



RESPONDING TO THE CROSS- BORDER PURSUIT OF HEALTH CARE IN EAST MALAYSIA

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OUTLINE

- **Focus**

- Relevance of existing regional economies produced through Indonesian medical travel to Malaysia

- **Context**

- Volume and distribution of medical travellers to Malaysia
- Specificity of Indonesian medical travel
- Developing regional healthcare 'complementarities'

- **Case study**

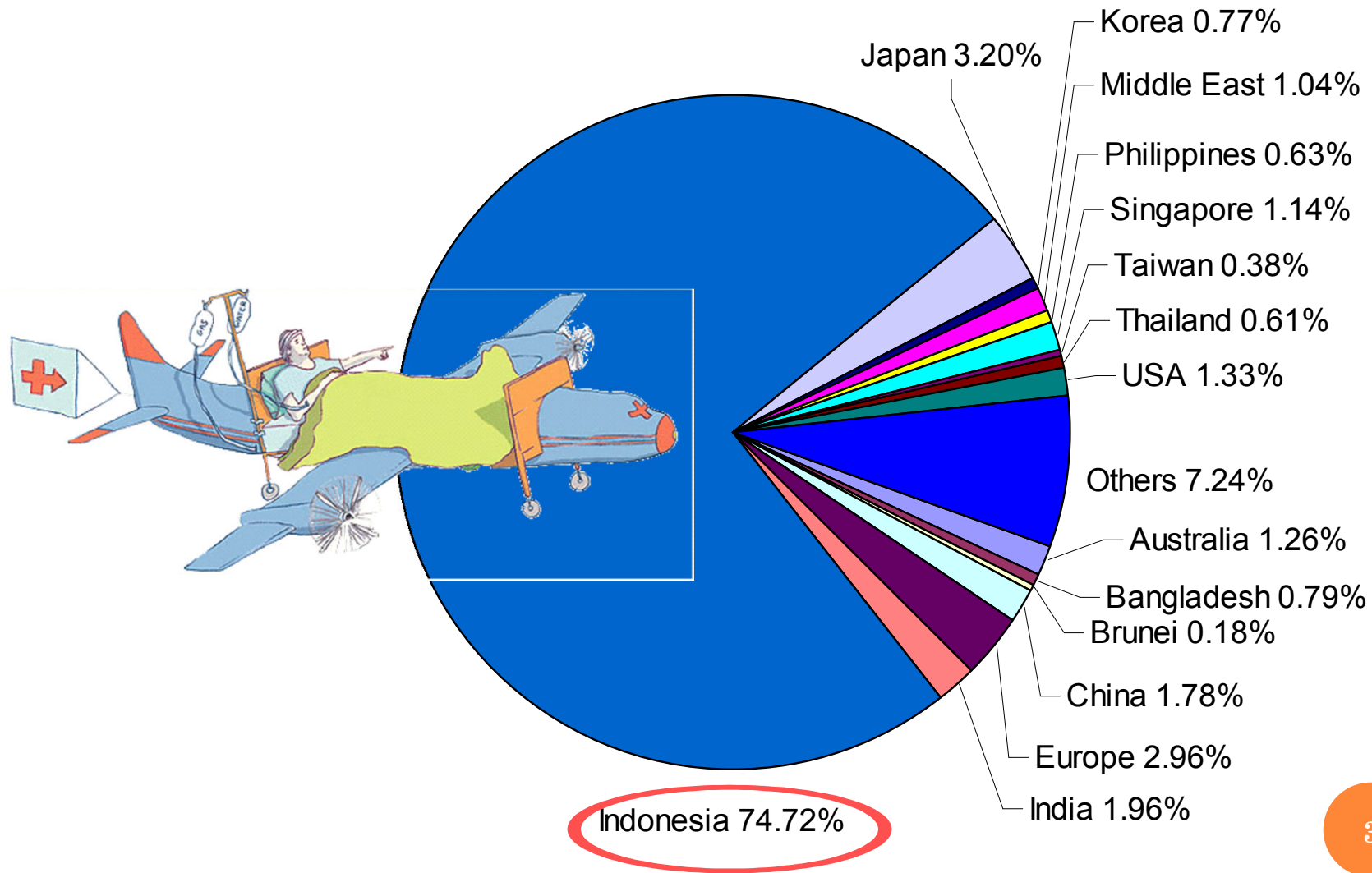
- Sarawak & West Kalimantan
 - Agents
 - Transportation
 - Accommodation
 - Health care
 - Leisure

- **Conclusions**

- What is the role of the private sector in improving intra-regional health care?

CONTEXT

FOREIGN PATIENTS - MALAYSIA (2008)



Source: Tourism Malaysia (2009)

Year	Foreign patients	Annual growth rate	Annual revenue (MYR mil)	Annual revenue growth rate	Revenue per capita (MYR)	Annual revenue growth rate per cap.	Hospitals reporting
2002	84,585	--	35.88	--	424.43	--	19-22
2003	102,946	21.71%	58.90	64.16%	572.14	34.80%	19-21
2004	174,189	69.20%	104.98	78.23%	602.22	5.26%	19-20
2005	232,161	33.28%	150.92	43.76%	649.98	7.93%	19-25
2006	296,687	27.79%	203.66	34.95%	698.63	7.48%	27-28
2007	341,288	15.03%	253.84	24.64%	743.77	6.46%	29
2008	374,063	9.60%	299.10	17.83%	799.60	7.51%	??
2009	336,225	-10.12%	288.20	-3.64%	857.16	7.20%	??
2010	409,630	21.83%	320.90	11.35%	783.39	-8.61%	??
2011	470,000	??	430.00	??	??	??	??
2012	689,000	??	??	??	??	??	??

Sources: *Malaysia Tourism Key Performance Indicators 2008* (2009); APHM (2008); Department of Statistics Malaysia (2011); IMTJ (2011)

CONTEXT

INDONESIAN MEDICAL TRAVELLERS

- An estimated 1 million Indonesians leave the country each year for medical care (IDI, in Gunawan 2007)
 - >200,000 → Singapore in 2010 (Adisti 2010)
 - ~300,000 → Malaysia
- Indonesians spend about IDR 100 trillion (MYR 33.6 billion) a year for health care abroad (Indonesian Health Ministry, in Tifa 2011)
- ‘Little can be done to limit the practice [of medical travel] as the government struggles to provide access to health care for average Indonesians who are financially weaker and generally in greater need’ (Hulupi 2006)
- ‘We cannot blame people for seeking treatment overseas’ (IDI, in Gunawan 2007)

CONTEXT

DEPENDENCY ON INDONESIAN MEDICAL TRAVELLERS

- 'The government has initiated various strategies to transform its healthcare tourism industry by marketing itself beyond Indonesia, which makes up about 80% of Malaysia's revenue in healthcare tourism... If Indonesia builds the hospitals it promises, then many Indonesians will stay at home, which is why the country is urgently trying to seek new markets' (IMTJ 2011)
- Yet... Simply building new private hospitals in Indonesia will not resolve more profound systemic issues!
 - Limited government investment in health care
 - Too few specialists who are spread thinly among hospitals
 - Problematic national referral system
 - Distrust in Indonesian doctors' ability to make accurate diagnoses
 - Distrust in the quality of medication found in Indonesia
 - Discontent with doctors' soft skills, history-taking and little time allocated to patients

CONTEXT

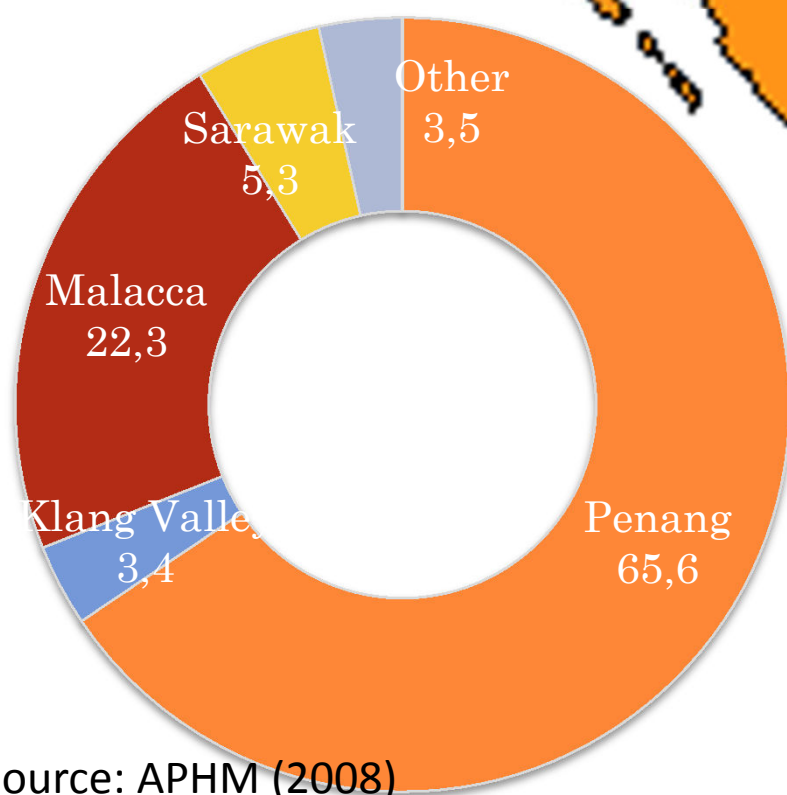
DEVELOPING REGIONAL HEALTHCARE 'COMPLEMENTARITIES'

- 'Southeast Asia as yet lacks fully effective structures for regional health cooperation... ASEAN has not yet accorded priority to health, although it has recently intensified work in combating emerging infections and responding to health emergencies...There can be no denial that much greater regional cooperation would advance the health of people in the region, through control of cross-border health-related flows, the sharing of health resources, and prospects for joint action... The people, economies and ecosystems of Southeast Asia are indelibly linked together. (Acuin *et al.* 2011: 534)

CONTEXT

BENEFITING FROM INDONESIAN MEDICAL TRAVELLERS

- ‘The Malaysian government looks at Indonesia as a huge reservoir that they can tap into to get more patients and they’re looking at it from a purely commercial point of view... I don’t think that the government seeks to help Indonesia from an ethical point of view. It’s a very sensitive issue. Malaysia and Indonesia were in confrontation many years ago... Economically, Indonesia has moved forward but unfortunately the medical field is still lagging behind. Yet, Malaysia does not want to offend Indonesia by saying that we are much better... It’s a pride thing – it’s very difficult to go in and say, ‘We’re going to help you’. Still, Indonesians come over for whatever is not available [back home]... So, Malaysia is saying, ‘Why not? So many millions of Indonesians! We can set up so many private hospitals!’ It’s purely medical tourism – nothing more than that.’ *(Interview, private specialist, Kuching)*



CONTEXT
**INDONESIAN MEDICAL
 TRAVEL FLOWS**

Source: APHM (2008)

CONTEXT

BIMP-EAGA

- Brunei
- Indonesia
- Malaysia
- Philippines



CASE STUDY

METHODOLOGY

- Regional focus: Indonesian Borneo patients' pursuit of health care in East Malaysia
- Semi-structured interviews [EN+BI] (40)
 - West Kalimantan patients and their accompanying family and friends (21)
 - Singkawang (5), Pontianak (11), Other – West Kalimantan (4), Other – Jakarta/Singkawang (1)
 - Private hospital administrators in Pontianak & Kuching (6)
 - Private specialists routinely treating Indonesian patients in Kuching (5)
 - Tourism representatives in Sarawak (2)
 - Indonesian medical travel agents (6)
 - Linked to Kuching private hospitals (5), Independent agents (1)
- Participant observation
 - Journey from Pontianak to Kuching with 8 patients
 - Private hospitals – Pontianak & Kuching

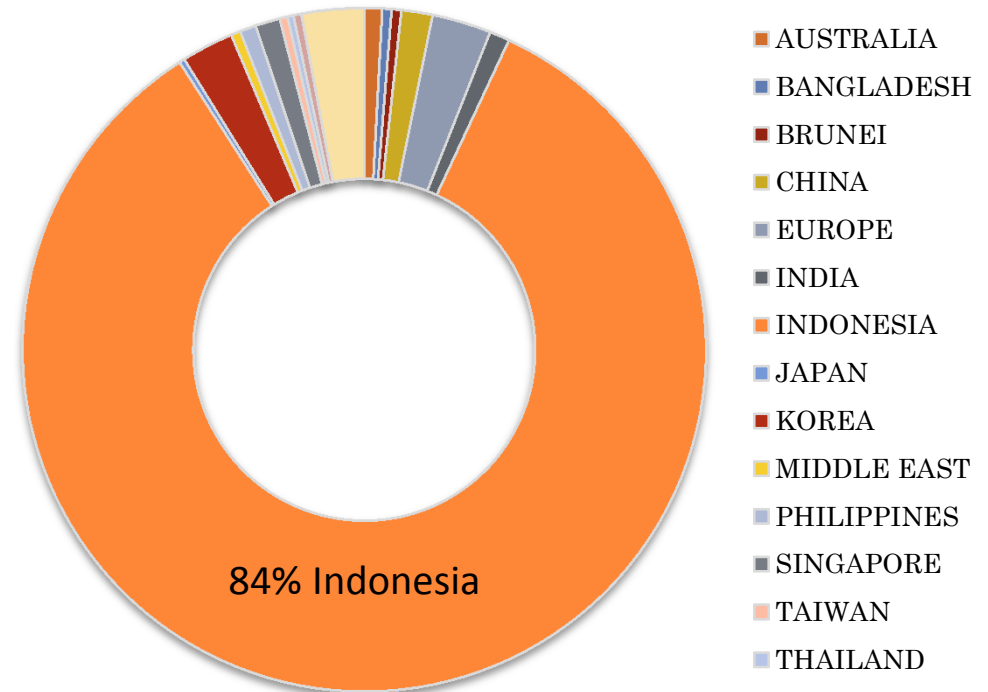


CASE STUDY

SARAWAK & WEST KALIMANTAN

- IMT is part of Sarawak's Economic Transformation Programme (The Borneo Post 2011; Pail 2011; Lindsay 2012)
- 3 private hospitals in Kuching
 - Normah Medical Centre
 - Kuching Specialist Hospital (KPJ)
 - Timberland Medical Centre
- MYR 15.6 million in revenue (6% of M'sia MT total)
 - Higher avg. patient expenditure (MYR 930) than national avg. (MYR 744)

- Indonesians in Sarawak
 - 20% of all tourists (~400,000/year)
 - 84% of all foreign patients (~14,000 in 2007)



CASE STUDY

SARAWAK & WEST KALIMANTAN

- Few West Kalimantan residents can afford private health care yet local hospitals lack adequate specialists and technology
 - ‘Most patients find it difficult to pay to go to a referral hospital elsewhere (e.g., to Jakarta) and refuse to go, so the local hospitals have to take care of the patients with whatever equipment exists’ (*Interview, Hospital director, Pontianak*)
- Those who can afford private care often opt for Kuching or Jakarta, where the costs are similar, or even Singapore
 - ‘It seems like services in Pontianak care more about money than people. Nothing is free here [in Kuching] but it is still better than paying for medical treatment [in Pontianak] and not being cured’ (*Interview, 47 year-old woman, small business owner*)
- Significant economic leakages
 - ‘It’s such a loss for the Indonesian government because most of the patients at this hospital [in Kuching] are Indonesian. The cost of chartering a car from Pontianak to Kuching is approximately IDR 3.5 million. That amount of money, if the local medical service is good, should be spent at a Pontianak hospital’ (*Interview, 32 year-old man, small business owner*)

The left side of the slide features a decorative design with vertical bars and circles. From left to right, there is a thin orange vertical line, a wider vertical bar with a fine grid pattern, and another thin orange vertical line. Overlapping these bars are several orange circles of varying sizes. One large circle is positioned near the top, and a smaller circle below it contains the number '15'.

CASE STUDY

REGIONAL MEDICAL TRAVEL ECONOMY

- Agents
- Transportation
- Accommodation
- Health care
- Leisure

15

AGENTS

A person wearing a white lab coat and blue gloves is sitting at a desk. They are looking at a laptop screen. On the desk, there are several books and papers. The person is wearing a watch on their left wrist. The background is a plain wall.

- Independent agents and ‘runners’
 - Transportation and accommodation
 - ‘Diagnosis’ and channelling to specific doctors
 - Hospital registration and translation
- Official hospital-endorsed agents
 - Pre-registration and appointment booking
 - Transportation and accommodation
 - Payment facility



TRANSPORTATION

- 25-minute flight
- MYR 300/return
- Airlines

- Batavia
- KalStar
- MASWings



- Dubbed 'air ambulances' due to volume of Indonesians entering for healthcare



TRANSPORTATION

- Via the 'new road' = 8 hours from Pontianak
- Modes of transport
 - Public buses (RM 100/return)
 - Chartered taxis
 - Agents' vans
 - Private vehicles
 - Ambulances meeting at the border



KEBBI... AN DEPARTURE

- → Immigration checks to ensure not undoc. migrant workers upon entry
- ← Customs check vehicle contents upon return (meds)

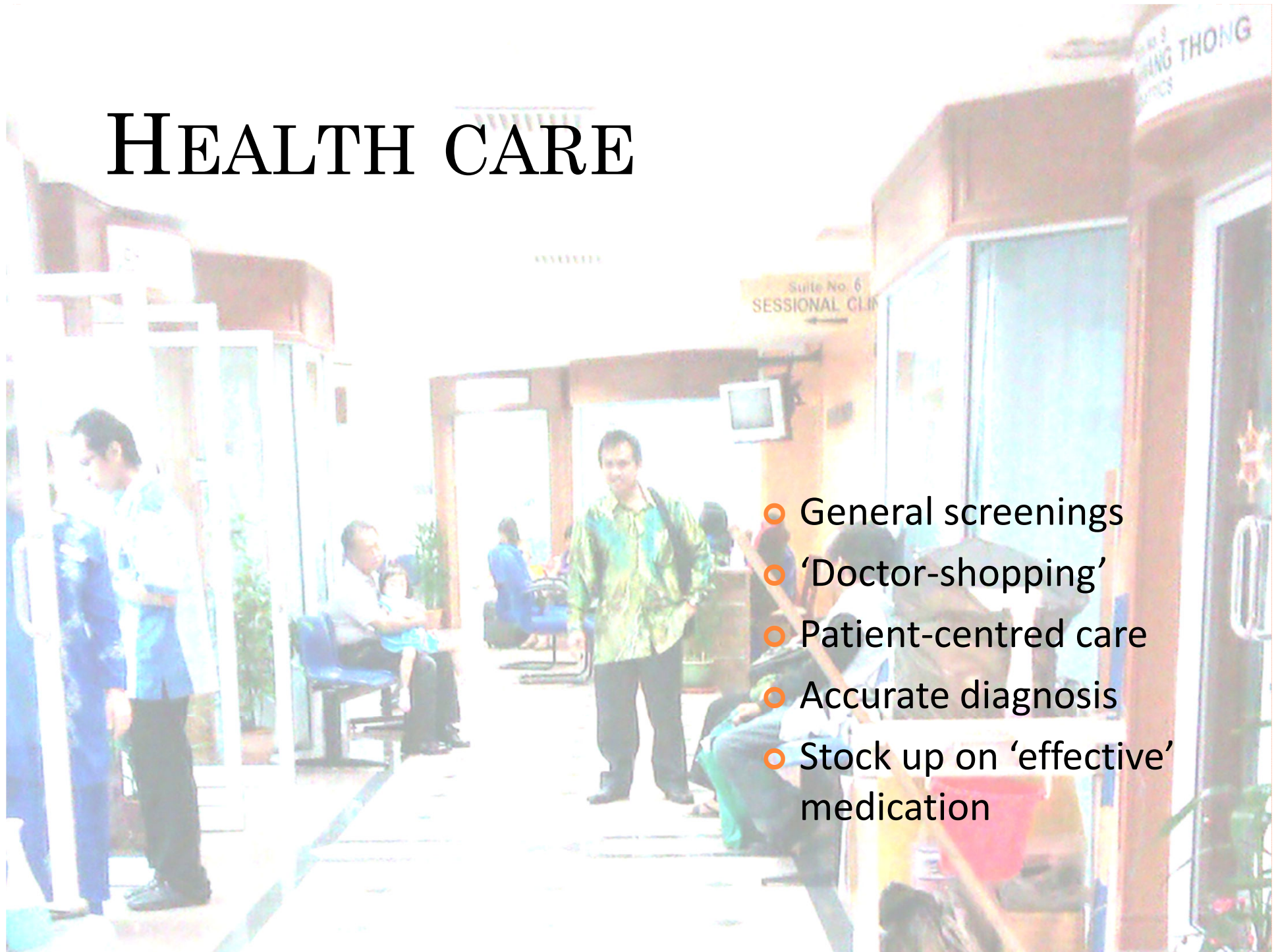
TRANSPORTATION

ACCOMMODATION


- Rooms for rent in private homes
 - Indonesian agent-owned, part of package
- Low-budget hotels (RM 40-50/night)



HEALTH CARE



- General screenings
- 'Doctor-shopping'
- Patient-centred care
- Accurate diagnosis
- Stock up on 'effective' medication

- 
- Word-of-mouth promotion
 - Payment facilitated by agents
 - Family members receiving care simultaneously
 - Repeat visits for follow-up
 - Little good will between providers in both countries

HEALTH CARE

A photograph of a living room. In the center, a woman in a purple and white striped shirt stands looking down. To her left, a man and a woman are seated on a sofa. In the foreground, a woman in a blue shirt is sitting on the floor, surrounded by several white shopping bags. A television is on a stand in the background, and a Christmas tree is visible on top of it. The room is filled with various items, including bags and furniture.

LEISURE

- Shopping mostly for food and health supplements less easily available in Indonesia

CONCLUSIONS

- Significant exodus of people and money out of Indonesia
 - Growth of Indonesian private hospitals → little effect as long as national healthcare regulation and practices remain the same
 - Greater impact on alteration of these flows posed by AFTA liberalisation in 2015
- Significant regional economy developed around medical travel
 - YES, benefitting corporate Malaysian medical care providers
 - BUT ALSO benefitting a slew of less visible SMEs in *both* countries, fostering regional development
- So, what is the role of the private sector in improving intra-regional health care?
 - How to better manage it?
 - How can 'complementarities' be beneficial to both parties?

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