

MEDICAL TOURISM IN ARIZONA



AGENDA

- Industry overview
- Successful international destinations
- The U.S. success cases
- Formation of clusters
- Arizona and its competitiveness
- Market analysis for AZ
- AZ gaps analysis
- Conclusion
- Recommendations

OVERVIEW: DEFINITION



OVERVIEW: MARKET SHARE/ GROWTH

Worldwide Medical Tourism Industry

Billions of U.S. dollars

120

100

80

60

40

20

0

Growth 20-30% annually

Global
Multibillion
Industry

2004

2012

OVERVIEW: MARKET DRIVERS



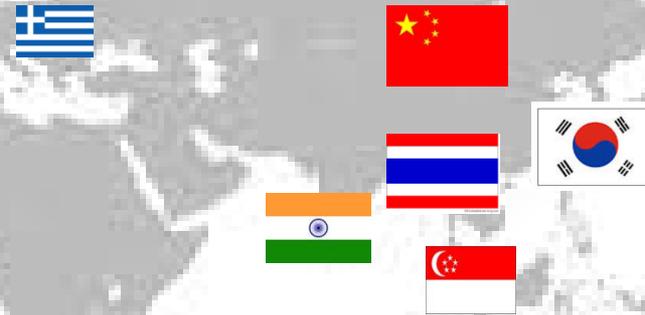
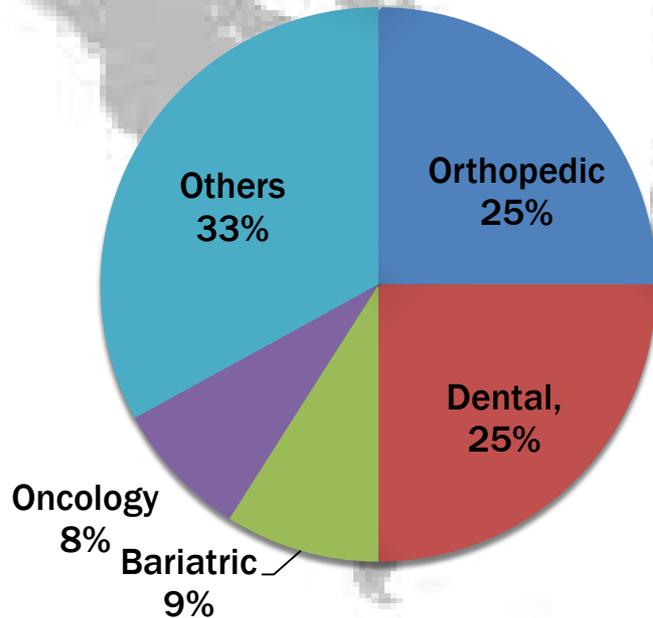
Primary Drivers

Supporting Drivers

- Technology
- Geographic
- Tourism and Vacation
- Visa
- Legal and Culture

SUCCESSFUL INTERNATIONAL DESTINATIONS FOR INBOUND

What Services Do They Seek?



THE U.S. SUCCESS CASES : MAYO CLINIC



- 8,000 patients from over 140 countries
- Multilingual
- International media outreach
- Doctors' foreign language fluency
- Foreign Mayo-trained alumni

THE U.S. SUCCESS CASES: TEXAS MEDICAL CENTER

- Established in 1945
- **2011-2012**
Member Institutions: 54
Patient Visits: 7.2 million
- International Patient
Visits: 16,000 (2011)



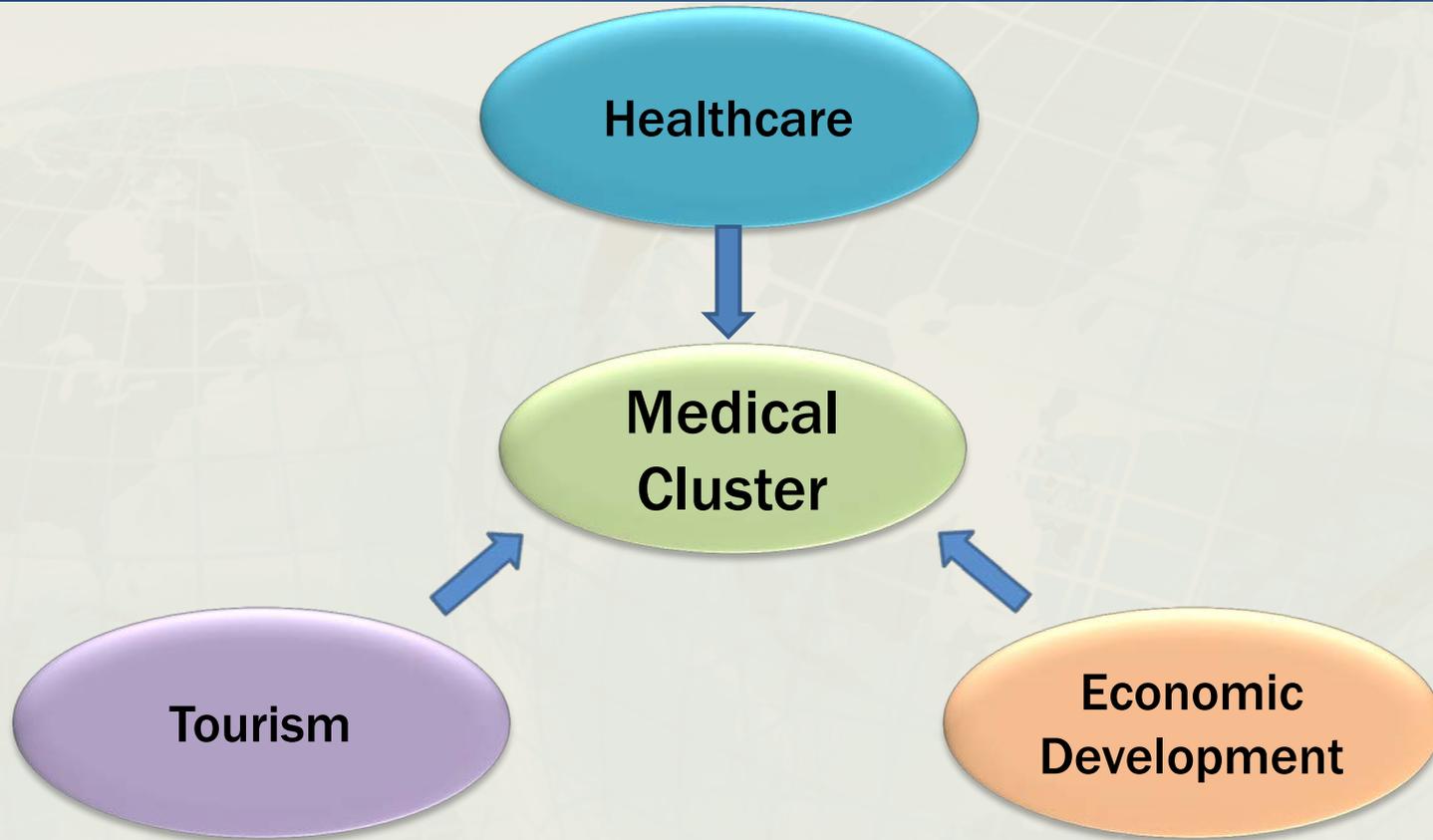
Texas Medical Center

World Leaders in Patient Care, Research, Education, and Prevention since 1945

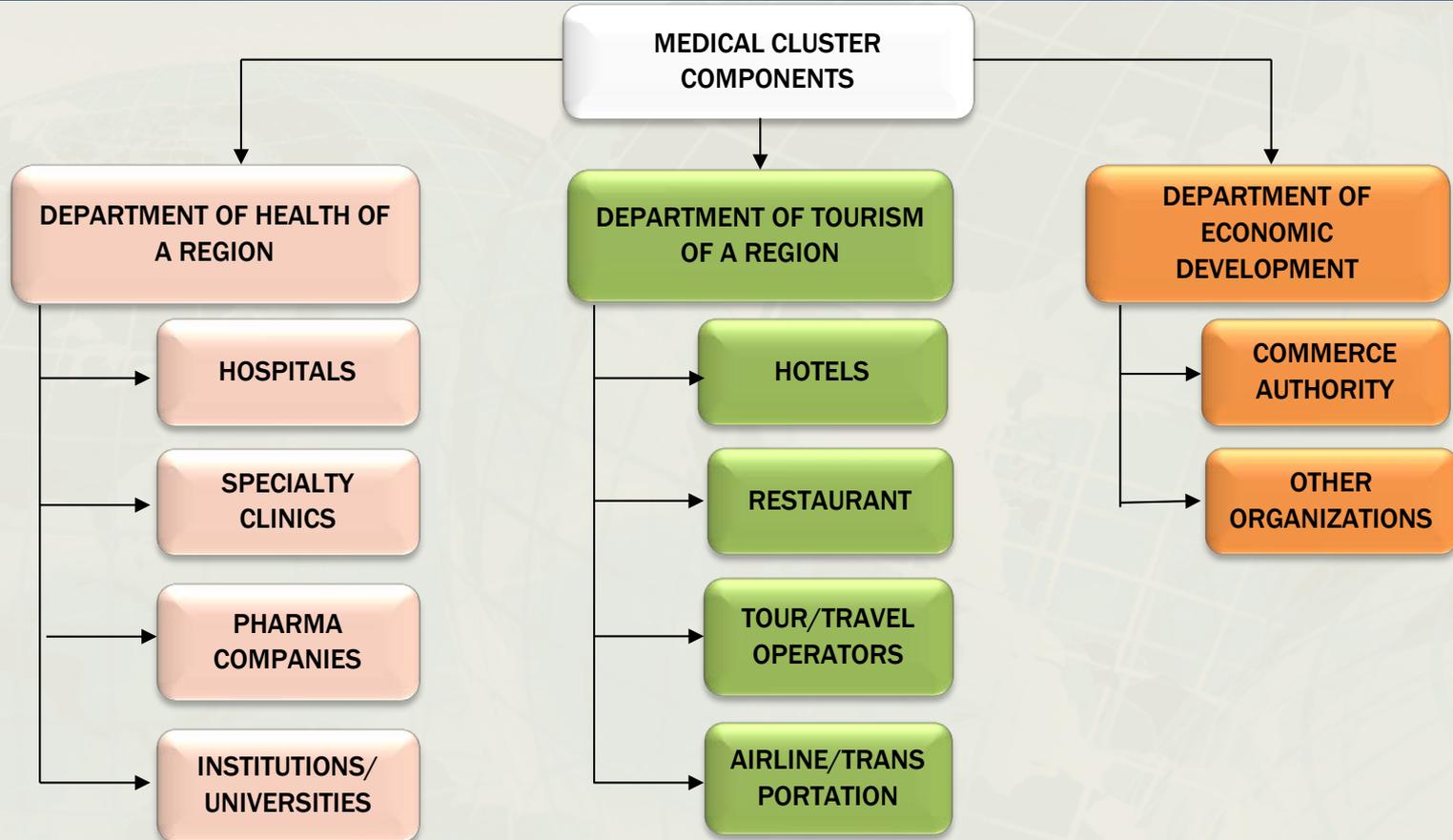


TEXAS HEART[®] INSTITUTE

CLUSTER: BUILDING BLOCKS



CLUSTER: IN DETAILS



CLUSTER: BENEFITS



ORGANIZATIONS SUPPORTING MEDICAL TOURISM



WORLD MEDICAL TOURISM &
GLOBAL HEALTHCARE CONGRESS



Washington, D.C.
September 21st - 24th, 2014

ARIZONA AND ITS COMPETITIVENESS: OVERVIEW

- “Roughly 80% of medical advancements occur within a 25 mile radius of an academic medical center”
- Amenities: For doctors and visitors
- Strong and reliable healthcare services/treatment >> Five national rankings
 - However: “Does a ranking have any weight anymore?”
 - “The market is confused by rankings”



NATIONAL RANKINGS

Hospital	Cancer	Cardiol.	Diab.	E, N &T	Gatro.	Geriatrics	Gyn.	Kidney	Neuro.	Neonat.	Ortho.	Pulm.	Urology
Mayo Clinic	X			X	X	X	X	X	X		X	X	X
St. Joseph's Hospital and Medical Center									X				
Scottsdale Healthcare Shea Medical Center					X								
Phoenix Children's Hospital		X						X	X	X			X
University of Arizona Medical Center				X		X							
								Legend	Nationally Ranked Specialty:				X

- Cardiol.: Cardiology & Heart Surgery
- Diab.: Diabetes & Endocrinology
- E, N & T: Ear, Nose & Throat
- Gatro.: Gastro- enterology/GI Surgery

- Gyn.: Gynecology
- Kidney: Kidney Disorders
- Neuro.: Neurology & Neurosurgery

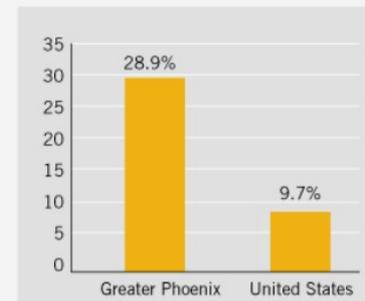
- Neonat.: Neonatology
- Ortho.: Orthopedics
- Pulm.: Pulmonology

WHERE THE FOCUS SHOULD BE FOR ARIZONA

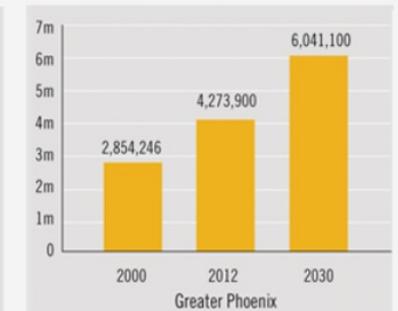
- Now is the time for change in Arizona!
 - Government changes and new policies
- The focus must be broader than just Medical Tourism
 - >>> Focus on: General tourism and economic growth/development
 - Increased collaboration
 - Stronger push for research, technology and partnerships
 - New healthcare/bioscience companies
- Increased market and brand awareness
 - Advertising



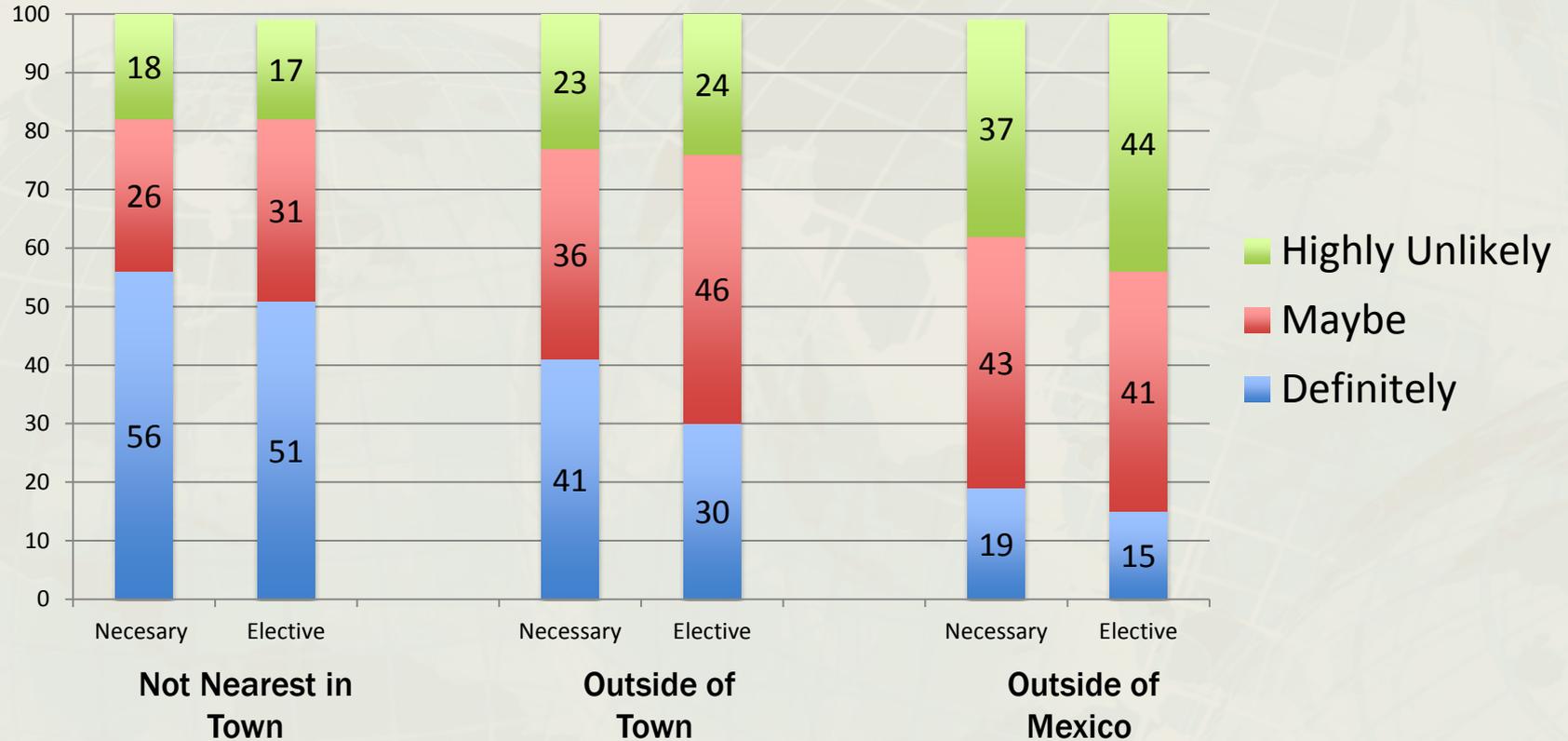
RAPID POPULATION GROWTH 2000-2010



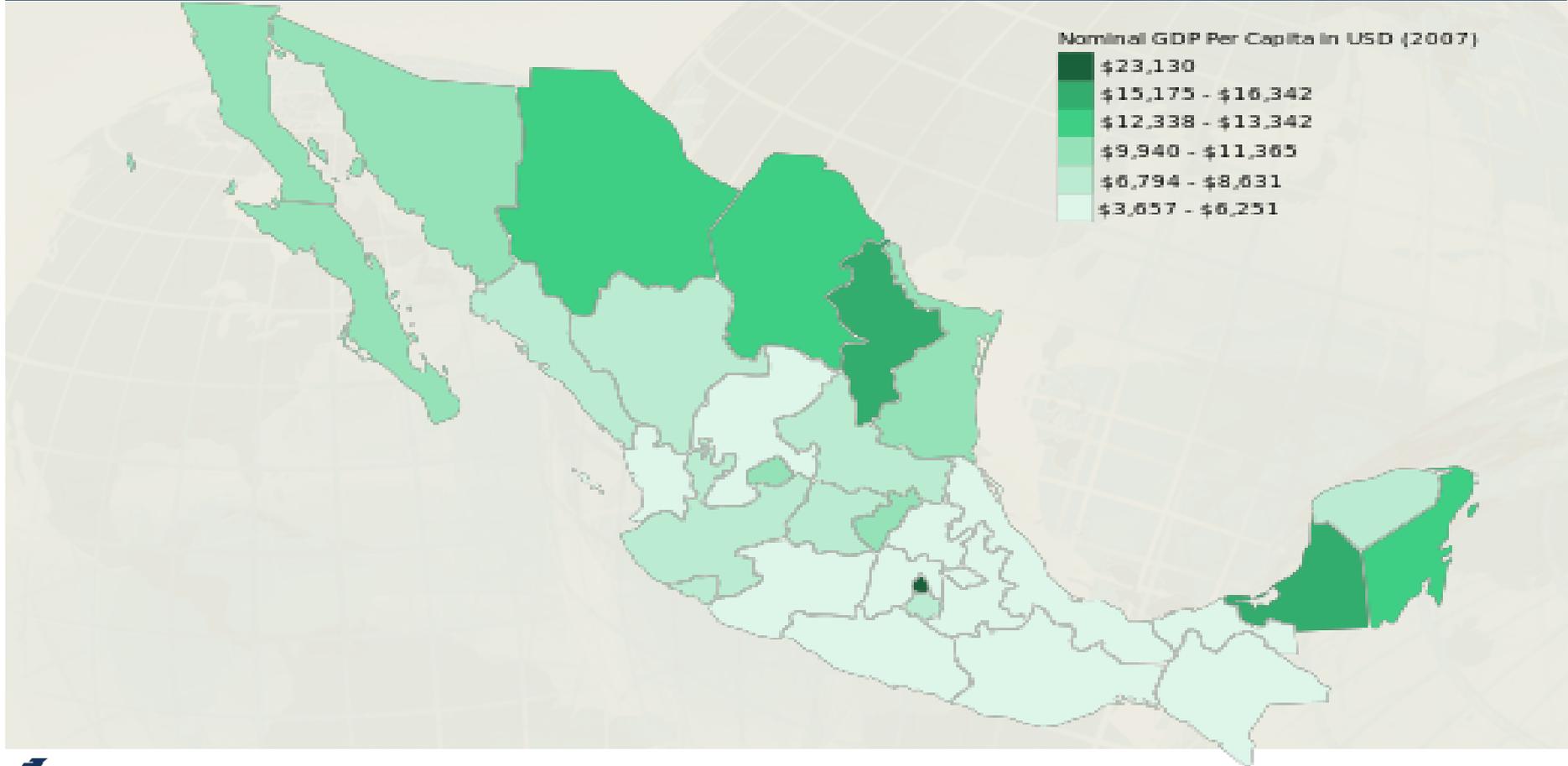
GREATER PHOENIX TOTAL POPULATION



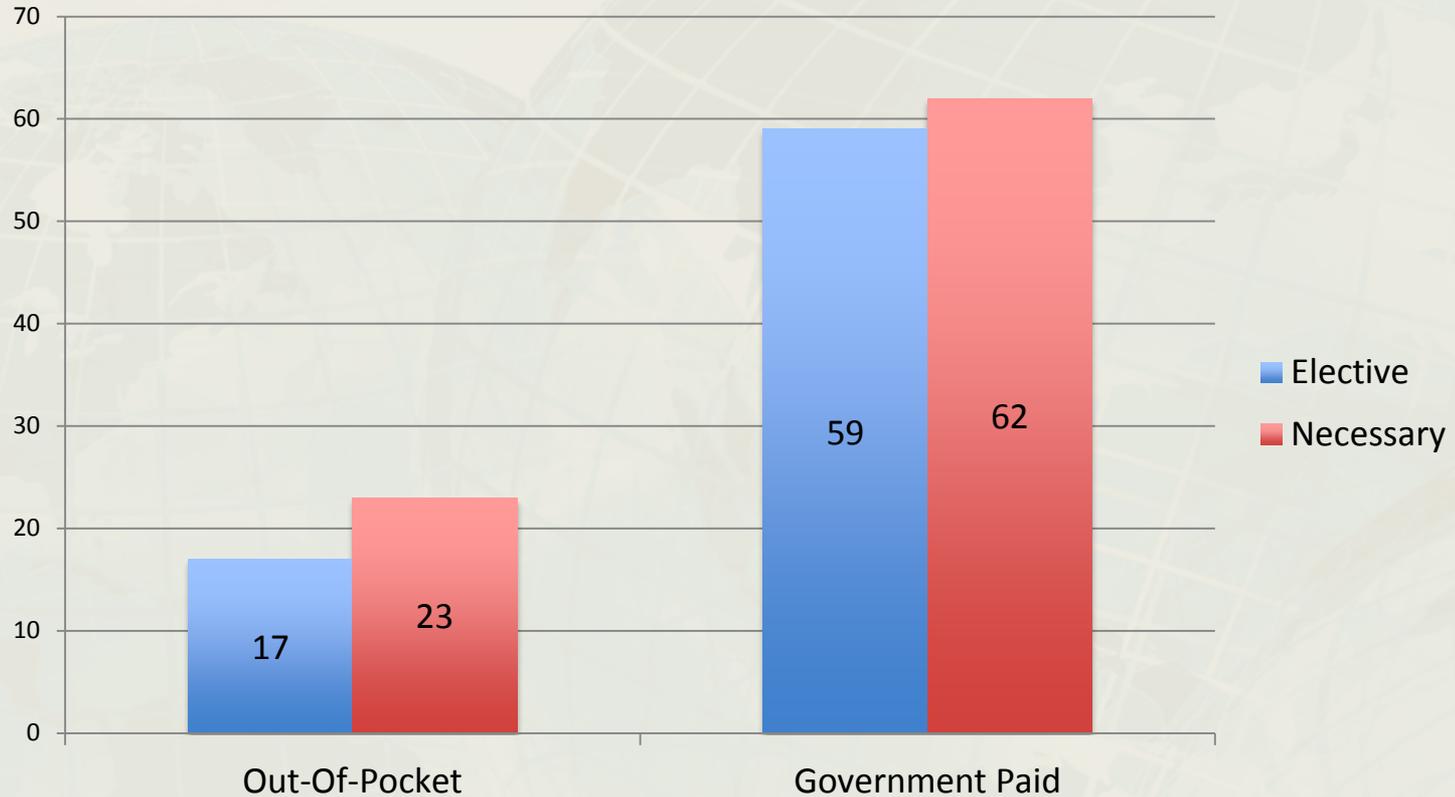
MARKET ANALYSIS FOR AZ MEXICO: DISTANCE FROM HOSPITAL



MEXICANS NEAR BORDER HAVE HIGHEST EARNINGS



SURVEY: CANADIANS' WILLINGNESS TO GO ABROAD FOR SURGERY



MARKET ANALYSIS FOR AZ: PROVINCE PROVIDED OUT-BOUND HEALTHCARE

- Inpatient: \$75 CDN (British Columbia¹) to \$575 CDN (Nova Scotia²)
- Outpatient: \$50 CDN in most of Canada
- All provide full-coverage for treatment unavailable or long wait-listed in Canada
- Common procedures: Orthopedic, Neurosurgery, Weight loss, Cardiology³

2008-09: \$220 million

WHY THE FOCUS SHOULD BE BROADER, AND THE EXCEPTION

- 99% of healthcare is performed on local level
- Unplanned healthcare needs while traveling
- Medical Tourism will only improve when the larger components improve
 - Higher NOI/Bottom Line
- The small exception:



- Yet is it enough to make an impact?



“ Welcome Feeling is imperative”



AZ GAPS ANALYSIS: SWOT ANALYSIS

STRENGTHS

- Barrow: Largest in U.S.
- Muhammad Ali Parkinson Center- “Most comprehensive in the nation”



WEAKNESSES

- No excellences – 2 to 3 needed
- Low coordination/collaboration
- No focus on Econ. Development & General Tourism
- Advertisement



Partnership?
Subspecialty Care?

OPPORTUNITIES

- Collaboration
- Education, research and technology
- Partnering
- Marketing/Conferences/Symposiums



THREATS

- Competing medical centers/organizations



ARIZONA GAPS ANALYSIS: LESSONS TO BE LEARNED



- “People come to Mayo Clinic when they don’t have a diagnosis”
- “Most healthcare experiences aren’t planned”
- Patient Brokers: Most often a price negotiation
- International embassies
- International graduates/physicians= +++
 - Language and Culture
- Winter time is extremely busy
 - Snowbirds and General Tourism



Why Successful?

- ❖ Best Neurosurgeons, Doctors, Nurses and support
- ❖ Best Technology and Research
- ❖ “Le Concierge”
- ❖ International Patients (7/12 – 7/13):
 - ❖ 214 inquiries >> 149 reviewed cases >> 50 surgeries >> \$6.1M

Problems

- ❖ No help. It’s all Barrow
- ❖ Isn’t designed for International>> Culture/Language
- ❖ Little Advertizing

CONCLUSION

- **Huge International Market, but Competitive**
- **Arizona has potential: needs a lot of effort**
- **Need to identify the right target market**
- **Develop strategies/programs based on demand**
- **A focused plan has to be made and implemented**

RECOMMENDATIONS

- Neutral entity to take the lead in promoting medical tourism
- Focus must be on general tourism and economic development
- Collaboration with hospitals, research institutions, medical schools, and state/city governments
- Organize symposiums to increase networking and referral opportunities
 - Both Large Company and Physician related
- Identify markets (Canada, Mexico, etc.) to attract to Arizona
- Increase the number and national recognition of sub-specialty care available in Arizona
- Associate with Medical Tourism Association (MTA)
- Marketing initiatives, including advertisements

Q & A