EVOLVING TRENDS AND ADAPTIVE RESPONSES IN THE INTERNATIONAL MEDICAL TRAVEL INDUSTRY

How might the industry look as the world responds to COVID-19?

June 2020

Introduction to the panel

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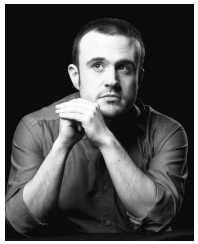

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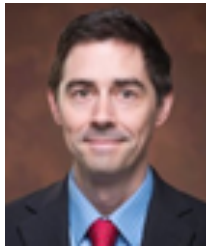

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Do past events tell us anything about the likely recovery from COVID-19?

1. 9/11 Impact on Inbound Medical Travel to the US
2. Great Recession (2008–2009) Impact on Inbound Medical Travel to the US

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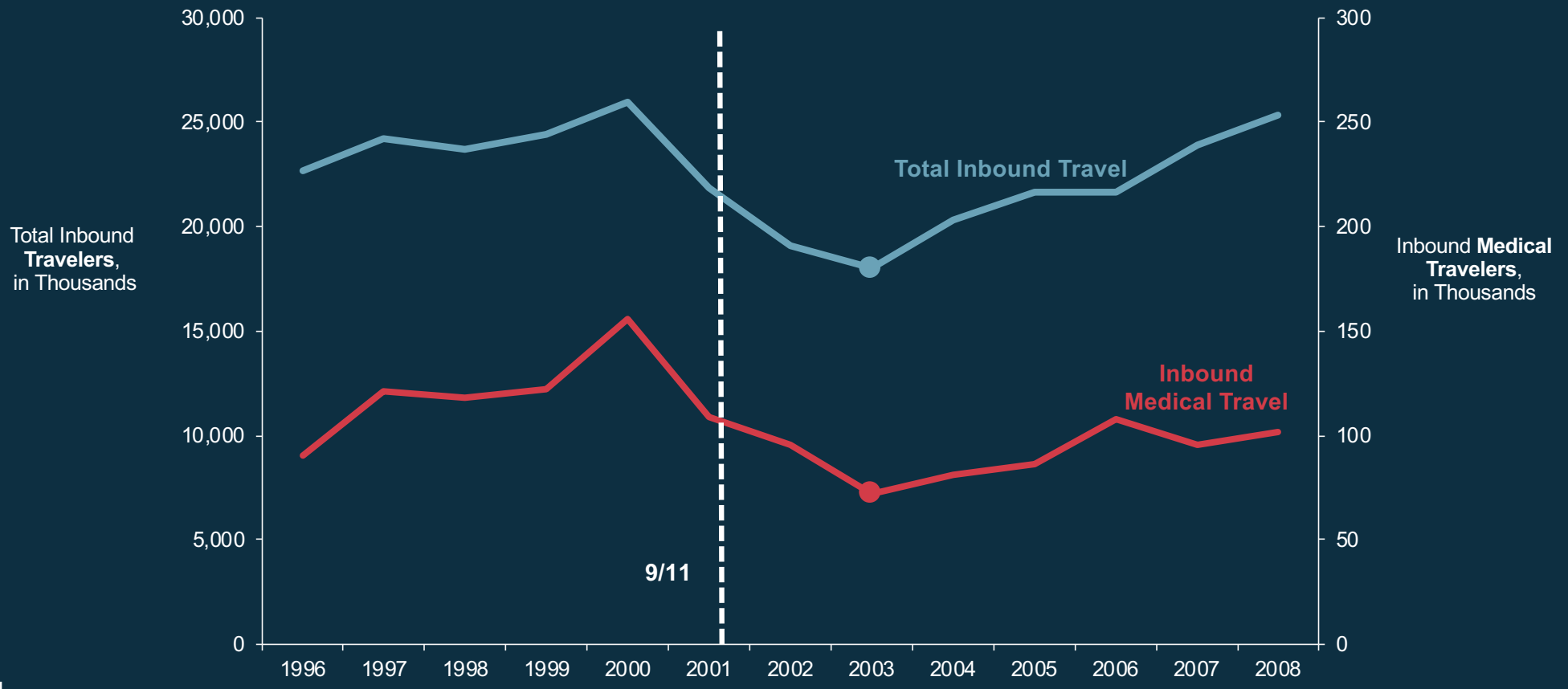
After 9/11, tourist volumes took nearly 10 years to recover, but medical travel was even slower to recover



Source: US Department of Commerce, Office of Travel & Tourism Industries

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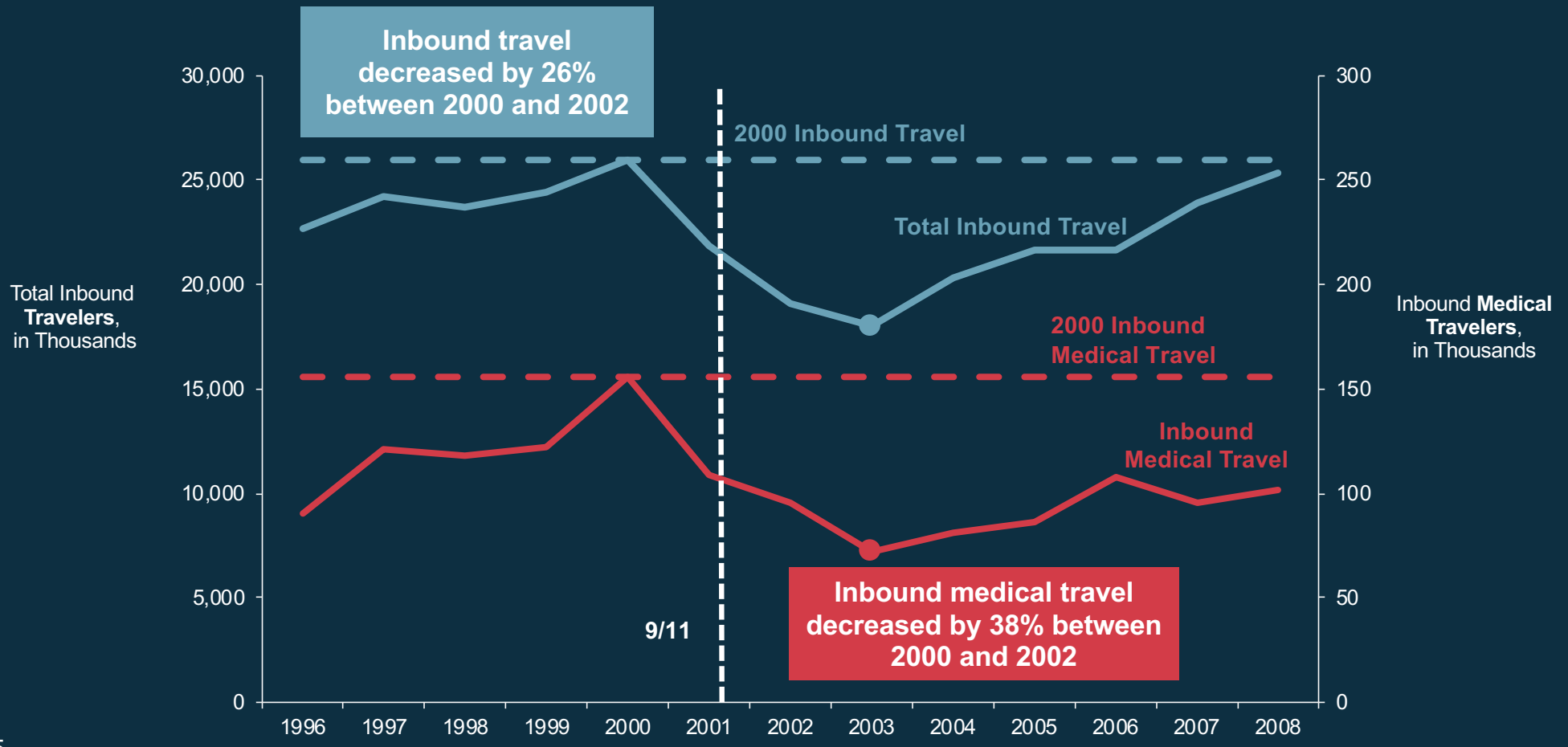
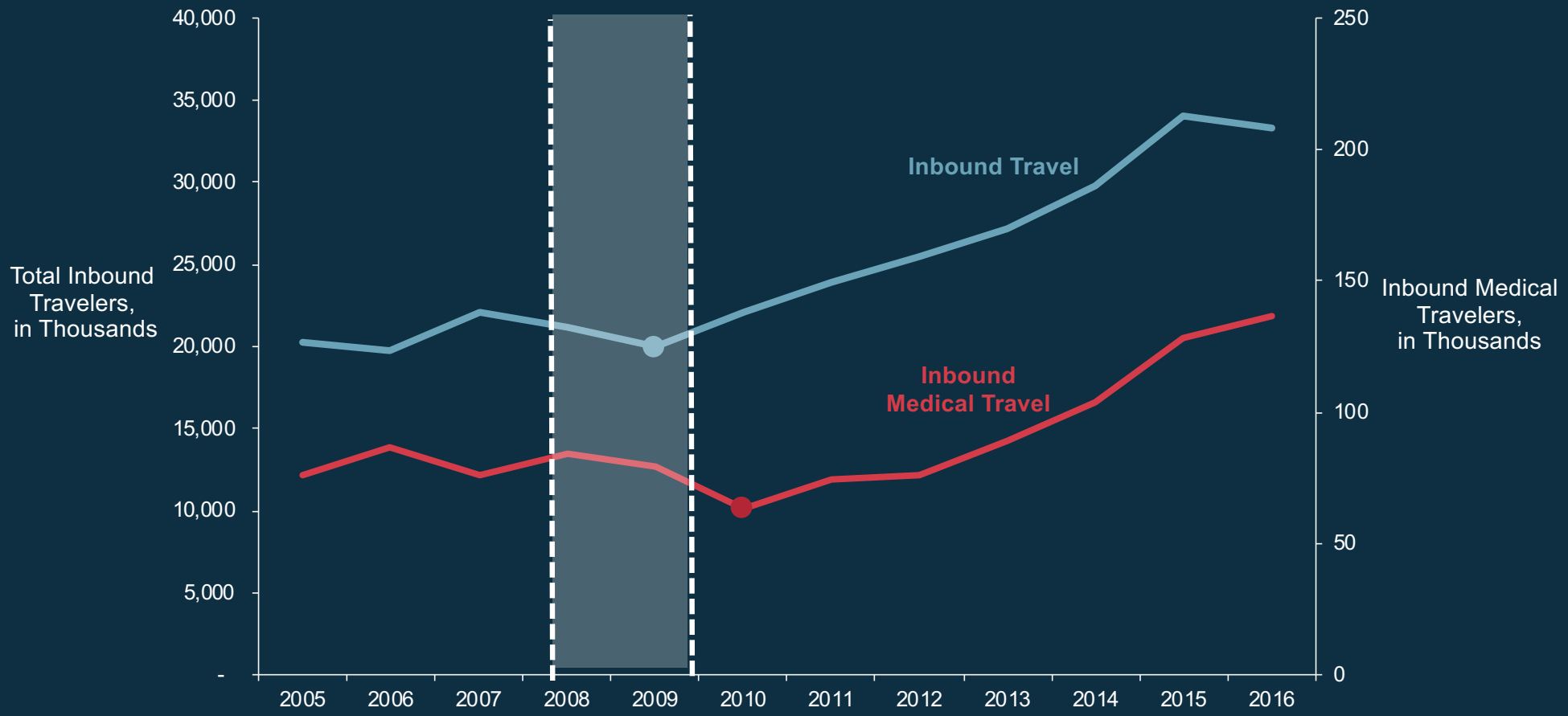


Source: US Department of Commerce, Office of Travel & Tourism Industries

Travel volumes recovered more quickly after the Great Recession of 2008–2009



Rush University calculations from Survey of International Air Travelers, US Department of Commerce, Office of Travel & Tourism Industries

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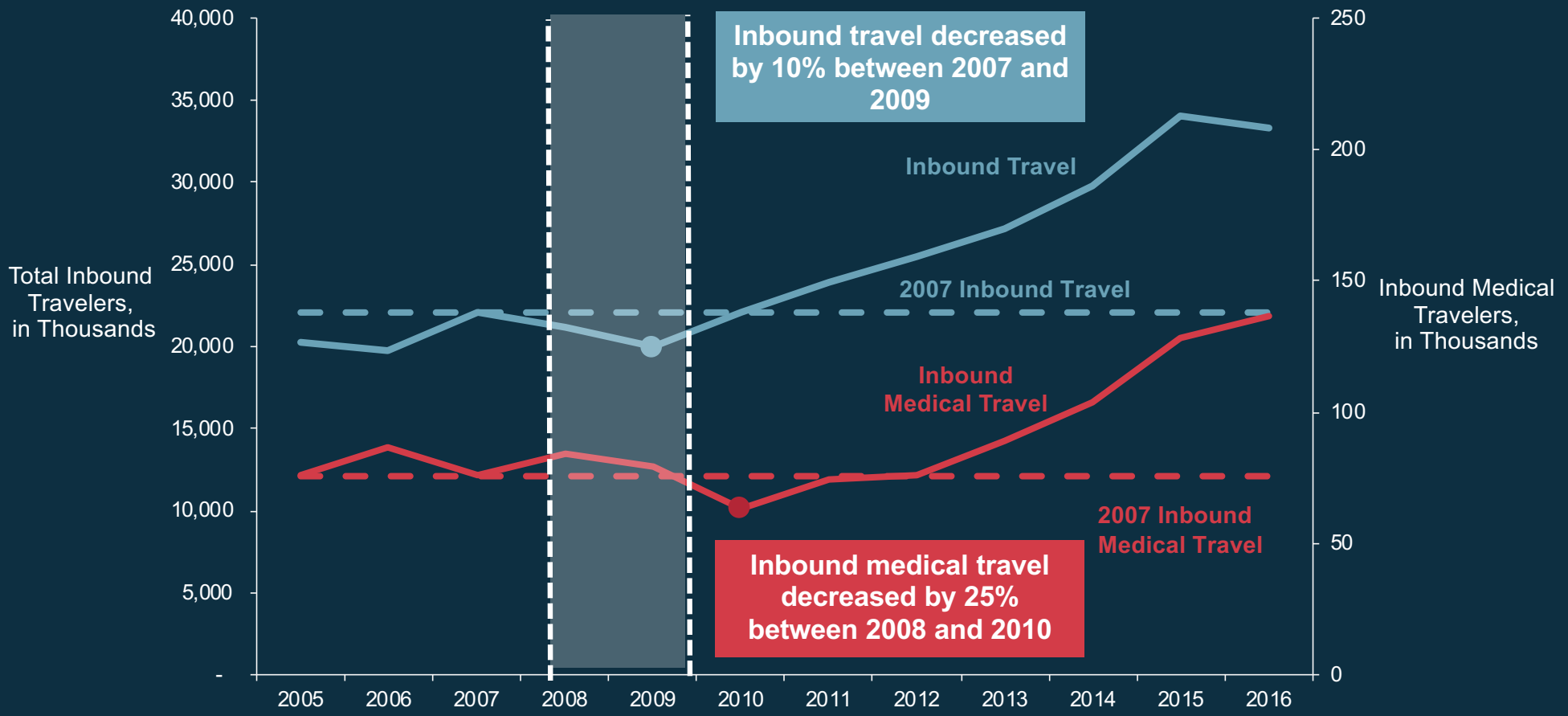

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What do these historical analogues suggest for medical travel and COVID-19?

9/11 Impact on Travel

- International medical travel volumes had not fully returned to Year 2000 volumes, prior to the Great Recession
- Slow return of inbound travel to the US may partially be attributed to concerns about travel to the country and visa restrictions for residents from some countries

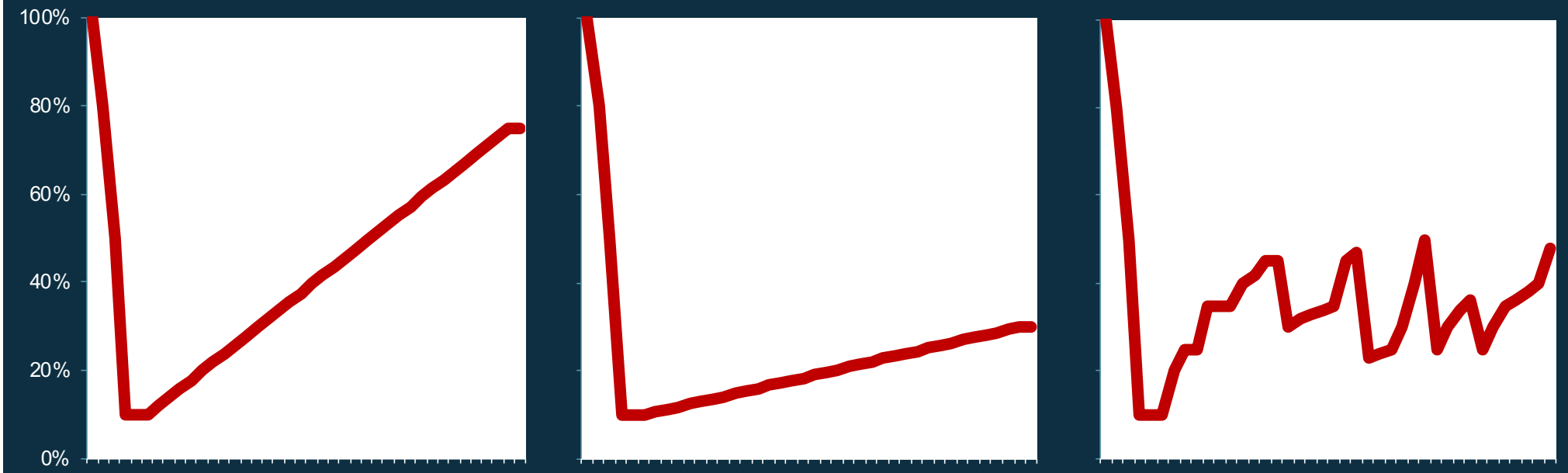
Great Recession (2008 - 2009) Impact on Travel

- Short-lived impact on both overall air travel and medical travel
- Travel paralleled general economic recovery across the world

Implications for Travel in Response to COVID-19

- The economic crisis resulting from COVID-19 may have a lesser impact on inbound medical travel once regional economies begin to recover
- "Consumer confidence" about the United States as a travel destination and visa restrictions are likely to have a larger impact

What Will Medical Travel Look Like Going Forward?



Factors to Consider in Looking to the Future of International Medical Travel

Demand Side

- **"True"** inbound medical travel versus non-permanent residents seeking medical care in the US
  - Dual citizens, partial residents, students
- Relaxation of travel restrictions
- Country, state and city-level requirements for quarantining after travel
- Resumption of air travel
- Resumption of cruise travel
- Availability and comfort with travel-related services (e.g., hotels, restaurants)
- Point-of-care COVID-19 testing
- Availability of vaccine
- Availability of services locally or in other countries

Supply Side

- Delays in diagnosis and pent-up demand by domestic patients
- Improved expertise and infrastructure for telehealth
- Hospital debt related to COVID-19
- Hospital downsizing

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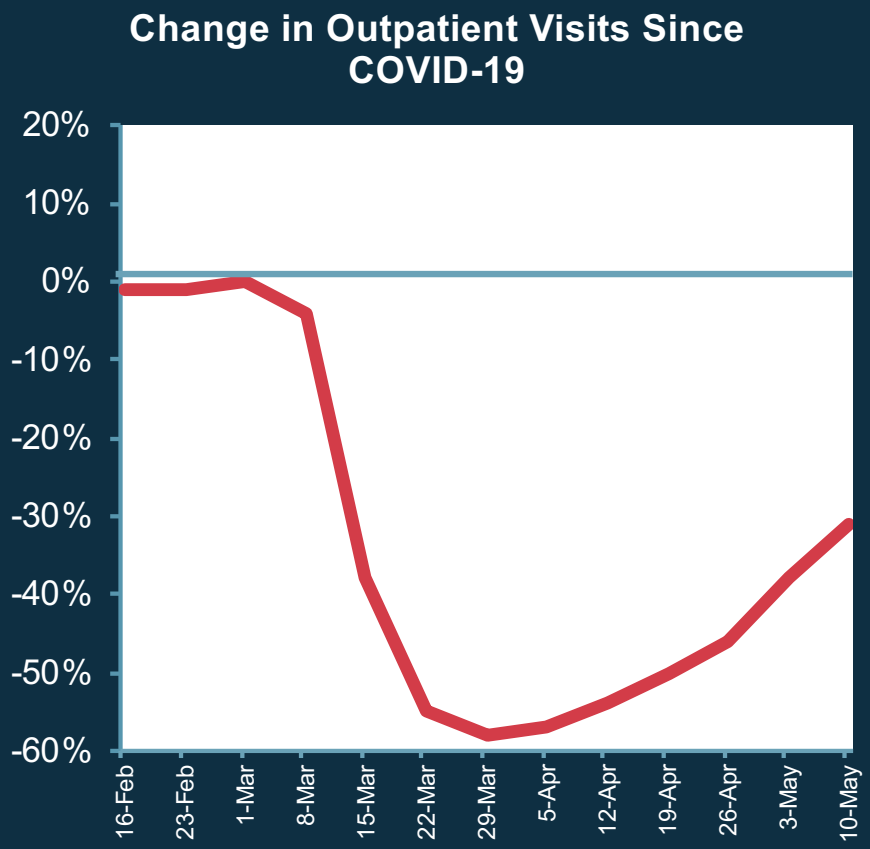
How will delays in diagnosis and care impact medical travel?

- Growing acknowledgment that COVID-19 delayed diagnosis and care due to
  - Healthcare providers limiting non-COVID-19 care to emergent issues
  - Fear of seeking care in an ED or hospital and filling prescription medications for non-COVID-19 reasons
- Pent-up demand



Source: The Commonwealth Fund, 2020

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Pent-Up Demand - Will It Be A Big Deal?

EXPECTED LEVEL OF CHANGES IN CLAIMS BY SERVICE CATEGORY DUE TO COVID-19 DISRUPTIONS

Main Category	Subcategory	Extent of Reduction	Level of Pent up Demand
Inpatient	Maternity/Newborn	Low	Low
Inpatient	Medical	Low / Moderate	Low
Inpatient	Surgery	Moderate/High	Moderate
Inpatient	Behavioral Health	Low / Moderate	Low / Moderate
Inpatient	Substance Abuse	Low	Low / Moderate
Inpatient	Skilled Nursing Faciliy	Moderate	Low / Moderate
Outpatient	Emergency Room	Low / Moderate	Low / Moderate
Outpatient	Observation	Moderate/High	Low
Outpatient	Diagnostic	High	Low / Moderate
Outpatient	Surgery	High	Moderate
Professional	ER & Facility	Low / Moderate	Low / Moderate
Professional	Surgery	High	Moderate
Professional	Preventive	High	Low
Professional	Diagnostic	Moderate/High	Low
Professional	Dental Services	High	Low / Moderate
Professional	Primary Care*	High	Low
Professional	Specialty Care*	High	Moderate
Pharmacy	General	Low	Low

Source: Society of Actuaries, 2020

Services that international patients most frequently travel for care are also those with the greatest domestic pent-up demand.

Inpatient surgery will most likely rebound first