

MEXICO: MEDICAL TOURISM RELIES ON THE U.S.



The professional care of the Mexico's health sector and savings of up to 80% in medical procedures could be the spark needed to ignite the industry.

At the beginning of the 20th century, it was common for doctors to recommend their patients to attend beach resorts and destinations in order to recover their health, due to the various benefits of the tropical climate, pure air, and being at sea level. This type of medical advice is still relevant, even 100 years later in Mexican tourist destinations, with the addition that **these sites now have the best doctors, who are ready for surgical interventions or sophisticated medical treatments.**

According to the figures of the Secretary of Tourism (SECTUR) in Mexico, during the last decade the income of foreign currency for medical tourism tripled, increasing from 1.544 million dollars in 2006 to more than 5,000 million dollars in 2017.

Last year, SECTUR created the Medical Tourism Advisory Council, which brings together the key players from the public and private sector, as well as civil organizations, in order to establish public policies that strengthen this particular area of tourism.

Procedures such as operations, treatments, dental and ophthalmological interventions, and even cosmetic surgeries, have become the new tourist attraction of the Mexico's health sector, according to Roberto Montalvo, academic coordinator of the Degree in Hospitality Management at the Universidad Iberoamericana (IBERO).

According to Amerimed, a hospital network specialized in medical tourism, visitors who go to Mexico each year choose destinations that offer the option of enjoying days of rest and relaxation, while having the opportunity to receive quality health care at a cost that is more affordable than what they would pay in their home countries.

Meanwhile, the Secretariat of Health reports that the most relevant states for inbound medical tourism are: Sonora, Chihuahua, Nuevo León, Tamaulipas, Jalisco, Quintana Roo, Yucatán, Mexico City, San Luis Potosí, Puebla, Baja California and Baja California Sur.

Global Hospital

According to ProMéxico, the entity that promotes national exports, the country is in the middle of an evolution process to become a relevant medical destination in border cities, a global healthcare center that offers a full range of specialties and procedures that can compete directly with those promoted in developed countries.

“The global growth in the flow of patients and health professionals, as well as medical technology, financial capital, and international regulatory regimes, have given rise to new patterns of consumption and production of health services in recent decades,” reveals the Health Tourism study published last year by ProMéxico.

Each year, around 14 million people in the world travel in search of health services. Generally, they look for new technology, cutting-edge medical approaches, quality care, and lower costs.

Following a statement made by the Secretariat of Health, medical care expenses in Mexico are lower than in other nations. For example, a rhinoplasty, commonly known as a nose job, is 56% cheaper than in the US, while a cardiac valve replacement can be up to 89% cheaper.

Healthy Potential

According to the Medical Tourism Association, the medical tourism industry in the world may be worth between 50,000 (50 billion) and 70,000 (70 billion) million dollars.

In the case of Mexico, according to figures from Euromonitor, the forecast expects it to reach a value greater than 5,300 million dollars by 2018, as it is the second most important destination in the world for health tourism, thanks to its medical infrastructure and professionals trained both in the country and in the US, who work at the border and offer more affordable costs.

Following the data reported by ProMéxico, doctors of the main specialties are obstetricians (16.7%), surgeons (14.5%), anesthesiologists (14.4%), pediatricians (13.1%), and internists (7.5%).

In terms of medical infrastructure, there are more than 120 hospitals certified by the General Health Council. Additionally, there are other health centers with operating licenses by the Federal Commission for the Protection against Sanitary Risk (COFEPRIS), and certified by the Pan American Health Organization (PAHO).

“The main expansion opportunities can be found in the US, since that country represents around 40% of global health expenses, where 32% is through private insurance, 12% comes out of pocket, and the rest is generated by the government through several programs,” as reported in ProMéxico’s study.

In total, more than 230,000 economic units are directly and indirectly related to the value chain of medical tourism, such as hospitals, laboratories, clinics, transport services, hotels, and tour operators, among others.

Furthermore, the efforts made by the US President, Donald Trump, to repeal the health program known as “Obamacare”, and in which he has made some advances, also represent a growth potential for Mexico’s health sector, since more than 20 million Americans would be left without health insurance.

In this scenario, Mexico, with its 17 medical clusters, becomes an option for patients seeking good services and affordable prices for treatments and surgeries.

Faced with such a possibility, some border cities have already begun to modify their infrastructure to offer more services of this type, and Tijuana is one of those cities that would benefit the most.

From 2019 onwards, Tijuana has set a goal to provide service to patients in a new medical center called New City Medical Plaza, located half a kilometer from the border with the city of San Diego, California, which shows that it is focused mainly on attracting customers from the neighboring country. The 26–story complex plans to receive tourists mainly from the US. This project will involve an investment of 50 million dollars and is expected to be ready by the end of the year. It will have two towers: one with health infrastructure and another with a hotel.

Only in 2017, Tijuana registered an influx of 1.5 million patients, both national and foreign.

In Cancun, a project for the construction of the Wisdom Towers Medical City is currently being developed, which will have two hospitals, four clinics, four residential communities for retirees, and a shopping center.

The reason for the project is that, by 2018, an 11% revenue increase is expected for the health tourism sector. Moreover, a traveler whose purpose is exclusively medical can spend up to \$13,000, while a conventional tourist spends up to \$2,000.

For its part, the hotel company Mundo Imperial announced last year in Acapulco that, as part of a 1,000 million dollars investment to expand its operations, the company will build a hospital with specialties in geriatrics, cardiology, and orthopedics to promote medical tourism in the state of Guerrero.

In various other states, there are investments and projects for medical infrastructure sponsored mainly by private companies such as Grupo Ángeles, Cima, Galenia, San Javier, Tec Salud, ABC Medical Center, Excel, Doctors Hospital, Star Médica, Almater and Poliplaza.

The “Trumpcare” plan could leave around 14 million Americans without health insurance and up to 24 million in just a decade, and Mexico can benefit from it, because costs are still expected to remain up to 60% lower than in the US.

The Challenges

Although the market is booming and a constant growth can be expected, there are still some challenges

to overcome. “Before, opening a hospital (in Tijuana) was a simple task. Now it isn’t, because there are stricter regulations, certifications, and the arrival of large consortiums that monopolized these constructions,” says Carlos Varela, president of the Association of Doctors of Mexico.

Varela explains that large companies monopolize regions and areas of the city, and the permits for construction provide them a considerable advantage, which in return, limits the diversification of the offer for the rest of the competitors.

Other disadvantages that he mentions include **the devaluation of the Mexican peso and the rise of the international input, since these factors affect the construction costs**, which also limit the development capacity of the medical tourism industry.

Currently, while companies deal with these challenges, they also welcome the opportunities attached to the Mexico’s health sector and its growing market, so they are quick to increase their offer.

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