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Trade in health-related services

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The supervision of a domestic health system in the context of the trade environment in the 21st century needs a sophisticated understanding of how trade in health services affects, and will affect, a country's health system and policy. This notion places a premium on people engaged in the health sector understanding the importance of a comprehensive outlook on trade in health services. However, establishment of systematic comparative data for amounts of trade in health services is difficult to achieve, and most trade negotiations occur in isolation from health professionals. These difficulties compromise the ability of a health system to not just minimise the risks presented by trade in health services, but also to maximise the opportunities. We consider these issues by presenting the latest trends and developments in the worldwide delivery of health-care services, using the classification provided by the World Trade Organization for the General Agreement on Trade in Services. This classification covers four modes of service delivery: cross-border supply of services; consumption of services abroad; foreign direct investment, typically to establish a new hospital, clinic, or diagnostic facility; and the movement of health professionals. For every delivery mode we discuss the present magnitude and pattern of trade, main contributors to this trade, and key issues arising.

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Introduction

Health services have become increasingly traded in recent years because of advances in information and communication technologies, increased international mobility of service providers and patients, and growing private-sector participation.[1] Development of the international trading system in other service sectors, together with formalisation of services trade within the World Trade Organization (WTO) under the auspices of the General Agreement on Trade in Services (GATS), has generated additional impetus for countries to consider their trading position with respect to health services.[2,3]

Some view this development as the final step in deconstruction of national social-health systems, and others as the means to develop and expand the range and quality of health services offered to their populations.[4–7] However, difficulties with definitions and collection methods exist, with no historical imperative for routine data to be disaggregated into health-sector categories, and insufficient human and physical capital in many countries to gather the required data. These reasons make systematic comparative data for amounts of trade in health services difficult to gather. Further, trade negotiations traditionally involve people concerned with trade, finance, and foreign affairs, in isolation from health professionals. Together, these two factors compromise the ability of a country to minimise the risks and maximise the opportunities presented by trade in health services.[8]

We consider these issues by presenting the latest trends and developments in the worldwide delivery of health-care services. Notwithstanding data restrictions and difficulties in interpretation, an overview of present patterns of trade and major contributors is presented, with emerging trends and factors facilitating and constraining trade taken into account.

GATS four modes of service delivery

Panel 1 shows the four modes of service delivery. Although this classification is useful for structuring discussion, it is not comprehensive, and most trade voluntarily emerged and is independent of GATS (less than 40% of WTO members committed to opening the health or education sectors and most to ratifying existing commitments, compared with more than 90% for tourism, financial, and telecommunication sectors). Thus, we will consider trade in health services overall, rather than that specifically under the auspices of GATS.[12] Furthermore, implications for health and health systems arise from the liberalisation of trade in other sectors—eg, an increase in the presence of foreign health-insurance firms, and the portability of health insurance between countries (which would greatly free up trade in health services across all modes of delivery), is covered under the financial-service and insurance-service sector under GATS. Thus, consideration of the health-services sector is necessary, but not sufficient, to understand the implications of trade liberalisation, policy, and agreements for health and health systems. However, discussions of these other sectoral effects on health are beyond the scope of this paper.

Mode 1: cross-border supply of health services

As technology advances and communication becomes faster and cheaper, many health systems have embraced e-health (panel 1) to improve efficiency, quality, and flexibility in their domestic health system (although a substantial gap exists between developed and less developed countries in their ability to access and use such services).[13] Teleradiology is a prime example, by which the shift from hard copy to digital imaging has enabled the remote storage, interpretation, and access of such images.[14,15] Once national systems are thus enabled, access to such images can feasibly be expanded beyond national boundaries. However, data for e-health between countries