

# **Medical Tourism Destination: A Case Study of Thailand tourism development strategy**

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## **ABSTRACT**

*In addition to the beauty of tourist attraction and culture .The tradition of attractiveness of Thailand as a tourist destination for travelers around the world .Nowadays, progress in science and modern medicine .Ancient medical wisdom and values of the people of Thailand and from then and now .The country has become to the forefront in providing for their care and support services in the field of medicine. In the past few years, Thailand has gained a reputation as a high-quality low price and reliable medical tourism destination .In no small part, Thailand owes it to the hospitality of the Thai people . Thailand has earned the eponym of the 'Land of Smiles' .The Thais treat their guests with the utmost respect and try to serve them the best way they can .On another hand, Thailand medical tourism has seen its popularity rise owing to the fact that it is home to many internationally accredited hospitals.*

*Keywords: Thailand medical tourism, Hospitals, high-quality, low price*

## **Introduction**

Medical tourists are people who cross international borders for the exclusive purpose of obtaining medical services. The medical tourism industry has been growing worldwide because of rising medical costs in the west, cross border medical training and widespread air travel. It involves about 50 countries in all continents and several Asian countries are clearly in the lead. In Asia, medical tourism is highest in India, Singapore and Thailand making up 90% of the medical tourism market share in Asia.

Medical tourists are motivated to seek healthcare outside their area of residence by many factors, including cost, time, regulation, medical preferences and availability, quality, leisure tourism and information availability. Hospitality and tourism companies, as well as local governments and destination marketers, are positioning themselves to capture share in the global medical tourism market. Thailand is the one of destinations of Asia's medical tourism market. Each year, over a million foreigners plan their medical travel around during Thailand for holiday, clubbing sight-seeing for medical treatments.

International tourists flock to Thailand for its unique Thai hospitality, exotic beaches, entertainment opportunities and medical treatments. In fact, the Thai medical tourism started since the 1970s. For example Thailand reported to have received about

2.53 million medical tourists, generating a revenue of between THB 121 to 140 billion in 2012.<sup>1</sup>

Thai hub policy, is policy made by Thai government which will put Thai government as a facilitator for private hospitals in helping them to improve their medical services to foreign visitors seeking health care in Thailand. Apart from serving as the facilitator, the public sector would help boost the image of the country in terms of medical advances. The medical hub policy would encourage health establishments in Thailand to improve their health services to higher standards. This will enhance the competitiveness of Thailand as a country as well.

The policy was established in 2004 but has been given greater importance recently, under the condition that the international healthcare program should not affect the availability of good, affordable health care for Thai patients. The Ministry of Public Health was assigned to work in an integrated manner with various relevant agencies in translating this policy into action. The main objective is to encourage health establishments in Thailand to raise the standards of their services at all levels. Another objective is to enhance the competitiveness of Thailand, as the country has several strengths in terms of experienced health personnel, modern facilities and equipment, hospitality, excellent services, and reasonable prices. For instance, hospitals throughout the country are ready to provide emergency services 24 hours a day. To date, many

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<sup>1</sup> Kee Mun Wong, )2014 *Medical Tourism Destination SWOT Analysis :A Case Study of Malaysia, Thailand, Singapore and India*. School of Business and Accountancy, University of Malaya, 50603 Kuala Lumpur, Malaysia .p.3)Access on 25-7-16(

hospitals have been recognized and approved as meeting the standards set for the Hospital Accreditation of Thailand and international standards, such as ISO. Thailand was the first country in Asia to achieve the Joint Commission International (JCI) Accreditation. Thai physicians are capable of providing care and services in every medical field. The majority received their medical education in Thailand and underwent further, clinical training at renowned international medical schools and institutes overseas. In many private-sector hospitals, foreign patients can be assisted by interpreters and coordinators whenever there is need for any such services. To ensure consumer protection, medical services are also regulated to mandate the highest ethical standards and quality of care.

In preparation for the ASEAN Economic Community, the Ministry of Public Health is preparing to rearrange its medical service zones across the country in order to pool their resources to ensure optimum efficiency and reduce duplication of investment. It is also creating more personnel to meet the expected growing demand for medical care. The Bangkok Hospital Group, which is Thailand's largest hospital operator with 13 network locations throughout the country, is expanding its medical tourism markets in ASEAN, especially Brunei Darussalam, Indonesia, and Malaysia.<sup>2</sup>

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<sup>2</sup> Policy of Developing Thailand into a Medical Hub in the Region, Thai Trade Center Los Angeles(2013),*The Government Public Relations Department, Office of the Prime Minister* <http://www.thaitradeusa.com/home/?p=14559> (Access on 16-1-17)

## A. Research question

Based on the background and the understanding of the background problem's above, the research question is formulated as follows,

*Why did Thailand government propose a medical hub policy?*

## Theoretical framework

### 1. Foreign policy

To analyze the problem, it then takes a theory. Mochter Mas'oed explains that the term of theory came from the Greek which means to see or to show. Here, theory can be simply understood as a view or perception of what has happened.

### Decision-making theory

To more easily understand the interaction of factors that influence the foreign policy decision-making process, the researcher tries to describe it into an illustration of chart form as follows:

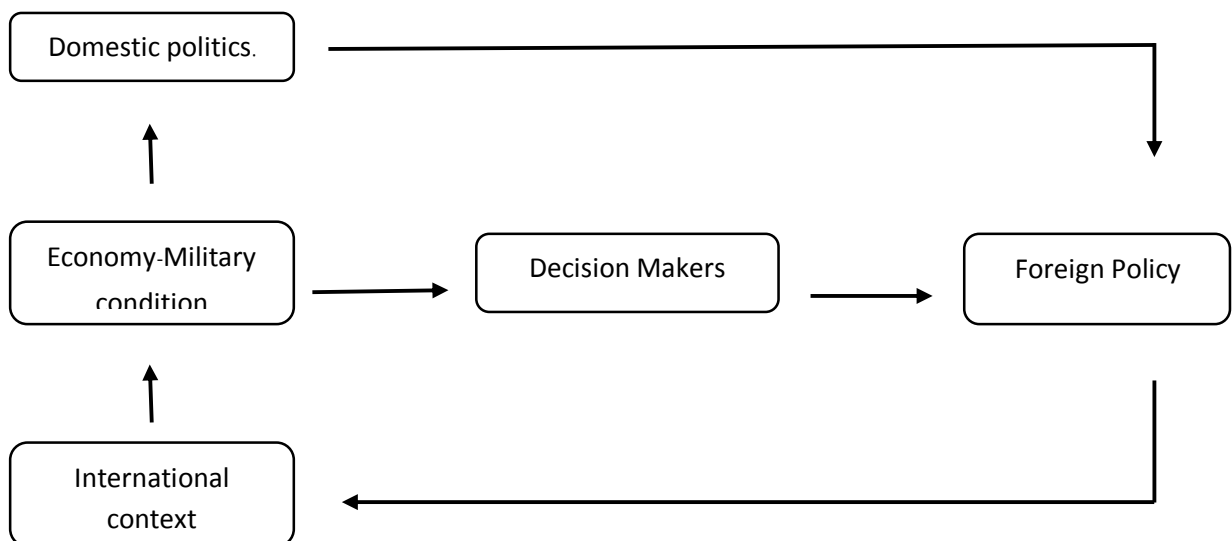


Figure 1.1 Foreign Policy Decision-making Process, according to William D.Coplin<sup>3</sup>

The chart describes that foreign policy of a state can be influenced by domestic conditions, particularly the domestic politics, the condition of domestic politics can be simply understood as a system of governance adopted by the concerned state. Furthermore, the factor that influence foreign policy decision is the economic and military capacities. The long debate about which is more important between economic and military capabilities of a state makes both the influence factors in a foreign policy decision-making process. Finally, Coplin mention the international context as the third factor to be considered by the actors and decision-makers of foreign policy<sup>4</sup>.

The illustration can be explained based on the theory,

### **1. Domestic politics**

Thailand medical tourism likes people want to have profession and income that makes Thai government support the project of Thailand medical hub because Medical Services is a business that generates revenue for the other services business. It includes industries such as pharmaceutical business continuity, business equipment, medical tourism, hotels, restaurants etc. It also includes the creation of professions Income distribution and employment in various professions.

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<sup>3</sup> Ibid.,p22(Access on 30-7-16)

<sup>4</sup> Ibid.,23(Access on 1-8-16)

## **2. Economic and military capabilities**

Thailand long was characterized as the land of smiles: friendly people, warm climate, and informal atmosphere all beckoned backpackers and businessmen alike. However politics has become less hospitable in recent years. The junta inherited a lagging economy, with policymakers hindered by years of political instability. Macroeconomic indicators showed Thailand underperforming much of the region, though this year's estimated first-quarter growth of 3.2 percent was stronger than expected.

## **3. International context**

ASEAN needs to work towards the goal of freer movement of labor and capital, but in reality, integration and the free flow of resources will only be gradual, step by step, sector by sector. Thailand can also benefit from economic integration by increasing outbound investment. The market the region presents is huge but the flexibility of Thai businesses is still limited. Small and medium-sized enterprises (SMEs) in Thailand haven't been exploring opportunities in the region as much as they should. They need to at least broaden their perspective and be looking for allies, partners and connections in Asean so they have more competitive advantage once integration happens.

## **Medical Tourism In Thailand**

Thailand as an ideal Tourist Destination Thailand is one of the biggest tourist destinations in the world and certainly the biggest in Asia. In 2005, 13.38 million international

guests visited Thailand,<sup>5</sup> staying 8.1 days in average. According to the Tourist Authority of Thailand, 65% of tourists come from the Asia Pacific region, Japanese and Malaysians among the leaders. Western tourists come from Britain, Germany, Scandinavia and the USA and increasing numbers arrive from the Middle East.

Medical Tourism is the practice of travelling across the borders to obtain healthcare services in another country where medical expenses are relatively lower and the services sought are equivalent to or better than those available in one's own country. The Thai government began strategic plans since 2004 to promote Thailand as a prime medical tourism destination. Since then, the country has enjoyed a large number of visitors in this category.

Thailand is now widely acclaimed among the international community as the medical hub in Asia, with significant advantages including the availability of modern equipment and specialties, easy entrance, competitive prices, and great hospitality from service operators and personnel. These, when coupled with the well-established fact that Thailand is a superb tourist destination with serene beaches and mountains, intriguing arts and culture, food, entertainment, and shopping, make Thailand a great medical tourism destination.

Thailand is one of the best destinations in Asia for health-conscious tourists. The country has been one of the contemporary pioneers of Medical Tourism in Asia, with more than a million foreign patients annually coming to over 956 public and 309 private hospitals, 7 of which are JCI accredited and 17 of which are in the pipeline. The international patients will have access to the rich pool of over 19,000 medical doctors and 100,000 nurses<sup>6</sup>, many of which have undergone trainings in the United States, UK, Germany, Australia, Japan, and other countries. It is also notable that Thailand has been the leader in holistic treatment

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<sup>5</sup> Medical tourism in Thailand, Thailand medical tourism cluster world class medical tourism,p.5(Access on 20-1-17)

<sup>6</sup> *ibid*



approaches, including healthcare, illness prevention, treatments, rehabilitative and restorative care. These approaches have gained greater attention in the western countries. Thailand has convenient access, beautiful tourist destinations, and superior services.

### **The reasons of Thailand in proposing medical hub**

Thailand's strategic location makes it an investors' gateway to Asia. It is at the center of most ASEAN countries, including Myanmar on the west, Cambodia and Lao PDR on the east, and Malaysia, Indonesia, and Singapore on the south. Being at the crossroads of ASEAN and other dynamic markets in Asia such as China and India, allows Thailand access to a burgeoning consumer population overseas aside from its equally huge population of almost 68 million people.<sup>7</sup>

### **Thailand competitiveness on medical treatment**

Healthcare in Thailand is largely driven by private hospitals. Thailand healthcare has many advantages over its Asian neighbors when it comes to medical tourism. Interestingly Thailand has the largest private hospital in Southeast Asia and also the first hospital in Asia to get a JCI accreditation and ISO 9001 certification.

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<sup>7</sup> invest in ASEAN,(2012), <http://investasean.asean.org/index.php/pageview/asean-member-states/view/709/newsid/862/thailand.html>

The advantages of medical treatment in Thailand, the patient will be facilitated by following;

### **First-class quality at affordable prices**

With over 1,000 public and 400 private hospitals operating in compliance with international standards and fully-equipped with internationally trained physicians, Thai medical service provides excellent health care at highly competitive prices.<sup>8</sup> Additionally, the prevalence of physicians with overseas training and the hospitals' multilingual staff help bridge communication barriers.<sup>9</sup>

### **World Class and International Accredited Medical facilities**

Many private hospitals in Thailand are Joint Commission International (JCI) accredited. On last count there were 46 of these (as of September 2015). Many more are ISO certified and are in the process of getting a JCI accreditation. Over 350 hospitals have a hospital accreditation from the Ministry of Public Health. All the latest technologies and facilities are available in the largest private hospitals.

Thailand has a pool of highly trained doctors many of whom have studied/practiced abroad. With this international experience they are able to offer the latest

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<sup>8</sup> Medical, Don's Life In Thailand, <http://donslifeinthailand.com/Medical.html>

<sup>9</sup> Tejasvi Vasudevan(2004), a case study to understand the factors that promote and facilitate medical tourism in Thailand with regard to services provided by hospitals. This Independent Study Manuscript Presented to The Graduate School of Bangkok University in Partial Fulfillment of the Requirements for the Degree Master of Business Administration, p58, Access on 18-1-17(

and safest medical procedures. They will perform a wide range of surgeries like plastic surgeries, cardio thoracic surgeries, pediatric surgery, neurological surgery, dental implants, LASIK, etc. Nearly all of the doctors and most of the nurses speak English. Translator services are also available should you require them.<sup>10</sup>

### **Healthcare System and Quality in Thailand**

Thailand is a much sought after healthcare destination. More than a million healthcare tourists visit Thailand every year to avail healthcare services owing to its excellent medical and health care quality. Healthcare in Thailand is provided by government hospitals, private hospitals, non-governmental organizations and private practitioners.

A World Bank featured story titled, 'Thailand: Sustaining health Protection for All' says 99.5 % of the Thai people have access to healthcare under schemes promoted by the government. The budget allocation to healthcare is high and it is increasing steadily. Citizens are covered under schemes such as the Universal Coverage Scheme, Civil Servant Medical Benefit Scheme, Voluntary Healthcare Card Scheme, etc.

The Ministry of Public Health controls most of the hospitals in Thailand. There are more than a thousand government hospitals in the country. Government hospitals in Thailand are of three types, there are regional hospitals in the provinces with at least 500 beds, general hospitals in major districts or province capitals with a capacity of 200 to

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<sup>10</sup> **The Thailand Board of Investment (BOI):**<http://www.boi.go.th>

500 beds, and community hospitals in the districts that can admit 10 to 30 patients. The community hospitals provide basic medical care and refer the more advanced cases to the general hospitals or the regional hospitals.

### **Hospitals and Doctors Standards in Thailand**

Hospitals and medical facilities in Thailand pride themselves on their high standards, and many have subjected their premises and systems to the most rigorous classification by applying for international accreditation and certification. Thailand was the first country in Asia to achieve JCI accreditation in 2002, and 35 hospitals are now accredited

Many more healthcare providers are ISO 14000 and ISO 9000 certified. Though the ISO certification is not a hospital accreditation, these standards of general management and environmental management is a sign of quality assurance in healthcare that indicates the hospital's commitment to deliver sustainable, high-quality facilities and services. Additionally, more than 350 Thai hospitals have acquired Hospital Accreditation (HA), awarded by the Ministry of Public Health.<sup>11</sup>

### **Thailand have strategic position in connecting medical service in ASEAN**

Thailand's reputation for graceful and attentive service, it is not hard to see why Bangkok has quickly become the medical tourism hub of Asia. Suvarnabhumi Airport is serviced by airlines from around the world, reasonably-priced hotel rooms abound, there

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<sup>11</sup> *ibid*

is reliable public transportation and 30-day visas for many nationalities are easy to get upon arrival, all of which help to make a stay in a hotel or hospital easy. Forward thinking in many of its approaches, that has also recently partnered with state-owned Krungthai Bank, the national bank of Thailand, to offer tourists a debit card called the Miracle Thailand Card, which offers some medical and life insurance coverage in case of an accident.

At the airport Bangkok Hospital's Airport Service Center gives information and ground support services to inbound medical tourists. The hospital' lounge which has a business-class setting is mostly for patients who arrive from the Middle East and there is a 360 degree circle of support from the time a patient arrives till they leave.

One can find a variety of public transport options to choose from in Thailand, ranging from the 3-wheeled rickshaws, known as tuk-tuks, to the modern sky train system in Bangkok. Other popular options are the buses (BTS), subway, ferries and trains. Particularly, the city bus system is a convenient option while in Thailand.

Flights can be used to travel both to and around Thailand. While the major cities in the country have international airports, a number of domestic flights are also available for travel between cities. Airport buses and metered taxis provide a convenient way to get to these airports.<sup>12</sup>

## **Conclusion**

Medical tourism in Thailand is a lucrative business, developed and promoted for profit, which exemplifies an extreme form of commodification of medicine. In order to

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<sup>12</sup> Ivy Teh , *Healthcare Tourism in Thailand: Pain ahead?*, Biotechnology in Malaysia and Thailand,p1

attract medical tourists, healthcare establishments had to adapt their services to their needs and preferences; their efforts eventually leading to a lessening of the tension between tourism and hospitalization, and the emergence of a new concept for medical establishments epitomized by hotel-special.

Thailand has become well known as a hub for medical tourism, with some of the best private hospitals in Asia providing healthcare services to international patients. Different reasons for patient's choice of medical tourism destination. A medical tourism destination could be renowned for tourism, physicians and surgeons, quality of medical infrastructure, availability of accommodation or because of better, country conditions. Some people look for accredited hospitals, some compare prices of surgery, whereas some take advice from family and friends who have travelled abroad, some listen to the testimonials of other patients, and some are helped by medical tourism providers like global medical tourism associations and medical tourism associations of various countries. Thailand is one of the most popular medical tourism destinations in the world. Its healthcare professionals and facilities are known for excellent services in various disciplines such as plastic and reconstructive surgery, orthopedic surgery, cardiac surgery and dental care. Traditional Thai medicine is also renowned. Long known for sex-change procedures, Thailand offers some of the world's best values for a variety of health care. Major procedures can be 50 to 70 percent cheaper in Thailand than in the U.S.

Thailand is a medical tourism destination of the availability of world class medical treatment at fraction of the cost of what one can get in Australia, Europe, US the Middle East and some parts of Asia. It is not the only reason however as Thailand boasts of good

quality service, trained medical professionals, latest technology and equipment, and facilities that resembles five star hotels along with a chance to recuperate in scenic surroundings. Thailand has outstanding fundamental structure in the medical field and the human resources are recognized to be of international standard. Thai medical services are renowned worldwide, resulting in a rapid growth in related industries such as spa, Thai massage, Thai herbs, serviced apartments and health tourism. Thai medical services have recently acquired an international reputation, attracting a rapidly growing foreign clientele. Treatments in leading hospitals seem to be generally reliable and of a high quality. To attract foreign patients, leading hospitals not only had to raise their medical standards, hiring highly qualified doctors and investing in state-of-the-art medical equipment, they also had to make their establishments more friendly and attractive.

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## **Biography**

Sarihan Ayaе was born in Yala Thailand on September 18, 1993. In 2013, she started to study in International Program for International Relations Department, Faculty of Social and Political Sciences, Universitas Muhammadiyah Yogyakarta and finished (graduated) the study in July, 2016. SHe lives in Yala Thailand, 95000.