Cheaper Medical Care

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The following article was forward to our office by Ron Tyree, CWA Staff Rep in District 3. We wanted to share it with you. This is an issue we are watching very carefully.

In Unity,
Ralph V. Maly, Jr.
Vice President
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Those who believe employer based health care is a "solution" to America's healthcare crisis should check this out. So should those who believe that health care cannot be outsourced.

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New York Times

Union Disrupts Plan to Send Ailing Workers to India for Cheaper Medical Care

By SARITHA RAI
BANGALORE, India, Oct. 10 — A few weeks ago, Carl Garrett, a 60-year-old North Carolina resident, was packing his bags to fly to New Delhi and check into the plush Indraprastha Apollo Hospital to have his gall bladder removed and the painful muscles in his left shoulder repaired. Mr. Garrett was to be a test case, the first company-sponsored worker in the United States to receive medical treatment in low-cost India.

But instead of making the 20-hour flight, Mr. Garrett was grounded by a stormy debate between his employer, which saw the benefits of using the less expensive hospitals in India, and his union, which raised questions about the quality of overseas health care and the issue of medical liability should anything go wrong.

“I was looking forward to the adventure of being treated in India,” Mr. Garrett said the other day. “But my company dropped the ball.”

The union, the United Steelworkers, stepped in after it heard about Mr. Garrett’s plans, saying it deplored a “shocking new approach” of sending workers to low-cost countries as a way to cut health care costs. Its officials insisted that Mr. Garrett be offered a health care option within the United States.

“No U.S. citizen should be exposed to the risks involved in traveling internationally for health care services,” Leo W. Gerard, the president of the union, said in a recent letter to the Senate and House committees that oversee health care. He expressed his concern about the willingness of employers to offer incentives to employees to go overseas.

Mr. Garrett, who works for Blue Ridge Paper Products in Canton, N.C., had volunteered to get his treatments in India in return for a share in the company’s savings. Blue Ridge now says it will find

Mr. Garrett a treatment alternative in the United States and will offer the overseas option only to its salaried employees.

IndUShealth, a company based in North Carolina that arranges health care in India for Americans, would have made Mr. Garrett's medical arrangements. The company acknowledged that its plan to send Blue Ridge workers to India was "on hold" but said it was exploring deals with other employers.

The union's resistance has brought to the fore a critical question in the path of the globalization of the health care industry — who is liable if something goes wrong in an overseas hospital? And underlying all this is the even more explosive issue of potential job losses in the American health care industry, in an economy already sensitive to the large-scale shift of jobs to cheaper overseas locations.

Even as the debate continues about insurers' role in health care outsourcing, hundreds of uninsured and under-insured Americans have already gone on their own to India for treatments.

With medical costs in India routinely 80 percent lower than in the United States, experts predict that globally standardized health care delivered in countries like India and Thailand will eventually change the face of the health care business.

Providing health care to foreigners could generate $20 billion for India by 2012, according to a study by McKinsey & Company, the consulting firm, although McKinsey did not say how many patients that figure represents. With 150,000 overseas patients last year — though only a small fraction of them Americans — India is already the global leader in importing foreign patients for low-cost treatment. Its best hospitals have Western-trained doctors and are equipped with modern equipment.

Still, cross-border medical liability in countries like India could prove to be a major hurdle, the experts say. In the case of Mr. Garrett, Blue Ridge Paper asked him to sign a release saying that he was "on his own as far as medical liability," said Bonnie Blackley, the benefits director at Blue Ridge.

Tom Keesling, president of IndUShealth, said "the Indian physician and hospital would be directly responsible for any malpractice."

Zubin Daruwalla, health care analyst at the consulting firm Frost & Sullivan, said there was no uniform code in India on what could be considered medical negligence and what compensation ought to be paid. "Compared with the huge payouts in the United States, Indian courts award small amounts," Mr. Daruwalla said.

So, as Mr. Daruwalla noted, in addition to traveling back and forth to India to fight a legal battle, an American patient might have to be content with a few thousand dollars of compensation in case of a problem.

Employers have been trying to get their workers' health care costs under control, and the pressure to outsource health care is inevitable, said Aaditya Mattoo, an economist with the World Bank in Washington who specializes in global services trade.

But United Steelworkers, the largest industrial union in North America with over 850,000 members, said it would fight any effort by American companies to send employees abroad for treatments. "We are confident that we are in a position to block any employees being exported to India, Thailand or Mexico," said Stan Johnson, a spokesman. "The ailing American health care system

Thailand or Mexico," said Stan Johnson, a spokesman. "The ailing American health care system cannot be cured by sending patients abroad."

But Harpal Singh, chairman of Fortis Healthcare, a large New Delhi-based chain of hospitals, said American corporations would not be able to resist for long the lure of overseas hospitals offering first-world health care delivered at third-world costs.

McKinsey has forecast that by 2008, top companies in the United States firms would spend as much on health care on average as they made in profits. As insurance costs become unaffordable, companies are scaling back or dropping health benefits.

"The health care opportunity has the potential to outshine outsourcing and deliver big advantages for both Indian and U.S. businesses," said Mr. Singh, who is also co-chairman of the Working Group on Healthcare, which was set up by two influential trade groups, the United States-India Business Council and Confederation of Indian Industry.

Fortis, Mr. Singh's company, runs a dozen hospitals in and around New Delhi, including a modern 250-bed cardiac hospital in neighboring Mohali where uninsured American patients represent a fifth of all patients. The chain plans to add 35 hospitals in the next five years. Many of these, and those run by rival hospital chains like Wockhardt and Apollo, will be built to the specifications of international hospital certification agencies.

To be sure, swarms of employer-sponsored patients are unlikely to descend on Delhi or Mumbai any time soon. Crowded airports, traffic-clogged streets, distressing poverty and a reputation for grime can put off even the average Western tourist, let alone a patient arriving for treatment.

Mr. Johnson of United Steelworkers said Mr. Garrett had been saved from the hazards of international travel and being treated in an alien culture, in addition to the malpractice risk. "Cost may be a downside but there are many upsides to his not going to India," he said.

If there was an upside to staying home, Mr. Garrett said he could not see it. He was all set to go to India with his fiancée and then return in good health to marry her later this year. Instead, his treatment has been delayed and he is now left to pay high incidental expenses and a higher co-pay for his treatment in the United States. "I've been left out in the cold," Mr. Garrett said.

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