

# **Situation Analysis & Summary of Findings for the Medical Tourism Cluster in Guadalajara, Jalisco, Mexico**

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## Introduction

The Secretary of the Economy for Jalisco, together with the Jalisco medical tourism cluster engaged Dr Maria Todd of Mercury Healthcare International's Advisory Group in August 2012 to conduct a state-funded situation assessment and presentation of findings at a 3-hour summary of findings workshop in Guadalajara, Mexico.

The 6-point purpose of the study was to:

1. Evaluate the current situation of medical tourism product in Guadalajara
2. Bring forth recommendations for improvement for competitive advantage
3. Elaborate on cluster operational infrastructure improvements necessary
4. Propose effective marketing and branding strategies to produce increased turnover
5. Suggest a road map for use by the state that will influence and support destination branding, and
6. Activate all the tourism market segments beyond hospitals and doctors

The project consisted of a 7-day visit to Guadalajara, deep inspection tours of ten hospitals, interviews with the hospital leadership and nursing directors of each health facility, in-depth debriefing with the leadership of the Jalisco Medical Tourism cluster, city tours, hotel tours and one day set aside for report writing and development of the summary report and PowerPoint slide deck. Lake Chapala area visit was not possible, given the time constraints.

The project researcher expresses gratitude to the leadership and staff of the Jalisco Medical Tourism Cluster which provided valuable input throughout the project, particularly during the research interviews development. Further gratitude and acknowledgement for backstopping in the form of meeting coordination and translation support from Mr David Bolick, of MediTravel Solutions is acknowledged. The state's budget allocation for the project was adequate to pay for transportation, hotel and subsistence, car and driver, translation services, and eight working days by the expert. The presentation venue and meeting refreshments were provided courtesy of one of the cluster hospitals.

## Overview

### Hospital Site Visits

Hospital name	Year built
Hospital Mexicano Americano	1958
Bernadette Hospital	1961
Sanatorio San Francisco Asis	1965
Hospital Angeles Del Carmen	1968 remodeled in 1999
Lomas Providencias Hospital De Mujer	1994
Hospital San Javier	1994
Hospital Siloe	2000
Hospital Real San Jose	2005
Puerto De Hierro Centro Medico	2005
Hospital Puerta De Hierro Sur	2009

### Economic findings

Number of Accountable Beds among the 10 hospitals – 546

Average Daily Inpatient Census across all 10 hospitals - 62.3%

Beds are filled per night across all 10 hospitals – 340 on average

Nurses employed across all 10 hospitals – 1880

Community Jobs across all 10 hospitals - 4479

## Community Benefit of the Medical Tourism Cluster Hospitals

Public and private hospitals and clinics in Guadalajara are supported by various charities, among them:

- Alcoholics Anonymous Meeting Sites
- Assistance to Other Foundations
- Burn Victims
- Care for Accident Victims
- Care for State Government Nayarit Orphans
- Charity to the Community for Low Income
- Children of Prison Inmates
- Carity Care for Children with Cancer
- Cinepolis Charity for Cataracts
- Civil Hospital Assistance
- Classes for Workers Without a High School Diploma
- Cleft Palate Clinics
- Degree Program For Ophthalmology that Provides a MBBSs
- Diabetes Program
- Discount for Geriatrics Patients
- Employee Scholarships
- English Language Training
- Extension Program
- Feria Salud for Students
- First Aid, CPR, and Fire Extinguisher Training
- Five Bicycles Raffle Prizes
- Foundation Gift of Life Out of (Phoenix Charity)
- Free Consultations for Women
- Handicapped Employment
- Health Fairs
- Hospital Charges Less to Foundations
- Iodine Treatments
- Lions Club Locally
- Local Doctors Offer Service to Indigenous People at reduced costs or fees waived
- Medical Missionary Care
- Presentations to Community on Gynecology, Preventive Health, Cancer, and other disease prevention
- Preventive Health Discounts
- Public Hospital Support from time to time
- Public Lectures
- Support for Motorcycle Races
- Respalda for Spine Surgery Charity
- Sinergia Juntos Charitable Support
- Sliding Scale Primary Care
- Sliding Scale Low Income Gamma Knife Services
- Socially Responsible Community Partnership
- Sponsorships for Local Students
- Student Insurance Premiums Grants
- Disaster Relief
- Telethon Prizes for Imaging Services
- Walkathons For Diabetes and Parkinson's Disease

The above-mentioned organizations provide charity funding to cover costs of treatment for the community. In turn, the hospitals and clinics support the charitable organizations' efforts with courtesy discounts, support and participation at community events and health fairs by sending medical doctors, nurses, and providing community outreach through the organizations' public events.

**None of these achievements are mentioned on any of the individual stakeholder websites or the website of the Jalisco cluster.**

## Distinctive Achievements among the Cluster Hospitals



- Aguila CyP Award
- Best Companies in Mexico
- Charity Care Recognition by the Municipality
- Designated Hospital for Pan American Games
- Designated Hospital for Mexico Presidential Visits
- Designated Hospital for USA Presidential Visits
- Distinctive “H” from the Mexican Secretary of Health - Department of Alimentary Services for Complying and Exceeding with the Hygiene Standards
- El Sol De Oro A La Excelencia Award
- Excellence in Instrument Sterilization from Chile
- Gold Medal for Quality and Service from International Association of Merchandise
- Gold Medal of Quality and Service
- Gold Star for Management Merit from Worldwide Marketing Org
- Health Sector Financial Sustainability Award from Deloitte, PanaMex, and Tec de Monterrey
- Institute Of Quality and Prestige
- Jalisco Quality Award
- PACAL For Lab Excellence
- Quality Award for Laboratory Services from Secretaria de Salud
- Recognition for the Business Development Council for Low Income
- Recognition for this Highest Mark in the Consejo - 2nd Place Nationwide
- Secure Hospital Award
- Seguro Popular Segmenta Award for Service
- Socially Responsible Business Award
- Socially Responsible Companies
- State Prize for Quality
- Worldwide Prestige Award

## Patient Satisfaction

1. All hospitals measure satisfaction daily via rounding
2. All hospitals report daily and compile monthly statistics

## Negative comments

- The order and timing of meals
  - Patients from outside Mexico complain that meals are served in a different order from that which they are accustomed, and at later hours.
- Dietary restriction foods
- The discharge delay if they are insured – some times up to 3 hours
- The delays in nurse response to call bells
- Waiting time for outside specialists to arrive
- Language Fluency
- Nursing Attitude - Indifference

## Positive comments

- The warmth and compassion of the staff
- Dignified care
- The doctors
- The nurses
- The lab techs
- The facility design
- The technology
- The hospitality of the hospital staff
- The cleanliness of the facility
- The pastoral care
- The gardens and access to the outside



## The Technology of the Cluster

Most hospitals were in the process of converting to digital medical records from paper, even though the Mexican regulations do not yet allow for electronic signature. This forces the hospitals and clinics to spend precious financial resources on redundancy and inefficiency.



- MRI
- CT/"TAC"-- up to 128 slice
- Cardiac Catheterization
- Gamma Knife
- Advanced air filtration systems
- Neuro navigation system
- 4D echo
- Duplex Doppler / Waveform Analysis
- Water Birth Facilities
- Stress Testing
- Lithotripsy
- RIS PACS (Imaging)
- WiFi throughout the hospital
- Radiosurgery
- Gamma Camera Bone Density
- Xray and Fluoroscopy
- Mammogram / Digital Mammogram
- Ventilators for 500gm babies
- Linear Accelerator (LINAC)
- YAG laser / Argon Laser / Laser 100
- Green Laser / Femtosecond Laser for LASIK
- DaVinci Robotics
- Baby Match System
- RFID technology
- Dialysis
- HRT3 for early glaucoma detection
- DNA clinic
- Iodine Treatment Room

## **What the stakeholders want/need from the cluster and government support**

1. Training and techniques, coaching, consulting services
2. Data and market statistics – what they bought, where from, etc.,
3. Promotion and marketing
4. Better cluster website – more effective and functional
5. Secure website for data access and benchmarking
6. Medical English language training / multi-cultural training
7. Facilitator registration, background vetting
8. Dispute resolution services to deal with allegations of misfeasance / nonfeasance / contractual breach
9. Partner strategies with other international facilities and organizations, knowledge transfer, exchange programs, etc.,
10. Destination branding and support from state and federal government tourism promotion offices and export agencies.

## **What the stakeholders are prepared to do for themselves to promote the medical tourism sector**

1. Agree to align and collaborate with a formal destination strategy
2. Build their respective brands and brand messages as part of the destination strategy
3. Continually improve clinical quality, technology
4. Achieve accreditation
5. Build knowledge transfer partnerships through international sister hospital and co-branding programs
6. Negotiate contracts for reimbursement with international and expatriate insurance programs

## **Medical Tourism Strategy**

Most hospitals:

- Had no formal strategy to develop medical tourism
- Expressed that they expected the cluster to develop and implement the strategy
- Articulated a goal instead of a strategy
- Seemed somewhat unfamiliar with strategic planning technique

## **Current Medical Tourism Business**

Most hospitals reported:

1. Less Than 1% Medical Tourism Revenues From USA
2. Less Than 1% Medical Tourism Revenues From Canada
3. Less Than 1% Medical Tourism Revenues From Central America
4. Less Than 1% Medical Tourism Revenues From South America
5. Less Than 10% Medical Tourism Revenues From Neighbor States within Mexico

This can be interpreted that medical tourism growth potential is excellent if the appropriate target consumer strategy is formulated together with a unique product and destination strategy that focuses on word-of-mouth and leverages the voice of the consumer from the local expatriate community in combination with a destination marketing strategy that pairs local activities and assets in tourism, culture, gastronomy with healthcare services.

## Expert's Recommendations

### Integrate Supporting Businesses

1. Build a strategy to include hotels and tourism partners
  - Survey their readiness and assets
  - Train them how to accommodate medical tourists
  - Co-develop package programs that bring business for all
    - Check up packages
    - Spa packages
    - Cosmetic services
    - Preventive Health
    - Golf/sports performance clinics
    - MICE & Medicine product offers
      - *Hospital Siloe has already launched this successfully*
    - Mammogram Group Parties
    - Men's health
    - Executive retreats that combine business meetings and health activities
2. Incorporate frequent visitor points and stored value gift card strategies

### Find Blue Ocean Opportunities

Do not just focus on existing customers and drive for finer segmentation. Instead of focusing on customer differences, we need to build on powerful commonalities of what medical tourists value.

This allows you to unlock a new mass of customers that didn't exist before.

Think non-customers before customers, commonalities before differences, and desegmentation before pursuing finer segmentation.

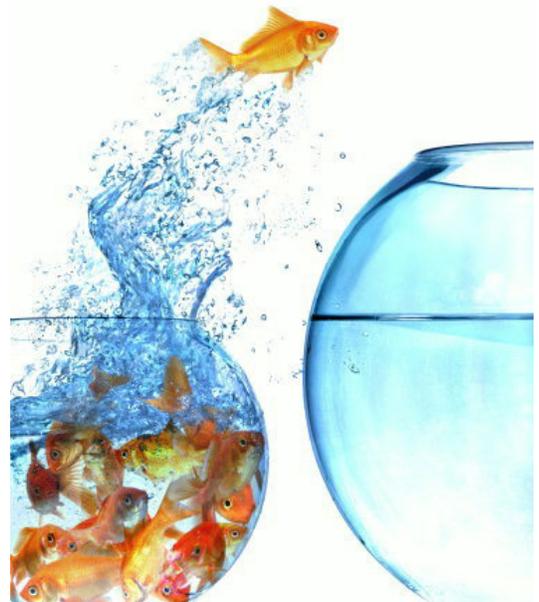
Three groups of non-customers: those who don't like you, those who don't know of you and those who are about to leave. Find what they all don't like and fix it!

### Bragging Rights: Show off your statistics!

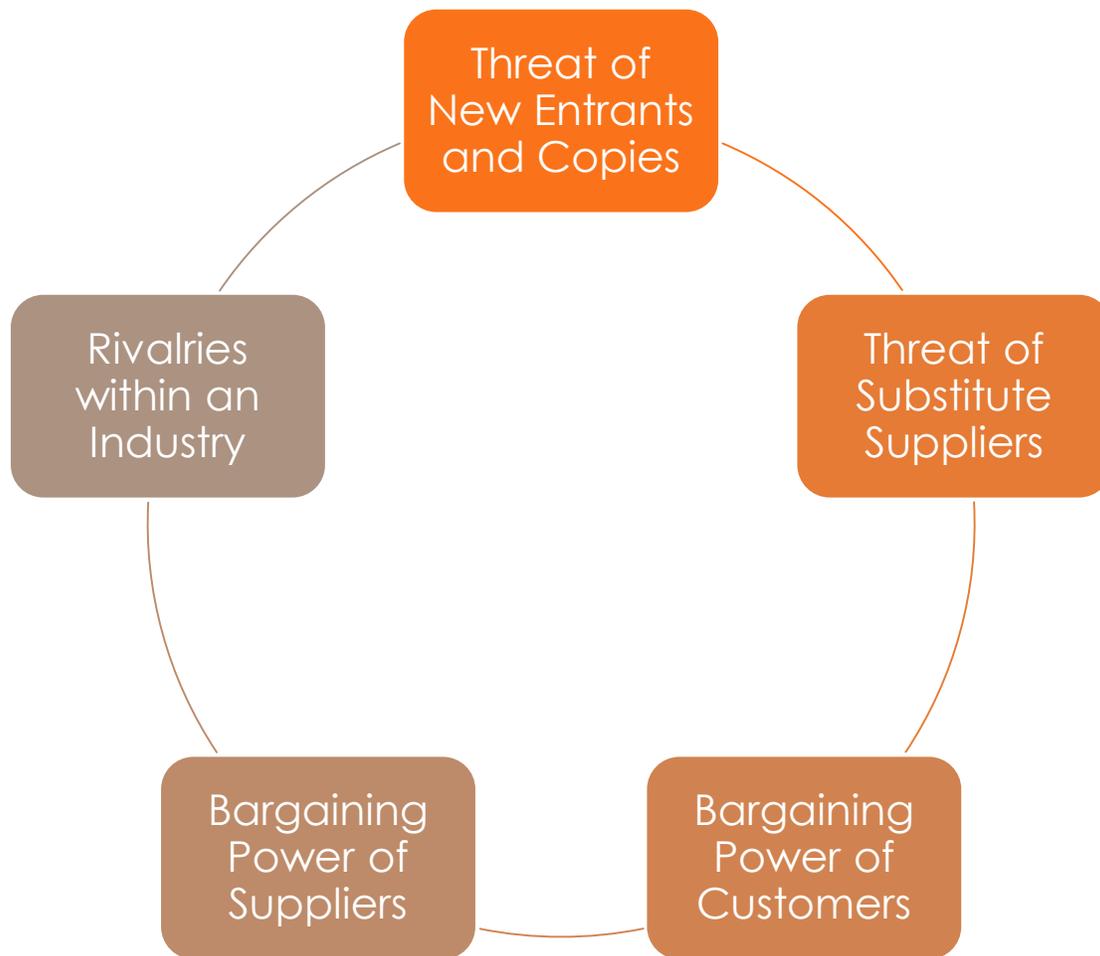
1. Agree to agree while maintaining individual stakeholder competitive rivalries
2. Find ways to benchmark with synergy
3. Find ways to report statistics that matter
4. Drive Awareness of Quality Outcomes

### Support for Training and Professional Development

1. Advanced training for nurses and technicians
2. Advanced training for health administrators
3. Advanced training for health care marketing and strategy
4. Advanced training for health tourism advertising and promotion
5. Language and cultural training
6. Knowledge transfer from other countries
7. Education and Partner and exchange strategies
8. Seminars on Insurance Contracting Skills and Revenue Cycle
9. Seminars on New Technology in Health Information Systems



## Porter's Five Forces



Porter's five forces analysis is a framework for industry analysis and business strategy development formed by Michael E. Porter of Harvard Business School in 1979.

It draws upon industrial organization (IO) economics to derive five forces (above) that determine the competitive intensity and therefore attractiveness of a market.

Attractiveness in this context refers to the overall industry profitability.

An "unattractive" industry is one in which the combination of these five forces acts to drive down overall profitability.

A very unattractive industry would be one approaching "pure competition", in which available profits for all firms are driven to normal profit.

### Accreditation

Stop describing a harmonization with Accreditation Canada and JCI. This claim and description is irrelevant to the market. Just like pregnancy, Mexican healthcare providers are either accredited or not accredited by these organizations - there is no "just like" category. If it must be comparable on every point. Instead, take the next step to turn Consejo Certification into ISQUA-accredited program that benefits all Mexico.

## Marketing that which is unique in Guadalajara

Hospitals are branded buildings. They are owned by organizations that compete worldwide with every other hospital in the world that has a license to operate and sell medical procedures. If they render substandard care, eventually, they are closed down by regulators. If they render substandard services or charge prices that the market will not pay, they lose market share.

Hospitals do not “treat patients”. Instead, the nurses and technicians and support staff follow the prescribed orders of trained and dedicated physicians. The physicians, therefore, are the embodiment of the brand differentiation by which hospitals and medical tourism destinations compete. As long as a physician or dentist practices only at one destination, one unique characteristic is that you can only be treated by that doctor in that destination.

If the destination is unappealing to the consumer, the consumer will seek a substitute supplier. This is supported in 4 of the 5 forces in Porter’s theory. Therefore, Guadalajara and the Jalisco cluster should find ways to work with the doctors within the community, either through the hospitals (if the admitting privileges and relationships are exclusive to each hospital) or to collaborate with the doctors as members of the cluster to market their services collaboratively as a unique characteristic and asset of the destination, per se.

This can be supported through professional branding activities of each physician, including CV publication, links to published papers and presentations, photos. The featured pages of each doctor should include a 90-120 second video in English or other languages spoken by the physicians and dentists, to reassure the consumers that they will be able to communicate with and understand the doctors in Guadalajara.



