Medical tourism industry in the Russian economy development

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Abstract — Medical tourism is a type of niche tourism, characterized by rapid growth and development at present. The term reflects the practice of moving people from their permanent place of residence within their own country or abroad in order to consume a wide range of medical services of varying degrees of complexity. The medical tourism market has undergone changes over the past few years: if five years ago the leading positions were occupied by the USA, Germany and Israel, then today the top five are Singapore, Italy, Japan, Switzerland and Australia. Our country is gradually becoming a competitive player in this market, which confirms Russia’s inclusion in the list of countries where you can get high-quality and relatively inexpensive medical care.

The article provides a comprehensive analysis of the current state of medical tourism, as a result of which strategic priorities have been identified for the successful functioning of a high-quality and competitive medical tourism industry.

Multidimensional conclusions were made for solving strategic tasks of organizing and ensuring the sustainable development of the medical tourism industry in the Russian economy.

Keywords — medical tourism, medical services market, healthcare, staffing, infrastructure, financing, quality of medical services

I. INTRODUCTION

A healthy life without ailments is a universal value that people strive to master, but often their living conditions, ecological features of the area, their habits, and the unwillingness to change the established lifestyle make people use the services of specialized medical institutions in the place of permanent residence or beyond. Depending on the territorial, natural and climatic, as well as the technical and economic possibilities of these areas, health, medical or medical tourism develops.

Every year the demand for travel, in which medical services are provided, is growing. The reason for this is seen in several components:

- economic (in many countries, treatment and rehabilitation activities cost the patient much cheaper than at home);
- level of quality and service (the patient has the right to choose a place for treatment in accordance with the technical and scientific capabilities of the health care institution, as well as its financial capabilities);
- and, finally, the cultural and leisure potential of the area where medical care is provided.

Medical tourism involves visiting another country in order to obtain health services. The number of tourists visiting Russia for the purpose of health tourism has almost doubled over the past two years. According to the Russian Medical Tourism Association, more than 65,000 medical tourists visited our country over 2016 and 2017. In the next few years, according to the forecasts of the Ministry of Health, this number may increase to 500,000 people per year, and 60% of them will be citizens of Central Asia [1].
II. MATERIALS AND METHODS (MODEL)

Methods of system, logical and statistical analysis were used in the process of achieving the study goal. The empirical base of the research is statistical data obtained from official sources published on administrative and professional Internet resources.

III. RESULTS AND DISCUSSION

A. The current state of the medical tourism industry

In the context of globalization of health care as one of the sectors of the economy, more and more countries are investing in medical tourism, engaged in the preparation of highly qualified specialists, opening comfortable clinics, modernly equipped and owning the latest medical technologies.

Medical tourism involves the provision of medical services outside the region of residence, the combination of rest with obtaining high-quality medical care. Currently, a global market for medical services has emerged with its own infrastructure (medical management, accrediting bodies, medical tourism agencies and tour operators, specialists in the field of medical travel).

Medical tourism is developing dynamically and is having an increasing influence on national health systems and the activities of insurance companies. Not being able to solve a medical problem in his state, the patient chooses a country, a doctor and a clinic, where he can be offered the most up-to-date examination and treatment. This approach allows building national and regional socially-oriented health care systems, improving the quality of medical personnel training, patient care, and more effectively introducing modern technologies into medicine.

Traveling for the purpose of consuming medical services is a modern phenomenon rooted in history. Not being able to solve a medical problem in his country at the moment, the patient chooses a region, a doctor and a clinic where he can be offered the necessary examination or treatment.

Analysis of the global medical tourism market shows that in 2016 the volume of consumed services amounted to 46 billion US dollars, and, according to experts, the average annual growth rate from 2017 to 2023 will increase to 15% and will reach 165 billion dollars in 2023. [2].

The International Health Research Center (IHRIC), together with the International Medical Tourism Association (MTA), has published the Medical Tourism Index - a ranking of countries where foreign patients are provided with the highest quality medical services. Among the leaders in the field of medical tourism (both outbound and domestic) are countries with a strong economy, developed infrastructure and hotel services.

The rating included 25 countries with an assessment of three main indicators: the environment, the state of the medical tourism industry, the level of medical equipment and services. Each criterion included 34 parameters, for example, the attractiveness of the tourist destination and the price of treatment.

Canada, Great Britain, Israel, Singapore and Costa Rica became the leaders of the rating. Canada has a higher score in terms of "ecology", Israel - "medical equipment and services", Costa Rica - "attractiveness of the direction." Germany took the 7th place. The rating also included the United Arab Emirates (17th place) and Russia (25th place). According to the UN World Tourism Organization, in terms of the attractiveness of medical and health tourism, Russia ranks 5th in the world, and in terms of the realization of this potential is only 59th [3].

Increased interest and public confidence in the phenomenon of medical tourism is due to the following groups of factors:

- Changes in the demographic structure - the aging of the population and the increase in life expectancy; increase mobility and activity of older people.
- The need to reduce the level of stress among the working population.
- Change medical paradigms for disease prevention and alternative treatment methods.
- Strengthening the relationship of healthcare and health psychology.
- The transition from mass tourism to personalized forms of travel.

The importance of globalization is also great: the growth in medical travel is due to the increased mobility of people, the dominant role of information and communication technologies and systems, the development of international trade, and the general concern of the world community about the current state and trends in the incidence of people at the transnational level. In addition, experts in the field of tourism agree that the medical travel destination is currently the mainstream in the entire diverse palette of niche tourism. Indeed, there has been a rapid growth in the number of private companies and government organizations specializing in the provision of consulting services for the preservation of the health of citizens, insurance and sending tourists to other regions of the country of their residence or outside it.

Medical tourism is a complex multi-level system in which not only key market players (patients, medical practitioners and travel organizers) interact, but also specialists from related, indirect industries, without which the functioning of the medical-tourist mechanism is impossible.

The result of the industries synergy is the involvement of transport, hospitality, construction, communications and the production of consumer goods in the provision of services.

The role of the media (especially the Internet) in the development of the international system of providing medical care is very large since the global network serves as the main platform for advertising and promoting medical clinics. Thematic web portals allow the consumer to get an expanded view of the segments of the medical tourism market in a short period of time and compare the characteristics of the selected services and destinations. In addition, periodical electronic
publications such as Medical Tourism Magazine and the International Medical Travel Journal highlight recent scientific advances in this area, as well as trends in the development of medical tourism and other relevant information.

The authorities and governments of the countries are involved in the provision of medical services to varying degrees, but optimizing the performance of the health care system is undoubtedly one of the key activities of any state in the world. In particular, campaigns to expand the role of medical tourism in a country’s economy may include: creating special M-visas (medical visas) or simplifying the entry of medical tourists on a standard visa; tax preferences; promoting investment in health care infrastructure. Government intervention in the mentioned area is also aimed at:

- implementation of legal regulation of social relations arising from the interaction of the parties;
- ensuring the safety of tourist patients and minimizing risks;
- industry standardization and certification;

In the marketing research of the medical travel market “Mapping the market for medical travel” conducted by the international organization McKinsey & Company experts identified five main motivations for tourists to travel in order to consume medical services: advanced technology; better quality of compulsory medical services; availability (shorter waiting time); relatively low cost of mandatory medical services; relatively low cost of variable medical services.

Due to the fact that prices for the same medical services differ from region to region, there is a possibility that in the near future the importance of the price aspect in the consumer decision-making process will increase.

Since 2015, the main competitive advantage of standardized treatment in Russia is the reduction of its value, which occurred after the devaluation of the ruble exchange rate.

More recently, foreigners were mainly attracted by cheaper Russian dentistry, but today they are mainly interested in high-tech areas in medicine: joint replacement, cardiovascular surgery, dental treatment, eye microsurgery, in vitro fertilization, and oncology.

There are several reasons for this. One of them is the price of medical care compared to counterpart from other world medical centers. For example, if the cost of a full diagnostic examination in Germany varies from 1.5 to 15 thousand euros, in Israel - from 4.5 to 6 thousand euros, in Russia such a service will cost 380-1,2 thousand dollars. Coronary bypass surgery in Russia costs about 3.2–3.5 thousand dollars, and in the United States - 55–130 thousand dollars. Laser correction of sight in the USA - 4-5 thousand dollars, and in Russia - 340–650 dollars. The course of stereotactic radiation therapy at the CyberKnife facility in Germany will average 15 thousand - 20 thousand euros, in the USA - from 20 thousand to 200 thousand dollars, and in Russia - 280 thousand - 300 thousand rubles (about 4 thousand - 5 thousand dollars) [4].

Reproductive medicine services are profitable for Europeans. The procedure of in vitro fertilization (IVF) in Russia is two to three times cheaper than in Europe. 55% of those who applied for it are Italian, because in Italy until recently this procedure was banned. About 20% are English women because of the long queue for donor biomaterial, 15% are Israeli, there are strict age limits in their country, 9% are German, and 2% are American. Foreign women are attracted by the relatively low price, as well as the fact that the necessary fertilization procedures in Russia are allowed to be carried out by law [5].

Foreigners come for the services of aesthetic medicine. The number of foreign patients among Russian plastic surgeons has increased by 10-40% since the period of devaluation of the ruble exchange rate. [6].

The main stream of both inbound and outbound medical tourism is assumed by the two largest centers of medical services in the country - Moscow and St. Petersburg. 90% of foreign patients prefer to be treated in clinics in these two cities. However, in the regions of the Russian Federation there are regional centers worthy of attention. Under current conditions, the Russian consumer began to “look closely” at domestic medical organizations, given that a number of them, in turn, are trying to meet international standards. In addition, Russia has developed a number of medical centers that are known for unique diagnostic and treatment technologies. Today, they travel not only to Moscow and St. Petersburg, but also to Orenburg, Omsk, Kazan, Novosibirsk, Tomsk. The capital and large regional centers provide high-tech assistance services, while the periphery and resort areas provide general health improvement [7].

The level of professional medical care is much more determined by the level of provision of medical institutions. Government spending on health care amounts to at least 7% of GDP in most developed countries of the world. In Russia, this figure does not exceed 3.5%, remaining one of the lowest in Europe [8].

The authority of domestic medical science has weakened significantly in conditions of limited funding during the years of market restructuring. In the current conditions, it will be difficult for Russia to occupy a niche in the segment of the high-end of the world market for medical tourism, that is, countries that primarily provide high-tech medicine services. For objective reasons, this direction will not be able to get mass development in our country in the near future. But Russia has a great chance to occupy a niche in the low-cost segment like India, Thailand, Turkey, South Korea or Singapore, offering patients at a cheaper price fairly standard medical services (for example, surgery on the heart, kidney, other organs, dentistry).

Thus, the harmonious interaction of the independent components of a multi-level system will contribute to the effective functioning of the medical tourism industry.
B. Strategic priorities for the development of medical tourism

The development of medical tourism in the Russian Federation is due to the presence of social and economic potential, as well as support at the state level, through the adoption of the state program of the Russian Federation "Healthcare Development", the fifth direction (subprogramme) "Development of international relations in the field of health care" and the Departmental Project "Development export of medical services". Estimated fundamental indicators the achievement of which will be the focus of this program are the flow of foreign tourists to Russia should be about 500 thousand people, and as a result more than 13 billion rubles will flow into the country's economy [9].

Due to the fact that the phenomenon of medical tourism in Russia has not yet reached the highest point of its development and is in fact at the initial stage of its formation, an integrated approach is needed to form this independent sector in the health sector. This approach consists in the concentration of actions on the part of the state, tourist and medical organizations, and also public associations. For the successful operation of high-quality and competitive medical tourism industry, it is necessary to highlight the strategic priorities for the development of medical tourism in the Russian Federation. In our opinion, they include the following directions.

1. Training highly skilled labor. Workers coordinating the process of providing medical and tourist services at the same time (tour operators) should have a sufficient level of knowledge and competence in the relevant areas, namely: have an elementary medical education; education in tourism and hospitality; speak one (English) or several foreign languages. In addition, the ability to communicate in a non-native language is an advantage of medical personnel, as it smoothes out the cultural barriers inherent in the phenomenon of inbound tourism.

2. Ensuring knowledge sharing. To ensure the systematic development of the health system in the tourism sector, it is necessary to create strong professional contacts with leading medical institutions in our country and other countries in order to exchange information and search for innovative ideas to solve modern medicine issues. This will be facilitated by the implementation of the Digital Healthcare subprogramme in the framework of the Digital Economy program adopted by the Russian government. [10].

3. Improving and maintaining the level of quality of services provided. Standardization, certification, accreditation, licensing procedure of a medical institution in Russia are mandatory conditions for its operation and are governed by the relevant legislative acts. However, there are other systems for assessing the quality and safety of medical institutions, among which is the generally accepted system of standards developed by JCI (Joint Commission International). The presence of this accreditation certificate significantly increases the chances of the clinic that a medical tourist will make her choice in her favor. Currently, in Russia only three hospitals have the JCI quality mark — Medicina (2011) and Fantasy clinics (2016) in Moscow and Emergency Hospital (2015) in Naberezhnye Chelny.

4. Formation of the availability and transparency of information for the consumer. A significant number of resources containing information about medical clinics are in the Internet, so they must be made convenient for use. Basically, consumers use the official websites of relevant medical and preventive treatment facilities to search for information about treatment, but there is no common “database” today. It is necessary to create an information portal similar to the well-known tourist service TripAdvisor, which will become a platform for interaction between consumers and producers of medical and tourist services and will allow to evaluate the experience gained by the tourist-patient as a result of this interaction.

5. Creation of strategic alliances in the industry of medical tourism. The affiliation of medical companies with foreign insurance companies will allow not only attracting additional funds from abroad but also improving the image of Russian clinics in the world market.

6. Interaction with international medical tourism associations. Each popular medical field participates in international congresses and congresses held by various international associations (among the most reputable are the Medical Tourism Association [USA], the International Medical Tourism Association [IMTA], the European Medical Tourism Alliance [EEIG]). The activity of such organizations is to bring together professionals and specialists in this segment in order to optimize the work of all departments and institutions of the sphere, exchange relevant information, and protect the interests of consumers.

7. Introduction of a medical visa. Currently, the entry of foreign citizens into the Russian Federation is carried out on one of several types of visas (tourist; business; working; study; private (guest) or transit). Adding a medical visa to this list will fundamentally change the current situation and significantly increase the investment attractiveness of the country, since it will take much less time to issue it (which is especially important for the patient), and will also allow it to be extended if necessary by a simplified scheme.

IV. CONCLUSION

The following conclusions can be drawn for solving strategic tasks and shaping a response policy based on the analysis of the current situation in the development of the medical tourism industry in Russia:

1. At the present, the movement of tourists within their own country or abroad with the aim of consuming certain types of medical services is becoming more and more common. The medical tourism market is developing intensively despite tangible manifestations of political and economic instability. According to the data of the World Tourism Organization, during the financial crisis, the volume of sales of medical tours does not decrease, unlike all other types of tourism. This again confirms the thesis that medical tourism is a relevant and affordable means of treatment and psycho-emotional unloading, which is increasingly being chosen by tourists.
2. Changes are observed in the Russian medical tourism market: over the past five years, the volume of domestic tourist flow has increased from 3-5% to 18%. This was reflected in the increasing demand for comprehensive medical packages offered in Russian clinics. In general, according to experts of the Russian Medical Tourism Association, the demand for domestic sanatoriums, spa-hotels and resorts will increase by no less than 10% annually, and individual centers and pilot clinics of medical tourism play a special role in the development of this segment.

3. The main consumers of Russian medical services are tourists from China, South Korea, Japan, Vietnam, and Israel (IVF procedure). The demand for Russian medicine is also observed among European tourists (Denmark, Sweden, Finland). Most of the entry medical tourists in Russia are patients from the CIS and neighboring countries. However, in 2017, the number of citizens of China and South Korea increased in Russia.

One of the most popular medical destinations among foreigners who go to Russia for treatment is dentistry - 44% of patients came to Russia for these services. In addition, popular medical directions in Russia can be called gynecology and urology (about 25% in aggregate), plastic surgery (10%), ophthalmology (10%), cardiology (5%), cosmetology. The main flow of entrance medical tourists falls on the Central region of Russia.

4. Medical tourism is changing the landscape of world health. Thanks to him, advanced treatment and diagnostic technologies quickly spread across the planet. Medical tourism helps fund health research. It attracts additional investments in infrastructure development and expansion of popular medical service providers.

5. Participation in the medical tourism market requires significant financial investments, especially in the early stages of the establishment of clinics (expensive diagnostic and surgical equipment, the availability of highly qualified personnel). As a result, there is a long payback period for investments and their high risk. The use of the mechanism of public-private partnership in the medical tourism industry, by concluding concession agreements for medical infrastructure facilities, as well as creating conditions for attracting competent specialists to the management of objects (if investors are protected) will attract additional financial resources to develop this industry.

Thus, the development of medical tourism in Russia is the most important strategic direction of the state program for the development of health care in the Russian Federation, the development of which will allow realizing the fundamental research potential and strengthening the importance of medical tourism among other sectors of the economy.

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