

Medical Tourism: Redefining Medical Tourism in Hong Kong

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Presentation Outline

1. Medical Tourism in Asia and Hong Kong
 2. Hong Kong's Advantages
 3. Benefits of Medical Tourism
 4. Working Together
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Growing Medical Tourism in Asia

- Thailand actively marketed and built up medical services
- Medical tourism, a growing segment of Malaysia's tourism
- Singapore actively promoting medical tourism
- Patients from developed countries travel to Asia to capture affordable, quality healthcare services

Health care in Asia

Medical tourism trend | Notably Singapore, Thailand and India

Westerners are flying East for good, inexpensive treatment

Once, many Asians ventured to North America and Europe seeking better medical care. But in an ironic twist of fate, patients from the West are now flocking to Asia for medical treatment that is as good as, usually cheaper than and without the long waiting periods of treatment back home.

"Medical tourism is very important as an emerging high-value sector, and last year generated around 1.8 million visits in the region," says Dan Birch, president and CEO of Abacus travel, which handles arrangements for many medical tourists. The Singapore Tourism Board estimates that Asia's medical tourism market will be worth \$36.8 billion (nearly \$4.5 billion) by 2012, out of a global health care market worth \$392 billion.

The major medical tourism countries include Singapore, India, Malaysia, Philippines, South Korea and Thailand — which Birch calls the "poster child" for medical tourism, based on the success of Bangkok's Bumrungrad International hospital.

U.S. corporations are taking note of Asia's rising appeal. The Florida-based United Group — which has administered employer health insurance plans for 39 years — has convinced more than 50 American companies to amend medical plans to offer their employees overseas surgeries as an option. Sending an employee abroad can save as much as 80 percent of the costs of a given medical procedure.

Surgeries that can have waiting periods of a year or more can be done immediately in some Asian countries. Serving this developing market, the U.S. health care association BlueCross BlueShield recently formed a partnership with Thailand's Bumrungrad International hospital.

"Including a global health care alternative reflects our ongoing commitment to help members seek the services they want at competitive prices," says David Boucher, BlueCross assistant vice president of health care services. "In a flattened world of increased price transparency, an international surgical network is a natural next step for those in our membership who want to travel for medical care."

Rajesh Rao, CEO of IndUS health — a global health care service that links uninsured and self-insured Americans to medical care in India — says his North Carolina-based firm is working

with several Fortune 500 companies on health care plans that offer employees corporate medical outsourcing.

"Because most of the corporations that we work with have worldwide operations, they are already providing health care benefits to their employees in India," Rao explains. "The only difference in our program is that the company is essentially offering 'tax-patriate' health care benefits to their U.S.-based employees." This option, he says, has been rigorously examined by legal counsels

and needs to comply with the Employee Retirement Income Security Act and tax laws.

Many tourists will likely "test the waters," says Birch, starting out with wellness experiences they perceive as safe, then moving to more advanced medical procedures as their confidence grows.

Illinois-based MedRetreat offers its clients substantial pre-trip information plus a money-back guarantee if they arrive in the destination and choose not to proceed with their medical procedure because of lack of confidence in their chosen hospital, says Managing Director Patrick Marsek.

Birch says that hospitals and travel partners are actively working together to offer travelers customized medical packages. "Alongside the growing number of surgery options from hospitals," he says, "many travel agencies have developed specialized packages, including a broad choice of rehabilitation and leisure activities, which can be integrated with the health care options."

Among the specialist travel agents serving Asia's medical tourists are CTC Healthcare Travel and MedTour in Singapore, Australian company Global Wellness and Travel, Hong Kong-based Tour Asia and Vancouver-based Unglobal Holidays.

While Thailand remains the largest provider of medical tourism, breasting about a million patients a year, other countries are closing the gap, especially Singapore and India. According to Birch, Singapore's medical tourism arrivals more than doubled between 2002 and 2005 to a record 374,000 overseas patients. "Singapore has done a su-



Medical tourists from around the world are flocking to Asia for quality medical treatment and patient care.

perb job of realizing the opportunity to be a leader in medical tourism," says Birch, citing its reputation for quality, especially in advanced fields of heart, brain and cancer op-

erations and treatments. India, too, is advancing. "Capitalizing on its sound reputation for outsourcing in other service areas," says Birch, "India is rising fast in both patient num-

bers and the skills and infrastructure to target the medical tourist market and attracted around 150,000 medical tourists last year." 10

Lion City | For health care

High-tech Singapore is a medical hub for local and international patients

One of the unexpected by-products of Singapore's transformation into an ultramodern society and high-tech center over the past three decades is a surge in medical tourism.

"Patients travel to Singapore for a large variety of services," says Dr. Jason Yap, director of health care services for the Singapore Tourism Board. "Services range from simple general-practice care for patients from nearby countries to emergency services for accident-stricken or ill people farther afield, and surgical procedures and

cancer treatment from all around the world."

Some 374,000 people came to Singapore in 2005 specifically for health care, says Yap, and early statistics for 2006 show a significant increase in both medical visitors and related tourism receipts. Singapore's Economic Review Committee aims to receive a million medical visitors and \$3.3 billion (\$1.98 billion) in tourism receipts by 2012.

Singapore's key specialties include cancer treatment, cardiac services, internal medicine, neurology and neurosurgery, orthopedics and ophthalmology. In addition, it

offers advanced procedures such as robot-assisted surgery, laparoscopic surgery and operations in neuroscience.

Singapore's health care industry is targeting an international clientele because it needs to serve a larger pool than its own 4.5 million domestic population, says Yap. Doing this will create a critical mass of clinical skills, enabling specialization and making advanced technology more affordable.

"The larger goal of Singapore Medicine (a multiagency government initiative) is to maintain Singapore as a medical hub, to sustain

its health care economic cluster and to serve its own people," he explains. "Singapore aims to continue to make health care services so good that international patients naturally come for care as well, rather than good health care services specifically directed for international patients."

Opened at the end of 2006 at Gleneagles Hospital, the new Parkway Liver Center — a fully integrated facility for liver disease treatment and transplants — features a dedicated intensive care unit within the ward, something available in only a few hospitals

around the world. Surgeons at the National University of Singapore achieved many of their own Asian "firsts" last year, including hip resurfacing, middle-ear implantation, trabecular metal augment and live fibula graft in complex hip and knee surgeries, 23-gauge vitreous retinal surgery and surgery to restore spinal cord stimulation.

Meanwhile, Dr. Peter Goh, consulting general surgeon at Raffles Hospital, is becoming known internationally for his needleless thoracic sympathectomy, a minimally invasive procedure to treat excessive sweating.

Other advanced procedures taking place at Raffles include percutaneous nucleoplasty (to treat disc herniation), artificial disc replacement and total knee and hip replacement. Professor Walter Tan of Raffles is one of the only surgeons in Singapore able to perform a mastectomy and reconstruction all in the same surgery.

Foreign health care companies are also setting up in Singapore. The Memphis-based West Clinic recently announced the opening

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Medical Tourism in Hong Kong

- Destination for medical treatment in Asia for 30 years
- Medical Tourists from Mainland China, the Philippines, Indonesia and Malaysia
- Most utilize outpatient services such as cosmetic and eye surgery
- Majority cases treated in clinics and health centers, small percentage in private hospitals
- No active marketing for Medical Tourism

Growth in Hong Kong

- Mainly due to increase in Medical Tourists from Mainland China
- Increased standard of living and affluence in coastal cities
 - Demand better service and care than state-run hospitals
 - Can afford to pay premium for healthcare services overseas

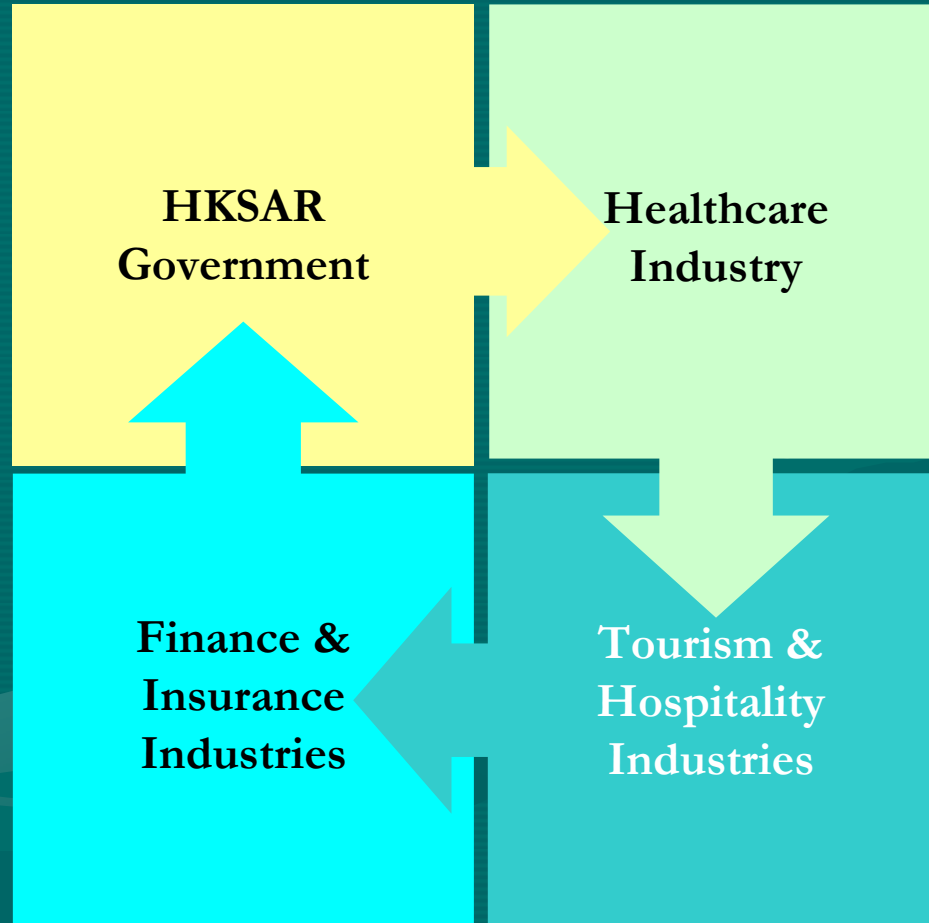
Hong Kong's Advantages

- Industry Excellence
 - Excellent medical care
 - Quality service
 - Advanced treatment
 - Access to medicines
 - World-class facilities
- Cultural Affinity
 - Multi-cultural community and multi-lingual
 - International management expertise
- Transportation Hub
 - One of the largest hubs in Asia
 - Gateway to Mainland China
 - Easy access to all of Asia's key markets and half the world's population

Economic Benefits of Medical Tourism

- Economic growth in hospitality, tourism and retail industries
 - India, Thailand, Singapore and Malaysia generated US\$3 billion in 2005
 - Thailand projected to earn US\$952 million in 2006
 - Singapore earned US\$915 million in 2005
 - Malaysia earned US\$400 million in 2005
- Major source of foreign exchange
- Job creation in various sectors
- Increased revenue allows for service upgrade and technology enhancement

Let's Work Together



Central Policy by HKSAR Government


- Emphasize Professional Services
 - Reinforce Hong Kong as THE professional standard of service
 - Market Medical Tourism services worldwide
 - Revise legislation on Medical Advertisement
- Provide Quality Manpower
 - Maintain quality training and build up the workforce
 - Insufficient manpower to support surging demand
 - Continue training of health care professionals

Central Policy by HKSAR Government

- Build Infrastructure and Create Incentives for Investment
 - Competing countries have lower cost of operation
 - Building a centre for health care is capital intensive
 - Allocate more sites for Hospitals and health centres
 - Provide attractive lease conditions such as lower land premium
- Offer Easy Entry
 - Smooth out the process for Visa application
 - Provide express approval for serious treatments
 - Offer longer visa for medical treatment

Healthcare Industry

- Provide one-stop service
 - Hospitals
 - Clinics
 - Health centres
- Maintain world-class medical care
- Create win-win-win situations
 - Agreement between Hong Kong Baptist Hospital and Macao University of Science and Technology



Healthcare
Industry

Tourism and Hospitality Industries

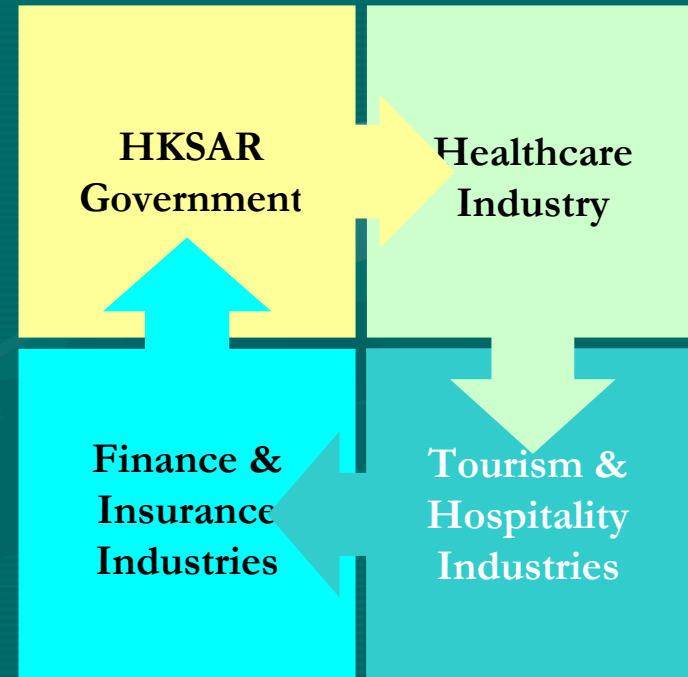
- Offer Medical Tourists with comprehensive travel packages
 - Medical checkups
 - Shopping
 - Side-trips
- Healthcare industry to reach out to tourism and hospitality industries

Finance and Insurance Industries

- Create fund-raising options for investors of the medical tourism industry
- Ride on Hong Kong's strategic setting to resolve insurance issue with the Mainland
- Leverage on U.S. companies that factor in options to Asia for medical treatments

Conclusion

- Hong Kong is well positioned to capture this growth market
- The future of Medical Tourism lies in alignment of the objectives by all parties
- The private hospitals stand ready to cooperate
- Together we can create yet another reason to put Hong Kong on the world map



Thank you!





Hong Kong Baptist Hospital

PARTNERSHIP OF

Baptist Hospital in Hong Kong &

Hospital of MUST in Macau

In MEDICAL TOURISM

Dr. H. F. Chiu, C.E.O., Baptist Hospital



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Hong Kong Baptist Hospital

- Private General Hospital, 710 beds
- 43 years' service
- In 2006, total admissions – 66,000
medical tourists - 4,250 (6.4%)
revenue from medical tourists –
about 100 million dollars



Hong Kong Baptist Hospital

Hospital of Macau University of Science & Technology (MUST)

- The third hospital in Macau
- Located within MUST campus on Taipa Island adjacent to the Airport and Cotai Strip (complex of tourism and entertainment facilities)
- Currently about 80 beds; will increase to 150 beds in next few years



Hong Kong Baptist Hospital

**M.O.U.
HKBH & MUST
(Feb. 8, 2007)**

- **MUST patients who require Dx/Rx procedures that are unavailable at MUST will be sent directly to HKBH for clinical management**
- **Common clinical records**
- **No price differential with local patients**
- **Patients will be discharged from HKBH back to MUST for follow-up**



The Collaborative Arrangement enables MUST to provide for:

- the hospital needs of the increasing number of overseas expatriates in Macau (over 100,000)
- permanent back-up clinical support
- Management Consultancy services for development of the new hospital



WIN-WIN SITUATION FOR HKBH:

- Facilitates the development of medical tourism in an organized and progressive way, matched with its own resources
- Consistent with the Mission and Image of HKBH, and avoids over-commercialization of medical tourism
- Arrangement in place for follow-up of patients after discharge ensures good clinical outcomes



Hong Kong Baptist Hospital

CONCLUSION

Partnering with Healthcare Institutions in *medically less developed but economically booming cities* across the Pearl River Delta and beyond is a new Model for developing Medical Tourism for Hong Kong.



Hong Kong Baptist Hospital

Despite being late for over 20 years in embracing medical tourism, Hong Kong will more than make up this deficiency even if 0.001% of Mainland China's 1.3 billion population look to us for medical treatment



Hong Kong Baptist Hospital

THANK YOU

