As health care costs continue to rise, employers are tasked with finding ways to offer attractive benefits packages at a reasonable cost. Shifting to high-deductible health plans, dropping coverage for spouses and increasing voluntary offerings are a few ways employers are curbing health care costs. Flying abroad for certain procedures can help, too.

While paradoxical, traveling thousands of miles for surgery can equate to tens of thousands in savings. Most procedures have an average savings of $25,000, according to Steve Baker, president and CEO of San Diego, Calif.-based Satori World Medical. "We can save the plan a significant amount of money," he says.

Medical tourism is a good option for self-funded employers, says Kathy Finnerty, owner of Innovative Cost Management Services. Major medical providers aren't likely to implement this practice, and if they did, the provider would integrate it into its fully insured program, she says.

Like a claims review or eligibility audit, employers can implement medical tourism as a cost-cutting method. "That's really what we are," Baker says of Satori, which has 28 facilities located in eight countries. "It's broadening the perspective of the [employer] to be able to offer

TRAVELING TO SAVE

MEDICAL TOURISM IS GAINING TRACTION AMONG U.S. WORKERS, AND IT CAN BE A VALUABLE COST-SAVINGS TOOL FOR SELF-FUNDED EMPLOYERS.

BY MIKE NESPER

26 June 1, 2015 Employee Benefit News
another positive tool rather than a negative tool."

Satori works closely with brokers to spread the word about its program to U.S.-based self-funded employers.

Finnerty offered Satori’s program as a solution to one of her employer-clients in 2013. At first, the executives were unsure about sending their employees abroad, she says. "We didn’t think employees would go for it."

They did. After the first knee replacement, three or four employees a year are now going overseas for procedures. "The success of the program really surprised all of us," Finnerty says. "Our inquiries continue to increase."

**POPULAR PROCEDURES**

An estimated 750,000 Americans travel abroad for medical procedures each year — most commonly for heart, dental and cosmetic surgery — according to the Centers for Disease Control and Prevention. Dentistry is one of the most popular reasons for medical travel, says David Boucher, who has witnessed Costa Rican dental centers full of Americans and Canadians. Orthopedic surgery is another common procedure U.S. citizens travel outside of the country for, says Boucher, president and CEO of Companion Global Healthcare, Inc., which is based in Columbia, S.C.

Satori’s focus is on major, non-emergency surgeries like hip and knee replacements, spinal fusion as well as some cardiac procedures. "Things where it can be planned a month or so out," Baker says. All of the facilities are Joint Commission International-accredited. "These are spectacular places," he says.

Unfortunately, horror stories exist, especially with cosmetic surgeries, says Dr. Miles Varn, chief medical officer of Baltimore-based PinnacleCare. If someone does have a complication, he says, no U.S. doctor will want to assume the liability that comes with attempting to correct the mistake. "The patients really have a challenging problem trying to find someone to fix what was poorly done."

That’s why going through a facilitator who will connect patients with top-notch care is essential. "That isn’t an easy process," Varn says. PinnacleCare spends a lot of time and resources vetting each of the medical centers it partners with. "It takes a lot of time, a lot of travel, a lot of energy," he says.

Employers need to understand all the risks involved — and ensure a stop-loss policy is in place — before implementing this with employees, Finnerty says. "The communication to employees is extremely important," she says.

It’s not just medical details that employers need to understand. "A four-star hotel in the U.S. is not the
BIG SAVINGS
On average, procedures conducted outside the U.S. cost about half as much as they would if performed domestically, Baker says. Medical tourism facilitators encourage employers to waive an employee's deductible to eliminate any out-of-pocket expenses as a way to share the savings. Employers can afford to do this because of the five-figure amount they're saving, Boucher says. "The employer saves, the employee saves," he says.

With no per member per month charge — Satori only earns revenue when a patient travels abroad — this service, which can be added any time of the year, has almost no downside for employers to implement, Baker says. Satori gives patients the "Nordstrom approach," Baker says, which includes arranging travel, coordinating with doctors and scheduling surgery.

GAINING TRACTION
Medical tourism started gaining traction in 2006-07, Boucher says. While the practice has its critics, Boucher says he has visited medical centers in 28 countries and is impressed with the rate at which the quality of care has improved. From 2005 to 2008, the number of JCI-accredited medical centers increased from 76 to more than 220, according to a Deloitte Center for Health Solutions study.

Americans' appetite for medical tourism is growing as cost-shifting continues and deductibles, copays and out-of-pocket expenses increase, says Tony Procaccini, vice president of expatriate benefits at San Francisco-based Global Benefit Associates. "It's an emerging service offering," he says. And medical tourism facilitators are popping up everywhere, Procaccini says. "They're opening up left and right."

Those who are uninsured or underinsured benefit most from medical tourism, he says. Thanks to the Affordable Care Act, there are 10 million fewer uninsured people than in 2013, according to Healthcare.gov CEO Kevin Counihan. The Centers for Medicare and Medicaid Services projects the number of uninsured to drop to 23 million by 2023. Still, a large market remains for medical tourism, Procaccini says.

GLOBAL WORKFORCES
Global companies, like the ones that populate Silicon Valley near Finney's San Jose, Calif.-based firm, are great candidates for medical tourism. Those companies have international workforces, she says, and traveling to countries outside the U.S. isn't foreign to many of the employees.

Still, some other corporations haven't been as quick to adopt medical tourism, Procaccini says. "They tend to be risk-averse," he says. But some corporations do offer domestic medical travel benefits. Companies like Boeing, Pepsi, Lowe's and Walmart pay for insured employees to travel to highly ranked facilities within the U.S. for certain procedures — and Varn expects more companies to follow suit.

BUYING PHARMACEUTICALS ABROAD
BY JOSEF WOODMAN
Standing in line recently at my local Rite-Aid pharmacy, I was not particularly surprised to see two elderly customers in front of me pay nearly $600 each in copays and out-of-pocket for what turned out to be the price of their monthly prescriptions. I sensed from their haggard demeanor that $7,200 a year was not chump change for these two individuals. This experience led me to conduct some research on purchasing mail-order prescription drugs abroad.

While it's technically illegal to bring drugs into the country (even cough syrup), enforcement of cross-border and online sales is like a leesh law, where in most cases customs officials turn a blind eye. Ordering pharmaceuticals from online pharmacies is legal when you follow the rules. Dozens of legitimate, registered mail-order pharmacies around the world offer just about every type of imaginable pharmaceutical. Except for controlled substances with brand names like Adderall, Oxycontin, Valium, and Xanax, prescriptions are available for brand name drugs as well as generics.

I decided to give it a try with a prescription for a brand-manufactured Wellbutrin XL. The recommended dose would set an American consumer back around $8,000-16,000 annually, depending upon the recommended dosage.

Long story short, it took me nearly three months to wade through a swamp of fly-by-night, rogue pharmacies, poor customer service, non-shipments and other false starts before finally meeting with success through a Winnipeg-based online pharmacy (Canada Drugs). Several weeks later the shipment arrived, along with an invoice, name of physician, company fulfilling the prescription and a receipt. The pills were the brand name, not the generic, packaged in a bottle that had been prepared as I would have expected from my local pharmacy. The bottom line: a satisfying savings of nearly 80% over U.S. costs.

The downsides
• A first-time customer must traverse a long litanry of one-time registration forms and other bureaucratic annoyances in order to become eligible to have a prescription filled. While this is understandable given the potential for misuse, patient safety and privacy considerations, some consumers may not wish to undergo the hassles.
• Health plans may not cover the prescription. Online pharmacies will not advise about insurance coverage and some insurers do not authorize claims for prescriptions purchased outside the country. Consumers are advised to either call their insurer prior to placing their order, or submit their claim upon receipt of the invoice from the online pharmacy.
• Expect long ship times (around 30 days), with no package tracking. If a prescription must be maintained, be sure you have enough on hand to cover the wait.

Some cautions
• For consumers living in the U.S., Canadian-based online pharmacies are recommended; avoid those based in Mexico or Turkey. Canadian mail is faster and trackable.
• Consumers should ask from which country their order is being shipped (one of my false starts was an order that stalled forever in the Turkish mail system).
• If not ordering a generic, consumers should ask the online pharmacy which firm manufactures the drug, then check online to verify it's an original manufacturer.
• Check to see if the pharmacy is registered in its country as an authorized vendor. Pharmacy Checker is the oldest and largest independent surveyor of online pharmacies.
• Calculate savings against the hassles of ordering online; discounts are deeper on some drugs than others. A $20 net savings may not be worth the trouble.

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750,000

NUMBER OF AMERICANS WHO TRAVEL ABROAD FOR MEDICAL PROCEDURES EACH YEAR, ACCORDING TO THE CDC.

Medical tourism has a lot of potential, Boucher says. “We’re fairly bullish ... on where this will go.” Baker agrees. “It’s not such a strange idea to go overseas,” he says. “It’s becoming more acceptable.”

There are three parts to medical travel — safety, service and savings, with the latter being the main enticement for employers, Boucher says. “Most of it really is dollar driven.”

Once an employee travels abroad, Satori typically sees increased interest from their co-workers. “That starts a domino effect,” Baker says. “Word of mouth is a big part of our success.”

DESTINATION AMERICA

It’s not just U.S. citizens who are traveling abroad for medical procedures, plenty of foreigners are taking advantage of America’s doctors and facilities, Varn says. Canada, for example, has a great health care system, he says, but it can sometimes take months to see a doctor.

“For some people, they can’t wait,” Varn says, so they come to America. The U.S. has a history of treating residents from Latin America and the Middle East, he says, but there’s also been a surge of Chinese and Russian patients seeking treatment in America.

From a technology standpoint, “we have the greatest health system in the world,” Varn says. “But you have to know how to get to the right place for your problem.”

Not only is connecting patients with the right care important, so is making sure they’re on the correct course of treatment, Varn says, and his company has saved several people from unnecessary surgery.

“We’ve always been focused on what’s best for the patient,” he says.

Medical tourism isn’t right for everyone, but employers are curious about learning more, Finnerty says. “There’s an interest in it,” she says. “I don’t see it going away. I see it as an opportunity. We bring it up to every self-funded [employer-client].”

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