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An EMVIO™ Essential Summary Update

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Further Health Tourism Development and the UAE

...and reversing the flow

Some background to this Essential Summary

The healthCare Cybernetics (hCc) Health Tourism Enterprise Practice generates Country Reports (we monitor and document Health Tourism activity in more than 100 countries – as part of our Health Tourism Watch).

These reports are summarised and made available as Essential Summaries.

Country Reports are updated practically “on the fly”, thanks to our EMVIO™ Electronic Document Management System.

Essential Summaries are “motivation driven” – i.e., they are updated when impacting developments occur in the country or the domain.

Motivation for this “Essential Summary Update”

...concerted actions in Abu Dhabi and Dubai

The UAE has for some time been engaged in concerted and isolated actions aimed at developing the country into a top league Health Tourism Destination.

The *national will* to achieve its objective was further demonstrated by the announcement (in August 2008) that a special department has been created within the Ministry of Health to focus solely on developing the medical tourism sector.

This, together with our monitoring of mounting moves to regulate the industry and introduce reforms, seemed to us a good excuse to update and release the present Essential Summary.

The UAE and Health Tourism

Note: Medical Tourism is one of the 8 *core* Health Tourism Segments (and arguably the most prominent).

The UAE is quite familiar with Medical Tourism, although in the past it was almost exclusively “outbound” (to the USA, the UK, Germany, Switzerland and more recently, South-east Asia).

Of course, many will point out that the UAE has been attracting medical tourists for years and developing the domain has been part of a strategic plan (see “Concerted Actions”).

Consequently, for the UAE, it not a matter of developing Health / Medical Tourism but rather of “further developing” it – and at the same time, reversing the flow.

The Perception and Credibility Factor

Generally, the Middle East was not, in the past, perceived as a desirable or very credible destination for Medical Tourism (Treatment Abroad).

But perceptions can be reversed with deeds (concerted actions), facts and well documented arguments.

See below:

- Concerted Actions
- Regulating and “Putting the house in Order”
- Reforms

But even when “unflattering” perceptions have been successfully reversed one is still left to deal with the global, sophisticated and fierce competition.

Competitiveness and Competition-busting

Geographic Location is no longer a shield against competition.

And prices can go no lower and quality can go no higher.

We have found that the only effective tools remaining (for use in climbing to the top of the league and gaining a competitive edge) are:

- Efficiency (through Domain Integration)
- Knowledge (through Continuing Education)
- Innovation (through Knowledge and Analysis)

Regulating and “Putting the house in Order”

Illegal / Illegitimate provision of Care

Apparently, an illegal parallel “medical procedures market” had been operating in Dubai for a number of years.

Since early 2008 we have been monitoring moves to “clean up” and regulate the Healthcare Services Provision industry.

For example, in 2008, the Ministry of Health initiated a “crackdown” on illegal clinics and uncertified doctors (with something like 10 clinics being shut down).

Advertising and Promotion of Medical Services

Healthcare services-related advertising is regulated (under a ministerial order).

Starting in 2007, The Ministry of Health (and specifically the Medical Advertisement Department) insists on vetting and approving all advertising in the context of Health Tourism.

Anyone wanting to advertise “medical or health tourism activities outside the country” needs to apply for a permit.

This applies to tourism & travel exhibition organisers, as well.

By the way: Dr Abdul Kareem Al Zaraouni is the Director of the Medical Advertisement Department.

Reforms

The General Authority for Health Services (GAHS) of Abu Dhabi has been busy reforming the country's medical sector since the authority's inception in 2001, and by divesting itself of 90% of its previously “held and run” operations, has set its primary focus on the regulation and licensing of the industry.

The objective is to make the private sector the main provider of healthcare services of the emirate of Abu Dhabi.

The government will maintain its role in remote areas and in preventative medicine.

Note: as at 2007, the Abu Dhabi government was the biggest provider of healthcare services (over 55%).

Reforms initially involved bringing in foreign companies to manage hospitals. The next step was to privatise them.

The decision to no longer directly provide the majority of medical services has opened the door for large investments in the sector - particularly for state-owned investment company Mubadala Development Corporation. As a result, a number of public hospitals have ceded administrative and operational functions to private enterprises.

Compulsory medical coverage is also expected to fuel the insurance industry as well as the growth of medical facilities as a new wave of newly insured patients will push demand.

In addition, the government's efforts to woo high-end medical providers have resulted in agreements with a growing number of blue-chip medical companies, such as Cleveland Clinic and John Hopkins Medicine, to set up operations in Abu Dhabi.

As more high-quality facilities are established and greater numbers of healthcare professionals are brought into the emirate, opportunities should invariably arise to turn the tide of medical tourism inwards.

Standards, Accreditation and Credentialing

The *reforms & regulations* policy introduced includes the issue of “Standards”.

16 hospitals in the UAE now have Joint Commission International (JCI) accreditation.

Note:

The seeking of accreditation picked up sharply in 2007 and 2008. The first to be accredited was the American Hospital Dubai, in 2000.

Subsequently there was a "lull".

Almost all the other Hospitals acquired accreditation in 2007 and 2008.

The latest was Sheikh Khalifa Medical City in Abu Dhabi, which won JCI status for its Surgical Pavilion, Medical Pavilion and outpatient speciality clinics.

The Balance (or Imbalance) of Trade

...and the phenomenon of "reverse importing & exporting"

We have been pointing out for years that countries claiming "Top Health Tourism Destination Status" have at the same time considerable "outbound traffic" (i.e., many of their own citizens go abroad for treatment).

And in turn, those who are seeing large numbers of their citizens going abroad for treatment (and who lament the "unacceptable state of affairs") have considerable "inbound" traffic (e.g., the UK, USA, Canada, the Middle East, South Africa etc).

Now, those who feel they are losing more than they are gaining are fighting back (through the implementation of efficiency and cost-cutting strategies).

It is a "balance – or imbalance - of trade" issue. And the balance shifts.

As for the UAE, from a net exporter, it has all the prerequisites to become a net importer of health services consumers.

Of course, competitiveness has now moved beyond the issues of "price and Quality".

To gain "competitive edge" the UAE will need the will to implement strategies and concerted actions to achieve:

- Efficiency (through Domain Integration)
- Knowledge (through Continuing Education)
- Innovation (through Knowledge and Analysis)

Reversing the Flow

In the past, The UAE has been a net "reverse exporter" of patients (Treatment Abroad).

Dissatisfaction with UAE medical services have been attributed to high cost, slow and insufficient service, lack of trust in available medical expertise and a poor attitude to care provision.

Treatment Abroad, to escape these *ills*, was an easy option (especially for the more affluent).

But even for the less affluent, Treatment Abroad was a choice, since most Emirati patients are sponsored by government agencies (and so, cost is usually not a primary consideration).

According to a statement issued by a representative for the Middle East Tourism Authority, approximately 62,000 UAE nationals sought medical treatment in Thai hospitals in the first seven months of 2006.

Many Emiratis believe that, even in the case of an emergency, they can fly out to Thailand or Europe and undergo treatment there.

Stories have been circulated (no doubt, *interest serving*) of unnecessary investigations and procedures being performed at hospitals abroad.

Also the issues of “aftercare” and “follow up” have been presented as arguments against the practice of going abroad.

The government authorities have taken note.

For example, Abu Dhabi has instigated a series of reforms, in a bid to reverse the “outbound” flow (and to create a facilitative and encouraging environment for the development of the private sector following a wave of privatizations).

Building Trust – and reversing the Perception Factor

In 2007, Dubai began passing a series of Laws aimed at addressing the dissatisfaction of the Emiratis (and *residents*).

These concern medical responsibility, patient rights, and medical standards and protocols.

Included is a medical ethics law detailing the responsibilities of medical personnel and their required actions in the face of emergencies.

Other “improvements” included the building of more hospitals, the addition of more specialties, strengthening of training and expertise, decentralising hospital administration, unifying health policies, improving coordination between various health authorities and ensuring universal health insurance for UAE nationals and residents.

And of course, a landmark event, was the creation of a healthcare free-zone, the Dubai Healthcare City. This in turn had the result of attracting high-profile names in healthcare such as Mayo Clinic, Moorfield's Eye Hospital and Harvard Medical School-Dubai Centre.

Restructuring

The restructuring of the healthcare system is expected to be complete by 2012 but we feel that the people’s trust will be won sooner.

The Resentment Factor

...and trickle down effect of Health Tourism

In the UAE (as in practically every country developing and offering Medical Tourism), the Public Sector Services tend to lag behind those of the Private Sector.

And Medical Tourism is offered predominantly by the Private Sector.

The high quality services offered efficiently to “foreigners” (often in a lavish setting) cause resentment amongst the less affluent local population – who do not get to enjoy these “export quality” healthcare services.

But the private sector cannot be blamed for the failings of state-run healthcare facilities and services, in countries where the poor were neglected long before medical tourists arrived.

Besides, there are good reasons for believing that medical tourism serves as a catalyst in compelling the state to improve the quality of services at public sector facilities - by acting as a form of “name and shame”.

In view of the glaring inequalities (between the private and public sectors), the state can no longer claim that “this is the best that can be offered in the country”.

Furthermore, part of the financial windfall which Medical Tourism brings could be passed on to improve public sector facilities ((e.g., proceeds from Medical Tourism Taxation).

We are already seeing examples of this in India.

The trickle-down effect of Medical Tourism takes many forms and can effect a broad spectrum of the country’s population.

The hospitals that cater to medical tourists will of course employ local staff, and create jobs.

The World Bank has observed that the rise of high-quality private clinics in Trinidad and other parts of the Caribbean, for example, has encouraged highly educated doctors to return home.

The other beneficial *knock-on effect* is on the countries whose citizens go abroad for treatment (because of delays or high costs at home).

We are seeing healthcare providers in countries such as the UK, USA and Canada clamouring to become more efficient, improve quality and reduce prices, in an effort to stem the outflow of patients. In the process, these same providers are now even soliciting medical tourism business.

The Issue of Capacity and Spare Capacity

With regards to further developing the industry, some express concern over issue of available manpower. The UAE, they say, must compete with other nations in the search for qualified medical personnel.

Note: The Middle East lags behind world leaders such as Europe, North America and Australasia in health-professional density.

According to the World Health Organisation (as at 2006), the Middle East had only 4.66 health workers per 1000 people, compared to 41.7 in North America, 29.02 in Australasia and the Pacific Islands, and 19.32 in Europe. At around half the global average of 9.3, the Middle East leads only Asia (4.53) and Africa (2.17).

We claim that capacity can be “bought” (and sector insiders agree).

The addition of world-class facilities and competitive remuneration will easily lure foreign-trained medical staff – not to mention Diaspora Arabs who have studied and worked abroad.

We agree that *Recruitment* is an issue in healthcare all over the globe. There is a global shortage (or more accurately, inappropriate distribution) in practitioners, in nurses, in paramedics and even in healthcare administrators.

This has obliged some providers who have expanded abroad (e.g., John Hopkins and Cleveland Clinic) to bring their own people – at least to start with.

By the way, hCc has created an Executive Search Enterprise Practice for Health Tourism (www.healthtourismcareers.com).

Concerted Actions

All Health Tourism domains (industry and market – the ecosystem), in their innate state, are fragmented and consequently, inefficient.

Our study of Health Tourism Development indicates that success hinges on the implementation of *well thought out* and planned initiatives and concerted actions (including domain integration projects and the provision of continuing education).

Most involve the collaboration of the public and private sectors – and may even take the form of a Public – Private Partnership.

Two notable Dubai examples of “Initiatives” and “Concerted Actions” that spring to mind are:

- Creation (in August 2008) of a special department in the Ministry of Health which will focus solely on developing the medical tourism sector (i.e., to develop the necessary infrastructure to boost the country’s medical tourism sector)
- Creation of the Healthcare City (one day to be a larger entity than the Harvard-affiliated medical complex in Boston - *Wall Street Journal* – November 5, 2007)

The Stakeholders

The Domain Stakeholders are all the Individuals (natural entities), Groups and Legal Entities who have a vested interest in the ecosystem, are affected by it or can be influenced by it.

Note: The issue of *stakeholder mapping, engagement, administration and management* is dealt with in a separate dedicated Essential Summary.

A full listing of the stakeholders (groups and individuals) we have identified in the UAE, falls outside the scope of this Essential Summary.

The following is a partial listing of some of the more prominent stakeholders - by category (names refer to persons whom we have identified as “key contacts” within the listed organization):

Governmental Organizations:

- UAE Ministry of Health (Mr. Nasser Khalifa Al-Budoor, assistant undersecretary for international relations and health affairs)

Industry Representative Bodies:

- Emirates Medical Association (Dr Ali Al-Numairy, president)
- Dubai Chamber of Commerce and Industry (www.dcci.ae)

Economic “Free Zone” Authorities:

- Dubai Healthcare City (Dr. Muhadditha Al Hashimi, Chief Executive Officer)

Healthcare Services Providers:

- NMC - New Medical Centre (Mr B.R. Shetty, Vice-Chairman)
- The American Hospital Dubai (Mr. Michael French, Chief Executive)

- German Heart Centre - Dubai Healthcare City, (Dr Klaus Kallmayer, chairman)
- Mayo Clinic
- Moorfield's Eye Hospital
- Harvard Medical School-Dubai Centre.
- Sheikh Khalifa Medical City, Abu Dhabi

MICE Industry:

- Aura International – Organizer of the World Health Tourism Congress (Mr. Hadi Malaeb)
- IIR Middle East - organizers of “Healthcare Travel Exhibition and Congress” (Ms. Sietske Meerloo, marketing manager)
- INDEX Conferences & Exhibitions Organisation Est

The Cost of doing Health Tourism Business

Health Tourism does not happen “at the turn of a switch”.

Developing the industry and doing health tourism business is a capital-intensive endeavor.

And as one has to compete against well established destinations and the competition becomes more and more sophisticated, having “deep pockets” is a basic precondition.

Investment

In the UAE’s favor is the fact that capital for investment in development (including “foreign direct”) seems to be abundantly available.

Nevertheless, the quest for more investment capital seems to be never-ending.

In 2006 (22 – 24 November) we saw the staging of the Emirates - UK Business Investment Conference and Exhibition – at the ExCel exhibition and conference centre in London (organized by Index Conferences).

Participants included:

- Federation of the UAE Chambers of Commerce & Industry
- Abu Dhabi Chamber of Commerce & Industry
- Dubai Chamber of Commerce & Industry
- Dubai Tourism & Commerce Marketing
- KPMG
- Lloyds TSB Dubai
- National Bank of Abu Dhabi
- Spengler Fox Executive Search and HR Consultancy

Sustaining the Development and Growth

Development and growth can not be sustained in the face of an inefficient and fragmented domain and without the support of education (and even research).

Domain Integration and Development

A proposal for a Domain Integration and Development Project is being prepared for submission to the relevant authorities by hCc.

Continuing Education

New economic domains usually start out developing sporadically (and are driven by *passion and determination*) – but this is not sustainable, in the face of sophisticated international competition

Education and even Research is a prerequisite to competitiveness and sustainability.

hCc in collaboration with JaYan International and Aura International have scheduled a 5-day Executive Education Seminar in Dubai (October 2008), focusing on Health Tourism Development.

The intention is to have refresher courses at regular intervals, as part of a Continuing Education Agenda.

Showcasing “UAE Health Tourism”

Almost invariably, “UAE Health Tourism” *makes a showing* at the most significant industry events (often as a sponsor).

UAE providers have participated at every one of the annual World Health Tourism Congresses.

The medical tourism industry will also be showcased during the Healthcare Travel Exhibition and Congress that Dubai will host in November (2008).

Health Tourism is not just about Medical Tourism

One needs to be reminded that Health Tourism is a *catch all term* for a very broad range of services which are health-related.

Consequently many providers are already offering Health Tourism services without regarding or promoting them as such (e.g., ambient assisted living abroad, sports-, culinary- and accessible tourism).

The UAE has “existing and potential offerings” in all 8 Health Tourism Segments:

- Medical Tourism
- Dental Tourism
- Spa Tourism
- Wellness Tourism
- Sports Tourism
- Culinary Tourism
- Accessible Tourism
- Ambient Assisted Living Abroad