Asia-Pacific
Economic Cooperation

Synthesis and Proceedings of the APEC Seminar on Trade in Health Services

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Group on Services
Committee on Trade and Investment

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APEC # [xx]

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LIST OF ACRONYMS USED

APEC	Asia-Pacific Economic Cooperation
BIHC	Bureau of International Health Cooperation
CSR	Corporate Social Responsibility
DOH	Department of Health
DOT	Department of Tourism
DRG	Diagnosis-related Group
GATS	General Agreement on Trade in Services
GP	General Practitioner
ICT	Information and Communication Technology
IMF	International Monetary Fund
MSITS	Manual on Statistics of International Trade in Services
OECD	Organisation for Economic Cooperation and Development
TCR	Translational and Clinical Research
TWG	Technical Working Group
UNCTAD	United Nations Conference on Trade and Development
UNSD	United Nations Statistics Division
UNWTO	United Nations World Tourism Organization
UP	University of the Philippines
WHO	World Health Organization
WTO	World Trade Organization

PART I. SEMINAR SYNTHESIS

The seminar focused on three key challenges facing Asia-Pacific Economic Cooperation (APEC) members in terms of cooperation on trade in health services;

- Harnessing the linkages among the different modes of supplying trade in health services;
- Fostering trade and cooperation among APEC economies in the area of health services; and,
- Ensuring the integration of national health systems (public and private), in order for trade in health services to benefit marginalized sectors of society.

The seminar adopted the General Agreement on Trade in Services' (GATS) four modes of supplying services across borders (i.e. cross-border trade, consumption abroad, commercial presence, and temporary movement of natural persons) as a framework.

The first day was devoted to presentations and discussions on the factors that drive or facilitate trade in health services; as well as those that impede them. Group workshops were undertaken to discuss these factors as they relate to participants' economies. [Table 3. Summary of Workshop Discussions on Day 1 (February 9, 2010)].

The second day focused on presentations and discussions of issues on trade in health services. The main issues identified were as follows:

Table1. Trade in Health Services Issues, by mode of supply
Summary of Workshop in Day 2 (February 10, 2010)

Mode	Issues
• Cross-border trade	Opportunities in e-Health, connectivity (ICT infrastructure), standards, data privacy, malpractice & liability
• Consumption abroad	Insurance portability, quality assurance, standards, accreditation, malpractice & liability
• Commercial presence	Regulation, ease of doing business, taxation & incentives, investment facilitation, litigation, transparency
• Temporary movement	Mutual Recognition Agreements (MRAs), competencies of health professionals, cooperation agreements
• Issues across modes	Availability of cross-country data and information, promoting equity and efficiency

Across four modes, the participants identified two important issues:

(1) How to cooperate in ensuring the availability of reliable data and information on trade in health services; and,

(2) How can economies promote the economic benefits of trade in health services AND at the same time contribute to equitable health systems that provide quality, affordable and accessible health services to all.

The participants then decided on cooperation projects that they would recommend for APEC to pursue. These projects are the following:

Table 2: Proposed Projects for APEC Cooperation (based on results of Workshop on Day 2, February 10, 2010)

Proposed Project 1	
Title	Promoting investments in trade-related health care services among APEC members
Objectives	• To document and disseminate specific experiences with respect to investments in health care services, from the perspective of both originating countries (and investor-groups) and destination countries; • To identify and discuss lessons from these country-case studies and develop a toolkit for investments in trade in health care services; and, • To promote investments in trade in health services among APEC members
Actions required	(1) Develop specific country-case studies on foreign direct investments in health care services (focus on Malaysia, Singapore, Philippines, Thailand, US, and Australia); (2) Organize APEC seminar/workshop for disseminating case study results; based on workshop discussions, develop frameworks for promoting investments, highlighting: opportunities and drivers, barriers and risks, and facilitation mechanisms. (3) Develop and disseminate the investment tool kit.
Time-frame	Short-term (1-2 years)

Proposed Project 2	
Title	Enhancing cooperation on eHealth among APEC members
Objectives	• To document and disseminate specific country experiences with respect eHealth applications; • To identify and discuss how these lessons can help promote cross-border trade in eHealth among APEC members; and, • To develop and disseminate a toolkit for expanding cooperation in eHealth among APEC members.
Actions required	(1) Develop specific country-case studies on eHealth applications (focus on Australia, US, Korea, Chinese Taipei, Japan, Malaysia, and Thailand) (2) Organize APEC seminar/workshop for disseminating country-case study results; discuss how to promote cross-border eHealth applications; and develop frameworks for promoting cooperation in eHealth. (3) Develop and disseminate the eHealth tool kit.
Time-frame	Short-term (1-2 years)

Proposed Project 3	
Title	Enhancing cooperation on Data Collection and Dissemination on Trade in Health Services among APEC members
Objectives	• To promote a more relevant and uniform classification system and definition for Trade in Health Services among APEC members • To help ensure the availability of up-to-date, reliable, and comparable data on Trade in Health Services among APEC members
Actions required	(1) Convene a technical working group (TWG) to work on Trade in Health Services Statistics, consistent with current international efforts on improving the Manual of Statistics on International Trade in Services (MSITS)[1] (2) Conduct research on existing systems, mechanisms, and capabilities for measuring trade in health services among APEC members (3) Organize workshop to disseminate and discuss research results; develop framework for data collection and dissemination, including specific strategies and mechanisms (4) Implement data framework in specific countries; evaluate results; and revise data framework design (5) Conduct capacity building and advocacy programs among relevant stakeholders
Time-frame	Short-term (1-2 years)

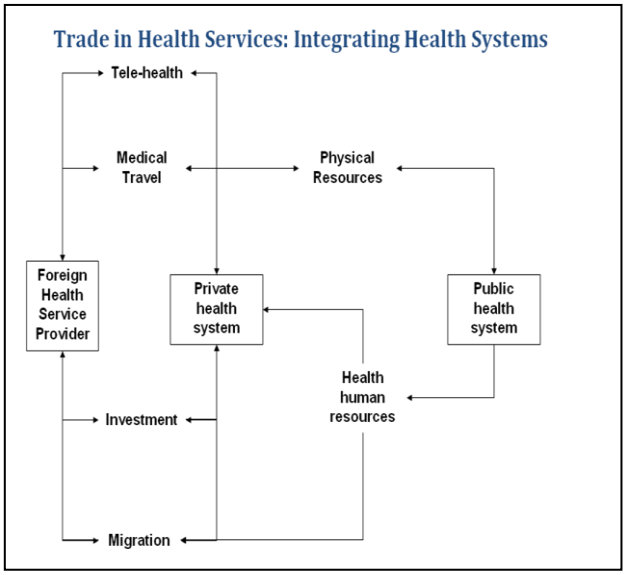
Proposed Project 4	
Title	Enhancing trade negotiating capacities of health ministries of APEC members
Objectives	• To promote more active participation of health ministries in trade in health services negotiations • To ensure commitments on trade in health services reflect overall health goals and priorities of APEC members • To promote cooperation on trade in health services among APEC members
Actions required	(1) Conduct training needs analysis on current capacities and gaps of health ministries, with respect to negotiations on trade in health services (2) Design a capacity building intervention, including case studies of experience of specific countries on trade in health services negotiations; link with initiatives of other multilateral/regional institutions (e.g. World Health Organization) (3) Conduct capacity building activity (4) Document results and disseminate lessons learned from capacity building activity
Time-frame	Short-term (1-2 years)

[1] A task force was established to elaborate the statistical requirements of the General Agreement on Trade in Services (GATS). It is convened by the Organisation for Economic Cooperation and Development (OECD), and consists of Eurostat, International Monetary Fund (IMF), the United Nations Conference on Trade and development (UNCTAD), the United Nations Statistics Division (UNSD), the United Nations World Tourism Organization (UNWTO) and the World Trade Organization (WTO).

Proposed Project 5	
Title	Promoting Networking activities among APEC members in the area of insurance portability
Objectives	• To promote a more detailed understanding of the importance of insurance portability, its attendant processes and mechanics, as well as important requisites (e.g. quality standards, etc.) • To share lessons learned by countries who have been successful in attaining international portability of insurance for their health services, focusing on the specific approaches and strategies they used • To help promote international portability of insurance among APEC members
Actions required	(1) Analyze status of insurance portability across APEC members (2) Conduct specific case studies of countries which were able to achieve international portability of insurance for health services (3) Organize and hold a fora for discussing results of country-case studies (4) Disseminate lessons learned from country-case studies
Time-frame	Short-term (1-2 years)

On the third day, discussions focused on the need to ensure that the pursuit of opportunities in trade in health services contributes to the availability of accessible, affordable, quality health care for all, especially the disadvantaged sectors of society.

Based on the discussions and the presentations, there are clear linkages between trade in health services and private health systems; but the linkage with the public health sector seems to be weak. Moreover, there is even danger of a one-way flow of resources and expertise from the public health system to the traded health services. Examples of these include (a) movement of public health workers and professionals to foreign countries, (b) transfer of public health workers and professionals to the private sector, which in turn is pursuing foreign markets, and (c) government specialty hospitals attending to foreign patients. (ref. Trade in Health Services and the Public Health System)



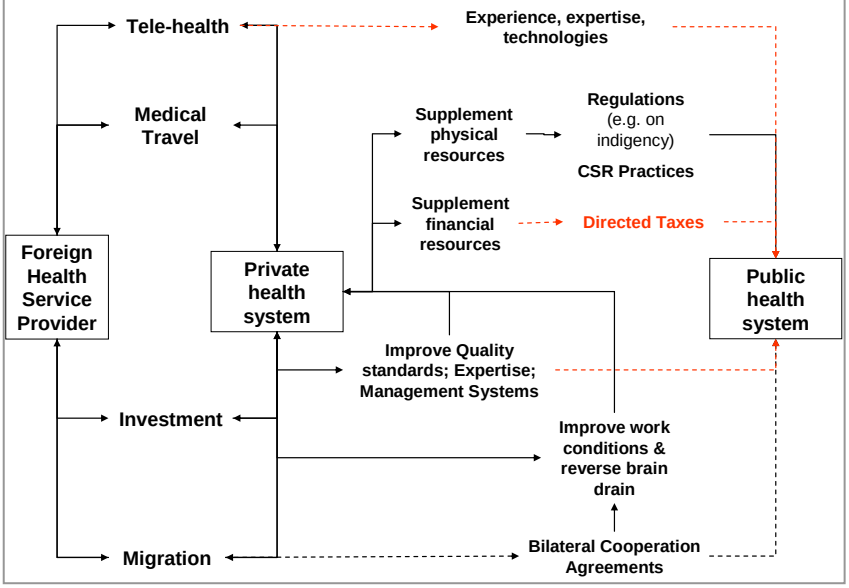
The discussions emphasized the need to enhance the linkages that promote the flow of resources from trade in health services to the public health sector. This

can be done either indirectly by going through the private health sector or directly by accessing resources from trade in health services.

Examples of how this can be done include: (ref. Trade in Health Services: Integrating Health Systems)

- harnessing the opportunities from eHealth in order to provide for greater access to geographically-remote, poor communities that are physically difficult to access;
- supplementing public health resources by taxing private facilities[2] that cater to foreign markets, or by requiring them to provide subsidized services to the poor (indigency requirements);
- pursuing bilateral cooperation agreements on movement of health human resources, that require recruiting foreign countries or institutions to supplement resources of sending (local) institutions, to be used to maintain a steady pool of workers and professionals under training or to prepare for the re-integration of returning health workers; and,
- providing mechanisms for transferring improvements attained in service delivery quality and standards from the private sector (e.g. internationally-accredited health facilities) to the public sector, including management systems and clinical expertise.

Fig. 2. Trade in Health Services: Integrating Health Systems



As a highlight of the seminar, the participants issued a Joint Statement on Health Services and Trade (Annex 26. Joint Statement on Health Services and Trade). This Statement, presented by the participants to the Philippine Government, will provide a framework to the cooperation projects recommended as a result of the Seminar.

[2] Though this is currently being done in APEC members, the proceeds are remitted to the general budget and are not specifically directed to the public health sector. The public health system will then have to compete for resources with other sectors through the regular budget appropriation process. A tax that can be directed specifically to the health sector can be a more certain way of establishing direct linkage between public health and trade in health services.

Table 3. Summary of Workshop Discussions on Day 1 (February 9, 2010)

	Common Examples	Impeding factors	Facilitating factors	Opportunities	Mitigating risks	Impacts on Health System
Mode 1	Tele-prescription; Tele-consultation (video-conferencing); Tele-pathology; Medical transcription; Tele-education	- Lack of domestic capital - Lack of capacity by domestic human resources - Lack of standards - Lack of legal framework to address professional liability	- Reliable digital infrastructure - Effective regulations - Verification process (electronic signature) - Standards and accreditation - Human resource capability	- Additional income & capital flows - Technology transfer - Capacity-building for providers - Linkages (networking among institutions) - Competition provides opportunity to improve standards and develop safeguards - Access to technology for the underserved population	- Make tele-health services available to all - Subsidize price for lower income	
Mode 2	Medical; Surgical; Diagnostic; Dental; Traditional	(possible solutions in parentheses) - language (have training/liaison officer) - cost/price transparency (develop common source of information) - travel (group travel; assessment; Med. Evac.) - border control issues (medical visa/visa on arrival) - accuracy of info (telemedicine; presence of local GP) - expectations on level of quality (medical procedures; accreditation; service STAR rating) - liabilities & risks - service collaborations in product development - access to market		- Inter-economy collaboration, e.g. comparability of data & statistics; readiness for international markets	- Continuous assessment of present and long-term expectations - Government to assume responsibility (governance) - Government & Private sector Partnership	- <u>Positive:</u> Increase income per capita; enlarge economy; increase job opportunities; increase clinical patient data; opportunity to develop skills - <u>Negative:</u> Brain drain; demand for equality by foreign patients; increase in cost of healthcare; loss of income (for sending countries); loss of local skills

	Common Examples	Impeding factors	Facilitating factors	Opportunities	Mitigating risks	Impacts on Health System
Mode 3	- Equity in hospitals, clinics	- Foreign equity limitations - Legal limits on the practice of profession by foreigners	- Investment incentives	- Infusion of foreign capital - Transfer of technology and knowledge	- Make health services available to all - Subsidize price for lower income	
Mode 4	Doctors; Nurses; Physical therapists; Occupational therapists; Medica; technologists; Radiology technologists; Technicians; bio med engineers; physicists	- Accreditation & standards - Language - Transportation cost - Immigration requirements - Close family ties	- Better remuneration - Access to technology & telecommunications - Job opportunities - Presence of family members who can provide support	Multiplier effect of remittances	- Improve standards - Strengthen health ministries - Assessing quality of health care - Encouraging other stakeholders to invest more and to generate more employment	Positive impact in health system of receiving countries Costly for sending countries – health workers leave upon being trained; difficulty to develop core group of professional health workers

PART II. SEMINAR PROCEEDINGS

A. Introduction

1. The Philippines proposed to hold the Seminar on Trade in Health Services among APEC members, with the twin objectives of: (a) understanding the factors that facilitate or inhibit health services trade and investments (including sound regulation); and (b) sharing of experiences on the opportunities and risks in trade in health services liberalization, especially its impact on national health systems. Thailand, Indonesia and Singapore co-sponsored the seminar, which was undertaken under the APEC Working Group on Services.

2. The Seminar was in response to current challenges faced by economies of ensuring that pursuit of opportunities in trade in health services (e.g. medical tourism, tele-health, migration of health professionals, foreign investment in health facilities, etc.) are undertaken within the context of public health objectives, i.e. that it does not harm public health objectives and even contribute to the delivery of accessible, affordable, effective, quality health services to disadvantaged sectors of the population.

3. There were 31 participants and 11 speakers and resource persons, three convenors, and five members of the Seminar Secretariat. The economies represented (by the participants and the speakers/resource persons) were: Australia, Brunei Darussalam, People's republic of China, Malaysia, Philippines, Singapore, Thailand, the United States, and Vietnam. There were also two presenters from the World Health Organization (WHO). A list of the participants and resource persons can be found in Annex 1.

4. The three-day Seminar was designed, to include presentations, discussions, site visits and workshops. It adopted the General Agreement on Trade in Services' (GATS) four modes of supplying services across borders (i.e. cross-border trade, consumption abroad, commercial presence, and temporary movement of natural persons) as framework. A copy of the program is attached as Annex 2.

B. Opening Ceremonies

5. The Seminar opened as Hon. Edsel T. Custodio, Undersecretary for International Economic Relations and Philippine Senior APEC Official of the Department of Foreign Affairs (DFA), and Dr. Paulyn Jean Rosell-Ubial, Assistant Secretary, Field Implementation Management Office of the Department of Health (DOH), respectively extended warm welcome to the participants. (Annex 3. Welcome Remarks)

6. Ms. Maylene Beltran, Director of the Bureau of International Health Cooperation (BIHC) of the DOH then gave a presentation that detailed the

context of the seminar; its overall objectives; the methodologies that will be employed; the presentations, discussions, workshops and site visits that will be held; and, the final outputs to be expected. (Annex 4. APEC Seminar on Trade in Health Services: An Overview)

C. Seminar Presentations

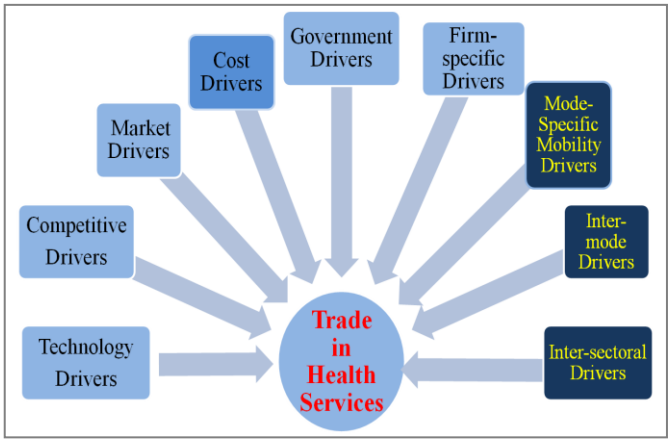
i. Day One: Factors that Facilitate or Impede Trade in Health Services

7. The first Seminar presentation was given by Ms. Catherina Maria Elisabeth Timmermans, Technical Officer for IPR and Trade and Health of the South-East Asia Regional Office and Western Pacific Regional Office of the WHO. She gave an overview of the GATS framework as it applies to trade in health services. (Annex 5. GATS & trade in health services: a brief overview)

8. Ms. Timmermans next presented the WHO's diagnostic toolkit, including experiences in using it. The toolkit aims to help countries enhance the linkage between trade in health services and their public health objectives. The toolkit was borne out of *World Health Assembly (WHA) Resolution 59.26: International Trade and Health*, which calls on WHO Member States to ensure that health and trade are balanced, and:

    a. to promote intersectoral dialogue and establish coordination mechanisms;
    b. to adopt policies, laws and regulations to harness the opportunities and address the challenges;
    c. to generate coherence in trade/health policies;
    d. to develop capacity to track and analyse the impact of trade and trade agreements on health.

    To pursue the objectives of the resolution, countries need to undertake comprehensive national assessment of issues at the interface of trade and health. This requires knowledge about international trade agreements and how they operate; as well as an analytical framework to systematically analyze the health implications of trade. (Annex 6. A diagnostic tool on trade and health: background, update and experiences).



9. Dr. Amir Mahmood, Associate Professor in Economics and International Business of the University of Newcastle, Australia, discussed the

health services linkages among different modes of supply and across sectors. He elaborated on the characteristics of services (e.g. intangibility, non-storability and inseparability of healthcare services) and linked these with their implications on how health services are supplied (e.g. four modes of supplying services under the GATS). He also discussed the drivers that impede or facilitate trade and investments; dissecting and analyzing these drivers according to the following categories: technology, competitive, market, cost, government, and firm-specific. Prof. Mahmood also introduced the concept of mode-specific mobility drivers, inter-mode drivers, and inter-sectoral drivers.

Prof. Mahmood concluded by identifying the factors that will play crucial role in health services trade:

- Quality and quantum of human capital
- Services trade liberalisation and domestic reforms
- Changes in global/regional demand and responsiveness to change
- Market sector selection and resource deployment
- Exploitation of inter-mode and cross-sectoral linkages
- Emergence of efficient and value enhancing healthcare value chain involving inter-modal and cross-sectoral linkages

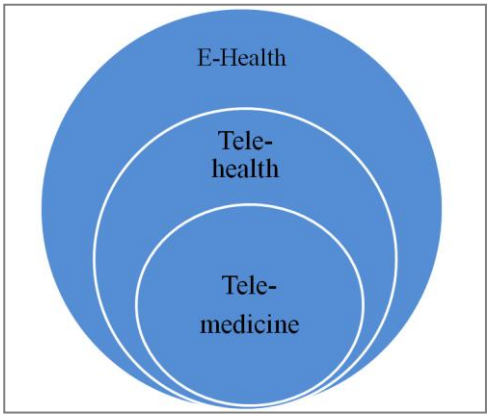
(Annex 7. Trade in Health Services: Linkages Across Modes and Sectors)

10. Prof. Mahmood then shared the experience of Australia in tele-health. As a useful starting-point, he distinguished between e-health, tele-health, and tele-medicine.

    a. E-Health: refers to the use of ICT in health sector for clinical, educational and administrative purposes, both at the local site and at a distance.

    b. Telehealth: refers to the application of ICT to provide (at a distance between two or locations) health-related activities such as: diagnostic and treatment services, educational and support services, organisation and management of health services.

    c. Telemedicine: refers to that subset of tele-health that deals with medical diagnostic and treatment services.



He cited the main drivers of tele-health as follows:

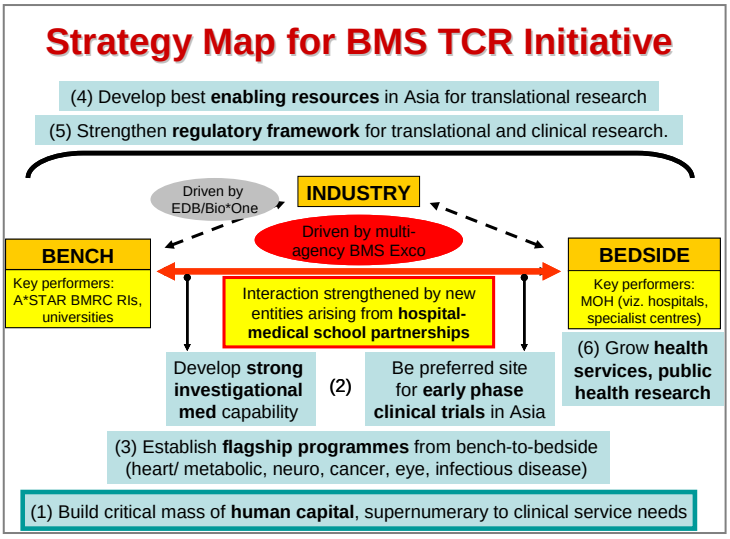
- Advances in telecommunications technologies
- Increased separability of services from their production process
- Declining costs of electronic delivery
- Increased awareness & ease of use
- Reliability of tele-health systems
- Availability of Information and Communication Technology (ICT) and medical infrastructure, resources, and competencies
- Resource deployment and market selection (medical transcription by India and the Philippines)

He also identified the risks involved in cross-border trade in tele-health services, as follows:

- Data transmission, confidentiality and information security
- Professional responsibility
- Patients' rights and consent
- Reimbursements/payments
- Liability for negligence and abandonment
- Potential for fraud and abuse
- Secure access concerns

(Annex 8. Challenges in Tele-Health & Cross-border Supply & the Australian Context)

11. An overview of Singapore's biomedical initiatives was given by Dr. Loke Wai Chiong, Director of the Health & Wellness Programme Office, Ministry of Health (Singapore). Dr. Chiong presented Singapore's experience in Translational and Clinical Research (TCR), tracing the development of the country's biomedical sciences initiative and revealing its strategy for TCR. He emphasized the need for developing a critical mass of human capital for TCR through:
    a. Attract outstanding clinician-scientists from overseas
    b. Encourage local clinicians to engage in clinical research
    c. Develop strong pipeline of clinician-scientists and clinician-investigators



In terms of strategy, Dr. Chiong enumerated Singapore's strategy as:

a. Build critical mass of **human capital**, supernumerary to clinical service needs
b. Be preferred site for **early phase clinical trials** in Asia; Develop **strong investigational medical** capability
c. Establish **flagship programmes** from bench-to-bedside (heart/ metabolic, neuro, cancer, eye, infectious disease)
d. Develop best **enabling resources** in Asia for translational research
e. Strengthen **regulatory framework** for translational and clinical research.
f. Grow **health services, public health research**

(Annex 9. Overview of Singapore's Biomedical Sciences Initiative)

12. The last presentation of the first day was given by Mr. Ruy Y. Moreno, Director for Operations-Private Sector of the National Competitiveness Council/PPP Task Force on Globally Competitive Philippine Service Industries (Committee on Health and Wellness). He highlighted the unique value propositions of the Philippines as a health and wellness tourism destination, including—among others—its location, English-speaking population, excellent medical professionals, high-quality medical facilities (internationally-accredited), cost competitive services, its unique care-giving culture, etc. (Annex 10. Medical Health Travel and Wellness: Case of the Philippines)

13. Group workshops were undertaken to discuss the factors that drive or facilitate trade in health services; as well as those the impede them. The workshops provided participants with the opportunity to discuss these factors as they relate to participants' economies. (Annex 11a. Workshop Guidelines; Annex 11b. Workshop Groupings)

ii. Day Two: Issues in Trade in Health Services

14. The second day of the seminar began with a brief review and summary of the discussions in the first day, presented by one of the Convenors, Mrs. Maria Cherry Lyn S. Rodolfo, Senior Economist at the University of Asia and the Pacific.

[Annex 12. APEC Seminar on Trade in Health Services: Highlights of Day 1 (February 9, 2010)]

15. Outputs of the two workshop discussion groups were then presented. (Table 3. Summary of Workshop Discussions on Day 1 (February 9, 2010)

16. Mr. Todd Nissen, Director for Services Trade Negotiations, Office of the United States Trade Representative, then presented on Borderless Medical Travel in APEC. He provided insights and statistics on the size of the US medical travel industry, highlighting factors that facilitate medical travel: quality assurance, networks facilitated by open investment, and E-health. On the other hand, Mr. Nissen enumerated the factors that hinder E-health: technical barriers at national and regional/global levels, such as non inter-operability of hardware, software and connectivity; lack of accepted standard in e-Health application; and harmonization of data privacy policies, including those involving use of third-party data storage (e.g. the cloud) (Annex 13. Borderless Medical Travel in APEC)

17. Dr. Veerachat Petpisit, Deputy Marketing Director, Bangkok Hospital Medical Center, then shared the experience of developing economy (Thailand) in securing international portability of insurance. He differentiated between health insurance products that provide global coverage (e.g. AIG, Cigna, CFE, Daman, Vanbreda, Lawton, etc.) and travel insurance (through assistance companies, e.g. International SOS, AXA Assistance, Mondial Assistance, CEGA, Euro-Center, etc.). He also highlighted the important points in the insurance business: Provider-Payer Business Agreements, Health Care Standards and Codes, Claims processes, and the Utilization Reviews. He ended by recommending the adoption of: common litigation place or standards, common standard of care, and a Common DRG (diagnosis-related group) system.

    [Annex 14. Insurance Portability and Trade Facilitation: Benefits, Barriers, Solutions and Agenda for APEC Cooperation (Experience of Developing Economies as Receiving Countries)]

18. Dr. Petpisit then shared Bangkok Hospital Medical Center's experiences in investing abroad. He advised on the need to understand the following: the market, the political and economical environment, and the business environment. In establishing foreign presence, the key issues he highlighted were: finding the right partner, understanding the taxation policies, income repatriation, medical licensing, local regulations and the regulatory authorities, and the extent of governmental support.

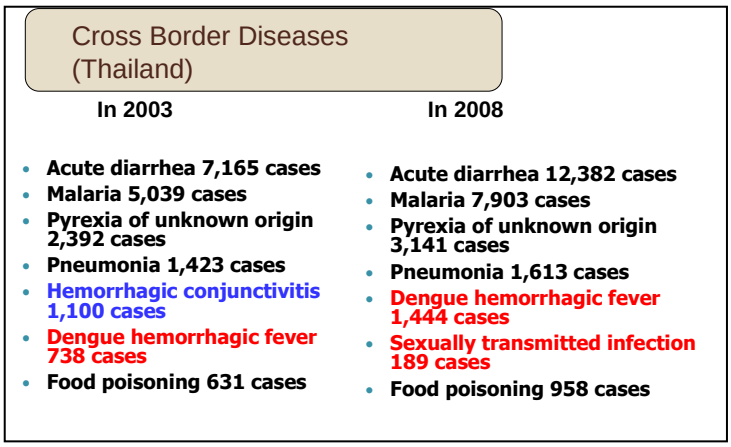
    [Annex 15. Experiences in Establishing Overseas Presence (Thailand)]

19. Dr. Songphan Singkaew, Policy and Plan Analyst, Senior Professional Level, Bureau of Policy and Strategy, Office of the Permanent Secretary, Ministry of Public Health (Thailand), discussed the impact of medical tourism on the public health system of Thailand. As a background, she mentioned that in 2008, Thailand had about 1.3 million foreign patients, of which 58.6% are medical travelers and general travelers and 41.4% are expatriates.

Dr. Singkaew emphasized the existence of two different health market segments: Private hospitals, which cater to foreign patients and a small number of well-off local customers; and Public health facilities that cater to local Thai patients. She discussed that medical tourism may reduce local Thais' access to health care services; and open the possibility of internal brain drain (i.e., doctors from government hospitals moving to private health institutions). She concluded that if brain drain does occur, this will affect primarily the medical specialists and not the General Practitioners (GP). While GPs from government hospitals may get the chance to work in a private hospital, only a few will be able to work as permanent employees. Thailand has strict regulations on public doctors joining the private sector; and specialists also find prestige in practicing in big government hospitals.

20. Dr. Singkaew also shared Thailand's experience in cross-border illnesses, especially as the country has a significant number of migrant workers. She noted the relatively higher incidence of sexually-transmitted diseases.

(Annex 16. Impact on Public Health and Policy Responses: A Case of Thailand)



21. Mr. Theo Seiler, Chief Executive Officer of the Asian Hospital and Medical Center, discussed the experience of Asian Hospital in terms of its impact on public health. Mr. Seiler argued that, in general, foreign investments contribute to public health by: (a) providing international expertise, (b) providing access to management resources, (c) generating new/more job opportunities, (d) reducing the "brain-drain" problem (e.g. nurses), (e) enhancing transfer of "know-how," and through all of these, (f) improving the public health situation.

He also highlighted some of the potential obstacles to attracting investments in Asia, including: red tape and corruption, the legal system, restrictions on capital flow (dividends, repatriation of capital), cross-border borrowings, taxes (income taxes, WHT, VAT, etc.), and tax audits (with unreasonable audit results).

In the Q&A portion, Dr. Anthony Calibo, Philippine Medical Tourism Program Manager and assigned at the Office for Special Concerns - DOH, added that corporate social responsibility (CSR) projects of private hospitals can also contribute to improving the public health situation; while Dr. Elmer Punzalan, Assistant Secretary of Health. Office for Special Concerns – DOH, cautioned

against generalizing comments on corruption and instead requested for information on specific corruption-related experiences so these can be addressed.

(Annex 17. Impact of Foreign Investments on Public Health: A Philippine example)

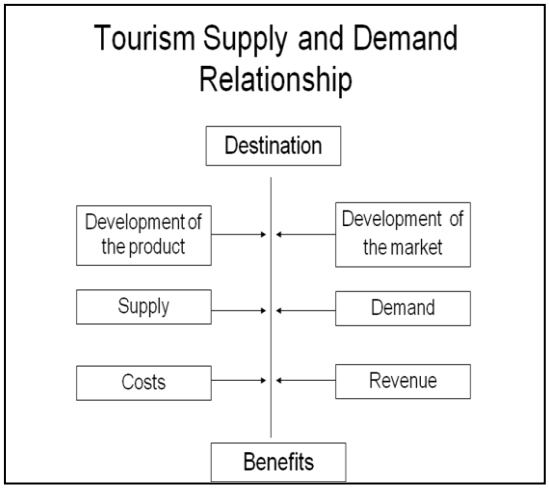
22. Atty. Genesis M. Adarlo, a Consultant of the DOH, then shared *"Experiences on Registration of Medical Tourism Ecozones in the Philippines."* He discussed the legal requirements for registering medical tourism zones and in availing of fiscal [e.g., four-year income tax holiday and payment of five percent gross income tax on income (in lieu of all national and local taxes), tax and duty-free importation of medical equipment] and non-fiscal incentives (employment of foreign nationals and Special Investor's Resident Visa).

    During the Q&A it was clarified that the incentives are only applied to the portion of the medical facility's operation relevant to (or its income derived from) servicing foreign patients. It was pointed-out that this may be the reason why a limited number of stakeholders have registered and availed of the incentives.

    (Annex 18. Experiences on Registration of Medical Tourism Ecozones in the Philippines)

23. Ms. Cynthia Lazo, Director of Wellness and Health, Philippines Department of Tourism, Philippines (DOT), shared the Philippines' experience in medical tourism and travel, including the country's unique positioning strategy. As a tool for measuring the size and contribution of health and wellness tourism, Director Lazo discussed a 2009 Taylor Nelson Sofres survey on medical tourism. This survey captured data covering nine (9) DOT-Accredited institutions and was administered by the DOT through a survey questionnaire.

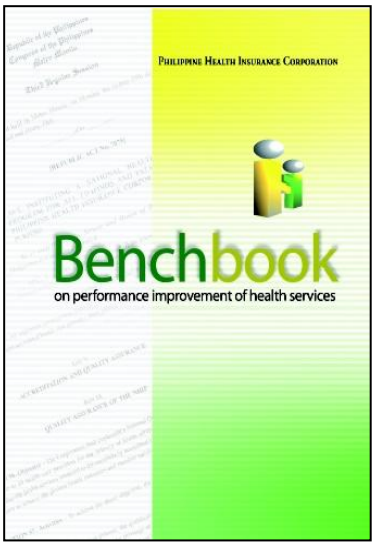
    Director Lazo also shared that the DOT and the National Statistics Office, with the support of the DOH, are embarking on a Survey of Tourism Establishments in the Philippines (STEP), which seeks to capture both demand-and supply-side information related to tourism (including medical tourism). Establishments to be covered include: those providing accommodation, transportation companies, restaurants, travel agencies, tour operators, tertiary hospitals for medical tourism, ambulatory clinics, spa, and ESL (English as Second Language) institutions.



(Annex 19. Trade in Health Services Statistics: Case of the Philippines)

24. Dr. Shirley Domingo, Vice President for Health Finance Policy Sector, Philippine Health Insurance Corporation (PhilHealth), then presented the Philippines' experience measuring the quality of health care services through accreditation of health care providers and facilities. She emphasized the importance of accreditation in promoting the following dimensions of quality in health services: safety, effectiveness, efficiency, appropriateness, accessibility, and consumer participation.

    Dr. Domingo shared PhilHealth's Benchbook, which contains indicators for quality in the following performance areas: patient rights and organizational ethics, patient care, leadership and management, human resource management, safe practice and environment, and performance improvement. She further shared that the indicators were developed through several consultative meetings, where the stakeholders themselves suggested indicators for each performance standard and criteria.



    [Annex 20. Measuring Quality of Health Care through Accreditation of Health Providers and Facilities Philippines)].

25. Dr. Kenneth G. Ronquillo, Director of the Health Human Resource Development Bureau of the DOH discussed the Philippines' experience in ASEAN Mutual Recognition Arrangements. He identified the following challenges in pursuing MRAs: reluctance on engaging in MRAs, non-familiarity with MRAs, lack of budgetary support by lead stakeholders, domestic laws and regulations are not updated to support MRAs, and collaboration among both public and private sectors still have to be institutionalized.

    (Annex 21. ASEAN Mutual Recognition Arrangements: The Philippine Experience)

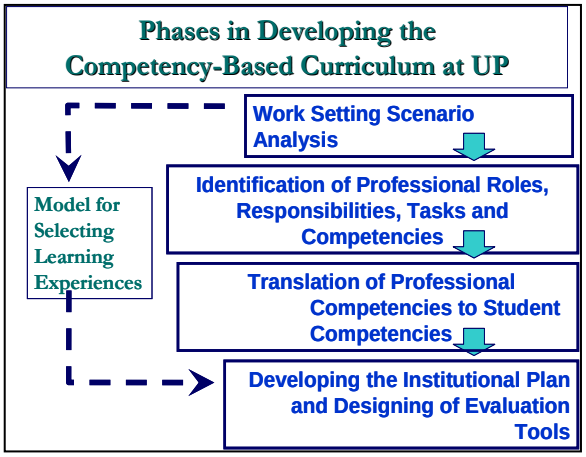
26. Ms. Kathleen Fritsch, Regional Adviser in Nursing for the WHO Office for the Western Pacific, then discussed the liberalization of practice of health professions. She presented both its positive and negative potential effects. For positive effects, she cited: opening of new employment opportunities, mitigating unemployment, contributing to economic growth, enhancing stability by providing employment, and increasing remittances. However, liberalization of practice of profession can also lead to: higher costs of health services and supplies, lower quality of services, health personnel shortages

due to increased migration and/or urban concentration, and reduced access to services by remote or vulnerable populations.

Ms. Fritsch discussed the core health professional competencies needed to address population health needs as follows:

- Epidemiology, health determinants, public health
- Communication (verbal and non-verbal—direct, indirect use)
- Inter-professional collaboration, team-building and teamwork
- Community partnerships, empowerment
- Accountability, organizational effectiveness
- Entry to practice safety in increasingly complex practice environments
- Continuous Quality improvement
- Cost analysis; health economics
- Cultural competence
- Health promotion, disease prevention
- Strategic planning, policy-making
- Mobilization, advocacy, coalition-building
- Evidence-base for practice

She then cited the example of the University of the Philippines (UP) in terms of developing competency-based curriculum.



(Annex 22. Liberalization of Professional Practice: Moving Forward Across Borders to Improve Access, Service Delivery, Population Health Outcomes)

27. Prof. Fely Marilyn Lorenzo, Director of the Institute of Health Policy and Development Studies of the National Institute of Health, UP College of Public Health, then shared how bilateral cooperation agreements can be used to attain the following policy goals in the temporary movement of health human resources: equity, effectiveness, efficiency, and security & safety. These cooperation agreements were or are being pursued according to the following principles: beneficial for source-country, destination and migrant individuals and families; efficient and effective use of investments; equity and access to opportunities and resources; efficient and transparent governance; and effective and acceptable collaboration mechanisms. Prof. Lorenzo emphasized that negotiations being pursued by the Philippines may even provide a model for bottom-up global development.

(Annex 23. Cooperation Agreements to Address Equity Issues: Case of the Philippines)

28. To better appreciate the challenges of linking opportunities in trade in health services to the delivery of accessible, affordable, effective public health services, the presentations were followed by visits to two hospital facilities: the Vicente Sotto Memorial Medical Center (a general, tertiary-level, government-owned hospital) and the privately-owned, internationally-accredited Chong Hua Hospital.

29. In the evening, Mr. Ceferino Rodolfo, one of the Convenors, discussed the guidelines for the evening workshops. The participants engaged in group discussions until 11:30 in the evening of the second day.

    (Annex 24. Workshop Guidelines for Day 2, February 10, 2010).

iii. Day Three: Synthesis and Recommendations

30. Mr. Ceferino Rodolfo began the third day with a review of the activities of the second day. This was followed by a presentation of the group workshop results, highlighted by the projects being proposed by the participants.

    [Table 2. Proposed Projects for APEC Cooperation, based on results of Workshop on Day 2 (February 10, 2010)]

31. Atty. Anthony Amunategui Abad, EU Trade Policy Expert of the Trade Related Technical Assistance (EU TRTA) Project 2, reviewed the relevant provisions of the GATS as it applies to health services. He emphasized that there are not much movement in trade in health services commitments under the GATS.

    (Annex 25. General Agreement on Trade in Services (GATS): Health Services)

32. Ms. Joyce Socao-Alumno, Consultant of the Philippine Department of Tourism (Office for Sports & Wellness Tourism) and Secretary General of the Health & Wellness Alliance of the Philippines, then related the experience of the Philippines in terms of the advances, risks, barriers & policy challenges in medical travel. She shared global data on medical tourism, including the relative size of medical travel in selected Asian countries and information on Americans who travel for medical reasons. Among potential risks, Ms. Alumno identified equity in healthcare delivery, malpractice claims, as well as: confidentiality of data, internal brain drain, dependence on revenues derived from foreign patients, migration of healthcare workers, false claims and advertising to attract foreign patients, exploitation of poor citizens by people

who come and retire in the country, and follow-ups, complications and post-operative care. While she also mentioned organ transplantation tourism as a risk, this however was already addressed by a Philippine government regulation banning living non-related organ donation.

(Annex 26. Advances, Risks, Barriers & Policy Challenges in Medical Travel: Focus on the Philippines)

33. A synthesis of the Seminar was then presented by Mr. Ceferino Rodolfo, including (a) the issues discussed in the workshops, (b) the potential projects identified, and (c) the linkages between trade in health services and public health. Mr. Michael Lyndon Garcia of the Office of the Undersecretary for International Relations, APEC National Secretariat, Philippine Department of Foreign Affairs, was requested to give a background on the process for recommending cooperation projects in the APEC.

(Annex 27. APEC Seminar on Trade in Health Services: A Synthesis)

34. The participants then presented to the Philippine government a joint-statement on health services and trade. The participants were represented by Dr. Veerachat Petpisit, (Thailand); while the joint statement was received by Dr. Nemesio T. Gako, Assistant Secretary of the Philippine Department of Health. The joint statement emphasized the need to pursue cooperation projects *"that ensure the optimal development of international trade in health services in a manner that significantly contributes to the overall improvement of national and APEC-wide health systems, in terms of providing safe, high quality, effective, affordable, and accessible health services to all, especially to the disadvantaged segments of society."*

(Annex 28. Joint Statement on Health Services and Trade)

35. Dir. Kenneth Ronquillo presided over the Closing Ceremonies. In his Closing Remarks, Assistant Secretary Gako thanked all for their active participation and promised to take the suggested projects forward and work towards their implementation. Certificates were then awarded to the seminar participants.

(Annex 29. Closing Remarks)