

Prospects and Problems of Medical Tourism in China

MA Yuaner^{1*}, Juhaini Binti Jabar²

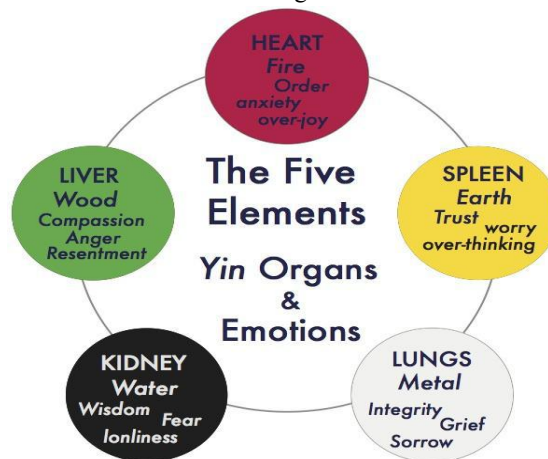
Abstract--- China has a long history and culture of traditional medicine, along with the increasingly sophisticated Western medical technology, is still seriously underdeveloped in the global healthcare travel industry. A massive population, lastingly uneven distribution of medical resources in the country, and the advancement of medical technology and the affordability of medical procedures in foreign countries, prompt China to become a major medical tourists-generating country for the global business (Pualo., 2018). The global medical tourism market was valued at \$53,768 million in 2017 ("The global medical tourism market," 2019), but China accounted for less than \$100 million, lagging far behind other Asian countries including Thailand, India and Malaysia.

Type of Paper--- Review

Keywords--- medical tourism, China, traditional Chinese medicine (TCM), healthcare

Introduction:

TCM: The characteristics of traditional Chinese medicine (TCM) and its brand value has not been taken seriously. In combination with characteristics of traditional Chinese medicine -- a holistic view of "correspondence between man and nature" and its treatment based on syndrome differentiation, the rich medical tourism resources such as acupuncture, massage and scraping, cupping, qigong, diet therapy, etc are not fully developed, standardized, and publicized (Xi et al., 2017). In fact, in addition to treating a particular ailment or simply to improving overall wellness by looking, listening, questioning and feeling the pulse, the healthy regimen mode of traditional Chinese people, including "preventive treatment of disease" and "medicated diet therapy" with being outstanding in effect, have not been developed into a unique TCM product system. A good brand effect in traditional Chinese medicine has not been formed, which influences the attractiveness of the international healthcare travelers searching for decent traditional medicine treatment in China.



Source: *The Research of building China international medical tourism service institute evaluation system* / LIU Ruiqi, LIU Tingfang/ *Chinese Hospitals*. -2016,20(5):21-23

¹ Faculty of Technology Management and Technopreneurship, Universiti Teknikal Malaysia Melaka
² Faculty of Technology Management and Technopreneurship, Universiti Teknikal Malaysia Melaka
Corresponding author: MA Yuaner, Email: mayuaner2@yeah.net

International medical tourism service started quite late in China, only a few provinces and cities were sporadically carrying out international medical tourism services, and most of them are for foreign travelers in China (Li & Fu., 2017). Sanya Hospital of traditional Chinese medicine (TCM) in Hainan Province has carried out traditional medical therapy with its target market Russia and Central Asian countries earlier. Most of customer-patients could spend the rest of the stay sunbathing in southern China's tropical island --- Hainan. But in general, there is a lack of standardized operation system and incomplete service process to adapt to large-scale international medical tourism services. Unregulated private clinics, exaggerated treatment effects, and a lack of qualified TCM practitioners constrain the sound development of the medical tourism market in Hainan, according to the provincial TCM administration. Non-medical services in China is far behind the international advanced level, including the enhancement of professional skills for health practitioners, and the settlement of language and culture barriers for non-locals (Pualo., 2018).

Medical service providers: Following the operation and standardization of market rule is also very important. Take Thailand as an example, at present, more than 70 medical institutions in Thailand have obtained international JCI accreditation, and patients can safely see a doctor in these certified hospitals and their medical expenses reimbursement needs could be easily realized at their home (An D., 2014). In China, the international certification for medical institutions still lags behind, among more than 20000 hospitals, only 90 have passed JCI accreditation, which requires the departments of government to formulate relevant policy regulation to constantly improve market rules.

Although a wide range of Chinese private hospitals are striving for JCI certification, they are generally small-scale and weak in health science research, and lack of enough resources for top-notch healthcare delivery. Some of them have not invested too much efforts in international healthcare travel after accreditation, greatly underestimating the vast potential of JCI certification's role (Eggleston et al., 2010). In the aspect of medical tourism in Malaysia, in addition to advanced global networking technology, the active participation of hospitals and medical providers also affects the industry's performance and competitiveness, and the comprehensive ability of medical staff is also a key factor. Bumrungrad Hospital in Thailand has the same equipment, the same medicine, the same treatment plan and the same therapeutic effect as the United States, but its medical cost is only about 1 / 4 of that of the United States. How to create a higher-value service within a reasonable price difference is the core issue for China's medical tourism (Li & Fu., 2017).

Formulation of Regulation and Policies : The Chinese government stipulates that state-owned public hospitals are not allowed to use the optimal resources of healthcare to serve international consumer-patients (Xi et al., 2017). Under the current medical system in China, a large number of patients crowding to the upper first-class hospitals for medical treatments every day, leading to a serious shortage of high-quality medical resources within the country, and a pretty heavy workload for Chinese doctors. Under this context, large public hospitals in China are obviously unable to provide high-quality healthcare to foreign patients.

In China, highly-active private healthcare enterprises, are not fully supported by the government departments and the management committee, and are unable to set up a new multi-industry institution (An D., 2014). Take South Korea as an example, the Council for Korea Medicine Overseas Promotion (CKMOP) is set to guide information exchanges between healthcare providers and international customer-patients; Korea Health Industry Development Institute (KHIDI) is responsible for performing professional and systematic support to develop domestic health industry, managing advanced medical technologies for better healthcare delivery. In addition to the establishment of the regulatory agencies above, the government of South Korean provides dedicated financial support and suggestions of investment management for the medical service providers, and promotes marketing activities and perfect the infrastructure construction for them.

Through a large number of literature reviews and in-depth interviews, it can be found that, national policy-making and government regulations, professional knowledge, media campaign, communication skills and multilingual competence have a direct impact on the development a country's medical tourism, especially national policy-making and government regulations (Yang & Wu., 2014). There is an overlap between policy-making and healthcare expertise in solving the problems of better training experts to conduct targeted consultation in China's medical tourism.

Industry awareness: China's lack of a unique brand is also an obstacle. Chinese healthcare enterprises have no core competitive power in global business of medical tourism. In the early stage, this sort of industry only flourished in Taiwan, Hong Kong and Macao.

Overseas healthcare travel industries in Europe, America, Japan, South Korea and the Southeast Asian nations have

gradually become major market segments. Liver transplantation in the UK, cosmetic and plastic surgery in South Korea, severe treatment in the US all gained a wide reputation, while Thailand, India, Malaysia and the Philippines have attracted a large number of tourists with their cheap prices and efficient therapeutic drugs(Lee M et al., 2012). If the China wants to promote medical tourism by providing high-quality drugs, it does not seem to be convincing enough to attract foreign patients, because they can find the same quality in other countries, which is not considered as an effective differentiation strategy for China’s medical tourism.

Looking at the background of world healthcare travel, the reason why overseas medical services have an overwhelming advantage over the Chinese ones is that the restriction and control on medical resources in foreign countries are indeed much looser than that in China, and relatively loose medical resources often mean better healthcare delivery. The second is that more than 70% of the consumers are cancer patients. At present, the cure rate of cancer in adults in developed countries has reached 65% and proton therapy system is known as “a cancer-killing weapon”. At present, only a few developed countries such as the United States and Japan can manufacture it.

In the aspect of healthcare travel, China is lacks of a total integrated marketing consciousness and reasonable formulation of policies and regulations to promote the industry (Yang & Wu., 2014). It is in desperate need using the experience of other successful countries in the field for reference, to create a combination of advanced medical technology and a talent pool to provide holistic treatment with a multidisciplinary approach.

Prospects

Medical tourism has a great potential for development and prospects because it, to a large extent, meets the rapid growth of modern people's leisure and health needs. A number of countries in Asia, adjacent to China, with its unique advantages on medical professionalism and excellent services, have made great success in the international business of medical tourism. In comparison to them, although China has unique health resources and natural environment advantages, the development of its medical tourism is inadequate (Lee M et al., 2012). The first significance of developing medical tourism lies in its strong radiation effect. Due to the comprehensive effect of medical tourism, the construction of hardware and software needed for the upgrading are closely related to a country’s agricultural, industrial and service sectors, so the healthcare travel can also promote the common development of transportation, hotel, catering, and entertainment and construction industries. The second significance lies in the high growth for a country’s economy. The world medical tourism is increasing at the rate from 20% to 30% every year, which brings more than twice the consumption spending of the world’s traditional tourism, and brings considerable income to the economy of the destination country. In addition, the development of medical tourism is conducive to strengthening international exchanges and cooperation, raising China's international profile, and helping the sustainable development of China's health industry. Based on the advanced experience of foreign countries and the actual situation of China, the following aspects are worth exploring and studying:

1. Establishing trade associations, improving the management system, and managing medical tourism as an industry. Medical tourism service is not a simple superposition of medical services and tourism industry. It is necessary to do a good job within internal coordination of medical tourism, which is to say, tourism sector, medical institutions, transportation, hotels and other related industries should coordinate with each other, different sectors should communicate problems encountered in the process of cooperation(Yu et Tae., 2012).

Chart 1: Foreign tourists' cognition of the advantages of medical tourism in China

Aspects	Cognition percentage(%)
Rich tourism resources	23
High level of medical technology	17
Cheap prices	13
Regimen of traditional Chinese medicine	22
High degree of internationalization	12
Increased international influence	13

Source: Macro-policy research related to the China international medical tourism services / LIU Yongsheng, LIU Tingfang/ Chinese Hospitals. -2016,20(5):7-12

Strengthening foreign cooperation with medical tourism facilitators, medical institutions and insurance companies in the target market. In order to meet the needs of different levels of medical tourists and provide them with systematic and personalized medical tourism services, the medical service providers have to persuade the targeted countries to include the medical expenses occurred in China into the scope of their medical insurance, and to launch a long-term medical visa depending on the holders' nationality. These all need the government or an effective government organization to take the responsibility of supervision, coordination and management, to achieve the organic combination of medical service and tourism industry, so that patients can enjoy high-quality healthcare services in China.

2. Effectively integrating health resources and developing a series of medical tourism products. Integrating medical tourism resources and launching special series of medical tourism products not only meet the needs of tourists, but also meet the internal development needs of China's tourism market (Tseng H., 2013). In fact, China does not have too much advantages in the narrow sense of medical tourism, that is, it is hard for China to attract international tourists seeking specialist treatment and surgery. However, taking into account the traditional Chinese medical tourism, China has unique advantage in creating leading TCM resorts, including the following categories: ① tourism plus medicine packages, such as hot springs and traditional Chinese medicine beauty packages for skin diseases and aesthetic medicine, traditional Chinese medicine therapy for chronic diseases and cancer, and some simple and low-risk surgeries, like dentistry; ② tourism plus rehabilitation packages, such as rehabilitation treatment of traditional Chinese medicine for nervous system diseases and for physical and mental sub-health; ③ Tourism plus healthcare packages, such as tuina massage, cupping therapy, herbal diet, qigong, taiji, etc.; tourism plus traditional medicine culture packages, for those tourists, who want to understand more the ancient and mysterious traditional Chinese medicine, learning about that it is a culture in the balance, is also a nice try; in addition, the package of temporary residence plus TCM healthcare can be made for transnational retirees.

3. Guiding Chinese hospitals to carry out international hospital accreditation and expanding overseas medical tourism market. Internationally, in order to ensure the quality of medical service, the hospitals and the medical service providers must accept the evaluation of the third party on a regular basis, to measure their service quality and patient safety from an objective point of view. JCI is an international accreditation arm of JCAHO (Joint Commission on Accreditation of Health Care Organizations) and responsible for the accreditation of various medical institutions in the United States (Yang et Wu., 2014). It specializes in international certification of service quality for hospitals outside the United States, and stands for the highest level of medical accreditation all over the world. JCI accreditation is an important indicator for a hospital management level in the eyes of international insurance companies. As of March 2018, nearly 90 hospitals in China have passed the JCI accreditation. Beijing United Family Healthcare Hospital, with only 50 beds, has been recognized by dozens of medical insurance companies in the world due to its JCI accreditation. The cost of a bed per day for a single ward is as high as US\$ 1500, which is reimbursed by medical insurance companies. British health and care company Bupa has also evaluated and recognized more than 1000 medical institutions around the world, and is committed to helping its customers live longer and healthier. Being different from the previous international accreditation, in addition to the evaluation, Bupa also further creates personalized improvement proposals for the hospitals according to their evaluation results, emphasizes the standardization and optimization of the process, which is the same with the emphasis on improving practices of medical quality and safety in China (Yang et Wu., 2014). ISO9000 is also a series of standards for Quality Management System and a global certification system. All of these certifications emphasize the quality, service and process of healthcare travel, so as to enhance the service level and the competitiveness of medical service providers.

Chart 2: Foreign tourists' cognition of the disadvantages of medical tourism in China

Aspects	Cognition percentage(%)
Lack of corresponding talent team	20
Disordered tourism market	16
Lack of relevant laws and regulations	17
Lack of international accreditation for medical institutions	11
Language communication barriers	20
Lagging of service concept	16

Source: *Macro-policy research related to the China international medical tourism services / LIU Yongsheng, LIU Tingfang/ Chinese Hospitals. -2016,20(5):7-12*

Possessing at least one accreditation above is the key to enter the overseas medical tourism market: hospitals participating in medical tourism in India, Singapore, Thailand, Malaysia and other countries are able to gain access to the international market through international certification and then obtain huge economic and social benefits. China could choose several medical institutions with good service quality, obvious features in treatment, and prompt them into the world healthcare travel market after obtaining accreditation.

4. Building a brand with unique characteristics that combine traditional Chinese medicine and healthcare travel. As the quintessence of China, traditional Chinese medicine has great potential to become a high-end and world-class resource of medical tourism. Although the healthcare travel of traditional Chinese medicine has opened up some markets in Hainan Province, the scale of business is generally small and the technical content is not high. Hainan's main target customer is Russia, and has not developed plenty of supporting products to meet the personalized needs of tourists. China should make use of the characteristics of tourism resources in Hainan Province, such as hot springs, virgin forests, tropical botanical gardens and medicine of the Li nationality, to build a number of TCM health tourism resorts integrating medical rehabilitation, health care, sightseeing and leisure, food and entertainment.

Also, Hainan Province possesses the first batch of proton centers in China in 2019. It will greatly improve the level of cancer treatment in China, so that patients with serious illness can enjoy the convenience of not leaving the island. Proton therapy system is a kind of technical means of radiotherapy for tumor diseases. It rarely damages normal human tissues during the treatment and is one of the most advanced radiotherapy means recognized by the industry. The function of proton knife is to launch billions of protons to the cancerous tumors and kill them throughout the body, which is a painless, noninvasive treatment. The proton beam with a certain dose could destroy the main tumor site without damaging the surrounding healthy tissues or organs, which is especially suitable for the treatment of brain tumors, prostate cancer, and children's tumors, etc(Yu et Tae,. 2012). Proton therapy can improve patient survival rates, treatment experience and quality of life. In the next 5 - 10 years, hospitals without proton therapy will lag behind in the clinical treatment and research. With proton centers, China could actively explore the middle-end and high-end healthcare travel market, so as to form a distinctive destination brand.

As a matter of fact, as early as in the 1980s, the People's Hospital of Suifenhe City in Heilongjiang Province set up an outpatient clinic in Russia, dispatching stemmatologists and physiotherapists over there, and established the Ministry of Health and Economic Cooperation with Russia, which has received considerable economic benefits. Later, due to changes of current situation at that time, this attempt was only a flash in the pan. At present, Sanya Hospital of Traditional Chinese Medicine in Hainan Province is also trying to do this, negotiating with relevant administrative departments and institutions of Russia to carry out TCM medical tourism there.

5. Correctly understanding the public welfare function of public hospitals and the relationship between public hospitals and international healthcare travel. Public hospitals' international medical tourism service does not affect their public welfare nature. On the one hand, if a hospital wants to provide international healthcare travel services, it must upgrade its equipment, management ability and service quality, ensure orders in the industry including therapy costs, safety standards and service quality, which will contribute to better medical care and enhance the experiences of customer-patients(Yu et Tae,. 2012). On the other hand, the financial resources obtained by the hospitals for getting involved in international medical tourism services can further improve the hospitals' facilities, enhance the medical conditions and service quality, and better serve the public welfare undertakings.

At present, the international medical tourism is showing a trend of diversified development. It is no longer a special branch from the developed countries in Europe and North America. The medical tourism destination has been transferring to the developing countries, especially in Asia, which makes this industry in Asian countries flourishing and prosperous. China should make use of its unique resource advantages, promote tourism with TCM treatment, seize the opportunity, expand the industry scale, and share the fruits of the rapid development of international medical travel.

References:

1. An D. (2014). Understanding medical tourists in Korea: cross-cultural perceptions of medical tourism among patients from the USA, Russia, Japan, and China. *Asia Pac J Tour Res.* 19:1141–1169.
2. Eggleston, Karen & Lu, Mingshan & Li, Congdong & Wang, Jian & Yang, Zhe & Zhang, Jing & Quan, Hude. (2010). Comparing public and private hospitals in China: evidence from Guangdong. *BMC health services research.* 10. 76.
3. Li, Xi & Lu, Jiapeng & Hu, Shuang & Cheng, KK & Maeseneer, Jan & Meng, Qingyue & Mossialos, Elias & Xu, Dong & Yip, Winnie & Zhang, Hongzhao & Krumholz, Harlan & Jiang, Lixin & Hu, Shengshou. (2017). The primary health-care system in China. *The Lancet.* 390. 2584-2594.
4. Li, Ling & Fu, Hongqiao. (2017). China's health care system reform: Progress and prospects. *The International journal of health planning and management.* 32. 10.
5. Lee M, Han H, Lockyer T. (2012). Medical tourism—attracting Japanese tourists for medical tourism experience. *J Travel Tour Market.* 12(1):69–86.
6. Moreira, Paulo. (2018). Outbound medical tourists from China: An update on motivations, deterrents, and needs. *International Journal of Healthcare Management.* 11. 10.
7. Tseng H. (2013). Medical health care tourism: Why patients go overseas and what nurse practitioners need to know. *Int J Healthc Manag.* 6(2):132–135.
8. The global medical tourism market was valued at \$53,768 million in 2017. (2019, June 18). Retrieved from <https://www.prnewswire.com/news-releases/the-global-medical-tourism-market-was-valued-at-53-768-million-in-2017--and-is-estimated-to-reach-at-143-461-million-by-2025--registering-a-cagr-of-12-9-from-2018-to-2025--300870732.html>
9. Yang, Yang & Wu, Xiwei. (2014). Chinese residents' demand for outbound travel: evidence from the Chinese family panel studies. *Asia Pacific Journal of Tourism Research.* 19. 10.1080-1094
10. Yu, Ji Yun & Tae Gyou Ko. (2012). A cross-cultural study of perceptions of medical tourism among Chinese, Japanese and Korean tourists in Korea, *Tourism Management,* 33(1), 80-88.