

Healthy Living

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Medical tourism: An option for private insurers?

BY TOM MURPHY
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Elizabeth Kunz left her dentist's office this spring with a mouth full of problems and no way to pay for them.

The South Carolina resident went out of her way, literally, to find a solution, which turned out to be in Central America. Her trip to the tropics is part of a health insurance experiment for trimming medical costs: overseas care.

As Washington searches for ways to tame the country's escalating health care costs, more insurers are offering networks of surgeons and dentists in places like India and Costa Rica, where costs can be as much as 80 percent less than in America.

Until recently, most Americans traveling abroad for cheaper non-emergency medical care were either uninsured or wealthy. But the profile of medical tourists is changing. Now, they are more likely to be people covered by private insurers, which are looking to keep costs from spiraling out of control.

The four largest commercial U.S. health insurers — with enrollments totaling nearly 100 million people — have either launched pilot programs offering overseas travel or explored it. Several smaller insurers and brokers also have introduced travel options for hundreds of employers around the country.

Growth has been slow in part because some patients and employers have concerns about care quality and legal responsibility if something goes

wrong. Plus, patients who have traditional plans with low deductibles may have little incentive to take a trip.

But a growing number of consumers with high-deductible plans, which make patients pay more out of pocket, could make these trips more inviting.

In the meantime, the insurance industry's embrace of overseas care has had a pleasant side effect at home: some U.S. care providers are offering price breaks to counter the foreign competition.

This domestic competition and the slumping economy have led to slower growth for medical tourism over the past year, as patients put off elective procedures that involve big out of pocket costs, said Paul Keckley, executive director of the Deloitte Center for Health Solutions.

Last year, the center estimated that 6 million Americans would make medical tourism trips in 2010. But Keckley has since shaved that projection to about 1.6 million people. Still, that more than doubles the roughly 750,000 Americans who traveled abroad in 2007, the last year for which Deloitte had actual numbers.

Keckley expects the medical tourism industry to recover, as more health insurers offer the option and as more people wind up with high-deductible plans.

Health care costs for employers who offer insurance to their workers were projected to rise 9.2 per-

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Below: Costa Rican Dentist Alberto Meza, right, applies cosmetic veneers for patient Alison Battle at Meza Dental Care in San Jose, Costa Rica on June 26. Right: Meza applies cosmetic veneers for patient Battle. Battle said she elected to have the dental work done in Costa Rica because she was able to save substantially compared to what she would have had to pay in the U.S.

