

# Medical Tourism —Its Risks and Ethical Issues—

## Shigemi Kitahara, Kitahara International Hospital

Dr. Kitahara is a neurosurgeon as well as an owner of hospitals and companies.

He became a doctor in 1979, and in 1995, he opened the first hospital specialized in neurosurgery in Hachioji city in west Tokyo. Now, he owns four medical facilities in Hachioji city, which provide a total medical care from prevention, emergency care, surgeries, and rehabilitation up to home care. Kitahara International Hospital is the second in Tokyo, in regards to the number of cerebrovascular disease treated.



Besides providing an advanced medical care, Dr. Kitahara and his group are working to make the Japanese medical services to be industrialized. This is to restore the failing medical care system of Japan because of the lack of financial resources. It is his dream to create a society where people can live up to their most by using all the benefits of advanced technologies, education, agriculture and even logistics.

As a part of medical industrialization, Kitahara group is also conducting projects overseas. The one is to establish an emergency medical center in Phnom Penh. The purpose is not only to build a hospital but to contribute to the development of Cambodia and its healthcare by providing all the know-how related to hospital operation, including skills of management, education system and IT infrastructure.

Nowadays, supply of medical services as global business, which involves the vast medical capital, so called medical tourism has been very popular. It is true that emerging countries can supply low cost and high quality healthcare, and people in the countries nearby are attracted to it. Also, medical tourism by the advanced countries such as USA has been very active by providing the high quality medical service to affluent patients all over the world.

However, behind this, active medial tourism might be causing a great damage to countries around them by taking away the affluent patients.

Also, it can disrupt the order of its own country by the disparity of medical services available to the affluent and poor because of the price increases caused by competition among the medical institutions.

In international conference with the topic of "Medical tourism" held on 18th -20th of April 2016, he talked about its risks and ethical problems.

Until today, Japan has not been active in medical tourism. This is due to self-contained Japanese universal healthcare system which does not allow the medical institutions to expand their business overseas nor the foreign medical institution to come into Japan. However, due to decreasing birthrate & aging population and economic difficulties of the country, National budget for the medical expenses has been cut down and the amount of payment from the national insurance to the medical institution is decreasing. And now, the continuation of this system is doubted.

Currently the government and medical sectors are feeling the necessity to internationalize the medical service. Dr. Kitahara doubts if we should just follow the example of other countries and provide expensive medical services to wealthy patients from foreign countries. He thinks this kind of in-bound medical tourism will destroy the healthcare system of its own country and also countries around.

The kind of Medical tourism what he suggest is beneficial to all. It is the out-bound medical tourism where people go out and build hospitals in countries where high quality medical service is in need rather than drawing the patients into their country. In the conference, he introduced the Cambodian project as an example for this. He also talked about his proposed healthcare in Stage 3 to provide healthy lives to more people with low cost.

## ● Universal Healthcare system in Japan ●

First, he talked about the universal healthcare system in Japan.

Today, in Japan, everyone is required to have some kind of health insurance and to pay premiums according to their income. If the insured person is employed, the premium is split evenly between the employee and the company. Under this system, people can visit any desired medical institutions to receive medical treatment anytime and anywhere they prefer. Medical institutions can also freely provide any medical exam and treatment, and they will be paid back by the insurance system. Patient pays copayment rate of 10 to 30% at the hospital, and the remaining balance is covered by insurance. In addition, if the copayment rate exceeds about \$800 in a month, the excess is refunded to patients from the insurance system. This universal healthcare system enables people to receive equal and quality healthcare.

However, the medical expenses increased due to the advancement of medical technologies. And revenue shortages of national budget occurred because of the low birthrate and an aging population. As a result, it is difficult to maintain this system with only premium income, and currently, almost half of the expenditure is covered by tax funds.

Japanese style Universal Healthcare System requires three conditions to function well, Dr. Kitahara said:

- Firstly, the pyramid shaped demographic structure with large number of young generation to burden the insurance fee.
- Secondly, the country should be in economically grown stage, to withstand the increase in the medical expenditure accompanied by the decreasing birthrate and development of medical technology.
- Thirdly, the number of citizen who require medical care should be stayed in small number.

Japan was meeting these conditions perfectly right after the WWII. This universal healthcare system enabled people to receive equal and quality healthcare, which helped spread a feeling of equality and awareness of human rights among people and contributed to the development of Japan.



Similar to Japan in the past, many emerging countries are meeting those conditions. However, in many cases, unlike Japan, equal healthcare is not achieved. Before achieving the equal healthcare, inbound medical tourism has happened and the healthcare is bipolarized by the rise of medical price.

Now, Japan is not fulfilling these three conditions and the future of the Universal Health Care System is in doubt. In this situation, although it is a bit late, Japan is considering to start inbound medical tourism, targeting especially the wealthy class in Asia. Dr. Kitahara doubts whether this is really a right decision to make.

### ● 3 Stages of healthcare ●

He strongly believes that the medical system should be changed along with the development of the society. He has divided the social and medical state of nations into three stages. It shows the ideal type of healthcare according to the developmental state of society (figure 1)

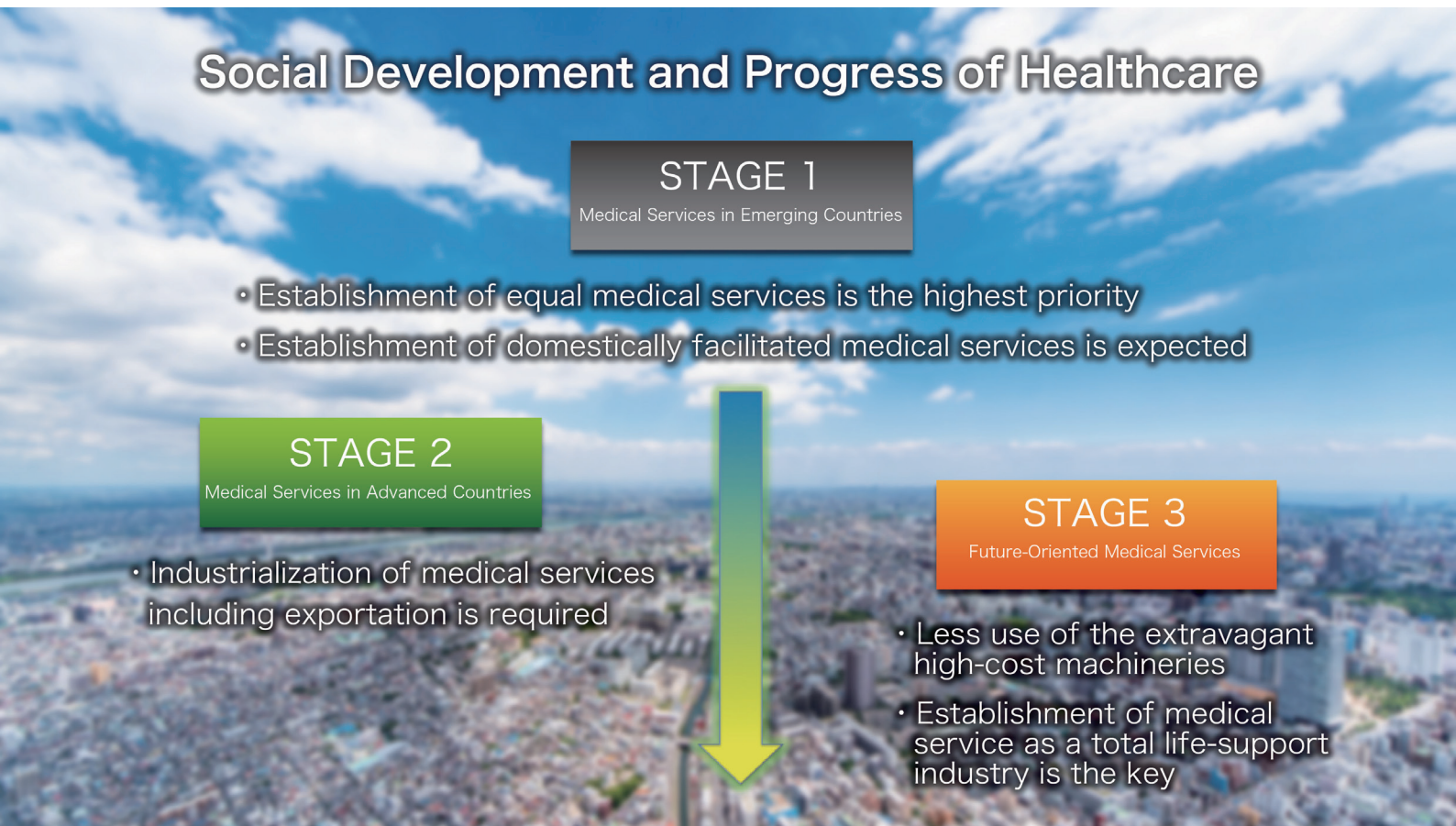


figure1:Social Development and Progress of Healthcare

In Stage 1, where many Asian countries belong, it is necessary to establish a healthcare system that is domestically facilitated and healthcare should be equally provided for every citizen. Failure in this stage impedes national development and it will be difficult for the country to become truly advanced country.

In Stage 2, where many advanced countries around the world belong, industrialization of healthcare service is necessary. In advanced countries, revenue shortage occurs due to the aging population and advancement of the medical technologies. Even tax funds cannot be a solution to this situation due to the stagnation of economy. Therefore, medical services in advanced countries need to be profitable. Exportation of healthcare services is also necessary in this stage, because development of medical equipment and drugs are necessary but targeting only the small domestic market for its profit is not sufficient to gain back the development cost.

However, if the countries in Stage 2 expand their business globally regardless of the conditions of the emerging countries, the development of these countries will be impeded. Also if many countries enter stage 2 at the same time, the market will be too crowded and competition will rise among the suppliers.

Countries in Stage 2 must move on to Stage 3.

In this stage less number of high-cost machines are used and establishment of healthcare as a total life support should be achieved. This is in order to advance away from the negative impacts of Stage 2.

## ● Outbound medical tourism for people's happiness ●

There are two types of exportation and industrialization of healthcare which is required for society in Stage 2. The first one is inbound medical tourism, which provides high quality health care to affluent patients from overseas in own countries. The second one is outbound medical tourism, which is the operation of medical services abroad involving training of the local medical staff.

USA is the frontier of inbound medical tourism. For USA, medical service which targets the affluent customers is one of the top export industries. However, as the result, it can inhibit the development of healthcare services of the other countries.

In comparison to inbound medical tourism, outbound medical tourism can help patients as in emergency cases to provide treatment for emergency patients without time to go abroad. For the country to receive outbound medical tourism, medical expenditure can be minimized. Also in a long term, the independence of medical care can be expected by local medical staff to be trained. For the country providing the outbound healthcare, there are possibilities of decrease in the profit, but providing healthcare in emerging country helps to develop high-quality, low-cost medical machineries and drugs, that can be exported to other countries and make profit in difference field.

The point Dr. Kitahara wants to make is that to protect the happiness of all people, outbound medical tourism is the best way in achieving medical industrialization. In the first place, nobody would like to receive medical treatment away from family in foreign Country. It is more obvious when people consider the risks of the treatments including surgeries. Recently, the death of foreign patients in Japan has been a problem but it should be understood that is happening worldwide.

Dr. Kitahara believes that personal happiness can only be achieved from the peace and development of ones countries and from the existence of a reliable healthcare. Each and every one of the people needs to think deeply about achieving this goal.

For example, in Cambodia, a system that provides fair medical services is not available yet. If the affluent population is saved while the less-wealthy population is abandoned, a unified national identity will not be possible. In this situation, the dissatisfied Cambodian people are neither willing to make proper tax payments nor contribute to the development of their country. On the other hand, if the affluent population is not satisfied with the medical services in their country and choose to go to foreign hospitals instead, the national wealth deteriorates. The society of Cambodia is at Stage 1, however because of the civil war the stage 1 health care is not achieved yet. It is currently difficult for Cambodia to become a truly advanced country.

## ● Healthcare as a total life support industry ●

In Japan, the Universal healthcare system was established after WWII and everyone was equally able to receive medical treatments. It led Japan to develop and be mature to become an advanced country. However, although Japanese society is already in Stage 2, people still depend on the universal healthcare system of Stage 1. As Dr. Kitahara has mentioned earlier, the Japanese-style universal healthcare system needs a pyramidal demographic structure and a steadily growing economy. If people try to maintain this universal healthcare system in an advanced country with low birthrate and aging society, revenue shortage will surely happen.

Dr. Kitahara thinks the path Japan should take is the minimization of medical service and industrialization of healthcare as a total life support industry. In order for Japan to develop further, the industrialization of medical service of Stage 2 should be done and medical system should be done.

Now in Asia, there are huge competitions of economic markets by the medical service businesses. This impedes the self-sustaining healthcare system of the developing country. He suggests a new way of the industrialization, which will be the key to achieve a healthcare system bring everyone happy.

Medical services are generally understood as a service that is provided by medical professionals in hospitals with payments. But he thinks healthcare as a total-life support industry to provide everything needed for good quality life is ideal. This includes agriculture, education, establishment of IT infrastructure, and even funeral ceremonies.

If a good total life-support industry is established and functions well, stress-free and disease-free society will be achieved. For instance, an online automatic diagnosis system can relieve people from anxiety and will be able to find patients in critical state. And even when providing medical treatment, regenerative medicine or immunotherapy can be used, which do not rely on large-size facilities or equipment.

Role of the country reached Stage 3 is to develop less-costly healthcare, which protects the health and happiness of nation. And also, exporting the total life support industry to other countries, which will flourish and benefit all. This is the ideal role of the countries in Stage 3, although none of countries have reached it yet.

The US will remain in Stage 2 for a while because of the active acceptance of immigrants, slow progression of a low birth rate and longevity. US will also be successful in exporting medical supplies as an industry while they remain in Stage 2. On the other hand, Japan is a good candidate to reach stage 3, because it is facing serious issues of rapid aging and very low birth rate among the world.

Over the past 20 years, Dr. Kitahara has worked on leading Japan to be successful in Stages 2 and 3, and developing countries to emerge to Stage 1. One of Kitahara group' s leading projects, establishment of emergency medical center in Phnom Penh, Cambodia, will be completed and open in this summer. Although Cambodia is an emerging country, its medical services have not yet reached Stage 1 due to the civil war. Contrastingly, Japan is a developed country, but has not yet accomplished to fully identify itself as Stage 2 because of the Universal Healthcare System, which denies the industrialization of medical service. If Cambodia can create domestically facilitated medical services with the assistance of Japan, both countries will be able to grow. In cooperation with one another, the world of Stage 3 will be created.

He is actually putting the theory into action to show an example.

That is how he sees the future of Healthcare Systems.

## ● HHRD Project ●

HHRD stands for "Health Care and Human Resources Development."

This project is the investment of Japanese companies with a support of Japanese government. Construction of emergency medical center will be completed and operation will be started in September. This hospital will be the first to provide advanced emergency medical service in Cambodia. People with non-emergency diseases, including cancer, have time to choose hospitals in neighboring countries. However, in the case of car accidents, for example, domestic medical treatments are necessary to save lives.

The purpose of creating this center is not simply to dispatch skilled Japanese medical staff to provide emergency medical services, but also to establish a medical school adjacent to the center to cultivate Cambodian health care professionals, to enrich domestically facilitated medical services. In addition, establishing a kind of insurance system is also in our vision so that general citizens can use the center without hesitation. This will help Cambodian people understand the importance of a fair medical system.



Dr. Kitahara also introduced his group's process for the establishment of the emergency medical center. The top-far-right picture is a clinic in Phnom Penh, which opened three years ago. The top middle picture is an experiment in remote diagnosis system between Japan and Cambodia. He and his group are also working on developing and spreading the remote diagnosis system around the world. The pictures on the bottom shows an ICU and operating room developed by our NGO at the national hospital. These facilities enabled the provision of the first full-scale brain tumor operation in Cambodia. The top-far-left picture is Japanese Prime Minister Abe, and the bottom-far-right picture is former Prime Minister Noda, who supports our project.



What is required in Cambodia at stage 1 is the establishment of fair and domestically facilitated healthcare system and education. The opening of the emergency medical center is just the beginning of this project.

## ● Future of Healthcare ●

Lastly, he explained a little about Stage 3 health care which he thinks is the future of healthcare. As he has mentioned earlier, he sees medical services as a total life-support industry.

In Kitahara rehabilitation hospital which is one of the group's main hospitals, they are now carrying out cooperative researches with various companies. Achieving cancer screening using saliva rather than using PET scan, or cancer treatment using cancer vaccine rather than heavy particle beam, is one of his dreams.

Other than pursuing technology to achieve low cost and high quality medical service, this hospital has an agricultural facility that includes a greenhouse, an herb garden, and a small farm. The farm, cultivated together with staff members and local citizens, is used not only for mental and physical rehabilitation, but also for employment of people with disabilities. Vegetables harvested from the farm are distributed to patients and staff members. After many trials, he recently found out that gardening is capable of preventing the recurrence of depression, which was presented at an international symposium. Moreover, some data show that cattle-raising can contribute to delaying the onset of Alzheimer's disease. Dr. Kitahara and his group will also commercialize hospital food service in Cambodia themselves.

Earlier in the presentation he stated that healthcare develops with society following stage 1,2,&3. However, in future, it might become possible for the emerging countries to jump from stage 1 to 3. Healthcare stage 3 does not require high skill or extravagant machineries so it may be easier for the country and people to enhance Stage 3 to acquire happiness.

It is like how advanced countries went through the time of using fixed line phone before mobile phone but emerging countries jumped straight using mobile phone. What Dr. Kitahara thinks is that he would not want someone to sell expensive machineries or medical service to the emerging countries. He would rather be someone who introduces a social system where people can live happily.

Kitahara Rehabilitation Hospital, with 50000 square meters, will be a theme park of medical services and health care. He and his group are currently in the process of building a new hospital incorporating nature, they are also digging hot spring. He suspects that the Japanese universal healthcare system will sooner or later collapse due to revenue shortages. He thinks it is necessary to establish a cost-effective hospital that takes full advantage of the nature to heal the patients, and where people would want to use even at their own cost.

The decrease of the birthrate and an aging population in Japan is fastest in the world. Therefore, Japan's society and medical field will be the role model for other countries, which will eventually be facing similar issues. .

Emerging countries will all go through a decrease in birth rate and aging population. All countries will need to consider how to make their country as a place where people can live for the most. But will this be possible if people keep relying on medical services of other countries?

We must reconsider the merits and demerits of medical tourism once again.

Today, financial capitalism has expanded too much, and growing gap between rich and poor become severe, which forms hostility. However, medical services have the power not only to simply save people's lives, but also to bring happiness and peace to people by improving their living environment and encouraging the redistribution of income. Medical services are also capable to steer various industries in the right direction from the perspective of healthcare.

Medical and healthcare services should be developed as a social business with and within the local community.

Dr. Kitahara wants to share his wisdoms and emerge a new system from Asia. He also wants to work and prosper together in a right way, and spread a surge of happiness to the world.