

Sun, surf and surgery

Proximity, low prices
could make Mexico a
medical mecca, pair say

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NUEVO VALLARTA, Mexico — Bruce Fry fixes his gaze on the ocean and talks about his vision for the future of medical tourism on Mexico's Pacific Coast: patients from Texas and elsewhere in the U.S. finding a low-cost alternative to soaring medical prices for everything from knee replacements to heart surgery, then healing by the beach with their families.

Fry, of Carrollton-based Fry Construction, which builds medical facilities, and his partner, Collin Childress, are convinced that Americans, partic-

Pair tout Mexico for medical tourism

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ularly baby boomers, will one day pay less for health care without having to fly to far-away India, Thailand, Malaysia or Brazil — popular current destinations for medical care.

They could hop on a plane and in two or three hours, especially if they fly from Dallas/Fort Worth International Airport, be in Cozumel, Cancún or here on the shores of the Bahía de Banderas, just up the coast from Puerto Vallarta, with its airport and world-class medical facilities.

Fry and others say the vision isn't far from reality, but many obstacles remain.

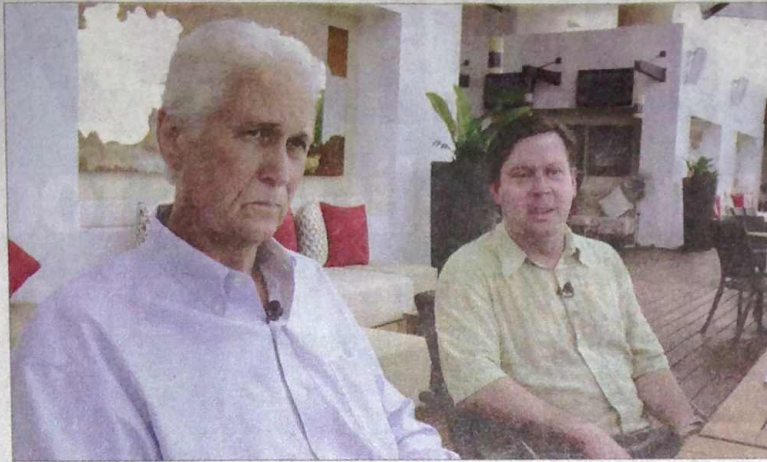
"This could be a game changer for both countries because we're talking new income stream for Mexico, improving the overall tourism economy," he said. "But as a gringo from Dallas trying to make this a reality, getting there is too often like a dog chasing his tail."

'The holy grail'

It's been nearly 20 years since the signing of the North American Free Trade Agreement, which opened the border to increased trade in merchandise and services, among them medical care. But a plethora of restrictions remains, preventing Americans from cashing in on quality care that could be as much as 40 percent cheaper, Fry and others say.

A recent report by the U.N. Economic Commission for Latin America and the Caribbean shows that despite its proximity to the U.S., Mexico is woefully behind other countries in attracting American patients. Mexico needs to do more both to improve security and to certify hospitals to treat international patients, experts say. Only 19 Mexican hospitals are certified by the Joint Commission, a world body that accredits hospitals, compared with 35 in Brazil.

"Mexico needs to get more hospitals certified by the Joint Commission, address violence and the perception of it, and needs to significantly increase advertising in the United States," said Christopher E. Wilson, an expert on economic issues at the Woodrow Wilson



Alfredo Corchado/Staff

North Texan Bruce Fry (left) and partner Collin Childress visited Nuevo Vallarta recently to explore prospects for medical tourism. They foresee baby boomers taking short flights to get low-cost, quality care. But red tape and fear of drug violence must be overcome first.

BY THE NUMBERS Medical tourism

\$50 billion

Annual global economic impact

40%

U.S. share of the world's medical tourists

1.6 million

Estimated number of Americans seeking medical treatment abroad in 2012

SOURCE: Mexico Tourism Department

"The real deal-killer to retiring in Mexico is that your Medicare doesn't cover you down there. If Medicare would cover, it would save the government money and people would live a lot better."

David Wagner, health care specialist, University of Texas

Center's Mexico Institute.

"In the U.S., states need to see if changes are needed in insurance regulation to allow policies to cover care in Mexico," Wilson said. "In California, for instance, some insurance companies are selling policies to cover care in Mexico. Finally, getting Medicare to cover treatment out of the U.S. is the holy grail for medical tourism advocates."

Making changes to Medicare coverage is a thorny issue in Congress, though, and such changes are unlikely anytime soon, despite increased lobbying from many of the estimated 1 million Americans living in Mexico, many of them retirees.

Two years ago, David Wagner, an expert on health care at the University of Texas, sent members of Congress a study showing how their constitu-

ents would benefit from access to health care in Mexico. "Not one of them responded," he said.

"The real deal-killer to retiring in Mexico is that your Medicare doesn't cover you down there," Wagner said. "If Medicare would cover, it would save the government money and people would live a lot better."

Lack of political will

For now, Brazil, Ecuador and some Caribbean countries continue to make significant gains in attracting Americans for private care, said Arturo Vargas Bustamante, a health care expert at the University of California, Los Angeles. Vargas said the things preventing Mexico from becoming a bigger player are a lack of U.S. political will and Mexico's mo-

opolistic business culture, in which mammoth corporations dominate industries ranging from telephones to medical care and are able to avoid competition.

"My perspective is Mexican doctors seem to be too comfortable in what is working now, meaning they make enough money," Vargas said. "They're shielded from the competition, and so private providers make a lot of money. The government has been trying to encourage them to be more ambitious, but they need to do more on that end and also do more to position themselves with a better strategy and market."

A tourism official in the new administration of Enrique Peña Nieto said the president is committed to medical tourism and will continue to promote an office set up in



Staff Graphic

2012 to expand the industry. The office was formed during Gloria Guevara's tenure as tourism secretary. The goal was to tap into a growing market: About 1.6 million Americans now actively seek health care abroad, Guevara said, and they represent an estimated \$4.1 billion spent abroad annually for medical care. Millions more lack insurance and presumably might choose the lower-priced care outside the U.S., and the 35 million Americans with roots in Mexico constitute another potential market — especially along the Texas-Mexico border.

"It's inevitable that the market will continue to grow because there's a greater value for return in Mexico — great medical services and great doctors, with springlike weather most of the year," said Guevara, a former Dallas resident. "It's huge, and that's why it's so important to build on the foundation that we started."

Wagner said that the U.S.-Mexico border, particularly El Paso, Laredo and the Rio Grande Valley, should be a testing ground for insurance companies and Medicare to cover health care costs.

"We're looking at a lot of people who cannot afford quality health care, and Mexico would be a great option for them," he said.

Deterred by violence

But Mexico's drug violence isn't helping, Wagner and others said.

Christus Mugerza, owned

by Dallas-based Christus Health, is the largest Catholic health care system in Mexico. Many consider Christus a leader in the industry, as it has won certification to treat American patients. But its two hospitals in Monterrey — just two hours from the Texas border — have been blindsided by fear of the violence that has become the scourge of northern Mexico. Many people think twice about crossing the border.

A spokeswoman at Christus in Monterrey declined to comment.

For now, Fry and Childress, CEO of Global MedChoices, a health care technology and health services company based in Memphis, Tenn., are expanding medical services in the Turks and Caicos Islands, a Caribbean country that serves Americans and Canadians.

Fry is scouting in the Dallas area for spine, heart and knee specialists. Some of their colleagues are already doing work in the Turks and Caicos and other countries, teaching their host doctors the latest technology and learning from them.

In Mexico, in addition to the Bahía de Banderas region, Cozumel, on Mexico's Caribbean coast, has caught Fry's attention because "it's an island, and there will be no security concerns."

Fry, who had a knee replacement in Turks and Caicos, has also teamed up with accountant Morey Glazer, one of the trailblazers in the field. Glazer has been lobbying the U.S. and Mexican governments for years and, despite many setbacks, remains optimistic about medical tourism in Mexico.

"We're almost there," Glazer said during a recent meeting with Fry at a Dallas restaurant. "It's gonna happen, Bruce. Don't get disappointed."

Fry responded: "I agree, Morey. All you need here is a little vision — and a lot of patience."

Angela Kocherga, border bureau chief for Belo Television, contributed to this report.

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