In the News

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Medical Tourism: A Rapidly Growing Industry

According to the Deloitte Center for Health Solutions (Deloitte), the practice of traveling abroad for medical treatment is expected to expand substantially in the coming years. Deloitte recently published its 2008 report, Medical Tourism: Consumers in Search of Value, detailing the rapid growth of domestic and international medical tourism. The report estimates that 750,000 Americans traveled abroad for medical care in 2007 and that this number will increase to six million by 2010. Market drivers for medical tourism included: cost savings, comparable quality of care, shorter waiting periods, and quicker access to care.

Uninsured and under-insured American consumers find that traveling abroad for medical services is less expensive than paying high deductibles, co-payments, or out-of-pocket costs in the United States. The cost of medical care at facilities in India, Thailand, and Singapore can be as little as ten percent of the cost of equivalent care in the United States. Furthermore, because the price of care is often so low, many Americans can afford to pay for airfare, stay at a luxury resort, and cover all of their health care costs.

In the past, concerns over quality of care kept Americans from seeking medical treatment abroad; however, now that organizations like Joint Commission International accredit foreign medical facilities, American health care consumers feel more comfortable with the safety and quality of health care available abroad.

The Health Effects of Stress Increase as a Result of the Economic Crisis

The United States’ economic downturn not only affects the Nation’s finances, but also its health. The sub-prime mortgage crisis, the decline of Wall Street, and company downsizing have placed tremendous stress on American families. Not only does stress increase the immediate and long-term risk for cardiac events (e.g. heart attacks and strokes), it also causes people to engage in poor health behaviors, such as consumption of fatty and sugary foods. Acute stress is also one of the most detrimental triggers of relapse for those persons who are recovering from drug or alcohol addiction.

In October 2008, the American Psychological Association released a survey on the factors that most contribute to Americans’ stress levels. Eighty percent of Americans reported that the economy is a significant cause of stress, an increase of 15% since April 2008. Overall, the most commonly reported stresses were the economy, job stability, housing costs, and health problems affecting the family. These results were a shift from the previous years’ most commonly reported concerns about personal finances, work, and child rearing. In the past 12 months, physical and emotional symptoms of stress (e.g. fatigue, irritability, insomnia, feelings of depression and sadness, headaches, and muscle tension) have increased across persons of all genders, age groups, races, and ethnicities.

Continued economic stress will lead to increased health care needs, unfortunately, when the same economic stress will potentially decrease access to that care. Americans who have lost their jobs due to company lay-offs have lost health care coverage along with their employment. Many companies are also choosing to eliminate health care plans or increase deductibles and co-pays to offset mounting costs. Hospitals, like other industries, are struggling with variable-rate debts which had previously financed capital improvements and patient care. Furthermore, charitable donations to hospitals are expected to decrease as wealthy Americans experience a loss of prosperity.

To address these concerns, health practitioners and policy makers are strategizing new ways to assist Americans in the increasingly troublesome economic environment. Opportunities for stress mediation through exercise, meditation, drug and alcohol counseling, and social networking are more important now than ever as Americans look for constructive ways to cope with stress.
State Sunshine Laws Employ Broad Exceptions to Mandated Gift Disclosures for Pharmaceutical Companies

In an effort to market drugs, the pharmaceutical industry dedicates huge sums of money to form relationships with health care professionals who prescribe prescription medications. Public interest groups have raised concerns about the conflicts of interests that may arise due to these targeted marketing schemes. In reaction to these concerns, a few state legislatures have enacted “sunshine laws,” requiring companies to disclose the amounts and types of payments specific companies provide physicians. Certain exceptions in these statutes prevent full disclosure of physician payments and gifts. For example, Vermont’s law contains one of the most significant exceptions by allowing companies to withhold information about payments made to physicians that they deem “trade secrets.”

Payment exchanges between companies and medical professionals are considered “trade secrets” because companies that possess the information have a competitive advantage over rival pharmaceutical companies. By mandating disclosure, the companies believe that their vast marketing expenditures and efforts will be lost and competitors will gain the intelligence of where and how companies are spending these dollars. As a result of this exception, pharmaceutical companies in Vermont refused to release 61% of physician payments. Since only five states and the District of Columbia have enacted laws that mandate disclosure of payments, each statute’s construction serves as a valuable lesson for future disclosure legislation. Under the Vermont statute, it is difficult to know whether the withheld information is in fact a trade secret. With the public’s health at stake, state and federal legislators must strike a difficult balance between protecting companies’ economic interests and informing the public about the nexus between their physicians and the pharmaceutical industry.

Electronic Medical Records

Despite experts’ warnings that bringing patient records into the computer age is critical to improving the standard of care, fewer than one in five doctors in the United States uses electronic medical records. Although the use of electronic medical records has been shown to improve the quality and cost of care, financial constraints prevent physicians from using these new technologies. In addition to cost constraints, the time commitment necessary to transfer data to an electronic system would require physicians to hire new staff or even could prevent them from seeing their patients. Furthermore, electronic systems available to health care providers are tailored for hospitals that serve a larger number of patients than the average medical practice. The government is taking steps to subsidize the cost for private practices with a $150 million Medicare project that will offer doctors incentives to make the change from paper to electronic records.

The presidential race brought the issue of electronic records to the attention of the general public. Both candidates discussed the need for investment in electronic health information technology systems. Senator John McCain’s (R-AZ) plan recognized the need for the health care system to move to electronic systems as soon as possible and places importance on the need for the electronic records system to be interoperable across state lines. President-Elect, Barack Obama’s plan will invest $10 billion a year, over the next five years, to transfer the health care system to a standards-based electronic health system including electronic medical records. Obama’s plan will place emphasis on the protection of patient privacy.

Kristen C. Barry, Walawekon Blegay, Kathryn Coniglia, Adam S. Frankel, and Megan McCarthy contributed to this column.