

Volume 8 - Issue 5, 2008 - Healthcare Economics

Impact of Globalisation on Healthcare

Author

Dr. Silvia

Ondategui-Parra

Associate Hospital Director

Teknon Medical Center

Barcelona, Spain

Also,

Adjunct Assistant Professor

Boston University School

of Medicine

Boston, US

sondategui-parra@partners.org

Globalisation is characterised by the circulation of goods and services between countries using the criteria of efficiency. Such multilateral agreements between countries, unfortunately, often function to the detriment of the countries with less developed economies. Nevertheless, trade can also benefit developing countries. In this article, I explore key drivers for and consequences of a new, global healthcare economy.

Circulation of Patients

Factors like medical tourism, an industry worth an estimated 60 billion dollars and growing, and the changing demographics in many populous countries in Southeast Asia, South and Central America, and the Middle East are changing the face of healthcare on a global scale. High costs and long waiting lists have thousands of patients in the US and Europe looking abroad for accessible, affordable healthcare. Life expectancy in emerging nations is increasing, as are the numbers of health consumers there with the means to pay out-of-pocket for interventions.

The changing global landscape, however, presents a number of questions:

- How will patients choose the right facility and provider?
- How will we measure quality in outcomes? For example, should there be pre-treatment screening for such medical travel?
- Does the patient actually need his or her hip replaced in the first place?
- How will one ensure adequate short and long-term follow-up?
- Who is liable for mistakes?
- How is continuity of care provided across geographic boundaries?

Circulation of Health Professionals

Providers are also on the move. Young professionals increasingly migrate to the West for better training and often remain there to pursue careers. Also, some rich countries recruit recently-trained graduates from poorer countries. Another emerging phenomenon is the development, in less developed countries, of medical curricula adapted to North American or Western European standards and are offered in English, allowing a higher level of recognition worldwide and providing a financially competitive education for students from wealthier countries.

Another important development in the emerging economies is the rapid emergence of privately financed specialty hospitals. These hospitals are specialty-focused green-field developments that cater to international patients who are prepared to pay out-of-pocket for healthcare. They coexist with public hospitals and are able to cherry-pick patients to some degree to gain advantage. Operationally, they are being designed from corporate models that prize efficiency and innovation. Their lower-cost labour force, compared with established market economies in Europe and North America, allows them to price services competitively.

Payers: Insurance Beyond Borders

Emerging economies have traditionally suffered limited insurance options for patients, but this is changing: new legislation in Dubai requires all employers provide health insurance for their employees; Turkey currently has a public healthcare system and is encouraging private systems to develop; and in India, leaders have begun to advocate and develop new insurance systems.

US payers are now exploring an option that could change the landscape in American medicine: offering insurance that includes foreign travel and treatment for lower rates than the cost of comparable treatment in the US. One of the first payers to develop such a plan is Blue Cross of South Carolina, which has made Bumrungrad International Hospital in Bangkok the first provider in its overseas network.

Crucial to the success of these hospitals are their ability to institute a culture of quality, both in the domain of quality of care (Alpha Program and International Joint Commission) and in medical education (IIME, World Federation for Medical Education). These entities are becoming extraordinarily successful regionally, they are competing globally, and their rise is the most important new phenomenon in the globalisation of healthcare.

International Accreditation System

Recognition by Joint Commission International (JCI), the international accrediting body of the Joint Commission on the Accreditation of Healthcare Organisations, has become a significant tool to help these hospitals attract patients and staff. In 2000, JCI certified three such hospitals; today, the number of JCI-accredited institutions is over 100. Even within the established market economies of Europe, JCI accreditation is becoming increasingly important to those seeking treatment or career opportunities at these types of hospitals.

At the same time, the process of qualifying for accreditation has become more rigorous. However, it is important to recognise that accreditation by JCI is the ground floor for quality benchmarks, rather than the ceiling. Although it is not a measure of actual health outcomes, accreditation is a positive indicator that the building blocks are in place, both structurally and from a process perspective, to be able to provide quality care.

If this scenario comes to be, insurance companies will offer cheaper premiums for care provided by countries that are 'accredited' and competitive. As difficult as it might be for us to imagine today, this phenomenon might also affect medical education for two reasons. Firstly, medical education costs are soaring, and the promise of lower cost of education might be very attractive in an open educational 'marketplace'. Secondly, the opportunity for students to train in the same places that patients from their countries are receiving care might be seen as both educationally sound and a bonus for patients who are being treated abroad.

Governments: Changing Roles

Traditionally, governments have assumed the roles of both healthcare provider and payer, but this is shifting in the least developed and emerging economies where governments are increasingly focusing on paying for care and building intrasectoral reform, encouraging the development of public-private partnerships to fill that role.

They are now looking to serve more as stewards and regulators of healthcare systems than as providers, and one of the governments' most critical aims in this evolving role will be to develop comprehensive provider systems, to encourage the expansion of services for their own residents or others.

Conclusion

It is the turn of healthcare delivery to be globalised. Nevertheless, health cannot be assumed to be the same as other basic goods. Linked to healthcare are many complex ethical, cultural, and human resource issues that we have only begun to name. Further, it is the duty of health professionals to promote health as a global human right. For this reason, we all must be very careful before launching headlong into the globalisation of healthcare and health professional education, taking care to be certain that if we do, it will be for the benefit of all around the world..

Published on : Mon, 1 Dec 2008