

Global Healthcare

Traveling abroad for medical care can often save a patient 80% of the domestic cost. Should you tell your clients about the savings?

By Russell Wild

November 1, 2006- Welcome to the brave new world of global healthcare.

Most financial planners concern themselves more with making money for clients than with saving them money. But the impact of a potentially catastrophic medical expense on a family's finances cannot be ignored. Indeed, one study from Harvard found that of the 1.5 million American families that filed for bankruptcy in a recent year, about half cited medical causes. In fact, three-quarters of all those bankrupted Americans had health insurance, although obviously not enough.

Polls consistently show that many Americans are running scared from the rising cost of healthcare. A recent survey from public opinion research firm Lake Research Partners found that rising healthcare costs are now voters' top economic concern. Another poll from the Kaiser Family Foundation found that having to pay for healthcare and health insurance is now the top fear in America--more terrifying than losing a job, watching the stock market tank or even becoming victim of a terrorist attack.

One solution to the healthcare cost dilemma is going global--what some are calling "medical tourism." Most financial advisors seem unaware that traveling abroad for medical care can often save a patient 80% or even 90% off the U.S. sticker price. Once alerted, however, they tend to take sharp notice.

If one of his clients were faced with a major medical outlay, Jeffrey Bogue of Bogue Asset Management, a fee-only shop in Wells, Maine, says, "I would consider it my fiduciary duty to say to the client, You may be able to get this procedure done abroad for far less ... But please know that I'm addressing this strictly from a financial standpoint. The quality of care is outside of my realm of knowledge, and I would urge you to talk to a medical professional."

Christopher Jones, principal of Keystone Financial Planning in Macungie, Pa., mulls over what he would do if a client of his were facing huge hospital costs. "I would feel compelled to let him or her know that there are potentially large savings by having surgery abroad. But I would stress the importance of doing due diligence to find the right provider so as not to compromise quality of care."

Healthcare economists give numerous reasons for the deep discounts abroad, including less bureaucracy, lower salaries and a lower general cost of living. (A financial planner living and working in Mumbai might earn \$200 a week, for instance.)

FELLOW TRAVELERS

Traveling abroad for medical care has become the option of choice for Americans from a wide spectrum of socio-economic groups. Consider family-law attorney Betsy Burton, 51, of Winnsboro, S.C. Faced with "agonizing" pain in her arthritic right hip, Burton was told by two orthopedic surgeons that she was a candidate for surgery. "One surgeon wanted to do a complete hip replacement, and the other--probably because my husband and I are both lawyers--said that although I needed surgery, he wouldn't do it," Burton says. She did some research on the Internet and discovered that a procedure newly approved by the FDA called hip resurfacing was being done regularly and successfully abroad.

"One of the best doctors in the world, I discovered, was in India, and the cost of the procedure would be a fraction of what it would be here," Burton says. So this past summer, Burton, along with her 75-year-old mother, took a three-week excursion to Chennai, India. Including five days of hospitalization, airfare, hotel, driver and a week recuperating at a seaside resort, the entire trip cost Burton and her mother about \$13,500.

"In the United States, after my 20% insurance copay, I probably would have wound up spending about the same," Burton says. "Instead, I got first-class medical care, got to see a part of the world I've never been to, bring my mother along and now I'm pain-free and walking around like a 20-year-old," she says. "It was a good experience."

George Germain, 45, of Burnsville, Minn., had the same hip resurfacing operation at the same hospital as Burton. Germain, who runs his own trucking business, flew to Chennai only after meeting with the "financial facilitator" of his local hospital who told Germain that if he couldn't come up with the \$40,000 for his operation, he could always sell his business and his home. In contrast, he says he was treated in India with the utmost respect and care. "It was a civilized, even pleasant experience," he says. The procedure cost him \$6,500.

Gary Konkol's hip was also ruining his life. "I had to take off a lot of work, and weekends I'd just lie on the couch," says the 55-year-old self-employed plumber. "I was miserable." Doctors in and around his Milwaukee home told him that he would need hip-replacement surgery, which would cost somewhere between \$30,000 and \$40,000. But Konkol only had about \$12,000 in savings, and his insurer, BlueCross BlueShield of Wisconsin, citing a preexisting condition, wasn't going to cough up a dime.

After checking the Internet, Konkol, who had never traveled beyond the United States and Canada, booked a stay at the Krishna hospital (www.krishnaheart.org) in Ahmedabad, 300 miles north of Mumbai (formerly Bombay), India. There, he had his hip replaced. The cost was \$7,000.

Konkol raves about the quality of the care he received, and he's thrilled with the outcome of his hip surgery. "Oh sure, at first going to India was a scary notion, but I got to thinking about it, and I realized that many of the doctors who've treated me here in Wisconsin have been from India," Konkol says. "Besides, I really had no other option."

Neither did Howard Staab, a 53-year-old carpenter in Durham, N.C., have much in the way of options. In 2002, his heart valve suddenly malfunctioned and the local hospital estimated it would take \$200,000 to fix it. He had no health insurance. Facing a lifetime of debt--or worse--Staab also got on a plane for India. There, at the Escorts Heart Institute & Research Centre (www.ehric.com) in New Delhi, the surgery, which was a success, cost \$6,700.

On the elective side, Claudia Lowe, 59, of Fullerton, Calif., a college geography professor, has three times used the services of an outfit called Surgeon & Safari. Based in South Africa, Surgeon & Safari offers an all-inclusive surgical package, with which U.S. residents can have orthopedic, ophthalmologic, plastic or dental surgery, see lions, giraffes and elephants, stay a week or so in a luxury hotel and do it all for less than the cost of a brief stay in a hospital back home.

Lowe, one of hundreds of Americans to patronize Surgeon & Safari in the past few years, is elated with her three plastic surgeries. "The hospitals were sparkling clean, the surgeons were top-notch and the cost was so much less than it is in the United States. The whole thing is brilliant--absolutely brilliant!" she gushes.

Procedure	Country	Price	Typical Bill in United States
Coronary angioplasty	India	\$300	\$3,000-\$6,000
Coronary artery bypass	India	\$7,000	\$60,000-\$100,000
Dental implant	Costa Rica	\$1,000	\$2,500-\$3,000
Face lift	Costa Rica	\$5,000	\$9,400
Gastro-bruening for obesity	Mexico	\$3,000	\$20,000
In vitro fertilization	Cyprus	\$7,200	\$23,000
Knee replacement	France	\$17,000	\$35,000
Tummy tuck	Turkey	\$4,200	\$7,000

Source: Medical Tourism News

WHAT DOCS THINK

As you might imagine, however, not everyone gushes about medical tourism. Scott Spear, MD, immediate past president of the American Society of Plastic Surgeons, urges all Americans who venture abroad for medical care to be extremely cautious. From state health departments to the Federal Drug Administration to the Nuclear Regulatory Commission, the United States has a huge bureaucracy in place to regulate healthcare providers and monitor the services they

provide. Regulation and oversight in certain other countries, especially in poorer ones with less governmental funding, may tend to be more lax. "It's often cheaper in part because you escape the layers of protection that exist in the United States. But as a patient, you might not want to do without those layers of protection," he says.

"Some things it makes sense to ship offshore. But shipping people? That can be problematic, even treacherous," Spear says. Besides lax regulations, he lists just a few of the things that can go awry with medical tourism: It is harder for patients to gain access to information. Long plane rides may be contraindicated for those who have had serious surgery. Follow-up care with your foreign physician is difficult to impossible. And should things go wrong--as in malpractice wrong--the U.S. courts will be unable to help you.

Not all U.S. physicians are so skeptical. Neil Shulman, MD, a doctor of internal medicine and an associate professor at Emory University School of Medicine in Atlanta, calls medical tourism "a very viable option. I would definitely consider going abroad if I needed medical care and couldn't afford treatment at home." He agrees with Spear that regulations vary from nation to nation and may not be as stringent in some places of the world. But ultimately, he says, "There are good and bad doctors everywhere--both here and abroad. Wherever you have your surgery done, you have to do your homework." (See "Finding Quality Medical Care Abroad," below.)

"If I were looking for a dual-qualified surgeon in another country, I'd go through many of the same steps that I'd go through looking for someone in the country," says Neil Shulman, MD, a doctor of internal medicine and an associate professor at Emory University School of Medicine in Atlanta. Below are four of the steps he would recommend. You might want to pass on this information to any clients considering surgery abroad.

Talk to doctors in this country. Many doctors go to (tax deductible) international seminars and may be aware of the best hospitals and doctors in other countries.

Search articles in recognized medical journals. Use www.medlineplus.gov or visit a local medical school or hospital and ask the medical librarian for help. Medical journal agencies (see main article) may also be able to provide you with articles. "Although certainly no guarantee of competency, authorship of articles is a good indication of knowledge," Shulman says.

Talk to patients who've undergone the same surgery that you are considering. Names and contact information may be provided by agencies, hospitals or doctors.

Contact disease/patient advocacy organizations. The Internet can provide you with the names of hundreds of such organizations—one for every disease imaginable. These groups are often sources for good inside information. —RW

THE CORPORATE OPTION

It isn't only individuals who are interested in global healthcare alternatives. Some companies are too. Consider Blue Ridge Paper Products, a manufacturing firm in Canton, N.C., with 2,100 workers. Between 2000 and 2006, employee healthcare costs for the company rose over 75% to a staggering \$24 million, says Blue Ridge benefits director Bonnie Blackley. "Ever-increasing healthcare costs have contributed to slower profit growth, lower wage hikes, a delay in hiring new, permanent workers and an erosion of employee benefits," she says. "Clearly, the continued trend is unsustainable."

In search of a solution, Blue Ridge recently formed a partnership with IndUSHealth, located in Raleigh, N.C. "Working together, we produced a DVD that explains global healthcare alternatives to employees and encouraging them to consider, if they need surgery, going to India," Blackley says. "It will remain a personal choice for our employees, but if they choose to go to India, they will get 100% reimbursement, plus travel expenses for themselves and a companion," she says. "With medical expenses there ranging 80% to 90% cheaper than here, Blue Ridge will still save a bundle."

IndUSHealth is one of a number of both U.S. and foreign-based agencies that have sprung up in recent years to cater to the growing demand for medical tourism. MedSolution, based in Vancouver, British Columbia, caters to both Americans and Canadians. Americans go abroad for the cost savings, explains a MedSolution spokesperson. "They are either uninsured or having a procedure done, such as cosmetic surgery or dental work, that insurance won't cover." Canadians, on the other hand, have national healthcare, and cost isn't the main issue. For them, going abroad usually becomes an option when the government's waiting list for a particular procedure gets too long, as it sometimes does. MedSolution has sent clients to India, France, Turkey, Brazil, Costa Rica, Malaysia, Mexico, Poland and South Africa.

A third agency, GlobalChoice Healthcare, based in Albuquerque, N.M., opened two years ago and claims business is brisk. "We operate like a tour operator," explains GlobalChoice Healthcare owner Ken Erickson. "We negotiate a price with the hospital, the hotel and the airline, and we take a modest markup on each deal." His company has so far sent clients to India, Singapore, Costa Rica, Panama, Mexico and Belgium.

"As a rule of thumb, the client's breakeven for any medical procedure is usually around \$5,000 to \$6,000," Erickson says. In that ballpark, he says, getting on a flight and leaving the United States will usually save a person money, even after factoring in all travel and lodging expenses.

"With the cost of healthcare growing, the opening up of a global healthcare marketplace is exciting," says Pennsylvania advisor Christopher Jones. "It's certainly something to keep in mind for any clients faced with catastrophic medical costs."

Russell Wild, MBA, is a financial journalist and a fee-only financial planner based in Allentown, Pa. He is the author of the recently published Exchange-traded Funds for Dummies.

SIDEBAR: Finding Quality Medical Care Abroad

"If I were looking for a qualified, competent surgeon in another country, I'd go through many of the same steps that I'd go through looking for someone in this country," says Neil Shulman, MD, a doctor of internal medicine and an associate professor at Emory University School of Medicine in Atlanta. Below are four of the steps he would recommend. You might want to pass on this information to any clients considering surgery abroad.

- **Talk to doctors in this country.** Many doctors go to (tax-deductible) international seminars and may be aware of the best hospitals and doctors in other countries.
- **Search articles in recognized medical journals.** Use www.medlineplus.gov or visit a local medical school or hospital and ask the medical librarian for help. Medical tourism agencies (see main article) may also be able to provide you with articles. "Although certainly no guarantee of competency, authorship of articles is a good indication of knowledge," Shulman says.
- **Talk to patients who've undergone the same surgery that you are considering.** Names and contact information may be provided by agencies, hospitals or doctors.
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