Medical tourism, an innovative opportunity for entrepreneurs

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Abstract
People have always travelled for health reasons. Pilgrims travel for religious reasons and sometimes in search of miracle healing from certain locations such as in Lourdes. In recent times, with modern developments in the treatment and provision of healthcare, the range and scope of specialised medical treatments and cures have increased over time. With the ease of international travel accompanied with the cheaper costs of providing medical services and treatments in certain parts of the world, medical tourism is becoming a growing industry for international business.

This paper explores and critically analyses the issues surrounding medical tourism in today’s environment. Similar to tourism ventures, there are many entrepreneurial opportunities associated with this emerging healthcare industry. Asian countries have a competitive advantage in this industry because of the support and promotion of this industry by their governments. There are medical enterprises in countries such as India, Thailand, Singapore and Malaysia that have invested in attracting tourists for this specialist market. As the costs of medical treatment and hospital queues gradually increase in western countries, the demands for medical services in developing countries are gradually increasing. This paper concludes that this form of tourism will certainly become more significant in the near future. Therefore, Asian countries specialising in attracting medical tourists create new entrepreneurial activity that can lead to a profitable and sustainable tourism industry in the region.

Key words: healthcare, medical tourism, entrepreneur

Introduction
Travel for health purposes is not a new phenomenon. Ancient stories, legends and fables contain many stories of journeys taken by heroes seeking potions and cures for another, often their kings or queens. There were quests in search for the ‘fountain of youth’ or for other equivalent rewards to seek immortality or perpetual beauty. These ambitious activities are not confined to one culture and stories for the search for the mysterious and supernatural span all cultures. Similarly these quests also include a search of wealth and riches that can guarantee or purchase a comfortable lifestyle and wellbeing.

Over time, things have not changed much except that this idea or concept has evolved to become more acceptable to the new generation. People still travel for health reasons and to seek cures for their ailments and take measures to preserve their wellbeing. For example, people travel to health spas especially to bathe in the special mineral waters to alleviate the symptoms of arthritis (eg. Rotorua, New Zealand), travel to warmer climates to escape the winter months (eg. Monte Carlo) and to avoid the winter illnesses such as colds and flus. Pilgrims continue to travel for religious purposes, some in search of miracle healing from certain blessed locations such as in Lourdes where there is a history of miracles that have occurred in the past. Hence, those organisations and
businesses that capitalise and cater for such markets can prosper and grow as the demands for their products and services continue to increase.

This paper briefly explores the concept of medical tourism, mainly referring to procedures that require some medical or surgical interventions. It analyses aspects of the demand and supply of these products in the modern global environment. As the number of elderly people increases, there is an increased demand for affordable healthcare services. Therefore, there is a wide scope of entrepreneurial opportunities that can be created to supply and support this growing and sustainable industry.

**What is medical tourism?**

There is no one definition for medical tourism. However, it is generally accepted that this term is used to refer to travel activity that involves a medical procedure or activities that promote the wellbeing of the tourist. For example, the term ‘healthcare’ tourism has been used to cover travel and tourism that are related to medical procedures, health and wellbeing purposes. The scope of healthcare tourism is illustrated in Figure 1 below.

![Figure 1](https://example.com/figure1.png)

**Figure 1** Scope of healthcare tourism (Henderson, 2004).

This definition has since been slightly modified. Figure 2 below illustrates a revised framework for medical tourism. This framework reflects the interchangeable use of the terms ‘medical tourism’ and ‘healthcare tourism’. In addition, a new category is introduced to accommodate new ‘reproduction’ procedures. The previous terms used in the categories in Figure 1 have been included in Figure 2 to illustrate where these correspond in the first diagram.

![Figure 2](https://example.com/figure2.png)

**Figure 2** Medical tourism segments (TRAM 2006).

Using the framework in Figure 2, the medical procedures that are classified under ‘illness’ include medical check-ups, health screening, dental treatment, joint replacements, heart surgery, cancer treatment, neurosurgery, transplants and other
procedures that require qualified medical intervention. ‘Enhancement’ procedures also require qualified medical personnel but much of this work is non-disease related (unless disfigurement is caused by disease) and done mainly for aesthetic purposes. Examples of such procedures include all cosmetic surgery, breast surgery, facelifts, liposuction and cosmetic dental work. The ‘wellness’ segment of medical and healthcare tourism promotes healthier lifestyles (Bennett, King and Milner, 2004). Therefore, these products can include spas, thermal and water treatments, acupuncture, aromatherapy, beauty care, facials, exercise and diet, herbal healing, homeotherapy, massage, spa treatment, yoga and other similar products.

Under ‘reproduction’ tourism, these patients seek fertility related treatments such as in vitro and in vivo fertilization and other similar procedures. Birth tourism is also classified under this segment (TRAM 2006). This involves a pregnant mother who travels to another country to give birth to her baby in order to utilise the services, which are often free or obtain an advantage from having an offspring gaining citizenship of another country.

Referring to the medical tourism framework in Figure 2, there is opportunity for different entrepreneurs to capitalise on these varied medical tourism segments. The provision of surgical procedures would require specialized staff but the provision of leisure spas do not require medically trained staff. Therefore, there is a range of personnel expertise that is required to support this industry that can be provided by the host country.

**Why tourists and medical tourism?**

When referring to tourists, there are numerous definitions for this group of people depending on the purpose for the definition (Theobald, 1998). Generally, it is accepted that tourist are travellers who have travelled and stayed away from their home environment for 24 hours or more, and hence, often utilising some form of accommodation facility. Therefore, for those travelers who do not meet this 24 hour criteria are generally referred to as ‘visitors’. For travellers that travel overseas for medical purposes, conceptually, they would meet the definition for that of a tourist. Since medical tourists are travelers whose main motivation for travel is for a specific purpose, medical tourism is a form of special interest tourism (Douglas, Douglas, and Derrett, 2001).

International travel is not without restrictions. Governments have a range of different visas that they grant for different purposes to visitors to their countries (Immigration, 2006). For example, international students who intend to study in a foreign country and migrant workers who work in a foreign country for income purposes are not usually given free entry into a country without assessing their applications. Travel for healthcare purposes also has its restrictions. For example, the United Kingdom that provides free treatment under the National Health Scheme restricts entry of foreign nationals who travel to seek medical treatment or are in need of foreseeable medical inventions such as pregnancy (TRAM, 2006). However, in the case of medical tourism, the service
providers are often private organisations relying on non-government sources of income and often are catered for the international patient or tourist. Therefore, in these situations, the restriction of the movement of such travelers is often minimised. Since tourist visas are often the easiest and least restrictive to obtain for entry into most countries, by offering medical tourism services that target tourists, these ‘tourists’ can enter a country more easily for medical treatment without much government (at visa level) intervention. The governments are often aware of the occurrence of medical tourism and many countries in the world support and encourage medical tourists to visit because, like other recreational and leisure tourists, these medical tourists pay for the healthcare treatment that they receive. As the market for medical tourism continues to grow and the medical procedures become more complicated, this increases the recovery time beyond those of a normal tourist visa, and therefore, the duration of these visas will need to be revised.

The medical tourist
The medical tourist would be a traveler travelling for the primary purpose of receiving a healthcare service. For those travelling for the purpose of undergoing a medical procedure such as heart surgery, cancer treatment or other surgical procedures, the traveller may travel alone or with one or more support person who may be the spouse, parent or friend. Therefore, the destination will benefit from the visitation of several people who would stay and spend their ‘tourist’ dollars during their trip. As the focus on medical tourism grows, more is done for this category of tourists. It is not unusual for luxury hotels to be in close proximity to private medical centres or facilities that provide medical tourism services. In catering for certain medical tourists, packages are put together to make it easier for the tourist who need not spend much time in researching their travel and accommodation requirements (Medical tourism, 2005a; 2005b). It is especially helpful for the tourist who is seeking medical treatment, because, quite often, the person is ill and impaired due to the condition and so the stress of organising the travel and accommodation alongside the medical procedure, can be reduced. At the opposite end of the spectrum, travelling overseas to a different country to undergo a medical procedure can be risky and dangerous (Menck, 2004). In a possible worse case scenario, the post operation recovery does not go well and the patient needs to prolong their stay at the destination and therefore incur additional costs, or, if the patient has returned home, they would have to seek further medical care and treatment in their home country. This would increase the cost of the overall treatment for their condition (Connell, 2006). This type of complication is not uncommon in cosmetic surgery where not all procedures go according to plan.

The tourist travelling for wellness purposes to health resorts or spas are usually less at risk of medical misadventure. This type of leisure and recreational tourism has always been popular to enable the tourist to revitalise and rejuvenate themselves before retuning to their normal routine in their home country (Bennett, King, and Milner, 2004). Unlike surgeons performing operations who have to be qualified and registered doctors, the level of accreditation and certification of the staff administering natural therapies at health...
resort can vary from country to country. Although it is believed that natural therapists can do little harm, some of the herbal remedies that are used can be just as potent and harmful as orthodox pharmaceutical products.

**Entrepreneurial opportunity in a new emerging international business**

Entrepreneurship in the tourism and leisure industries is not new (Morrison, Rimmington and Williams, 1999). Medical tourism adds a further dimension and provides an opportunity for some unique and specialised business ventures to be created. International travel for medical care in the past was mainly for seeking treatments that were not available in their home country. For example, years ago, New Zealanders travelled to Australia for kidney transplants before this procedure was offered locally. Similarly, patients from the Pacific Islands also used to travel to New Zealand and Australia for certain medical procedures that were not performed in the local hospitals. In those cases, most of the costs of the medical treatment is borne by the governments depending on the healthcare arrangements between the countries. This ‘new’ medical tourism mainly involves private hospitals, clinics or private health care providers that rely on the number of fee-paying patients to support and fund their operations. Therefore, it is not uncommon for these entrepreneurial ventures to offer medical procedures that can bring in a reasonable amount of income in order to remain self-sufficient.

The characteristics of the ‘new’ medical tourism are very much like those for international business. Firstly, international business involves financial transactions across the borders of two or more countries (Fisher, Hughes, Griffin and Pustay, 2006). With transactions across borders, there would be country issues and differences that emerge. These can include differences in cultures, religions, attitudes, behaviour, legal systems and resources. Medical tourists, who travel overseas for privately financed medical treatments, do encounter and experience these country differences, which can be positive or negative towards their ‘travel’ experience. Governments in international business can create or design various trade barriers for certain businesses mainly to protect their interests. With medical tourism, such barriers are usually at the border with visa and entry control. Special visas are usually required for certain types of specialist treatment especially those which are provided by government-funded hospitals, but many other medical procedures offered by private health care providers may not require anything more than a tourist visa when entering as a tourist into a country. Cosmetic surgery or treatments such as liposuction and botox treatments, are good examples of the latter. Many patient travel overseas to secretly undergo such procedures and to recuperate before returning to their home country.

Many governments, who recognise the value of medical tourism as an innovative new business that can attract new foreign capital as a high value product, support this industry by providing assistance for the growth, development and infrastructure for this business. A number of countries in Asia such as India, Thailand, Singapore and Malaysia have invested in attracting tourists for this specialist market (Henderson, 2004). These countries have an advantage because in addition to the ease of accessibility through the
advances of air travel, the medical tourists that they cater for can also benefit from the favourable exchange rates and other products and facilities that these countries can offer. In the industry where the tourist also need to evaluate the quality of the product, for example, in this case medical treatment, government backing or endorsement does go a long way in helping increase customer/patient confidence to utilise these medical services. Like other international trade, it is usually the competitive pricing of the procedures that attract the medical tourist to certain destinations to undergo surgery, cosmetic procedures and enhancements. As with most low-priced products, the quality can sometimes be perceived as poor. For example, India is perceived as a low cost and low hygiene environment as broadcasted by a German radio station for medical procedures (Connell, 2006). However, government backing and also the assurance of the medical provider can addressed this issue for the potential medical tourists by increasing the consumers confidence in the quality of the medical product (News 2005).

Other characteristics of international business include the types of strategic alliances formed by the medical clinics from the destination country with the country of origin organisations. Therefore, depending on the types of business arrangements, joint ventures, franchising and partnerships are created to facilitate the organisation and development of the medical tourism industry (Menck, 2005).

**Demand and supply for medical tourism**

Travel itself does expose the traveller to various mental and physical challenges in their new environment as part of their experience (Freedman and Woodhall 1999; Cetron, et al. 1998; Isaacson and Frean 1997; Lederberg 1997; Morse 1995; Wilson 1995). This is especially so when the medical tourist is ill and debilitated and therefore, more susceptible to contracting illnesses from the destinations. Nevertheless, the availability of receiving medical treatment often compensates for this travel risk at the destination, taking into account the local medical expertise who are expected to take precautions from exposing these medical tourists to harmful medical situations.

As the price of healthcare increase in western nations, many of their citizens look overseas for medical treatment. The ageing population of baby boomers helps contribute to longer waiting lists for medical treatment which encourages some of the population to go overseas to receive medical treatment much sooner than queuing for their turn in their own country (CBS, 2004). As the quality and reputation of overseas providers of medical tourism facility grow, private patients or consumers of these services are not the only clients. Insurance companies and governments are also following such developments with interest. For example, India has targeted the National Health Service to explore the use of medical services overseas. Such arrangements are not unlike subcontracting or off-shoring of services that are used in other industries.

In countries where a significant number of citizens do not have private health insurance such as in the United States, many of these people travel overseas to India to receive medical services. In addition to just providing medical services, many such health or
medical-related packages provide additional leisure and recreational activities that are included in the price of the package. This is where entrepreneurs can create novel group travel packages to accommodate the requirements of the medical tourist and their accompanying family and/or friends. For accommodation providers, there is opportunity to provide medium term accommodation packages and facilities for patients who need to recuperate sufficiently before flying back to their home country. The average tourist may only stay of a few days whereas a medical tourist is likely to stay for a week or more, especially if they are provided with the incentive to stay and it is affordable. Therefore, the medical package can be very attractive to the medical tourist. From the marketing perspective, the consumer is receiving a better deal than just the one product. They are receiving a medical intervention as well as a visit to a novel location by themselves or with their family and friends. This will become more important in the future as different destinations compete for the medical tourism dollar (free trade competition).

Table 1 lists some examples of countries that provide medical tourism services. These countries are geographically dispersed. A simple internet search can easily list the types of medical tourism services that they can provide although there is no guarantee of the quality and the safety of the products that they offer. In the early days of medical tourism development, for this industry to be sustainable, like other tourism providers, there would be a need to develop some certification or accreditation that can reflect well upon the product that they are providing. This is increasingly more important as the competition for medical tourists consumers increase amongst countries offering the same types of medical tourism procedures (Healthcare Management, 2005; Medical tourism, 2005b).

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Table 1 International medical tourism provision of service (TRAM, 2006).

**Medical tourism in Asia**
Many countries in Asia have at some stage been colonized by a western power. Therefore, despite gaining independence, the characteristics of development in these countries and peoples would have been influenced by the colonizers. This provides an advantage for the Asian country to provide the appropriate level of hospitality to cater for western clients or patients. Furthermore, with an increasing educated Asian population together with a relatively cheap specialised and skilled labour workforce, the cost of providing healthcare services is much cheaper in relation to the cost of providing healthcare in western and developed countries.

With the internationalisation and global movements of people through travel and training or migration, many personnel of medical tourism providers are trained in different countries. For example, many recruits into the medical tourism providers in India, are from the United States. There are usually Indian citizens who have been trained in the United States or Indian migrants to the United States who have returned to their country of origin to practice due to lifestyle factors. Similarly, other countries offering medical tourism, also recruit local doctors that were trained in the United Kingdom, United States and other western countries. This is to treat their western medical tourists who are a good selling point for this industry. These recruits would have at some stage trained and practiced in the hospitals in the West and treated the patients in their home country in their careers (CBS, 2005).

Like free trade, international medical tourism can be seen as a positive and is competitively priced. It also provides services to many who would not be able to afford the treatment in their home countries. However, critics do mention that the poorer citizens of the host countries would experience longer waiting lists whilst waiting ‘behind’ the medical tourists. They would also not be able to afford the increasing costs of medical care that medical tourists have artificially increased due to their greater spending capacity. Nevertheless, some medical tourist operations have allocated a certain proportion of their medical capacity to treat and accommodate the local poorer population in order to address this international concern. The medical tourist indirectly funds the medical treatment of the local population who otherwise would not have access to the more expensive medical procedures if not for this subsidy. Therefore, investing in medical tourism ventures provides a valued and necessary healthcare service for both tourists, locals and the underpriviledged.

In Malaysia, the growth of the medical tourism industry is well supported by the government. In addition to this support, Malaysia possesses a number of intrinsic advantages (Garcia-Altes, 2005). Malaysia is a multicultural society and therefore has the cultural intelligence to cater for a diverse range of patients. Also, with a number of different religions, the providers are aware of the different religious requirements, such as the provision of ‘halal’ food and other practices of their patients. Therefore, this country is ideal for attracting Muslim medical tourist from wealthy Middle Eastern countries. Furthermore, there are many local doctors and specialists who have been trained overseas and there is no language barrier as English is widely used and spoken in this country.
With a multiculturally diverse population, it is always possible to find people in the local population who can converse and translate any language into English or Malay so that the foreign patient and family members can be understood by the local medical staff. As with international trade, the low foreign exchange rates are favourable with most medical tourists from western nations.

For the entrepreneur, there are many opportunities associated with medical tourism. A medical entrepreneur, intrapreneur or team entrepreneur can contribute in a medical setting. Those entrepreneurs without medical training may participate as managers or operators in the management of these ventures instead. Since the tourism travel and accommodation infrastructure are utilised in the provision of medical tourism services, much of the business opportunities in tourism are also present to cater for medical tourism. Alongside the development of high technological medical hospitals in Asia, there is further demand for tourist facilities. This is because medical tourists do not normally travel alone for medical treatment. Hence, there is a further opportunity to cater for the accompanying travelers. The importance of business networks and cooperation between tourism operators can be extended to cater for medical tourism. Therefore, in countries that already have a developed tourism industry plan and infrastructure, medical tourism provides an opportunity to capitalise on a higher cost product that exceeds the normal tourist expenditure at a destination. Furthermore, with the demand for affordable healthcare services from western medical tourists and also wealthy medical tourist from the Middle Eastern countries, the medical tourism industry is more sustainable than the tourism industry catering for ordinary tourists.

Conclusion
With globalisation, medical tourism is becoming a new and emerging international business that is gradually increasing in importance. Along with this development comes many entrepreneurial opportunities to capitalise on the growth of this industry. Much of the travel and services in the tourism infrastructure supports this industry and so promotes the growth. As hospital queues increase and the cost of medical procedures increase in western society, the demand for medical tourism increases alongside this development. Not too different from the subcontracting or the off-shoring of services mainly due to higher costs and expertise, in the future, medical tourism is likely to be the new global trend for provision of medical services with Asian countries having an advantage in this area. Since medical services are an essential part of life and living, the demand will increasingly grow. Like all rapid developments, there will some need for regulation and monitoring of institutions to ensure the health and safety of the medical tourists. It remains to be seen in the future which countries will adopt this role and be proactive before rather than reactive after a major medical tourism mishap.

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