The Medical tourism industry in Thailand

Evan Kao
Senior reporter
《Global Views》Magazine
Briefing Outline:

Ⅰ. How Thailand Tourism medical rise?
Ⅱ. Health care industry restructuring opportunity in Thailand.
Ⅲ. Case analysis
   (Bumrungrad & Bankork Hospital)
Ⅳ. Conclusion: What Taiwan can do?
Thailand's new economic wings: Medical Tourism

- **Medical + Tourism**, not only is the combination of two terms, is also a new kind of hospital operations, a new travel patterns, it is a new industry pattern.
- Thai baht fell in 1997, triggered the Asian financial crisis, Thailand became the epicenter of the worst-hit areas.
- Only 10 years, Thailand has once again stood up. And the medical tourism driven economy to take off into the new pair of wings.
Today, the International Hospital in Thailand is replaced by sunshine, sandy beaches, golden palace, becoming Thailand another locomotive.
Medical outsourcing wave, 4.4 billion dollars pour into Asia opportunities

- Advanced countries in recent years, the **high cost** of medical care, **waiting for a long period** that gave birth to "medical outsourcing" demand in Europe and America began to other patients in developing countries patient.

- United States Centers for Disease Control (CDC) announced that in 2006 as many as **43.6 million** people nationwide, did not buy any medical insurance, of whom 150000 people have to go abroad for medical treatment.
Thailand's new economic wings: Medical Tourism

- **Newsweek** estimate, in 2012, Asia's medical tourism market will grow to 4.4 billion dollars.
- After 911, Middle East massive influx of patients in Southeast Asia.
New business model: Medical + Tourism + consumption

- When the "patient" to the foreign medical act, but also these people, "tourists", led the way local tourism, travel, accommodation, consumption, and other business opportunities.
New business model: Medical + Tourism + consumption

- KGI Thailand, vice president Thanawat described, "This is the combination of two different products, you may still today in the hospital, tomorrow may do to sunbathing on the beach."
Thailand: The most popular pilgrimage for International patients

- Thailand Ministry of Commerce statistics, in 2006 Thailand to attract 1.4 million international passengers patients about that tourists (13.8 million) by 10%, creating 1 billion income, is the world's largest number of medical visits sightseeing power.
- In 2010, foreign patients can be exceeded 2 million.
- After 911, patients from Middle East from 20000 people in 2002, doubled to 98000 people in 2006, becoming Thailand’s fourth largest source of foreign patients.
New trend: competition for foreign passengers Hospital

- New leader: Bumrungrad & Bangkok hospital, has become a target scriptures.
- Hospitals constantly entering the market, the Tourism Bureau to promote printed manual will be included in the 34 hospitals, it is estimated that there are more than 50 domestic Thailand ready to get into the market.
I. How Thailand Tourism medical can rise?
1. Relatively low cost of medical care

- The biggest incentives, that is relatively inexpensive health care costs. Not only cheaper than Europe and the United States, even than Hong Kong, Singapore and other countries more affordable.

- McKinsey consultancy study, on the same medical services in the world, may have spread from 2 to 8 times.

- For example, the heart surgery, the price of Thailand (390000 NT) Only the United States (1.8 million NT) of over 20%. Hip replacement (300,000 NT) Only the United Kingdom (900,000 NT) 33%.
2. Five-star hotel services

- The real-time services: Europe and United States do not have life-threatening surgery, patients wait too long.
- Hassle Free full-service: meet the needs of patients and their families, establishment the services network at any time for patients, the patient at home can be completed online booking. Hospital Airport Shuttle, travel itinerary planning, visa processing, and other services.
- The Bangkok Phuket Hospital branch, even have their own travel agents, many hospitals are set up hostels District Court for the nearest family members.
2. Five-star hotel services

- Thai people born with "Service Mind": the service's influence, even beyond medical technology and equipment. The local Taiwanese said, "See the smiles of nurse, as if even the injections also less pain."
3. Excellent geographical location

- Southeast Asian tourists, but there are not too many around credible international hospital.
- Herefore, the Indo-China peninsula in the heart of Bangkok, will attract many tourists with its neighbors high-income consumers.
Excellent geographical location

- Hospital not only attract local tourists, but also join the international SOS rescue system, when neighboring countries event of a major accident, can be used ambulances, helicopters, aircraft, etc., transporting patients from the emergency.
- For example, Helicopter ride from Cambodia, three hours can be served Bangkok, than by land (6 to 8 hours) for a number of rescue time.
- Many foreign guests (such as the United States President George W. Bush) visited Southeast Asia, these hospitals will be included in the emergency network security.
New trends:

**tourism revenue > medical income**

- Kasikorn Research estimates, in 2007, visit to Thailand of foreign patients, will reach 1.54 million and create **36 billion baht** revenue. But only **16 billion baht** is medical diagnosis.

- Technology and price is important, but if the hospital can accompany the visit "**family**" together in planning, provide more value-added services to customers will be more attractive, but also willing to pay more.
New concept: from "door to door" to the "back to back"

- Previously, patients leave a doctor, it is the entrance to the hospital from their own door, it is only the single-trip.
- But now, hospitals can take care of patients from the country to return to the journey of all the details, to meet a variety of non-medical services, a kind of "back to back" full-service.
New concept: from "door to door" to the "back to back"

- Customize: In the past, foreigners access to services, treatment, ward size, are related to the same standards of local nationals. But now both wards decorations, meals, services and other means, the patients must be in compliance with national cultural identity.

- Medical tourism: "hospital" and "tourism industry," the two industries move closer. Hospital start learning how to provide hotel services, tourism also try to satisfy the medical products theme.
II. Health care industry restructuring opportunity in Thailand.
1. The rebound in financial turmoil

- Heavily on the financial turmoil: In 1997, the Thai baht against the dollar tumbled from 26 to 60, shrinkage of the higher charges to customers reduce private hospitals. Many businesses have reduced size and lower cost.

- Finding customers abroad: Many private hospitals began to cozy up to the high consumption of "foreign patients", the joint team to go abroad publicity to the way out of the local response to the impact of shrinking domestic market.
1. The rebound in financial turmoil

- Resistance to the "30 baht" policy: Thailand already an oversupply number of hospitals, the Government in 2001 launched the "30 baht for medical treatment." Social welfare policy and take care of 70% of the middle and lower classes.
2. Government follow this trend

- Although there is no direct sponsorship funds, tax breaks or loans concession, but Thai Government make good use of tourism resources, such as opening shops and services, and lead overseas exhibitors, the establishment of propaganda web sites, and Hospitality international media to visit.

- In the future, Thailand intends to enter the "health" market. Make foreigners continue to come here for sightseeing, tourism, medical treatment, even to settle pension. 2006 promulgated the "Vision 2020" plan in the country, "World Medical Hub" as one of the six objectives.
III. Case analysis
(Bumrungrad & Bankork Hospital)
Bumrungrad Hospital

- "Medical United Nations": 2006, "Newsweek" listed the world's top 10 "medical Mecca. CBS "60 Minutes" also reports the hotel-style services.
- In 2002, became the first international evaluation by JCI hospital in Asia. In the 16 countries have offices overseas.
- Southeast Asia's largest private hospital: 2006 to attract patients from around the world 190 of medical treatment, a turnover of 7.89 billion baht.
- Last year completed 18 of the complete opening new building, daily outpatient amount will be increased to 5000 people, as the world's largest single hospital.
Middle East 40% surge in passengers annually

- Last year, nearly 1 million patient visits, up to 430,000 foreign patients, contribute than 50% revenue.

- After 911, patients from Middle East in 2000 from 5000 people, 2006 surged to 71000 people. The hospital is located Sukhumvit Road, like the Middle East settlement, the stores also marked billboards Arabic, and the streets are even mosques.

- International patients Center: 12 doctors, seven nurses, and 16 full-time staff, a daily average of 1,000 replies to e-mail, and help patients registered reservations, online valuation.
Unlike the hospital

- "Hotel" services: the patient got off the service immediately over to help open the door, to luggage, help patients get a wheelchair, and free parking. Hall decorating with the same hotel.
- "shopping" Facilities: In addition to the wards, where there are all kinds of restaurants, including pharmacies, gift shops, florists, salons, supermarkets, travel agencies and other outlets life, as a shopping plaza.
Unlike the hospital
Unlike the hospital
Visa, travel, accommodation ~

- Seven years ago, set up service counters in the hospitals, at the Ministry of Foreign Affairs Visa.
- Thailand's largest travel agencies, "Diethelm" to help patients or their families for planning itineraries.
Visa, travel, accommodation ~

- VIP ward beds, living room, bar, kitchen, balcony, and other independent variety of charges 6,000 baht per night take-off, only two more of the Royal Suite 20,000 baht asking price, also provide meeting rooms, visitors Lounge, maids bed facilities.

- Meticulous services, rehabilitation care, cooks cooking, laundry cleaning, insurance consultant Express, typing, printing, such as car Shuttle everything. There are two hospitals for the families of hotels, and adjacent 16 hotel to provide accommodation.
Know how the future output consultants

- New opportunities: Consultants. In recent years, Bumrungrad accumulated over the past output, establishment of know how to provide medical consultants, sent managers, doctors, nurses, consultant team to assist countries in industry, design their Hospital.

- Branch company: Last year, Dubai heavily planned international Healthcare City, Bumrungrad will be roped in the past opened branch, the Philippines also has another plans.
Bankork Hospital

- A old chain hospitals with 35 years history, 18 hospital chain, also in Cambodia Branch, 10 overseas service stations.
- 2006 revenue reached **15.98 billion baht**, profit 1.32 billion baht, the Thai private hospitals are ranked first. Received from 100 countries **720,000 foreign patients**, accounting almost half of Thailand for foreign patients.
- Bangkok urban centres of the foreign patients in 2002 from 28000 people, soared to 120,000 people in 2006. There are many tourists when it Perspective (Pattaya) branch, 40% of patients expatriates, contribute 60% of revenue.
Service foreign patients over 30 years

- "Japanese medical service centre" has been established for more than 30 years, the largest foreign customers.
- In the past, almost all foreigners sick to run Singapore. Bangkok Hospital to set up the first international clinics, tailored for foreigners launch services, local patient triage and Thailand.
When Hospital becomes "Sharon"

- Museum of Arts style by the architectural design, and dilute the patient's sense of unease and anxiety. Held daily recital, with a strong flavor of the arts, hospitals the cold flu.
Communication without borders

- Most eye-catching slogan: We Speak Your Language!
- Provide 29 kinds of language translation, the hospital site have dozens of text.
Communication without borders

- Asked physicians, nurses in foreign languages, send doctors abroad for training, recruitment of physicians to study experience.
- Develop the patient's guide shows the SOP process to meet the diverse cultural identity.
Sketch patients:

- 20-year-old girl Shaikha from Dubai, she first visit Thailand, but their parents has been a frequent visitor to Bumrungrad. The mother of five children together, everyone has different divisions to see into his six family medical tour.
Ⅳ. Conclusion: What Taiwan can do?
1. The marketing abilities of Hospital

- Breakthrough Act restrictions: Thailand has shares listed seven hospitals, have flexible marketing practices and the ability to raise funds, Taiwan hospital is tied hands tied legs.

- Use "non-medical" capability: not only than medicine, but also over services, marketing, support system, the insurance companies to enter the international network. To the introduction of non-medical expertise of many talents, it has continuously updated equipment and services.
1. The marketing abilities of Hospital

- Bumrungrad 3,000 employees, only 1,700 are doctors and nurses, the rest staff are to provide variety of non-medical services.
2. **Communication skills**

- Must hire enough translate staff, allow patients to use their language of communication with the medical staff.
- These translations can run clinic with patients, receive drug bill until discharged.
- Thailand is not a English language countries, Taiwan should be alert this ability.
3. The Supporting attitude of Government

- Thai Government help industry develop new markets, rather than negative everywhere, and establishing a heap of regulatory obstacles, all as open as possible to simplify a wide range of visitors.
- Government assist with the international insurance industry. Contact the foreign company and governments, to help hospital get a stable customer base.
- For example, the Thai government signed with the Office of Dubai Police, Dubai police came to Thailand for medical treatment fees can be applied to the Government for payment.
Hospital industry: six well-known international hospitals such as: Bumrungrad, Bangkok, Phyathai, BNH (Bangkok Nursing Home), praram9, Chaophya.

Peripheral units: the Ministry of Health medical Authority, the Department of Commerce, Ministry of Tourism, Thailand Insurance Association, KGI Research Department, Kasikorn Research, the Federation of Taiwan Thailand, Bangkok Taiwan Trade Centre.

Interview time: July 2007
Publication time: September 2007
Thailand can, and Taiwan can do better!