

In recent years, medical tourism has become a booming world-wide industry. People now travel throughout the world seeking cheaper healthcare or treatments unavailable in their home countries. Importantly, many people now traveling for medical treatments are no longer members of the rich upper-class, but are a part of what *The Economist* terms, “mass-medical tourism” or “middle-class Americans.”ⁱⁱ Southeast Asia has particularly taken advantage of these “medical refugees” with Malaysia and India representing two of the top destinations for medical touristsⁱⁱⁱ. However, various countries in Latin America have recently begun developing private hospitals and medical centers to attract medical tourists - breaking into a market that experts say will be worth \$21 billion per year to developing countries in the near future.ⁱⁱⁱⁱ

Mexico, in particular, has capitalized on this growing demand by exploiting its proximity to the United States.^{iv} Many Americans head to Mexico for elective surgeries, dental work, and obesity treatments. Additionally, Mexican hospitals regularly perform various other, more advanced treatments, including spinal fusions, hip replacements, and angioplasties.^v The prices of these surgeries in Mexico are generally 25 to 35 percent of the price charged in the United States.^{vi} For example, a hip replacement that could cost up to \$63,000 in the United States only costs about \$12,000 in Mexico.^{vii} Many Americans also go to Mexico for treatment as they are uninsured, and to pay out-of-pocket for surgery in the United States would be financial ruin.^{viii} This is especially true for many of the poorer people living near the Mexico-U.S. border. According to an article in *ScienceDaily*, a recent study found that 33 percent of El Paso, Texas residents (most likely uninsured) travel to Mexico for healthcare.^{ix} However, in addition to the substantially lower costs, Americans are looking for more personal contact with their doctors and better, faster service.^x

As a result of the increasing foreign demand for healthcare in Mexico, many Mexican and American companies are building new hospitals throughout Mexico. For example, Grupo Empresarial Los Angeles, Mexico’s largest private-hospital chain, will spend \$700 million on the construction of fifteen new hospitals over the next three years. This expansion is undertaken with the goal of increasing the percentage of foreigners treated at their hospitals throughout the country from 5 to 20 percent.^{xi} Interestingly, Hospital Angeles Tijuana, a hospital owned by Grupo Los Angeles, already draws 50 percent of its patients from North America.^{xii} Another company, Texas-based Christus Health, is also taking advantage of the opportunities available in Mexico. The company will locate its seventh Mexican hospital just across the border from Texas-specifically conceived to draw many Americans. Furthermore, there are presently seven Joint Commission International-accredited (JCI) hospitals in Mexico-mostly in Mexico City and Monterrey.^{xiii} A JCI-accreditation means that these hospitals have demonstrated a quality of care comparable to that which is provided in other top hospitals across the world. This is another boost to the demand for medical tourism in Mexico as questions of quality become less pronounced.^{xiv} However, it is important to note that JCI-accreditation is not a precondition for a hospital to be a destination for medical tourism – JCI-accreditation only adds to a hospital’s prestige.

Although medical tourism to Mexico appears to be a purely positive trend, there are a few downsides to the industry that should be mentioned. First, U.S. Medicare benefits do not extend into Mexico. Therefore, American retirees living in Mexico cannot redeem their benefits. This is an issue that Americans and Mexicans are hoping will change in the near future. Marco Antonio Slim Dimot, Carlos Slim’s son and the CEO of a Mexican company that invests in medical tourism, would like to see the U.S. government expand Medicare and Medicaid benefits for treatments received in Mexico. This policy change would not only reduce healthcare costs for the American government, but, according to Dimot, the move “would create a lot of jobs in Mexico.”^{xv}

Costs are lower in Mexico because Mexican law makes it extremely difficult to sue a doctor for malpractice. Mexican doctors don’t pay as heavily for malpractice insurance as doctors in the United States, but the result is little recourse for those patients unsatisfied with their treatments in Mexico.^{xvi} Insurance companies are worried about their own legal liability and the possibility of future lawsuits if they offer plans that allow overseas medical care. Finally, most insurance companies will not cover the cost of medical treatments performed outside of the United States. Although some insurance companies have begun offering plans through which overseas medical treatment is an option, these companies are in the overwhelming minority. This means that most treatments received by U.S.-insured medical tourists are paid for out-of-pocket, in addition to the cost of the patients’ regular insurance premiums.^{xvii}

It will be interesting to watch the further progression of the medical tourism phenomenon. ☐

What is Medical Tourism?

ⁱ“Operating Profit.” *The Economist*. New York: August 14, 2008. Pg. 2. http://www.economist.com/businessfinance/PrinterFriendly.cfm?story_id=11919622

ⁱⁱ“Operating Profit.” *The Economist*. New York: August 14, 2008. Pg. 3. http://www.economist.com/businessfinance/PrinterFriendly.cfm?story_id=11919622 and

ⁱⁱⁱ“Three of the Top Five Medical Tourism Destinations in the Caribbean.” *Tourism Beat of Caribbean Property Magazine*. March 2009. http://www.caribbeanproperty.com/Caribbean_Property_Magazine/index.php?pageid=591

^{iv}“Operating Profit.” *The Economist*. New York: August 14, 2008. Pg. 2. http://www.economist.com/businessfinance/PrinterFriendly.cfm?story_id=11919622

^v“Medical Tourism: Consumers in Search of Value.” *Deloitte Center for Health Solutions*. 2008. Pg. 7. <http://www.deloitte.com/dtt/article/0%2C100%2Ccid%253D217866%2C00.html>

^{vi}Beaubien, Jason. “Mexican Hospitals Aim to Attract More Americans.” *National Public Radio: Weekend Edition*. January 3, 2009. Pg. 1. <http://www.npr.org/templates/story/story.php?storyId=98588355&ft=1&f=1004>

^{vii}Black, Thomas. “Mexico Builds Hospitals to Lure Medical Tourists From America.” *Bloomberg.com*. March 27, 2008. Pg. 2. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=audTNhllSFsg>

^{viii}“Medical Tourism: Consumers in Search of Value.” *Deloitte Center for Health Solutions*. 2008. Pg. 7. <http://www.deloitte.com/dtt/article/0%2C100%2Ccid%253D217866%2C00.html>

^{ix}Black, Thomas. “Mexico Builds Hospitals to Lure Medical Tourists From America.” *Bloomberg.com*. March 27, 2008. Pg. 2. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=audTNhllSFsg>

^x“Operating Profit.” *The Economist*. New York: August 14, 2008. Pg. 3. http://www.economist.com/businessfinance/PrinterFriendly.cfm?story_id=11919622

^{xi}“Lack of insurance drives El Paso, Texas, Residents Across the Mexican Border for Healthcare.” *ScienceDaily*. February 20, 2009. <http://www.sciencedaily.com/releases/2009/02/090220164955.htm>

^{xii}Black, Thomas. “Mexico Builds Hospitals to Lure Medical Tourists From America.” *Bloomberg.com*. March 27, 2008. Pg. 2. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=audTNhllSFsg> and

^{xiii}Beaubien, Jason. “Mexican Hospitals Aim to Attract More Americans.” *National Public Radio: Weekend Edition*. January 3, 2009. Pg. 1. <http://www.npr.org/templates/story/story.php?storyId=98588355&ft=1&f=1004>

^{xiv}Black, Thomas. “Mexico Builds Hospitals to Lure Medical Tourists From America.” *Bloomberg.com*. March 27, 2008. Pg. 1. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=audTNhllSFsg>

^{xv}Beaubien, Jason. “Mexican Hospitals Aim to Attract More Americans.” *National Public Radio: Weekend Edition*. January 3, 2009. Pg. 1. <http://www.npr.org/templates/story/story.php?storyId=98588355&ft=1&f=1004>

^{xvi}Black, Thomas. “Mexico Builds Hospitals to Lure Medical Tourists From America.” *Bloomberg.com*. March 27, 2008. Pg. 3. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=audTNhllSFsg>

^{xvii}“Joint Commission International (JCI) Accredited Organizations.” <http://www.jointcommissioninternational.org/JCI-Accredited-Organizations/>

^{xviii}Black, Thomas. “Mexico Builds Hospitals to Lure Medical Tourists From America.” *Bloomberg.com*. March 27, 2008. Pg. 3.

^{xix}U.S. Medicare in Mexico.” *MedToGo.com*. 2007. Pg. 1. <http://www.medtogo.com/medicare-mexico.html>

^{xx}“U.S. Medicare in Mexico.” *MedToGo.com*. 2007. Pg. 1. <http://www.medtogo.com/medicare-mexico.html> and Black, Thomas. “Mexico Builds Hospitals to Lure Medical Tourists From America.” *Bloomberg.com*. March 27, 2008. Pg. 2. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=audTNhllSFsg>

^{xxi}Roig-Franzia, Manuel. “Discount Dentistry, South of the Border.” *The Washington Post*. Ciudad Juarez, Mexico: June 18, 2007. <http://www.washingtonpost.com/wp-dyn/content/article/2007/06/17/AR2007061701297.html>

^{xxii}“Operating Profit.” *The Economist*. New York: August 14, 2008. Pg. 6. http://www.economist.com/businessfinance/PrinterFriendly.cfm?story_id=11919622

^{xxiii}Galland, Zoe. “Medical Tourism: The Insurance Debate.” *BusinessWeek*. November 9, 2008. http://www.businessweek.com/globalbiz/content/nov2008/gb2008119_571910.htm

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