

Medical Tourism & Retirement Living

Will We Catch This Wave or...



The Opportunity

I. Medical Tourism

- More Americans, Canadians & Europeans are seeking medical treatments abroad
 - In 2005, ~500,000 Americans sought care abroad
 - In 2006, ~150,000 foreigners sought care in CR

II. Retirement Living

- Baby boom in America, Canada & Europe

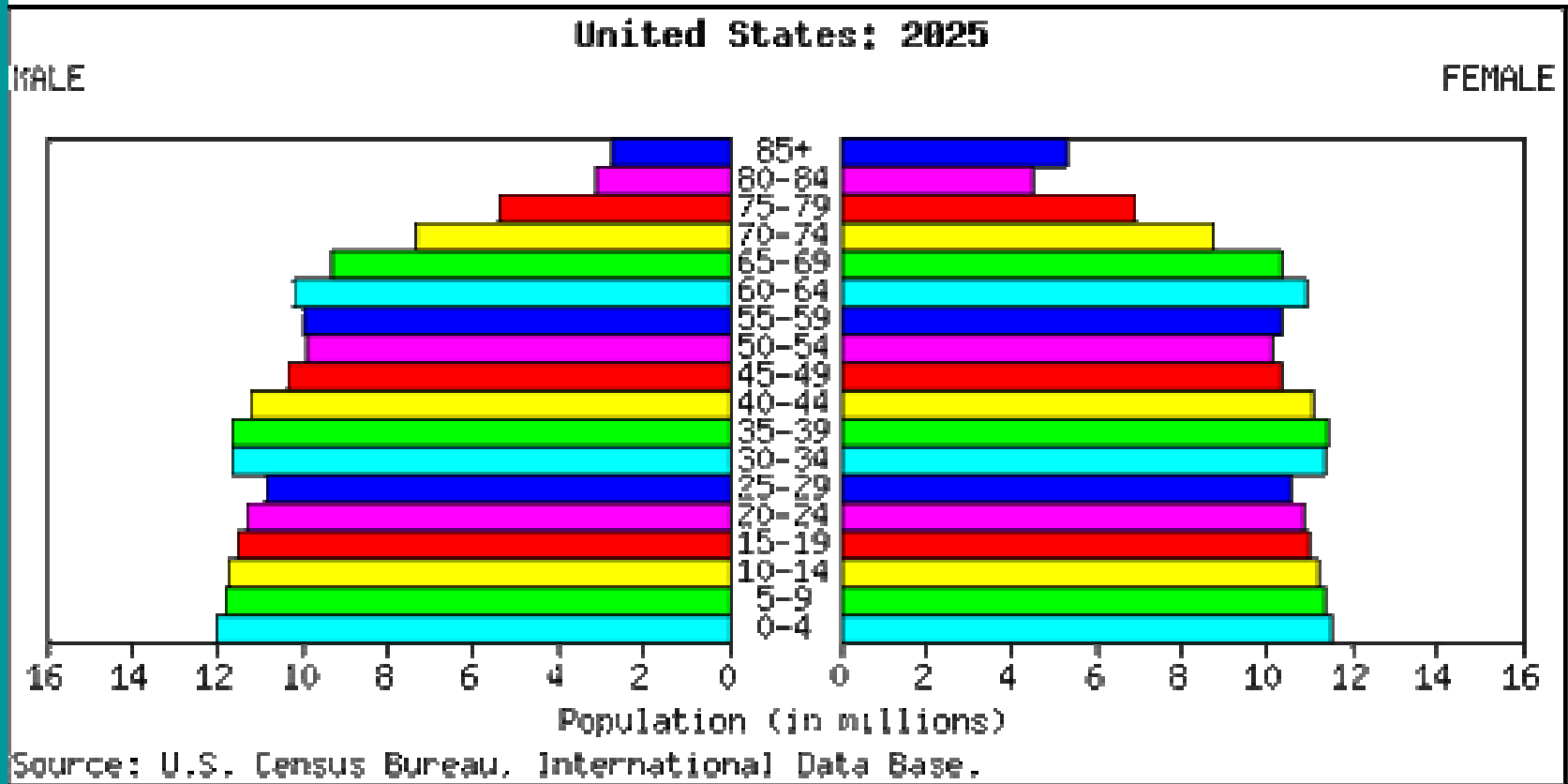
The Opportunity

- I. Demographics of Prospective Markets
- II. Medical Tourism
- III. Retirement Living
- IV. Opportunities & Challenges
- V. Next Steps

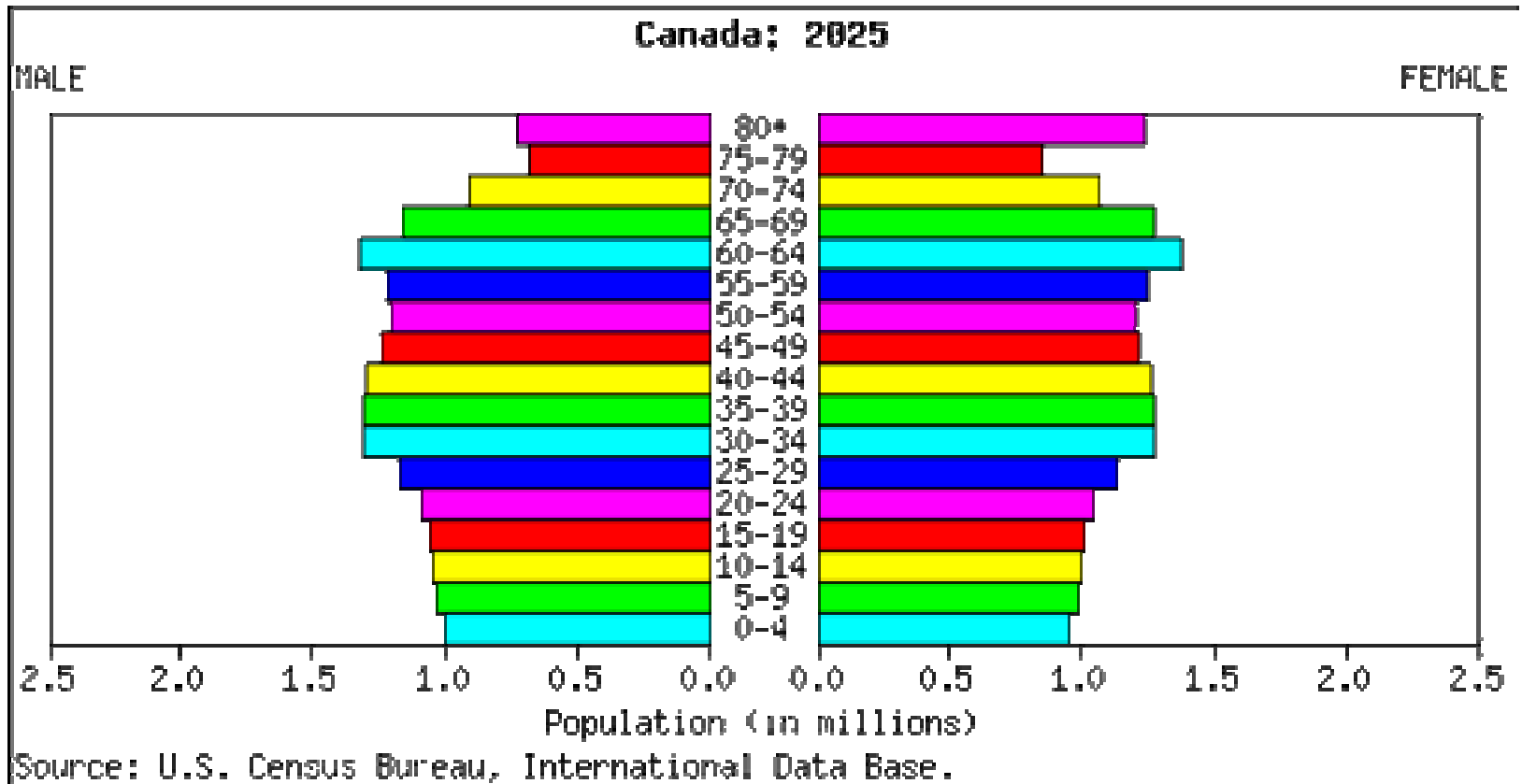
I. Demographics

- North America & Europe – Marketplaces
 - USA, Canada and Spain
- Population Demographics
- Medical Tourism ↔ Retirement Living

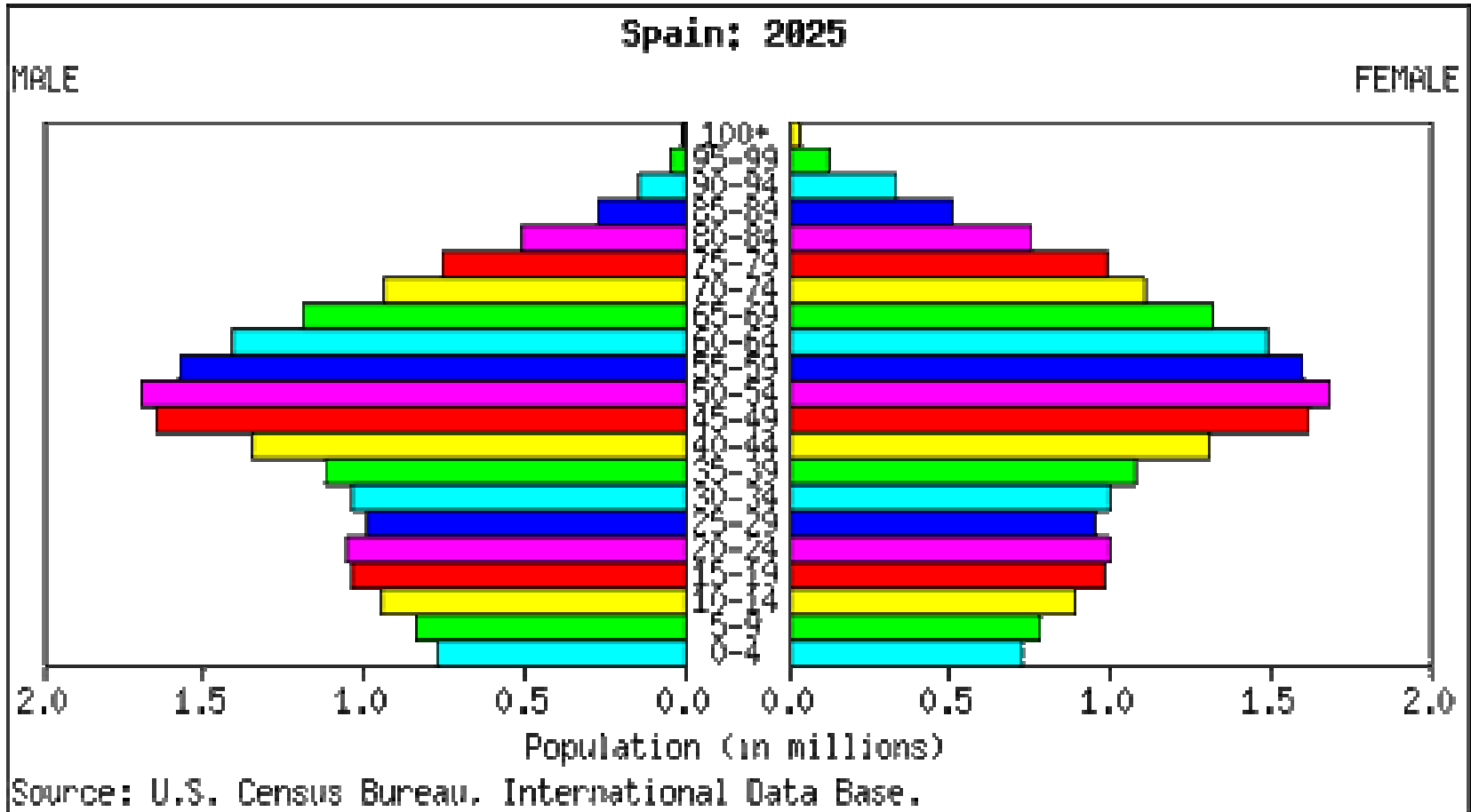
United States Demographics



Canada Demographics



Spain Demographics



≥ 65 Demographics 2006

2006

US	42,550,000.00
CN	5,705,205.99
SP	6,757,003.75
	<u>55,012,209.74</u>

≥ 65 Demographics 2025

2025

US	66,750,000.00
CN	8,950,000.00
SP	10,600,000.00

86,300,000.00

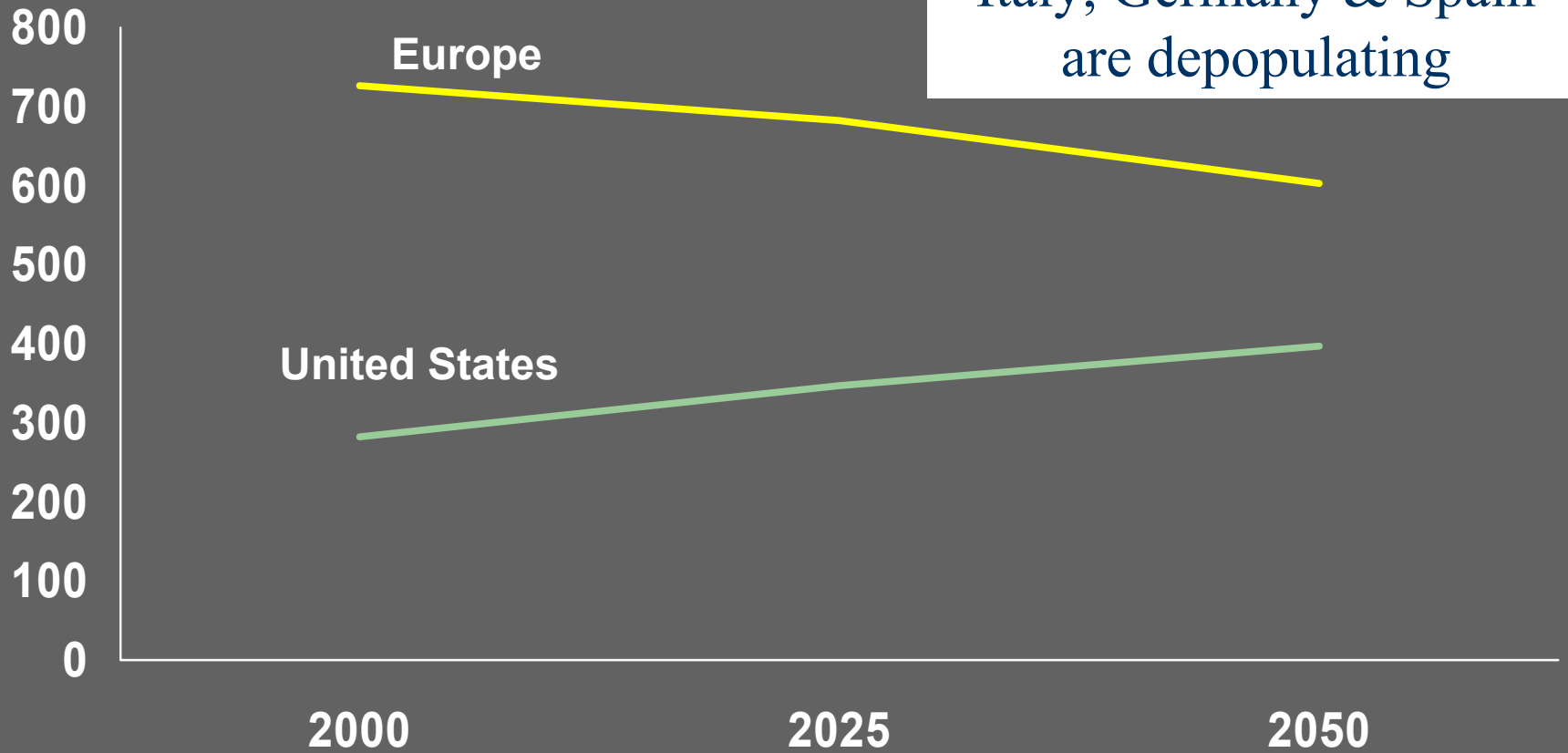
56.87%

Demographic Conclusions

- The age cohorts are more adventurous, more demanding and spend more on what they “want” vs. “need”
- Americans are eager to save money
- Canadians, EU tired of wait times & few choices
- By 2025, ~ 86.5 Million \geq 65 years old in these 3 countries only!

Aging world + population declines millions

Italy, Germany & Spain
are depopulating



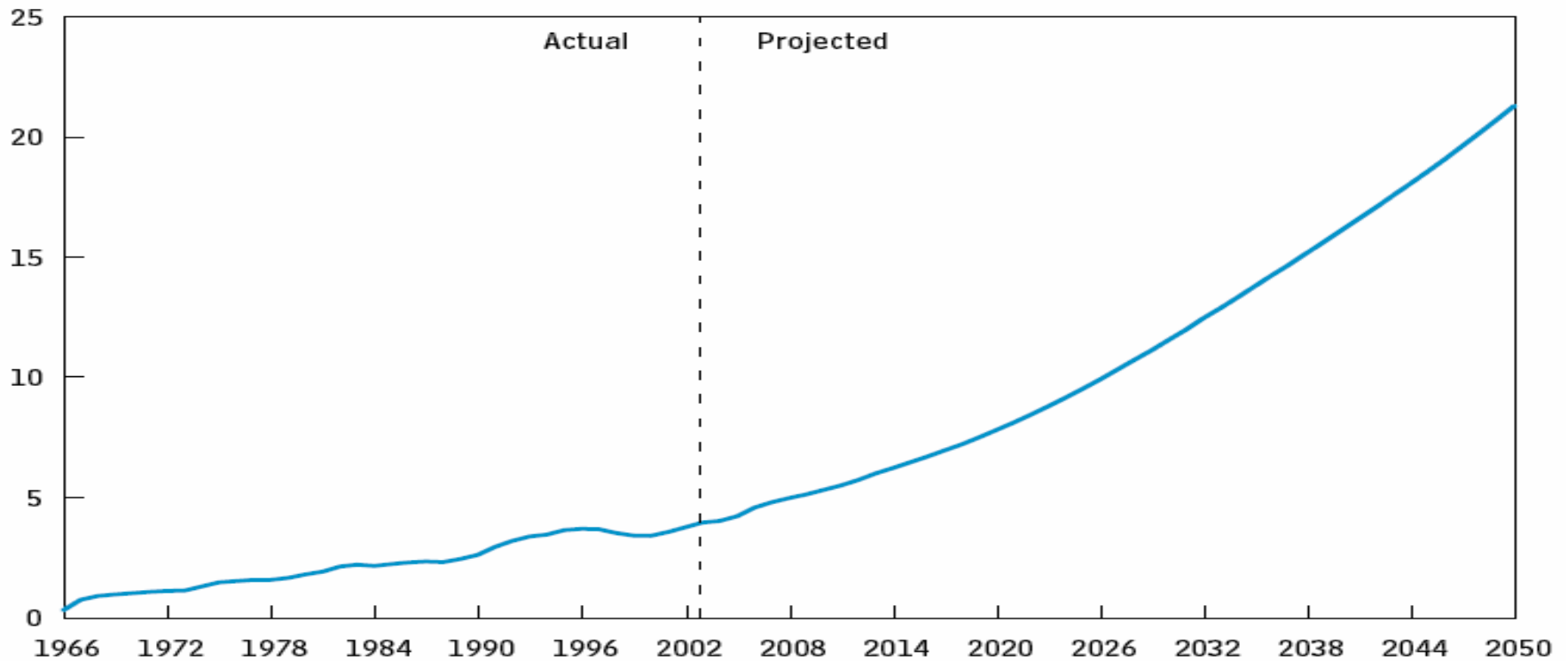
A sampler of oldies

Country	2002	2030	2050	2070
Germany	17.1%	26.3%	30.6%	31.3%
Japan	18.0%	29.9%	36.8%	37.7%
U.S.	12.4%	19.1%	21.3%	21.6%

US Growth in Costs as Share of GDP

Total Federal Spending for Medicare and Medicaid

(Percentage of GDP)



Source: Congressional Budget Office. See *The Long-Term Budget Outlook* (December 2003).

The facts and the future

- ↑ Size of aging populations = ↑ demands
- The healthcare *and* retirement “systems” will be looking for organized, reliable ways to address these challenges
- “Outsourcing” has already started
- Certain destination countries will capitalize and others will try and fail (competition)

II. Medical Tourism

- Increase in elective and/or cosmetic surgeries
 - Impatience w/ wait (Canada)
 - Very high cost (US)
 - ~47 Million without health insurance in US
- Other destination countries: Mexico, India, Thailand & Brazil.
 - None has the WHO or World Bank ratings of CR
- Market for MT is maturing quickly
 - Many associations and organizations promoting medial tourism
 - Costa Rica early entrant

II. Medical Tourism (cont'd)

- Costa Rica early entrant
- Panama, Brazil & others launching attack
 - How to keep & ↑ market share?
- 1. A coordinated, comprehensive campaign
 - a. Planning across sectors
 - b. Cluster development & exploit “tie-ins”
 - a. Munich Airport – MRI
 - b. “Frequent Smile Miles”
- 2. Develop a “brand”
- 3. Control & protect quality

Medical Tourism Market - Costa Rica

2006

Visits	150,000
Est. Value / Visit	\$ 1,500.00
Tot. Est. Value	\$ 225,000,000.00

III. Retirement Living

- What Is It?
 - Changing face of “Retirement”
- Increase of “retirement living” in destination locations
- **Associations** — International Association of Homes and Services for the Aging (IAHSA)

III. Retirement Living (cont'd)

- What do the “baby boomers” want from retirement
 - Lifestyle – Secure, Active, Life-Long Learning
 - Health & Wellness
- A good market for Costa Rica?

Retirement Living Market - Costa Rica

Assume

Ex-Pat Retirees	13,000
Per Person, Per Month	\$ 1,250.00
6 Months Residence	\$ 7,500.00
Est. Value / Year	\$ 97,500,000.00
Years Retired	6
Est. Tot. Value	\$ 585,000,000.00

IV. Opportunities for Costa Rica – Retirement Living

1. Increased tourism among related families and friends
2. Increased investment and tax revenue via sector growth
3. Retirees have low consumption of public services and high contribution to community & economy

IV. Opportunities for Costa Rica

(cont'd)

4. Job Creation

5. Medical tourists as prospective retirees

IV. Challenges

1. Managed Development

- Control diffusion through managed growth
- Cluster infrastructure to reduce cost & improve quality control

V. Next Steps

1. Develop and implement comprehensive cross-sector strategic marketing plan to brand and promote Costa Rica as destination for medical tourism *and* retirement living.
2. Perform SWOT analysis to determine feasibility

Stackpole & Associates can assist
the public and private sectors
to capitalize on the benefits, and manage
the impacts of Medical Tourism &
Retirement Living
Through its evidence-based research
and marketing expertise.

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