

## 7. HEALTH EXPENDITURE AND FINANCING

### 7.6. Trade in health services (medical tourism)

Trade in health services and its most high-profile component, medical tourism, has attracted a great deal of media attention in recent years. The impression often given is that large numbers of patients are actively seeking health care abroad or buying their pharmaceuticals over the Internet from foreign providers. The apparent growth in “imports” and “exports” has been fuelled by a number of factors. Technological advances in information communication systems allow patients or third party purchasers of health care the possibility to seek out quality treatment at lower cost and/or more immediately from health care providers in other countries. An increase in the portability of health coverage, whether as a result of regional arrangements with regard to public health insurance systems, or developments in the private insurance market, are also poised to further increase patient mobility. All this is coupled with a general increase in the temporary movement of populations for business, leisure or specifically for medical reasons between countries.

While the major part of international trade in health services does involve the physical movement of patients across borders to receive treatment, to get a full measure of imports and exports, there is also a need to consider goods and services delivered remotely such as pharmaceuticals ordered from another country or diagnostic services provided from a doctor in one country to a patient in another. The magnitude of such trade remains small, but advances in technology mean that this area also has the potential to grow rapidly.

The available data for OECD countries show that total reported exports and imports of health-related travel each amounted to more than USD 6 billion in 2009. Due to data gaps and under-reporting, this is likely to be a significant underestimate. Nevertheless, it is clear that, in comparison to the size of total health expenditure, spending on health-related travel is marginal for most countries, but growing. For example, while Germany reports the highest level of imports in absolute terms, this represents only around 0.5% of Germany's current health expenditure (Figure 7.6.1). Smaller countries such as Iceland and Portugal see a higher level of cross-border movement of patients, but still this only represents around 1% of health spending. Luxembourg is a particular case with a large part of its insured population living and consuming health services in neighbouring countries.

Although the United States is by far the largest exporter, reporting some USD 2.3 billion of exports in 2009, in relation to overall spending on health, this remains largely insignifi-

cant (Figure 7.6.2). On the other hand, some central and eastern European countries have become popular destinations for patients from other European countries, particularly for services such as dental surgery. Health-related exports in the Czech Republic and Hungary were equivalent to 3.6% and 2.1% of total health spending respectively. Annual growth over the past five years has been significantly high in both the Czech Republic and Poland at 28% and 42% per year.

Patient mobility in Europe could, however, receive a further boost as the European Commission has sought to clarify patients' rights for treatment coverage in other member states. Many of the proposed changes in European regulations try to strike a balance between the rights of patients to seek health care and the responsibilities of states to organise the delivery of health services. The European Parliament approved the amended cross-border health care bill in January 2011 with the law due to become effective in 2013.

#### **Definition and comparability**

According to the *Manual on Statistics of International Trade in Services*, “Health-related travel” is defined as “goods and services acquired by travellers going abroad for medical reasons”. In the balance of payments, trade refers to goods and services transactions between residents and non-residents of an economy.

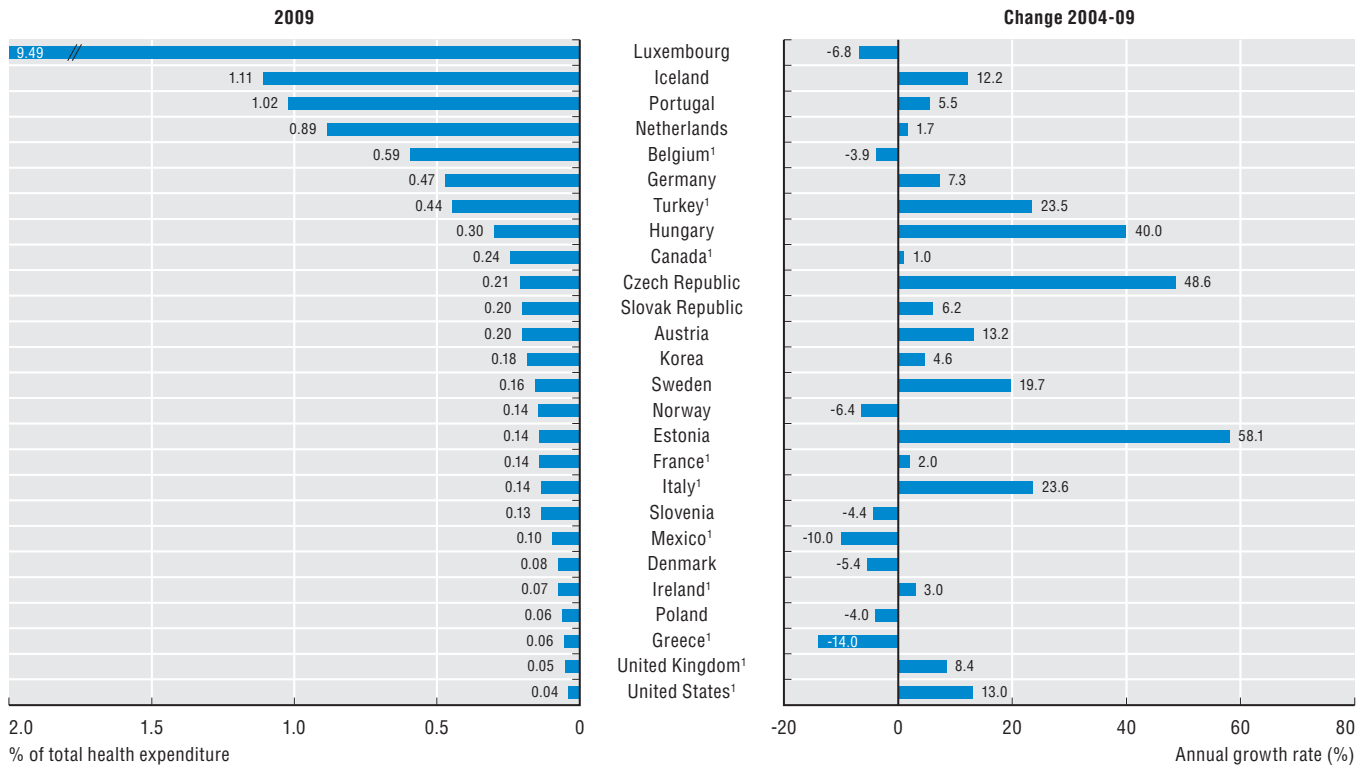
The *System of Health Accounts* includes imports within current health expenditure, defined as imports of medical goods and services for final consumption. Of these, the purchase of medical services and goods by resident patients while abroad, is currently the most important in value terms. This trade is not well reported by many of the countries reporting health accounts according to the SHA. Exports are not currently recorded under the System of Health Accounts and there remain limits regarding comparability.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

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### 7.6. Trade in health services (medical tourism)

#### 7.6.1 Imports of health care services as share of total health expenditure, 2009 and annual growth rate in real terms, 2004-09 (or nearest year)

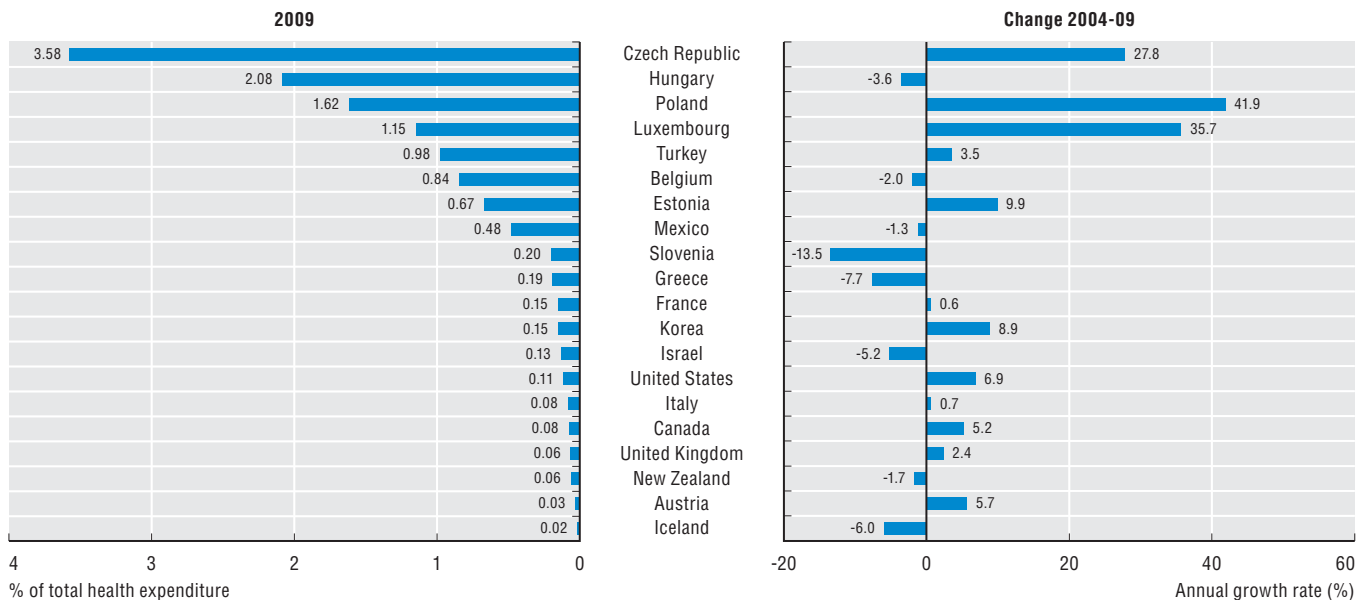


1. Refers to balance-of-payments concept of health-related travel.

Source: OECD Health Data 2011 and OECD-Eurostat Trade in Services Database.

StatLink <http://dx.doi.org/10.1787/888932526331>

#### 7.6.2 Exports of health-related travel as share of total health expenditure, 2009 and annual growth rate in real terms, 2004-09 (or nearest year)



Note: Health-related travel exports occur when domestic providers supply medical services to non-residents travelling for medical reasons.

Source: OECD-Eurostat Trade in Services Database.

StatLink <http://dx.doi.org/10.1787/888932526350>



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