1. Introduction

Health tourism is old. Just as people have always wanted to travel to visit the wonders of the world, so people have long wanted to take the waters at a spa, be seen by a Harley Street specialist, go as a pilgrim to a holy place because the spirits there could soothe and heal. Even the ancient Greeks went to Epidauria because of the health-giving god Asklepios. Even the ancient Romans went to thermal baths because warm water is good for the joints. What is new is not the phenomenon but the magnitude. It is not just the elite but the middle classes who are actively involved in the international trade of a service that can make them feel well. Minority health tourism is old. Mass health tourism is, however, the creature of modernity and embourgeoisement.

The convention is to say health tourism. It would be better to say something else. Health is not the same as medicine: what most patients are going abroad to consume is not organic vegetables or an hour in the gym but the attention of skilled doctors and nurses. Tourism is not the same as travel: the patient who buys hernia repair in the open market is not shopping for a pleasurable holiday in the sun. It would be better to say treatment abroad, medical travel, global health care or international patient business rather than health tourism which is emotive and journalistic. Yet the phrase is there. The websites, the search engines, the travel agents and the media all recognise health tourism. They are less receptive to a term like global medical care. Global medical care is the same thing but packaged in grey.

This book is about cross-border care. It is concerned with the improvement in felt well-being that results when the consumers and the producers take advantage of the world economy to demand and supply not just medical equipment but medical attention as well. Britain and Portugal were exchanging wine for textiles even before the classical free marketeers informed a post-mercantilist world that it would be a waste of scarce resources to grow grapes in Scotland or produce decent woollens in the Algarve. This book shows that even intangible personal services like rhinoplasties and hernia repairs are susceptible to the same gains from trade that the economists have validated and found to be good.

The book is divided into ten chapters. Chapter 2, ‘A taxonomy of trade’,
defines the nature of transnational treatment. It explains the four key modes in which the service is delivered. Chapter 3, ‘Price’, shows that elective care abroad will often be cheaper than the same medical intervention if consumed at home. Chapter 4, ‘Quality’, argues that the standard of service can be the same or even higher abroad and that the medical experience can be a satisfactory one. Chapter 5, ‘Differentiation’, demonstrates that foreign treatment need not be a cut-price replica of a standard size. Foreigners eat garlic. Garlic is only one of the many ways in which Over There is different from Us.

Chapters 3, 4 and 5 are about the individual. Chapters 6, 7 and 8 are about the nation. Chapter 6, ‘Health tourism: the benefits’, shows that both the importing and the exporting countries are better off in the hard currency of services, jobs and growth. Chapter 7, ‘Health tourism: the costs’, concedes that both the importing and the exporting countries can lose out where a deficiency shunted abroad is never corrected or where the villages are drained of doctors because the real money is in the lucrative top end. Chapters 6 and 7 do not give a clean bill of health. That is why they look forward to Chapter 8. Chapter 8, ‘Health tourism and public policy’, says that the State should correct a market failure. It does not say that the State should kill the golden goose.

Chapters 9 and 10 discuss the real-world experience of countries such as Singapore, Dubai, India, Malaysia and Thailand. The case-studies show what can be done. They confirm the intuition that the world is flat. Nigerians spend over US$1 billion on medical attention outside their own country. Latin Americans spend US$6 billion. Tiny Costa Rica receives 150,000 medical tourists a year. About 90 per cent of its cosmetic procedures are performed on foreigners (Bookman and Bookman, 2008: 5). Britons in 2007 are thought to have spent £135 million on medical treatments abroad. About 100,000 Britons in 2007 went out of country for medical care. As many as 1.29 million are thought to have had dental treatment abroad (Deloitte Center for Health Solutions, 2009: 5). At the same time one fifth of the hospital beds in London were occupied by foreigners.

More than 400,000 non-residents are believed to have come to the United States for medical attention in 2008. Mainly from the Middle East, South America and Canada, they accounted for 2 per cent of hospital throughput and brought in US$5 billion (Deloitte Center for Health Solutions, 2008: 19). In the same year between 500,000 to 750,000 Americans are believed to have sought treatment abroad. It is estimated that Americans spend about US$2 billion a year on health tourism. It is a small fraction of the US$1.5 trillion (Bies and Zacharia, 2007: 1145) to US$2 trillion (Graal Research, 2009: 3) that they spend every year on health care as a whole. Things will change. The rising cost and the limited
availability of care in the United States are central to the issue of health tourism.

The figure of 400,000 could be as high as 800,000 by 2017. The figure of 750,000 could be 15.7 million (Deloitte Center for Health Solutions, 2008: 4). The headcount is growing exponentially. Exports of health services worldwide doubled between 1997 and 2003. They increased worldwide ten times faster than foreign earnings from tourism and five times faster than global exports of services. Health services in 2003 accounted for 0.73 per cent of world trade. The figure had been 0.38 per cent in 1997. The market share of the developing countries in 2003 was 40 per cent (Lautier, 2008: 104).

There are approximately 4 million international patients each year. The worldwide market is worth between US$20 billion and US$40 billion (Smith et al., 2009: 595). It may be worth as much as US$60 billion. About US$7 billion of that business goes to Asia. It is believed that medical tourism already accounts for 5 per cent of total tourism worldwide. All in all, the market is huge: ‘It’s a $60 Billion Global Business that’s growing at 20 per cent a year. . . . Whatever [you] call it, it’s economics applied to healthcare for the first time in 50 years’ (Bina, 2007: 48).