

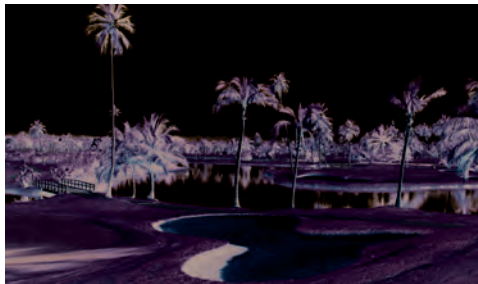


# Puerto Rico

## *Tourism Company*

Government of Puerto Rico

## Medical Tourism: An industry in growth



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**Executive Director**

**February 2, 2011**

# Medical Tourism in the US



**American healthcare is now a \$2.4 trillion industry...**

Source: Deloitte Center for Medical Solutions



- US Health Care costs show an increasing trend
  - From \$2 trillion in 2006 and expected to reach \$4 trillion in 2015
- 2011 U.S. patients traveling for medical reasons are expected to grow to over 6 million
- Companies are evaluating the option of overseas treatments for employees

Source: Commonwealth Fund and US Census Bureau



# Puerto Rico: an ideal Medical Tourism destination



## 3 Main Reasons

1

**Ease of Travel**

2

**Safe Leisure Tourism Haven**

3

**Value and High Quality**

# 1 Ease of Travel: Proximity

SJU has a year-round average of 421 weekly flights to 21 US destinations



- 27 weekly flights to 6 international destinations

- 643 Weekly flights to 24 destinations in the Caribbean.

1

## Ease of Travel: U.S. Territory



Puerto Rico is a United States Territory



**No language barrier**

**No passport or visa required**

**No immigration or customs**

**U.S. dollar currency**

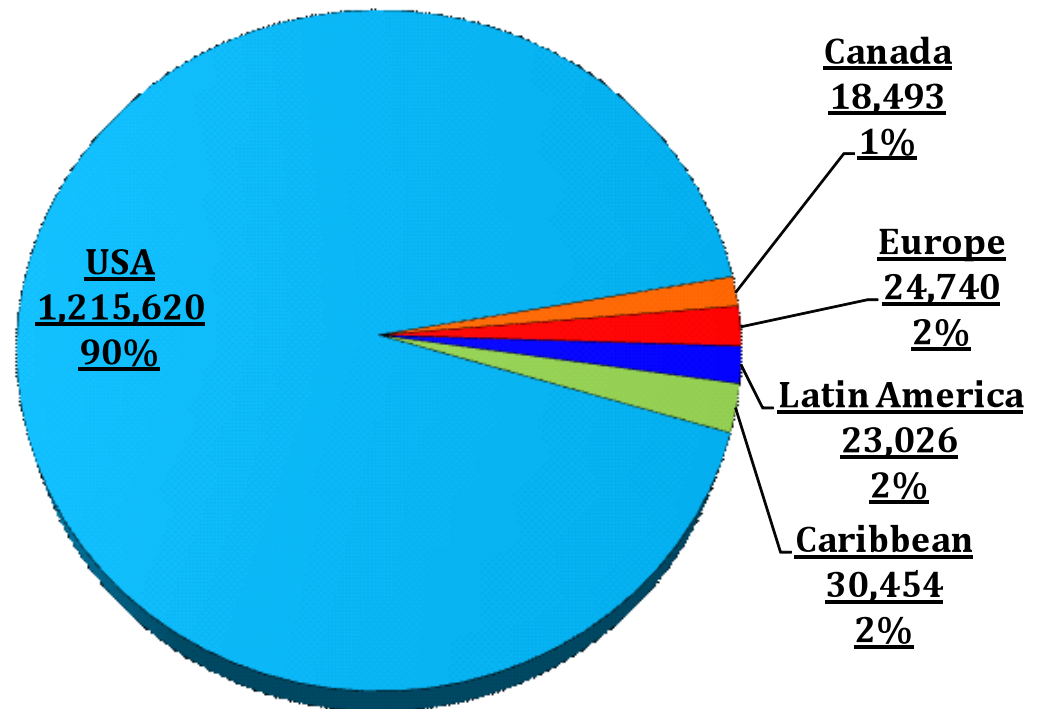
**U.S. Infrastructure standards**



# Tourism Destination

Puerto Rico caters to U.S. travelers...

Hotel Registrations in P.R. during Fiscal Year 2010



TOTAL HOTEL REGISTRATIONS 1,347,487

# 2 Leisure Tourism Destination

## Old San Juan: “Treasure in a Teacup”

-Conde Nast, Travel Magazine

The image is a composite graphic centered on a map of Puerto Rico. The map is color-coded into three main regions: the Northern Region (yellow), the Eastern Region (green), and the Southern Region (pink). A callout box from the Northern Region shows a night view of Old San Juan with its historic buildings and a central plaza. Another callout from the Northern Region shows a tropical beach with turquoise water and white sand. A callout from the Eastern Region shows a golf course with palm trees. A callout from the Southern Region shows a scenic valley with green hills and a blue sky. The map includes labels for major cities like San Juan, Ponce, and Mayagüez, and islands like Culebra and Vieques. Logos for 'Puerto Rico Tourism Company' and 'Government of Puerto Rico' are located at the bottom right.

## 2 Leisure Tourism Destination

Wide range of amenities including restaurants, retail, and entertainment...

- Historic Spanish and Caribbean culture
- Many Tropical and Natural attractions
- Golf
- Snorkeling
- Gastronomy (Culinary Tourism)
- Wellness (spa)
- Shopping
- Casino (Gambling)





## Value & Quality

P.R. Hospitals required to reach high standards of excellence, equivalent to U.S. medical institutions

- Medical costs 40%-60% lower
- Cutting-edge technology
- Accredited by Joint Commission (JC)
- U.S. educated staff and board certified world-class physicians
- Patients protected by local and federal laws



# A positive impact on the economy



Medical care and tourism are highly related and contribute to Puerto Rico's overall economy

- Average patient stay 10-14 days
- We can expect more than 32,000 incremental visitors to Puerto Rico in 2011.
- With one travelling companion, the projection increases to 64,000 medical tourism visitors to the Island in 2012.
- \$350 estimated daily medical spending per patient
- We can expect an economic impact of approximately \$224M

*Source: Innovative Quality Consulting Corp. Medical Tourism: Update and implications, Recession adjusted projection. Deloitte Center for Health Solutions: 2009*

# Puerto Rico Government Support



## Government recognizes the importance of Medical Tourism

- Government Program includes development of Medical Tourism
- Law 169 approved in December 15, 2010 establishes public policy for Medical Tourism
- Establishes an Advisory Council integrated by
  - Puerto Rico Tourism Company
  - Economic Development Department
- Establishes an Advisory Council integrated by Professional Health Associations and other Government Entities

# Puerto Rico Government Support



## Medical Tourism Law Incentives

- Law No. 74 of July 10, 2010 “**Tourism Development Law**”.
- Law No. 168 of June 30, 1968, as amended “**Tax Exemption Law for Hospitals**”.

*One same eligible activity cannot enjoy the benefits of more than one of the Laws (Article 7).*

# Puerto Rico Government Support



## Law No. 74 of July 10, 2010 Tourism Development Law

### Income Tax

- Outside Vieques or Culebra: 90%
- Vieques or Culebra: 100%
- Credit for eligible investment: 50% or 10% of the total cost of the project

### Personal or Real Property

- 90%

### Municipal License Tax and other Municipal contributions

- Outside Vieques or Culebra: 90%
- Vieques or Culebra: 100%

### Sales Tax or Excise Taxes

- 100%

### Exemption Period

- 10 years

# Puerto Rico Government Support



## Law No. 168 of June 30, 1968, as amended Tax Exemption Law for Hospitals



### Income Tax

- 15% credit of total payroll expense ,up to 50% of the income tax contribution
- Dividends: 10%

### Personal or Real Property Taxes, Municipal License and other Municipal taxes

- 100%

### Sales Tax or other Taxes

- 100% over medical equipment

### Exemption Period

- 10 years



# Puerto Rico Government Support



## Exemption

Any eligible business properly certified as medical tourism will be exempt from the payment of any:

Tax	Right
Tax Duty	Municipal License
Excise taxes	Franchise

Any other state or municipal imposition directly or indirectly related to the construction or expansion of new facilities or facilities intended for medical tourism or to importing or acquiring medical equipment intended for the operations of such industry.

# Islandwide facilities



## Medical Tourism in Puerto Rico Now

- **71 hospitals facilities islandwide**
- **There are currently 6 approved projects that integrate hotel and hospital facilities in the Metro and Northern Regions, including the 104 room Hyatt Place, with Casino, adjacent to Doctor's Center. in the Municipality of Manatí**





# Puerto Rico's vision

Science District, a strategic investment for positioning Puerto Rico's economy as knowledge based

**Puerto Rico as leader in health and science R&D and technology**



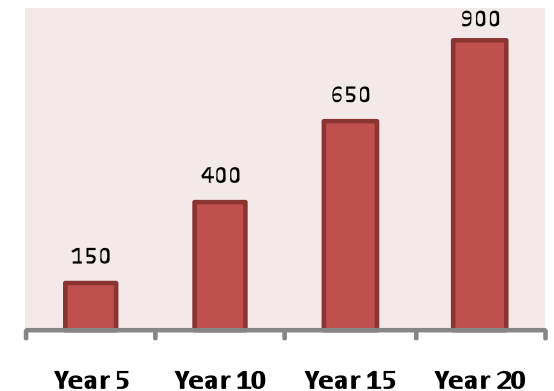
# State-of-the-Art facilities

## Science City

- Urban development of up to 7.1 MM sq. Ft. with 1.1 MM sq. Ft. for laboratories, over 800,000 sq. Ft. for mixed use, **100 bedroom hotel** and 3,100 living units
- Estimated government investment \$350 MM
- Estimated private enterprise investment \$1,400 MM
- 28,328 direct and indirect jobs



Laboratory space use projection ('000 sq ft)



# Puerto Rico Government Support

## Alliance with MD Anderson Comprehensive Cancer Center (CCC)

- With the project's development we will transform Puerto Rico into the Caribbean's Medical Center and link with the rest of the Americas.
- Center investment estimated at \$160 MM
- Facilities will include new 287,000 sq. ft. building
- Patient attention: 96 beds
- Surgery Center
- Oncology
- Diagnosis and treatment



Future Boulevard



# State-of-the Art facilities

## Science District



# Conclusion



## Medical Tourism in Puerto Rico

- Can be an important factor for diversifying and strengthening the economy.
- Can help improve the quality of health services in general.
- Requires the collaboration of public and private sectors.

Puerto Rico Tourism Company has an active role in the expansion of healthcare options by means of accommodation facilities and other peripheral services available to the growing medical tourism sector.

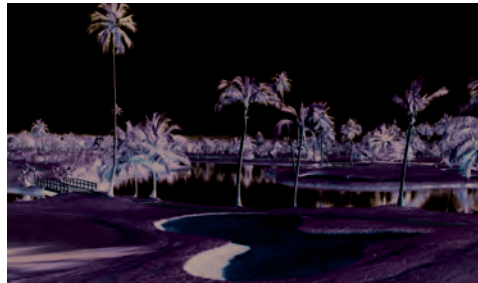
Thank you!



# Puerto Rico

## *Tourism Company*

Government of Puerto Rico



**Puerto Rico Does It Better!**