

Characterization of medical tourism in Bogota and Cartagena

Turismo de salud en la ciudad–región de Bogotá y el distrito de Cartagena

Francisco José Arias-Aragón¹, Alexander Mauricio Caraballo-Payares² y Javier Enrique Jiménez-Osorio³

¹Fundación Universitaria Los Libertadores, Colombia. *Email:* franciscoarias100@hotmail.com

²Universidad de Cartagena, Colombia. *Email:* acaraballo@unicartagena.edu.co

³Universidad de San Buenaventura, Colombia. *Email:* jjimenez@utb.edu.co

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ABSTRACT

Keywords: medical tourism; healthcare services; health cluster; international market.

The article characterizes the medical tourism subsector in Bogota and Cartagena to detect potential service offers to foreign patients. We performed a comparative analysis between these two cities to identify the weaknesses, opportunities, strengths, and threats they have. The study has a quantitative research approach using primary sources of information to characterize the subsector in these cities. In Bogota, the quality of health care services, specialized infrastructure, the accreditation of some health care institutions, and the formation of the health care cluster stand out as competitive elements. Meanwhile, Cartagena shows attractive prices but has scarce health care infrastructure and health professionals, low levels of bilingual proficiency, and increased local health service needs. We conclude that there is a need to strengthen the subsector's competitiveness in both cities, as the trend points to the growth of this type of tourism in the coming years.

RESUMEN

Palabras clave: turismo de salud; servicios de salud; clúster de salud; mercado internacional

El artículo caracteriza el turismo de salud con el propósito de identificar las potencialidades en las ciudades de Bogotá y Cartagena de ofertar servicios a pacientes provenientes del extranjero. Se hace un análisis comparativo entre estas dos ciudades en aras de identificar las debilidades, oportunidades, fortalezas y las amenazas que presentan. La investigación se desarrolla mediante un enfoque de investigación cuantitativo, empleando fuentes de información primaria que permitan caracterizar el sector en estas ciudades. Se encontró que, en Bogotá, se destaca la calidad de los servicios de salud, la infraestructura especializada, las acreditaciones de algunas instituciones sanitarias y la conformación del clúster de la salud como elementos competitivos. Entre tanto, Cartagena muestra precios muy atractivos; sin embargo, presenta problemas de escasez de infraestructura sanitaria y de profesionales de la salud, bajos niveles de bilingüismo y aumento de las necesidades locales de servicios de salud. Se concluye la necesidad de fortalecer la competitividad del sector en ambas ciudades, pues la tendencia apunta a un crecimiento de este tipo de turismo en los próximos años.

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INTRODUCTION

The globalization of the healthcare subsector has given way to a new form of tourism, now known as medical tourism, within which the medical and wellness tourism sectors lie. Medical tourism involves the use of health facilities, such as clinics and hospitals, while the wellness category implies the use of other resources and services that are favorable to health. Annually, this industry's turnover exceeds 60 trillion US dollars (Connell, 2006; Connell, 2013; De Arellano, 2007; Horowitz *et al.*, 2007; Jones & Keith, 2006; Lunt & Carrera, 2010; MacReady, 2007; Hopkins *et al.*, 2010) and the number of developing countries offering medical services to tourists from overseas is increasing (Arias-Aragones *et al.*, 2012). There is little research on the subject in Colombia, and the characteristics of this market, that is, the supply of medical tourism services, are still unknown. For this reason, this study characterizes the medical tourism subsector to provide all the supply chain stakeholders (government entities, trade clusters, and users of the health care system) with visibility, , as well as the dimensions and potentials of Bogotá and Cartagena to export such services. In this manner, a business model can be created that best meets the international market demands to promote greater competitiveness. This study will also expand knowledge of the role that companies should play in revitalizing the sector and the possible strategic partnerships that must be set up to build a medical service export structure that meets international demands, thus creating value chains.

Globalization processes in the world's economies have caused a series of transformations in the behavior of companies to the point that new forms of opportunities and business organizations have emerged (Vargas, 2005). Still, the Colombian companies that provide healthcare services have not been unaware of this reality. Many countries have chosen to open their health systems to allow foreign patients, after a disbursement, to access the same medical and hospital services enjoyed by national citizens, which is what Smith *et al.* (2011) have called cross-border patient circulation. However, this phenomenon, where patients leave their country searching for a reliable source of healthcare to access their required treatment, is not recent;

it has occurred since ancient times.

In the past, patients from developing countries would travel to developed countries searching for treatments under the premise that technology and scientific advances guaranteed the quality of the results of such treatments. However, at the beginning of the 21st century, this trend changed entirely to such an extent that now the patients from industrialized countries access health services in developing nations. This scenario has been brought about by the fact that some developing countries have generated a series of competitive advantages, such as training of medical personnel in the world's best universities, improvements in air, land, sea, and river transportation systems, broadband connectivity, attractive healthcare service prices, among other factors. Thus, developing countries have discovered a new source of income since the growth potential of healthcare service exports ranges from 4 to 6 % annually (Bancoldex & SIGIL Consulting Group, 2015).

However, since 2009, Colombia's Ministry of Commerce, Industry, and Tourism (MINCIT, for its acronym in Spanish) has been working through the Production Transformation Program (PTP) within the medical tourism cluster to position the country as a destination for world-class curative, preventive, aesthetic, and wellness medicine services. Through this government initiative, it is expected that around 2.8 million health tourists will flock in, totaling 6.3 million US dollar revenue by 2032 (MINCIT, 2017). Essentially, the cluster is nothing more than a conglomeration of entities from within the sector that seek to become established by creating a robust competitiveness system that guarantees access to international markets.

Without any doubt, Colombia has considerable potentials to develop medical tourism, as supported by the following data (De La Puente *et al.*, 2017; De La Puente *et al.*, 2018; Arias & Batista, 2018):

- Treatment costs are 25–40 % lower than in countries such as the United States.
- Health workers are amongst the world's best.

- Response times are faster than in countries with universal coverage systems (in Canada, a patient can wait up to a year for surgery to be scheduled).
- There are seven (7) tax-free health zones and two (2) more in the process of approval (this accounted for an investment of \$400, 000 million dollars for the country).
- There are twenty-five (25) entities throughout the country with comprehensive experience in caring for international patients.
- There is expertise in highly complex specialties such as cardiovascular, bariatric, orthopedics, and aesthetic dentistry.

Accordingly, this exploratory research addresses the characterization of medical tourism in Bogotá and Cartagena to identify and compare the potentials they offer to venture into the various levels of competitiveness in the international market. The general objective is to characterize the medical tourism subsector to identify and contrast the weaknesses, opportunities, strengths, and threats (SWOT) that such cities bring forth upon entrance into the international market.

The research also has the following specific objectives:

- To determine the behavior of the medical tourism sector in Bogotá and Cartagena in terms of patients cared for, installed capacity, regulations, and trends.
- To describe the operation of the medical tourism's supply chain in Bogotá and Cartagena.
- To identify the defining features of the international medical tourism market regarding rates, as well as supply and demand for services.
- To identify and compare the SWOT of medical tourism in Bogotá and Cartagena.
- To propose strategies to improve the performance of medical tourism in Bogotá and Cartagena.

METHODOLOGY

The study adopts a quantitative research approach using primary sources of information to properly characterize medical tourism in Bogotá and Cartagena and identify how competitive these cities are to enter the international

market. On the other hand, the quantitative research approach is used for descriptive purposes since it intends to specify the properties, characteristics, and profiles of medical tourism in Bogotá and Cartagena.

Four (4) stages are carried out to achieve a complete characterization of the medical tourism sector. The first one determines the sector's behavior to demonstrate the true potential of the cities for providing health service. The second stage identifies the characteristics of the international market to size the competition and the role that the cities play in this activity. The third one identifies and compares the sector's SWOT in the areas of the study to determine the factors that prevent them from being competitive. The last one proposes a strategy for improving exports in the sector. All stages will be based on secondary information from entities such as Bogotá and Cartagena Chambers of Commerce, the MINCIT, the National Administrative Department of Statistics (DANE, for its acronym in Spanish), Migración Colombia, Procolombia, Viceministry of Tourism, and the Ministry of Foreign Affairs.

The data provided by primary sources is processed using descriptive statistics with the SPSS software. Therefore, the population is used as a reference element, which is represented throughout the supply chain of the Colombian health system by clinics and hospitals, healthcare operators (EPS, for its acronym in Spanish), prepaid medicine companies, clinical laboratories, ambulance companies, surveillance, and health control state agencies, among others.

RESULTS

Despite the evident potential flaunted by the country to undertake medical tourism activities, there are serious issues of competitiveness in the sector. They are reflected in the lack of internationally accredited service providers, low investment, difficult entry and permanence of health tourists in the country, and the low level of bilingual proficiency among the human talent (Arias & Batista, 2018; Arias-Aragones *et al.*, 2012; Arias *et al.*, 2016; De La Puente *et al.*, 2017; De La Puente *et al.*, 2018; Passos & Arias, 2016).

When analyzing the domestic outlook of medical tourism,

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we find that Colombia has enormous potential to become a leading country in Latin America in healthcare service exportation. Nonetheless, the country requires to strengthen the system's weak points to increase competitiveness in the sector, as has been done by the MINCIT through the PTP.

Likewise, there are many potentialities, akin to those at the domestic level, in Bogotá; we observed some particulars that incentivize medical tourism, such as the high quality of health services, the opening of the new international airport, the robust hotel infrastructure, among others. All potentialities are being channeled for optimal use with initiatives such as that of the Bogotá Chamber of Commerce. In 2015, in association with the leaders of the sector healthcare providers (IPS, for its acronym in Spanish, EPS, and prepaid medical entities), governments (national and local), supporting entities (insurance companies, providers of medical supplies—devices, technology, equipment, medications—, specialized services—laboratories and ambulances—), and academia, the Bogotá Chamber of Commerce incorporated a healthcare cluster with the sole purpose of working collaboratively on the sector's required productivity and competitiveness.

Bogotá, being Colombia's capital city, has the largest and best hospital infrastructure in the nation, making it one of the leading destination cities for tourists coming into the country to pursue health-related procedures (aesthetic or medical). According to the Colombian Migration Service (Ministerio de Relaciones Exteriores – Migración Colombia, 2014) statistics for the 2008–2014 period, 29 876 foreigners entered the country in search of medical treatments, of which 19 834 did so in Bogotá. On the other hand, the broad portfolio of specialties, the different levels of complexity of healthcare, and the growing number of IPS accredited in the country make the city a renowned and highly sought-after destination for international healthcare tourists.

The reality of Bogotá as a medical tourism destination is very encouraging given that it has introduced a group of accredited clinics and hospitals that are internationally established as an iconic brand, which supports the creation and promotion of medical tourism products. However, the

sector's statistics systematization is still a matter of concern, even though significant progress has been made through the operation of the sector's cluster.

Meanwhile, , although its medical services has competitive rates compared to those of the United States and nearby countries, the outlook of Cartagena is not very encouraging because the hospital infrastructure is insufficient to provide locals with due care, in addition to a lack of beds and operating rooms. As per health entities, such as the District Health Management Department (DADIS, for its acronym in Spanish), there is a shortage of 1 016 beds and a ratio of two beds per 1 000 inhabitants, although the requirement is at least three and the international standard is 5.5. Also, there is a deficit in medical care and a decrease in the supply of public healthcare, which creates tremendous pressure on the private sector (Viloria, 2005).

Cartagena has an inventory of natural, tourist, and historical attractions that are not associated with the medical tourism sector, which is usually seen as an utter drawback. The general trend in the industry is for patients to prioritize medical treatments within a relaxing environment, for which it is necessary to provide facilities and services that offer peace of mind and recreation, not only for patients but also for their companions (Heung *et al.*, 2010).

Additionally, as a destination for medical tourism, Cartagena has to date failed to produce a hospital or clinic with an iconic brand that can support the creation and promotion of products of this nature.

DISCUSSION

The results of this research work show the dynamism of the medical tourism sector in Colombia and the growth of revenue from exports of services in Bogotá and Cartagena, in line with the results of recent studies (Arias & Batista, 2018; Arias *et al.*, 2016) and the achievements of the PTP. For 2025, Colombia anticipates 2.8 million visitors and revenues of more than \$6.3 billion (Colombia Productiva, 2018).

The recent increase in medical tourism to Colombia is explained by the quality of medical services, the accreditation of some clinics and hospitals, the

development of new health and transport infrastructure, the country's valuable health-friendly natural resources (welfare tourism), the country's strategic position on the continent, and the lower costs of many medical procedures and surgeries, compared to the US and European countries.

Despite Colombia's enormous potential to become a leader in Latin America in the sector, specific difficulties persist that affect competitiveness and prevent securing the entire production chain, thereby ensuring compliance with international standards and the comprehensive management of patients entering the country. These difficulties have to do with the absence of regulation and a legal framework that determines the responsibilities of each link in the production chain, the entry and stay of patients on health visas, and the small number of clinics and hospitals with international accreditations such as that of the International Joint Commission (IJC).

The state of competitiveness of Cartagena and Bogota as medical tourism destinations in Colombia shows significant differences in the dynamics of the sector. In the case of Bogotá, the operation of IJC accredited clinics and hospitals stands out. Such accreditation is considered the most important in the industry and the most influential in patients when choosing a destination and health facility. However, obtaining such accreditation requires enormous efforts and investments, only available to few health institutions in Colombia. In addition, there have been critical competitive initiatives in the sector, such as the health cluster formed by the Bogotá Chamber of Commerce since 2015. This initiative has brought many advantages to the sector, such as the coordination of the activities and responsibilities of each link of the production chain, the economies of scale, cost reduction, investments in infrastructure and health technology, investment in research, development, and innovation (R+D+I), a firm commitment to the comprehensive management of patients, and compliance with international standards.

The competitive landscape of Cartagena as a destination for medical tourism in Colombia involves health-friendly natural resources, such as the weather, spas, and rural landscapes near the city. These resources are valuable for developing the welfare category and are not available in many destinations. For this reason, they are part of a

differentiated offer compared to Bogota. The lower prices of medical procedures and surgeries make Cartagena an attractive destination for those seeking to economize. The savings are 30–60 % compared to the US and countries of Europe; however, this can gravitate against, as it sends a message of low-quality health services. Besides, in previous years, closures of clinics and hospitals have reduced the supply of services, which has been exacerbated by an increased demand from the local population and a shortage of health professionals (specialist doctors and nurses) and bilingual staff. Compared to Bogota, Cartagena lacks a cluster strategy, which is why the production chain has serious problems coordinating and fulfilling its responsibilities.

CONCLUSION

It is essential to highlight that, even though little research has been done on the subject, along with the difficulty of systematizing the sector's data, the Bogotá Chamber of Commerce's initiative has brought various entities in the sector together to establish a robust competitiveness system that guarantees easy access to international markets through a mechanism called the healthcare cluster. While Cartagena still lacks such a cluster, it is worth noting the enormous efforts made by its Chamber of Commerce in this regard.

The medical tourism has become, in recent years, an attractive element to leverage Colombia's economic growth because of the medical tourism sector business plan (PTP), prepared by the MINCIT. It recognizes that the country has an opportunity to position this sector by 2032, thus generating income levels on the order of US \$6.3 million, which translates to about 2.8 million tourists who would visit the country in search of medical and hospital services.

If we consider that more than 66.5 % of the tourists who visit the country arrive in Bogotá, it is necessary to carry out studies that help to identify the true potentialities that the city holds in store to contribute to government agencies developing policies that encourage the sector's competitiveness and productivity.

Despite the competitive prices in its offer of medical

services compared to other countries, Cartagena has been faced with problems for the development and growth of the medical tourism sector such as a lack of hospital infrastructure, shortage of specialists with mastery of foreign languages, a lack of laws and regulations for the activity, and an increase in local health needs in a context of substandard hospital infrastructure and health professionals.

Conflict of interest statement

The authors state no conflict of interest during the conduct of the study and that its content and opinions do not compromise the institutions for which they work.

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