

TRAVELLING FOR TREATMENT

Passport? Check. Booked flights? Check. Organised major surgery? Check. A brave few entrepreneurs are testing the waters for a medical tourism market in Australia.

BY JENNIFER BLAKE



Plastic surgeon Dr George Marcellis

Taking the determined attitude of 'if you build it, they will come', a few entrepreneurs and seasoned lobbyists are driving the development of a medical tourism industry in Australia.

Fighting bureaucratic disinterest, political fear and a misinformed public, these pioneers believe developing health as an export could be a profitable niche in the tourism sector. The demand already exists: Westerners flock to Singapore for dental treatment and Thailand for plastic surgery in a quest for cheaper procedures and greater privacy. The Asian middle classes look abroad for elective and cosmetic surgery, seeking superior health care and the chance to recuperate on holiday.

But while the Singaporean government has poured millions into building infrastructure and marketing of medical tourism, the Australian government hasn't invested in developing an Australian industry. For Matt Hingerty, managing director of the Australian Tourism Export Council, it's a frustrating barrier to what could become a sizable profitable industry. "We've contended for a long time that the service of health is globalising, and if we don't play in that space then we are going to lose our best people offshore," Hingerty says.

Australia already treats international patients on a pro bono basis, helping with disaster care and providing special assistance in the event of tragedies like the Bali bombings. Australian doctors have been treating international patients from the days

of Victor Chang at St Vincent's Hospital. Now, a fledgling for-profit industry is developing in Australia on the strength of niche specialties, including in vitro fertilisation (IVF), oncology and plastic surgery—areas in which Australia is held in high regard worldwide.

AUSTRALIA'S ADVANTAGES

Australia's climate and landscape make it an attractive destination, Hingerty explains. "We have spare capacity in our private health system. We have world-class medical specialists in a range of fields, a clean environment, an open economy,

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a well-understood legal system and we're a safe destination. We have in our region a lot of developing economies where people are becoming richer and have health concerns but they don't have access to health



STATE OF MEDICAL TOURISM IN AUSTRALIA

The now defunct Sustainable Tourism Cooperative Research Centre issued a report in 2010 into the state of medical and wellbeing tourism in Australia.

Facts and figures:

- The number of international inbound visitors travelling for medical tourism is estimated at 7,000 a year.
- Internationally, an estimated 19 million trips are made annually by people seeking treatment abroad.
- The industry is worth more than US \$20 billion.
- Australia's private hospitals are currently running at about 75 percent capacity, meaning foreign patients could take up the shortfall.
- There is only one medical tourism broker operating in the Australian market (Australian Health Tourism).

Recommendations:

- Money be made available to facilitate representation at trade shows, conferences and expos.
- Australia should take out advertising in other countries and seek media coverage internationally.
- There is a need for industry lobbying to overcome issues around certification and private health insurance. Private health insurance is usually non-portable across borders. (Hingerty says that the Australian certification system is highly regarded and recognised internationally.)
- Medical tourism is usually facilitated by the corporate sector with support from government. For example, as the United Arab Emirates tries to position itself as a player in this market, Emirates airlines has installed medical equipment onboard its planes to offer mid-air diagnostic and pre-surgical checks.

—Health Tourism in Australia: Supply, Demand and Opportunities by Cornelia Voigt et al. *Sustainable Tourism Cooperative Research Centre 2010.*

infrastructure in their own countries. So all the conditions are there, it's just I can't develop the industry with words."

Australia's biggest regional rival is Singapore, whose government has committed to supporting medical tourism. However, according to Doug Yek, a trailblazer in this field with a fertility centre in Cairns (see case study), Singapore has reached its capacity. He suggests Australia should be positioning itself to capture the medical tourists that Singapore can no longer accommodate.

Doctors George Marcells and Sandra Short are two of Australia's leading medical practitioners (in plastic surgery and cosmetic dentistry, respectively). Despite never having actively marketed their practices overseas, both attract international patients. Marcells believes they come to Australia because they trust that the standard of surgery will be very high. "We can trade off the quality of the medical care that we can offer, not only through the doctors but also in our aftercare. Australia is a safe and comfortable environment as well."

According to Short, Australia's appeal lies in the standard of training applied across the board for dentists and doctors. "There's less variation from practitioner to practitioner. That's the big difference between Australia and America, the UK, Europe or particularly South East Asia. We are all trained and taught extremely well through our university system and by the time you qualify you are a very competent dentist. Even in the best of developed countries it's not as consistent." This rings true for Marcells, who sometimes 'cleans up' poor work performed on Australian patients by Thai plastic surgeons.

Cosmetic dentist Dr Sandra Short



BARRIERS TO DEVELOPMENT

Despite the strong case for medical tourism in this country, there are significant obstacles that Hingerty, Yek and other would-be pioneers regularly encounter. Hingerty says there is some reticence among government representatives to support the idea, with the flow-on effect that the industry lacks coordination and bureaucratic support.

Yek suggests it is viewed as a taboo subject, for fear of backlash from voters. There is a public perception that Australia will be giving away beds to foreign tourists “but that’s just not factual”, he says.

Hingerty’s proposed policy approach would mean all medical tourism ventures use spare or purpose-built capacity in the private sector. “We want to sustainably develop the industry with our eyes wide open from a policy point of view.”

In every country where medical tourism is successful, providers have had government support in the form of infrastructure and funding. Without it Yek says starting out is hard. “Medical tourism relies on having capacity, medical equipment and medical staff. It’s a very capital-intensive investment.”

Beyond the question of capital, Hingerty says it is easier to deal with foreign markets when you have government backing.

CASE STUDY

CAIRNS FERTILITY CLINIC (CFC)

Three years ago Doug Yek, Dr John Yovich and his wife Jeanne launched an ambitious plan to open an IVF clinic and day hospital in the tourist town of Cairns. Already running a successful fertility clinic in Perth, they formulated a bid to capture the potentially lucrative medical tourism market where patients come for world-class IVF treatment and spend their free time frolicking in a town with good tourist infrastructure. Patients stay on site in 5-star luxury apartments and may elect to have other surgery, perhaps dental or cosmetic procedures. “We’re trying to make it a one-stop shop for patients,” says financial controller Yek. The centre has been open for 12 months and while currently only 5 percent of patients come from overseas Yek and his partners hope to increase that ratio to 50 percent of clients in the next two years.

“Our first international market will be Papua New Guinea, which is only one hour’s flight from Cairns,” Yek says. “With all the oil and gas projects in PNG we plan to target mining companies and suggest they use our facility as a fly-in/fly-out medical hub.” The day hospital attached to the clinic has two surgical theatres and also offers cosmetic, dental and general surgery, and urology and ophthalmology treatment.

A team also visited Guam last year to sell Australia as an alternative to Hawaii for tourists seeking IVF or medical treatment. Concentrating on these two markets is enough for present, but Yek says Indonesia, with its rising middle class and limited health system, will be their next big target.

While he expects the strong dollar will prove a challenge, Yek says the clinic has already broken even. “Whatever we do in the future, it’s going to be a profitable venture.”

“We want to sustainably develop the industry with our eyes wide open”

intermittently then I think it’s reasonable. As long as they’re not here for a few days and then think they can fly off.” Marcellis would like to expand his international client base “but they’d have to adhere to what my standards of care would be”.

CALL TO ACTION

Hingerty says there has been some interest at a State and Federal Government level, (although Yek contends it has been lip service, and no action). “It would be great to get a significant pilot program up and running, where we can test our theories against the reality,” Hingerty says. Australia needs to declare itself open for business: “It’s marketing 101. It’s getting on a plane and going knocking on the doors of the corporations, of the health insurance companies, talking to those companies who specialise in sending medical tourists internationally.”

In Yek’s experience, attracting overseas patients is dependent on going to the target country and forming deliberate relationships with local health professionals. “Ultimately, any medical treatment is a referral base, so having a link person is quite important.”

The obvious target markets for Australia are in its local region: the rising middle class in South East Asia and wealthy expatriates in the Pacific. However, Hingerty believes we should be targeting the US, where a demand for medical tourism is being driven by the expensive and overcrowded American health system. He has had initial interest from American corporations who provide health plans to thousands of employees and often offer treatment overseas as a cost saving measure. Australia has been price competitive with the USA, even factoring in travel costs, but the strength of the Australian dollar against the greenback may act as a deterrent in the immediate future.

While the barriers to the development of medical tourism as a viable industry are real, Hingerty believes it could be a lucrative and successful investment for Australia. “We’ve already done this. We’ve done it in education with spectacular success.” ■■