

**MEDICAL UNIVERSITY  
“PROF. DR. PARASKEV STOYANOV” - VARNA**



FACULTY OF PUBLIC HEALTH  
DEPARTMENT OF ECONOMICS AND HEALTH CARE  
MANAGEMENT

Siyka Anastasova Katsarova

**POSSIBILITIES FOR POSITION BULGARIA ON THE  
INTERNATIONAL MARKET AS A YEAR-ROUND  
DESTINATION FOR  
HEALTH, MEDICAL, SPA AND WELLNESS TOURISM**

**ABSTRACT**

**of the doctoral thesis**

for awarding the scientific and educational degree “Doctor”  
of “Organisation and management outside the field of material production (in  
health care)”,  
professional field 3.7. Administration and Management,  
higher education domain 3. Social, Economic and Legal Sciences

**Scientific Supervisor:  
Prof. Todorka Kostadinova, PhD**

June 2022

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The doctoral thesis contains a total volume of 136 pages; it is structured in three chapters and includes 15 figures, 9 tables and 4 appendices. The references include 133 titles, of which 24 in Cyrillic, 52 in Latin and 53 sources from the Internet.

**Abbreviations Used:**

GDP – Gross Domestic Product

BUBSPA – Bulgarian Union of Balneology and Spa Tourism

EC – European Commission

EU – European Union

ETC – European Travel Commission

MT – Ministry of Tourism

MH – Ministry of Health

NHIF – National Health Insurance Fund

NGO – Non-Governmental Organisation

WHO – World Health Organisation

EDEN – European Destinations of Excellence

ESPA – European Spa Association

UNWTO – World Tourism Organization

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## **OVERVIEW OF THE DOCTORAL THESIS**

### **RELEVANCE OF THE TOPIC**

The rationale of the doctoral thesis comes from the growth in health tourism globally in the past 10 years and the opportunity to position Bulgaria on the map of Europe as a year-round destination offering a high-quality tourist product in the field of health tourism. The established, as well as the emerging (Germany and Hungary) destinations increasingly use the potential of this tourist segment, seeking to get diversified in order to increase revenues and address seasonality. Seasonality is a major problem of Bulgarian tourism and the development of alternative, non-seasonal forms of tourism such as health tourism would help the resorts on the Bulgarian Black Sea Riviera, as well as the mountain ski-resorts, to become more sustainable and competitive, year-round, high-quality tourism destinations. The year-round operation of the destinations offering holidays for health promotion, prophylaxis, rehabilitation and travels for medical treatment, or, generally speaking, for improvement of the health status of individuals would also address the major problem of Bulgarian tourism – the outflow of skilled professionals from Bulgaria or to other economic sectors. According to the World Health Organisation’s projections, by 2022 tourism and health industry will be one of the most important economic sectors. Health tourism also covers those types of tourism whose basic motivation is to contribute to the good physical, mental and/or spiritual health using natural resources, medical and wellness activities which improve the psychophysical capacity of man. A main demographic trend in the developed countries is the increasing share of the elderly population. Therefore, the more adequate and timely measures are taken to preserve the psycho-emotional and physical health of those people, the less the pressure on the health system would be and costs would be reduced. In that light, using the natural remedies such as healing climate, mineral water and healing mud pits is an essential element of the prophylaxis of chronic diseases among the elderly population.

Urbanisation is the major challenge to public health. According to the United Nations Organisation, over half of the world’s population lives in cities and this proportion is expected to increase to 2/3 in 2050. The health status and the chronic diseases associated with urban life increase the need to “escape from stress” and seek nature trips.

Social and public policies, as well as private initiatives aiming to improve the general welfare of citizens also support health trips. National and regional policies often pave the way for domestic and/or international health tourism (e.g., investments, incentives or ordinances),

especially if they are supported and promoted by the respective organisation, e.g., a group established jointly with the industry or a state-level ministry.

Following the above logic, it is understandable that high-income tourists concerned about their health are increasingly turning to the use of natural remedies, sports and healthy eating.

The COVID-19 pandemic has dramatically changed not only the tourism sector, but also people's attitudes to travel – the best possible time in history to revive and recognise balneology and climatic health resorts. The opinion of the European Spa Association about the importance of health tourism is unequivocal:

- Health tourism has a much better future;
- The development of health tourism serves citizens, regions, national and international demand;
- Effective citizen integration and opportunity for immune system enhancement and healthy lifestyle;
- Balneology is a science and a tradition in Europe and in particular in Bulgaria, which has to be recognised, supported and better included in the EU health policy;
- Health tourism saves healthcare costs and contributes to improved revenues in tourism;
- Health tourism provides jobs in rural areas;
- It is time for prevention and rehabilitation, through balneology. Fight against Covid – 19 is not just vaccines;

During the world's first ever digital leading trade show "ITB Berlin Now" (08-12.03.21), the European SPA Association presented specific ideas about an adapted strategy targeting the European health and climatic resorts, which includes a concept for recovery from coronavirus disease. ESPA believes that those efforts will be to the benefit of many patients affected by COVID-19.

**The main research point** of the doctoral thesis is: Bulgaria's positive disposition to keep encouraging, more intently and with bigger public resource (incl. using EU programmes in the 2021-2030 programming period) the development of year-round health tourism through economic tools targeting directly the SPA destinations (municipalities). The focused improvement of the infrastructure (using earmarked funds from the Recovery and Resilience Plan of the Republic of Bulgaria 2020-2030) which is directly relevant to the development of this special, sustainable form

of tourism (renovation of historic mineral baths, renovation of pipelines, improving park areas, designating no-traffic areas), the upgrading of the existing establishments and improvement of the professional qualification and language skills of those employed in the sector, aim to position Bulgaria on the international market as a competitive European destination for year-round health tourism, which offers excellent quality at competitive prices.

### **PURPOSE AND OBJECTIVES OF THE DOCTORAL THESIS**

The purpose of this doctoral thesis is to analyse Bulgaria's opportunities for development of year-round health tourism with a focus on the lines of medical tourism, medical-spa, spa and wellness tourism and for positioning the country on the international market as a destination offering high quality in this special tourist product.

The analysis and evaluation of the unique advantages with which destination Bulgaria can compete on the international market as a year-round destination for health tourism would be helpful for the line ministries - Ministry of Tourism, Ministry of Health and Ministry of Environment and Water, Ministry of Regional Development in building more sustainable policy for the development of this tourism product important for the economy.

#### **To achieve the goal, the following research tasks are set:**

1. To summarize and analyze the state of the material base (medical-SPA and SPA hotels, certified according to Bulgarian legislation).
2. To summarize and analyze the personnel potential and the needs of the tourism industry in the medical-SPA sector and SPA tourism.
3. To study the opinion of experts in the field of medical-SPA and SPA tourism - managers from year-round operating medical-SPA and SPA hotels; medical-SPA centers.
4. To summarize and analyze the areas (including medical) with which Bulgaria can compete in the health tourism market.
5. To develop a model for the successful development of health tourism in Bulgaria through an innovative portfolio of treatments and its positioning as a destination offering a competitive product.

## **TARGET, SCOPE AND LIMITATIONS OF THE STUDY**

### **The target of the study are:**

- Experts in the field of health tourism (Bulgarian and international);
- Experts in the field of medical tourism (Bulgarian and international);
- Owners and managers of medical-SPA and SPA hotels on the territory of Bulgaria;

The subject of the study of the dissertation thesis are the attitudes towards the development of health tourism and foregrounding of the leading sub-divisions which are part of the total product.

### **LIMITATIONS OF THE STUDY**

- Limitation one: The doctoral thesis is mainly focused on the acceptance of health tourism development in Bulgaria, by bringing to the forefront those areas of health tourism that are competitive, unique, of high quality and would be of interest to the international client / patient. The survey is not intended to cover all areas of health tourism.
- Limitation two: Only sites the concept of which is based on natural resource, incl. climate, water, peloids (for medical-SPA, SPA and wellness tourism) and on innovations (for medical tourism) are discussed.
- Limitation three: Opinion-pollled were only owners/managers of hotels certified by the Ministry of Tourism according to Ordinance No. 2 / January 29, 2016, on the terms and procedure of certification of “balneological (medical-SPA) centre”, “SPA centre”, “wellness centre” and “thalassotherapy centre”, issued by the Ministry of Tourism and Ministry of Health, promulgated, SG, No. 11 /February 9, 2016.

### **TIME SCOPE OF THE STUDY**

In-depth interviews were carried out in the period November 2018 – November 2020 to study the attitudes of leading experts in tourism and health care.

### **TERRITORIAL SCOPE**

Varna; Sofia; Pomorie; Kustendil; Velingrad; Sandanski; Pavel Banya;

The in-depth interviews were conducted at the doctoral candidate’s initiative, in partnership with colleagues from BUBSPA and ESPA.

**Scope of the survey:** The survey covered 51 respondents.



## **METHODOLOGY OF THE STUDY**

The methodological basis of this study is a combined approach of qualitative and quantitative methods: content analysis, sociological method – questionnaire and in-depth interview, have been used.

**The in-depth interviews designed** make it possible to obtain detailed insider information from owners and managers of SPA and medical-SPA hotels. The first group of questions in the interview focuses on showing their attitudes to the marketing concept targeting the current market and the types of therapies, procedures and services offered at the medical-SPA, SPA and wellness centres in Bulgaria. The second group of questions shows the consumption attitude of their clients. The third group focuses on showing the acceptance of a future desired market orientation and attraction of new clients through new programmes, therapies and procedures.

**Graphical analysis** has been used to illustrate the information examined.

**Information sources:** the doctoral thesis uses information from:

- The Bulgarian Ministry of Tourism;
- The Bulgarian Ministry of Health;
- The European Commission;
- European Travel Commission;
- The European SPA Association;
- The United Nations World Tourism Organisation;
- The Bulgarian Union of Balneology and SPA Tourism;
- The Hungarian Tourism Agency;
- Results of author's research through in-depth interviews;

## **VOLUME AND STRUCTURE OF THE DOCTORAL THESIS**

The doctoral thesis contains a total of 136 pages; it is structured in three chapters and includes 15 figures, 9 tables and 4 appendices. The references include 133 titles, of which 24 in Cyrillic, 52 in Latin and 53 sources from the Internet.

To achieve the purpose set and the specific objectives, the doctoral thesis is structured as follows:

## **Introduction**

### **Chapter One. THEORY AND ANALYSIS OF HEALTH (MEDICAL, MEDICAL-SPA, SPA AND WELLNESS) TOURISM**

- 1.1. Principal features of the concept of health tourism (medical, medical-SPA, SPA and wellness)
- 1.2. Republic of Bulgaria's government regulation in the sector
- 1.3. Environment for the development of health tourism
- 1.4. SWOT analysis

### **Chapter Two. BEST PRACTICES IN THE FIELD OF HEALTH TOURISM IN EUROPE. THE SUCCESSFUL MODEL OF GERMANY AND HUNGARY**

- 2.1. Development of health tourism in Europe – major trends
- 2.2. Germany
- 2.3. Hungary

### **Chapter Three. ATTITUDES AND OPPORTUNITIES FOR MARKET ORIENTATION AND POSITIONING OF CERTIFIED BULGARIAN MEDICAL SPA AND SPA CENTERS ON THE INTERNATIONAL MARKET**

(1) For management's acceptance of supply priorities in the field of health tourism and market orientation; (2) To assess the situation in the sector after a lockdown resulting from the COVID-19 pandemic. (3) For priority lines in providing balneotherapy in Europe and specifically in Bulgaria.

- 3.1. Results of own research to discuss the acceptance of existing supply, demand, market orientation and positioning through research of the product mix in the field of medical-SPA, SPA and wellness tourism – priorities and market orientation of the key certified Bulgarian medical-SPA and SPA centres that are members of BUBSPA.
- 3.2. Results of own research to discuss the situation of the medical-SPA and SPA tourism sector following authorisation of the operation of medical-SPA and SPA centres on May 19, 2020 after their closing on March 13, 2020 as a result of the COVID-19 pandemic.
- 3.3. Comparative analyses and discussion of a study on the attitudes for priority areas in the conduct of spa treatment in Europe with epidemiological aspects.

## **4. Findings and recommendations**

- 5. Conclusion**
- 6. Contributions**
- 7. References**
- 8. Appendices**

## **SUMMARY OF THE DOCTORAL THESIS**

The main focus in **Chapter One “THEORY AND ANALYSIS OF HEALTH (MEDICAL, MEDICAL-SPA, SPA AND WELLNESS) TOURISM”** is on attaining the first two objectives of the doctoral thesis related to analysing Bulgaria’s opportunities to develop year-round health tourism; identifying the priority areas of healthcare in which our country offers innovations, good establishments, trained specialists and competitive advantage in terms of flexibility in legislation, waiting list, quality, price and acceptance of clients from Europe and from the world.

### **1.1. Republic of Bulgaria’s government regulation in the field of health tourism (medical SPA, SPA, wellness and thalassotherapy)**

In 2009, the Ministry of Economy (tourism’s principal at that time) negotiated with assistance from the Bulgarian Union of Balneology and SPA Tourism (BUBSPA) expertise from the European SPA Association (ESPA) and set up a working group to develop the regulations for the sector. Participants: Ministry of Health, academia (e.g., Medical University of Varna, National Sports Academy), etc. Ordinance No. 2 / 29.01.2016 on the terms and procedure of certification of “balneological (medical-SPA) centre”, “SPA centre”, “wellness centre” and “thalassotherapy centre” was therefore adopted. Ordinance No. 2 was upgraded over the years and Ordinance No. 4 (as amended, SG, No. 17/February 25, 2020) was adopted in September 2019.

The Tourism Act which took effect on 26.03.2013 (as amended, SG, No. 17 / February 25, 2020) sets out in Additional Provisions, Chapter Nine, the “Terms and procedure of provision of SPA and wellness services. Certification of balneological (medical-SPA), wellness and thalassotherapy centres” (in effect from 27.09.2013).

The ordinance clearly defines the terms “balneological (medical-SPA) centre and services” in line with the terminology adopted in a number of European ESPA member countries. The minimum requirements to natural resource, equipment, staff qualification, are set out and the centres are distinguished by the types of activities that could be performed therein. The purpose of the regulation is, on one part, to set minimum criteria and stop the abuse by investors in the sector using the SPA name in publicity brochures, websites, etc., and, on the other part, to define the proper use of the terms by the centres engaged in activities related to health promotion, prevention, prophylaxis and rehabilitation when describing services.

Health tourism is the generic term for the sub-types: medical-SPA, SPA, wellness tourism and medical tourism.

**1.1.1 Medical SPA tourism** (balneological tourism): a special form of tourism, offering tourist health procedures based on natural remedies (mineral water and/or therapeutic mud) through diverse therapeutic programs provided in specially designed rooms and areas intended for diagnostics, rehabilitation and prophylaxis.

**1.1.2. SPA tourism:** a special form of tourism offering tourists various procedures, programs and rituals involving use of water – mineral, spring or other permitted by law and/or therapeutic mud and/or sea water and/or other natural factors, applying classical and non-traditional methods of influence aimed at anti-stress, relax and mental and physical recovery, as well as at beauty of the human body.

Thalassotherapy tourism is part of the medical-SPA tourism. It offers tourists programs and rituals which involve use of sea water and/or natural by-products, and/or firth mud through classical and non-traditional therapeutic methods of influence aimed at the mental, emotional and physical health recovery and at beauty care of the human body, and are held in specifically designed rooms and areas necessarily close to the beach.

**1.1.3. Wellness (wellness) tourism:** a special form of tourism offering tourists various recreational and cosmetic and beauty treatments, programs and antistress rituals, as well as holistic approaches to achieve physical, emotional, spiritual, intellectual, professional and social welfare of the personality.

In summary, the activity of medical-SPA and thalassotherapy centres relates to health prevention, prophylaxis and rehabilitation of chronic diseases in outpatient settings, and the activity of SPA and wellness centres relates to health promotion programs.

**1.1.4. Medical tourism:** a special form of tourism for people travelling to a country other than their own to receive medical treatment.

**1.2. Factors that influence the development of medical-SPA, SPA, wellness and medical tourism.** The National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria, 2014-2030, acknowledges that the 2013 Tourism Act sets new goals – providing conditions for sustainable development of tourism and a competitive national tourist product; creating conditions for development of alternative forms of tourism – health, SPA, wellness, etc.

### **1.2.1. Internal environment**

Bulgaria – the most ancient country in Europe, has incredible natural resources offering perfect conditions for year-round tourism. Its millennial history is associated with the Thracians, which is clearly evidenced by the rich Thracian tombs arranged like a rosary along the Rose Valley and the Romans, who preferred settlements around mineral water sources throughout the country where they built complexes for recovery after battles.

In 2014, Bulgaria, with the destination Hissar, was included in the ESPA-led European project “Roads of Rome in Europe”. The project aims to present the ancient history of Europe as a continent where, ever since Roman times people use mineral water for prevention, prophylaxis and rehabilitation, a continent where traditions are carried on in the 21st century, upgrading and renovating the product offered. Kyustendil is the second Bulgarian balneological destination included in the project (in 2016).

### **Advantages of Bulgarian spa resorts**

Bulgaria is one of Europe’s leading countries in terms of richness and diversity of hydrothermal waters and bio climatotherapy. It is a European leader in terms of existing, developed and registered (certified) mineral water resources.

Climate conditions are a major and very important factor – agreeable and healthy climate at all times of the year. The Country’s location and diverse relief determine the favourable climate conditions for development of 4-season tourism. Thus, in the summer, thalasso, helio, balneo and peloid therapy can be offered on the Black Sea coast in the summer. In the winter, it is possible to combine ski sports & spa with hot mineral waters. The SPA and climatotherapy resorts are located in ecologically clean areas.

Sea air, sun and sea water were the first powerful healing and prophylactic means used in vast antiquity. The Bulgarian Black Sea coast for the most part is wide beaches with beautiful sand, very good for therapeutic purposes. The air temperature is uniform and more constant than in the continent, with small fluctuations during the day. The sunshine by the sea is strong and saturated with ultraviolet rays. The constant sea breezes and the special composition of the sea air are one of the biggest challenges of the sea climate. They refresh and strengthen the body. The scientific knowledge acquired in the field of climatotherapy and thalassotherapy, the systematic examination of the climate factors of the Black Sea coast, require us to promote the available scientific knowledge about thalassotherapy, using our own and foreign scientific experience. In the seaside resort, man is in the so-called physiological and biological comfort setting which improves and restores the body's biological connection with nature. Man is exposed to the fresh and clean sea air, the sun's rays, the sea water and other coastal recreational factors. Under their influence, the body's defence is increased, the body is strengthened, the disturbed metabolism is normalized, the functions of the cardiovascular and respiratory systems are improved, etc. But the sea also heals. Long-term studies of patients with bronchial asthma and cardiovascular disease have been conducted in the resort “Sts. Constantine and Helena”, located on the Black Sea coast in North-eastern Bulgaria. This resort is unique for its great variety of natural healing factors - climate, thalassotherapy and helio therapy, balneotherapy and peloid therapy. The resort features a low-mineralisation water source of 0,560 g/l, 46<sup>0</sup>C, with low concentration of hydrogen sulphide and carbon dioxide. The proximity of the Varna mud pit makes it possible to use natural firth mud. Clinical results have been verified by laboratory and functional assessments of the pulmonary and cardiovascular systems. The beneficial effect of the long-term annual comprehensive rehabilitation treatment consists in stabilized blood pressure and heart rate, improved functional parameters of the lungs, as reflected in the book “Biothalassology” under editor St. Stamatov, STENO Publishing House, Varna, 2013.

Bulgaria also offers **climatotherapy in mid-range mountains at an altitude between 1000 and 1800 m**. There have been long-term studies. The Climate Section at the Scientific Institute of Balneology, Physiotherapy and Rehabilitation, led by Prof. Vasil Marinov, DSc., conducts conducted research on the climate factors in many of our resorts. Thus, through the climatized examination made in the mountainous area of Kurtovo, 7 km. under the Belmeken sports base, the effect of mid-range mountain climate on patients with arterial hypertension, stage 1, type II diabetes mellitus, functional disorders of the nervous system has been studied. The beneficial effect of climatotherapy and dosed physical activity has been proven, consisting in blood pressure stabilized at lower values, lower blood sugar and management of crisis conditions in patients with functional disorders of the nervous system, has been proven. Specialists from the Skin Clinic of the Medical Academy – Sofia, monitor the effect of climatology in patients with atopic dermatitis and allergies. They found an extremely favourable effect on the clinical symptoms on the spot and rare occurrence of exacerbations. Today, this knowledge serves as a basis for the development of climatotherapy in a mountain environment and design of rehabilitation programs in some of our resorts. The mountain resort Pamporovo, Chepelare Municipality is a good example. It features mid-range mountain climate included in the transitional continental zone. The Chepelare valley area is near the Aegean Sea and the winter is thus mild and warm. The air ionisation is between 1200 and 1500 ions/m<sup>3</sup>. The Strategy “Chepelare – the Green Heart of Bulgaria” aims to revive the region as a climatotherapy centre because of the negative air ionisation. The destination has centuries-old traditions in climatotherapy. The first hospital for treatment of pulmonary diseases was opened in 1911 in Chepelare. Then, in 1933, Nikola Chichovski opens the first villa – guesthouse in Pamporovo, marking the beginning of the resort’s development. Later, in 1937, Chepelare began to develop as a summer resort. The availability of coniferous trees in the region increases air ionization. The high phytoncide saturation is a kind of natural antibiotic. When pines bloom (when pines make love) their sprigs are especially rich in this phenomenon. Experts report that the region has a therapeutic combination of low moisture, a lot of sunny days and high air ionisation. It improves the mood, neutralises radiation, heals pulmonary diseases, allergies, migraines, contributes to recovery of the function of the nervous system, has effect on hypertension, etc. It helps kill the bacteria and viruses and increases oxygen uptake.

The climatic characteristics determine the possibilities to use the resort for sports and health purposes, recovery after physical and mental fatigue, prolonged illness; favourable response to

hypertension and functional disorders of the nervous system, etc. In Bulgaria, there are special conditions. such as those in the town of Sandanski, through which, in combination with climate and balneology, an excellent therapeutic effect is achieved in patients with bronchial asthma and chronic non-specific lung diseases because of the high content of negative ions in the air at an altitude of 1,200 m. A study found a significant reduction in asthma attacks and a reduction in the frequency of exacerbations in chronically ill patients. The effect of climate and balneotherapy on patients with bronchial asthma and chronic non-specific lung diseases has been studied for 10 years in the resort. The climate of the city is characterized by many sunny days, no fog, low humidity and high content of negative ions in the air - 1500 m<sup>3</sup>. The town features a low-mineralisation water source of 0,59 g/l, 80°C, with high H<sub>2</sub>SiO<sub>3</sub> content of 75 mg/l and low radon concentrations. Laboratory and functional assessments of the lungs of patients who stayed for 21 days in the resort showed favourable effect on the symptoms. A long-term study found reduction in the attacks in asthma sufferers and rare occurrence of exacerbations in chronically ill patients.

**Mineral waters:** More than 600 mineral water sources.

Mineral waters on the territory of Bulgaria tend to be of intratelluric origin which prevents them from being polluted from changes in the meteorological conditions. The country has over 600 mineral water sources in operation, with a total flow rate of over 5,000 l / sec. Warm and hot mineral springs with temperature above 37<sup>0</sup>C prevail, followed by mineral waters with temperature between 20<sup>0</sup>C and 37<sup>0</sup>C. Mineral water sources vary in terms of temperature and mineralisation: from cold, 12<sup>0</sup>C, in Voneshta Voda resort to hot (the only geyser on the Balkans with temperature above 100<sup>0</sup>C in Sapareva Banya resort); from low-mineralisation ones (120 mg/l), with excellent organoleptic properties and used for drinking, to high-mineralisation ones used only for therapeutic purposes. Nowadays those places feature our SPA and climatotherapy resorts in which there are modern SPA complexes.

There are 5 firth mud pits on the territory of the country along the Black Sea coast, one peat bog in the middle part of Western Bulgaria and two with spring mud in the middle part and southwestern part of Bulgaria.

There are balneo resorts with natural thermal mineral waters successfully applied for drinking, external, inhalation and other types of balneotherapy all over the country (Velingrad, Varshets, Devin, Hissar, Kyustendil, Belchin Banya, Ognyanovo, Sapareva Banya, Pavel Banya, Banya – Razlog, etc.). There are a number of scientific, clinical and experimental studies on the



sanogenetic effect of climatotherapy and balneotherapy on the human body, which lasts for a period of 3 to 6 months. It has been proven that the annual delivery of complex climatotherapy and balneotherapy in some chronic diseases of the internal organs leads to lower occurrence of nongenetic their exacerbations and, accordingly, to reduction in the hospitalizations of patients.

In 2018, under a project led by the Ministry of Tourism, 7 balneo and SPA destinations were identified and, accordingly, routes for visiting the territory of each of the destinations were developed. The project involves 30 municipalities and 58 settlements (opinions of 50 municipalities were requested in the preparation of the project), the non-governmental sector and experts. BUBSPA has a key role in the project and the organization is represented by Dr. Tatiana Angelova MD (lead expert). When developing the destinations, account has been taken of the availability of mineral waters, the climate specifics, as well as of the fact that the settlements and the regions should have a developed tourist product. The routes are created to help the municipalities promote the products offered by their region and to promote Bulgaria as a destination for year-round balneo-SPA tourism, to stimulate the increased inflow of tourists from the country and abroad.

In the last 15 years there has been a rapid pace of development of medical spa and wellness tourism, as the country applies the best European practices: Thanks to long-term studies of the effect of spa treatment in diseases of internal organs, musculoskeletal system, nervous system, in the field of dermatology, gynaecology and andrology, therapeutic programs have been designed and successfully used in medical-SPA and SPA tourism in the country. The modern medical-SPA, SPA and wellness centres at our hotel complexes are underpinned by many years of scientific experience and the latest technologies and practices in Europe. The development of hospitality policy with SPA tourism at the end of the XX century registers a strong tendency to use the forms of artificially created imitations and simulations of SPA and wellness products or such borrowed from foreign cultures, which conquered the hotels offering such services without denying traditional products. SPA industry development evidences the coming in of many new products with elements of postmodern tourism. SPA tourism registers strong development in the XX century. At the turn of the century, resorts offered mainly sanitary treatment of different diseases and the procedures were based on the use of traditional products – mineral waters and salts, therapeutic mud or peloids, climatotherapy, etc., with many of the visitors seeking not only therapy but also social contacts, opportunities to meet new people or various entertainments. Balneotherapy

is in full swing in the 1960ies and balneotherapy centres become modern weight-loss programs. As time goes on, the main goal of the operation of SPA and wellness centres is a sound mind in a sound body. Postmodern SPA products are widespread in the SPA and wellness hotels of Europe, the USA, etc., as well as in Bulgaria. During the First BUBSPA Congress in Hissar (28-29.05.2014), marketologist and researcher Laszlo Puczko from the Observatory of tourism, health and SPA in Budapest, Hungary, focused in his presentation on the advertising film about the Bulgarian SPA and wellness resorts made in collaboration with the Ministry of Economy and Energy and presented to Mr. Taleb Rifai – Secretary General of the United Nations World Tourism Organisation. Puczko commented that Bulgaria should base the procedures and therapies within the product on products that are typical for our country (mineral water, peloids, herbs, rose). It would be best if Bulgarian investors put their money in the traditional product of the country, skilfully combined with new and advanced therapies and products as complementary to the general product. Focusing on foreign rituals (e.g., “Egyptian massage”) would have the opposite effect and lead to loss of identity and quality.

Commenting on balneo, thalasso and SPA tourism, it should be known that the main factors contributing to their development are the climatic resource, water and mud treatment resources, water supply infrastructure, resort infrastructure, transport for easy access, accommodation places or hospitals, well-trained staff, including language training, etc. It is very important to emphasize that Bulgaria can attract foreign tourists in the field of these types of tourism **in the first place because of the climate**, the other factors come next (*Dr. Tatyana Angelova, MD*).

In the past 15 years, there is great investor interest in the construction of luxury and modern medical-SPA, SPA and wellness centres in the Bulgarian SPA resorts. The construction of modern hotel complexes with modern facilities for relaxation and recovery is still going up. 90% of the investors plan the construction of the medica-SPA, SPA and wellness centres, relying on the traditional Bulgarian product - climate, healing waters, peloids, herbs, rose, lavender, combined with modern technologies and concepts for beauty and healthy change in lifestyle.

Bulgaria is among the countries that apply voluntary international quality certificates: EUROPESPA MED and EUROPESPA WELLNESS of the European SPA Association for balneo (medical-SPA), SPA and wellness centres in Europe. The certification system was developed by a team led by Dr. Kurt von Storch - Head of Quality Management at ESPA, together with experts from ESPA.

**EUROPESPA MED** ascertains and attests that the holder meets all the requirements of the European SPA Association (ESPA) for medical infrastructure, safety and hygiene.

The following areas are audited under the EUROPESPA MED certificate:

- general requirements to SPA resorts;
- quality and safety management;
- medical rooms;
- procedure and rest areas;
- balneo and wellness area;
- accommodation;
- catering and culinary;
- information materials about the available SPA procedures and amenities, medical and therapy infrastructure.

In the period 2012-2013, the EUROPESPA MED certificate was awarded to the following balneo and SPA centres in Bulgaria: Grand Hotel Pomorie, Pomorie – the first certified Bulgarian medical-SPA hotel; Medica Albena, Albena; SPA Hotel Bor, Velingrad.

**EUROPESPA WELLNESS** ascertains and attests that the holder meets all the requirements of the European SPA Association (ESPA) for wellness infrastructure, safety, hygiene and quality of the services offered.

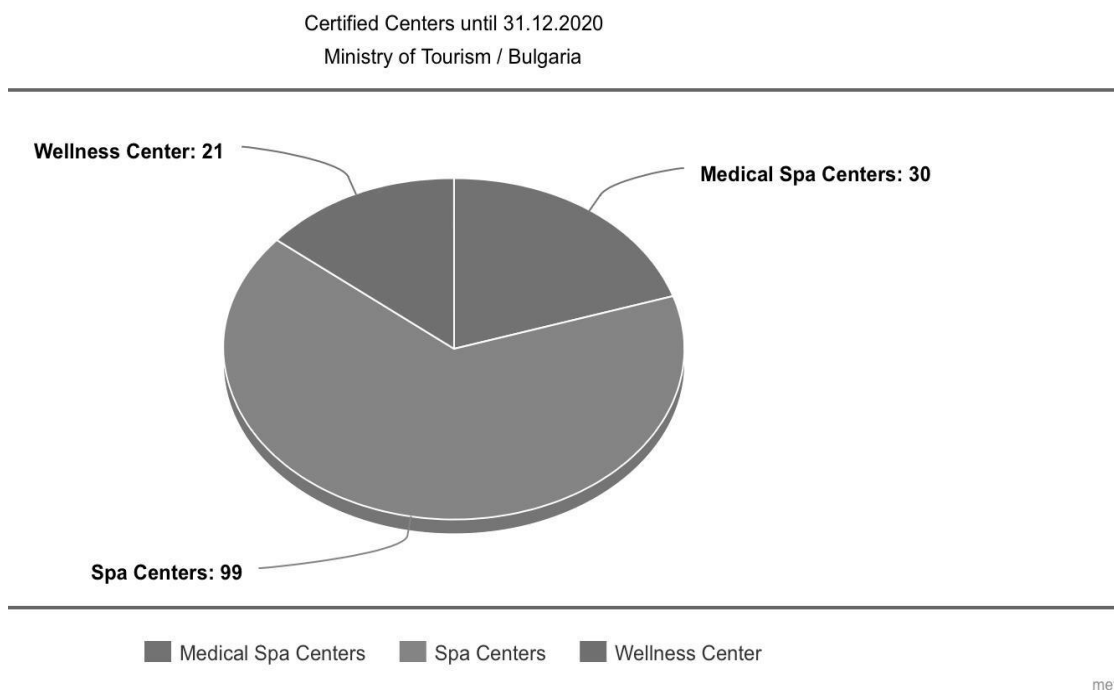
The following areas are audited under the EUROPESPA MED certificate:

- general requirements to SPA resorts;
- quality and safety management;
- medical examinations;
- wellness products;
- balneo and wellness area;
- procedures and rest area;
- fitness area;
- rooms and hotel infrastructure;
- catering and culinary;
- information materials about the available SPA procedures and amenities.

The EUROPESPA WELLNESS certificate was awarded to the following balneo and SPA hotels in Bulgaria: Park Hotel Pirin, Sandanski – **the first certified hotel in Europe (2012)**, and Grand Hotel Velingrad, Velingrad.

Some of the experts involved in the development of the international quality certificates EUROPESPA MED and EUROPESPA WELLNESS were invited on the working group that developed the regulations in the sector – Ordinance No. 2 / 29.01.2016 on the terms and procedure of certification of “balneological (medical-SPA) centre”, “SPA centre”, “wellness centre” and “thalassotherapy centre”. Ordinance No. 2 was upgraded over the years and Ordinance No. 4 (as amended, SG, No. 17/February 25, 2020) was adopted in September 2019.

Figure No. 1 **Certified centres until 31.12.2020**



*(Source: Ministry of Tourism)*

Table No. 2. **Types of resorts in Bulgaria**

Type of resort - Bulgaria	Total number	Of national importance	Of local importance
Balneo resorts	54	18	36

Mountain climate resorts	50	5	45
Sea climate resorts	29	12	17

*Source: Ministry of Tourism, Bulgaria*

- **Human resources:** The biggest challenge is the parallel adequate development of human resources which underpin the design and development of the tourist product. The development of the specialized tourist infrastructure significantly outstrips the development and training of the staff working in tourism. In addition, there is a tendency for the outflow of trained staff abroad, due to the impossibility of keeping them in Bulgaria with good working conditions (mainly in the financial aspect).

Importantly, there is good command of foreign languages (mainly English) in the certified centres.

As regards medical tourism, there is a global trend of seeking good medical treatment in foreign clinics, partly because of the absence of health care in the country of the user/patient or, basically because of the lower costs of treatment abroad and/or because of a shorter waiting list. Many insurance companies provide full or partial coverage of medical services outside the patient's country and some patients choose to buy travel insurance specifically for medical travel. Patients may choose to organise their trip alone or with the help of a third-party organisation specialised in specific needs of medical tourists.

Bulgaria has good opportunities to develop medical tourism. Being a full EU member, the country applies the European regulations governing health insurance in the context of the right of free movement of people in the EU. Bulgaria applies Directive 2011/224/EU of the European Parliament of 9 March 2011 on the application of patients' rights in cross-border healthcare. The directive aims to provide rules for facilitating the access to safe and high-quality cross-border healthcare in the EU, as well as to ensure patients' mobility and promote cooperation on healthcare between Member States, in full respect of national competencies in organising and delivering healthcare.

A major positive aspect of Bulgarian healthcare is the easy access to medical services and the high professional level of the specialists in our country.

According to data from the National Statistical Institute, as of 31.12.2020 Bulgaria has 29717 physicians, 7 312 dental practitioners, 44676 medical healthcare professionals; the country

has 342 hospitals /54216 beds, including 183 multi-profile and 137 special, 2 098 outpatient care medical establishments, including 54 dental and 50 medico-dental centres.

Facilitated legislation in favour of the patient (e.g., in reproductive medicine age has been increased to 53 years for women wishing to receive medical therapy in order to become mothers; the donorship protocol is clear, and so on), in contrast to other European countries, is a serious prerequisite for development of medical tourism in Bulgaria.

Competitive medical and dental care prices – by 20 to 60% lower in Bulgaria for the same quality of service.

### **1.2.2. External environment**

- The population ageing trend and the expected increase in the consumption of health services are a good predictor of development of health tourism in Bulgaria. The country has sufficient resources but the product is underdeveloped and some of its sub-types are completely underestimated (e.g., medical tourism).
- Bulgaria has the potential to participate actively in the European and in the global health industry as a European health centre. Health market – in the past 5 years a number of European countries register a downward trend in the length of stay and number of procedures payable by the main health insurance fund (e.g., Germany, Czech Republic).
- On September 20, 2019, Bulgaria was included in the list of the countries in which the German national association of health insurance funds (GKV-Spitzenverband) recognises the provision of outpatient medical services. Official letter 2019/483 updated the list of outpatient medical services for prophylaxis in EU Member States, the contracting parties of the European Economic Area Agreement, and in Switzerland. Outpatient prophylaxis services in recognized health resorts in the meaning of Article 23(2) of the German Social Code (SGB V) can be provided in Bulgaria. Therefore, reimbursement of costs pursuant to Article 13(4) of the Social Code (SGB V) is also possible for outpatient prophylaxis services used in Bulgaria;
- In a number of countries health prevention and promotion are not payable by the main health insurance fund or the budget for them is minimal;
- Covid-19 and recognised role of balneology for human immune system support and role of balneological resorts for post-Covid-19 rehabilitation.

- Bulgaria has one of the lowest labour costs in Europe which predetermines the final competitive prices of medical services. Pay in the private sector exceeds that in the public sector but remains lower than that in the EU Member States.
- Internationally recognised physicians in a number of specialisation areas such as reproductive medicine, heart diseases, orthopaedics, oncology, dental medicine, etc.;
- In many countries, health prevention and promotion are not reimbursed by the basic health insurance fund or the budget for them is minimal;

### 1.3. SWOT analysis of health tourism

In order to support the activity of the line ministries – the Ministry of Tourism and the Ministry of Health, it is necessary to make a SWOT analysis to provide the basis for formulating appropriate policies for development of the sector.

The analyses offered hereunder have been prepared on the basis of the doctoral candidate’s personal experience and active work in the field of health tourism over the past 15 years. The analyses would provide expert support to the ministries for the design of health tourism action plans and development strategies.

#### 1.3.1. SWOT analysis: medical-spa, spa and wellness tourism

Table No. 3. SWOT analysis of medical-spa, spa and wellness tourism in Bulgaria

<p><b>STRENGTHS:</b></p> <ul style="list-style-type: none"> <li>• A variety of tourist resources;</li> <li>• Rich natural resource;</li> <li>• Traditions dating back to Roman times;</li> <li>• Relatively good tourism infrastructure;</li> <li>• Available modern European-class SPA infrastructure;</li> <li>• Professionally trained staff;</li> <li>• NGO (BUBSPA – member of a European structure (ESPA), benefiting from the experience and expertise of more advanced EU Member States);</li> <li>• High price competitiveness;</li> </ul>	<p><b>WEAKNESSES:</b></p> <ul style="list-style-type: none"> <li>• Marked seasonality of Bulgarian tourism – “short season”: at the seaside – Black Sea Riviera – actual season June - September; Mountain, ski resorts: late December – mid March;</li> <li>• The country is not recognised as a health tourism destination;</li> <li>• Absence of up-to-date studies of Bulgaria’s climate and mineral resource. Since 2000, the balneology and climatology research has been terminated as the Research Institute of Balneology, Physiotherapy and Rehabilitation was closed;</li> </ul>
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<ul style="list-style-type: none"> <li>• Relatively high security level;</li> <li>• Available training programs and syllabi for almost all specialised and non-specialised professions, which are suitable for the sector;</li> <li>• The education process is structured in favour of practical training;</li> </ul>	<ul style="list-style-type: none"> <li>• Limited capacity of the NSSI-financed prophylaxis program (only 50 000 people per year);</li> <li>• Poor promotion of thalassotherapy as an element of health tourism;</li> <li>• Absence of targeted programs for prevention of health-insured Bulgarians (<i>BUBSPA proposed a variant of amendments to Ordinance No. 7 of the Ministry of Finance – adding health recreation vouchers to the meal vouchers. The draft was supported by the employer organisations Confederation of the Employers and Industrialists of Bulgaria (KRIB)* and Bulgarian Industrial Capital Association (BICA)*, Bulgarian Industrial Association (BIA); Variant 2 is a targeted program to incentivise internal tourism “Vouchers for health recreation”, like in Slovenia, Slovakia, Romania, Lithuania.</i>)</li> </ul>
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<p><b>OPPORTUNITIES:</b></p> <ul style="list-style-type: none"> <li>• Year-round operation of destinations with available infrastructure, which develop health tourism, through conceptual amendments (focus: preventive medicine, change in lifestyle, rehabilitation, active ageing);</li> <li>• Increasing tendency to organise financing by insurance companies of prevention and rehabilitation packages payable from the national HIF (insurance companies) (decreased time of stay, number of procedures included in the package). And, accordingly, search for alternatives on the unregulated markets by the European citizens who recognise the need for and benefits of prevention and</li> </ul>
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<p><b>THREATS:</b></p> <ul style="list-style-type: none"> <li>• Stagnation in terms of country’s image as a destination for mass, cheap tourism.</li> <li>• Non-use and waste of the natural resource;</li> <li>• Training staff who seek professional career abroad because of better career perspectives, better pay and on account of seasonality of employment;</li> <li>• In some regions, there is shortage of staff with good professional training for provision of health services (physiotherapists and chiropractic physicians).</li> </ul>
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<p>are in need of rehabilitation. A good prerequisite to attract European citizens in the Bulgarian medical-SPA hotels;</p> <ul style="list-style-type: none"> <li>• Good quality/price ratio;</li> <li>• A need of teaming between government institutions (mainly Ministry of Tourism, Ministry of Health), municipalities developing year-round medical-SPA and SPA tourism, business, universities, experts;</li> <li>• Targeted promotion of areas such as thalassotherapy;</li> <li>• Establishing a Centre for Balneology, a Centre for Studying SPA Resources;</li> <li>• Restoring the special vocational schools, introducing the dual system of training and compulsory professional practice;</li> </ul>	
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### 1.3.2. SWOT analysis: medical tourism

Table No. 4 analysis of the medical tourism in Bulgaria

<p><b>STRENGTHS:</b></p> <ul style="list-style-type: none"> <li>• Bulgaria has all the prerequisites to develop successfully as a destination offering a high-quality medical product;</li> <li>• Good medical infrastructure;</li> <li>• Relatively good geographical location / proximity to leading generating markets;</li> <li>• High price competitiveness;</li> <li>• Relatively high security level;</li> <li>• Increasing number of hospitals offering modern therapeutic methods and equipment;</li> </ul>	<p><b>WEAKNESSES:</b></p> <ul style="list-style-type: none"> <li>• Absence of a clear vision for the development of Bulgaria as a destination providing medical tourism and offering a high-quality medical product for patients from Europe and the world;</li> <li>• Lack of a study/analysis on the areas of medicine that the country could use to attract international clients for medical treatment (dental medicine; reproductive medicine);</li> <li>• Lack of an analysis of the target markets where Bulgaria could be promoted as a destination</li> </ul>
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<ul style="list-style-type: none"> <li>• Human resources – professionally trained specialists with high European-class training;</li> <li>• Rich network of units and institutions engaged in vocational training (availability of training programs and syllabi for almost all specialised and non-specialised professions suitable for the sector / availability of financing for human resource development under different European programs and funds);</li> <li>• Education processes structured in favour of practical training;</li> <li>• Easy access to clinics;</li> </ul>	<p>for year-round health tourism with the line of medical tourism;</p> <ul style="list-style-type: none"> <li>• Absence of government policies in the field;</li> <li>• Absence or extremely low percentage of insurance cover for medical procedures for patients from abroad;</li> <li>• Absence of an Expert Council to prepare an action plan and propose a strategy for development of the medical tourism line of health tourism;</li> <li>• The country is not recognisable as a destination for the medical tourism line of health tourism.</li> <li>• Outflow of skilled professionals abroad due to degraded working conditions in the country.</li> </ul>
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The main focus in **Chapter two “BEST PRACTICE IN THE FIELD OF HEALTH TOURISM IN EUROPE. THE SUCCESSFUL MODEL OF GERMANY AND HUNGARY”** is on health tourism development in Europe.

The European SPA Association describes in detail the balneotherapy care in the SPA and health resorts in Europe, comparing the financing of prophylaxis programs in 17 European countries. Many European countries have a long tradition of balneotherapy (SPA therapy) which is an integral part of the health system.

Table No. 5 presents the status of balneotherapy reimbursement by the health systems (health insurance funds) in the EU Member States which are members of the European SPA Association. The data and contact information have been provided by the ESPA members – nationally represented organisations. For Bulgaria, it is evident that balneotherapy is partially or fully reimbursed by the National Social Security Institute (NSSI). For 2021, NSSI concluded contracts with establishments in NSSI ownership, establishments of “*Prophylaxis, rehabilitation and recreation*” EAD (whose principal is the Ministry of Health), as well as with private establishments registered as Special Rehabilitation Hospitals. The NSSI program covers

prophylaxis and rehabilitation of diseases of the musculoskeletal system, the respiratory system, the cardiovascular system, renal and urological diseases, gynaecological diseases, peripheral and central nervous system. The start date of implementation of the 2021 prophylaxis and rehabilitation program is April 2nd. BGN 22 103 061 are allocated in the State Social Security budget for the implementation of the NSSI program in 2021. About 44 000 people are expected to make use of prophylaxis and rehabilitation allowance in 2021. The duration of the program for one person is 10 days. The price of the accommodation and a partial food allowance in the amount of BGN 7 per day are reimbursed by the State Social Security. Every person has the right to use four basic diagnostics and therapy procedures per day for the account of the SSS budget. Contracts for the programme have been signed with 22 legal persons for a total of 52 establishments implementing the program.

In table No. 5 positions of balneotherapy in the health care system of the EU services are indicated. Information and contacts with the members of ESPA - nationally represented organizations.

Table No. 5. Reimbursement levels for spa services in Europe

No	Country	Balneotherapy reimbursement status
1	<b>BULGARIA</b>	Balneotherapy is partially or fully reimbursed by the National Social Security Institute. Note: Since 2008, only in establishments owned by NSSI or MH. Private medical-SPA and SPA centres offer prevention programs that are not reimbursed.
2	DENMARK	Balneotherapy is not reimbursed by the health insurance companies. The SPA centres offer prevention programs (against partial payment).
3	CZECH REPUBLIC	Balneo-SPA procedures are partially or fully reimbursed by the health insurance companies, depending on the type of indications.
4	ESTONIA	Balneotherapy is not reimbursed by the health insurance companies. The SPA centres offer prevention programs that are not reimbursed.
5	FRANCE	Balneotherapy is part of the national health insurance system and is partially or fully reimbursed by the national health insurance depending on patient's status, under specific conditions.

6	HUNGARY	Balneotherapy is partially or fully reimbursed by the health insurance companies depending on the type of indications.
7	GERMANY	Balneotherapy is part of the national health insurance system and is fully or partially reimbursed by the health insurance companies or the pension funds depending on the type of indications.
8	ICELAND	Balneotherapy is fully or partially reimbursed by the health insurance companies depending on the type of indications.
9	ITALY	Balneotherapy is part of the national health insurance system and is fully or partially reimbursed by the health insurance system, depending on the income and the type of indications.
10	LITHUANIA	Balneotherapy is part of the national health insurance system and is partially or fully reimbursed by the State Social Security Company depending on the type of social security.
11	LATVIA	Balneotherapy is part of the national health insurance system and is partially or fully reimbursed by the State Social Security Company depending on the type of social security.
12	LUXEMBURG	Balneotherapy is partially or almost fully reimbursed by the health and accident insurance company depending on the type of indications.
13	THE NETHERLANDS	Balneotherapy is not reimbursed by the health insurance companies. The SPA centres offer prevention programs which are not reimbursed.
14	PORTUGAL	Balneotherapy is part of the national health insurance system and is partially or fully reimbursed by social protection services.
15	POLAND	Balneotherapy is part of the national health insurance system and is partially or fully reimbursed by the health insurance companies depending on the type of indications.
16	ROMANIA	Balneotherapy is part of the national health insurance system and is partially or fully reimbursed by the health insurance companies depending on the type of indications.
17	SLOVAKIA	Balneotherapy is part of the national health insurance system and is partially or fully reimbursed by the health insurance companies depending on the type of indications.

18	SPAIN	Balneotherapy is not included in the national health insurance system but it is offered to the patients who pay for it alone.
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Source: ESPA, 2018

It can be concluded that it is appropriate when setting the priorities for the sub-lines in the policy of Bulgaria to stake on the medical-SPA, thalassotherapy and SPA lines as the leading ones in comparison with the SPA and wellness lines.

The destinations chosen to be studied and discussed - Germany и Hungary, are leading European destinations in the rankings of the countries developing international health tourism. The way a comprehensive state policy in the sector is pursued, market positions, reputation, product sustainability and competitiveness, is an example to follow for Bulgaria in order to position the destination on both the European and the international market. Both destinations have rich natural resource which is in many ways similar to that of Bulgaria (Hungary is closer in this respect). Both destinations give priority to and invest in the promotion of the health tourism product on their domestic markets as well as on the international market as a sustainable form of tourism which adds value to the different regions. Both destinations “pull” Europe up on the international health tourism market. As regards medial tourism, Germany is the European leader in attracting international clients for medical treatment in the areas of oncology, orthopaedics, etc. Hungary is the undisputed leader in dental medicine while the Czech Republic, Spain and Poland share the leadership in reproductive medicine. Germany is among the major markets for the Bulgarian inbound international tourism and Bulgarian health tourism is yet expected to gain stronger positions in the National Tourist Product Mix on the German market.

## 2.2. Germany: brief analysis and presentation of best European practice

Germany is a popular destination for health tourism and holds excellent positions on the health tourism market. The country develops successfully medical tourism, medical-SPA tourism, SPA and wellness tourism.

The number of physicians in Germany increased in 2018. Out of 515 640 physicians living in the Federal Republic at the end of 2018, 392 402 were professionally active, including 201 811 working in hospitals and 157 288 in their own practices.

The German health system is considered one of the best in the world. It offers a flexible range of opportunities and wide coverage. Residents who want to get health insured have many

choices and a wide variety of health insurance packages depending on their financial status and medical needs. The health insurance plans differ in terms of coverage, costs and specific conditions.

Health insurance is a legal requirement. Another important element of the German health system is that one does not need to get a German health insurance plan. In Germany, healthcare is financed with a system of compulsory contributions which ensures free healthcare for all through health insurance funds. Insurance payments are based on a percentage of the income, shared between the employee and the employer. Health insurance in Germany is divided between the government and the private schemes. Legal health insurance, the so called Gesetzliche Krankenversicherung (GKV), has a central place in the healthcare system of the Federal Republic of Germany. About 88% of the population are covered by compulsory health insurance which is obligator for everyone with gross income of less than EUR 5 062 per month. Private healthcare schemes can provide complete health service for those who waive GKV, or supplementary coverage for those who remain in GKV.

The health insurance coverage is obligatory for all residents of Germany. The insurance is provided by the state health insurance company (GKV) or by a private health insurance company (PKV). State health insurance is sometimes called “compulsory”, “public”, or “national”. About 90% of the residents of Germany use health insurance. GKV usually covers also the children and the spouse of the policy holder.

### **2.2.1. Basic prerequisites for development of health tourism (medical, medical-spa, spa and wellness)**

- Excellent geographical location;
- Excellent avia and transport network;
- Legislation in the field;
- Excellent reputation of the German health insurance system;
- High quality of care;
- Strict ethical standards;
- Quick access to specialists;
- Excellent price-quality ratio;

- High standard of care in German hospitals, special rehabilitation clinics, medical-SPA, SPA and wellness centres;

a/ highly qualified physicians, medical nurses and other medical specialists who receive profound training;

b/ high level of medical technologies and state-of-the-art treatment options. Germany is known for its technical innovations and excellent engineering. Almost all German hospitals are equipped with high-tech image technologies such as 3D ultrasound and MRI; many special clinics have state-of-the-art equipment providing the newest therapies to patients. Surgical robots, cardiac catheters and targeted radiotherapies for oncology patients are only part of the technologies available in German clinics;

c/ existing strict laws for protection of the safety of patients;

d/ existing strict hygiene measures in German hospitals;

e/ transparency of therapy results and overall aftercare;

### **2.2.2. Patients and therapies**

The biggest source of patients in Germany is Russia, followed by the Middle East, in particular UAE and Saudi Arabia, Qatar, Kuwait, Oman, and other East-European countries. Some European markets, including the Netherlands, the United Kingdom and Austria, also have great interest in medical tourism.

### **2.2.3. Medical-SPA, SPA and wellness tourism**

- The domestic market is the biggest market for medical-SPA, SPA and wellness tourism (prevention, prophylaxis and rehabilitation).
- Every citizen living/staying on the territory of Germany and holding German health insurance is entitled to use their insurance once a year or once in 2-3 years for programs for prevention and prophylaxis of diseases, as well as, after surgery – for rehabilitation programs;
- Depending on the type of health insurance, the insured person is partially or fully reimbursed for the amounts for outpatient prevention and prophylaxis and for rehabilitation in special rehabilitation clinics.
- Health insurance system in Germany: 2 major associations:

a/ GKV – National Association of compulsory health insurance funds (109 funds with over 70 million insured persons):

b/ PKV – Association of private health insurance funds (it includes about 40 German health insurance companies). Private health insurance plans cover a wider choice of medical and dental treatment than the state system and they generally ensure wider geographical coverage.

Germany is among the first countries in the world to offer rehabilitation programs to patients “after being cured of COVID-19” (Clinical Centre Bad Sulza in Thuringia). It is a fact that medicine and wellness work together, hand in hand. People who always feel well are more resilient to illnesses and recover faster. The medical-SPA clinic Toskanaworld (TMSC), Klinikzentrum Bad Sulza (KBS), is built over a natural salt spring which is integrated into the holistic and multidisciplinary therapies offered. Combining medical applications with naturopathic approaches focusing on the whole system of the patient, unlike the treatment of an isolated condition, makes it possible to achieve deeper cure. The team of the rehabilitation clinic Bad Sulza aims to get full idea about the patient as well as about the illness in order to find the roots of the illness by closer examination of the link between emotions, behaviour models and the illness. In a long-term perspective, the aim is to teach the patients to manage their disease in order to lead a fuller life. The concept of the post-COVID-19 recovery program discusses all aspects of patient care: respiratory, motor and skeletal, cardiovascular, gastrointestinal, immunological, detoxication, stress control and mental health. It also includes all areas of balneology / SPA medicine where rehabilitation can be applied.

Germany is the home of top-level SPA centres, health and wellness resorts and rehabilitation centres, many of which have been offering therapies for hundreds of years. Millions of tourists visit Germany every year, many of them visiting therapeutic baths, health baths and wellness resorts which offer full range of therapies.

### **2.3. Hungary: brief analysis and presentation of best European practice**

Hungary is considered one of the most important destinations developing health tourism in the world. Tourism makes up 9,8% of GDP and 12% of national employment (as direct and indirect contribution), therefore it can be said that it has an undisputed role in the local economy. From the onset of mass tourism in Hungary in the 1960ies, SPA and wellness are proving the most important tourist product for the country. Seasonality is one of the major structural problems of tourism in



Hungary with the SPA and wellness product playing a big role for attracting visitors for longer periods and for a longer tourist season. This tourist product is developed practically all over the country. SPA, wellness and medical tourism have been and will be one of the most important factors and a priority for the tourism industry in Hungary. Health tourism in Hungary makes up about 4,7% of total tourism but nevertheless it is a major government priority.

In the table No. 8 are shown the types of the health tourism in Hungary.

Wellness tourism			Medicaltourism	
Spiritual	Beauty therapies	Therapeutic recreation	Rehabilitation (after illness)	Cosmetic surgery
Yoga and meditation	Sport and fitness	Rehabilitation (lifestyle)	Therapy and recovery	Dental treatment
Spiritual	Beauty therapies	Therapeutic recreation	Rehabilitation related to illnesses	Cosmetic surgery
New Age	Procedures for pleasure	Professional wellness		Surgery
		Thalassotherapy		
		Nutrition and detoxication programs		

Source: Smith and Puczkó (2009)

### 2.3.1. Prerequisites for development of health tourism (medical, medical-spa, spa and wellness).

#### a/ History and traditions:

History and development of SPA and wellness tourism in Hungary: Health tourism, in particular SPA culture, has rich traditions in Hungary. From the Roman times stand out the Aquincum (in today's Budapest) and some other mineral baths. Other SPA establishments are preserved from the times of the Turkish occupation; 19-century balneological developments focus mainly on the resorts in Buda of those times.

### **b/ Rich natural resource:**

A total of 137 settlements develops medical tourism, including 14 designated as health ones: Balatonfüred, Bük, Debrecen, Eger, Gyöngyös (Kékestető), Gyula, Hajdúszoboszló, Harkány, Hévíz, Miskolc (Lillafüred), Parádsárvár, Sopron (Balf) and Zalakaros. Those medical tourism resorts host almost half of the national population and 61% of the beds. Four types of therapeutic factors can be outlined in the Hungarian SPA and wellness tourism based on the geographical conditions:

- Therapeutic waters;
- Therapeutic mud;
- Climatotherapy and therapeutic caves;
- Mofettes;
- 17 certified therapeutic places: Hévíz, Bükfürdő, Sárvár, Balf, Zalakaros, Harkány, Balatonfüred, Parádsárvár, Lillafüred, Kékestető, Eger, Mezőkövesd, Debrecen, Hajdúszoboszló, Gyula, Nyíregyháza-Sóstógyógyfürdő, Szigetvár;
- 36 certified SPA hotels;
- 83 certified medical-SPA establishments (7 in Budapest alone);
- 5 therapeutic caves: Abaliget, Lillafüred, Budapest, Tapolca, Jósvafő;
- 224 mineral water sources;
- 5 therapeutic mud establishments: Makó, Tizzasüly – Kolop, Hajdúszoboszló, Alsópáhok, Hévíz
- 2 mofettes: Mátraderecske and Parádfürdő

- **Government support:**

During the socialism period, investments were made in a number of projects which provide the basis for health tourism in the country but the real **boom in the product development occurred after Hungary's accession to the European Union in 2004**, when tourism was made a priority in the Government Program as the industry to be supported from the European Funds.

The investments made radically restructured the Hungarian tourist market, including health tourism supply and destinations. After that period health tourism development is subject to the New Development Plan of Hungary (NDP II), which is also supported with EU resources and is concentrated on spatially-explicit principles. While the first National Development Plan attracted

less capital to the sector (mainly focused on rehabilitation of SPA establishments in Budapest), the new Széchenyi Plan, launched for the period 2007–2013, ensures bigger capital participation. In the Széchenyi Plan and in the current Széchenyi Program 2020, the focus was initially on the development of the SPA sector and later on the provision of support to enhance the visitor capacity.

### **2.3.2. Medical tourism in Hungary**

The Hungarian medical tourism industry makes up a huge share of European dental tourism. 40% of European medical tourists, mostly from Western Europe, regularly enter the country seeking different medical services.

But in recent years Hungary makes efforts to change its image of a mainly dental treatment destination, intensively promoting other medical procedures. A number of clinics in Hungary offer medical tourism packages which include organisation of therapy, flights, transfer and accommodation.

Hungarian medical institutions have considerable experience and practice in the industry since the 1980ies. Hungary's accession to the European Union considerably improved and diversified national medical tourism. The therapies and medical services offered include: cosmetic, orthopaedic and eye surgery, assisted reproduction, antiaging, treatment of addictions and obesity, SPA and wellness therapies, even cardio rehabilitation therapies.

#### **Problems and challenges:**

- Lack of accreditation by international organisations. Most of the hospitals and clinics in the country lack some of the most important international accreditations such as JCI. A number of institutions are thus prevented from getting any significant share of international patients.
- The Hungarian medical tourism market is dominated mainly by small clinics. Most of the big hospitals in the country serve only local patients, leaving to smaller institutions of less experience or smaller capacity to handle the demanding international market. Hungary: a not just dental tourism country.
- Increasing changes in the insurance coverage due to medical malpractice.

The increasing number of legal actions for malpractices ending with compensation made the providers of insurance services increase the premiums to cover medical malpractice.

### **Future plans:**

The Hungarian Medical Tourism Service Institution, which manages the Hungarian dental tourism development program, plans to implement a system which will make the dental procedures much safer for medical tourists in Hungary. The organisation intends to achieve it with a quality monitoring and accreditation system. This is aimed at increasing revenues and patient turnover through world-class procedures and equipment.

The program, which is expected to bear fruit in about three years, will double the revenue and the current number of tourists in the country seeking cheaper and quality medical care. This number of tourists can also triple along with the revenue in about five years.

The main emphasis in the Third Chapter "**ATTITUDES AND OPPORTUNITIES FOR MARKET ORIENTATION AND POSITIONING OF CERTIFIED BULGARIAN MEDICAL SPA AND SPA CENTERS ON THE INTERNATIONAL MARKET**" is placed on studies made regarding: (1) The management's attitudes about priorities in the supply in the field of health tourism and market orientation; (2) Assessment of the state of the sector as a result of the restrictions associated with the COVID-19 pandemic; (3) Priority directions for balneotherapy in Europe and specifically in Bulgaria.

**3.1. Results of our own research** and discussion about the attitudes of the existing supply, demand, market orientation and positioning, through a study of the product mix in the field of medical-SPA, SPA and wellness tourism - priorities and market orientation of the key certified Bulgarian medical-SPA and SPA centers , members of BUBSPA

#### **3.1.1. Tasks**

- Analysis of the supply - priority in developing programs for health prevention, prophylaxis and rehabilitation, specialized spa menus, respectively by medical-SPA and SPA centers;
- Analysis of demand and preferences when choosing medical-SPA, SPA and wellness centers by customers - comparative assessment;
- Marketing objectives to expand the portfolio, both of programs and services, and of markets in which to offer them.

### 3.1.2. Methodology

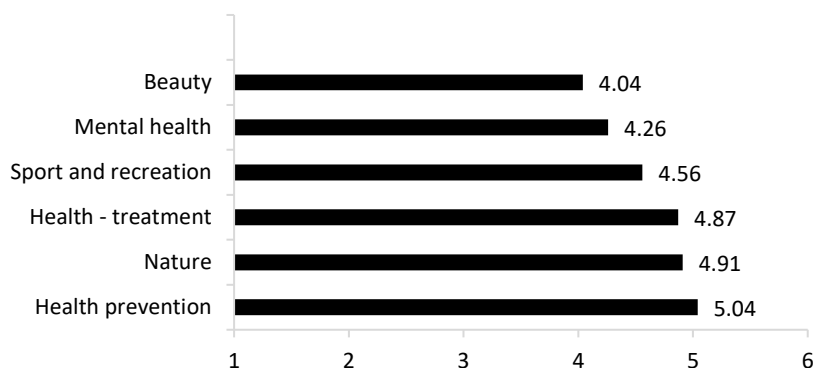
The study was conducted for a period of 3 months in the fall of 2019. For this purpose, a questionnaire was prepared for conducting an in-depth interview. The data were collected from 30 centers located in Velingrad, Sandanski, Kyustendil, Belchin Banya, Hisar, Pomorie, Sveti Konstantin and Elena, Albena, Zlatni Piastsi, Ognyanovo, Banya - Razlog village, Sapareva Banya, Pavel Banya.

### 3.1.3. Results

The results of the in-depth interviews show the attitudes of clients regarding seeking services related to improving their health status. They clearly outline the priorities in the offering of services by certified centers, as well as the attitudes of investors to develop the product, according to market demand, including additional programs and procedures related to prevention and/or preventive health, day programs and others .

The study shows that in terms of the importance of the products, part of the overall marketing mix, when preparing the offers to their customers, the centers put the focus first on "health-prevention" (complex offers with individual therapies and procedures related to promotion of health and disease prevention using the mineral resource); following are offers based only on the use of natural features (economically more profitable - due to the fact that 95% of hotels include free use of the thermal part, wellness part and relaxation areas in the price of the night); thirdly, the emphasis in offering is on offers related to health-treatment (prevention and rehabilitation) and fourthly - an emphasis on sports and recovery (especially characteristic of mountain climate resorts, as well as our sea resorts). The results are shown in Fig.5.

Fig.№ 5. Types of products and programs in Bulgarian SPA centers



The survey shows what investors rely on when forming their policy for the programs and procedures they offer to their clients. The main reliance is on basic remedies specific of Bulgaria and the Bulgarian product:

**Natural remedies:**

- Climatotherapy - 82,6 %
- Balneotherapy - 73,9 %
- Mud therapy - 69,6 %
- Thalassotherapy - 39,1 %

The survey results show that the diseases of the musculoskeletal system (MSS) account for the highest share in the supply of prevention and prophylaxis programs by the centres –86,9%, followed by diseases of the respiratory system –82,6 % and the peripheral nervous system – 78,3%, metabolic and rheumatological disease – 60.9% each; dermatology and gastrointestinal system – 56.5% each, etc.

The survey results show that the leaders are prevention and youth (beauty) procedures and programs: 82,6% and fat fighters: 78,3%.

Fig.№ 6. Types of procedures

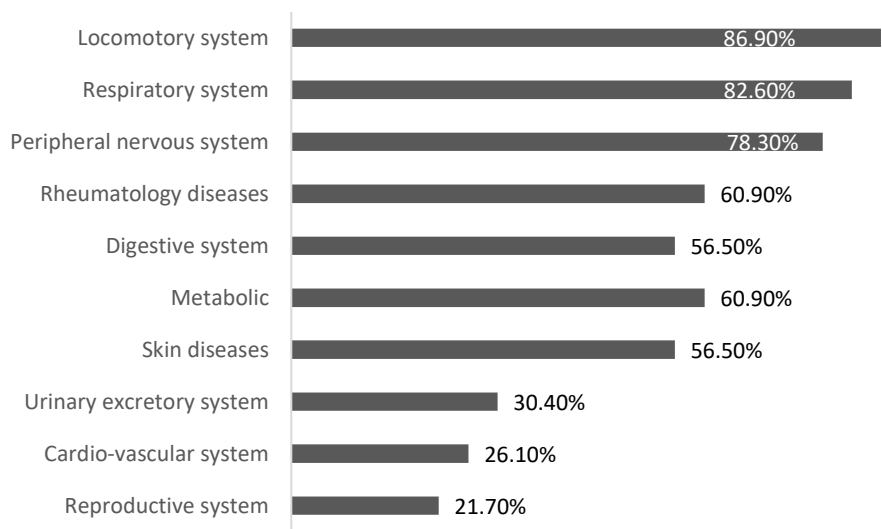
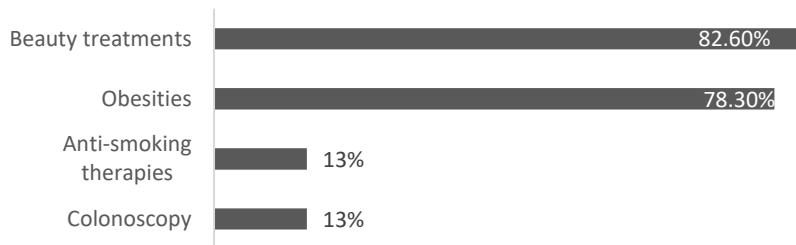
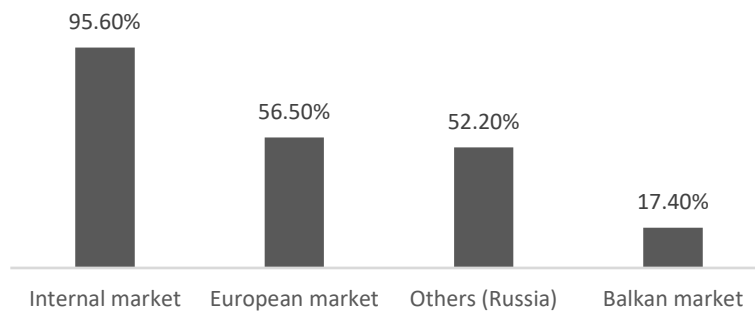


Fig. № 7 Leading procedures and programs in spa centers in Bulgaria



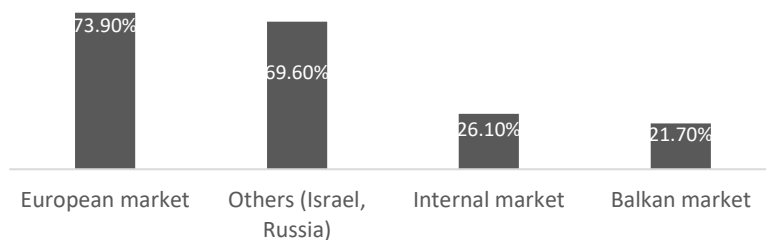
The results presented in Fig.8. show that for market orientation - customers for the last two years, the most important customers are from the following markets::

Fig. № 8. Types of tourists for spa tourism in Bulgaria by markets



The answers to the question about the desired market orientation and most important markets from which the respondents wish to attract guests are presented in fig. 9. And they show complete preferences for the European market, followed by the Israeli market and the domestic market - Bulgaria.

Fig. № 9. Desired market orientation for spa tourism in Bulgaria



#### **3.1.4. Discussion**

The survey conducted in 30 certified medical-SPA, SPA & wellness centres clearly shows that the health prevention and prophylaxis procedures and programs offered are in line with the policy which Bulgaria pursues in recent years: to rely on the traditional Bulgarian product based on the natural remedies (climate, waters, peloids), to skilfully combine the traditional for the country with the modern/up-to-date procedures, techniques and products, with one purpose – sustainability, uniqueness and high quality of the end product which should be competitive on the European market. There is already predisposition on the part of investors to keep upgrading the product they offer and to be willing to and try to promote it at markets they consider essential (Europe, Israel, Russia).

The importance of the product laid included in the marketing concept of the individual centre, part of the comprehensive marketing mix of services related to the integral balneo (medical)-SPA product, has been studied. Health prevention accounts for the highest share with a rating of 5.04 but it is also combined with all products listed hereunder, which are part of the integral product.

As regards market orientation, the survey results show that the most important market to date, on which the business relies, is the Bulgarian market (95% of the centres work mainly with this market), followed by the European market (56,5%), third comes the Russian market (52,2%) and fourth is the Balkan market (Greece, Romania, Macedonia with 17,4%), followed by the market of Israel.

The survey results show that in terms of the desired market orientation centres seek to get promoted on and attract more clients from markets which are not sufficiently developed for their regions and centres. 73.9% of respondents mention Europe as the priority development market, 26.1% aim to increase their share on the Bulgarian market, 69,9% intend to increase their share in the market of Russia and Israel, 21.7% seek to increase their market share on the Balkan market.

#### **3.1.4. Findings**

The surveys conducted clearly show that medical-SPA and SPA centres, which rely in their development strategy on and offer their clients services and programs for improved quality of life using a combination of natural wealth, scientific experience and medical expertise, new technologies and good ecological and social environment, are characterised by sustainability and



have conditions for good year-round operation. Investors offering as a priority services and therapies for health promotion and prophylaxis, healthy food, unique tourist resources (specific for the region) in good, competitive European establishments and maintained environment, healthy environment providing conditions for social contacts and relaxation.

The in-depth survey also highlighted a predisposition among a small percentage of medical-SPA centres (less than 4%) to expand the main product they offer, which is related to preventive medicine (health prophylaxis and prevention) and to supplement it with supply of medical lines such as cosmetic/plastic surgery and dental medicine. This could only be achieved through relevant additional registration (if the centre has the required infrastructure and medical team, it has to register a medical centre according to the Medical-Treatment Establishments Act). As a variant, partnership agreements could be signed with the existing dermatological or dental clinics in the region which use the infrastructure of the medical-SPA centres to promote their products and as a base used by clients/patients who combine healthy recreation with solving a medical problem. There is such practice in Sts. Constantine and Helena RC and Albena RC. Both resorts have registered medical centres and Sts. Constantine and Helena RC also has a dermatological clinic.

### **3.2. Results of own research to discuss the situation of the medical-SPA and SPA tourism sector following authorisation of the operation of medical-SPA and SPA centres on May 19, 2020 after their closing on March 13, 2020 as a result of the COVID-19 pandemic**

#### **3.2.1. Objectives**

- Analysis of the business situation – what capacity the business works with; change of the market mix;
- Analysis of the effect of the main measures/instruments adopted by the State and aimed to promote the industry most affected by the pandemic.

#### **3.2.2. Methodology**

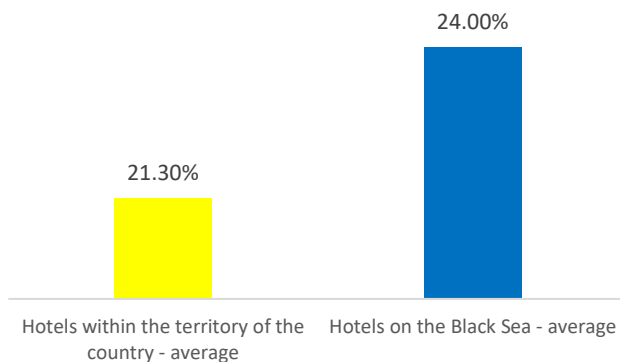
The survey was prepared and based on 30 surveyed medical-SPA and SPA hotels – members of the Bulgarian Union of Balneology and SPA Tourism, throughout the country. It aims to summarise the situation in the sector after the operation of the medical-SPA and SPA centres, which were forcibly closed for a period of two months, was restored. The Ministry of Health

published Order No. ПД-01-124/13.03.2020 terminating a number of activities, including visit of sports, SPA and fitness centres. **In consequence, 100% of the SPA centres stopped working and 80% of the hotel establishments on whose territory the pertaining medical-SPA and SPA centres are located, closed down.** Two months later, their operation was authorised with Order No. ПД-01-262/14.05.2020 of MH, under strict sanitary measures and required physical distance between clients. In the survey, the centres were divided into such located on the Black Sea Riviera (RC Albena, Golden Sands, Sts. Constantine and Helena, Pomorie, Aheloy) and in the other part of the country (Belchin Banya, Banya – Razlog, Velingrad, Devin, Kyustendil, Pavel Banya, Sandanski, Sapareva Banya, Hissar).

### 3.2.3. Results

The results show that inland SPA centres reopened at a capacity (occupancy) of 21.3% and those on the Black Sea Riviera – at a capacity (occupancy) of 24%.

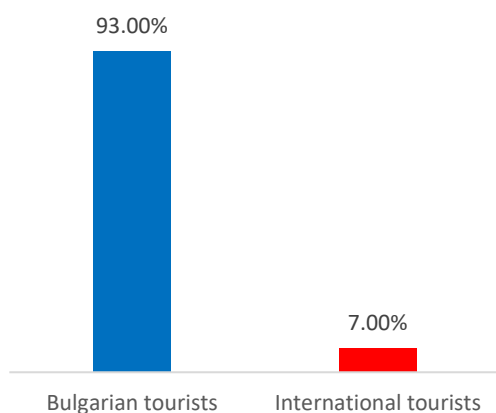
Figure No. 10



The result was expected, given people’s uneasiness to travel, plan and book holidays for improvement of their health status.

As expected, Bulgarians were the main guests the centres relied on. As a result of the ban on travels to and from other countries, the strict restrictions, which also involved more financial costs, 93% of the major clients were from the Bulgarian market and 7% were foreign clients staying in the country due to working arrangements and/or looking for an “open for health tourism” European destination (mainly clients from Romania where SPA centres remained closed till the end of 2020).

Figure No. 11



The survey results showed that during the first stage of the 60/40 program, 89% of the respondents applied and were approved. This measure is essential for keeping the staff in the sector and the business relies on this support.

### 3.2.4 Discussion

The reopening of medical-SPA, SPA and wellness centres from 19.05.2020 was the result of several major factors. First, the understanding of the important role of balneological and climate resorts for the better mental and physical health of the people (neurological problems, depression, apathy and immobilisation are some of the problems that emerged in the lockdown period); the absence of prophylaxis opportunities exacerbated the existing chronic diseases. Second, there was good dialogue between the public and the private sector: the Bulgarian Union of Balneology and SPA tourism, the Ministry of Tourism and the Ministry of Health (acting through the Regional Health Inspectorates – RHI), and serious commitment of the owners and management of medical-SPA, SPA and wellness centres to comply with the measures specified in the dedicated *Plan for the operation of medical-SPA, SPA and wellness hotels in the Republic of Bulgaria in the context of the COVID-19 pandemic*, developed by experts from the Bulgarian Union of Balneology and SPA tourism, coordinated with the Ministry of Health and laid down in the instructions for operation of the accommodation places of the Ministry of Tourism. The main threat ensuing from the continued full lockdown of the centres was the layout of valuable professionals trained for years with the resources of the Bulgarian education system (colleges, universities), in whom the business also invested (trainings, trainings under university programs, etc.) and who also invested

in themselves, which professionals could have been irretrievably lost to this product sector. Their recovery would have been time-consuming and would involve additional costs for the State, as well as for the business.

The main arguments highlighted above gave grounds to the authorities to discuss in depth and with understanding the pros and cons of an earlier opening of the sector and it was finally assessed that the benefits to the people from responsible opening and strict compliance with the rules are greater.

The **short-term instrument for urgent support to the business to keep employment and guarantee the income of workers and employees – the so-called “60/40 measure”**, approved by the Bulgarian government, was vital for the business in the context of the pandemic. The State covers 60% of the contribution income of the workers and of the social security payments due by the insurer. Payments under the measure are made to employers from all economic sectors to maintain the jobs of workers and employees:

- whose work was terminated in the period of the state of emergency and the emergency epidemic situation declared by the National Assembly;
- who worked part-time during the state of emergency and the emergency epidemic situation;
- who took leave under Article 173a of the Labour Code;
- whose employment was preserved following a notice of layout;
- workers and employees insured in the sectors “Hotels and Restaurants” and “Other passenger land transport, n.e.c.”.

### **3.2.5. Findings**

According to the respondents, the Government took an adequate decision to re-open the medical-SPA, SPA and wellness centres which are part of the health system (in the field of prevention and prophylaxis) on 14.05.2021 and enable the people to use the natural resource to improve their health status (mental and physical).

Respondents think that to address the crisis and work reduction (up to 60% in some destinations) and to keep the staff in the sector, which means preserving the product quality, it is important that they receive support from the State in the following areas:

- Extension of the 60/40 measures + additional BGN 290 given to each employee per month (till June 2021);

- Admitting the balneotherapy (medical SPA) establishments certified under Ordinance No. 04-14/2019 of MT and MH to the contractor selection procedures for prophylaxis and rehabilitation activity under the programs of the National Social Security Institute;
- Implementing direct additional tools for support, with social effect. For example, BUBSPA’s “health prevention vouchers” (supplementing Ordinance No. 7 of MF by including an option for provision of “health prevention vouchers” in addition to food vouchers);
- Include medical-SPA and SPA hotels in the planned Government program in support of the tourism sector “recreation vouchers for front-liners”;
- Enabling all companies in the tourism sector to have access to financing and support to address the consequences of the pandemic, not only the companies that meet the criteria for micro-, small and medium-sized enterprises.

### **3.3. Comparative analyses and discussion of a study on the attitudes for priority areas in the conduct of spa treatment in Europe with epidemiological aspects**

Balneotherapy has long-term traditions and is part of the healthcare system in many European countries. Balneotherapy is offered at SPA and medical-SPA centres with medical elements which are recognised by the government authorities. The available local natural remedies (natural water therapy, peloids, gases, climate conditions) have always been subject of scientific research. Based on the knowledge of scientists and physicians, the treatment of certain diseases with balneotherapy has been approved and recommended.

In 2017-2018, at the initiative of: the President of the Bulgarian Union of Balneology and SPA tourism as vice-president of the European SPA Association; Dr. Tatyana Angelova, MD, member of the medical commission at ESPA; the President of the Association of Physical and Rehabilitation Medicine and Chairperson of the Control Board of BUBSPA, Bulgaria was included in the first of its kind ESPA-funded European survey. The study aims to establish which patients with what most common diseases received balneotherapy in the country and eleven other European countries. The survey work on the territory of Bulgaria is coordinated by Dr. Tatyana Angelova, MD.

#### **3.3.1. Objectives**

- Analysis of the study conducted on the territory of the country.

- Comparative assessment of the Bulgarian survey and the study conducted in other European countries.

### 3.3.2. Survey methodology

The study was conducted over a period of one year in 2017 – 2018. An ESPA medical team designed a questionnaire for the purposes of the study, which was disseminated on paper and electronic carrier.

Data was collected by physicians working in balneotherapy centres located in the balneoresorts of 12 European countries – Bulgaria, Iceland, Spain, Italy, Lithuania, Portugal, Romania, Slovakia, Slovenia, Hungary, France, Czech Republic.

In Bulgaria, the study was conducted in: Special Rehabilitation Hospital (SRH) - Kyustendil, Medical Centre Medica Albena, Medical-SPA Centre in SPA Hotel Bor –Velingrad, Medical-SPA Centre Strimon Garden SPA Hotel – Kyustendil, SPA centre in Park Hotel Pirin - Sandanski. The survey covered 240 patients.

### 3.2. Results

Number of patients who received balneotherapy over a period of 12 months (2017)

Table No. 9. Number of patients, received balneotherapy in 2017.

COUNTRY	NUMBER OF PATIENTS	POPULATION	%
HUNGARY	2 429 565	9.773 million	24,86
ITALY	1 100 000	60.36 million	1,82
ROMANIA	941 500	19.41 million	4,85
FRANCE	588 550	65.973 million	0,89
CZECH REPUBLIC	363 729	10.69 million	3,40
SPAIN	248 000	45.633 million	0,54
SLOVAKIA	167 048	5.458 million	3,06
BULGARIA	163 626	6.883 million	2,377
LITHUANIA	136 339	2.795 million	4,88
PORTUGAL	36 000	10.106 million	0,36
SLOVENIA	27 653	2.084 million	1,33
ICELAND	1 471	0. 364 million	0,404
<b>TOTAL</b>	<b>6 203 481</b>	<b>239.529 million</b>	<b>2.59%</b>

*Source: ESPA, 2020*

The table shows that out of a population of 239.529 million, balneotherapy received 6.203481, or 2.590%. The data about Hungary stand out. In the past decade the country registers a boom in international SPA tourism. The number probably includes foreign tourists. The figures given in Table No. 1 for Bulgaria cover the number of patients who received rehabilitation therapy in the balneoresorts, the establishments of SRH, NSSI. The data are taken from the site of NHIF and the site of NSSI.

Having in mind the high percentage of ageing population in the country - over 2 million, notable is the relatively small number of patients who received balneotherapy and rehabilitation in the country – 2,377%. This percentage is close to but lower than the average for the countries in which the survey was conducted.

The study does not include the tourism data because of absence of national-level registers and statistics about the workload of balneotherapy centres. They actually work under programs for prevention of chronic diseases and health prevention. Having in mind that the visit rate of those locations during holidays and weekends is high and for some establishments it is year-round, there is a large number of cases that were not reflected in our survey and would have had effect on the values of the percentage cited above (2.377%).

The data in figure No. 3 show that patients with diseases of the musculoskeletal system are the biggest group that received balneotherapy (26% + 8%), followed by patients with diseases of the nervous system (24%). All other diseases of the internal organs, dermatological, gynaecological and vascular diseases, make up 46%, and “other” make up 4%. It should be noted that this breakdown was expected because these are the diseases included in the clinical paths with reimbursement by NHIF.

Diseases of the internal organs, gynaecological, dermatological and some other diseases, which are not included in the clinical paths and are nor reimbursed by NHIF, come from the contingents of patients who received balneotherapy in the establishments of NSSI-PRO EAD and in the balneotherapy (Medical-SPA) centres in the country.

The results of the study in Bulgaria show that the diseases of the musculoskeletal system (MSS) and the peripheral nervous system make up the biggest share – 58%, which is explained by the fact that the rehabilitation and balneotherapy of such diseases is financed from NHIF, as well

as under the programs of NSSI. On the other hand, they are typical for people aged 50-55+, which determines the higher demand of this type of medical service by the said age group.

When comparing the results of the study in Bulgaria and the survey conducted in the European countries, notable is the fact that in Bulgaria, the percentage of patients with diseases of the lungs is much lower. The reason is that this pathology is excluded from the clinical paths, therefore it is not financed from NHIF. People of working age in need of balneo- and climatotherapy of diseases of the respiratory system can currently use the programs of PRO EAD which are financed from NSSI. The other option is private therapy, visits of the medical-SPA centres in the resorts and using the designed special programs for prevention and prophylaxis of chronic diseases.

The study conducted show that Bulgaria has comparable parameters with the other European countries in terms of the visit rate of balneoresorts, as well as in terms of the diversity of the pathology met in the special medical establishments.

The inclusion of the data from the tourism sector would contribute to reflecting more realistically the use rate of the balneotherapy establishments in the country, as well as to better positioning of Bulgaria as a SPA destination on the map of European balneotherapy resorts.

Using the data about the workload of the balneological and SPA centres in the country, we would get a more realistic idea about the use of the health prophylaxis and prevention programs and their contribution to reinforcing the general well-being of the population.

Knowing the big resources of natural remedies – favourable climate, a variety of mineral waters in the resorts located in ecologically clean regions of Bulgaria, we think that care should be taken to promote our country as a destination for successful health tourism in the area of prevention and prophylaxis.



## **FINDINGS AND RECOMMENDATIONS**

Collaboration and partnerships are key among the various stakeholders involved in the health tourism value chain: destinations, authorities, local communities, accommodation and transport, suppliers, intermediaries. Health tourism can be better integrated into overall tourism policies through collaboration with stakeholders. The successful public-private initiatives to promote health tourism introduced in some of the leading health tourism destinations – Germany and Hungary, which are discussed in detail in the dissertation, can also be developed in Bulgaria. The cooperation with the relevant international organizations is essential and it is important to continue, as through them the country receives better recognition, support and incentives in the process of positioning the country as a destination for year-round health tourism.

### **Recommendations for operational changes:**

Health destinations will have to prove that they are safe, through stricter hygiene controls, through screening of staff and visitors, which means that existing hygiene regulations, staff training and some of the control mechanisms will have to be amended. This will make a big impact wherever there are spa areas, saunas and pools. Improved hygiene will also raise the standard of services offered.

### **Recommendations for conceptual changes:**

In the short and long term, people will be extremely careful in choosing where to travel and in that sense will prefer safe destinations as well as services that they desperately need and cannot get where they live. This means that these destinations need to become more creative and offer not only unique but also medically proven treatments capable of attracting customers, providing excellent and completely safe standards. The current crisis will influence people to focus less on the superficial aspects of life (material acquisitions and appearance) and to look within themselves (mental and spiritual health). This change will enable health destinations to offer more health services aimed at improving medical, mental, emotional and spiritual aspects. The spa reality of the past, when large groups of clients gathered together in one place, may prove socially unacceptable for a while. This can expand the possibilities for medical resorts, spa hotels and clinics.

The main guidelines for improving the management of spa and wellness hotels in Bulgaria in terms of infrastructure are related to the need to develop up-to-date and adequate territorial-

organizational plans. Through them, the practice of rebuilding spa destinations and destroying natural resources will be reduced.

An essential factor for improving the competitiveness of balneos, spas and wellness hotels is the possibility of year-round operation. This is a serious prerequisite for overcoming seasonality and applying the tools of postmodern cultural tourism through the "SPA and Art" product. This, in our opinion, can be achieved by developing attractive and diverse tourist packages that will make the balneo, spa and wellness hotel a preferred place to relax both in winter and in the rest of the year.

The positioning of Bulgaria as a competitive European destination developing year-round health tourism requires that support from the state be continued and expanded and the existing policies for the development of this important, sustainable and in times of a pandemic product, part of the general tourism product of Bulgaria, are upgraded.

Regarding medical tourism, it is necessary to create conditions on the part of the state for its development. Targeted teamwork is needed to create a Strategy for the development of medical tourism with a horizon of 2021-2030, with a specific action plan included (for 1, 5, 10 years).

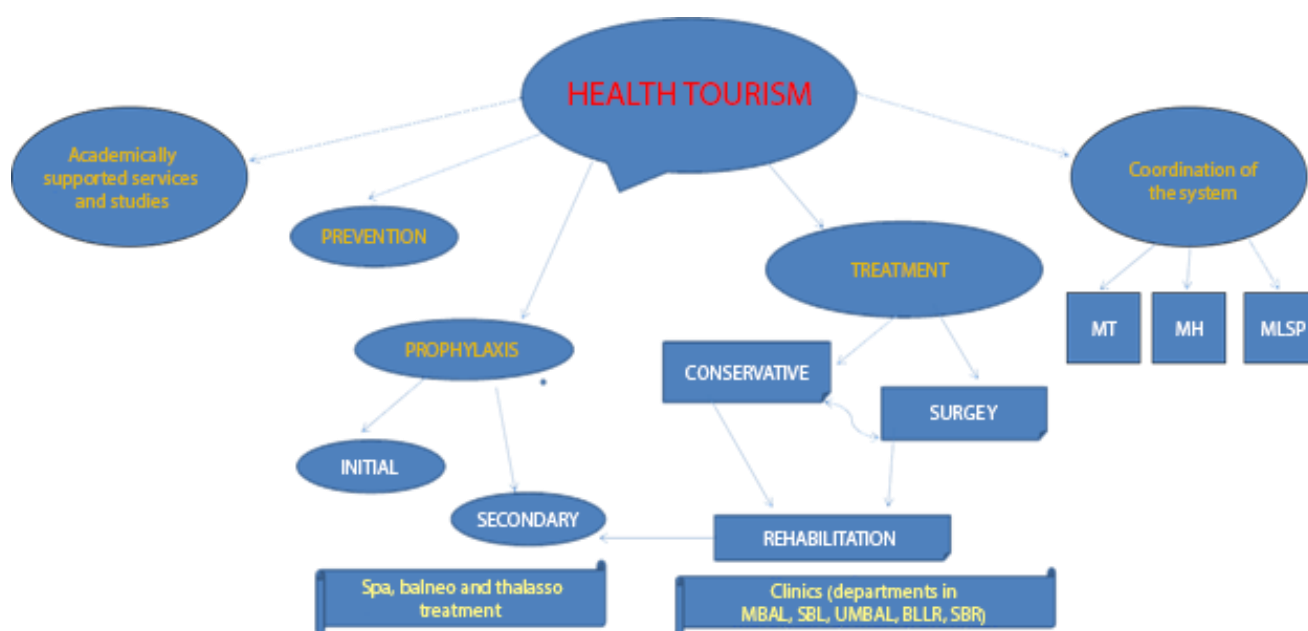
Our recommendation is to create a working group with specific tasks, led and coordinated by teams of the two relevant ministries - the Ministry of Health and the Ministry of Tourism, with the participation of experts from NGOs and universities specialized in the field. It is necessary to determine the directions in medicine that Bulgaria should focus on as a main, competitive destination and start promoting on the international market. It is necessary to make an analysis, to study the target markets from which we aim to attract customers (patients), to make an analysis of the main barriers to medical tourism for these markets: the lack of insurance and services (in the patients' homeland ), legislation in the health sector and tourism is not synchronized, lower costs, better quality of care, procedures unavailable at home.

Positioning Bulgaria as a competitive European destination developing year-round health, medical, spa and wellness tourism requires continued and expanded support from the state and existing policies are upgraded;

With regard to the direction of medical tourism, it is necessary for the state to create conditions for its development, and one of the ways to achieve this is to implement an updated Strategy for the Development of Medical Tourism with a horizon of 2022-2030.

On the basis of the results obtained from the dissertation research and the comparative analysis of the results of the other main studies - the European study of ESPA and the study of the Bulgarian Academy of Science at the initiative of the Ministry of Tourism, a **"Model for the development of health tourism"** was developed, presented in Fig. No. 15. It provides an opportunity through the presented innovative portfolio for methodological support in the practical implementation of the goals of health tourism and the positioning of Bulgaria on the European spa, wellness and health market.

Fig. 15. Model for the organization of health tourism in Bulgaria:



*Adapted from T. Angelova, 2017*

In certain medical areas, for years, efforts have been made to build the country's image on the international market as a destination for medical tourism and to attract tourists for the purpose of medical diagnosis or treatment. This activity is carried out exclusively and only on the basis of the private initiative, without the support of the state, with the financial means and communication channels of the owners of dental practices, dental clinics; hospitals/clinics specialized in the field of reproductive medicine, centers offering modern laser surgery in the field of urology, urogynecology or aesthetic medicine, etc.

## **CONCLUSION**

Cooperation and partnerships are key among the various stakeholders involved in the development of health tourism: destinations, authorities, local communities, accommodation and transport, providers, intermediaries. Health tourism can be better integrated into overall tourism policies. Successful public-private initiatives to promote health tourism, introduced in some of the leading health tourism destinations and which can be considered best practices, can be replicated in other countries. Health tourism cooperation can also have the effect of down streaming know-how and technology transfer. Cooperation with relevant international organizations is essential. Technological advances and mobile applications such as e-Health and mobile healthcare (or artificial intelligence and robotics in the near future) may lead to new healthcare solutions and opportunities, both in tracking vital functions of the human body and as administrative assistance for tracking the quality of the tourist service in different sectors of the site, etc.).

The set of health tourism development tools included in the combined study of this dissertation also includes facilitating, guiding and supporting the efforts of all stakeholders to develop and manage any form of health tourism.

The experience of restrictions during the Covid-19 pandemic requires destinations to apply pandemic-adapted strategies and direct their marketing policy by offering to the market a tourism product tailored to people's current needs for recovery and relaxation.

By including health tourism in the regional development plans, the managements of the spa municipalities will be provided with an opportunity to include health tourism in the municipal development plans and to look for additional sources of funding.

Health tourism develops successfully only with the targeted support of the state, as an integrated system in which the responsible state institutions and other interested parties formulate their strategies in a way that leads to the creation of adequate and attractive conditions for treatment, rest and recovery of people as provides the tourism business with a secure and sustainable perspective.

In this way, Bulgaria will be able to use its high potential and position itself as a competitive destination for health tourism on the European and world market.

## **CONTRIBUTIONS**

The following contributions can be highlighted based on the findings, recommendations and results of the survey:

- The main stages in the development of Bulgaria as a competitive destination for health tourism are defined, with a focus on medical - SPA, SPA and wellness tourism;
- The areas have been identified and analyzed, incl. medical, with which Bulgaria can compete on the health tourism market in Europe.
- A combined national survey was conducted, including the period of the Covid-19 pandemic in 2020, to discuss attitudes about the existing supply, demand, market orientation and positioning of Bulgaria in the European market of medical-SPA, SPA and wellness tourism.
- A model has been developed for the development of health tourism in Bulgaria through an innovative portfolio of treatments and its positioning as a destination offering a competitive product.
- Recommendations of an operational and conceptual nature for the development of health tourism in Bulgaria have been formulated.

## LIST OF THE PUBLICATIONS RELEVANT TO THE DOCTORAL THESIS

1. Angelova T., **Katsarova S.** Balneotherapy at the base of the management of prevention and prophylaxis of chronic diseases, *Journal of Physical Medicine, Rehabilitation, Health No. 3 - 4, 2020*
2. **Katsarova S.**, Kostadinova T. Repositioning Bulgaria on the European map as a tourist destination offering a competitive tourist product, through health tourism (balneo-spa/medical spa, spa and wellness), *Varna Medical Forum 10 (2), 182-187*
3. Kostadinova T., **Katsarova S.** The importance of the European health tourism for the development of economy of wellbeing, *4th International Thematic Monograph: Modern Management Tools and Economy of Tourism Sector in Present Era, 2019, pp.527-539*
4. **Katsarova S.** Best European practice in the field of health tourism – Germany and Hungary, *International Interdisciplinary Virtual Meeting “Alumni Club and Friends” - March, 19-21, 2021, 173-180*
5. **Katsarova S.** Development of Bulgaria as a sustainable health tourism destination and application of good practices in the field of medical spa, spa and wellness tourism in the times of the COVID-19 pandemic, *International Interdisciplinary Virtual Meeting “Alumni Club and Friends” - March, 19-21, 2021, 166-172*