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Employers Are Jumping on the Domestic Medical Travel Bandwagon

PRINCETON, NJ--(Marketwire - July 21, 2010) - In a recent USA Today article, [medical tourism](#) is getting a huge boost from American based employers and insurers who encourage employees to consider domestic [medical travel](#). Therefore, instead of seeking out medical travel or [affordable healthcare](#) alternatives overseas such as Thailand or India, employees are being directed to regional facilities that offer high-quality care and lower prices. "The move is reducing healthcare costs by 20% to 40%, with the difference often covering travel expenses," says David Goldstein, President of Health Options Worldwide (HOW), an online [medical tourism company](#).

"When people hear the words 'medical tourism,' they automatically think overseas," explained Goldstein, "But low-cost healthcare can be found in this country, even if it involves some travel." Employers who offer [domestic medical travel](#) programs can save healthcare money by negotiating a single rate. This rate can include surgical and anesthesia fees and all medical care performed up until discharge.

Large corporations like Lowe's, the home improvement retailer, already have such programs in place. A self-insured employer, Lowe's struck a deal with a cardio care clinic where they send their employees for open-heart surgeries, valve repairs and pacemakers. In the future, they may add orthopedic surgeries to their program. Other large employers may soon follow suit with similar agreements with healthcare providers. Some companies provide financial incentives to medical travelers like waived deductions, copayment reductions and paid travel expenses.

"If this concept catches on, especially with large employers, it could help decrease healthcare costs and improve the quality of medical care by creating a competitive marketplace," says Goldstein. Hospitals dictate costs and affect health insurance premiums. "However, it's very sobering to see how much medical costs and quality can vary between hospitals and regions," said Goldstein.

However, the focus should still be on quality along with financial balance, advises Goldstein. "With tempting financial incentives, employees may be forced to choose cost instead of quality, and the choice will be taken out of their hands," explained Goldstein. Still the savings are hard to beat, especially when there are fewer complications from procedures that are done with high quality providers. Follow-up care, like physical therapy, is done locally and covered under the employee's regular insurance plan.

Programs like these could spur the domestic healthcare marketplace to respond with even lower costs in order to lure patients to their centers. Insurance companies are hesitant to offer domestic medical travel incentives because it creates ill will with local healthcare providers, who then lower their costs in response. "This is why employers, healthcare providers and insurance companies will have no choice but to embrace this trend," said Goldstein.