

Medical Hub

1. International Trade and Economic System of Thailand

The economy of Thailand is an open system. International trade, export in particular, is an important element of the Thai economy over the past 30 years. The Gross Domestic Product (GDP) in 2009 was THB 9.050 trillion (USD 263,600 million) with 4.9, 2.5 and 2.2 percent growth rate at constant price from 2006 to 2008, respectively. Export products and services accounted for 61.3, 64.4 and 57.2 percent of GDP, respectively, in those three years and worth USD 150.9 million.¹

2. Health Service System of Thailand

The health service system of Thailand is the integrated service provision of both private and public sectors². According to the Section 79 and Section 80 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007), Thai people have equalities in access to healthcare services. The government must operate in a way to promote, support and develop the health service system with placing emphasis on health promotion which leads towards sustainable health and well-being. In addition, the government must effectively and thoroughly provide and promote access to standard healthcare services among all Thai people.. Private sector and communities are encouraged to participate in health development and the service provision. Furthermore Section 43 of the National Health System Statute B.E. 2552 specifies that the public health services must be high quality, efficient, effective, and inexpensive, focusing on support for and investment in services and technologies with high returns in health. The public health services must be in harmony with the desirable health system, and the State should primarily support a humanized public health service system. It should not support those with business interest orientation. Section 51 of the Statute states that the State shall not render support or special tax or investment privileges to public health services which are business interest oriented. In addition, the current government has established five health policies as follows: 1) supporting operations in consistent with national health laws; 2) building capacity in surveillance, prevention, control and diagnosis in a systematic manner; 3) enhancing healthcare service system to achieve standards; 4) investing in health workforce production and enhancing capacity of human resources for health; and 5) moving forwards to promote Thailand as the hub for medical and health services. These policies can be attained through strategic management, multi-stakeholder collaboration, resource sharing between the public and private sectors, and improvement of relevant laws and regulations.

3. Public Health Resources

3.1 Healthcare Facilities

There were 1,338 hospitals (140,007 beds) in 2007 consisting of 17 university hospitals, 121 other public hospitals, 833 public hospitals under the Ministry of Public Health (25 regional hospitals, 70 general hospitals, 733 community hospitals and 54 specialised hospitals), and 322 private hospitals. For public hospitals, they accounted for 78.8 % of the total beds.

3.2 Human resources for Health

1) Human resources for health play an important role in the health system. However, doctors and nurses have been directly affected by the promotion medical hub. In 2005, there were 51%, 23.5% and 22% of medical personnel working under Ministry of Public health, other ministries and the private sector, respectively. The number of doctors in 2010 was 39,406.

2) The government has had policies to increase the number of doctors since 2009. In 1995, Ministry of Public Health in collaboration with Ministry of University Affairs initiated a project referred to as Collaborative Project to Increase Production of Rural Doctor (CPIRD) which primarily aimed at increasing a number of new medical graduates at 300 per year whereby local students were the target group. In 2004, the target was set to increase the number to 700 doctors per year. This brought up the total number of 1,528 medical graduates in 1997 to 2,400 doctors in 2007. As a result, in the next 5 years, it is expected that there will be around 10,000 medical graduates. Likewise, the number of medical schools has been increased from 10 in 1997 to 17 at present, of which the majority are public institutions³. For the medical personnel produced by private institutions, there have been 593 graduates during 1997 to 2006. Currently, many medical schools are interested in establishing international programs to train medical students for those hospitals providing services to foreign patients. It is expected that this would affect the overall production and training of medical graduates.

3) Thailand is still facing shortages and unequal distribution of medical doctors although the government has attempted to provide continuous production. The unequal distribution occurs both between the urban and rural areas, public and private sectors, and general practitioners and specialists. According to the Report on Human Resources for Health Survey in 2008, most of the doctors worked in Bangkok and its vicinity or the big cities where the medical schools were located. However in the Northeastern part of Thailand and the southern border provinces, the density of medical personnel was considerably low. Currently, the doctor to population ratio is at 1: 5,750⁴ whereas the target is set to increase the ratio to 1: 1,800.

4) The change in consumer behavior in obtaining health services, increase of elderly populations, demographic and epidemiological changes and increasing trend in chronic diseases, and the utilization the universal coverage of healthcare have resulted in the increase of demands in health services among the Thais. In B.E. 2551, 99.16 % of Thai population are covered by three main systems of

healthcare security, namely universal coverage of healthcare (46.95 million), civil servant medical service scheme (5 million) and social security system (9.84 million). Such effective and efficient systems enable Thai people to have better access to health services. In 2008, the rate of utilizing the universal coverage of healthcare in outpatient wards was at 2.75 visits per year which was increased from 2.45 visits per year in 2003.⁵

5) Furthermore, a number of big private hospitals have changed their business strategies by expanding their market coverage to serve more foreign patients. As a consequence, this affected the demand of health workforces.⁶ It was found that the health workforces moving to private sector resulting from the medical hub policy were mostly specialists from medical schools. Over the past five years, it was found that one private hospital providing health services to foreign patients employed full-time 40 doctors whom previously worked with medical schools. Besides, one study found that there were totally 350 medical instructors resigning from all the medical schools during 2002 to 2004⁷. In 2005 to 2009, there were 181 medical instructors resigning from five medical schools.⁸ These definitely has had impacts on the production of doctors and worsened the problem of unequal distribution of doctors across the country.

6) The other factors that affect human resources for health include, for examples, ASEAN Framework Agreement on Services, the demand to reduce workloads of doctors due to adhering to relevant legislation, establishment of sub-district health-promoting hospitals. These factors probably will be influential to future shortages of the personnel. It is expected that the additional 1,891 to 2,175 doctors are needed to provide sufficient health services to Thai population in 2013⁹.

7) With the current shortage of medical doctors and given the fact that the production of a doctor and strengthening his or her capacity takes at least four to six years, responding to the increasing demand at present cannot be made. Therefore, the movements of existing personnel in the system, in particular, from the public to private sectors in dealing with the increasing demand were evident instead.

4. Thailand as a Medical Hub

4.1 Background

As a tourist destination, there are many tourists visiting the country. Some of them appeared to get accustomed to the country and preferred to receive health services in the country when they had illness. Seemingly, satisfaction in health services provided to those tourists has been increased such that there have been a number of foreign patients visiting the country to only receive health services. In addition, Department of Export Promotion, Ministry of Commerce foresaw that, as a country that had reputation in providing health services in the region, Thailand had potential in health sector in generating incomes to the country and boosting economic growth during the economic downturn in 1997, collaborated with other government agencies such as Ministry of Foreign Affairs, Tourism Authority of Thailand, Institute for Small and Medium Enterprises Development, the Thai Chamber of Commerce, and the Private Hospital Association to initiate health tourism which targeted two groups, including the foreign patients with high purchasing power who would like to receive medical and health services and the retirement people who

would like to settle in the country. At the same time, many big private hospitals which had big investment during the economic boom encountered the problem of running empty beds during the economic crisis in 1997. To cope with the problem, these hospitals changed their business strategy by attracting foreign patients from developed countries (such as Japan, European countries and Middle East countries) and this seemed to be successful^{10, 11, 12}. Currently, Thailand is a leading provider of medical services to foreign patients¹³ and earns the revenue of about USD 2.2 billion in 2009⁴. The key factors for the achievements have been the high medical standard and capacity, quality of services, satisfied prices and treatment outcomes, and hospitality of the Thai people.

4.2 Definition and development of the medical hub

1) There has not been a clear definition of 'medical hub' but most technical documents refer to it as 'medical tourism' with a broad definition as a "travel with the aim to improve one's health"¹⁴. The draft strategic plan for developing Thailand as medical hub (2009 - 2014) covers the medical hub and its four main areas of outputs: the medical services including healthcare excellent centres, the health promotion services, Thai traditional and alternative medicine, and herbal and health products. In this document, medical hub is specifically referred to the healthcare services because these services depend on the medical and health personnel which may affect the overall health system.

2) At present, Thailand is a well known country as a provider of the best medical care in Asia. The number of foreign patients who received medical treatment in Thailand increases every year and was 1.36 million in 2008. Of which, approximately 20 percent were from European countries and other 20 percent were from Central Asia and East Asia. The proportion of foreign patients represents around 23.7 percent of overall patients in private hospitals. Moreover, the foreign patients can be divided into three groups; 50 percent are expatriates working in Thailand and neighbouring countries, 27.6 percent come to Thailand with the medical treatment purpose, and 22 percent are tourists who become ill during the trip and need treatment¹⁵. Being medical hub is led by the private sector (45 private hospitals) with the top three hospitals with the highest number of foreign patients located in Bangkok. Furthermore, there are some university hospitals and public hospitals located in provinces of tourist destinations taking part.

4.3 Medical hub policies by the government agencies

The government has provided continued policy on medical hub. At present, the policy is implemented at two levels: 1) The Prime Minister's Special Committee which focuses on developing Thailand as the medical hub, and 2) the Ministry of Public Health by the Medical Hub Executive Board, Department of Health Service Support which has drafted, and in the process of requesting an approval for, the second strategic plan to promote Thailand at the medical hub (2010-2014). The draft of Strategic Plan is now under consideration by Ministry of Public Health. Under this plan, the Medical hub consists of

four main products: medical services, health promotion services, Thai traditional and alternative medicines, and herbal and health products. The plan includes three main strategies, namely, to enhance the capacities in competitiveness of health business, to support and develop the high quality and standard health service system, and to promote the marketing and public relations. The plan covers 57 main activities.

4.4 Medical hub in other countries

Many Asian countries are interested in promoting their countries as the medical hub. In sum, each country is different in term of their competitive advantages as illustrated below¹⁶:

Competitive advantage	Thailand	Singapore	India	Malaysia	Hong Kong
Service/ hospitality	xxxxx	Xx	x	x	xx
Hi-tech hardware	xx	Xxxx	xx	x	xx
HR quality	xxxx	Xxxx	xx	xx	xxx
JCI accredited hospitals	13	13	10	1	-
Pre-emptive move	xx	Xxx	x	x	x
Synergy/Strategy partner	x	Xx	x	x	x
Accessibility/ Market channel	xx	Xxx	x	xx	x
Reasonable cost	xxxx	X	xxx x	xxx	x

Note: the number of X indicates the competitive advantage, the higher the better advantage.

5. Potential impacts of medical hub and solutions to address those impacts

5.1 Impacts

1) With more than ten years of promoting Thailand as medical hub, it has resulted in both positive and negative impacts. The obviously positive impacts are increasing in country revenue, raising the medical personnel incomes, and creating jobs in the relevant business such as tourism, trade, and services in Bangkok and its vicinities. In addition, being medical hub enhances the reputation of the country in term of the Thai wisdom and unique of the Thai healthcare services. It also provides a potential in the large-scale investments in the country, increases employment opportunities for medical personnel, encourages a reverse brain drain of Thai health personnel working abroad, develops skill in medical services, and the improves the hospital standards to the international level.

2) The potential negative impacts can be unequal access to the healthcare services of the Thai people. It occurs due to the more severe brain drain of health personnel from the public to private sectors which results in shortage of service providers in the public sector. In addition, this may affect the service fee by stimulating the higher charges.

3) The policy to promote Thailand as medical hub increases the need of medical doctors particularly the specialists by the private sector. Most of these doctors are lecturers in medical schools.

Generally, it takes more than 10 years to train each medical professor, and they are the key driver in teaching medical students and providing medical services to patients. The outflow of these medical professors to the private sector can affect the remaining professors by increasing their workload. Consequently, in a near future, this may result in the decline quality of medical student and specialist training as well as affecting the public health service system in Thailand¹⁷.

5.2 The monitoring and surveillance mechanism for the impacts of medical hub

1) Since the implementation of the medical hub policy can affect the entire Thai population due to the imbalance of the positive and negative impacts, multi-stakeholder participation in developing the medical hub strategic plan and policy (on human resources for health, systematic public-private partnership, identifying target groups, setting up various public systems), awareness on negative impacts, and measures to mitigate negative impacts will lead to better performance in the future.

2) The first National Health Assembly adopted the resolution on public participation in free trade negotiation policies which requests the National Health Commission to establish a mechanism and a committee to study and monitor the international trade negotiations that may have positive and negative impact on health and health policies. This is to promote and encourage all sectors to participate in the study and monitoring of international trade negotiations and to monitor both positive and negative impacts arising from the signed agreements in order to provide recommendations for better developments. This mechanism is independent from the existing trade negotiations structure. With the actions requested by this NHA resolution, the Prime Minister has appointed a Committee to Support the Study and Monitoring of International Trade Negotiations Affecting Health and Health Policies.

6. Actions required by the National Health Assembly

The National Health Assembly is requested to consider the National Health Assembly document number 3 and the draft resolution number 8.

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