

Exploring Medical Tourism in Mexico: Competitive advantages and disadvantages in the international arena

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The increasing expansion of the internet and the generalized use of information and communication technologies (ICT) have transformed sectors such as health tourism and more specifically, medical tourism, its most dynamic category, which shows a strong potential for a development. The supply of health services in a country seeks to satisfy a new and increasing foreign demand. Health related tourism services are relatively new, however, and their conceptualization and measurement volume are not as yet well-defined [1, 2]. The present research paper attempts to 1) give an academic perspective in health and medical tourism definitions for further analysis and 2) present the competitive advantages and disadvantages of the development of medical tourism in Mexico. In keeping with the above purposes, the methodology will consist of an exploratory research of the literature based on experts' interviews in order to give recommendations for the development of this sector and validate the Mexico's competitive advantages.

INTRODUCTION

The increasing expansion of the internet and the generalized use of information and communication technologies (ICT) have transformed sectors such as health tourism and its most dynamic category, medical tourism. This latter, due to tourists' increased attraction, shows a strong potential for a development. Technological improvements are challenging the production and distribution processes of the sector. Globalization has opened further channels between suppliers and consumers and provides increased accessibility to the international services markets. There is also an increasing fragmentation of the activities that developed countries are outsourcing to different regions [3]. The supply of health services in a country seeks to satisfy a new foreign demand with higher expectations. The effect of health tourism can boost profits in the health sector of host countries such as Mexico, contributing with socioeconomic benefits including a higher national income, more foreign currency [4], with a multiplier effect [5] and more aggregated value's jobs. The international competition for this specialized market is strong. Hospitals and staff are working to obtain international accreditations, cities to develop medical clusters and medical companies to progress in partnerships. The objective is to encourage patients to trust them, especially in infrastructure development and staff training [6, 2].

OBJECTIVE AND METHODOLOGY

The present paper is aimed to present 1) an academic perspective of the concept of health and medical tourism for further analysis, and 2) the competitive advantages and disadvantages of the development of medical tourism in Mexico in the light of a dynamic international competition. The methodology consists of an exploratory research of the literature based on experts' interviews with the aim to give recommendations as regards the development of the sector and the attraction of international patients/tourists.

DEFINING AND MEASURING HEALTH, MEDICAL AND WELLNESS TOURISM

The tourism sector represents a national priority in many countries such as Mexico because it generates a crucial regional development from the socioeconomic and environmental points of view. Medical, health and wellness tourism have emerged as one of the most important topics in academic research with a growing relevance for both industrialized and emerging countries. The conceptualization of the concepts, however, including the exact definition of health treatment, is still unclear. An international definition has yet to be accepted and, to date, only approximations exist. Health and medical tourism lack clarity in their definitions [1, 2, 3, 7]. The most commonly accepted definition for health tourism states that health tourism is when a person who lives in a given country travels to another one or to another town within his own country "to receive medical, dental, and surgical treatment with care that is equal to or better than he would have in his own country or city of residence, i.e., traveling for medical care because of affordability, better access to care, or a higher quality of care" [8]; "to have quality health and tourism services" [9]; "to receive medical treatments and care in a foreign country" [10]. The difficulty in defining health tourism is that historically it has been more associated with Europe than with America. More recently, however, the term has been used internationally together with the notion of medical tourism [7]. It is more or less accepted that health tourism is divided into two categories: medical tourism and wellness tourism. Medical tourism includes both in-patient surgery procedures and treatments with medicines and out-patient procedures (dental, vision and some cosmetics surgeries) [10], i.e. traveling abroad to obtain medical services such as dental and surgical

care. It represents the "increasing tendency among people from developed countries to undertake medical travel in combination with visiting tourist attractions" [11]. Medical tourism is sometimes seen as seeking medical services and travel jointly. Wellness tourism comprises relaxation-oriented activities, lifestyle changes, spas, retreats, retirement homes and assistance for the elderly [10]. It can be defined as the "balanced state of body, spirit and mind including such holistic aspects as self-responsibility, physical fitness/beauty care, healthy nutrition, relaxation, mental activity and environmental sensitivity as fundamental elements" [7, 12]. On a third level, medical tourism is divided into therapeutic tourism (based on natural healing resources) and surgical tourism (mostly traditional Western medicine) [2, 13]. Finally, this export could be (or not) about "individual physicians, clinics and private hospitals from providing consultations to interpret clinical and dental treatments to more complex surgical procedures such as heart or organ" [14].

Measuring medical tourism has a strong relevance because of the poverty or inexistence of official data which represent the main limitation of the research. There is little information available to accurately quantify the export of medical services. Actually, the total number of patients travelling to Mexico to look for medical treatment and the national income coming from this tourism and the real market size is as yet unknown. The forecast gets more confused: it has been estimated that the market size of Mexico for health and wellness tourism for 2013 is about US\$ 4,148 million with a forecast of growth rate about 5,3% for the period 2013-2018 [18] or US\$ 2,850 million with an increase of 7,3% during the years 2013-2016 [10]. Some experts try to estimate the amount of patients/tourists using the notion of "health-related travel" to calculate the number of in-patients in Mexico, their stay, their origin and their expenses. It has been studied and related relevant literature has been used to achieve approximate magnitude. "Visitors to the United States, Canada and Europe are the most likely to use Mexico for intervention. [...] The medical tourist spending is between US\$ 5,000 and US\$ 20,000 with a stay of 7-20 days [...] and represents for Mexico and US\$ 120 million of economic benefit" [15]. This expert estimated that the average cost per day of a visitor is from US\$ 900 to US\$ 1,300, while each member of his family spends US\$ 2,500. In 2010, Mexico estimated an arrival of 750,000 medical tourists. The number of medical tourists from Europe increased 6% in 2011 and will continue to do so despite the economic crisis [16]. Mexico is supposed to have received more than 1 million foreign patients during 2012, many of whom are from the USA (especially from the states of California, Texas, Arizona and Illinois), Canada and United Kingdom amongst others [10]. An amount of 200 thousand to 1.1 million patients travel to Mexico annually to receive health care services [17] with the fastest growth in 2012, a current value increase of 30% and a value sales of US\$ 34,7 billion [18].

POSITIONING MEXICO IN THE INTERNATIONAL ARENA

Despite the lack of information and statistical data for Mexico and the world, the current research can identify specific factors that have facilitated (or obstructed) the movement of patients in Mexico over the past years. Mexico has numerous competitive advantages that help it to position itself in the international arena but the country also has to deal with its own issues.

Competitive advantages of Mexico in Medical Tourism:

Mexico's competitive advantage arises from the skillful use of its medical specialties, tourism reputation and competencies that are put in practice to gain more patients from rivals in this global market's segment:

1. Top level of Medical Services and reputation of specialties doctors
 - 1.1. International health quality pattern of private hospitals and clinics [10, 19]:
 - National Health Certifications by Government: 122 hospitals
 - International Accreditations by IJC (International Joint Commission): 12 in only 6 cities. There are 610 health institutions in 55 countries with at least one JCI accreditation. In the USA there are 19,000.
 - International insurance companies working with Mexico: Aetna, BCBS, Coventry Health Care, Humana, Kaiser, Unicare, UnitedHealth, Allianz, RBC, AXA y Bupa.
 - 1.2. Reputation of doctors and well trained medical staff in private hospitals [10]:
 - 57,865 specialists
 - 9,676 obstetricians and gynecologists (16.7%)
 - 8,385 surgeons (14.5%)
 - 8,315 anesthesiologist (14.4%)
 - 7,591 pediatricians (13.1%)
 - 4,320 internal medicine specialists (7.5%)
 - 19,578 other specialists (33.8%)
 - 1.3. Excellent quality infrastructure:
 - Very modern and sophisticated medical equipment
 - Rooms: large and private
 - 1.4. Warm, human approach from the medical staff, sometimes better than the patient would have in his/her home country.
 - 1.5. Medical Tourism clusters in 9 Mexican cities
2. Proximity, easy geographical accessibility for surgery, treatment and follow up.
 - 2.1. Cities in the Northern part of Mexico:
 - Proximity of the United States border represents a potential enormous market. Road and air accessibility.

- Medical staff with excellent proficiency in English, sometimes with U.S. Board certification.

2.2. Cities throughout the rest of Mexico:

- Proximity of Mexico City and its international airport.

2.3. Cultural closeness for Mexican people living in the USA who can go to Mexico and be with relatives or friends. "Additionally, the large number of Mexicans residing in the U.S. represents an important niche market for the promotion of health service exports. This type of trade is significant, especially in areas near the U.S.–Mexican border" [20].

3. Competitive prices and savings:

- Many specialties, e.g. dental care.
- High value and high quality treatment is much cheaper: 36% to 89% less [10]

4. Recognized and strong reputation as a tourist destination:

- Beaches, colonial cities, mountains and archeological sites
- History, culture and gastronomy
- Good weather all year long allowing all kinds of activities.

5. Innovation and R&D in private clinics

GENERAL DISADVANTAGES OF MEXICO IN THE FIELD OF MEDICAL TOURISM

The Mexican opportunities arise from both an external perception from the outside and internal factors that need to be solved in order to obtain more tourists.

Internal factors to be solved:

1. Lack of a sufficient number of bilingual doctors and nurses in almost all the states of the country
2. Competition from countries like Colombia, Costa Rica, India, South Korea, Hungary and Thailand.
3. Existence of a "warning" by the U.S. State Department for U.S. citizens on the risks of traveling in some cities in Mexico due to threats to safety and security posed by Transnational Criminal Organizations (TCOs). (Northern cities)

CONCLUSIONS AND RECOMMENDATIONS

Due to Mexico's high supply level in the field of health tourism, medical tourism provides Mexico with revenues six times higher than leisure tourism. Some cities in Mexico have integrated a cluster in health tourism at a national level that is in the process of being protocoled. Such a cluster has focused on national and North American patients in a first, short term phase, and on foreign patients in a second long

term phase. At the same time, even if the first phase gets to the point of being well advanced on policy proposals, the second national goal lacks the aim of targeting patients with a special profile, a goal that this author considers to be lacking.

As regards the development of medical tourism, currently the Mexican services are in the phase of recognizing the huge competitive advantages in attracting patients from neighboring countries. Mexico's northern cities specialize in patients from the USA due to their geographical competitive advantage. Patients there can stay either for long treatment or they can also be one-day patients in case of lighter treatment, e.g. some dental works. The formalization of the local clusters and the national one aims to include all the stakeholders to encourage new small businesses to open and operate locally. However, as proof of the high level of medical know-how, a large number of Mexican surgeons encompassing all specialties do surgery in US hospitals where the prices for the same services are much higher.

The benefits and risks attached to medical tourism for individual and collective public health are a significant area for future research [10, 21, 22, 23, 24]. Medical tourism policies have to go further from the perspective of the demand side to accentuate efforts in attracting all nationalities, and also from the supply side to study in detail the specialties that could transform the country's advantage from a comparative to a competitive one in the Latin America region. From the demand side, the current research shows that it would be advantageous for the national medical tourism's cluster to segment the potential patients into two main categories in the second, long-term phase: 1) top spending tourists like the German or Chinese. The medical tourism supply would meet their special needs in function of their purchasing power, 2) the top holidays tourists like the French, for example, who can have 4, 5 or 6 holidays weeks which permits a different surgery supply, and 3) a demand segment from any country who may be completely unattended or be attended badly in the medical segment. These profiles need to be studied in further researches. It is especially important to meet this special segment of demand that so far has not been studied sufficiently in specialized literature. From the supply side, the challenge is stronger and needs a strategy of differentiation with the competitors' countries with the specialties to promote and a narrow collaboration between the public and private sectors. Considering that the arrivals of medical tourists should reach a constant flow from any country, the Mexican cities belonging to the cluster have to demonstrate that they have professionalism, good values and practices the patients can trust: in medical, legal and administrative attention, in insurance, pre and post-trip, and follow-up of the patient [2]. To reach those particular levels would put Mexico in the path of the premium countries in Medical Tourism and objects of further academic studies.

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BIOGRAPHY



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