



**Association of Private
Hospitals of Malaysia**

**23 August, 2005
Kuala Lumpur, MY**

Medical Globalisation: 2nd Stage Medical Tourism

**Presented by: Hank Kearney
PHM International**

Medical Globalisation

- Introductions
- History and review
- Development trends
- Formalisation of medical tourism
 - 1st Stage
 - 2nd Stage
- Conclusions

Introduction

- PHM International
 - Founded 1997, Miami USA & Poland
 - Insurance consultancy and training firm
 - Product development for hospitals and health insurance companies
 - Knowledge transfer
 - Relationship mapping
 - Product development
 - Market penetration strategies
 - Risk analysis, etc.



Introduction

- Sample partners and clients:
 - Neuronate, Haifa Israel
 - Pharma Futures, London UK
 - KMCN, USA
 - Kilimanjaro International, Tanzania
 - Utah Health Informatics, USA
 - Pensioenfonds ABP, Netherlands
- Board member, MKI



Introduction



History and Review



History & Review

- Government changes limiting health budgets
- Aging population
- Growth of private health insurance

History & Review

- Health care is world's largest service business
- 2010 Private global investment in healthcare = \$4trn vs. \$1.5trn in 1998.¹
 - 2010, \$750bn in emerging markets

Malaysia?

Vision 2020?



History & Review

- 1960 -1997 health care as % of GDP for the 29 members of OECD doubled 3.9% to 7.6%²
- 2002, OECD nations:
 - 7.9% for Japan
 - 5.3% for Korea
 - 14.6% for US - 15% in 2004
 - 7.7% for UK³

History & Review

- Health care growth as % of GDP
1992 - 2002³

Japan	27.40%
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Korea	20.45%
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US	13.18%
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- Each 1% increase in wealth = 1/2%
increase in health care costs⁴



History & Review

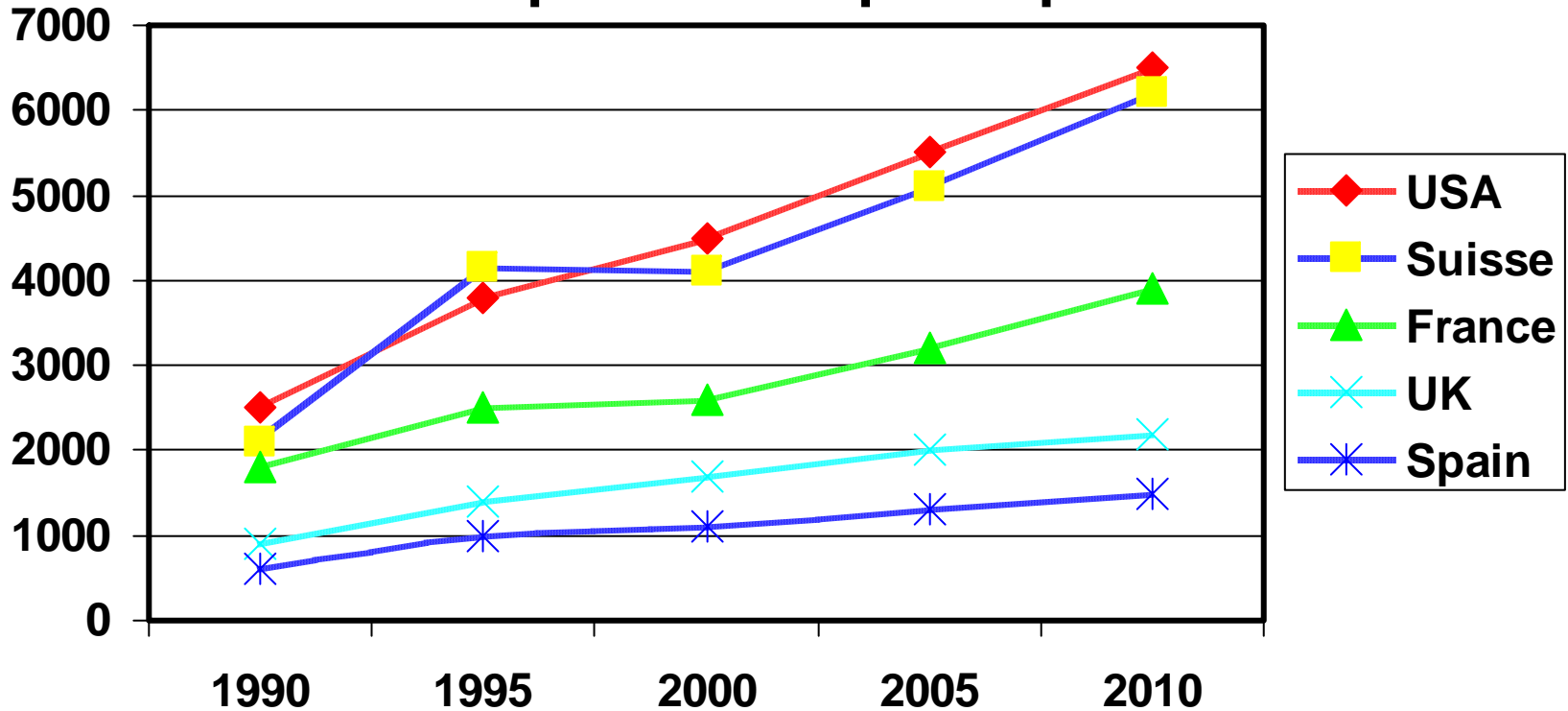
- Health care cost pressures
 - Technology, Medical advances
 - Aging society -Consumerism
 - Combined = 2.5% - 3.5% increase in health care costs⁵
- Increasing health care costs
 - Average hospital daily costs US \$2,364⁶ and over \$5,000 in some US states

RM 18,750



History & Review

Health expenditures per capita



OECD, 1998. \$US Exchange Rate



History & Review

- Governments increasingly looking to private health insurance companies to control and decrease costs
 - EU - the Maastricht Treaty
 - OECD - Belgium
 - Asia - India, Australia, China - Malaysia?
 - Poland, Slovakia - EU entry

History & Review

- Health Insurance
 - Europe has 5-7% growth in PRIVATE health insurance⁷
 - Growing dissatisfaction with state plans
 - Use of private insurance to support employees
 - Netherlands reducing number of sickness funds
 - Singapore uses 3 Ms system to increase patient pay
 - Turkey: 10% market penetration⁸



History & Review

- Governments increasingly looking to private insurance companies to support societal wealth through use of *life* insurance
 - Privatization
 - Removal foreign ownership restrictions
 - Removing price controls
 - Egypt
 - India
 - China



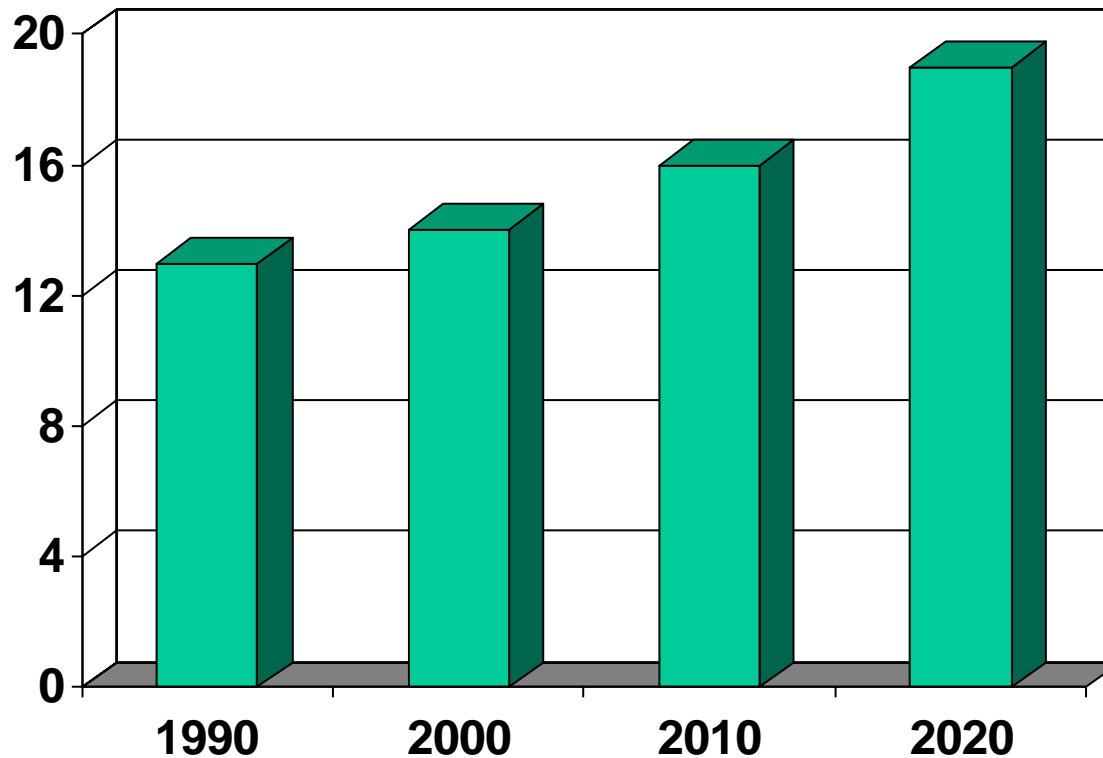
History & Review

- Societal
 - Consumerism
 - Increased knowledge, information access
 - Direct to consumer advertising
 - Increased use of personal resources
 - \$21.2 US billion in US on alternative care, 1997⁹
 - Aging population
 - Worldwide growth of middle age group
 - Baby boomers, Parents of baby boomers
 - Malaysia...



History & Review

Percent of population 65+ years old



Development Trends



Development Trends

- Internet & Telemedicine
 - Hospitals
 - Insurance
 - Providers - Doctors, Equipment
 - Consumers
- Biotechnology - Genomics
 - Health risks
 - Prevention
 - Transplants



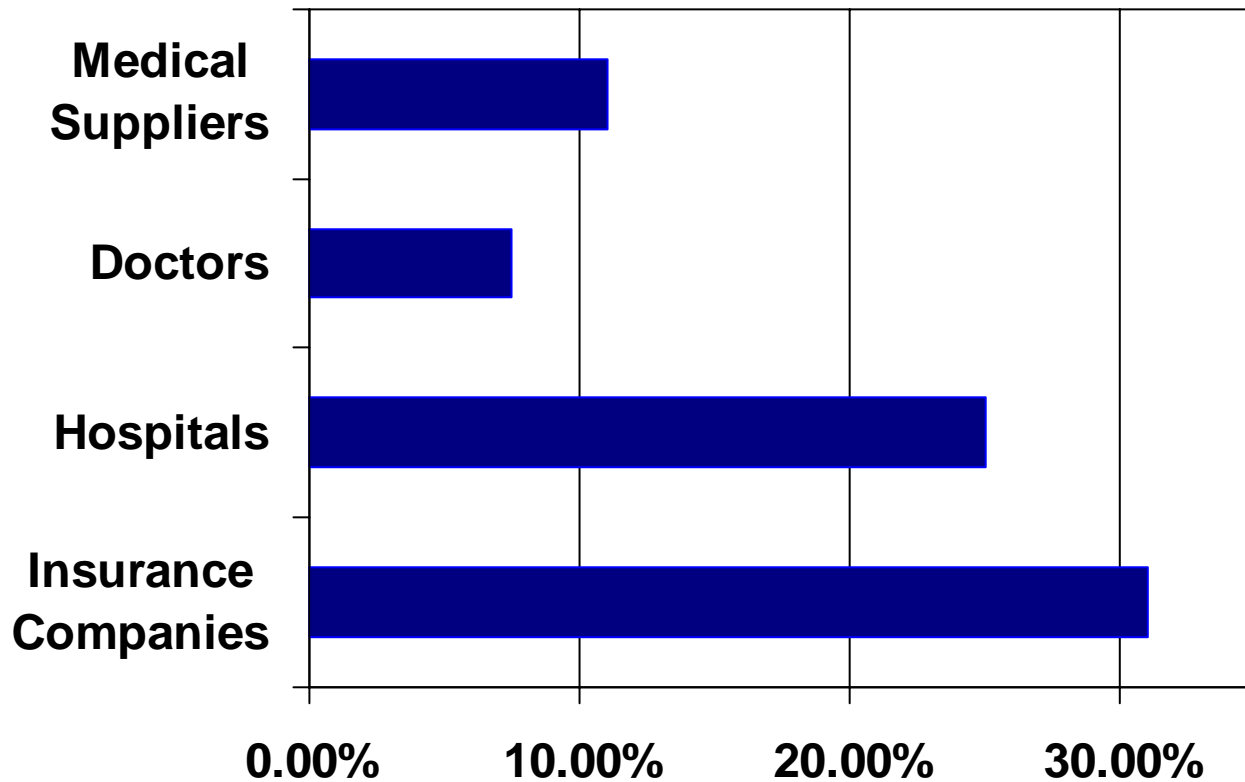
Development Trends

- Internet

- 98% of homes in Singapore have broadband, Singapore ONE internet access¹⁰
- Electronic prescription programs in UK & Netherlands
- Smart card technology projects:
 - 40 million in France
 - Germany, Czech, Russia
 - Spain using biometrics to scan fingerprints
 - Malaysia

Development Trends

Segments with greatest opportunity for success in e-business



Development Trends

- Telemedicine advantages
 - Rural & remote access
 - Cost effectiveness
 - Reduction in hospital visits
 - Reduction in mis-diagnosis
 - Continuing medical education
- Telemedicine challenges
 - Telephone lines
 - Costs

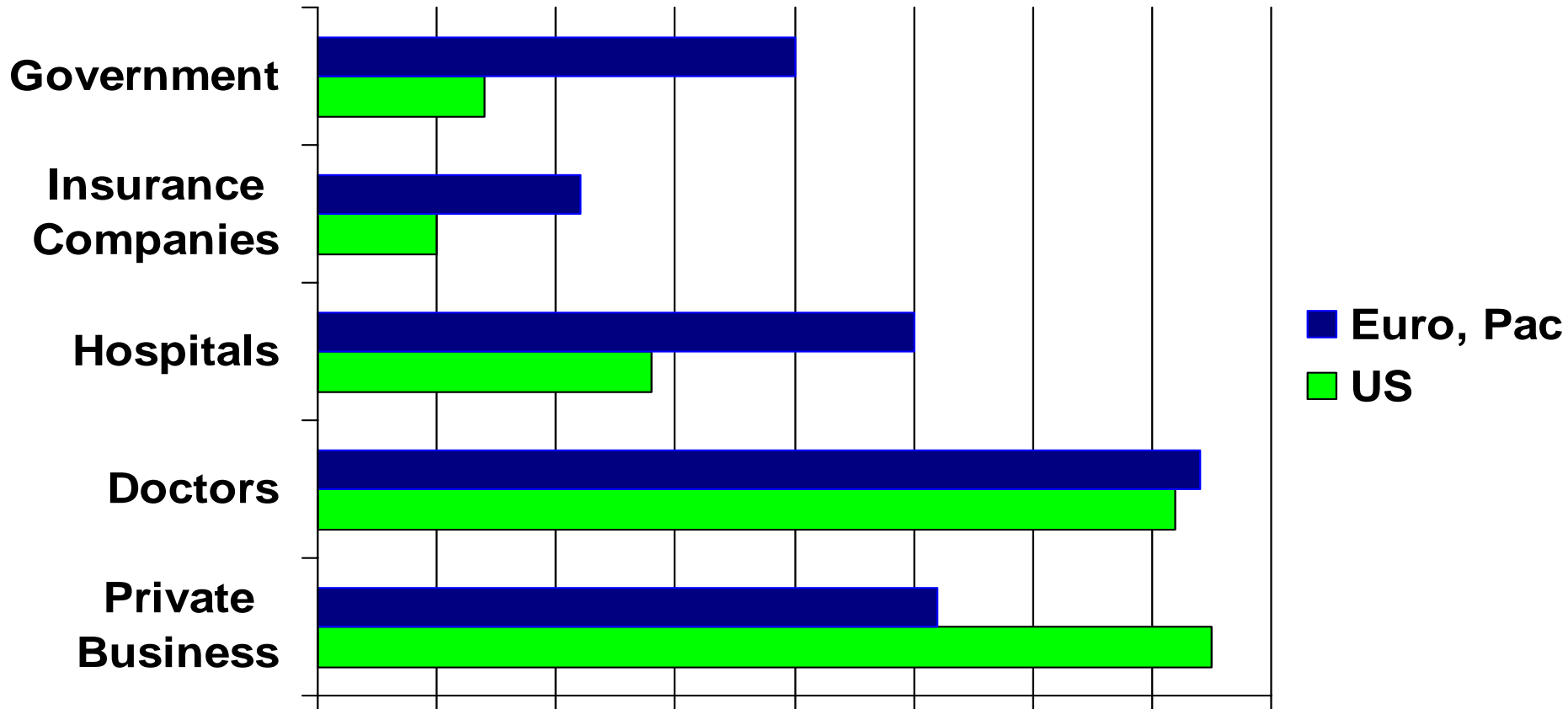


Development Trends

- Pharmacogenetics: use of individualized drug treatments matched to individual genetic profile
 - Global patient communities via Internet to support research
 - Image technology advances
 - Biomaterials & tissue generation
 - Transplantation advances

Development Trends

Most likely source for genetic maps



Development Trends

- Internet applications in health care - Insurance Winners
 - Electronic medical records
 - CRM - customer relations management
 - Electronic prescriptions
 - Telemedicine



Development Trends

2010 Private global investment in healthcare = \$4trn vs. \$1.5trn in 1999.

– 2010, \$750bn in emerging markets

- Emerging markets

- Hospital and clinic development, laboratories, specialty care



Development Trends

- Developed markets

 - Smaller facilities

 - Hospital days per capita:¹²

 - 1.1 in US

 - 2.6 in France

 - 4.0 in Japan

Bedside computers - 80% reduction in medical errors¹³

Development Trends

- Insurance companies and support services
 - Global orientation
 - Internet focus for processing
 - Internet compliment for consumers
 - Emerging markets
 - Higher risks due to government changes
 - Mature markets
 - Market segmentation



Development Trends

- Global migration and travel
 - France 70 million
 - US 63 million
 - Spain 46 million
- Visitors to US pay 40+% more for health care than US citizens
- 50% increase in international travel growth by 2010
 - pre 9 September 2001



Development Trends

- Adaptation to technology
- Standardization of health processes & infrastructure
- Health insurance global growth

Development Trends

Death of Distance

=

New Markets

Global Markets



Medical Tourism



Medical Tourism

- Informal stage....
 - Private hospitals and clinics
 - Wealthy nationals
 - Self-pay patients

Medical Tourism

Informal stage

Medical Providers

Private hospitals & clinics
Remote diagnostics
24 Hour nursing
Health & Travel information



Patients as Consumers

52 weeks per year
Socio/Econ level
Migration
Employment benefits



Medical Tourism

- First stage
 - Brand awareness - marketing
 - Association and accreditation
 - Out of country advertising
 - Fee schedules
 - Informal links to organisations

Global Health Access® Development Model

First Stage - Medical Tourism

International Health Insurers

Managed Access - Global Focus
Expanding Markets

Medical Providers

Private hospitals & clinics
Remote diagnostics
24 Hour nursing
Health & Travel information

Patients as Consumers

52 weeks per year
Socio/Econ level
Migration
Employment benefits



Medical Tourism

- First stage
 - Global Health Access® questionnaire



Medical Tourism

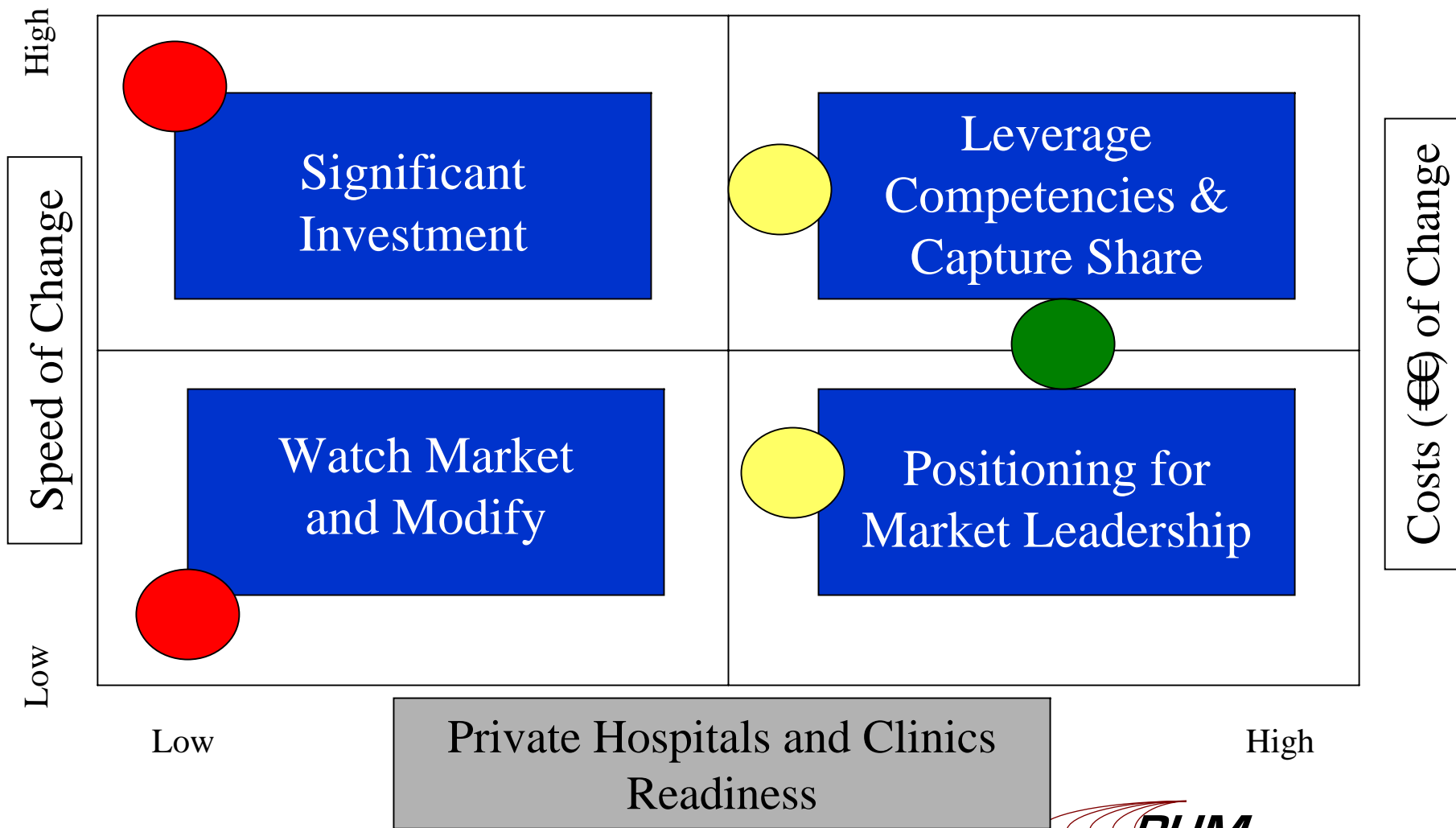
- Second stage - globalisation...
 - Attitudinal assessment
 - Market positioning
 - Center(s) of excellence
 - Clinical uniformity and education
 - Formal structure and agreements
 - Organisational leadership

Medical Tourism

- Second stage - globalisation...
 - Administrative training
 - Financial commitment
 - Clinical and administrative excellence
 - Formal strategic plan

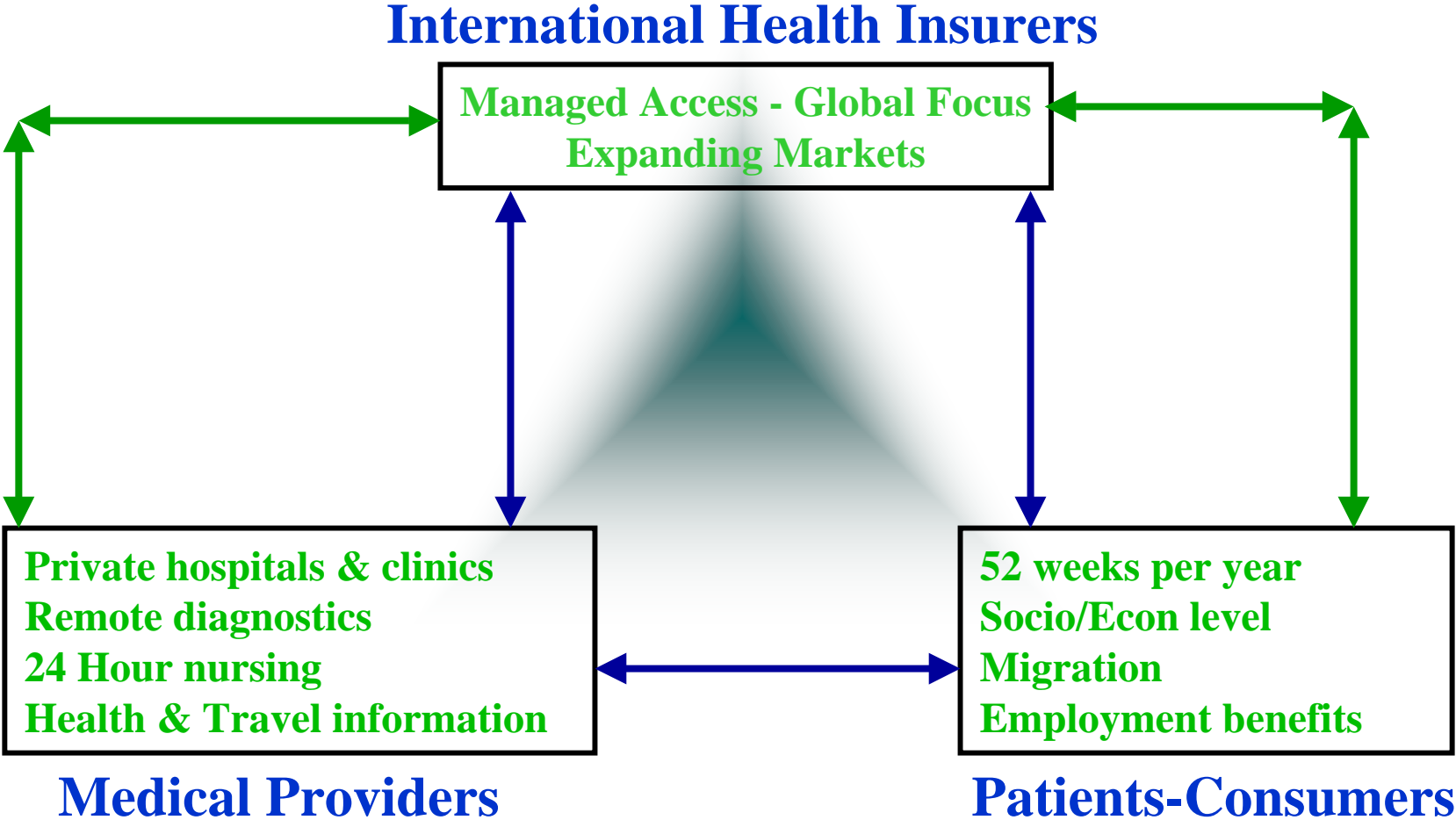


Global Health Access® Development Model: Preliminary Second Stage - Medical Globalisation



Global Health Access® Development Model

Second Stage - Medical Globalisation



Medical Tourism

- Global Health Access®
 - Enterprise wide process development
 - change & integration
 - Borderless care
 - New markets and new segments
 - Measurable results
 - patient census
 - quality indicators
 - positive impact on turnover



Conclusions

- 2nd Stage Medical Globalisation driven by a convergence of:
 - Government transitions & budget constraints
 - Consumer & societal oriented health care
 - Technology: Internet, IT, Genomics
 - Maturing infrastructure
 - Financing expansion - private insurance
- Market leaders will be market winners



Medical Knowledge Institute

- Based in the Netherlands
- Clinical education foundation
- 70+ faculty: workshops & trade missions
- Project oriented
- “ClipFinder” distribution to
 - hospitals
 - medical schools
 - libraries



Medical Knowledge Institute

- Project oriented
 - Cancer mapping
 - HIV/AIDS transmission
 - With midwives associations
 - Train the trainer
 - [Video](#)

Contact

Hank Kearney
PHM International company

hankk@phmintl.com

www.phmintl.com

01.954.567.7379

Miami, USA - Olsztyn, Poland



Presentation Footnotes

- 1 "Healthcare International," The Economist Intelligence Unit, 1Q, 1999.
- 2 "Healthcast 2010 Survey," PriceWaterhouseCoopers, 2001.
- 3 OECD Health Data, 2005.
- 4 "Health and Wealth: An International Study on Health Spending," J. Maxwell. 1981 and "Escalation of Healthcare Costs: How do we get there," B. Abel-Smith. OECD-Healthcare, Paris, 1996.
- 5 Ibid.
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- 7 "Healthcast 2010 Survey," PriceWaterhouseCoopers, 2001.
- 8 "Emerging Europe Healthcare Fund," Global Environment Fund, Wash, DC, 2001.
- 9 "4 of 10 People Use Alternative Medicine in the US," JAMA, November 11, 1998.
- 10 "Building a Nation of E-citizens," Stephen Vined, The Independent-London, July 21, 1999.
- 11 "Healthcare International," The Economist Intelligence Unit, 1Q, 1999.
- 12 Highlights of the 1998 Multinational Comparisons of Health Care, The Commonwealth Fund, October 1998.
- 13 "Healthcast 2010 Survey," PriceWaterhouseCoopers, 2001.
- 14 Global Health Access, LLC Plan, 2001.

