Dimensions of medical tourism clusters

Part 1. Models, definitions, and data

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This series of five brief articles examines key aspects of clusters and other models that exist in the medical tourism sector. The first article focuses on the role of definitions and data collection in medical travel. The second article dissects the **definition of a cluster** to clarify the elements that constitute a true cluster as opposed to other models. In the third article, **two success stories**, Korea and Costa Rica, are examined in detail when the components of a cluster are applied to their organizational models. The fourth article reviews the **role of competition** within clusters. Finally in the fifth article, **five common myths** about medical tourism clusters are exposed.

The entire five articles comprise a white paper that can be downloaded from the Medical Tourism Training website.

What *are* we talking about?

The sector that serves international patients has created several successful models that are generating revenues, building brands, enhancing reputations, plus adding economic and social benefits. The models are generally called "clusters" even though often they are something else. The generic use of the word "cluster" muddies the distinctions among successful and unsuccessful models, depriving the sector of valuable lessons.

It is time to clear away the fog to see which models, including clusters, are working for medical tourism.

If a "rose is a rose is a rose", a cluster is a specific, well-defined economic entity. It is a complex economic engine that, when organized, developed, and managed effectively, can deliver impressive cross-sectoral growth. While clusters can be formed with any industry or sector at its core, a medical tourism cluster presents certain challenges that reflect the nature of the sector as well as its growing pains.

Failure of consensus

One of the major criticisms of the medical tourism industry is the lack of readily available, accurate data. This paucity of reliable data stems, in part, from the lack of consensus around definitions. Organizations worldwide are functioning without a standard definition of a "medical tourist". There are many ways being used to define who is a "medical tourist" so that the methods of counting are different.

Some countries and providers count international patients as well as ex-pats, foreign students, and foreign military personnel in their data, all as "medical tourists". Others take a narrower perspective and only count international patients who travel to the destination for medical care. Some data collection includes medical and dental patients while others include medical, dental, complementary and alternative medicine, as well as spa treatments.

The sector also has providers who count the number of admissions or treatments rather than the number of international patients. For example, a medical tourist could be admitted as an in-patient and return for three outpatient visits, all stemming from the same procedure. This patient could be counted four times, skewing the numbers skyward.

Comparing data among these various counting systems is confusing and misleading. It is like agreeing that apples and cookies are the same things. The result is poor, unreliable data.

With lack of uniformity of data collection about medical travel, the information about the sector ranges from a modest "market size of USD 45.5 – 72 billion"[i] to an optimistic $100 billion USD with projections of 25% of year-over-year growth until 2025.[ii] This wide disparity in estimates of the size of the market makes it difficult to measure the numbers of patients traveling, the economic impact of their transactions, and other business decisions necessary to succeed. Often decisions are being made based on hope and hype rather than accurate information.

The absence of consensus around defining who is a medical tourist and how data should be collected spills over into information available about medical tourism clusters. While a cluster does have a specific definition, the use of the term cluster within the medical travel sector has been casual at best. The dilution of the term as it is commonly used in medical tourism obscures trends and lessons that could be learned.

In reality, the medical tourism sector has spawned various types of economic models that are quite different from each other and deliver varying degrees of economic success, including some that have failed, yet all of these models are termed "clusters".

Without agreement on the meaning of the same terms such as "medical tourist" and "medical tourism cluster", data collection, measurement, and analysis are challenging at best or of little value at worst.

Variety of models

Countries, regions, and cities have used a variety of models to grow medical tourism sectors. Often these different models are called clusters. Other terms can be used to describe these models and shed more light on the ways medical travel can be used for economic benefit.
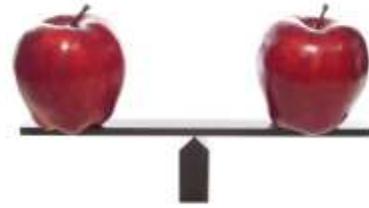
With further clarity, we can begin to compare apples to apples and derive benefit from those comparisons. Two terms that are rarely used in medical tourism but which represent common models are "**hub**" and "**association**".

A **medical tourism hub** has one or more healthcare providers as a center of economic activity that promotes and increases the goods and services that support it. An example of a medical tourism hub is the Barbados Fertility Center (BFC).

As the leading medical travel provider on the island, BFC draws patients to Barbados for IVF-related services. BFC is the hub or center of activity for other services including transportation, hotels, restaurants, tourism, and other services that support this healthcare provider. It attracts certain clients who may never have otherwise visited Barbados. As the drawing card for these clients, BFC creates economic benefits such as jobs and increased revenues for the services that support it.

The term cluster is often misapplied to entities that are **medical tourism associations**. A **medical tourism association** is a group of individuals and/or entities organized for a certain purpose to promote specific goals such professional standards, improve the profession, and safeguard the public interest. An example of a medical tourism association is the International Medical Interpreters Association (IMIA).

Communications among patients, healthcare providers, and family members is crucial to the provision of quality healthcare services. When a patient travels to a destination where he or she may not speak the language, a medical interpreter is a valuable partner in the delivery of those services. The IMIA is organized to sponsor education to its members, endorse quality standards for the profession, and promote the services of its members to providers worldwide. It does not directly provide interpreter services but exists to support members who do.

Medical tourism hubs and medical tourism associations as well as other models provide benefits to the sector in valuable ways that are different from clusters.

In the next article, the focus will shift to medical tourism clusters to explore what they are, how they are organized and function, and the benefits and challenges they present.

About Medical Tourism Training, Inc.:

Medical Tourism Training offers training and consulting services in the rapidly growing domestic and international health travel sector.

The company is the first to offer affordable, convenient, and easy to use e-Learning solutions geared to working professionals. Medical Tourism Training delivers high quality on-site training and consulting services creating measurable change for its clients.

Consulting services include: lead generation & lead conversion; patient experience assessment, training, and consulting; relaunch strategies; formalizing and developing medical clusters; certification programs; creative and innovative marketing
campaigns; and much more.

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[i] https://patientsbeyondborders.com/medical-tourism-statistics-facts, accessed 8 November 2017
[ii] https://www.medicaltourismindex.com/2016-medical-tourism-industry-valuation/, accessed 8 November 2017