

An Analysis of Scope of Medical Tourism in Saudi Arabia

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Abstract

The present study is an attempt to find out the scope of medical tourism in Saudi Arabia. Saudi Arabia is fast growing economy with high per capita income. The medical facilities in Saudi Arabia are of high quality and available at comparatively low price. The study concludes that Saudi Arabia has huge potential to be developed as a medical tourist destination. The scope further enhanced due to the fact that it has two holy places of Muslims which attracts millions of visitors every year to perform important Islamic rituals namely Hajj and Umra.

Keywords: Medical Tourism, Motivational Factors, Healthcare Services, Religion, Saudi Arabian Medical Tourism, Demand of Medical Tourism

1. Introduction

Medical tourism is the practice of a patient "outsourcing" healthcare services to an area outside of his/her home country. Medical travel is becoming more popular, as more people realize its benefits. The main benefits of Medical tourism include getting the opportunity to travel to an exotic destination for medical needs and reaping potentially big monetary savings (Medical Tourism Guide, 2007). Medical tourism is becoming a common form of vacationing. In the earlier days, people used to travel to different places for site seeing but now most of the people go to places not only for a vacation but also for rejuvenation as well as medical needs. Hence medical tourism is a blend of leisure, fun and rejuvenation together with wellness and healthcare. The 'wellness' segment of medical and healthcare tourism promotes healthier lifestyles (Bennett, et al, 2004).

As patients are exposed to greater financial burdens resulting from higher co-payments and price transparency efforts, they are likely to seek low-cost treatment alternatives such as medical tourism. The Deloitte *2008 Survey of U.S. Health Care Consumers* revealed strong interest in outbound medical tourism (Keckley & Underwood, 2008). The concept of Medical Tourism has been critically analysed by different researchers across the world from time to time. The findings have always been convincing, usually highlighting the advantages in terms of patient satisfaction, cost effective packages, and economic boost for the host countries.

About over 50 countries across the world have identified medical tourism as a national industry (Gahlinger, 2008). The Medical tourists travel to other countries because of the high quality of healthcare, affordability, access of care or better availability. The popularity of obtaining medical treatment overseas is influenced by several factors. People seek medical treatment abroad because:

- The costs of healthcare in developed nations have increased enormously.
- Nowadays, international travel is trouble-free and reasonably priced.
- Global standards of care and technological advancements in healthcare are rapidly improving all over the world.

- Improved communication opportunities make it easier to find and contact medical centres overseas.
- Another factor to consider is health insurance. People without health insurance, or with a limited insurance policy, are more likely to seek other options such as medical tourism. (Medical Tourism Benefits and Advantages, 2011).

The early participants in medical tourism may have limited their treatment to relatively minor procedures, but as medical standards have been regulated globally, more and more people are looking for the best treatment at a competitive price in a preferred location. The treatments that medical tourists are currently travelling for have moved well beyond cosmetic and dental procedures to include complex heart surgery, joint replacement, spinal surgery and more (Lagiewski & Myers, 2008). There is a compelling need for all parties involved in healthcare to become familiar with medical tourism and to understand the economic, social, political, and medical forces that are driving and shaping this phenomenon (Horowitz, et al, 2007)

The crucial partners in this industry include central government ministries of finance, tourism, health and medical entrepreneurs, tourist industry, and insurance companies (George & Nedelea, 2008). It has been revealed with diligence, perseverance, and good information that patients considering travelling abroad for treatment do indeed have legitimate, safe choices, not to mention an opportunity to save thousands of dollars over the same treatment in the US. Hundreds of patients who have returned from successful treatment overseas provide overwhelmingly positive feedback (Woodman, 2007).

2. Conceptual Framework of the Study

The present study is undertaken within the following framework. The study analyses and presents the importance and popularity of medical tourism world over and the reasons why it is gaining popularity. The study attempts to present the strategic importance of Saudi Arabia vis-a-vis medical tourism.

3. Methodology

The study is primarily based on secondary data collected from various published sources such as annual reports. The study presents the current status of medical tourism in various countries of the world. The study further presents the current status of health care facilities in Saudi Arabia and highlights the potential of Saudi Arabia in becoming an attractive medical tourism destination.

The key issues examined were:

- What is the current status of Health Care Services in Saudi Arabia
- What are the Motivational factors for prospective medical tourists to choose Saudi Arabia as their destination of choice for Medical Tourism?
- SWOT analysis of the Saudi Medical Tourism industry.

4. Review of Literature

When referring to tourists, there are numerous definitions for this group of people depending on the purpose for the definition (Theobald, 1998). Generally, it is accepted that tourist are travellers who have travelled and stayed away from their home environment for 24 hours or more, and hence, often utilising some form of accommodation facility. Therefore, for those travellers who do not meet this 24 hour criteria are generally referred to as 'visitors'? For travellers that travel overseas for medical purposes, conceptually, they would meet the definition for that of a tourist. Since foreign patients are travellers whose main motivation for travel is for a specific purpose, medical tourism is a form of special interest tourism (Douglas & Derrett, 2001).

The concept of medical tourism is not a new one, but dates back thousands of years to when Greek pilgrims travelled from all over the Mediterranean to the small territory in the Saronic Gulf called Epidauria, the territory of the healing god Asklepios. Epidauria became the original travel destination for medical tourism. Subsequently, spa towns and sanatoriums emerged (Medical Tourism, 2011). So, the trend of Medical Tourism is not new, but has taken a new shape, where its existence is being felt worldwide rather than just being a new participant.

Medical Tourism can be broadly defined as provision of 'cost effective' private medical care in collaboration with the tourism industry for patients needing surgical and other forms of specialized treatment. This process is being facilitated by the corporate sector involved in medical care as well as the tourism industry - both private and public (Eapen, 2005).

The Medical Tourists from across the world keep looking for the best possible alternatives for their respective needs, and the competing nations catering to such needs keep improvising on their Unique Selling points to target them. As said by Lee (2007), “The medical package is very attractive to the medical tourist. From the marketing perspective, the consumer is receiving a better deal than just the one product. They are receiving a medical intervention as well as a visit to a novel location by themselves or with their family and friends. This will become more important in the future as different nations compete for the medical tourism”. The list of countries currently promoting medical tourism include: Argentina, Bolivia, Brazil, Cuba, Costa Rica, Hungary, India, Jordan, Lithuania, Saudi Arabia, Malaysia, Philippines, Thailand, South Africa, and the list goes on. Thus the foregoing review makes it clear that the concept of medical tourism is not new however recently it has developed into an industry in many countries of the world. It is gaining popularity because of combined benefits of quality, low cost treatment with a vacation to new place. In the following sections a brief about the current state of medical tourism world over and in Saudi Arabia has been highlighted.

5. Current Status of Global Medical Tourism

Over 50 countries have identified medical tourism as a national industry. Many surgery procedures performed in medical tourism destinations cost a fraction of the price they did in the First World War. For example a liver transplant that cost \$300,000 USD in America cost about \$91,000 USD in Taiwan. A large draw to medical travel is convenience and speed. Countries that operate public health-care systems are often so taxed that it can take considerable time to get non-urgent medical care. Using Canada as an example, an estimated 782,936 Canadians spent time on medical waiting lists in 2005, waiting an average of 9.4 weeks. Canada has set waiting-time benchmarks, e. g. 26 weeks for a hip replacement and 16 weeks for cataract surgery, for non-urgent medical procedures. (Wikipedia,2012)

According to an article by the University of Delaware, publication UDaily: “The cost of surgery in India, Thailand or South Africa can be one-tenth of what it is in the United States or Western Europe, and sometimes even less. A heart-valve replacement that would cost \$200,000 or more in the US, for example, goes for \$10,000 in India and that includes round-trip airfare and a brief vacation package. Similarly, a metal-free dental bridge worth \$5,500 in the US costs \$500 in India, a knee replacement in Thailand with six days of physical therapy costs about one-fifth of what it would in the States, and Lasik eye surgery worth \$3,700 in the US is available in many other countries for only \$730. Cosmetic surgery savings are even greater: A full facelift that would cost \$20,000 in the US runs about \$1,250 in South Africa.” (UDaily, 2005) Medical tourism carries some risks that locally-provided medical care does not. Some countries, such as India, Malaysia, or Thailand have very different infectious disease-related epidemiology to Europe and North America. Exposure to diseases without having built up natural immunity can be a hazard for weakened individuals, specifically with respect to gastrointestinal diseases (e.g. Hepatitis A, amoebic dysentery, paratyphoid) which could weaken progress, mosquito-transmitted diseases, influenza, and tuberculosis. However, because in poor tropical nations diseases run the gamut, doctors seem to be more open to the possibility of considering any infectious disease, including HIV, TB, and typhoid, while there are cases in the West where patients were consistently misdiagnosed for years because such diseases are perceived to be "rare" in the West.

The quality of post-operative care can also vary dramatically, depending on the hospital and country, and may be different from US or European standards. However, JCI and Trent fulfil the role of accreditation by assessing the standards in the healthcare in the countries like India, China and Thailand. Also, travelling long distances soon after surgery can increase the risk of complications. Long flights and decreased mobility in a cramped airline cabin are a known risk factor for developing blood clots in the legs such as venous thrombosis or pulmonary embolus economy class syndrome. Other vacation activities can be problematic as well — for example, scars may become darker and more noticeable if they sunburn while healing. To minimise these problems, medical tourism patients often combine their medical trips with vacation time set aside for rest and recovery in the destination country (Wikipedia, 2010).

6. Current Status of Medical Tourism in Saudi Arabia

The Kingdom of Saudi Arabia is the largest country on the Arabian Peninsula. It is called "the land of the two holy mosques", a reference to Mecca and Medina, Islam's two holiest places serving a lot of impetus to the country's Tourism, which is a major contributor to its economy.

The country exhibits fascinating blend of quintessential past with modernity. Saudi Arabian Medical Tourism is one curious component of the tourism industry that has recently evolved. The dental clinics, eye clinics, paediatric, obesity treatments and the cosmetic surgery clinics are among the major attractions of Saudi Arabian Medical Tourism. In relation to costs, Saudi Arabia is much cheaper for a quality treatment than many other countries. Health fields that are rapidly developing in Saudi Arabia are stem cell research and infertility treatment (Saudi Arabia witnesses growth in Medical Tourism, 2011). Saudi Arabia, with its comparative low cost advantage and emergence of several private players, represents an equally the fastest economically growing market.

According to Connell (2006), the ability to convince tourists that the healthcare in these international destinations is of a safe quality is one of the major barriers to medical tourism. In order to combat this concern, international accrediting agencies are in the process of certifying the quality and safety of global healthcare delivery (Lagiewski & Myers, 2008). And so we see that the Kingdom of Saudi Arabia has over 30 JCI accredited hospitals showcasing its drive and ability to upkeep the international standards and regulations of high quality healthcare (Prem, 2011).

According to the Private Hospitals Association (PHA), the Kingdom's medical tourism sector has witnessed a potential rise in patients over the last few years. Also that 220,000 patients from across the world received treatment in the Kingdom's private hospitals, which is a huge rise as compared with the recent past records. These figures are "promising" and indicate that the number of medical tourists will continue to grow and increase every year as reported in *Saudi Arabia* (2011). Health and medical tourism in the Kingdom achieved more than 800 million Saudi riyals out of the total spending by both citizens and expatriates for domestic tourism in 2007. At the same time, foreign tourists spent over 400 million riyals to undergo treatment in the Kingdom during the period as found from the journal *Saudi Arabia* (2010). As per the study conducted, around three million health tourists currently seek wellness and healthcare services all over the world with the Middle East, particularly Saudi Arabia, emerging as one of the new fast-growing international markets. (Woodman, 2007)

In comparison to its Middle East counterparts, the medical tourism sector in Saudi Arabia is not well-promoted. However, with the abundance of wealth and luxury that this oil-rich country has, the medical facilities are an accurate reflection of high quality and class. (Prem, 2011). Unlike many of its competitors in medical tourism, Saudi Arabia also has the technological sophistication and infrastructure to maintain its market niche, and Saudi pharmaceuticals meet the stringent requirements of the U.S. Food and Drug Administration. Additionally, Saudi Arabia's quality of care is up to American standards. Besides, Saudi Arabia could be developed into an attractive medical tourism because of the fact that it is holy place for more than one billion Muslims in the world. Approximately 5 million Muslims from across the world travel to Saudi Arabia for Hajj¹ and Umra². The two cities of Saudi Arabia Makkah and Madina naturally attract millions of Muslims from across the world. This visit may be promoted for medical tourism as well.

International travel is not without restrictions. Governments have a range of different visas that they grant for different purposes to visitors to their countries (Immigration, 2006). Ease of access for international travel is a very important factor for deciding to choose a country for Medical Tourism and holds true for Saudi Arabia as well. This could be possibly a limiting factor for the Saudi Arabian scenario since the immigration laws followed are comparatively different. By the review of the literature, it is apparent that there is a large scope for Medical Tourism to grow and survive in Saudi Arabia. And we need to further study the factors responsible for it. According to the Health Statistical Year Book 2010, Kingdom of Saudi Arabia, the number of beds in the Ministry of Health hospitals are 58.9%, while 21.1% of beds are in the Private sector and another 20% of beds are in the other governmental sector.

¹ Hajj is performed annually and approximately 3 to 4 million Muslims visit Saudi Arabia to perform it.

² Umra is another Islamic ritual performed by visiting Makkah. It is performed throughout the year.

Table 1: Hospitals and Beds in All Health Sectors and Rate of Beds/10000

Year 2010		
Beds	Hospitals	Sector
34370	249	Ministry of Health
10939	39	Other governmental
12817	127	Private Sector
58126	415	Total
21.42		Rate of beds/10000 population

Source: Health Statistical year book (2010)

According to CIA, the health expenditure of Saudi Arabia is 5% of its GDP (2009), as compared to other Middle East countries, Iraq has the highest health expenditure of 9% and while Bahrain stands at 2.5%. The hospital bed density is 2.2 beds/1,000 population (CIA,2008).

7. Results

The findings of the study show that the medical tourism is fast developing concept world over. It has been recognized as an industry in more than fifty countries of the world. The most important motivating factor for the medical tourist to get his/ her treatment done in the Kingdom of Saudi Arabia is the essence of existence two the Holy Cities- the Spirituality. It is the factor that would most likely make them choose Saudi Arabia as their choice of destination for availing medical and mental relaxation services. It should be noted here that the associated trip to *Makah and Medina*, acts as a great push factor for the prospective Medical Tourists, who choose to come to Saudi Arabia for their treatment and spiritual, mental relaxation.

The results of the study also show that the prospective Medical Tourists of five different countries-UK, France, Germany, USA and Iraq, do consider Saudi Arabia as an option for Medical Tourism, but at the same time are witnessing lack of marketing efforts by the authorities and their subsequent promotional entrepreneurship activities, which are not at par with the contemporary competitors.

The prospective Medical Tourists are aware of the fact that Saudi Arabia possesses the world class healthcare facilities, but it is being marginalized by other countries due to their vigorous marketing and promotional activities. The major service seekers for Saudi Arabia were in equal percentages of men, women and children. However, it should be noted here that the decision for the children were taken by their parents. Both men and women mostly want to go for cosmetic surgeries, which they find comparatively cheaper than in their own countries. Dental and ophthalmic treatments were also found to be very satisfying by them. The study also found many women preferring Saudi Arabia for fertility treatments.

8. Conclusion

From the above study and analysis of the result, it is concluded that Saudi Arabia possesses an excellent potential to compete successfully with the leaders in the Medical Tourism industry. The most important finding of the study is that the decision making process of the prospective medical tourist who seeks an inbound medical tourism in Saudi Arabia is strongly influenced by the factor 'Religion'. One of the most important limiting factor in the growth and survival of Medical Tourism in Saudi Arabia is the lack of promotion of the services in the prospective markets by the service providers and other agencies like the government. At the same time, it was also found that the prospective Medical Tourists who want to come to Saudi Arabia for Medical Tourism find it slightly difficult to arrange for the VISA, as the Saudi immigration laws are comparatively more stringent. The prospect of future research regarding Medical Tourism in Saudi Arabia can also identify several sensitive areas. E.g.: a) The ethical and legal issues, b) The detrimental or positive impact on the country, and most importantly c) The economic impact of Medical Tourism in Saudi Arabia.

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