Zagreb: Medical Tourism Study
& Strategic Plan

Commissioned By:
Zagreb Tourist Board
September, 2018
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Medical Tourism Study Overview

Purpose of the Study

This study and the resulting strategic plan for Zagreb in the medical tourism industry was undertaken by the Zagreb Tourist Board (ZTB) to analyze the city's strengths and weaknesses in delivering medical services on a global scale. The study provides conclusive recommendations to establish Zagreb as a medical tourism destination.

Definitions and Metrics

The European Parliament (EP) defines health tourism as being comprised of three major parts: medical, wellness and spa tourism. Medical tourism includes people traveling expressly to access medical treatment. Health tourism comprises total revenues of 47 billion Euros, 4.6 percent of general tourism in the European Union 28 member countries and represents 0.33 percent of the EU28GDP. A total of 56 million domestic and 5.1 million international trips occurred in 2014. Medical tourism figures are less well defined. Health tourism may be successful at reducing seasonality, improving sustainability and lowering healthcare costs by shifting prioritization of services towards prevention and reduced pharmaceutical usage.

Currently, the definitions are not well-established, the size is under debate, and the future is unclear as there are few policies established and none dedicated to the EU. The only policy directly related to health tourism is Directive 2011/24/EU on the application of patients’ rights in cross-border healthcare. Taxation, financial and legal differences between member states may be seen to impede the development of medical tourism in the EU.

In the global market, medical tourism and medical travel are terms used interchangeably to define people seeking health services outside of their local market networks. The last decade has seen media outlets using the term medical tourism to describe the upsurge in patient mobility. Many organizations have attempted to define the term and its metrics for measurement, but to date, no universal definition or measurement tool is used. France, Germany, Italy, Sweden, and Poland are considered economically important destinations for health tourism while France, Germany, and Sweden also provide a significant number of travelers to the health tourism industry.

Destinations and health centers with public or private facilities catering to international patients now offer a choice for sick tourists, and the more well-known destinations are for high-quality health services; the more attractive they become for medical travelers. There is no longer a remarkable distinction between medical tourism and medical travel as cash pay, government pay or insurance pay patients may choose destinations for care based upon reputation and health centers included in global health and travel insurance networks. Consumers now have a choice, in most cases to select a health center that provides concierge services, an international patient center, or a program designed for traveling patients. The mechanics of medical tourism and medical travel are now unified.

Sports medicine and human performance, medical second opinions, and wellness services designed to enhance medical services or complementary to health services are part of the terminology for medical tourism. Human performance is a cutting-edge area typically related to sports medicine representing the intersection between treatment for musculoskeletal injuries and metabolic, nutritional, psychological and rehabilitation. Health education, research
and development, medical devices, pharmaceuticals, medical meetings and physician training, alongside medical tourism, are called “international health services,” and represent a significant economic impact for the long-term strategic goals of Zagreb stakeholders.

While some stakeholders in the city of Zagreb are developing wellness services at a steady rate, only the region outside of the city of Zagreb currently holds a robust profile of wellness tourism activities, destinations, and services that support lifestyle maintenance, enhancement, and recuperation for patients seeking services in the city. Therefore, an opportunity for enhancement and growth for Zagreb lies in the area of wellness tourism and wellness service complimentary to medical services that aid and assist travelers in lifestyle maintenance, lifestyle change and long-term recuperation and rehabilitation.

Medical meetings can further enhance Zagreb's profile, as top physicians from around the world descend into hotel meeting spaces and hospital auditoriums to build their profile, network and gather new and innovative treatment methods from their peers. Additionally, a focus on providing higher quality standards and improved delivery mechanisms for healthcare will increase consumer access to local businesses, while at the same time building brand awareness for Zagreb. The global medical meeting industry in Zagreb remains an opportunity for growth.

Airlines are fueling the medical tourism industry by providing discounts for healthcare passengers and partnering with both health centers and medical tourism associations, with the objective of supporting destination development projects and draw traveler loyalty to national airlines. Malaysia Airlines is partnered with the Malaysia Healthcare Travel Council, a public/private partnership, to manage the quality of services offered to medical tourists. Turkish Airlines offers half-price tickets to medical tourists regardless of point of origin, while ANA is targeting Chinese travelers by offering flight and hotel packages in Japan. Lufthansa Group offers benefits for travelling patients such as discounted rates, free rebooking, and low cancellation fees.

As mobile and engaged consumers move through the global landscape, they are assigning a new context to the healthcare, hospitality and tourism industries. These consumers are driving research and development, particularly in the areas of life sciences and the biomedical industries. Currently, these are untapped but interesting opportunities for growth in Zagreb.

This Study and resulting Strategic Plan refers to medical tourism as an all-encompassing initiative that brings Zagreb medical and tourism stakeholders together and offers competitiveness for the medical services currently offered. It further highlights an opportunity for expansion through capacity building, quality validation, and a unified marketing strategy for the identified priority target markets. Long-term opportunity for growth in health tourism that includes wellness and spa tourism and medical meetings are summarized and recommended as a potential future strategy as the market potential in Zagreb continues to grow in these areas.

Goals and Objectives

The Study goal was to evaluate and compare the existing medical tourism industry in Zagreb with the global competitive markets and to identify target markets for market penetration. Objectives included the evaluation of international markets for their socioeconomic and demographic factors, existing and future opportunities for exporting medical services, and
the potential to develop new infrastructure and models of collaboration with domestic and overseas partners.

Specific goals and objectives:

- Identification of government and private entities that service international healthcare markets;
- Determination of providers and services that best leverage Zagreb as a medical tourism destination, and the ensuing structure, funding, and priorities for a designated promotional campaign;
- Definition of opportunities in education and training to retain international and domestic talent in Zagreb;
- Introduction of models to boost leads and referrals for medical centers and supporting businesses;
- Development of strategies for service providers that enhance product lines, and increase market share;
- Leveraging medical tourism facilitators, agencies and brokers to bring patients into Zagreb;
- Evaluation of existing and potential service capacities needed to meet consumer demands; and
- Development of an international business model for meeting realistic and sustainable goals, as well as all-inclusive strategies to bring prosperity to the local healthcare and tourism industries.

Pre-Study Conclusions

Croatia is increasingly a sought-after destination for specialized health and wellness services. Zagreb is particularly attractive in all of Croatia due to the capital city being the epicenter of travelers entering Croatia and its recognition for medical services already in many international markets. To compete against already-established health and wellness destinations outside of the Croatian market, Zagreb needs to promote collaboration amongst its many health centers, stakeholder groups and associations, hospitality interests, and tourism authorities. While wellness tourism is currently not a competitive market for Zagreb, expansion of existing wellness services to support recuperation and wellbeing provides expanded opportunity. The pre-study conclusions showed that future collaboration should include:

- Engagement of all interested parties in packaging and efforts to promote high-quality international services;
- Unification and standardization of the definition of medical tourism and the metrics through which efforts will be measured and reported;
- Establishment of a collaborative and joint policy to effectuate medical tourism activities;
- Creation of a network of medical tourism facilitators committed to referring and managing patient experience in Zagreb;
• A centralized “hub” online portal through which all directives emanate developing and managing stakeholder’ business development and promotional activities;
• Directives highlighting specialization of services offered by health centers to patients and expanded after that to wellness travelers;
• The inclusion of spa and wellness services into the medical tourism offering and more effectively promote the use of Directive 2011/24/EU in its policy;¹⁰
• Knowledge sharing and exchanges of experiences between health, hospitality and tourism industry to improve service;
• Regulation of quality of services to prevent incidents and poor quality of service that could generate negative publicity;
• A public relations campaign to increase stakeholder engagement and boost public awareness and generate “buy-in”; and
• Unified business to business (B2B) and business to consumer (B2C) marketing measures available worldwide.

Research conducted in the city of Zagreb shows the need for strong emphasis on education and engagement with stakeholders. To fulfill this requirement medical professionals should be held responsible for establishing a continuum of care where the consumers of services receive quality treatments before, during and after they travel. Additionally, hospitality and tourism professionals should be an integrated contributor to that goal, the result being a great experience for patients and travelers and referral business.

Study Results

Zagreb has a thriving medical tourism industry worthy of expansion. Opportunities are available to increase consumer numbers. These opportunities expand the goal for Zagreb from a simple medical tourism strategy to an international destination program. One that takes into consideration the following aspects:

• The future opening of travel routes from key international markets and mega hubs;
• Incorporation of international medical services into the economic models of government entities and local businesses;
• Offering a unique service that attracts competitors’ potential clientele;
• Raising the quality of ancillary supportive wellness services to cater to high-end health and wellness seekers;
• Segmenting internal offerings to match the most sought-after treatments in targeted markets;
• Creating a clear marketing message to reflect services offered, and the availability to host medical meetings;
• Offering second opinions through a digital platform to develop brand awareness and improve lead generation;
• Working with medical tourism facilitators interested in referring and managing patients in Zagreb;
• Training local human resources to enhance the experience of medical tourism seekers; and

• Educating the Zagreb community about the quality of local medical services.

Prioritization of Markets

The neighboring and surrounding countries of Croatia are one of the major sources of international visitors to the city of Zagreb and present strong potential in medical tourism as well as countries sending the most tourists to Zagreb. To realize this potential, Zagreb has to improve marketing medical tourism to these target markets through a unified and centralized policy. There is room to grow the industry in existing and current markets by offering innovative services and products, creating personalized concierge services improving local infrastructure to serve travelers better, and working with medical tourism facilitators.

All service lines recommended herein are in demand in these target markets, as well rising demand in these markets for capacity building, training, and advisory services achievable by health centers and leading physicians in Zagreb.

Zagreb’s stakeholders need to personalize services by addressing cultural sensitivities inherent to target markets.

While many medical centers have relationships with existing markets and specific consumers, very few have developed the means to monetize their services, or have found the means to link the revenue generation of consulting with the provision of services to inbound patients and travelers.

All services identified are also appropriate for international medical services sought, particularly if combined with services such as health management and complimentary wellness services, an opportunity for growth in Zagreb.
The Context of the Study

The Zagreb Medical Tourism Study is designed to assess the push and pull factors that drive patients to travel for medical services, and partake in the natural beauty and cultural attractions of Zagreb. Target markets are evaluated by a series of parameters that influence a patient/traveler’s decision. This research will identify the best way to export Zagreb’s medical service market. The objective is to evaluate the competitive advantage of Zagreb in:

- Medical services that include cosmetic surgery, cosmetic/aesthetic treatments, dermatology, dentistry, ophthalmology, orthopedics, and perhaps more.
- Complimentary wellness services that target the mind and body, such as medi-spa, stress management, and rehabilitation.
- Medical and wellness meetings and events that may enhance the visibility of Zagreb medical services in the global market.

Other considerations that guide the study are:

- Evaluate Zagreb’s strengths, weaknesses, opportunities, and threats;
- Provide recommendations on target markets through the SWOT analysis; and
- Define the most appropriate service lines to offer to inbound patients and travelers.

Strategies are necessary to attain the following results:

- Improve the quality of medical care and build out complimentary wellness services;
- Increase the flow of inbound patients and travelers;
- Increase and improve the alignment of high value-added services for patient experience; and
- Increase and improve the alignment of high value-added medical services for existing traveler’s experience.

Methodology

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GHR requested that Zagreb Tourist Board provide project authorized “Leaders” to our team including tourism information and data pertinent to the project. A series of in-person and telephonic interviews and surveys were utilized to assess local stakeholder situation and buyer nation opinion about Zagreb as a medical tourism destination. Secondary resources were utilized to assess the global environment alongside the proposed Zagreb market offering and competitive advantage.

Stage I – Zagreb’s Domestic and International Experience Evaluation

Stage I defined and documented the goals governing the proposed medical tourism program development. GHR conducted a “Kick-Off” meeting over a short period locally with stakeholders in the form of one on one interviews and focus groups, to gain a greater understanding of existing situation according to stakeholders in Zagreb, both public and private, and the Zagreb Tourist Board’s objectives for the project. These stakeholders groups seemed to influence industry issues and trends, holding the greatest level of medical tourism experience and have the greatest opportunity for expansion of international service lines. Those stakeholders with less experience, yet interested in providing international medical services, were into consideration as an opportunity for expansion. Wellness providers, hospitality and tourism providers, and supporting businesses participated. Communication with stakeholders was an ongoing process over the next three Stages to ensure proper alignment with medical providers, complemented with meetings with government and tourist board officials. The objective of these meetings and interviews was to collect information about the current environment for the development of the industry, infrastructure capacity, desired benefits, and data analysis for the development of an economic impact of the program.

We then developed a baseline of the current opportunities and challenges facing medical tourism development in Zagreb.

Stage II – Target Market Evaluation and Selection

Stage II analyzed the current competitiveness of Zagreb medical tourism industry through gap analysis. The gap analysis prioritizes and evaluates best target markets for development, and compares medical tourism programs and marketing efforts of destinations similar to Zagreb.

Target markets were selected by:

- Past and current patient and traveler flow to the Zagreb area, and proximity to those markets;
- Past and current relationships with payers (organizations such as governments or insurers paying for services) in target markets and organizations;
- Existing infrastructure allowing different markets to reach the area via air or land;
- The diversity of health-related industries present in Zagreb;
- Markets with large populations in need of selected medical services available in Zagreb; and
- Current efforts in Zagreb arising from existing marketing efforts, agreements, and relationships.

Target market selection was based on a series of parameters and matched with medical service lines:
- The demand for services in target markets that utilize the services of the medical providers in Zagreb;
- Availability of selected services and how they can compete with international destinations; and
- The desire of stakeholders to expand service offerings, and provide necessary resources for expansion.

The process of market prioritization included assigning levels of importance to the following to rank markets:
- “Want” to enter a selected market (existing relationships, local ambassadors);
- “Need” for Zagreb’s service lines in the selected market (high incidence of need, low comparative quality of service offered elsewhere);
- “Effectiveness” projected for offering service lines in selected markets (competitive environment, price sensitivity, service expectations);
- “Profitability” emanating from services offered in each market (large profit margin for services); and
- “Attractiveness” or existing relationships, which make markets more attractive than others (estimated size of the outbound market, payer distribution, potential development of referral channels).

Stage III – Market Research and Primary Data Collection

Interviews were conducted with stakeholder groups to ascertain the following information:
- Identify market needs and expectations. All stakeholder groups met in separate groups so they can provide their input in an unbiased and accurate way, thus being able to state their needs, challenges and desired benefits;
- Identify the market conditions that support the creation of a medical tourism strategic plan; and
- Integrate stakeholder and market trends/conditions into sustainable strategies.

Primary data collection includes:
- Interviews with ZTB officials, marketing, and sales managers from hospitality and tourism groups, healthcare and hospitality stakeholders;
- Interviews and surveys of key industry members, “buyers” and senior hospital management in target markets;
• Interviews and surveys from referral sources, payors, and related healthcare buyers or purchasers.

Stage IV – Research Market Conditions and Secondary Data Collection

Stage IV includes an analysis of historical data, current trends, statistics and what drives patients and travelers from each target market to Zagreb.

Findings from the competitive market analysis were used to assess the most appropriate models, strategies, available technology, governance (regulations), phasing strategies and local and cultural attractions that drive visitors to Zagreb. We then completed the market screening/assessment process and recommendations made for entry into each new market.

Stage V – Development of Study

The market assessment portion of the study compares models of market penetration.

Selected models were compared based on the SWOT analysis identifying:

• The type of medical services providers should focus on to create a successful medical tourism program;
• Factors identifying Zagreb’s constraints as a medical tourism destination and measures to address them;
• Favorable conditions that enable the consolidation of Zagreb medical and tourism offers; and
• Capacities that would allow Zagreb to gain a strategic advantage over other comparable destinations. After completing all tasks, a summary of categories was used that place the findings into a framework of “recommendations” for implementation.

The Key Themes

Meetings and interviews conducted with several stakeholders indicated there is widespread interest in marketing services to inbound patient travelers. Clear policies addressing the needs of stakeholders are required to develop strategies addressing patient capacity in the city, clinical services, resources and related industries. However, a collaboration or joined presentation between stakeholder groups is currently occasional and non-defined, especially in the promotion of Zagreb as a medical tourism destination in specific target markets or business development activities.

A marketing and brand development strategy is essential in attracting new markets and in retaining existing ones. For that to occur, stakeholders in Zagreb should define the products and packages along with a standardized service for traveling patients. The development of a clear product will facilitate a clear marketing strategy with measurable outcomes and facilitate ZTB’s ability to support it. Efforts in the development of a medical tourism destination for Zagreb must support the allocation of financial and human resources that will provide a high rate of return to all stakeholders. Without a clear marketing strategy aligned
with the current offering at health centers, it is unlikely a program will sustain over the long term.

**Background Report**

The European Parliament report released in 2017 provides scenarios for health tourism in the EU that include potential policy and growth. The report evaluates two policy scenarios that apply to the ongoing discussion of Zagreb’s role in the industry: Health-Tourism Growth Scenario (HTGS) and Health-Tourism Vitality Scenario (HTVS). HTVS aims at integrating health tourism and healthcare, while HTGS aims at just achieving growth for the health tourism sector. Activities tied to the HTGS might include printed materials and advertisements, digital promotion, workshops and conferences, networking, and development of a corporate health tourism identity. HTVS would look at building capacity in healthcare at the same time through accreditations, certifications, human resource training, and certification, licensing, skill development programs, capacity building programs and healthcare investment in equipment, medical devices, technology and research along with international partners.

This section discusses the variables and characteristics that may foster and hinder the development of a successful and sustainable medical tourism industry in Zagreb. A “vitality” approach for development in Zagreb may be more beneficial than the “growth” approach since it would build long-term capacity in health and tourism while at the same time growing international brand awareness across both sectors.

The European Parliament concluded that a policy aiming at enhancing health in the EU through the integration of health tourism and healthcare and using the opportunities for “prevention rather than cure” has better potential than policy aimed at growing the health tourism market alone. In this type of policy for Zagreb, there is a cooperative role between healthcare, hospitality, and tourism to facilitate patient mobility and accommodation.

**Barriers, Gaps, and Opportunities in Zagreb**

**Barriers & Gaps**

- **There is a limited knowledge about the global medical tourism industry.** All stakeholders interviewed indicated a willingness to participate in related events and educational forums to improve knowledge capacity. The health tourism industry (services including medical, thermal spas and wellness) is a popular topic amongst members of the European Union, EU Parliament and EU Commission, yet the more narrow interests and demands of the business of medical tourism are still undeveloped.

- **There is limited cooperation between the various medical and tourism organizations** leading to the perception of fragmentation and potential inability to collectively grow the industry for the betterment of the country overall and locally in Zagreb.

- **There are few metrics in place to benchmark medical outcomes compared to other destinations** reviewed as competition making it difficult for patients to choose services based upon quality measures.
Medical services offered in Zagreb to the global market are similar to those offered elsewhere, rendering marketing a necessary component to the patient acquisition or to convert tourists to medical tourists.

There are too many providers offering similar services in Zagreb, instead of centers focusing on specializing in the most sought-after treatments or in what services they provide excellent outcomes or experience. Focus on specific services encourages excellence, reduces the risk of complications, and establishes a competitive advantage against other regional health centers. Service differentiation may improve collaboration if stakeholders see there is an opportunity for everyone.

Underdeveloped and inconsistent promotional efforts confuse international patients and consumers as to what competitive advantages exist. There is limited knowledge of how to attract new business in medical tourism as a differentiated tourism product. A marketing plan for Zagreb will improve effectiveness and reduce budgetary concerns.

There is major competition from other destinations, primarily Hungary, Poland, and Turkey. However, the success of these countries should confirm the market potential. Health-tourism revenues total approximately €47 billion, which represents 4.6 percent of all tourism revenues and 0.33 percent of the EU28 GDP.14

Medical staff could benefit from training to enhance the patient experience, which in turn could sustain market competitiveness, retain and recruit new talent, and attract more consumers. The majority of the health centers do not have a department dedicated to managing traveling patients. A “culture” of international health should be established, across all roles and responsibilities that impact the consumer experience (i.e., nurses, physicians, meals, therapists, administration, and hospitality services).

International accreditations and certifications could improve competitive edge. A few of the specialized hospitals currently are seeking accreditation through global bodies such as Joint Commission International, Accreditation Canada, Global Healthcare Accreditation, etc.15 St. Catherine Specialty Hospital is the first in Europe to receive Global Healthcare Accreditation, specializing in orthopedics, neurology, rehabilitation and internal medicine. This recognition can bring much-needed attention to these other areas of expertise available in Zagreb to the global community of specialized service seekers.16

Medical centers have not historically been the obvious beneficiary of the Zagreb Tourist Board marketing services. A hub and online portal to manage Zagreb medical tourism activities can serve to bring public and private sectors together towards the common goal of increasing medical tourism to the city.

Opportunities

Investing in Airport Infrastructure. On March 28, 2017, a three-story, 65,800m² terminal opened to the public at Zagreb Airport. Public officials envision this airport becoming a hub for travelers in the Southeast European region serving a capacity of up to eight million passengers per year in the future.17

Lodging Capacity Potential. According to Zagreb’s Tourist Board, 43% percent of the 17,042 beds available in the City of Zagreb in 2017 were in hotels. Four and five-star hotels made up more than 63 percent of that group. Zagreb, on the other hand, is not
a seasonal destination and healthcare seeking patients present an incredible opportunity year round.

- **Medical tourism services are already very successful or have remarkable growth potential in Zagreb.** Medical services including cosmetic surgery, cosmetic/aesthetic treatments, dermatology, dentistry, ophthalmology, and orthopedics, among others are generating strong patient volume.

- **International physician recognition provides an opportunity for global awareness of medical expertise.** Croatian-born and medically trained Dr. Tomislav Mihaljevic, who served as CEO of Cleveland Clinic Abu Dhabi now to serves as CEO and president of the entire Cleveland Clinic hospital system as of January 1, 2018.18 Physician recognition for worldwide achievements is one of the leading forces behind patient mobility. Dr. Mihaljevic’s appointment speaks to the quality of medical physicians emanating from Croatia and provides an opportunity for connectivity with a top international healthcare brand.

- **Medical advancements announced in Zagreb raise global recognition.** There are many recognized medicine specialists covering different medical fields - orthopedics, IVF, ophthalmology, oncology, diagnostics...

### Capacity Allocation and Infrastructure

Stakeholders expressed interest in investing in the required infrastructure and human resources to increase capacity, and correct some of the barriers and gaps as described. Ultimately, the goal is to attract more patients and travelers. They look for partnerships with hotels that are willing to provide special VIP services, including airport transfer, special menus, and culturally appropriate tourism packages.

To attract and satisfy wealthy patients from the Middle East and Asia, more 5-star hotel services and residential accommodations are required to be packaged together with medical services. This will, in turn, attract developers looking to invest in the high-end hospitality industry, currently often sold out or limited in capacity in Zagreb. Simultaneously, health centers can refer patients’ families and groups to short-term rental properties to feel more comfortable during their stay. However, few concierge services are offered, leaving service providers to fill this role.

Despite substantial investments to improve infrastructure and increase future capacity at Franjo Tuđman Airport, more is possible at the first point of contact for travelers to Zagreb. Airport concierge services with a centrally located welcome center can help patients obtain information and meet pre-arranged drivers and hospital representatives. Currently, there is little information offered about medical services in Zagreb. Most health centers do not refer patients to the welcome centers or take advantage of welcome center services to support their clients’ experience.19

While expedited or personalized passport control for health compromised visitors and VIP guests is becoming increasingly common around the world, this may be a challenge at this time for Zagreb. Airport staff can greet patients with limited mobility upon arrival at the gate, and expedite them through customs under such a policy and coordinated effort. Multilingual signage is also important with international medical tourism and is something to be considered alongside any new airport renovation projects planned. Some destinations have
special “easy pass” lines for arriving patients and their families. These services give the impression that Zagreb has a focus on the entire experience for health seekers coming into the city. Preliminary discussions regarding this need in Zagreb are currently underway, and private stakeholders are optimistic.20

Medical services offered by health centers can be expanded to produce a large scope of competitive services such as orthopedics which is currently offered only on a smaller scale. Cardiology, internal medicine, gynecology and general surgery are secondary services which could be expanded to increase market share and attractiveness from the target markets recommended. Increased knowledge transfer and partnerships with international health centers could raise the competency and expertise sooner rather than later as part of the strategy for the more advanced health centers.

Zagreb Healthcare Infrastructure

The addition of medical tourism throughout the year provides the diversification needed to fill unutilized capacity in the medical centers during any season. Some private health centers are currently marketing their medical services to foreign patients. Cosmetic surgery, cosmetic/aesthetic treatments, dentistry, ophthalmology, and orthopedics are the most popular service offerings marketed and sold yet marketing initiatives are generally not well-funded and not long-term.

In 2014, Croatia spent 7.8 percent of its GDP on healthcare related expenditures. The country registers 2.84 doctors and 5.9 beds for every 1000 citizens.

The city of Zagreb holds the largest concentration of medical providers in Croatia with 4,714 medical doctors and 1,102 dentists. With an available capacity of healthcare providers in the city, Zagreb can compete for a bigger share of the global healthcare spending-increasing on average 5.3 percent between 2014 and 2017 while accounting for an average of 10 percent of the world’s gross domestic product (GDP), according to The Economist Intelligence Unit. Healthcare is the second highest government spending among the developed nations (i.e., 17.4 percent of GDP in the United States and 10.7 percent of GDP in Western Europe).21

Although Croatia dropped in rank from 19th to 26th place in the 2017 Euro Health Consumer Index, it praised its healthcare system's excellence in “advanced and costly procedures such as kidney transplants.”22 At forty-five transplants per million, they are considered one of the top countries in Europe for this procedure.23 While liver or kidney transplantation is not a primary global service line selection for Zagreb, it does speak to the level of medical expertise, and the opportunity for recognition in medical sciences available as the capacity for health services in Zagreb increases. Developments in oncology are promising, yet not of the level to acquire international recognition or offering to a global source of patients.
Additionally, the Index gives Croatia a Bang-for-the-Buck score of a little over 600, fifth place in Europe. This statistic speaks to the value proposition for Croatian healthcare composed of high quality and affordability. The Index Group recognizes the country and its cities, stating that Croatia’s “islands of excellence in its healthcare system” might make it a popular destination for medical tourism. Zagreb relies on Croatia’s medical tourism brand for marketing purposes all over the world and could benefit from greater national and international recognition as its capital city and the epicenter for medical tourism in the nation.

**Zagreb Hospitality and Tourism Capacity**

Zagreb’s location makes it very attractive to medical tourism patients from EU countries. The Middle East and sectors in the U.S. with easy access to Europe will also be encouraged to visit over time with proper marketing. Appropriate hospitality and tourism services packaged for inbound patients and families provide value-added incentive to choose Zagreb as a medical destination.

With a population of more than 790,000 people, the capital city is the major economic center of the Republic of Croatia, generating roughly one-third of national income. Hospitality in Zagreb is growing, and the next few years of planned development can provide a sufficient offering for the proposed increase in medical tourism. However the number of five start facilities has not grown in the last ten years, and this may present some concern in attracting patients from the Middle East or China, who generally require a high level of service.

In short to medium term, Zagreb has a projected pipeline of 600-900 new hotel rooms mainly in the 4 and 5-star segments, with some flagged by well-known brands. Zagreb will be getting new, smaller and globally branded business hotels to boost its sensitive business sector - business travel still has significant unused leverage potential. There are still not enough key tourism infrastructure investments, especially new convention and exhibition centers to attract important spending segments to the capital to have an impact on the medical sector. This deficit needs to be addressed to make Zagreb capable of an attractive to hosting medical conventions and events, as well as year-round medical tourism.

While hotels make up more than 65 percent of all overnight stays in the city in 2017, room occupancy ranges between 40 and 95 percent due to the seasonal tourism industry in Europe. New ways of attracting tourists are required to ensure a more evenly distributed demand curve. The City of Zagreb is working diligently to make the city competitive and attractive to investors by 2020 as evidenced by the many new projects planned.
Zagreb is not a seasonal tourism destination. Between 2011 and 2016, hotel Average Daily Rates (ADR's) for the city have decreased by 6 percent. But, if separated by hotel category, the 4 and 5-star properties have recorded a significant increase in rates and RevPAR, making a case for small branded property hotels to cope with future demand. Depending on the accommodation category, Zagreb’s ADR’s are lower—from 5-30 percent compared to other Eastern European destinations.\textsuperscript{28}

Data regarding tourism is regularly documented and holds a promising source of new travelers that can feed into health centers if a communication campaign about medical services exists.

The city of Zagreb can justify a higher occupancy during the winter season, contrary to the Mediterranean cities in the country that rely heavily on the sun-seeking tourists. In December 2015, 2016 and 2017, Zagreb recorded the most overnight stays and occupancy levels in the entire country, and was voted “Best European Christmas Market by travelers.”\textsuperscript{29} These are examples of how to keep shifting seasonality while taking advantage of the bed night capacity available.

Smith Travel Research (STR) reports current demand for hotel rooms in the capital city exceeds availability for some months throughout the year (summer season). Occupancy rates for the current year are still below 60 percent, and very similar to what Croatian beach cities experience. According to the Hotel Benchmarking study done by The Faculty of Hotel Management, average hotel occupancy rate in Zagreb from January-September 2017 is 71.62%.

Tax rate tables are an important derivative of tourism in Croatia, yet with hotel accommodation VAT of 13 percent and other hotel services such as FAB at 25 percent, this is relatively high compared with other Mediterranean nations. Many new jobs in Croatia will come from the hospitality industry, while the construction (hotels), professional and business services will also be strong in the coming years.

Due to the economic impact of traditional tourism in Croatia, and specifically in the city of Zagreb, it may be a challenge to get public and private support for the type of diversification of efforts toward international health projects, with financial recourses predominantly directed towards traditional tourism-boosting efforts. However, as the fine line between health and hospitality diminishes, more and more travelers aim to be health and wellness seekers and consumers of Zagreb’s growing attractiveness for medical tourism services.

Since many visitors to Zagreb stay overnight on average two nights, minimally invasive cosmetic, dental and ophthalmology services appear increasingly enticing. Packaged with a two-night stay hospitality package, medical services of this sort are of the highest potential for growth, converting the growing number of tourists into medical tourists, perhaps in their next visit.
Zagreb’s Core Tourism Assets

Despite strong coastal dominance in Croatian tourism, Zagreb remains one of the strongest growing destinations in Croatia over the last five years. With the significant overnight growth of 15 percent in 2017, the capital has reached almost 1.3 million arrivals and 2.3 million overnight stays. It is important to note over the last five years, notable growth in the private accommodation sub-segment exists, as the sharing economy keeps strengthening in markets that lack the faster pace of hotel development.

Zagreb is home to a new passenger terminal, the largest infrastructure project in the country in the last ten years– USD 330 million. The terminal provides a potential hub for South West Europe to boost the city’s economy.
Zagreb is an intersection of traffic networks connecting Western Europe and the Balkans. While rail access is still underinvested, road and air accessibility are modern and continuously improving. Zagreb’s new terminal will have a total capacity of more than 5 Million passengers per year, compared to roughly half that in 2015. Also, connectivity from the main economic points in Europe is limited to their flag carriers and the flag carrier of Croatia flying into ZAG Airport. But, there is potential to use the extended capacity to reach out past Europe, and connect Zagreb to the world. Emirates Airlines, for example, expanded its European network with a daily flight from Dubai to Zagreb as of June 2017. Increased airlift could open up an entire market of medical tourism potential in the Middle East provided that sufficient five-star accommodations and services meet the demand.

A medical tourism initiative for Zagreb should focus on target markets with direct or easy to connect flight patterns within the six to ten-hour ranges as highlighted in a Medical Tourism Association 2015 study. Priority target markets identified in this study consider this aspect.

Global Market Demand and Current Situation in Zagreb

Medical Tourism

The growth of medical tourism around the world is related directly to an increase in demand for services at an affordable price. Partnerships between referrers and providers require a greater level of engagement for a Zagreb branding strategy to succeed, and such partnerships should provide regular awareness of affordable and high-quality options. The referrers most readily available at present for Zagreb providers include medical tourism facilitators and travel agents specializing in health services for their clients. The packaging of services, therefore, is extremely important with transparent pricing and clear explanation of clinical services offered. Insurance companies, employers, governments and other corporate
Referrers will take a longer time to the point of establishing the relationships, securing the contracts and receiving patients.

Direct to consumer marketing is effective in the short term, but requires significant investment in digital marketing and lead generation and often does not provide sustainability over the long term. Internet marketing techniques and vehicles change, the cost to execute increases, and new competition emerges making it more challenging for the discerning consumer to differentiate one destination or provider from another.

Price sensitivity is a two-way street, precipitated by reduced budgets of referring entities and an increase in the need to manage non-communicable diseases, as well as implement population health management strategies. Developing a medical tourism strategy that includes international level quality medical services will allow Zagreb to meet the needs of all international patients. In the long term, expansion of medical services to include cardiology and oncology may also provide support for population health management and therefore lure agreements with government bodies seeking affordable “value-based” services to meet the needs of populations encumbered with lifestyle disease and the inability to manage the medical services resulting from treatment of these conditions.

Medical cost is not the only consideration taken into account for medical travel. A study by Youngman found the top European destinations for healthcare are also the most expensive ones, sometimes due to their strong currency. According to the International Journal of Healthcare Management, 20 percent of people are willing to travel to another destination for more affordable medical or dental care. Adults below 35 years old are most open to this idea as are baby boomers.

The Global Buyers Report cites medical travelers influenced by four main factors:

- Higher quality care and services
- Reduced cost of cross-border medical treatment
- Medical treatment combined with attractive destinations
- Treatments and medications are not approved or available at home country

### Top Destinations from which People are willing to Travel to Another Destination for Healthcare

<table>
<thead>
<tr>
<th>Rank</th>
<th>Destination</th>
<th>% Who would consider traveling to another country to receive medical or dental care if cost significantly lower</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>38%</td>
</tr>
<tr>
<td>2</td>
<td>Thailand</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>Singapore</td>
<td>N/A</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>48%</td>
</tr>
<tr>
<td>5</td>
<td>Korea</td>
<td>51%</td>
</tr>
<tr>
<td>6</td>
<td>Spain</td>
<td>44%</td>
</tr>
<tr>
<td>7</td>
<td>China*</td>
<td>75%</td>
</tr>
</tbody>
</table>

*China (expected to surpass United States in medical travel spend)

Although Croatia’s universal healthcare system is similar to that of other EU28 members, it has its strengths and weaknesses. Both private and public providers of healthcare can enter into a contract with the government, and become part of the publicly funded system.

Previous numbers show the potential Zagreb has to lure visitors from around the world, as the hotel infrastructure keeps growing in accordance to the positive performance shown by the city of Zagreb and its Airport (ZAG) passenger statistics. Europeans are the larger source of tourists for the city of Zagreb, as it gradually becomes an attractive destination for medical travelers from around the world. Numbers of guests from the United States, South Korea, and China are also increasing each year.

Because medical tourism is an all-encompassing term covering a range of healthcare services, geographical settings, health systems and patient circumstances, it often becomes extremely difficult to measure both regarding size and economic impact. The two important distinctions made about the medical tourism industry involve both:

1. Who pays for the treatment - the individual or a third party, and
2. The direction of flows, which includes movements from higher income countries to lower and middle-income countries or vice versa, or even circulation among higher income countries.

Once this establishes, measuring the market demand becomes a more specific task, to try to calculate its real size and potential. Highlighted in the image that follows are several firms’ estimates of market size and economic impact potentials.

Most firms are not producing annual reports on the medical tourism industry size, and the metrics used varies both regarding what medical tourism services to include as well as important factors such as average healthcare spend versus the average economic impact of the medical tourist trip. Medical Tourism Association utilized both healthcare and hospitality and tourism spend to calculate economic impact and market value, while many other firms use only medical service spend. Currently, Zagreb is not collecting data on medical tourism spend or economic impact due in part to the lack of collaboration in collecting data, an immediate need moving forward.
Zagreb belongs to the list of cities attracting more visitors for the richness of its cultural and historical heritage, than for the quality, availability, and diversity of its next-generation medical tourist attractions. Several easily noted competitive advantages for growth in medical tourism are Zagreb’s proximity to large markets, modern medical centers currently engaging traveling patients, natural beauty and favorable climate, security and safety of the city, competitive prices and experienced.

At the moment, Zagreb’s health centers and medical practitioners rely on isolated marketing campaigns, word-of-mouth referrals, or physician reputation to attract medical tourists. Few marketing efforts have been initiated on an international level, although several health centers have begun to take the prominent stage at medical tourism events. More integrated approaches to financing, cross-promotion of services, business development and patient referral networks need to be a top priority if medical tourism is to thrive in Zagreb.

Dental Tourism

Dental tourism is already a popular and well-developed industry in Zagreb. Almost six percent of the United Kingdom’s (U.K.) dental tourism travelers choose Croatia for dental procedures according to one prominent dental tourism facilitator.33

In 2017, five Croatian dental clinics received Global Clinical Rating (GCR). GCR is just one international accreditation tool to be used for target markets, creating confidence and awareness among consumers regarding the quality of the services offered.

By comparison, one major competitor to Zagreb’s medical tourism push is Hungary, with its dental tourism generating USD 600 million in revenues in 2008. They received 23,500 British, 16,000 Austrians and 13,500 Germans travelers seeking this specific type of service. The Hungarian Central Tax Bureau conducted a study that estimated 60,000 dental tourists annually producing USD 227 million for dentists and another USD 45 million in ancillary spending on hotels and restaurants following the 2009 global recession.34 Although no
subsequent statistics are available from credible sources, what these figures do show is that an additional twenty percent economic impact is achievable through dental tourism on average. Hungary also provides a good example of a nation successful in single service line medical tourism success and the ability to achieve recognition with limited, if any, public support.

Even though dentistry is a big success in Hungary, success is unachievable without its challenges for greater medical tourism success:

1. Most hospitals and clinics are not internationally accredited, and international relationships in medical services are limited;
2. Public funding and private collaboration is limited and suffers from both lack of consistency over time and lack of investment; and
3. Medical malpractice insurance is steadily rising, causing the prices of dental services to increase thus squeezing out a certain segment of dental tourists to regional European competitors.

Opportunities are present in markets with no mandatory dental coverage, and limited dental insurance penetration, such as the in the United States where an estimated 130 million citizens do not have dental insurance. In 2012, an estimated 400,000 Americans traveled around the world for dental care, making them the largest potential market.35

**Cosmetic Surgery & Aesthetic Medicine**

Sometimes referred to as cosmetic surgery tourism, aesthetic medicine is part of a larger trend within medical tourism. There are four key drivers for growth; cost, access, quality, and service.

Although easy to name and understand, the four key drivers still rely on health centers having certifications and international accreditations to assure patient safety and quality as well as expertise in medical tourism. For health centers to access private insurance funds outside of Zagreb, these assurances are mandatory and to keep the flow of international patients coming in against an increasing number of competitors worldwide, accreditation may well become the norm.

The cosmetic surgery industry is expected to generate revenues reaching USD 27 billion by 2019.36 Americans take up 45 percent of the market, with an estimated 21.7 million cosmetic/aesthetic procedures paid for in 2015 and USD 15 billion spent in 2016.37 Germany is another major consumer, with over 617,000 consumers paying for procedures that same year. Russians have been reported to seek cosmetic procedures in Germany, Italy, and South Korea, while Americans typically chose Brazil, Colombia, India, and Mexico.38

In 2015, the International Society of Aesthetic Plastic Surgery (ISAPS) reported 9.64 million cosmetic surgical procedures performed worldwide, and 10.6 million non-surgical cosmetic procedures performed. More details regarding sought-after services presented in tables that follow as a snapshot of the market potential in these service lines and specific procedures currently offered in Zagreb.
The top nine countries performing cosmetic procedures was also published in 2015 by the ISAPS representing the largest nations competing with Croatia in the cosmetic tourism industry. Zagreb’s ability to collect and publish data from its medical service sector will be beneficial in benchmarking in the global marketplace and draw greater recognition to its services as Croatia’s capital city.

The number of procedures performed and the country of origin of patients for these procedures is in ISAPS data. Interestingly many of the same nations receiving patients are the same nations exporting patients traveling for cosmetic procedures such as the U.S. and U.K., where prices are considerably higher.
One study found tourists involved in medical tourism generally coming from developed countries – Western Europe, North America, United Kingdom, Japan, and the Middle East. These countries have higher healthcare costs, larger populations, comparatively high wealth and lack of healthcare options locally. Employers of most developed nations send their staff to developing countries for medical checkups and other treatments due to high-quality medical services and cheaper medical fees found abroad.

In assessing the international clientele of its members, ISAPS found on average that worldwide 12.2 percent of patients emanated from other nations and patients from the U.S. were amongst the highest regarding volume.
Many of the clinics in Zagreb are already showing their potential as international cosmetic surgery facilities with plans for state-of-the-art surgical centers and full-service patient packages including customized tourism activities and transportation.

Due to cosmetic procedures being more affordable in Zagreb than in many of the other EU 28 member states, local health centers can take advantage of this cost advantage to attract medical travelers, and become a destination of choice for elective surgery seekers. The next table offers a sample price comparison for a variety of procedures offered in Zagreb and among other target market nations.

Medical Second Opinions

Both the American Medical Association (AMA) and the American Heart Association (AHA) highly recommend second opinions. Most doctors recommend patients broaden their knowledge by obtaining a second opinion. Dr. Gerald Fletcher, M.D., a cardiologist and professor of medicine at the Mayo Clinic College of Medicine, in Jacksonville, Florida, said most physicians even encourage third opinions, especially when major operations, such as heart valve replacement, are involved.40
Second opinions may be utilized as a tool to market and grow a region’s services, treatments, and reputation, in particular, to patients unaware of what may be available to them. Patients who seek out second opinions from highly sought-after physicians within a specified region, affect the rise of visitors to the region.

The Patient Advocate Foundation (PAF) reports learning about the disease, getting a second opinion or perhaps even a third opinion and weighing options is a very reasonable approach. Not nearly enough patients - about 20-30 percent - seek second opinions. Implicit faith in doctors is changing, and more patients are asking for additional advice before important healthcare decisions. Second opinions provide a huge potential growth area.

The World Health Organization (WHO) reports that health information is among the most commonly performed search activities on the Internet. Approximately 8 of 10 adults who search for health information online are from the United States, Europe, India, China, Russia, Brazil, and Mexico.

Each of these markets is worthy of investment to attract patients through digital marketing and in varying levels of prioritization. Outpatient clinics in India reported that internet searches prompted 61 percent of patients to ask questions to physicians, and another 28 percent to seek a second opinion.

Popular online health information sites include the U.S. National Institutes of Health, WebMD, and PubMed. Second opinions programs offered by many of the medical tourism lead generation websites, such as MedicalTourism.com, Medigo.com, WhatClinic.com, and PlacidWay.com. Almost all medical tourism facilitators offer digital second opinions. A digital platform provides patients with a single entry point to access all physicians offering medical second opinions.

**Telehealth**

Remote medical second opinions programs assist patients who are physically unable to travel or are unsure of whether to travel using telehealth technology platforms. These programs facilitate communications between patients and providers across borders. Currently, Zagreb providers offer no telehealth solutions, and few second opinions used as profit centers. An online second opinion program operated by the Cleveland Clinic reported 47 percent of remote cases called for minor or moderate changes to treatment plans and 17 percent provoked complete disagreement. Cleveland Clinic utilizes its second opinions programs to...
create brand awareness in many global markets and the technology used in digital physician training programs.

The use of a unified technology platform for telehealth provides an opportunity for Zagreb to create a profit center with second opinions, which not only demonstrates a high level of expertise but also provides market penetration and long-term brand awareness.

**Digital Health Market**

The market for digital health includes innovative and disruptive technologies impacting the delivery of medical and wellness services today. Artificial intelligence, genomics, patient monitoring systems and data storage all impact the treatment and management of chronic disease. Providers in Zagreb need to be a part of this transformation in health and take a role in the discussions surrounding these important technologies to attract the attention of corporate referrers.

Investments in digital healthcare include USD 1.1 billion, for 2010, to then USD 7 billion, for 2014, and finally, USD 5.8 billion for the year ended in 2015. Business-to-consumer market represented the primary focus of funding in 2015. The top submarkets were patient/consumer experience platforms, which rose to USD 1.3 billion; wellness and benefits portals at USD 1.22 billion; workflow optimization at USD 641 million; and personalized health/quantified self-programs at USD 582 million.

A strong focus on digital solutions for health services is recommended for Zagreb to thrive in health and wellness tourism. Also, the U.S. healthcare market for second opinions via telehealth represents a potential source of medical tourism income, as more and more uninsured or underinsured patients look for more affordable and better treatment options, even if they travel abroad.
Wellness Tourism

The term “wellness” is a broad concept usually determined by culture and geography. The term “wellness” in South Europe vs. Northern Europe has different meanings. In Southern Europe wellness is geared towards calmness, sea air, and the oceanfront in the outdoors; for the North, it is more about moving and exercising with simplicity.\(^4^4\) The European Parliament refers to wellness as services “enhancing health.”\(^4^5\)

Johnston, Puczkó, Smith, and Ellis cite wellness tourism as: “involving people traveling to a different place to proactively pursue activities that maintain or enhance their health and well-being, and who are seeking unique, authentic or location-based experiences or therapies that are not available at home.”\(^4^6\) They make specific references to spa facilities and preventative and curative medical techniques. In this Study, Zagreb may consider competitiveness as a long-term vision in each of these definitions.\(^4^7\)

Considering the aging population and an increasing orientation towards “healthy lifestyles” and disease prevention, medical tourism will be one of the main reasons for travel. Key concepts include “innovative”, “authentic”, “green” and “holistic” treatment. Success factors for wellness tourism primarily refer to the quality of specialized wellness centers, the quality of ancillary tourist offerings to support lifestyle change and services compatible and complimentary with medical services.

Wellness Services

Zagreb has emerging advantages in wellness tourism, as it is already an economic generator in the form of spa services offered predominantly at internationally branded hotels. Organizations like Energy Clinic\(^5\) have opened up the Eastern European wellness chain with franchise opportunities that bring the brand into international recognition and attracting patients from throughout the European region. While not based in Zagreb, Energy Clinic\(^5\) provides consultancy to local Zagreb hotels to provide wellness travel services complimentary to medical travel packages.

A consistent effort is required for the wellness sector to attract repeat business and an increased length of stay from tourists. Moreover, connectivity between health centers and
wellness providers is necessary to put together recuperative packages that aim at improving medical outcomes and enhancing the quality of life.

Health, spa, and wellness travel are increasingly important aspects of the tourism industry. Some of the growth in these areas is linked to a shift towards consumer “lifestyle and the experience” rather than the “sole product,” and indicates the growing confidence of important source markets. Zagreb is well placed to capitalize on these markets based on its natural and human resource assets, and cultural richness. It is crucial that clear standards exist so that the public can have trust and confidence in the wellness offers; especially, with many types of alternative therapies marketed around the world.

In 2015, 691 million individuals took a wellness tourism trip according to the Global Wellness Institute. 48

![Global Wellness Economy Monitor](image)

![Global Wellness Economy](image)
• **Trends in the Spa and Wellness Industry**

Wellness festivals have become a popular trend especially with the 18 to 34-year olds. In the U.S., one out of every five millennials has attended a music festival at least once. This specific group considers a healthy lifestyle to be very important. From all-vegan markets to yoga, fitness and musical events, well-known wellness and wellbeing festivals have taken off in Scotland, California, Costa Rica, Morocco, Hong Kong, Ireland, Colorado, Netherlands, and the United Kingdom for 2018.

Adventure Spas are very popular with the “56 and older” and 26 to 35-year-olds. The younger generations are always looking for more extreme adventures, such as wing suit flying or barefoot free climbing. After their adventures, both groups seek massage and meditation services to relax and quiet the stressed out and busy minds.

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**SURVEY OF IMPORTANCE OF PROPERTY ELEMENTS TO THE AGE GROUPS 56+ AND 26-45.**

<table>
<thead>
<tr>
<th>Property/Destination Element</th>
<th>Baby Boomers &amp; Older</th>
<th>Millennials &amp; Gen X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beach access</td>
<td>8.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Pools swimming</td>
<td>8.3</td>
<td>8.6</td>
</tr>
<tr>
<td><strong>Outdoor adventure programs</strong></td>
<td>7.3</td>
<td>8.5</td>
</tr>
<tr>
<td>Access to Nature/scenic outdoors</td>
<td>7.9</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Fitness facilities &amp; classes</strong></td>
<td>7.7</td>
<td>8.4</td>
</tr>
<tr>
<td>Healthy cuisine</td>
<td>8</td>
<td>8.3</td>
</tr>
<tr>
<td>Environmentally-friendly</td>
<td>6.9</td>
<td>7.7</td>
</tr>
<tr>
<td>Do good for community (Voluntourism)</td>
<td>7.4</td>
<td>7.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property/Destination Element</th>
<th>Baby Boomers &amp; Older</th>
<th>Millennials &amp; Gen X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional sports like golf and tennis</td>
<td>7.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Hot or mineral Springs</td>
<td>6.6</td>
<td>6.9</td>
</tr>
<tr>
<td>Weight loss programs</td>
<td>6.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Spiritual healing</td>
<td>6.4</td>
<td>6.6</td>
</tr>
<tr>
<td>Alternative medical services</td>
<td>6.3</td>
<td>6.6</td>
</tr>
<tr>
<td>Detox programs</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td>Healthy sleep programs</td>
<td>6</td>
<td>6.2</td>
</tr>
<tr>
<td>Traditional medical services</td>
<td>5.9</td>
<td>6</td>
</tr>
</tbody>
</table>

Ranked: 1=10; where 1=“not important at all” and 10=“extremely important”


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• **Wellness in Slovenia**

Improved economic data in the country allowed for an expansion of the industry, supported by a focus on sustainability and eco-tourism. Spa and wellness services have been the major beneficiaries of incentives geared to the promotion of tourism by government agencies.

As a wellness tourism destination, Slovenia is popular among visitors due to its traditional thermal and mineral baths and the more recent establishment of modern wellness centers. On a survey among spa visitors, 28 percent visited at least once a month, 9 percent twice, and 7 percent three times per month. A smaller number visited multiple times a year while a small percentage visited every week.

As Zagreb develops the services and strategies to attract northern neighbors, it can very well consider the best way to tap into the needs Slovenians have and to integrate them into their tourism activities when visiting Zagreb.

• **Wellness in Italy**

Italy has had a long tradition of wellness, dating back to ancient Roman times. Despite the recent economic uncertainty, Italians have shifted to healthier habits by changing their diets and focusing on disease prevention.
Even though Italians enjoy traveling, they are very proud of the multiple wellness products and services offered locally and tend to prefer them to those abroad. Local competition is strong and poses a risk of saturation and subsequent stagnation if there is no introduction to new products and services.

Zagreb faces a challenge in attracting wellness travelers from Italy, especially because of support for the local industry. Ease of travel, a wide range of innovative services, concierge services, and luxury accommodations are some of the options Zagreb must explore to compete.

- **Wellness in Austria**

Austria offers amazing Alpine retreats and thermal baths. Sustained growth of the wellness sector has been the standard, thanks to the higher awareness of health and wellness trends in Austria. However, growth stopped in 2016, indicating the sector is trying to diversify itself into newer models.

High-quality products and services have been driving the trend. At the same time, there has been an increase in competition, driving prices down. The sector is expected to continue to grow and expand, opening the doors to more competitors while also driving innovation in the market.

The high quality of the wellness products and services in Austria may pose a challenge to Zagreb. Austrians are proud of their local industry and tend to favor it. Modern facilities in various parts of the country, especially mountain retreats, offer Austrians the benefit of staying local, which affects neighbor areas like offered in Zagreb, especially if its offering is not yet up to par, and even if less expensive. Opportunities arise in attracting travelers seeking different experiences close to home, innovative techniques, and treatments, as well as other locations abroad.

- **Wellness in Germany**

Improved economic conditions and greater products and services support a growing health and wellness industry. The population is seeking new ways to improve health and prevent diseases.

The majority of the health and wellness facilities in Germany are in Central, West and Southern Germany. Northern Germany is mostly known for its seaside resorts, which do not provide destination spas or wellness retreats. The growth is expected to continue to expand at a rate of 4.7 percent throughout 2017. Germany has a developed health and wellness industry. Prices tend to be higher than in other European markets, presenting an opportunity for Zagreb to offer similar, more personal, quality services at a more affordable price.

The health and wellness industry continues to grow in some areas while stabilizing in others. Stabilization can be noted specifically in the spa sector, where more competition has arisen. Competition is not uniform across the country, as the majority of travelers prefer to go to large cities and well-established resorts or retreats. Zagreb’s city offering may well be attractive to compliment a medical trip by mobile German service seekers.

- **Wellness in Russia**

In Russian, the term “curative and wellness tourism” is commonly used. The opening of relations to the west allowed Russia to focus more on wellness, especially in regards to healthy beverages and foods, spas and retreats. By 2010, this trend had gained popularity.
among the population, only to decline as the economy deteriorated. This trend was not uniformly adopted throughout the country and mirrored the healthcare system, in which the main cities – Moscow and St. Petersburg – saw the largest growth, leaving behind smaller cities and rural towns.

Estimates place wellness tourists at 1 percent of all tourists. Even though Russia boasts a large number of spas, health resorts and retreats, the amount decreased 3 percent between 2010 and 2012. Outgoing Russian wellness tourists comprise 10-30 percent of all 18 million tourists traveling abroad. However, there are reports the fluctuations in facilities dedicated to wellness are due to an evolution of the practice. The largest growth reported in this segment is that of spas dedicated to cosmetic services, creating the link between wellness and cosmetic surgery that may attract Russians to Zagreb.

• **Wellness in the United Arab Emirates**

The Middle East and North Africa (MENA) region is the second fastest growing spa industry in the world, more than doubling between 2007 and 2013. Out of the fastest growing countries, the emirate of Dubai holds one of the top places in the industry, due to its fast-growing tourism economy and heavy investments in the hospitality industry.

Its wellness sector (especially spas) is traditionally associated with relaxation and wellbeing. Hotels in those emirates have made spas an integral part of their offerings, with comprehensive centers that mainly target luxury markets. The top visitors originate from Europe, especially Russians. They also attract wealthy Asians and other Gulf nationals (especially Saudi Arabia), while deeply relying on the growing business segment.

The government’s focus on healthcare stems from the spread of non-communicable diseases, setting wellness goals for which they want to become an international hub. For Dubai, it will be achieved through a partnership between Dubai Health Authority and Dubai Department of Tourism & Commerce Marketing, with considerable funds allocated to hospitals, health centers, and hotels.

• **Wellness in the U.S.A.**

Considered a trendsetter for health and wellness, the U.S. has positioned itself as the world’s number one consumer of wellness services and products. Americans have no shortage of options to cater for the body, mind, and soul, yet much of this offering is beyond the financial budgets of the average American.

The main focus is on natural, healthy products and services that offer the traveler unique experiences beyond the traditional spa treatment inside a room. Trends emanate from by the proliferation of non-communicable diseases, such as obesity and diabetes and the need to change lifestyle.

Proactive and progressive consumers – mainly the Generation Z and Millennials - have been the catalyst in the creation of products and services that affect the foods they eat, the fitness trends they engage in, and the overall wellness services they consume. Accounting for 23 percent of the U.S. population, Generation Z and Millennials will keep on influencing the industry and will be the market to target by health and wellness providers in Zagreb.

Zagreb can benefit from packaging services for travelers from the U.S. that seek unique experiences in different environments at all levels and prices. Since they look for enriching experiences along with wellness travel, a wide range of opportunities are available to
providers, who can develop products that eventually will be adopted by this market. Cosmetic services, dentistry, and other minimally invasive procedures can be packaged for such a trip for the American patients.

**Wellness Metrics**

Wellness tourism has come to represent a lot more than spas attached to hotels by including lifestyle programs, non-surgical aesthetics, fitness and sports activities as well as the traditional spa services associated with wellness. The wellness industry is estimated at USD 3.72 trillion, representing 5.1 percent of global economic output and growing at over 10 percent per year. While Zagreb is developing the wellness industry through hotel based offerings, the region outside of Zagreb currently holds a robust profile of wellness activities, destinations, and services that support lifestyle maintenance, enhancement and recuperation for patients seeking medical services in the city. Relationships amongst stakeholders in this regard will be important to capture some of the current market shares of health and wellness seekers coming to Zagreb for more than a medical procedure.

**Medical & Wellness Meetings**

Increasing numbers of medical tourism conferences create much-needed networking opportunities and knowledge sharing, contributing significantly to the growth of medical tourism. They also provide an opportunity to create long-lasting relationships, resulting in consumer transfer, capacity building, and education and training—which stakeholders currently seek to create.

Other types of medical meetings, including luxury and leisure travel, niche markets such as biomedical, regenerative medicine, dental tourism, fertility, aesthetics, human performance, and wellness, provide a parallel stream of opportunities complimenting medical tourism. The Zagreb Tourist Board seeks out medical meetings for Zagreb’s hotel conference centers, specialized halls and premises. However, a convention center for large meetings and medical meetings is in demand. Although predominantly Croatian based medical meetings, the ZTB organized forty-one medical meetings in 2016 held predominantly at a medical facility, university or hotel. The majority of these meetings were Croatian medical meetings versus international medical meetings.

A convention center in Zagreb will greatly expand the scope of medical meetings that could be held and attract a larger number of medical meeting organizers to consider Zagreb as a destination for their members and delegates. The ZTB can use the goals identified in this study to target medical meeting organizers and associations specifically focused on the clinical services sought for medical tourism. Additionally, a convention center could attract a large variety of wellness and travel conventions that tend to be larger and contain large expositions most suitable for convention center meetings. In addition to bringing in a greater level of economic impact to the Zagreb, these travel events will also bring travel agents from around the world interested in expanding the scope of their services into wellness tourism and niche tourism trends like medical tourism.

Value strategies for meetings linked to the medical tourism strategy can qualify regarding these components:
Value Points for Attracting Medical Meetings

- **Cost**: Mitigated by transparent pricing and broader value propositions;
- **Capacity**: Available space for hosting meetings and related guest accommodations – regardless of size – at time of demand and in several styles of venues;
- **Distribution channels**: Physicians and administrative networks that expand patient referrals, foster research and development and reinforce event opportunities;
- **Convenience**: Punctual airline choices complemented by reasonable visa processes, short security waits and easy terminals to navigate; and
- **Culture**: Racially, ethnically, culturally and linguistically focused assistance.

The creation of partnerships between hotels and the major medical and wellness associations and stakeholder groups shall enhance the product being offered and create a liaison within the medical tourism community. There is a benefit to creating synergy between the medical and wellness offerings and medical meetings in both revenue generation and expansion of global meeting procurement efforts. Some of the topics for these meetings can include wellness, wellbeing and complementary alternative wellness which can become a revenue stream for willing hospitality and tourism stakeholders. Proposed areas of focus for medical meetings can include the existing clinical service focus plus some specialized events involving digital health, telehealth, precision medicine and other topics more innovative and disruptive in the healthcare industries.

**Policy & Framework Opportunities**

The standard healthcare system in Croatia generally faces many challenges, starting with depopulation and a rapidly aging population57– by 2030 Croatia’s population will have fallen below 4 million of which those over 65 will have reached one million.58 Also, an increase in chronic diseases and the rising cost of medicines will require health reform to provide a higher level of protection. That means a proactive approach to healthcare development alongside medical tourism development is instrumental at long-term program sustainability.

The medical tourism community must be educated to identify opportunities, optimize resources, measure the effectiveness of systems, analyze corrective measures, offer appropriate treatments, and advise travelers looking to make informed decisions on care/treatment. Education aligns with the European Parliament’s goals related to health tourism and the vitality of European national healthcare systems. Quality is a major selling point to medical tourism patients who will compare treatments and support services in Zagreb against competing destinations. Comparison of products and services made through the online platform used to promote services to the hub and online portal.
Reliable mechanisms for reporting outcomes and monitoring satisfaction through the continuum of care are essential for attracting a larger pool of patients and travelers. These systems should be capable of transferring, storing and updating medical records in a secure manner that prevents errors and data breaches. Technology and digital telehealth services open up new markets for health delivery throughout the country and to the global marketplace.

Best Practices & Key Success Factors

*Becker’s Hospital Review* summarized “10 Critical Success Factors for the Future of Healthcare,” which can be optimized today to achieve the goals set forth for Zagreb’s medical tourism strategy. The global market demand matches these points and the growth opportunities for the medical tourism program. They include:

- **Indispensability:** Include only reputable providers from sectors essential to the success of the program in Zagreb. Lower level providers should be provided tools for improvement of health services and international expertise before supporting international expansion efforts.

- **Reinvent patient/visitor experience:** Convey observations of consumers, i.e., patient testimonials, to promote Zagreb and increase repeat visitors.

- **New revenue cycle:** Productive cash flows that create more business and earnings for the local community are an essential motivator for the medical tourism program. Public relations campaigns can provide data-driven support for local stakeholder buy-in.

- **Diversified, yet integrated specialization:** Connect the main elements of strong physician leadership and specialization with affiliated providers abroad to enhance the attractiveness of Zagreb’s offering.

- **The mindset of well-being:** Consumer attitudes and behaviors should focus on health and wellness throughout the destination experience. Protocols for wellness pre- and post-health service delivery enhance the patient experience, improve outcomes and provide a unique selling point against medical services offered by Zagreb’s competitors and can be incorporated over the long term to improve competitiveness.

- **New horizons:** Healthcare providers should expand “beyond physician-centered and acute-hospital-located care” to include concierge services beyond the typical scope. Concierge services are the norm in patient travel, and define the entire care continuum for them and their families. Appropriate tourism activities for health and wellness seekers involving cultural activities, entertainment, and traditional outdoor recreational activities will help expand the scope of services.

- **Embedded innovation:** Creativity should be engrained into the program’s culture to expand and improve services. Healthcare advances, wellness integration and complementary alternative medicine (CAM), along with advanced pharmaceutical, medical technology, and medical training provide innovation opportunities.

- **Leveraging new technology:** Strategically processing innovation beyond conventional mobile applications to meet the needs of providers and end users. These provide for seamless consumer tracking and repeat business. Digital health solutions and
telehealth open the door for new revenues streams for second and third opinions now on the rise.

- **Transformational leadership**: Program management should adapt and expand existing alliances locally and around the country. The medical tourism program is a successful means to attract new leadership and raise the bar for existing professionals in Zagreb. Support in professional development not only builds capacity but achieves greater engagement at all levels of management and realizes new leadership.

- **The culture of responsibility and accountability**: Adopt strict standards for servicing patients and use metrics and surveys to assure standards compliance. Adapt standards over time to meet global best practices and assure competitiveness.

**Balanced Scorecard**

In using a balanced scorecard model for Zagreb medical tourism, four primary domains were identified to fit within the vision of *Proposal for Tourism Development Strategy for the Republic of Croatia until 2020* and the goals of this medical tourism strategy.

![Balanced Scorecard Framework](image)

The four domains represent many of the themes found in Zagreb and a further indication that the expansion of medical tourism aligns neatly with Zagreb Tourist Board’s goals, health centers, and local stakeholders.

**Development of Expertise**

Stakeholders recognize the need to join forces and highlight specialized treatments that will set Zagreb apart from competing destinations across the region. Health centers with experience treating traveling patients provide a foundation for initial marketing and subsequent data collection strategies. Participating providers should have a dedicated budget to execute medium and long-term strategies.

Health centers should emphasize the continuum of care - or the delivery of services after initial treatments - to ensure positive outcomes and word-of-mouth referrals. The region will benefit from a centralized hub and online portal managing and promoting success stories. The hub may also manage the efforts of stakeholders to connect a global referral network of buyers to the Zagreb medical tourism community.
Global Referral Network

A large number of highly qualified doctors, therapists, and other practitioners exist in Zagreb. Their practices are not successfully marketed systematically to a wider international audience. Physicians and health professionals are often left promoting themselves through their networks and have little success in measuring their effect other than actual patient revenues generated. Marketing materials geared towards medical tourism rarely identify with specific target markets where they are to be distributed, leaving the impression of lack of cultural competency or preparedness for global business. Professionals often acquire their speaking engagements and “knowledge share” relationships, both at home and internationally. While this may generate leads for one facility, the opportunity does not benefit the group of centers seeking expansion or brand awareness due to lack of collaborative support at such events. A global referral network managed through a hub and online portal can support activities of physicians and health centers, dramatically expanding the return on investment of a single event appearance.

Patient Networks

Physician and word-of-mouth patient referrals should be gathered through an online platform, the central promotion point for the hub and online portal. It is important to centralize efforts to secure referrals from providers, reinforce existing relationships and identify new buyers of services. Internationally recognized physicians provide a gateway to the medical community at large, and a means to attract additional interest in high-quality medical services and a source of referrals from the physicians training under them. To capitalize on referrals, branding will play a key role. A dedicated medical tourism program for Zagreb will then be globally recognized.

Methods for Ensuring Strategy Success

Some roles stakeholders fill to determine the long-term success of a medical tourism program are outlined below:

- **Government**: Support at the local level encourages investment and creates regulations and incentives to advance internationalization.

- **Tourism**: Funds should be allocated to annual budgets and included in plans for the promotion of medical tourism. Participation at national and international events promoting healthcare, travel, and tourism will elevate the city’s brand, and communicate its strengths to an expanded audience for medical services.

- **Healthcare**: Processes need to be established for directing patient leads to the appropriate providers. Marketing communications and public relations must be coordinated with both health and tourism officials to create national and international awareness about services in Zagreb.

- **Hospitality**: Hospitality and health centers should forge new relationships. Hotels should continue to work closely with tourism officials to explore opportunities that foster meetings and conferences with health and wellness organizations throughout the nation and abroad. Residential living facilities with capacity to accept long-term guests have an opportunity to partner with health centers to expand the offering.
• **Supporting industries**: Concierge services for inbound patients and travelers from the point of entry, extend local transportation operations and encourage restaurants to upgrade their services and infrastructure to highest level possible.

Destinations experiencing sustained success in health and wellness services, medical meetings and other international services employ:

• **Education and training focused on medical and wellness tourism best practices, international patient services and cultural competency.** These programs raise awareness of the impact health and wellness tourism has on the local economy, ensures competence in culturally and religiously diverse markets, and promotes the multiple benefits each sector has on each other. It also includes development of well-trained specialized medical tourism facilitators that can easily connect travelers with service providers finding the best solutions.

• **Programs to engage travelers and monitor satisfaction.** These track leads and gauge experiences.

• **Familiarization tours and events to host medical tourism facilitators and wellness travel agents.** The rising role of the medical tourism facilitator and travel agencies focused on wellness is a primary target for Zagreb Tourist Board to support the efforts of the medical tourism and health tourism stakeholders. Many tourism boards organize familiarization tours, site visits, and medical tourism or wellness travel conferences specifically to expand existing tourism markets and open up new markets for medical tourism.

• **Targeted marketing and regional brand awareness campaigns at all levels of the patient/traveler experience.** A detailed analysis of target markets and a public relations campaign can reverse negative attitudes of the local healthcare system and internationalize the perception of service.

• **Specialized treatments and services that meet the needs of target markets.** Center of Excellence designation requires the support of all providers, as well as service lines for second opinions and telehealth.61

• **Monitoring the quality of medical services to meet increased flows of inbound patients/travelers.** Identify and manage ongoing trends in service delivery and assure that a superior experience is standard.

• **Medium and long-term plans that enhance physical infrastructure to meet service demands.** Develop physical spaces offering patients/travelers privacy, comfort and accessibility to services. Many global health centers provide for private VIP registration areas, private waiting lounges for family members, private executive suites for recuperation and other amenities that allow for the more personalized patient experience. Hotels providing recuperation for patients often dedicate specific larger rooms and suites with handicapped access long with private areas for walking or lounging in the hotel in privacy, guest services appropriate for patients with health conditions and even special menus.

• **Developing continuum of care plans for all services lines in target markets.** These programs promote better outcomes, word-of-mouth referral, and patient/traveler satisfaction while serving as a benchmark against competing international health programs.
• Marketing measures that evolve with programs strategies. Marketing measures should be able to adapt to increased patient flow, infrastructure enhancements, and further funding to meet needs of stakeholders.

• Public/private partnerships are establishing channels for promotion and sales. Direct contract referrals from employers, insurers, facilitators, travel agents and the Croatian government singling out Zagreb for specific services create a sustainable business. Bundled services with package pricing are an attractive form of developing corporate and government partnerships in medical and wellness tourism.

• Digital referral networks that engage both providers and consumers and ensure privacy. These platforms facilitate videoconferencing, medical second opinions, and the confidential exchange of records.

Market Prioritization & Penetration

A technology-based hub and online portal connecting existing referrer and healthcare provider alliances, with supporting services that accommodate travel and tourism, will offer a cohesive message promoting Zagreb as a destination for treatment seekers. Quality of services at each touch-point of the destination experience should be clear, concise and easy to understand, irrespective of consumer point of origin.

Although Zagreb’s visitor numbers for tourism are high, choosing markets that can supply a high number of medical tourism patients is not an easy task. Cost, quality of local healthcare systems, insurance, and “the safety feeling and security of the traveler” all affect selection. Analyzing characteristics like distance from the country to the city, a high average income per capita, a complex local healthcare system, or the size of the country by population, help identify target markets to increase inbound medical tourism. For the reasons discussed herein, the following markets provide good potential for Zagreb medical tourism business: Slovenia, Italy, Austria, Germany, Russia, United Arab Emirates, and the United States. The United Arab Emirates and the United States represent the long-term potential opportunity and identify as a second priority. Patients from Scandinavian nations and UK may be sought primarily through online digital marketing and travel agencies and therefore are more difficult to acquire in the short term but show great potential. The existing medical tourism development inbound as well as the marketplace for outbound medical tourists are in the sections that follow.

Slovenia

Croatia is the top destination for Slovenians to visit–1.6 million people visit the country annually, with more than 25 thousand visiting Zagreb. From those, 25 percent traveled at least once in the fourth quarter of 2016. When traveling outside of the country, Slovenians spent an average of USD 73.74 per day and stayed an average of 4.8 nights at their destinations, which is above the average length of stay in Zagreb.62 However, proximity to Slovenia’s capital means fewer Slovenians have overnight stayed in Zagreb. Medical tourism would provide a good incentive for Slovenians to extend their trips.

Health insurance in Slovenia is compulsory and provided by the public organization Health Insurance Institute of Slovenia. Health insurance is available to citizens and longtime qualified residents; compulsory health insurance, voluntary health insurance for additional coverage, and insurance for services not in their compulsory insurance are all available. WHO ranked
Slovenia’s health system 38th in the world, and The Euro Health Consumer Index - which measures the “consumer friendliness” of EU member states - ranked it 20th out of 37-member states.

All employers must register new employees with the Institute; this way both can contribute to the healthcare system. Their total contribution is 13.45 percent, where the employer pays 6.56 percent, and the employee pays 6.36 percent. Self-employed or unemployed people pay different rates. In 2014, Slovenia spent 9.4 percent of GDP on total expenditure of health.

Slovenia remains one of the countries with the highest rates of mortality from diseases caused by the abuse of alcohol and tobacco. In 2014, 23 percent of the population smoked, in which 28 percent of males and 21 percent of females use tobacco. The last available data from alcohol-related deaths was in 2010, noting that 24 deaths out of 100,000 were caused by liver diseases, such as cirrhosis. Over the long term, regional hospitals such as Merkur Hospital in Zagreb, a recognized center of excellence for liver transplantation, may well offer transplants to traveling patients who come with compatible donors.

Due to a shortage of medical staff and specialists, wait times are long. The 36 health centers spread throughout the country provide general practice, maternity, dental and emergency services, but specialized services are less prominent, and the search for specialized, high-quality services leads Slovenians to Zagreb. Slovenia is reported to represent 170,000 outbound health tourism (medical, spa and wellness) trips spending 80 million Euros.

Currently, dental implantation and reconstruction, as well as executive health checks, are the prominent services offered to Slovenians coming to Zagreb, but orthopedics and general surgery are starting to become popular. Over the long term, cardiology and oncology services may be offered as those services expand in Zagreb. Offering qualified personnel for assistantships is a valuable tool for Slovenians to get to know the medical expertise in Zagreb and offer word of mouth testimony to prospective patients at home.

**Italy**

In 2014, over 28 million Italians vacationed overnight internationally. Their top destinations in descending order were: France, Spain, Germany, Switzerland and United Kingdom. In 2017, over 55 thousand Italians visited the city of Zagreb making it the third largest incoming tourist market. Zagreb providers have benefitted tremendously in the area of dental tourism from patients leaving Italy where dental care is only mandatory to children under the age of 16 years old, vulnerable populations and people in economic and emergent conditions.

The Italian government instituted its public healthcare system in 1978. Private healthcare is also available but is very limited and only accounts for 1 percent of total healthcare spending. This “free market” is paid for entirely out of pocket but has the benefit of reducing waiting times typically found in the government-run health service. A hip replacement can take up to 270 days in Italy. In total, only 15 percent of the population has private health insurance, where 74 percent of the policies purchased by individuals and 26 percent by groups. Services in cancer in Italy are quite good, and through the efforts of some private healthcare institutions, global recognition is growing and attracting Europeans and Americans to Italy for care. New healthcare treatments such as stem cells treatment for Parkinson’s disease, Lou Gehrig Disease (ALS) and orthopedic conditions are also pushing recognition of Italian health service to the medical tourism forefront.
In 2000, WHO gave Italy the distinction of having the second-best healthcare system in the world. Bloomberg rated it the sixth most efficient healthcare system in the world due to high life expectancy and system cost. Italy holds 11.1 percent of the estimated health tourism revenue in EU28 member states. Outbound, however, Italy offers 770,000 health tourism trips and 1.06 billion Euros.

Some healthcare is costlier and sometimes long in acquiring as opposed to other parts of Eastern Europe and Asia and, as a result, 200,000 Italians leave their borders every year seeking low-cost medical care. 63 percent polled stated they are willing to travel for treatment, and 50 percent will travel for a reduced wait time. Currently, dentistry, ophthalmology, and cosmetic surgery are the largest markets inbound to Zagreb and so specialized treatments, internal medicine and long wait time services can be offered rather than oncology or cardiology as the viable option for expansion in the Italian market.

**Austria**

Austria is the third largest incoming market for Croatia with over 1.4 million visitors, and the ninth for the City of Zagreb– receiving almost 35,000 Austrians in 2017. Zagreb anticipates a large number of Austrians traveling for dental services and aesthetic services due to the low level of insurance coverage and higher cost structure.

Austria provides universal health insurance for its residents using a two-tier system. Supplementary private insurance is also available, and many prefer to pay for their insurance.

The Austrian health sector is not required to publicly post wait times, although citizens with private insurance experience faster access to medical treatment. Wait times for elective surgeries, such as hip and knee replacement, ranging from three to six months.

Austria has an average of 4.9 physicians per 1,000 people per the OECD statistics, higher than the average. It also has 7.8 nurses per 1,000 people. This country does not have a shortage of doctors for its population. Austria holds 3.7 percent of the market share for health tourism. Outbound health tourism flow represents 730,000 health tourism trips and 61 million Euros in spending.

The national tourism strategy for Austria highlights criteria for health tourism and means to uphold them including skill development programs, minimum standards, international accreditations, licensing and certification and customer satisfaction reviews. Croatian policy encourages the same and therefore indicates comparable health tourism industry opportunities. Pricing in Austria is considerably higher leaving Zagreb with advantage for specific service lines.

The three leading causes of death for Austrians are ischemic heart disease, stroke, and hypertensive heart disease. While the wellness services in Austria are quite good, services such as executive health checks and an accompanying lifestyle enhancement trip would be attractive for Austrians looking to dedicate time to extending life expectancy. Orthopedics offering no wait times in Zagreb are also attractive and rehabilitation services to support recovery are also a game changer in destination selection.

**Germany**

German citizens enjoy the “most powerful passport in the world,” being able to travel to 176 countries without the need for a tourist visa. Visa reports German households spent USD 74.4
billion on travel in 2015 and is projected to increase to USD 97.6 billion by 2025. At 19.4 million trips, they rank first in the world for outbound and international wellness travel. Over 300,000 Croats reside in Germany, and an expanding 500,000 of the third generation also provide a promising pool of prospective patients for healthcare clinics that are already seeing a larger number returning to Zagreb for more affordable care.

Germany provides free healthcare to its residents via a universal healthcare system that offers two main types of insurance - sickness insurance and private health insurance. Employed individuals earning less than fifty thousand Euros enroll in the sickness fund. Residents making more than fifty thousand Euros per year, students and civil servants can opt for private health insurance. Private for-profit hospitals generally provide better care, have shorter waiting times than public hospitals, and have access to newer equipment.

Germany employs EU Directive 2011/24/EU strongly, which extends opportunities to find the best medical care around its member states. Germany also has strong medical ties with France and Belgium thus far and often this drives patient mobility in that direction. Germany holds 28.2 percent of the health tourism market share in Europe. Outbound health tourism trips represent 6.09 million generating 5.11 billion Euros.

Leading causes of death in Germany are ischemic heart disease, stroke, trachea, bronchus, and lung cancers. The top adult risk factors are high blood pressure, obesity and tobacco use. Tobacco use is particularly high. One-third of men and 25 percent of women have high blood pressure. Germany's higher prices wellness solutions offer Zagreb an opportunity to focus on executive health checks now and lifestyle wellness packages in the longer term.

Despite Germany's well-known medical advancements in areas like oncology, cardiology, pharmaceutical clinical trials and specialized surgeries, Germans appear to be the most mobile in seeking health treatments abroad for elective services such as dentistry, cosmetic surgery, and fertility. A 2014 report produced by the European Commission indicated that an effect of the 2011/24/EU European Directive was 48 percent of Germans said they would consider traveling for medical care and treatment. 82 percent stated they would travel to a different EU member state if the treatment they needed were not available at home. 50 percent will travel internationally to reduce non-life threatening treatments waiting time.

Services currently sought by Germans traveling abroad include oncology, cardiology, neurology, internal medicine, fertility, and orthopedics. Dentistry and cosmetic are also sought and currently recognized as a market for Germans traveling to Zagreb.

Russian Federation (Russia)

MarketSan Russia reported an estimated 17.6 million Russians traveled for tourism in 2014, spending approximately USD 50 billion, of which almost 25 percent of a Russian's travel budget is shopping. Therefore the economic impact for Russian travelers is higher than from other nations. Russian tour operators are seeing a 20 to 35 percent increase in the number of tourists booking trips to Croatia in 2017. Russian arrivals dropped considerably after Croatia joined the EU in 2013, due to EU's visa restrictions. Making travel between the two countries easier will help Zagreb capitalize on Russian travel spending.

The Russian government guarantees citizens free, universal healthcare through the Federal Compulsory Medical Insurance Fund regulated through the Ministry of Health. Since the ongoing Russian financial crisis began in 2014, major cuts in health spending have resulted in
a decline in the quality of health service of the state healthcare system with about 40% of medical facilities having fewer staff than recommended and others have been closed down. Waiting times have increased, and now patients are paying for more services that were previously free. However, as of 2014, only 20 percent of the population was enrolled in voluntary healthcare insurance, most people in the larger cities and 32% of employers offered these policies. Critical conditions such as cancer and heart disease are often not covered under basic healthcare policies.

The state-run hospitals and clinics are in a “tragic condition” due to inadequate funding, outdated and nonfunctioning equipment, lack of hospital beds, a shortage of well-paid specialists and a lack of services available.

Some important facts to consider about the healthcare in the country are below:

- Per a Yandex report, 54 percent of Russians feel the national healthcare system is poor.
- Bloomberg ranked the healthcare system last out of 55 developed countries.
- Only 19 percent of citizens were satisfied with their healthcare system in 2016.
- Per 2016 OECD figure healthcare spending dropped to 5.7 percent in 2014, from 7.1 percent in 2013.
- In 2014, the government initiated an “optimization” of the system where it planned to eliminate waste by allocating most resources in major hospitals and closing many smaller, non-performing facilities. This optimization resulted in job losses and a further decrease in the quality of services.
- Moscow has the best infrastructure in the country; however, the budget for 2017 has been cut by approximately 30 percent from the previous year.

All these conditions make the Russian market an important source for medical patients looking for emergency or lifesaving quality services that are either not available at home, or that are difficult to access. Also, those looking for elective, non-emergency services offer a significant pool of patients that will find great value in Zagreb’s offering. A summary of the factors driving Russian patient mobility is in the figure that follows.

In 2011, the UNWTO reported Russia was in the top five countries for the most expenditure on medical tourism. By 2013, over 300,000 Russians spent more than USD 1.1 billion, an increase of traveling patients of 66.7 percent since 2010. In 2016, 54 percent of Russians traveled
abroad for medical treatment, and are considered one of the three most interested countries searching for treatment abroad, followed by Ukraine and Kazakhstan. A slowly developing inbound medical tourism market development is underway through several small private stakeholder associations who consolidate the efforts of travel agencies to offer both inbound and outbound medical services to Russian travelers.

Russians are very cost-conscious, with 35 percent stating the cost of treatment is the main determinant of where they go for healthcare. The range of services follows close behind at 32 percent. However, affluent Russians search for destinations where they can improve their health and well-being, more than they look for medical treatment.

The prior executive order published by President Putin, which forbade travel companies to recommend Turkey as a tourism destination and prohibited medical tourism agencies in Turkey from recommending the country as an option for traveling patients still has an impact on patient referral patterns. This executive order continues to cause a major drop in inquiries for medical services, such as in-vitro fertilization, dentistry, cosmetic surgery, oncology and genetic disorders. Russians are not choosing alternative low-cost destinations, such as India or Poland, due to “the perceived stereotypes” that are characteristic of these destinations. Instead, they are opting to receive treatment at private Russian centers, where the quality may not be the best, or the cost is high.80

All these conditions present a real opportunity for Zagreb. Russians have the disposable income to consume health and wellness services abroad and are looking for friendly destinations, particularly concerning culture. Services currently provided to Russian patients in Zagreb include dentistry, cosmetic surgery, and orthopedics. Future services may include fertility, cardiology, oncology and genetic disorder treatments. In many instances, the services readily available to Russians in their top tourism markets do not match the medical services they need. It is therefore imperative for developing medical tourism destinations such as Zagreb to look at effective ways to attract the patients through improved and continuous internet marketing, direct referrals from Russian doctors and links with tourism agencies who include medical services in their offering. An immediate opportunity exists to establish a connection with the Russian associations offering inbound and outbound services for Russian and Ukrainian travelers.

United Arab Emirates (Dubai & Abu Dhabi)

According to statistics by Zagreb’s Tourist Board, 4,907 Emiratis visited Zagreb in 2017, almost doubling in number from 2016, with an average length of stay of three days, and 76 percent preferring four and five-star hotels.81

The healthcare system is a public/private mix—the public system being comprehensive. All Emiratis and expats in the UAE must have coverage under a health insurance plan through the unified mandatory scheme. The standards of healthcare are considered high due to increased government spending and the adherence to strict international regulations. The industry collaborates with a large number of universities in the United States, Australia, Canada and Europe. Additionally, partnerships exist with U.S. healthcare organizations like the Cleveland Clinic, GE Healthcare, Johns Hopkins and Children’s Hospital. As mentioned previously, current CEO and president of the entire Cleveland Clinic is Croatian born and trained Tomislav Mihaljevic, M.D., who was also the CEO of the Cleveland Clinic Abu Dhabi, thus providing potential for direct connectivity between the Health Authority of Abu Dhabi...
(HAAD) and Zagreb stakeholders willing to partner with HAAD to offer services such as orthopedics and rehabilitation, currently sought by Emiratis leaving Abu Dhabi for care.

Obesity in the UAE is a growing problem with 66 percent of men and 60 percent of women being either overweight or obese. This rate is double that of the world’s average and caused by an increase in unhealthy habits, increase of diets high in fat and carbohydrates, and lack of physical activity, leading to sedentary lifestyles. As Zagreb’s wellness tourism industry expands, executive health checks and services related to lifestyle change may increase in attractiveness to Emirati health and wellness seekers.

The state of the local healthcare system, along with the high cost of treatments has made the region an important source of medical and wellness travelers. In 2014, the Dubai Health Authority (DHA) paid for the healthcare and travel costs of 2,717 patients and their families to receive treatment abroad. The main destinations for these patients have been select countries in Europe (U.K and Germany mainly) and the U.S., with decrease flow to the latter as a consequence of stricter immigration laws. While Emiratis tend to demonstrate global healthcare brand loyalty, new interest is arising for lower complexity medical services in other destinations where the value (cost and quality metric) prevail.

Arab Health Magazine reports over 30,000 UAE citizens travel abroad for medical care. Each spends an average of USD 250,000 per visit. Oncology, cardiology, and orthopedics are the primary treatments. This patient spend calculation includes the travel spend and due to the complexity of the services, long time stays in the destination country.

As the Emirati governments focus on local incentives and investments to improve the local healthcare and wellness infrastructure, the main driver is to significantly reduce the outflow of patients to other countries and keep patients locally for healthcare. The challenge that both HAAD and DHA face is in educating the population about the quality of services available locally and in building trust in medical outcomes, a very challenging effort. Zagreb’s efforts to attract Emirati travelers requires innovative, high-quality services not easily available, not covered by insurance (elective), or driven by confidentiality concerns (e.g., cosmetic, fertility, dental).

United States

Travel and tourism in the United States is a USD 205 billion industry. With 78 million international arrivals, it is the second most visited destination after France. In 2015, an estimated 3.5 million U.S. citizens traveled outside its borders, making them the second largest spenders (China is the largest) with expenditures of USD 113 billion. New figures released by the U.S Department of Commerce showed a drop in international tourism to the United States in early 2017, representing a loss of $2.7 billion in spending. However, international travel statistics are increasing indicating the American global tourism loss is other nations’ gain.

Moreover, the World Economic Forum 2017 Insight Report indicated the U.S. dropped two spots to number six in the top ten popular countries for tourism. Some government advisories have also questioned the safety and security of the U.S. for international travel such as the U.K. and New Zealand.

According to the Center for Disease Control, 750,000 Americans traveled abroad for medical care in 2012, spending USD 35 billion, and making up 10 percent of the medical traveling
industry. In a 2016 report, Visa stated the U.S. remains the "single largest hub for medical tourism." Outbound medical tourism from the U.S. estimates at one million of the worldwide 11 million patients traveling for medical services.

Nonetheless, the U.S. remains one of the largest recipients of patients inbound with just a small segment of academic medical centers in the U.S. reporting 50,000 patients in 2015 generating USD 3.5 billion including cardiology, oncology, neurosciences, and orthopedics, with 52 percent of these patients seeking pediatric care.

American travelers consider the safety of destination to be more important than the cost when making their travel plans, yet the cost is a considerable driving factor for elective services such as dentistry, cosmetic services, and fertility. In 2016, the U.S. spent an average USD 617 per person per day when traveling abroad.

At 7 percent of all travel destination regions for Americans, the Caribbean region is the most visited destination by Americans due to the islands' proximity to the East Coast, and some islands being former American territories. Four percent of Americans travel to Europe, but this usually requires longer stays to justify the higher ticket cost—therefore an average trip of typically five days. As Europe represents that second largest geographical region for American tourists, converting tourists to medical tourists on subsequent trips would appear to be an easier task than say for Americans to travel to India. A dedicated destination marketing plan including medical services would, therefore, be advantageous for Zagreb since there is already a proclivity towards European travel.

Healthcare in the U.S. is undergoing changes that will dramatically change coverage for all citizens. Rated the highest cost healthcare services in the world, neither Obama care nor the pending emergence of Trump care offers solutions for the high cost of healthcare delivery. There are multiple, but high cost, private insurance plans available. The USA has no public healthcare system per se, and all employers are not required to provide healthcare coverage. Medicare and Medicaid cover the elderly and the young or disabled respectively. The majority of the population relies on private healthcare to provide affordable options to every sector of the population, even to those outside the system.

Due to the prohibitively high medical care costs in the country, 27 percent of Americans have delayed or simply skipped required medical care. About 21 percent state they did not have a prescription filled and 23 percent refused a recommended medical test. 67 percent of Americans stated they feel “lowering the amount individuals pay for health care” is a top priority.
Outpatient surgery and cosmetic procedures are on the rise in the U.S., with the top five cosmetic surgeries being: breast augmentation, liposuction, nose reshaping, eyelid surgery, and tummy tuck. For many, the cost of these procedures in the U.S. is prohibitive, and the consumers have been opting to acquire these services at lower costs in countries in Latin America.

Cost savings are Americans’ prime reason for traveling. The most popular destinations for medical care are Mexico, Thailand, Brazil, Costa Rica, India, Turkey and South Korea. In these countries, the consumer has found medical facilities comparable with those in the U.S. at a fraction of the cost. According to Forbes, Central European countries such as Hungary, Poland, Czech Republic and Latvia are quickly becoming popular destinations for American and Canadian health and wellness patients. Zagreb offers a very attractive package for dentistry, cosmetic, ophthalmology and orthopedic packages, most of which are not covered by insurance packages. The most direct route for accessing the U.S. market is through marketing to the rising number of Americans traveling to Zagreb and perhaps the rest of Croatia. That number exceeded 68,000 in 2017 in Zagreb and 2018 is promising for medical tourism stakeholders who want to tap into existing tourists for executive health checks and minimally invasive services.

Direct contracting with American companies is a valuable untapped market due to the difficult to acquire relationships for entry and long sales cycle to execute business. Many international healthcare providers are courting third party administrators, consultants and brokers to get access to the sought after pilot project whereby Zagreb health centers provide lower price surgical options to employees incentivized by waived deductibles and copays and an all-expense paid trip with family. Employers generally require international accreditation of the health center to minimize the risk of liability and assure patients have the assurance of patient safety and quality. This direct contracting business has been implemented with until now low levels of utilization, but as the cost of healthcare continues to rise in the U.S., it is expected more American companies will seek creative solutions to send employees to internationally accredited facilities packaging affordable services. To date, Zagreb stakeholders have not successfully acquired any direct contracted business, yet international accreditation of health centers is at an early stage.
SWOT Analysis for the City of Zagreb

The SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis of Zagreb’s medical tourism potential includes in-person visits and telephone interviews undertaken with stakeholders, the European Parliament’s 2017 report and the other findings from the project. It incorporates medical tourism related SWOT analyses from the EU 28 states as a point of reference as well.

Strengths

<table>
<thead>
<tr>
<th>STRENGTHS</th>
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<tbody>
<tr>
<td>Zagreb health facilities offer good value quality services at affordable pricing compared to other Western European destinations.</td>
</tr>
<tr>
<td>The City of Zagreb being part of the European Union, where several member states are among the leading world market players for Medical Tourism.</td>
</tr>
<tr>
<td>Quality of healthcare being on par with that of other European member states, and perceived as of high quality by international medical tourists.</td>
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<tr>
<td>Diversity of natural environment and resources conductive to health tourism.</td>
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<tr>
<td>Well-developed infrastructure (accommodations, transportation facilities and cultural attractions)</td>
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<tr>
<td>Directive 2011/24/EU provides mobility and funds for patients between EU member states.</td>
</tr>
<tr>
<td>Zagreb is close to higher income markets not only in the EU, but also in that of America and the Middle East.</td>
</tr>
<tr>
<td>Zagreb has an internationally recognized university medical school since 1917.</td>
</tr>
<tr>
<td>Its strong transportation and geographical location within six hours to major cities such as Vienna, Milan and Munich.</td>
</tr>
<tr>
<td>The global recognition of medical professionals like Tomislav Mihaljevic, MD. linked to top healthcare facilities such as Cleveland Clinic.</td>
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<tr>
<td>Medical advancements in orthopedics and liver transplantation bring trust in the high quality of healthcare services.</td>
</tr>
<tr>
<td>Medical Tourism has the capacity to create many jobs, both directly and indirectly, for medical and non-medical sectors.</td>
</tr>
<tr>
<td>The perception of quality of healthcare (facilities and personnel) is high in destinations offering medical tourism.</td>
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<tr>
<td>Zagreb is known as a safe city, which is a top concern for medical travelers.</td>
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Weaknesses

Difficult to quantify real medical tourism inflow to the city and the country, as well as quantifying revenues generated from medical tourism.

Medical tourism sector in Europe is largely unregulated (different quality levels and risks for individuals).

Too dependent on government support, and stakeholders not having a more commercial approach to medical tourism.

Not enough collaboration between stakeholders, corporations and destination cities and inadequate clarity and consensus

Limited joint promotion within Croatia.

Insufficient joint promotion with other cities and states from the European Union.

Some outdated facilities in need of refurbishment for top of the line healthcare.

Insufficient number of international accreditations of facilities or certifications attractive to patients and corporate buyers of health services.

Discrepancy in data provided by stakeholders and lack of metrics to substantiate reported best practices.

Lack of quality control criteria and risk management protocols for traveling patients.

Economic impact is not verifiable due to unwillingness of private stakeholders to share data.

Doubts among stakeholders about sustainable government support for medical tourism.
Opportunities

Cross border healthcare and medical care is something half of the European Union citizens are willing to do.

The ageing population increase in developed countries expands the share of senior tourists who desire health tourism services and products.

Tourism keeps growing worldwide, and has been doing it since after the Great Recession years.

Change of lifestyle in the world population that boosts interest in health tourism.

Taking advantage of Internet resources to connect consumers with a destination like Zagreb and its healthcare providers.

2020 will bring EU funding for health tourism according to the EU Parliament President*. Zagreb organizations may apply for funding under a health tourism marketing and/or competitiveness improvement program.

Medical advancements and international physicians recognition can be expanded to draw attention to Zagreb Medical Tourism Program.

*Stated by EU Parliament President at EU Parliament High Level Conference, September 2017, Brussels
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## Threats

**THREATS**

<table>
<thead>
<tr>
<th>Threat</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Bad press caused by the non-regulation of health and medical tourism providers, especially when it comes to medical procedures.</td>
<td></td>
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<tr>
<td>Lack of knowledge by local population of the opportunities in medical tourism for the entire economic ecosystem.</td>
<td></td>
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<tr>
<td>Not having a clear legislation for medical tourism and specifically for cosmetic surgery/treatments, which can cause a negative image for the city and its brand.</td>
<td></td>
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<tr>
<td>Lack of public knowledge about cross-boarder advantages of Directive 2011/24/EU, which clarifies on access to healthcare in other EU countries.</td>
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<tr>
<td>Future switch to the Euro, the single European currency, can make the country loose its cost advantage.</td>
<td></td>
</tr>
<tr>
<td>Human resource free movement of healthcare providers (doctors, nurses, nurse assistants) to other countries in the European Union for monetary purposes (loosing talent).</td>
<td></td>
</tr>
<tr>
<td>Augmented competition for medical tourism from destinations in the Middle East and Asia.</td>
<td></td>
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<tr>
<td>Directive 2011/24/EU presents incentive for other national health systems to attract traveling patients from the 28 member states.</td>
<td></td>
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<tr>
<td>Inability to actual collaboration among stakeholders may render Zagreb medical tourism stagnant.</td>
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## Financial Implications

Few reports offer a clear analysis of the impact that medical tourism has on the local economy and healthcare systems. Data about the current size of Zagreb’s medical tourism, wellness tourism, and medical meetings market are incomplete. Therefore, suggestions for a medical tourism program consist of existing reported volume and the average expected return on investment, taken out from real data of similar/comparable destinations.

Today, the main focus is on those that travel and pay out of pocket or those using private/workplace health insurance (typically North Americans, Asian and European) patients traveling middle-income countries to avoid high costs of domestic care and waiting lists for publicly funded systems.

Most countries caring for medical tourists do so to increase the level of direct foreign exchange earnings, accruing income directly to the health system. As an example, foreign patients purchase health care services, and hence provide an income that can be used by hospitals to cross-subsidize care for domestic patients, or could be used to help fund capital investment, such as MRI scanners, used by all hospital patients.
Medical tourism can be an important source of foreign exchange. Estimates suggest more than 50 million health-related trips take place each year, generating $100 billion. Also, the destinations’ main concern is the general increase in tourist income, as they hope there would be a substantial level of expenditure by medical tourists and their companions, related to other expenses beyond medical care. A conservative number for an industry projected at 15 percent to 25 percent growth would be 2 percent of the potential market to increase medical tourism to the city of Zagreb and create a solid brand in medical tourism. It also provides a basis for estimating future revenues.

Zagreb’s Financial Snapshot in Medical Tourism

Several surveys, interviews, and analyses developed during this study, present a picture of the value that international healthcare services offer to the city of Zagreb, including:

- 2017 Zagreb’s Stakeholders Survey: Assessment of health centers and hospitality and tourism providers in the city and their capabilities for offering international patient services and supporting services.
- Interviews with public and private sector stakeholders: Evaluation of existing infrastructure and the means for achieving program objectives.

Over 23 percent of the health centers surveyed reported treating more than 500 international patients, and more than 35 percent of wellness centers reported receiving more than 100 international travelers in 2015. A similar percentage, nearly 23 percent of facilities treated from 100-200 international patients annually. Of those surveyed, two healthcare providers reported to have treated thousands of international patients; however, these numbers did not represent the standard case and were omitted from the analysis average.

Based on site visit interviews, hospitals, clinics, and related medical providers treated upward of 150 international patients annually, accounting for 10 percent of their discharges. Considering that most hospitals for purposes of confidentiality do not accurately report inbound patient totals, we estimate that healthcare providers in the city of Zagreb treat between 100 and 200 medical travelers annually, or on average 178 patients per year.

A summary of the average inbound patient volume and projected growth is below.

<table>
<thead>
<tr>
<th>Zagreb Hospitals</th>
<th>Projected Financial Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Patients Annually/Hospital</td>
<td>178</td>
</tr>
<tr>
<td>Growth rate</td>
<td>-</td>
</tr>
<tr>
<td>Number of Hospitals in Area</td>
<td>12</td>
</tr>
<tr>
<td>Total Patients in Area</td>
<td>2131</td>
</tr>
<tr>
<td>New Patients</td>
<td>0</td>
</tr>
</tbody>
</table>

Medical providers in Zagreb did not provide an estimate for growth but believed that hospitals and clinics that received training and promotional support should expect a greater volume upward of 15 percent of inbound patients, due to higher levels of efficiency and confidence in a dedicated strategy. We estimate a conservative 5 percent growth below market average due to the fact a dedicated program does not exist yet, and there is no policy in Zagreb at this time to support destination development projections.

The projected Average Daily Rate (ADR) for lodging in the city of Zagreb is $99 based on the stakeholder survey conducted. Medical travelers occupy 14,917 rooms for as few as four days or up to four months for complex medical treatments. Our estimations consist of 7-day hotel stays taxed at 13 percent and do not consider alternative accommodations.

The projected operating levels figure depicts numbers of patients at a growth rate of 5 percent with the average stay of seven days, and the approximate room revenue attributable to these medical tourism stays.
The “Inbound Patient Flows” figure above depicts the healthcare revenues (IPS being international patient services) hotel and tax revenue. The added value of international health services that include education, training, capacity building, consulting, medical manufacturing, life sciences, and pharmaceuticals is not factored into these calculations and provides an additional economic incentive to include members of the entire Zagreb ecosystem to work towards globalization of health services.

Zagreb Strategic Plan for Medical Tourism

Summary

Zagreb has a developing yet strong health system with a vast array of medical services worthy of international expansion. Health center administrators and public officials are expressing interest in investing in quality health services and hospitality diversity to include medical tourism and expanding niche tourism to support health and well-being. The proposed model for the Zagreb Medical Tourism Program is flexible, and the proposed framework is a model to be considered. In all considered scenarios, a centralized organization is necessary to streamline efforts and bring stakeholders together. It is identified herein as the Zagreb Medical Tourism Organization (from now on referred to as “ZAMTO”).

Currently, the medical tourism industry in Zagreb is better developed than many other nations belonging to the European Union since many private stakeholders have clustered into association groups and patients are already flowing into the city for services including dentistry, cosmetic surgery, cosmetic/aesthetic services, ophthalmology, internal medicine, and orthopedics. Local public investment and national investment towards promoting Zagreb and Croatia as a medical tourism destination have been realized and ongoing. Many destinations such a Germany, France, United Kingdom and Italy have had no national and little local public support with almost all efforts driven by the private sector.

Wellness tourism is also on the rise, as Croatians pursue healthier lifestyles like neighboring country nationals who seek wellness trips and complementary alternative wellness services. These activities are not currently aligned with population health strategies to measure their impact on the healthcare system or to improve overall health at this time. Higher complexity services such as cardiology, oncology, neurology and expanded medical research will be an attractive growth strategy.

Patients today are active consumers who embrace the ability to make decisions about their health and lifestyles by using a diverse pool of opportunities available online. Clear and concise information for consumers to make better-informed decisions is a premium requirement for competitiveness. Zagreb has an opportunity to become a leading destination in the arena of medical tourism by developing a hub and an online portal through which all marketing and promotion, as well as business development activities, flow.

International recognition in the form of international accreditation and certification of healthcare and hospitality stakeholders in the sector, alongside ongoing industry awareness and stakeholder cohesion is an essential next step. While medical tourism is strong in Zagreb, a future program that combines medical and wellness tourism, along with medical meetings, can contribute to a long-term sustainable strategy that achieves governmental and private
sector objectives for developing Zagreb as a leading European destination and a hub city for all of Croatia.

This effort requires support from the public and private sectors to drive consumer awareness and embodies the goal to unify the existing medical tourism efforts in the short term. It will continue to grow with increased healthcare and hospitality capacity, quality improvement measures, and an integrative wellness tourism offering in the middle to long-term time frame.

Study Conclusions

This study revealed current gaps in the delivery of services that traveling patients now demand in the global market, and highlighted the current disconnect in confidence between public and private sectors in the coordination and promotion of medical tourism in Zagreb. If a connection exists between the competing private sector efforts and public policy goals, a medical tourism program can drive new areas of opportunity for economic growth across multiple sectors.

The Zagreb Strategic Plan for Medical Tourism outlines methods to bridge existing gaps through service sector collaboration and cohesion across the entire health ecosystem, capacity building and structural policies, business development activities and marketing and promotion that may occur simultaneously. The figure that follows gives a snapshot of the stakeholders essential to the program.

Key Themes

The extensive local research concludes the majority of stakeholders wish for a low-risk, high return investment towards the following goals:

- Expansion of the global reach of the area’s medical, hospitality and tourism services;
• Creation of value-centric relationships and improved communication among all stakeholders;
• Sustainability without dependence on public funding; and
• Generation of revenue during all seasons, which can fund the plan long-term.

Competitiveness

While the tourism data of the visitors to the city of Zagreb is very detailed, information about patients traveling to Zagreb is difficult to categorize by volume, treatments, outcomes or economic impact; few providers collect this data separately and systematically, and little quantitative or qualitative data was available for review. A series of surveys, interviews and focus groups were utilized to drill down into the qualitative data. The information was summarized in the study, establishing the basis for the recommendations.

Physician and word-of-mouth referrals, as well as doctor reputations, influence most patient travelers more than any other characteristic identified. Countries of origin for traveling patients into Zagreb and Croatia are congruent with the tourism trends: Austria, Germany, Italy, Slovenia, Russia and the United States are at the top of the list. Dubai and Abu Dhabi in the Middle East are interesting long-term markets, and the Scandinavian nations are worthy of evaluation. Cultural competency for these markets remains the number one gap that needs to exist for both markets.

Medical tourism provides service-line specific opportunities for Zagreb health centers. The primary service lines currently utilized as a priority include dentistry, cosmetic surgery, cosmetic/aesthetic services, ophthalmology, internal medicine, orthopedics and executive health checks.

The World Happiness Report, 2017 ranks Croatia number 77 of 155 on the elements that matter most to well-being – GPD per capita, social support, healthy life expectancy, freedom to make life choices, generosity, perceptions of corruption, and dystopia. This study revealed that stakeholders in Zagreb currently have little faith in the national infrastructure to support innovative new business opportunities, particularly across various economic sectors, such as medical tourism. This belief has been an obstacle to private sector collaboration or the development of unified efforts to garner public support for Zagreb.

Zagreb stakeholders can benefit from a more proactive approach and a lofty perception of its potential. Collaboration allows them to capitalize on consumers interested in traveling for medical purposes. A combined effort is needed from stakeholders to take the focus off of continued independent activities of single stakeholders or small fragmented groups. A Zagreb government policy or public-private partnership for medical tourism can support future collaboration and streamline brand messaging.

What Consumers Want

There is often great confusion between the business of medicine and the practice of medicine. Medical tourism programs require an evaluation of the practice of medicine, and a redefinition and emphasis on the business of medicine to include the health ecosystem components. Therefore Zagreb currently lacks a regional structured medical tourism business strategy to date, and why the industry in the city is currently led by a few medical pioneers, several associations, and also some very proactive independent health practices.
The strategy to showcase Zagreb's competitiveness must include pertinent elements collected from patient consumers and corporate buyers of medical services. They are the key to defining product perception and value proposition. They include trust, available medical information, proximity, positive patient experience and interaction, and guaranteed/validated standard of care.

The chart that follows represents primary patterns of referral of inbound patients worldwide and forms a preliminary basis for Zagreb recommendations. The survey reviewed over 2,500 consumers from all over the world to evaluate how decisions regarding medical services offshore were selected.

**Market Segmentation**

Developing and marketing specialized lines of service will attract consumers to Zagreb. Stakeholders can align and promote their specialized services, including hotel accommodations and tourism activities with the needs of traveling patients. Any services that mitigate problems for traveling patients such as language barrier, malpractice concerns, lack of follow up care, and infection control are all concerns to address properly. Organizations providing clear information on their websites about these issues become an attractive proposition for prospective consumers.

Healthcare is one of the most interesting products to sell because it thrives through word-of-mouth marketing. Looking at advertising trends in healthcare, the ability to sell a facility’s service is much more challenging than selling the services of a physician. Patients choose doctors aligned with the brands of well-known healthcare facilities. In the absence of a well-recognized brand for a facility, promoters of health services focus on the physicians themselves.

Almost every hospital ad boasts the best doctors; using the awards they have won through publications never heard of by the prospecting patient. Background, training, and membership to international medical boards are attractive but do not tell a story.
Advancements brought to life by physicians drive the global healthcare environment, whether utilizing medical devices, pharmaceuticals or surgical techniques, the use of physicians to attract and refer patients is at the forefront of a successful medical tourism program.

Collaboration between destination promoting bodies such as ZTB and healthcare providers should focus on meetings aligned with those areas of medical expertise. Attracting medical meetings will be more effective if tied to physician education in areas available for inbound patient referrals and sought-out services to package and deliver in the future.

Digital Medical Second Opinions

Both medical providers and healthcare consumers benefit from digital (online) second opinions. Another medical perspective can often result in a change of diagnosis or treatment at a lower cost. Employers are looking to provide value without compromising the quality of the health insurance plans they offer to employees. Second opinions can eliminate errors in diagnosis and treatment plan and offer patients better outcomes and reduced complications.

Offering medical second opinions in areas of high-level expertise such as orthopedics provides a target market patient the comfort of a confirmed diagnosis and an alternative destination for the service. For medical second opinions to be a profit generator for health centers, it is essential transparency in quality be provided at the same time as the diagnosis and proposed a treatment plan. For Western European patients, cost reduction and comparable outcomes are a reason to choose a provider in Zagreb. An Emirate patient may be seeking privacy along with a high-quality surgical intervention from a provider they feel they can trust after receiving a reassuring second opinion. American and British patients seeking cost reduction confirmed treatment plan, less waiting and combining the trip with holiday may do the same. The quality must be as good, if not better than what they can access locally.

Second opinions are now offered online to patients unable or unwilling to physically meet with a non-local healthcare provider. These can cost from $500 to $5,000. Growing demand for these extensions to telehealth, including videoconferencing and the transfer of records, can provide Zagreb stakeholders with an avenue to further their influence in international markets, and steer unanticipated patients/services and revenue to Zagreb.

The proposed hub and online portal should develop a standardized practice for offering second opinions. In many cases, there is no second opinions program at all; in others, there is an informal process where emails sent directly to specialists manage second opinions, with little or no communication between them and the health center administration. Second opinions lack documentation and revenue, and costs lack tracking, presenting a lost opportunity for health centers, not only for direct revenue generated from the program but for recognition and potential to attract patients.

For a second opinions program to be successful, a system can be developed for handling inbound inquiries, managing the process of appropriately, allocating the request and providing the second opinions. Therefore, it is recommended a technology platform exists for the program. These would include the ability to transfer medical records in a secured manner to protect patient privacy and the handling of online international and domestic requests. The platform could then provide accurate data on the current second opinions market in Zagreb and maximize certain services based upon utilization and areas of high expertise in the region.
Marketing can occur through the online platform to the physicians’ programs, residency, and other channels. Access can be provided to channel the request through the platform, instead of through informal requests to the physicians, thereby formalizing and streamlining the process, and increasing revenue.

Such an online platform can integrate with the health center’s website, the hub, an online portal and even to regional or global partners. Health centers will be able to expand the service lines outreach into those regions, and increase brand equity within the regional market.

The question of portability of insurance for medical travel inhibits many from having services covered. However, in implementing digital second opinions programs, the referring physicians or patients have options to utilize Zagreb’s top physicians and services to confirm diagnoses, and most carriers will cover the cost of second opinions for physicians out of network.

Target Markets

Zagreb stakeholders can generate brand awareness and market share in the consumer markets through a diverse strategy, one that includes high-quality medical services and medical second opinions focusing on international target markets. Collaboration and consensus are essential to opening new markets for a destination, and therefore it is recommended to expand existing tourism markets as a first step and a priority, while slowly opening new markets as direct travel routes to the city increase.

The key to attracting corporate or insured patient referrals is through direct contracting. In this case, insurance companies build special networks of international health centers focused on high-quality clinical outcomes combined with negotiated pricing and volume discounts. Employers also may directly contract with health centers for specific services required for employees in high volume (such as orthopedics or cardiovascular) or perhaps high complexity (such a spine and neurology). Many multinational employers offer specific networks to their employees where they believe employees will access the best clinical outcomes, reduced risk of complications and therefore return to work more quickly.

Insurance companies seek to minimize risk, improve outcomes and reduce the cost for individual insured. As a result, many travel health insurance policies provide medical networks for travelers when in a country that is limited only to those providers with the best outcomes for health services. Other global insurance policies will also limit the number of providers an insured may obtain health services from because they want to manage risk and cost for each patient claim. Zagreb providers may benefit from increased relationships with global and travel health insurance providers to become part of these global networks.

Insurance business involves providing transparent outcomes, second opinions, and one-on-one business development activities, to showcase the offering and design a simple program that will maximize capacity utilization. Health centers specializing in services with the highest local prices and with the highest utilization rate during employee shifts attract employers.

A summary of the target markets prioritized is in the next table. Highlighted are the estimated market size and the services most suited for Zagreb’s providers now and in the near future.
Program Model Framework

This Strategic Plan demonstrates a suggested structure to develop, administer, and promote Zagreb as a global destination for medical services. Value and economic growth consist of an increase in jobs, tax revenues and business opportunities. The plan will encourage economic growth, and provide for the advancement of local businesses tied to health-related services and tourism. It is important to note that even though this plan proposes a framework, the ultimate structure depends on a series of variables of how the management, funding, and promotion of ZAMTO occurs.

Due to the unknown direction of the availability of Zagreb’s local funding for medical tourism at the time of writing, this plan evaluates a simple model framework for execution. The model requires private sector engagement and investment for a fully sustainable development program with initial investments being phased out over time, and future activities funded through revenue generated through the program.

A “culture of ownership” established through a centralized hub and online portal to conduct all activities would be critical to long-term sustainability of the program. This culture consists of an invisible architecture of core values, collaboration and consensus amongst ZAMTO members.
The model framework involves three distinct functions: Development, Facilitation, and Marketing. The functions allow for collaboration amongst stakeholders and reliable tools for implementation of the program's goals. It also provides for a significant opportunity for revenue generation based upon projections made through existing market estimates and industry growth.

General Considerations

An existing private organization can manage hub development, facilitation, and marketing. Alternatively, all functions subcontract to one or multiple private organizations or even a new enterprise that integrates public and private stakeholders. The hub would:

- Relieve local authorities of administrative oversight;
- Hold participating stakeholders accountable; and
- Serve as a central point-of-contact for information and resources.

Development

Participating stakeholders should follow a set of quality standards for lifting the profile of the city as a competitive medical tourism destination. The members of the hub and online portal establish, agreed upon metrics, an annual reporting requirement by stakeholders. Top-tier medical providers and physicians with experience in treating international clientele should serve as the hub's core “pilot” group during the first phase of program implementation. Education, training, and capacity improving activities may be offered by and through the hub for its members. The current local medical tourism associations serve as a basis for supplying this pilot group; yet require synchronization of efforts to streamline purpose, quality control and messaging.

Facilitation

International experiences that cater to medical tourism seekers and their traveling companions include the combination of pre-trip medical evaluations, inbound and outbound accommodations, interpretation services, follow-up care, wellness activities and recreation. A centralized technology-based portal will link hub consumers to available medical tourism facilitators, and trained professionals authorized by the hub to coordinate these functions along with local travel agents and concierge services. The authorization should involve a registration process and reporting requirement, as well as a commitment to international best practices to be adopted by the hub.

Marketing

Promotional activities must be coordinated with ZAMTO's stakeholders' existing marketing strategy and combined to avoid confusion in the market. The hub and online portal website should be the focal point of all marketing to communicate the experiences of traveling health and wellness seekers and showcase any events that will play a significant role in promoting the city and its program. The website should attract direct foreign investment in related real estate, encourage capacity building projects, and assist in establishing a skilled workforce across a diverse demographic group through job and opportunity listings. News relevant to all participating stakeholders should post at a minimum of once a week.
Program Model Framework

Medical tourism in Europe is at a good stage for development. Destinations such as Lithuania and Poland received funding from the EU to support promotional activities over many years. Clusters and networks joined forces to promote health tourism and quality improvement. For example, the Polish ‘Tourism Development Plan 2020’ emphasizes the needs to strengthen cooperation between the Ministry of Sport and Tourism and Ministry of Health along with private sector stakeholders.96

The EU Parliament’s latest report on health tourism makes recommendations to regulate medical tourism procedures to prevent undesirable incidents and also remove barriers to payments. The suggested model framework provides that centralized activities through a hub will facilitate both of these recommendations and create an environment where wellness and spa treatments may be easily added into the offering to traveling patients when such services become more readily available in Zagreb.

Global campaigns to promote health tourism and medical tourists to Cyprus and Turkey, among others include printed marketing materials, digital promotion, workshops and events, business development with facilitators, and the creation of a corporate health tourism identity.97 Each destination in Europe that benchmark the value that medical visitors, tourism marketing, and meeting and convention sales, understand the value such services can bring to a local economy. Each struggles with sustainability due, in most part, to lack of private sector investment and engagement, lack of brand, and undefined quality of healthcare services. Lack of international accreditation and accreditation is presumed to be a large determining limitation in corporate or government referred medical tourism business.

This model framework offers a hub structure for ZAMTO that shall:

- Create a network of trained, certified and accredited service providers offered through a technology-based platform, to coordinate the services of health centers, medical facilitators, travel agents, and concierges;
- Manage marketing initiatives across all sectors for traveling patients, and promote services to corporate buyers of medical services.

The following outlines a model framework with three examples for ZAMTO creation and management of the activities recommended – development, facilitation, and marketing.

In the first example, an existing local tourism entity can assume the role as ZAMTO and manage the proposed hub and online portal activities. The cooperation board could be composed of industry stakeholders and funded through agreed participation fee. The question that arises is the one of the membership and legal possibilities regarding the current tourism laws. This example can serve at the beginning of the joined development strategy and should move forward to other examples.

In the second example, an existing local entity can assume the role as ZAMTO and subcontract the services for development, facilitation, and marketing to outside companies with an allocated budget contributed by the hub membership. As a for-profit or nonprofit entity, it may opt to follow a strict fee for service budget annually versus adopting a percentage of revenue allocation towards marketing. In this way, it has less control over the activities contracted for but the potential for more global market penetration with experienced firms that would not qualify as members to contribute to ZAMTO in the first
example. The cooperation board or even management board can be established for all interested stakeholders to be included.

The final example offers a new company concept for ZAMTO, “NewCo,” that offers three alternatives in its design: a subsidiary of a local entity, a joint venture company with investment partners, and a public-private partnership alternative that is designed as a tourism company and potentially eligible for public funds to match private investment. In the NewCo example, stakeholders could serve as members, funding partners or beneficiaries of the medical tourism destination marketing activities undertaken by ZAMTO. The stakeholders could solely decide on the governance, activities and investments. This example would be target oriented with shared responsibility of stakeholders.

These examples provide a mere snapshot of the flexible alternatives available. Since discussions about public funding are at the early stage in Zagreb, all options, for the time being, are available.

ZAMTO Stakeholders and Governance

The key stakeholders included in the ZAMTO proposal can establish a governing board responsible for prioritizing objectives, organizing budgets, and approving new program participants. Additional funding is necessary for the employment of staff exclusive to the program to handle daily operations, as well as for related technology systems, office furniture, and administrative expenses. Some key stakeholders to consider for any of the examples and alternatives described may include any of the following groups as members or honorary advisors.

ZAMTO Funding and Revenue Generation

The plan considers all options for market entry and summarizes the most efficient and effective methods for each target. Piecemeal marketing tactics into specific markets are not sufficient to generate a healthy stream of inbound patients required to maintain consensus and collaboration amongst relatively competitive stakeholders.
The plan also considers an average minimum investment by the private stakeholders. This assumes the ZAMTO administration will bring together the right stakeholders for each opportunity, based upon capacity and willingness to enter a particular market for the service lines selected, and to be involved in the type of a specific opportunity offered by a corporate or government buyer. Additionally, the plan assumes the recommendations for improving and validating the quality of services, adoptable during the first three years of operation.

Finally, the plan envisions business-to-business (B2B) and business-to-government (B2G) program development strategies, in addition to consumer marketing strategies. Consumer marketing for new markets is costly and ineffective at achieving inbound patient volume, especially without demonstrating some other attachment or tie to the target nations through affiliations, agreements with corporations, or in working with facilitators. In all cases, brand awareness generated through word of mouth referrals acquired through friends, family and referring physicians. Consumer marketing is available through several experienced firms; however, this is quite costly and generally the cost increases along with the number of service lines offered. For a hub and online portal to engage in consumer marketing, it should start with a list of the top five service lines (and potentially the largest funding and experience hub members) to generate early returns and build confidence in it.

Conclusion

This study and Zagreb Medical Tourism Strategic Plan analyzes the various conditions Zagreb has that may encourage and hinder the development of a sustainable medical tourism program. During the interview process, a series of challenges require resolution to create a sustainable Zagreb Medical Tourism Organization that benefits the city.

During the research phase of this study and in reviewing the responses to the stakeholder survey, there were important characteristics found to be present among the stakeholders:

- **Experienced and engaged stakeholders:** these were the ones involved in the industry, understand the delivery system of providing services to the medical tourism industry and have proven to be successful at attracting patients/business travelers.

- **Non-experienced but engaged stakeholders:** even though this type has not been active or been part of the industry at a very small scale, they recognize and understand the importance and benefits of expanding their business models into medical tourism.

- **Experienced but not engaged stakeholders:** this type proved to be difficult to approach as they were not willing to provide information based on fear of the competition or expressed that their business was fine without the need of participating in such an initiative. However, they expressed an interest in knowing the results of the study.

- **Non-experienced or non-engaged stakeholders:** this group proved to be the most difficult to approach as they do not know anything about medical tourism, understand their potential role in the industry or simply had no desire to participate. The interest in knowing the results of the study was mixed.

The most important concern expressed by engaged stakeholders presented was the question of the proposed support the program would get from the public and private groups. They considered a lack of education and lack of understanding of the benefits of a medical tourism
program as the most limiting factor prohibitive of receiving the necessary support to provide the best services or enter the industry fully and competitively.

To get as many stakeholders on-board, the plan involves first obtaining the necessary political support from the public sector, which may off stakeholders the confidence about the level of engagement they can expect, if they decide to participate in the medical tourism industry. A suggested model framework offering a way in which the public and private sectors can work together is highlighted in the Zagreb Medical Tourism Strategic Plan to ensure the cooperation and engagement necessary for success.

Despite the lack of interest or engagement that several key stakeholders presented, the excellent level of services provided by a select number of healthcare and hospitality specialists gives Zagreb the necessary tools for the development of the program without public support. This support can be achieved through one of the other optional structures for developing the Zagreb Medical Tourism Organization (ZAMTO), stressing priority to the experience, engagement, and quality of services presented by the stakeholders. A combination of these characteristics can exist with healthcare and hospitality providers in Zagreb, is at the helm of the marketing strategies on the initial phase of the plan.

Ensuring the best first impression of Zagreb must guide all efforts, as it will be the initial step in building a valuable brand. A cohesive and unified brand is needed, where all qualified stakeholders are part of a unified Zagreb effort and promote it as such. Individual efforts, even though they are effective for some, are seen as confusing by consumers, who come to the region attracted by features offered all over the region, but promoted independently. For this reason, the structure proposed in this plan offers the best alternative for unifying these efforts, with the goal of creating a brand that symbolizes quality.

It is essential that a public awareness campaign and education about medical tourism (and eventually wellness tourism) becomes and remains part of the plan, with the objective of communicating to stakeholders and the general public how the industry benefits the local economy and the community.

Hand in hand with education are capacity building activities such as training, licensing, certification and accreditation of providers, to ensure they remain current with the latest trends and development of the industry. They will be able to provide better services that create repeat business from patients, medical associations, athletes and all of those included in the target markets of the program.

There are several advantages Zagreb has over other destinations, such as natural beauty and cultural attractions as well as well-known healthcare service providers that have been working with inbound patients and companies for quite a few years (they have been doing it mainly organically through word-of-mouth). Hospitality and tourism program infrastructure are needed to improve the process to allow for more efficient management of visitor inflow. These efforts are an important component of the program to ensure all services run properly without interruption.

Zagreb has the opportunity to place itself as an important destination for a variety of services that cater to the medical tourism market. Prioritization of markets in Europe such as Germany, Italy, Austria, and Slovenia, with a goal of acquiring a mere 2 percent market share can create an economic impact for hospitality and medical services reaching almost USD 200 million based upon estimated market impact. Financial investment is recommended to build
and operate ZAMTO and to create continuity of the strategic plan and tap into bigger, harder to attain markets like the United Arab Emirates, Russia, and the United States.

A collaborative approach between the public and private sector is the most effective way to attract an inflow of patients and businesses into the city that creates opportunities for all participants by removing obstacles. Zagreb holds a potential positive outcome for the medical tourism industry and the potential to realize global levels of healthcare delivery in years to come for the world and most importantly, for its citizens who reside there.
Endnotes

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11 Health Tourism in the EU: A General Investigation 2017, Mainil et al., 2017
12 The European Parliament released report discussed many policy considerations that apply to spa, thermal and wellness tourism that have not been considered here due to the limited scope of the study. Specifically, joint promotion of wellness and spa was recommended. Regulation of procedures in medical tourism to prevent undesirable incidents is also recommended. It is unclear at the time of publishing this study whether Directive 2011/24/EU can be improved in its effectiveness of implementation in Croatia.
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Further work could be done to set standards for defining centers, based upon medical outcomes and the way a particular area of expertise is managed. It will allow for benchmarking medical outcomes and the ability to use true metrics to demonstrate healthcare quality improvement.

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