

HOSPITALITYLAWYER.COM PRESENTS



OCTOBER 1-2, 2012 HOUSTON

**EXPANDING THE HOSPITALITY  
PRACTICE:  
*RAINMAKING EXERCISES SET  
WITHIN GLOBALIZED HEALTHCARE,  
MEDICAL TOURISM, AND  
THE AFFORDABLE CARE ACT***

**Presented By:**

Catherine Berlin - *Altreuter Berlin*

CATHERINE BERLIN,  
ESQ.  
**ALTREUTER BERLIN**



**ALTREUTER BERLIN**  
IN NEW YORK

Art of Story  
and Humor



for Lawyers and Other Creative Types, Vol. 1

- *Altreuter Berlin*, Hospitality, Insurance, and Arbitration Practice
- Former law clerk US District Court, 6<sup>th</sup> Judicial District
- International Bar Association, Association of Hospitality Attorneys, and Association Internationale des Jeunes Avocats
- Author of *Art of Story and Humor, for Lawyers and Other Creative Types*.

# Global Healthcare and Medical Travel, Expanding Your Practice Areas

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THE **GLOBAL**  
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- Changing economic forces are a reality.

The image shows the Wal-Mart logo in a large, bold, blue font. The word "WAL" is followed by a blue five-pointed star, and then the word "MART". A registered trademark symbol (®) is located at the top right of the "T" in "MART".

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## ■ Harayana Hrudayalaya Hospitals, India



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- The Narayana's flagship complex in Bangalore offers high-quality care at fraction of the price of US hospitals and is recognized as one of the best heart hospitals in the world. *Prof. Tarun Khanna, Harvard Business School School*
- Narayana Hrudayalaya and Mazumdar-Shaw Cancer Center signed a memorandum of understanding with Weill Cornell Medical College to explore areas of research and educational collaboration and a student exchange program. *weil.cornell.edu*

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“[W]e need to do 2.5 million heart surgeries a year[.] We are 1.2 billion population and we are three times more vulnerable for heart attack than Americans. The only option we have...is low cost heart surgery, so we decided to build large hospitals with 30 to 50 heart surgeries are done every day, and this way we could reduce the cost of operation significantly. [Plus our salary cost is much less.] 65% of revenue of goes to salaries, in India, it is less than 20%.”

*Dr. Devi Shetty, developer of the private venture Narayana Hrudayalaya Hospitals and heart surgeon, interviewed on Medical Tourism Magazine Podcast, March 15, 2011.*

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- Changing economic forces are a reality.



" AFFORDABLE QUALITY HEALTHCARE TO THE MASSES WORLDWIDE "

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## Step 1. Don't get hung up on the nomenclature

~~Medical Tourism Global Healthcare Medical Travel~~



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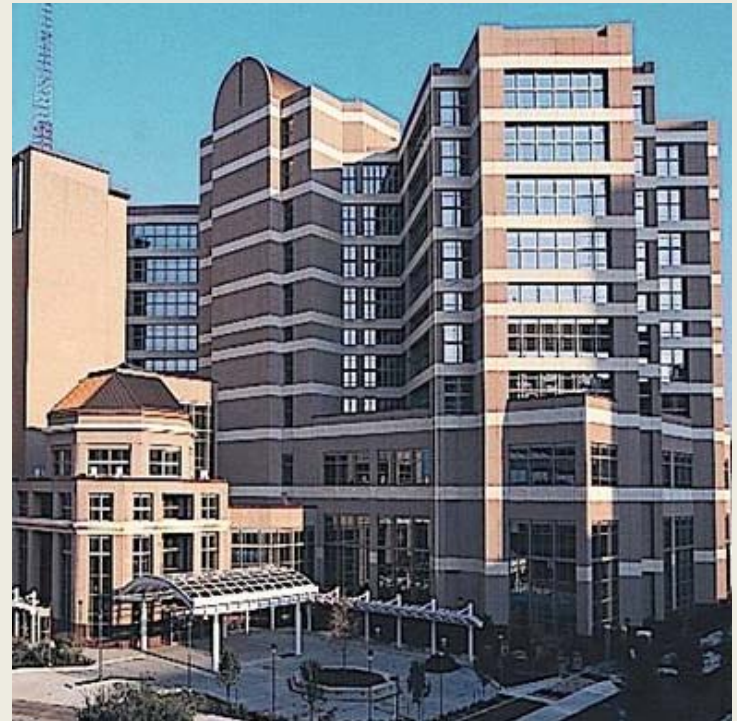
Medical tourism is the act of traveling out of one's home jurisdiction for the primary purpose of medical treatment.

- Intrastate
- Interstate
- International
- Intraregional

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- Another job for MD Anderson, eradicating availability heuristic

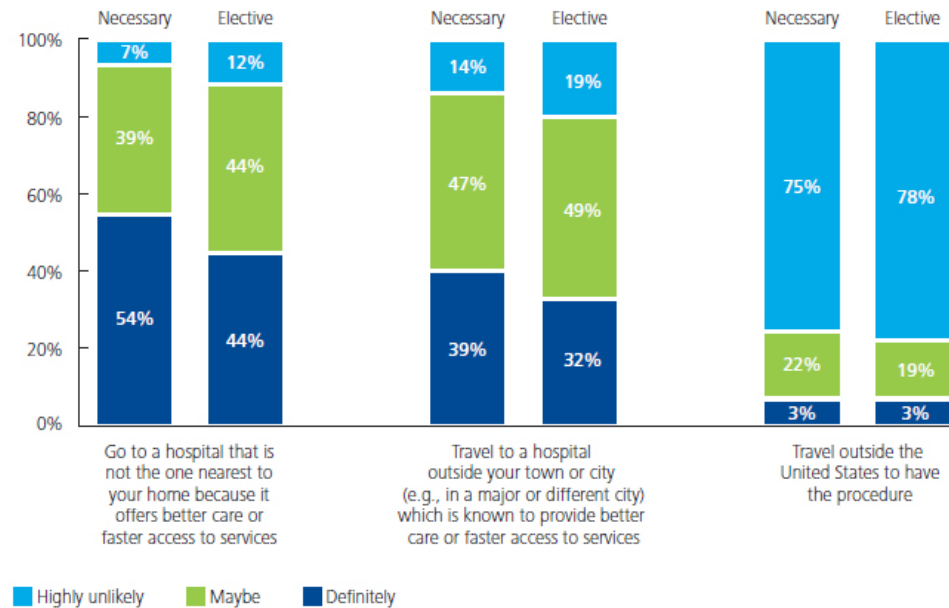


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## Why "Medical Tourism" concept stays in background:

**Figure 4: Likelihood of U.S. consumers to say they would travel for hospital care**

How likely would you be to travel for necessary or elective hospital care?



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One example why it should not:



" AFFORDABLE QUALITY HEALTHCARE TO THE MASSES WORLDWIDE "

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Ascension Health operates about 80 U.S. hospitals with more than 17,000 patients, and reported nearly \$20 billion in assets and about \$16 billion in revenue in fiscal year 2011.



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## Step 2. Pay attention to what's trending

April 2012, NH and Ascension Health Alliance joint venture to build a \$2 billion "health city" in the Cayman Islands



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ST. LOUIS' #1 SOURCE FOR NEWS | PRINT EDITION | E EDITION | APPS  
**ST. LOUIS POST-DISPATCH**

Ascension Health has been working with Dr. Shetty for the past two years, maintaining the medical equipment at the India hospital group's facilities, Tersigni said. The two partners began working on the Cayman project about six months ago.

"We've been impressed with Dr. Shetty in taking costs out of health care," he said. "We see an opportunity to learn from him ... This is an investment in a new model of health care that we hope to learn from, and bring back those learnings not only to this country but other countries."

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- Health City will have a biomedical research facility
- “deep cost reductions”
- “employ mainly physicians and nurses [without] U.S. credentials.”
- “Narayana boasts mortality and infection rates for certain heart surgeries that are comparable to U.S. rates.”
- “the break-even cost of open heart surgery at Narayana hospitals dropped to \$1,800.”
- “[G]overnment officials offered incentives and concessions...that included capping medical malpractice awards at \$600,000; amending employment laws to allow India-trained doctors to practice there with no further training; and waiving duty waivers on imported medical equipment and fees on work permits”
- An "exclusivity commitment" from The Cayman government not to grant the same “up-to 100-year concessions” to developers of any other "large-scale medical tourism facilities.”



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- “Shetty has promoted his health system’s cost-effective approach to patient care as the “WalMart-ization” of medicine[.]”
- “[T]he Caymans enjoy low unemployment and a 98 percent literacy rate. ‘With no direct taxation, the islands are a thriving offshore financial center...The Caymanians enjoy a standard of living roughly equal to that of Switzerland.’”
- “Together, we make a very large group of buyers. We can actually make moderate-sized drug and disposables supply companies supply their products only to us. That will give us significant power of negotiation to reduce the cost,’ [Shetty] said.”

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- “Ascension’s Dr. Tersigni said [he hoped the partnership] would influence healthcare in the United States, where Dr. Shetty’s approach of low-cost, quality healthcare could be adopted.”
- Tersigni: “‘We’re not considering this a medical tourism facility. That’s not the intent at all.’”
- Shetty: “Cayman Islands is an hour flight from the U.S., and we intend to offer cost-effective treatment for the citizens of the U.S. and also (those) who are under-insured.”

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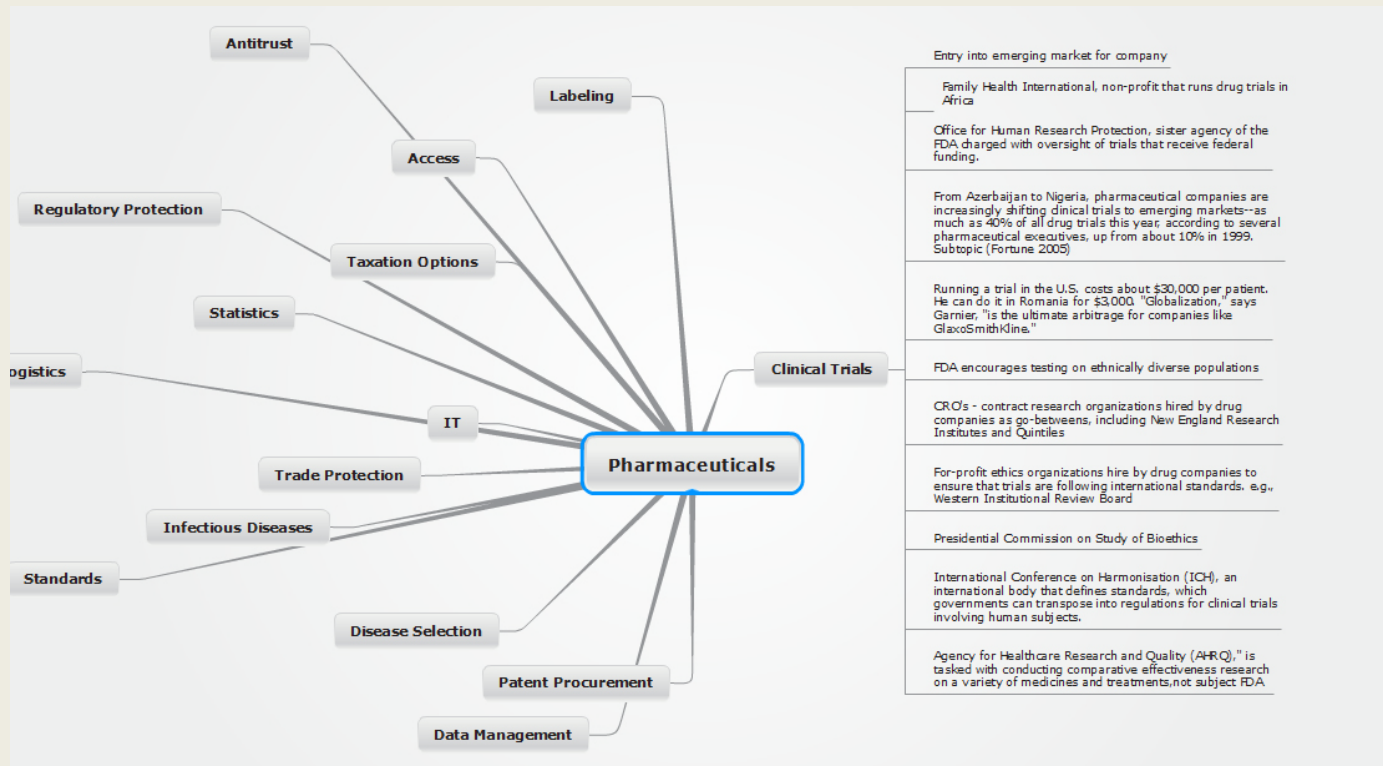
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Step 2b. Remember the bar exam; spot every issue.

	Countries	Facility/Provider	Intermediary	Employer/Insurer
	Quality of service	Licensing/Guidelines	Travel	Laws and regulations
	Cost of service	Accreditation	Mediation	incentives
	Location	Partnering	Accommodation	Self-funded
	Experience	Labor	Authorizations	ERISA
	Trade/Competition	Professional Liab	Medical records	Medicaid/care
	Records/EMRs	Pre/post op care	Partnering	Intra v. inter
	Disease/vaccines	Physician competition	Insurance	Tax consequences
	Travel restrict./Visa	Translation	Mediation	Unions/Labor laws
	Transparency	Pharmacy protocols	Credentials	Provider selection
	Regulations	Food preparation	Statistics	Independent Contract
	Local Impact	Rehab networks	Necessary v supp.	TPAs
	Travel warning	Equipment/Drugs	Packages	Conference packages
	Insurance	Standardized. algorithms	Interstate/national	Wellness programs
	Incentives	Evaluation and CE	Conferencing	Payment Models
	Regional Issues	Telemedicine	Translation	Case management

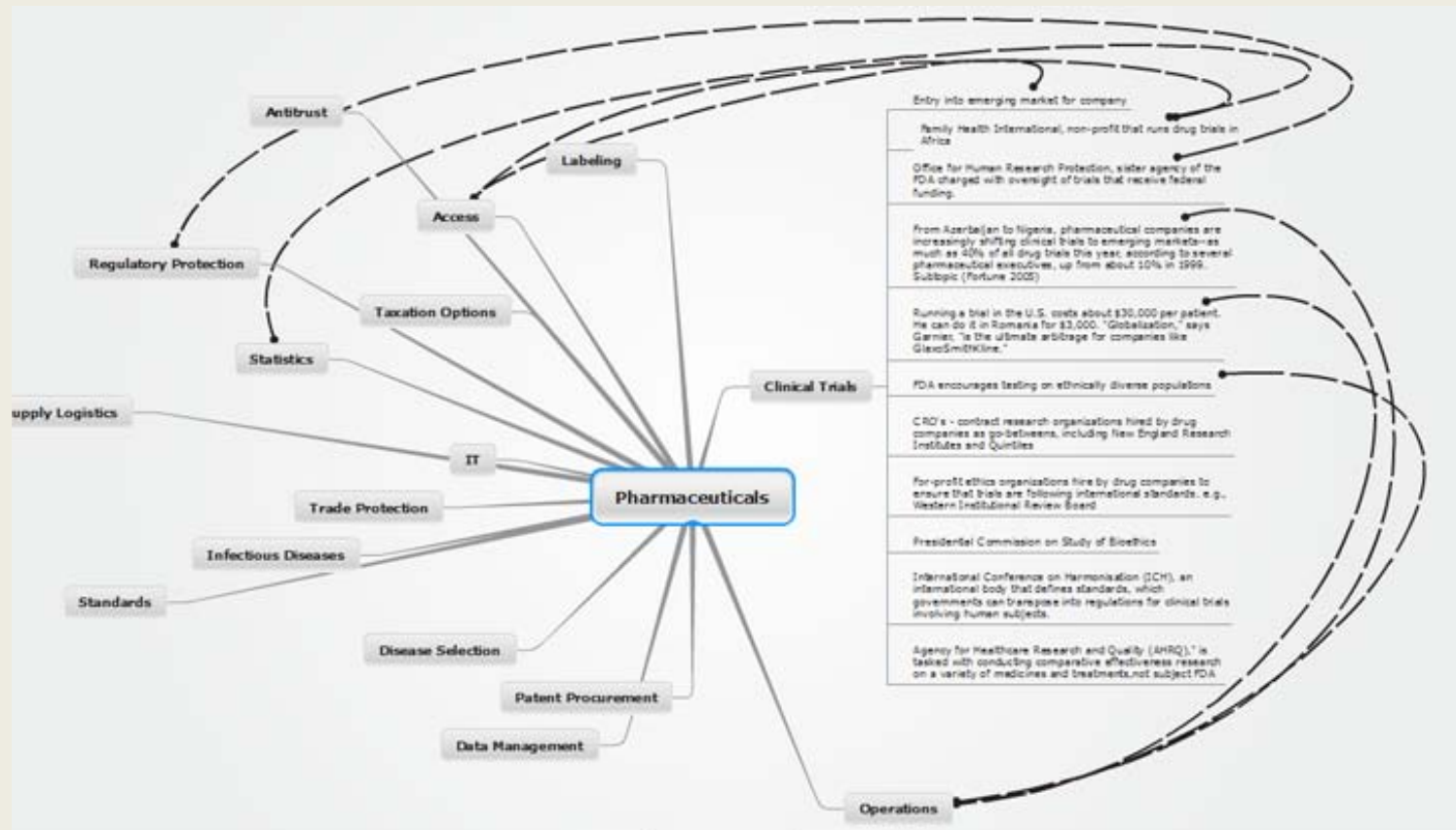
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## Step 3. Get focused



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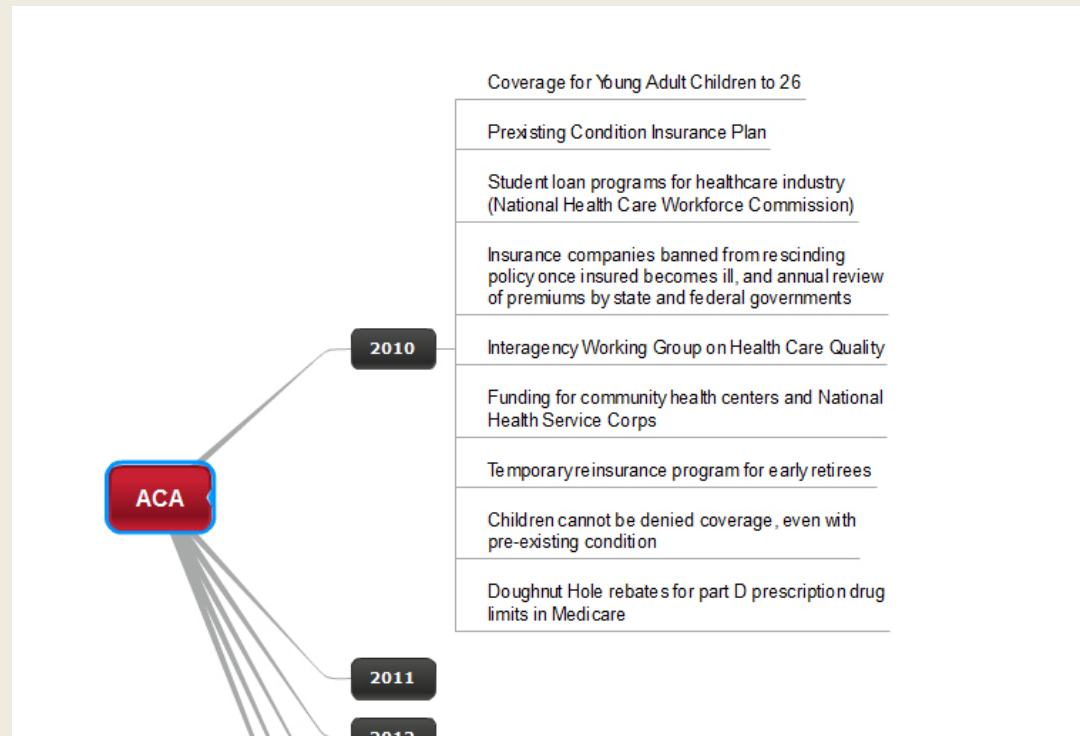
## Step 3. Get focused

Finding the medical travel angle...

# Global Healthcare and Medical Travel, Expanding Your Practice Areas

## Step 4. Work with change

### The Patient Protection and Affordable Care Act

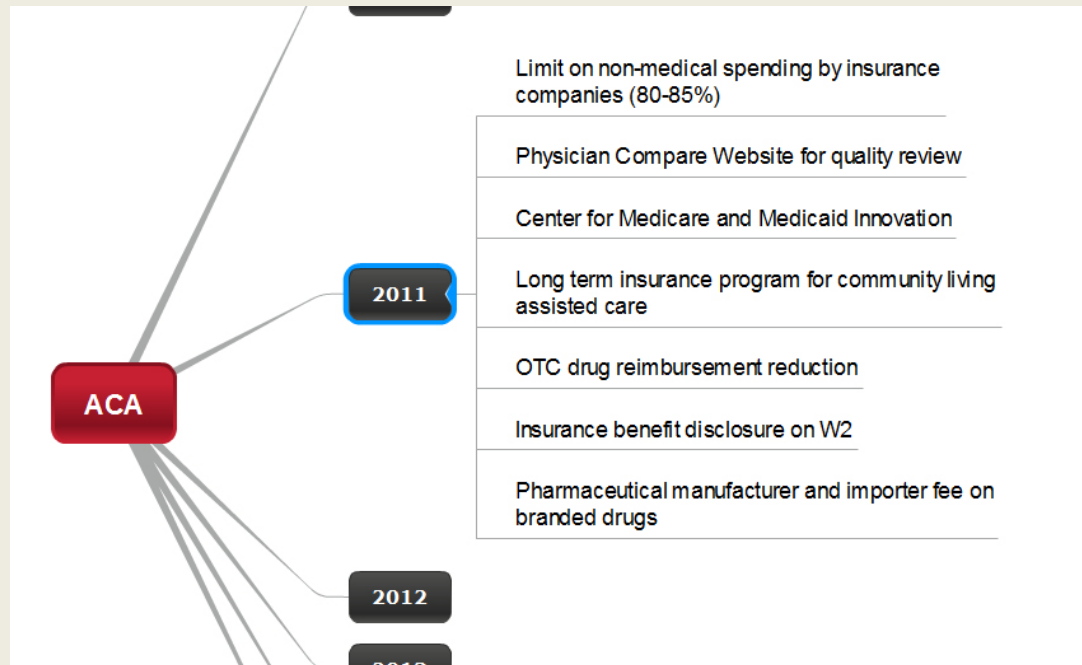




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## Step 4. Work with change

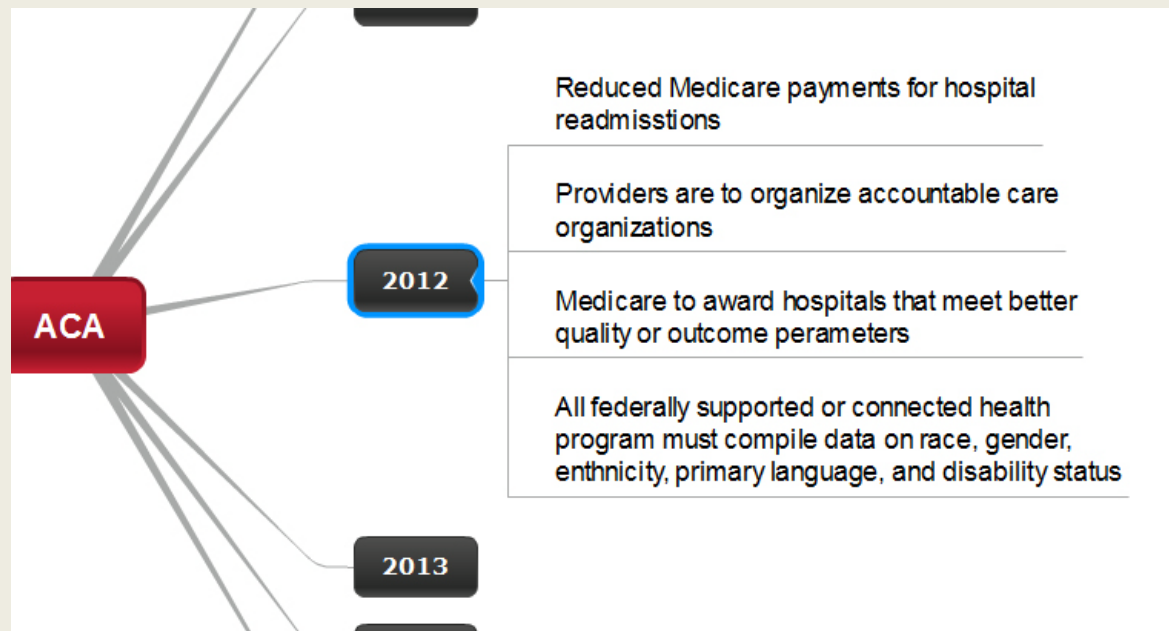
### The Patient Protection and Affordable Care Act



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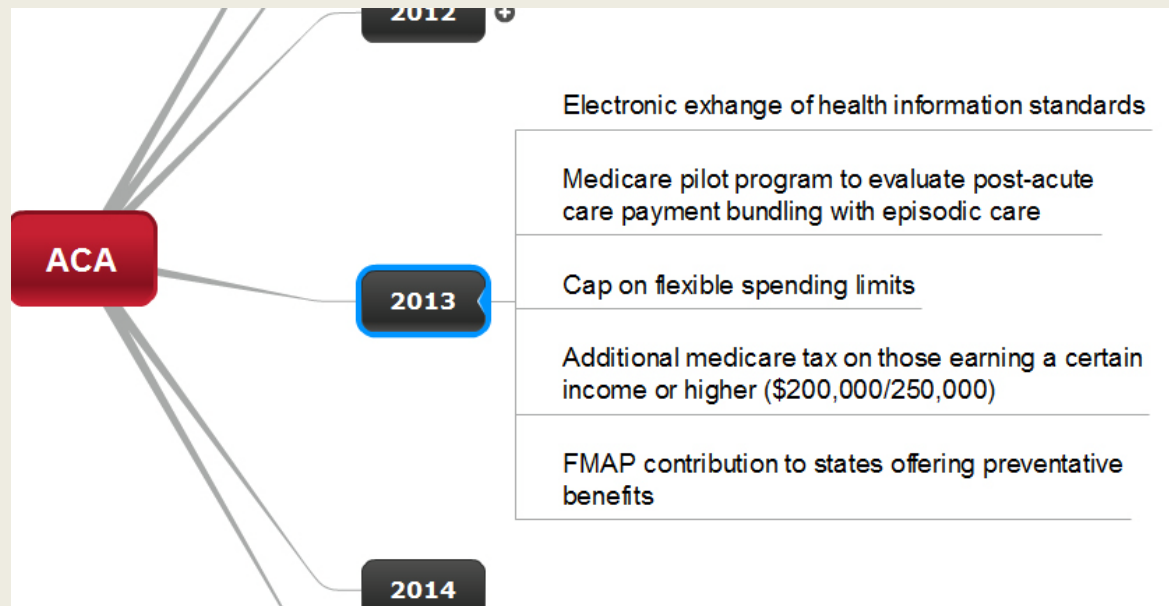
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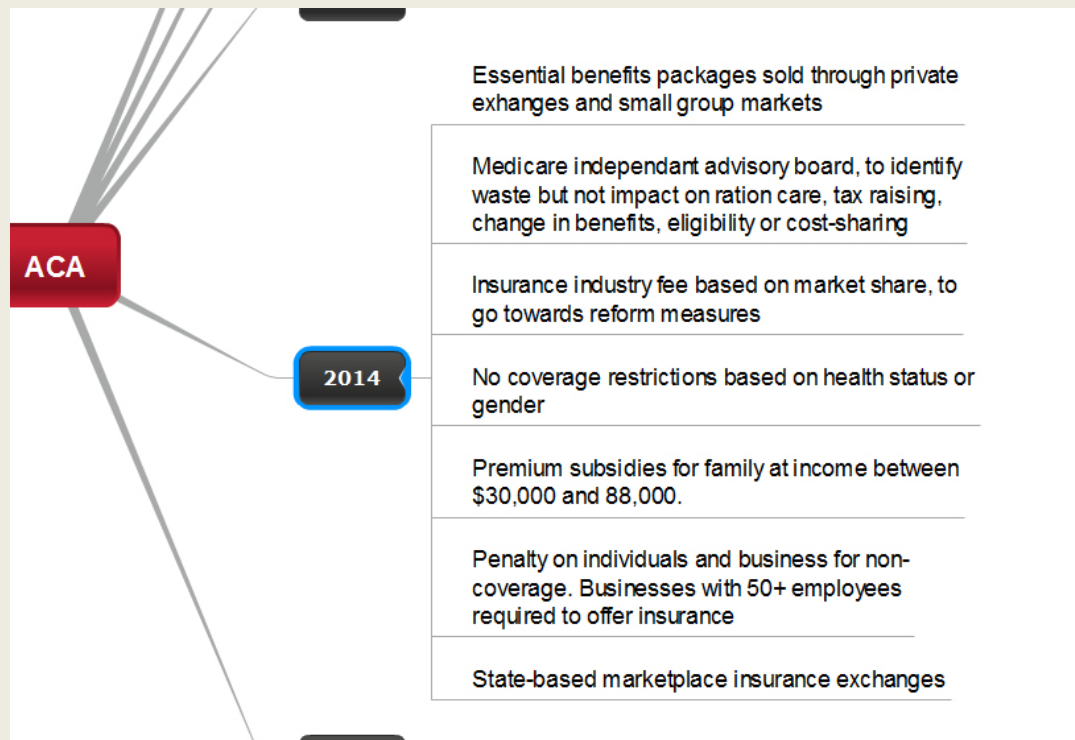
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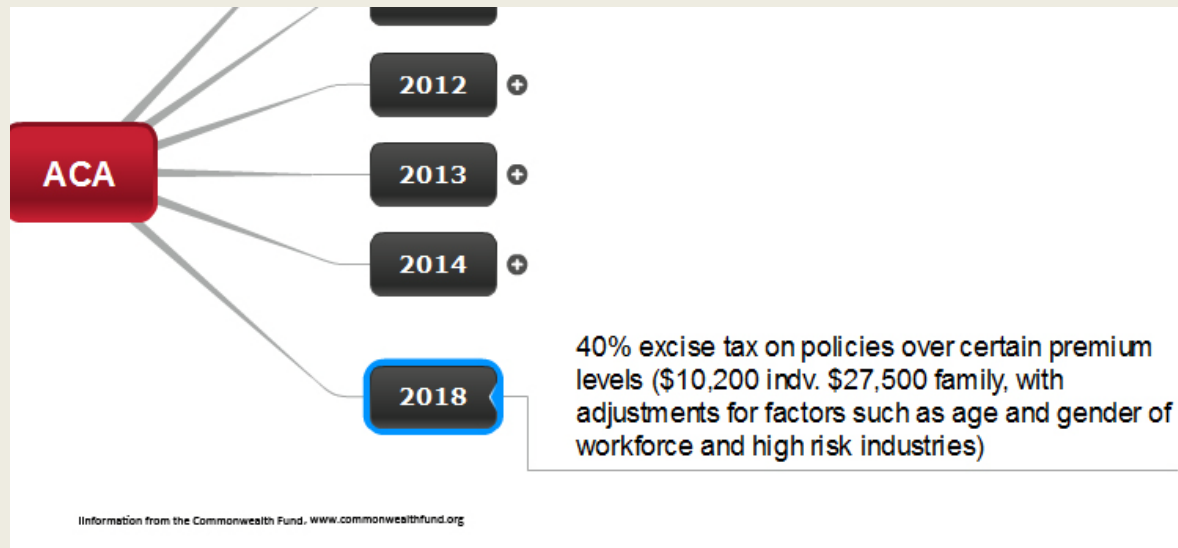
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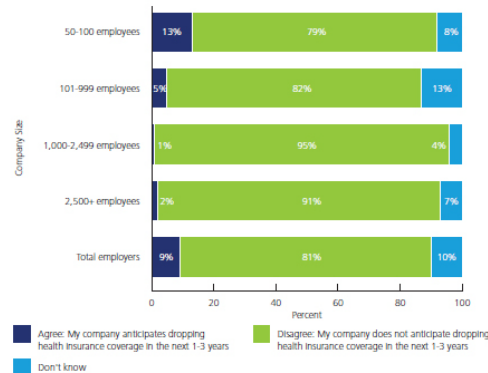
## Step 4. Work with change

### The Patient Protection and Affordable Care Act

#### ...and few employers anticipate dropping health care insurance coverage

9% of companies representing 3% of the workforce\* anticipate dropping coverage in the next 1-3 years; 81% of companies representing 84% of the workforce\* plan to continue; 10% of companies representing 13% of the workforce\* aren't sure

Given what you know or have heard, do you agree or disagree with the following statement:  
"My company is anticipating dropping health insurance coverage in the next one to three years?"



\*Source: worker weighted data (not shown in table)

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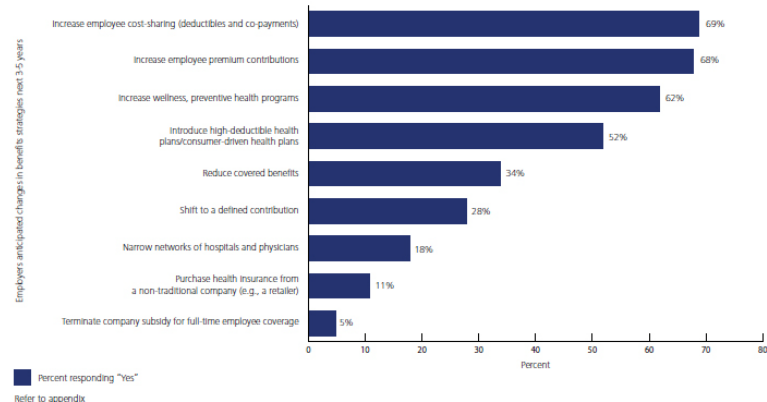
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## Step 4. Work with change

### The Patient Protection and Affordable Care Act

Most employers plan to increase employee cost-sharing and the use of preventive health programs in the next 3-5 years

What changes do you anticipate making to your benefits strategy in the next 3-5 years?



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2012 Deloitte Survey of U.S. Employers 40

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## Step 4. Work with change

*Connecting this, and other comprehensive medical legislation  
to your practice or business...*



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## Step 5. Be the Geek

**Can you Imagine:** The Healthcare Reform Law is almost 3,000 pages, and there are almost 13,000 pages of regulations and the IRS, Health and Human Services, and many other agencies have not really even gotten started yet. There are approximately 180 government committees, bureaus, commissions, boards, within the different agencies involved in providing the rules, regulation, interpretations and enforcement of the law.

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## Step 5. Be the Geek

*Identifying stakeholders, business models, the rules, and standards...*