



SURPRISE
ARIZONA

The Feasibility of Cross-Border Healthcare for Canadians in Surprise, AZ

March 2, 2018

INTRODUCTION

- **Background**: Surprise International initiative
- **Leadership**: Taskforce Co-Chairs Jeanine Jerkovic (Surprise), Marc Kealey (Canada)
- **Product**: Feasibility Study, Multi-Phase Pilot:
 - 2017-2018 Phase 1 Market Feasibility;
 - 2018-2019 Project Scope, Funding, Implementation
- **Purpose**: Provide a fundamental service to an existing market

Phase 1 Feasibility Criteria

Surprise-Canada Taskforce Evaluation:

- Market Analysis
- Surprise location / willing host
- Healthcare Infrastructure for Canadians
- Role of First Nations
- Medical Offering / Product



The Portability Concept

Cross-Border Healthcare Precedents:

- The EU / even post-Brexit
- Australia
- US military



Existing Delivery in US to Canadians:

- Out-of-pocket
- Medical travel insurance
- Covered procedure not available in Canada
- Medical evacuation / emergency
- Buy a one-way ticket “just in case”



Market Analysis

Strong Secondary Support Data

- Growing medical travel Canada-to-AZ:
 - Est. 17,500 medical visits to AZ annually
 - Est. \$42 M in AZ annually spent by Canadians; not necessarily the wealthy
- AZ reputation for medical service excellence
- Over 65's in Canada > under 14's for first time / median age rising, now 41.2 years
- US = most-visited nation by Canadians / AZ = 8th most visited state by Canadians after Hawaii



Market Analysis

- **Medical Travel = Sleeping Giant:**
 - \$100 Billion Global Industry (Visa/Oxford Economics, 2016)
 - Est. 25% year-over-year+ by 2025
 - Dominated by over 65 cohort; will double to 180 million trips / year
 - US = largest medical travel destination

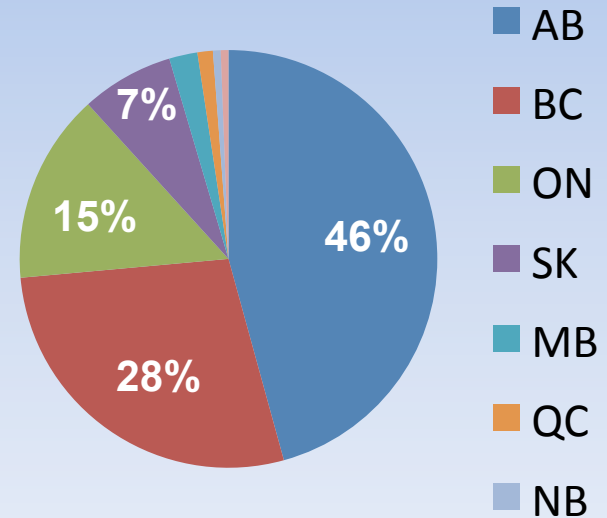


Surprise Market Analysis

Primary Data: Survey

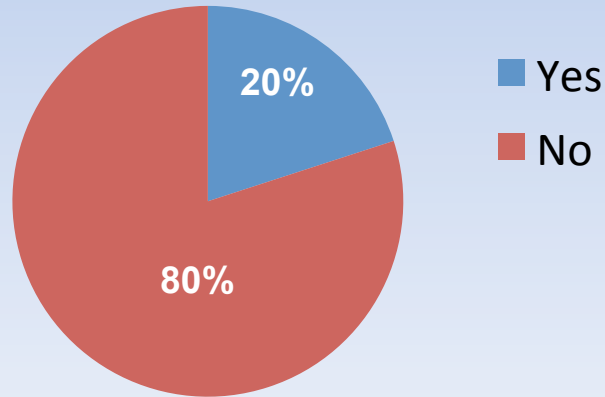
- Target: Canadian visitors of all ranges to Arizona
- Mid-December 2017 thru mid-January 2018
- 1,200+ postcards to Surprise residents owned by Canadians, plus outreach and Social Media drew **657 responses**

Survey respondents

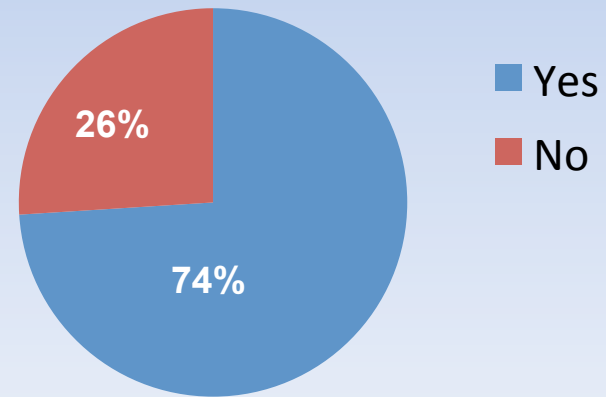


Surprise Market Analysis

**In last 10 years or less
have you left Canada
w/ primary goal of
healthcare?**



**In last 10 years or less,
have you received
healthcare outside of
Canada?**



Surprise Market Analysis

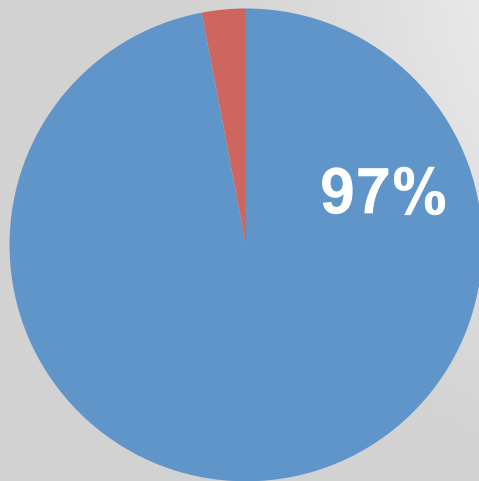
Survey – Healthcare Received:

- **What:** Mostly Dental (47.6%), followed by Urology, Orthopedics, ENT, Oncology, Radiation/Medical Oncology
- **Where:** Mostly in AZ, followed by USA, Mexico
- **How / Payment:** 53.3% Out-of-Pocket, 45.6% Travel Insurance, followed by “other” or emergency



Surprise Market Analysis

Would the option of a fully reimbursable Canadian service in AZ be of interest?



■ Yes

■ No

Any accompanying specifically “Canadian-friendly” services that we can provide?

- 34.9% Rec, sports, entertainment
- 23.2% Retail amenities
- 19.5% Living/Hotel amenities
- 37.7% “Other”
- Comments: **“We love Arizona”**

Surprise Well-Positioned

Surprise Location / Willing Host

1. Pilot City: Risk-Takers, Leaders, Desire to Host
2. Presence of Canadians
3. Proximity to Healthcare Excellence, Talent
4. Prominence of Canadian Focus
5. Projections for Growth
6. Permanency of Climate, Ease of Market Access
7. Principles: Health, wellness, education



Medical Offering

- **Canadian Seniors:** CMA cites “Healthy Aging” initiatives as top opportunity for seniors:
 - Physical Activity
 - Injury Prevention
 - Nutrition
 - Mental Health
- **First Nations** opportunity: chronic diseases, need for care, actively seeking partnerships, solutions
- **China**, international markets where Canadian care specifically recognized for quality brand



Next Steps

- **Feb/March 2018:** Feasibility data delivered / Phase 2 Planning Initiated
- **April 2018:** Canada Taskforce and Investor visit
- **Summer/Fall 2018 Phase 2** Implementation of Business Plan:
 - Scope of City of Surprise pilot facility
 - Project financing
 - Partners, roles: Government of Canada, First Nations, other nations, etc.

Conclusion

More information:

www.surpriseaz.gov/crossborderhealthcare



Thank you (Merci!)