

CHAPTER III

MEDICAL TOURISM IN THAILAND

Thailand, along with its Asian neighbors Singapore and India, accounts for 90% of Asia's medical tourism market. Each year, over a million foreigners, plan their medical travel around a Thailand holiday clubbing sight-seeing with medical treatments. On the tourism front, Thailand has been a popular destination for decades.

A. Medical tourism in Thailand

Although the term is recent, “medical tourism” as phenomena is not entirely new. In the past, wealthy people from countries with underdeveloped medical services would travel to Western countries, renowned for the quality of their medical services. People from oil-rich Middle East countries, for example, received medical treatment in the United States and expatriates living in less-developed Southeast Asian countries traveled to Singapore, the regional medical hub at the time.

The trend, however, has since been reversed. Nowadays, an increasing number of citizens from wealthy, highly developed nations are traveling to developing countries in search of affordable and readily available medical services, which they typically combine with vacationing or other forms of tourism.

Changed circumstances in the health care systems in the countries of origin of these tourists account to a large extent for this reversal of direction. Over the last decades, medical services in many highly developed countries have become increasingly more expensive and sometimes no longer affordable or accessible to large

segments of the population. In the U.S., for example, skyrocketing costs in the private medical system have placed health care beyond the means of many middle classes people, not poor enough to be eligible for public medical schemes yet, not sufficiently well-off to afford expensive private health insurance schemes. And in many European countries, socialized national medical services are under severe pressure and unable to timely respond to the increasing demand for medical treatments, causing long waiting lists to emerge, all the more as many people cannot afford expensive private medical services. Moreover, certain treatments such as cosmetic surgery or dental work – both of which are particularly costly - are not, or little, covered by either private insurance schemes or national medical services. Finally, innovative - though risky – treatments not yet officially approved in Western countries, in which more stringent safety norms are enforced, have Become available in some developing countries.²²

As a result, a western demand for cheaper, available and readily accessible medical services has developed; a demand to which the emergence of an affluent middle class in some developing countries lacking high-quality medical services has also added. Strictly speaking, the term “medical tourism” applies to people who travel to another country for medical treatment, which they will often combine with a vacation, or to people who take the opportunity to receive such treatment in the course of a vacation.

The term, however, is often indiscriminately used in statistical reports to include all foreigners having received medical treatment in the host country. As a result,

²² Thai Medical Device Technology Industry Association
<http://www.thaimed.co.th/eng>

because this practice, the alleged scope of medical tourism tends to be considerably exaggerated. First, statistics include expatriates and other long-term foreign residents in the country considered, even though they are not “tourists” per say. Second, they overlook significant differences in the relative importance of medical treatment received by genuine tourists during their sojourns in the host country. To avoid confusion, the writer have developed a typology of “medical tourists,” based on the extent to which medical treatments play a role in tourists’ motivations for and conducts on the trips, relative to vacationing.

A mere tourist can be an individual who does not make any use of medical services while vacationing in the host country; a medicated tourist, one who receives medical treatment for health problems incidentally occurring while in the host country. A medical tourist proper, on the other hand, is an individual whose visit to the host country includes both tourism and medical treatment.

Tourists traveling to the host country with the intention of receiving treatment while vacationing, as well as those select such treatment once in the country will thus fall into that category. A vacationing patient is an individual who visits the host country mainly to receive medical treatment, but makes incidental use of vacationing opportunities, especially during the convalescence period that follows an operation or some specific treatment. Finally, a mere patient is an individual who visits the host country solely to receive medical treatment and does not make use of any vacationing opportunities it offers.

An accurate estimate of the number of tourists who availed themselves of medical services in Thailand is extremely difficult to establish since governmental agencies and

hospitals only release the annual gross total of foreigners who sought treatment in hospitals in Thailand. Reportedly, this number has been increasing rapidly throughout the 2000s, more than doubling among 2002 and 2006.

However, one must be careful in interpreting these statistics. Not only is it difficult to gauge their reliability, but they also include different kinds of foreigners. A significant, but hard to determine, percentage of them are expatriates and other long-term residents of Thailand, many of whom hold health insurance policies from home, which will refund their medical expenses in the host country.

According to one source, 30% of the total quoted in the statistics covering the early 2000s are tourists who traveled to Thailand solely for medical treatment. This percentage may have increased since, as Thailand's reputation for medical treatment has grown; more hospitals are offering services to tourists; new types of specialties have emerged, and governmental promotion of the country as a "health hub" has intensified.

Even at 30% of the total, the number of genuine medical tourists in 2005 would still amount to 380,000; a significant figure compared with, for example, the number of medical tourists to Turkey, another emergent center of medical tourism, reported to be around 15,000 a year. The origin of foreigners seeking medical treatment in Thailand is extremely diverse.

The main source of demand, however, revolves around two main sets: on the one hand, a few developed countries in which high-quality medical services are prohibitively expensive or not readily accessible on the other, developing countries in the Middle East and South and Southeast Asia. Such as Saudi Arabia, the United Arab

Emirates, Bangladesh, Burma, and Cambodia, in which such services are not readily available. Patients from the Middle East have become the fastest growing group of medical tourists to Thailand as a result of the September 11 attack and the subsequent difficulties obtaining visas to the United States. Many of them have turned to Thailand to seek treatment and never move far away from their hospitals or hotels during their entire stay.²³

Thailand as an ideal Tourist Destination in 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, (a 14.84% increase over 2004), 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 between the leaders. Western tourists come from Britain, Germany, Scandinavia and the USA and the 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. The Department of Export Promotion and the Department of Health Service Support reported a rapid growth of 16.48% during 2001-2009 for health services delivery to foreigners:

²³_{ibid}

Year	No. of Foreign Patients	Estimate Income (mil)
2003	973,532	110,058
2004	1,103,095	198,054
2005	1,249,984	309,318
2006	1,330,000	12,939
2007	1,373,807	106,640
2008	1,380,000	107,419
2009	1,390,000	108,197

Source: The Royal Thai Embassy, Washington

Thailand is now widely acclaimed by 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 personal. 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 best destination in Asia for health-conscious tourists. The country has been one contemporary pioneer 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, many of which have undergone training in the United States, UK, Germany, Australia, Japan, and other countries. It is also notable that Thailand has been the leader in holistic treatment approaches, including health care, 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.

B. Development of medical tourism in Thailand

The development of medical tourism in Thailand is dependent on various factors; among them is the government's ability to market the country as a source of specialized medical care. The Medical Tourism in Thailand comprises 39 of high quality medical procedures and the development of infrastructure and supporting industries. These are factors that have been quite imperative in the growth of medical tourism in Thailand.

The government started engaging in extensive advertising of the country as a hub for cosmetic surgery in 1997 and has continued to support hospitals in their bid to acquire better machinery and expertise. Other sectors including hospitality, tourism and transport industry have developed significantly mostly due to the influx of medical tourists. As visitors come for treatment in Thailand, they are assured that they will experience exotic meals, affordable accommodation and good customer service in hotels and restaurants.

They are also given first class treatment by the tours and travel agencies who ensure that they are well provided for during their stay in Thailand and that they are able to visit all the amazing tourist attractions in Thailand. These include

sandy beaches, spas, massage parlors, mountains, museums and historical places, Thai festivals and other interesting tourist attractions. It is therefore correct to say that medical tourism has had a significant impact on secondary industries that influence patients into seeking medical interventions. It is established that most of the resources are used in developing better facilities in hospitals and in enhancing the creation of innovative medical procedures.

This insinuates that as medical tourism increases, supporting industries will have to upgrade their services in order to accommodate the growing number of tourists visiting the country. They must exert directed efforts towards enhancing their services and accommodating a greater number of people while maintaining quality service. Notably, many of Thailand's medical tourists seek medical vacations and their guides must therefore be in a position to help the clients identify the most exciting places in Thailand.

a. Medical devices

The Thai government's continued efforts to develop the country into an Asian medical hub have driven demand for medical services and devices. Although a wide range of medical devices is manufactured domestically, Thailand still relies heavily on imported medical devices, especially sophisticated and higher-end devices. This backdrop creates an opportunity for new investment in high-end medical device manufacturing in Thailand.

Increased demand in the healthcare market is a key driver of the Thai medical device industry. As Thailand's universal health care system continues to develop, demand for medical devices and services is likely to increase as well.²⁴

b. Pharmaceuticals

According to Pacific Bridge Medical, Thai pharmaceutical market, valued at US\$4 billion in 2012, is the largest in Southeast Asia. By 2020, this value is expected to increase to US\$9 billion. As Thailand has developed into the medical hub of Asia, its pharmaceutical market has also experienced significant growth. Thailand's cost-effective and high-quality manufacturing has been a key driver in attracting foreign pharmaceutical companies.

In recent years, the increasing number of medical tourists, an aging population, and high levels of health awareness between the Thai populations have boosted the country's pharmaceutical image. Thailand also currently produces 25 active pharmaceutical ingredients, including sodium chloride, camphor, and menthol. Most active ingredients are imported from manufacturers overseas, leaving sizable room for new pharmaceutical investors. To ensure that pharmaceutical products in the country meets world-class standards, the government requires that all manufacturing companies develop standards and quality-control systems that meet Good Manufacturing Practice (GMP) standards based on the International Pharmaceutical Inspection Cooperation Scheme (PIC/S).

²⁴ Thailand medical hub, Thailand Board of Investment www.boi.go.th

The Thai pharmaceutical market is dominated by foreign manufacturers and distributors. Leading multinational companies in Thailand include Meiji, Baxter, Mega Lifesciences, Linaria, Otsuka, Sanofi, Pfizer, Merck, Novartis and Glaxo Smith Kline.

c. Medical food

Medical food refers to food that is formulated to be consumed or administered under the supervision of a physician. It is part of a specific dietary regime intended to treat a disease or condition, and the food has distinctive nutritional requirements. Medical food differs with regular food in that it has the substantial health-promoting or disease-preventing benefits beyond the basic delivery of nutrients. It differs with nutritional supplements in that it is not designed for use by healthy persons, but rather as a therapy for a particular medical condition under the guidance of a medical practitioner. At the minimum, medical food products must be:

- a. Food for verbal ingestion or tube feeding (Nasogastric tube)
- b. Labeled for the dietary management of a specific medical disorder, disease or condition for which there are distinctive nutritional requirements.
- c. Intended to be used under medical supervision.

Thailand's medical food market is experiencing strong growth and has benefited from the country's medical services sector. Many leading medical food producers invest in Thailand because of the country's agricultural raw materials, skilled, affordable labor, advanced technology, and high quality-control standards. Additionally, the government offers attractive incentives to investors in this sector.

As a result, Thailand is an excellent tactical location for the manufacturing of medical food.

Major suppliers of the medical food are establishing facilities in Thailand, including Mead Johnson Nutrition, Abbott, Novartis and Thai Otsuka Pharmaceutical. Mead Johnson Nutrition Thailand is the company's largest manufacturing plant outside the US and serves as its hub for Asia Pacific operations.²⁵

d. Quality and safety of services

Thailand has a significant number of internationally accredited hospitals. Thailand was the first country in Asia to acquire Joint Commission International Accreditation (JCIA), the international accreditation of the US Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Thailand provides overseas trained doctors that operate at international standards at extremely competitive costs. Moreover, many private hospitals employ a specialized English-speaking staff as well as staff trained in a wide variety of foreign languages.²⁶

²⁵ The food and drug administration:<http://www.fda.moph.go.th/eng/index.stm>

²⁶ *ibid*