveland's evolution into a world-class destination for the health care and biotech industries [11].

The HealthLine has precipitated an economic development strategy not just for the corridor, but also for the city. The project has brought about the partnerships necessary for Cleveland to make a transition from an industrial economy to a knowledge-based economy, building on the strength of education, research, health care, and tourism. Euclid Avenue supports the ventures that comprise this new economy, as well as housing, retail businesses, restaurants, and entertainment venues. The corridor is vibrant with possibility as a place for people to live, work, and prosper, and serves as an example for similar cities in the United States and around the world [11].

Springfield, Missouri: Medical Mile District

The designated area surrounding the local medical facilities – including Mercy Hospital which now serves the Wal-Mart workforce – is known as the Medical Mile District. When patients travel to this area for care, the tie-in to tourism is evident: simply visit arbor suites medical mile springfield mo; sleep inn medical district springfield mo; or comfort suites medical district springfield mo.

These hotels tout their location and close proximity to the prominent medical mile district, as well as the Bass Pro Shops, Wonders of Wildlife, Missouri State University, Drury University, the Springfield-Greene County Library and Ozark Technical Community College.

Excellent Healthcare Facilities Attract Business and Tourism

It is a logical conclusion that when employers direct their workforces to a healthcare COE, the city which houses these capabilities will benefit. Not only will the patient visit drive revenues to the hospital – which creates job opportunities and purchasing power for the institution – but the patient's companion/family member/caregiver will require services in the destination city.

- Hotel and accommodations; casinos and medi-spas
- Meals at local restaurants, other food purchases
- Shopping
- Visits to museums, local attractions or points of interest, entertainment venues, sports events
- Airport and transportation services

Additionally, following the hospital stay, patients and companions may opt to remain in the city for a period of time before returning to their hometowns. An extended stay represents additional tourism revenues to the local economy and further stimulates job creation.

One employer who remains anonymous chooses to give employees an extra "spending allowance" to ease the decision to travel for care. The bottom line is: even after factoring in the travel expenses, the outcomes – and sometimes the lower cost of care – make the medical travel benefit a good decision for all. The impact on sustainable tourism is expected to be nothing short of profound.

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