

No doubt, you noticed [the press release earlier this month \(12/8/2011\) from PepsiCo](#) heralding that the world's second-largest food and beverage business, will offer its employees the option to travel to Johns Hopkins Medicine in Baltimore for cardiac and complex joint replacement surgeries.

### Did you know that:

- the USA is statistically the third most popular inbound destination for foreign medical travel patients? It's true! And most cases are arranged to prepay all estimated charges in advance of arrival.
- President Obama and the US Department of Commerce wants you to increase your medical tourism business as an export from the USA? In case you missed the memo.... in March 2010, President Obama signed an Executive Order with an imperative to double the inbound medical tourism volume and revenue by 2015. Are you doing your part as an American business? The USDOC has help available to you and we'll show you how to access it.
- if you don't move on this soon, you'll lose out on first mover advantage and face more difficult barrier to entry challenges as everyone else beats you to this lucrative market! Each hospital that has interest in this market segment needs to create a task force and fast track to a participation strategy.



### The PepsiCo deal details

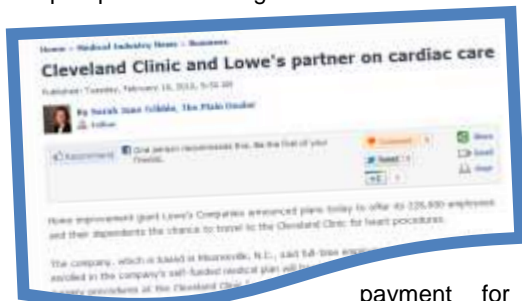
The travel surgery benefit will be extended to PepsiCo's *domestic* employees and their dependents — almost 250,000 people — making Johns Hopkins medical care available regardless of geography.

PepsiCo, which sponsors its own self-funded medical plans, will waive deductibles and coinsurance for those who elect to have their surgery at Johns Hopkins. (*Read no self-pay collections for deductibles and copayments!*) The company will also cover the travel and lodging expenses to Baltimore for the patient and a companion. The payment methodology for these procedures is a bundled rate, an all-inclusive rate for hospital and physician charges and certain preoperative testing. This innovative reimbursement model

only. In the Lowe's deal, however, a little known fact: the hospital gets paid *in advance* for all estimated patient charges, directly from Lowe's.

### Market Realities

Given a plan roster of 250,000 participants for PepsiCo, the potential for cases being sent to Baltimore is a conservative market size potential of around 60 cases per week. Add to that another 228,000 at Lowe's traveling for cardiac cases, and you start to realize that significant "chunks" of market share are bound for destinations that are "not your hospital". For a hospital with 22 surgical suites (JH) in the main hospital, spanning all specialties, including cardiac, vascular / transplant, trauma, gastrointestinal, oncology, endocrinology, gynecology, neurosurgery, orthopedic / spine, otolaryngology / head and neck, plastics, thoracic, and urology in both adults and children, I start to wonder how they will handle 60 cases per week that each take about 1-2 hours skin to skin....per week, plus the PACU time, and bed days for recovery before these patients are not well enough to go home up the street, but to travel through airports, and get on an airplane and fly home without serious threat of DVTs. If they receive any more than 20% of the cases, they may choke. Not only that, but once PepsiCo and Lowe's employees become accustomed to health travel, they will want more options, perhaps closer options, perhaps quicker access, and other service lines such as spine, robotics, and other specialties, such as transplant cases.



provides payment for all the patient care over the course of a clinical episode instead of paying for each service on a fee-for-service basis, and offering PepsiCo predictability regarding cost. This is almost identical to the [Lowe's Cleveland Clinic deal that was struck in February 2010](#) for heart surgery

### Are you ready to launch your own program?

As the author of the leading (only!) "how to" book on medical tourism program development, I would like to personally invite you to attend a workshop scheduled through the Managed Care Institute on how to go about developing a program such as the one PepsiCo is using.

**Join us on Wednesday, February 22, 2012 at the Pinnacle Club by Grand Hyatt Denver Downtown, Denver, CO** for [How to Prepare for Medical Tourism Business at your Hospital](#). In this course, you'll learn how to build this alternative revenue strategy step-by-step, experience two inspection field trips to a hotel and an airport, and receive many tried and true checklists, tips, options, and best practices that will make the best of your time and project budget. This 3-day, hands-on workshop is for U.S. hospitals, ambulatory surgery centers and medical groups who wish to attract more U. S. and international medical tourism patients. The course will review and dive deep into the essential processes that a U.S. hospital needs to have sorted out to successfully launch a medical tourism program.

In this course, I will teach your team how to develop similar domestic health travel options for employers who may wish to avoid the high prices at the branded "big box" hospitals and are looking for deals. After all, joint replacements and heart surgeries represent huge chunks of revenue being redirected to Baltimore, but let's face it: if only 20% of the actuarially projected joint replacement and CABG cases go to Baltimore, that's still about 12 cases per thousand employees.

### What you need to know to add medical tourism to your hospital services

While I am sure that you have the surgical health delivery component, there are many other parts of making a domestic or inbound health travel program work. These include:

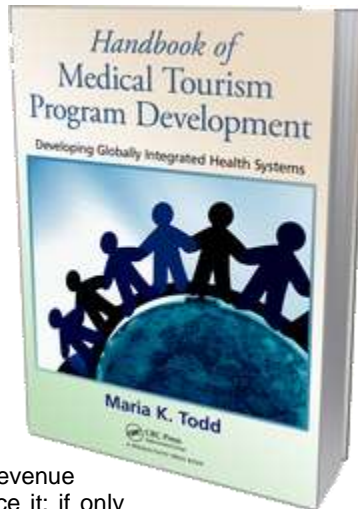
- VOIP Telehealth conferencing with the patient or health travel case management coordinator for price quotes, medical appropriateness and case acceptance or to decline a case that may be inappropriate in the professional opinion of your team or your medical staff.
- Case rate price quotations like the ones arranged by Cleveland Clinic and Johns Hopkins. These are fully-inclusive predictable case rates, inclusive of hospital,

surgeon, assistant surgeon, limited diagnostic testing, limited LOS, and amenities and courtesies extended to the family. To protect yourself from ambiguous interpretation, I will teach you a tried and true method of case rate pricing development that has been in place and used successfully in IPAs, PHOs and MSOs I developed in the 1990s that leave no room for "assumptions" by payers that services are included in case rates when they are not. I can show you how to wrap managed care plans contracted by these employers to be used as a default rate for the extras and outlier services, so you don't place your revenue in jeopardy.

- I'll show you the subtleties that make all the difference in the world when dealing with domestic health travel patients from within the USA and foreign health travel patients. I'll share the humbling lessons learned by your brother and sister healthcare executives abroad, costing them precious revenue losses from failures to account for on-site translation, currency conversions, records translations, and communications costs and time to adequately price and prepare these cases.

- As the developer of the largest, (800,000 providers) privately held, globally integrated health delivery system® in the world, I will share practical tips, checklists and inspection techniques to put you on the fast track to hotel inspections, and airport operations that are closely associated with this kind of program. In fact, you'll walk with me through the Grand Hyatt in Denver, where, accompanied by the General Manager, we'll interview housekeeping managers, security and safety officers, the executive chef, and other key personnel. We'll also head off to Denver International Airport, where we'll interview the special services coordinator and watch how mobility impaired patients will be handled from arrival to departure, and learn what special services are available so you'll have reasonable expectations about what they can handle and what you'll need to cover on your end.

- As a former hospital administrator, surgery center administrator, and OR Nurse, I will cover in detail the service delivery components that must be handled by case managers, admission coordinators, marketing, revenue cycle, medical staff, and others to round out the program. These tips and checklists come from years of experience coordinating medical tourism



cases for Mercury Healthcare while it was in its launch phase and everyone in the office was cross trained to handle every task in the process.

- Finally, I will also show you how to market your program once you've prepared it and are ready to accept your first cases. I'll start by accepting your pricing proposals through Mercury Healthcare International, since if you were sent this letter, you are already accepted in our network because we are an authorized reseller for PHCS and MultiPlan for group health clients. Therefore, through that contract, you are already vetted and accepted by Mercury Healthcare International and eligible for referrals for routine healthcare at your PHCS/MultiPlan rates. If you wish to develop a few case rates

for health travel for the Mercury Healthcare International product, we'd be thrilled and honored to have you in this narrow network and accept your PHCS/MultiPlan rates as the default for any services outside the case rate definition.

- Continuity of care and electronic medical records that can move meaningful patient information and clinical data and images from anywhere to anywhere, along with discharge management coordination to ensure patient safety and aftercare clinical outcomes measurement.
- Finally, you'll need a template contract for your direct deals with employers and training on how to best negotiate these deals, so I've included a full direct-to-employer contract in the electronic handouts for the course.

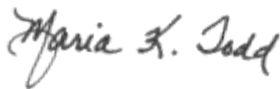
The workshop in February has only recently been announced so registration is open but there are only 15 seats in the class. The restriction is due to space limits as well as manageability for the two field trips. I wanted to offer you first options since you are PHCS/MultiPlan providers and are already vetted and credentialed for your first marketing opportunity.



If you cannot make the February dates, I can offer two alternatives: Come to Denver for a private session, with a minimum group of eight students, (exec, revenue cycle, medical staff, physicians, admissions coordinator, case manager, contracting manager, board member, COO, OR manager, etc.) or I can come to your location and we can walk *your* airport and *your* select partner hotels and ground transfer agents and present the course on site for three intense days of learning and strategic planning sessions.

I hope to see you in February!

Warm regards,



Maria K Todd, MHA PhD

PS: At the conference, you'll receive a copy of the book, selling on Amazon for \$99 released December 12 of this year.

**Call 800-209-7263 to register or book on-site training or a private class in Denver, or [register online](#) to secure your place in the class.**

**(<http://www.eventbee.com//event?eid=823642303>)**

**MultiPlan and PHCS providers  
are eligible for a \$100  
discount on registration fees  
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