

Healthcare

# *What's Transforming Global Healthcare ?*

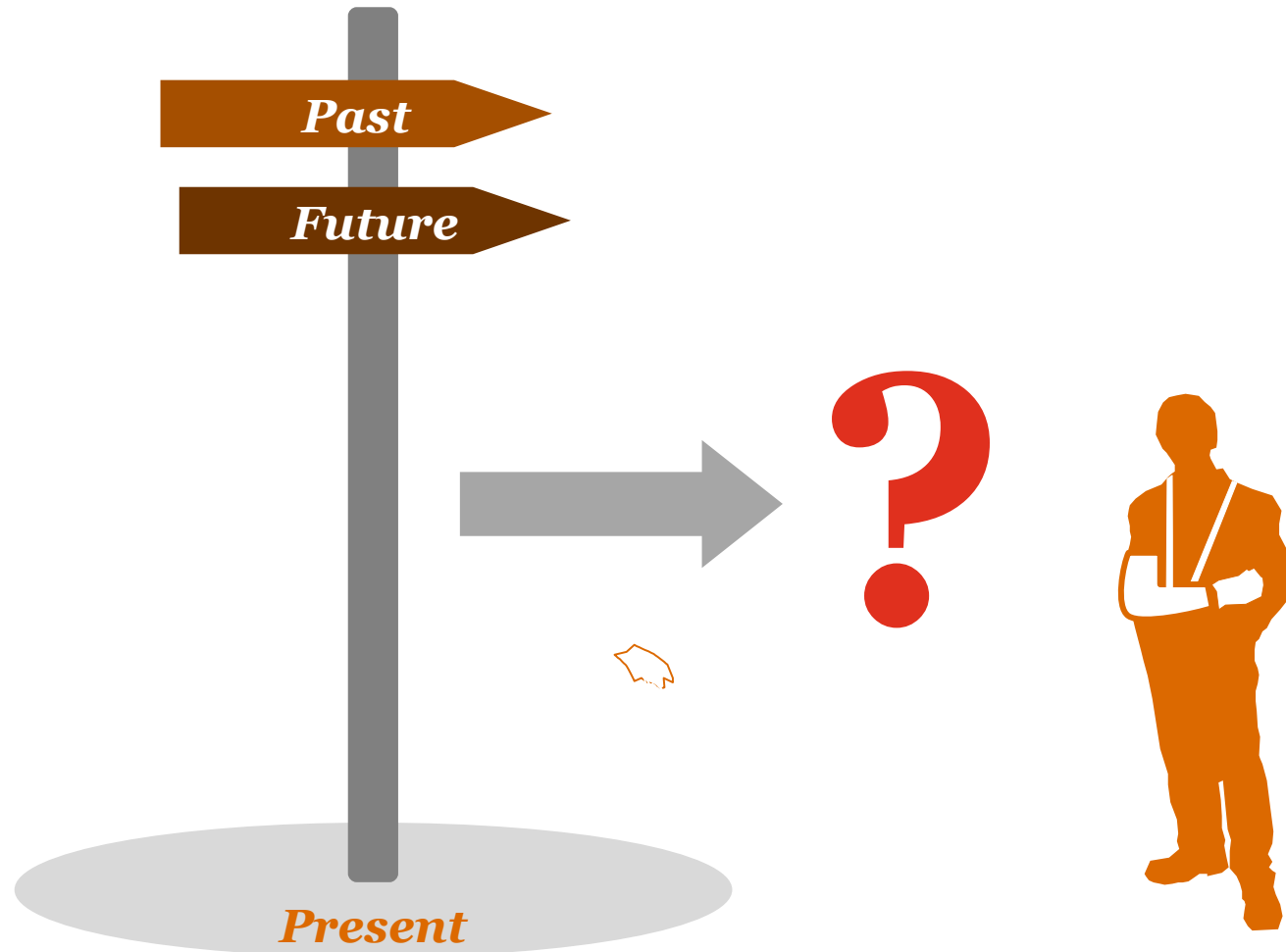
*Strictly Private  
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*November 2015  
For Internal  
circulation only*



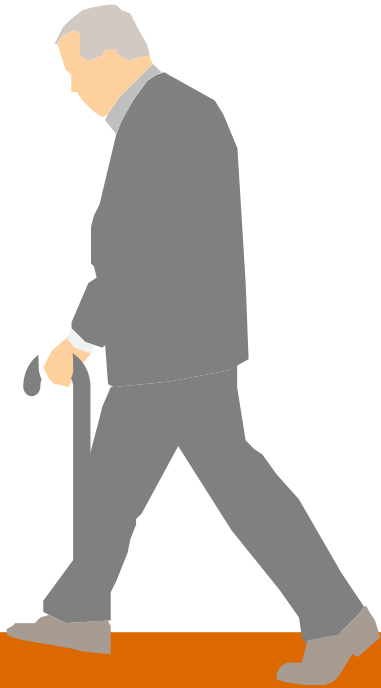
**pwc**

# *Healthcare: An Industry in Perpetual Crisis ?*



# *How does the world look today ?*

*Older*



***2 Billion***  
*people aged 60+ in 2050*

*Fatter*



***~3 mn***  
*deaths due to obesity*

*Sicker*



***60%***  
*of all deaths due to*  
*non-communicable*  
*diseases*

# *A triple burden of disease : Acute, Chronic and now the Pandemics*

*1.5 million*  
people died of  
AIDS related  
illnesses till  
2013



Malaria  
*450,000* deaths a  
year

Ebola *10,000*  
deaths till date



*Eradicating 7\* epidemics would save a yearly total of  
1.2 mn lives*

\*7 Epidemics include measles, mumps, rubella, filarisis, pork tapeworm, malaria and hepatitis C

# Drugs have stopped working !



## *And therapies are having deleterious effects*

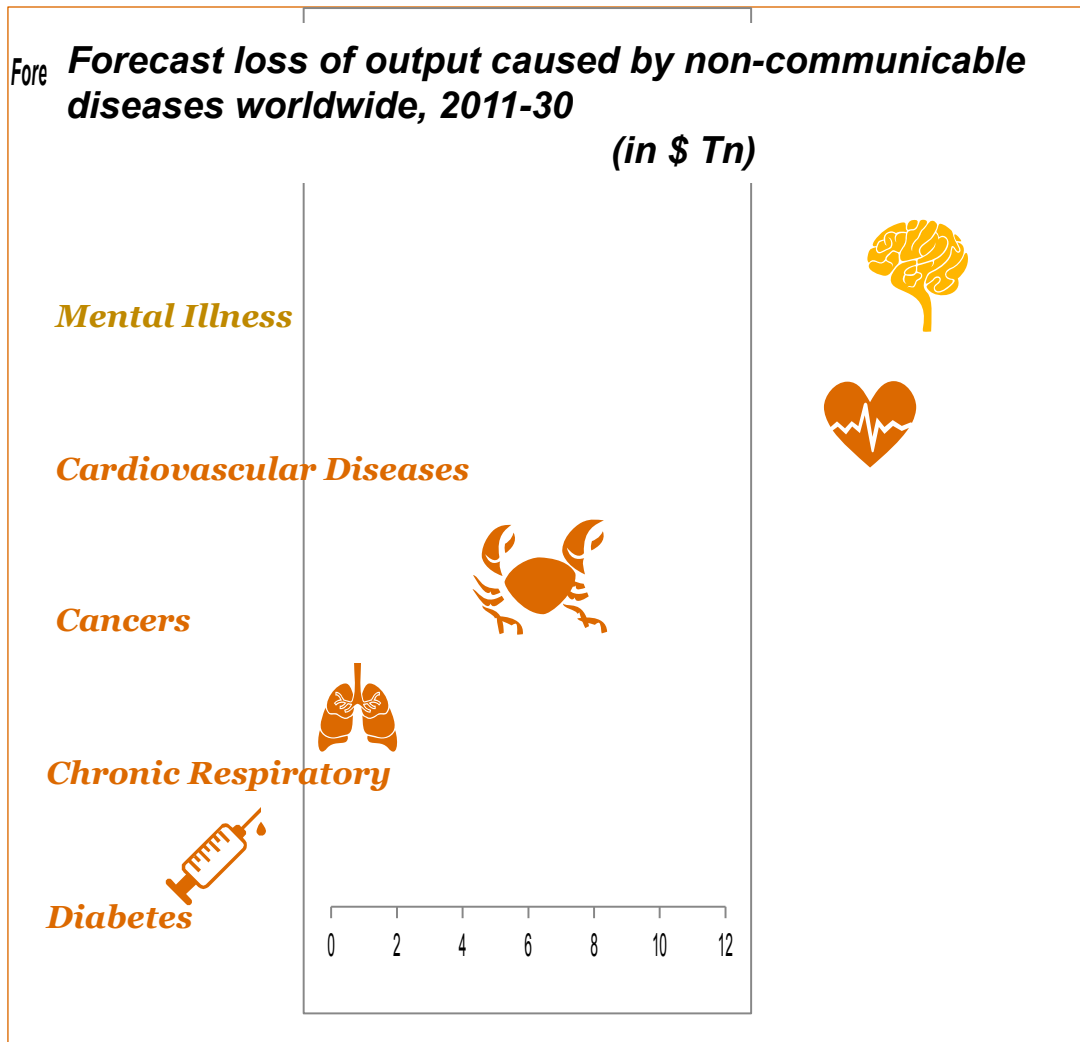


*Survival rates* are not improving

*Aggressive treatments* have unforeseen and often devastating consequences

Cancer has a *language* problem

# *If diseases don't kill us, we will kill ourselves!*

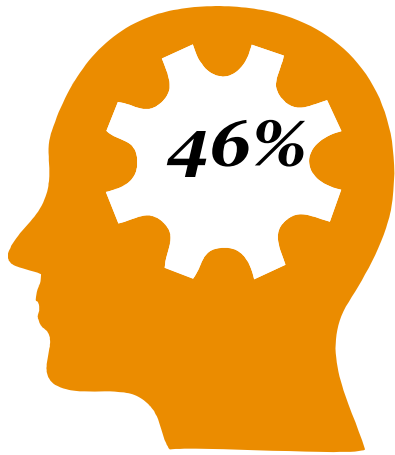


**1 person  
kills  
himself  
every 40  
seconds**

Source: World Economic Forum, Harvard School of Public Health; Mental Health Atlas; WHO; *The Economist*

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## *When the physician becomes the victim!*



*Medical interns have met with **depression** criterion at some point in their lives*

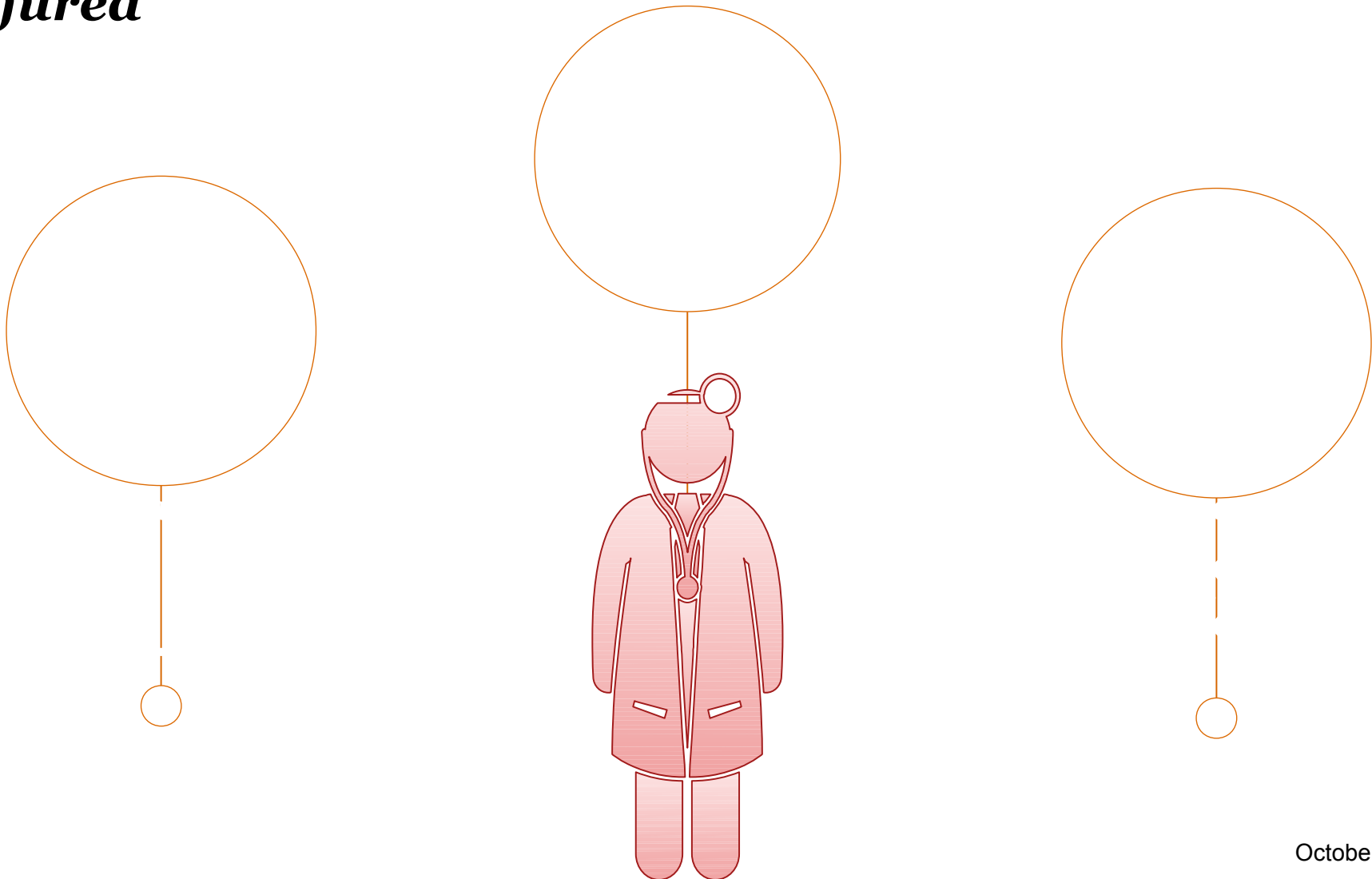
*Physicians are facing symptoms of burnout*



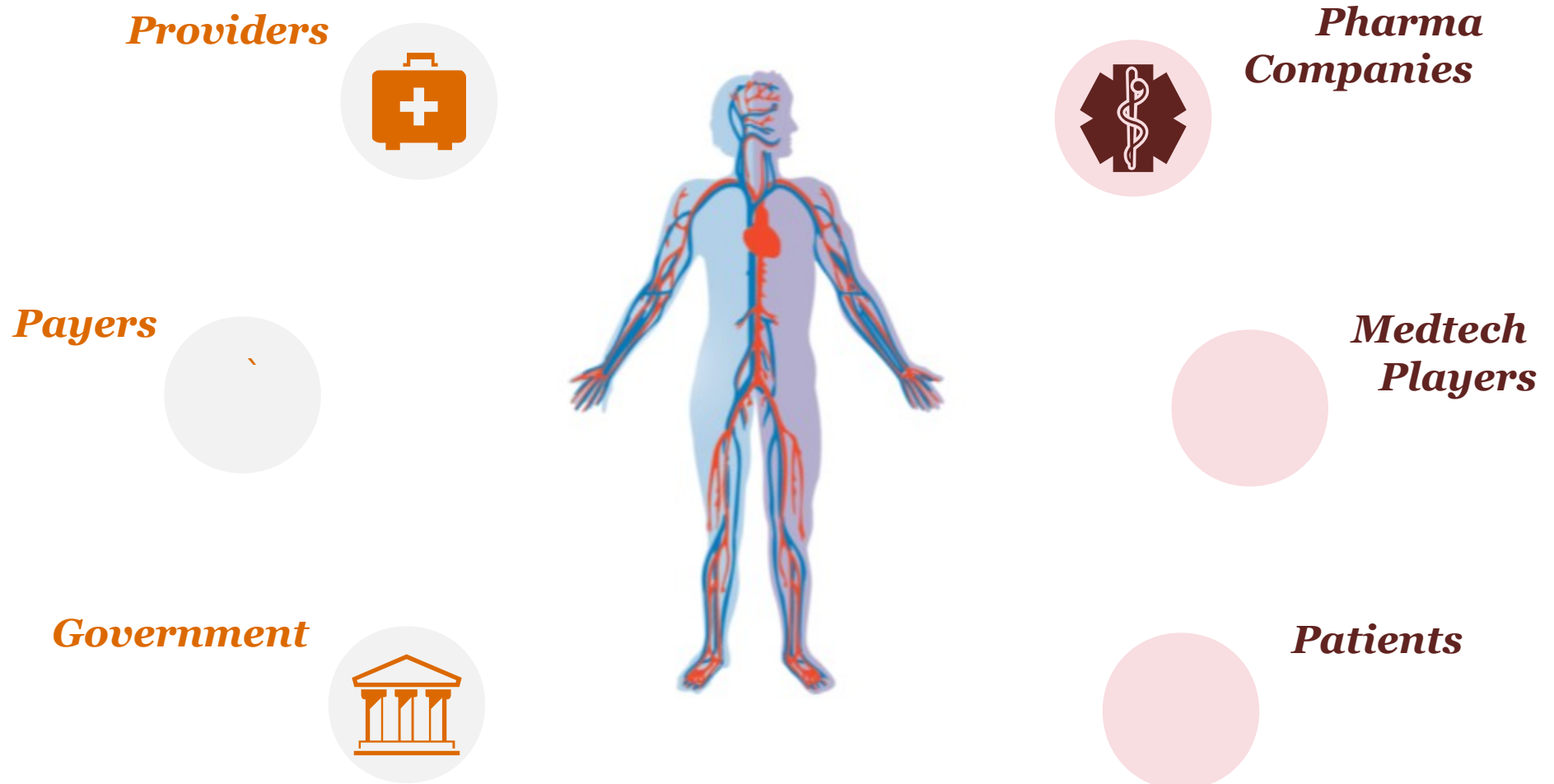


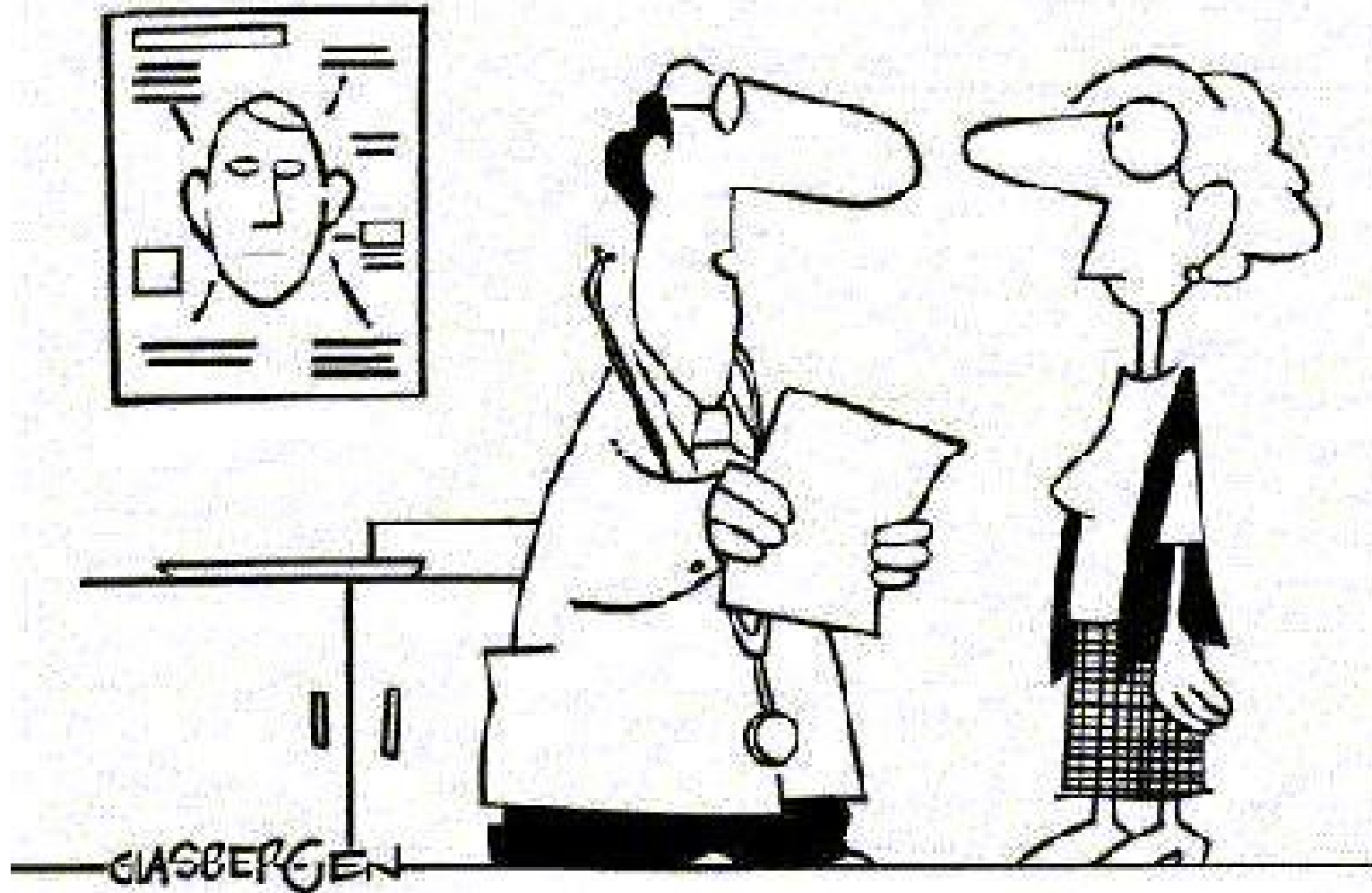
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***Complexity is now “Institutionalized”  
ICD 10 : 70,000 ways to get sick, hurt or mortally  
injured***



# *The state of healthcare industry is akin to diabetes :*





**“You’ve got a rare condition called ‘good health’.  
Frankly, we’re not sure how to treat it.”**

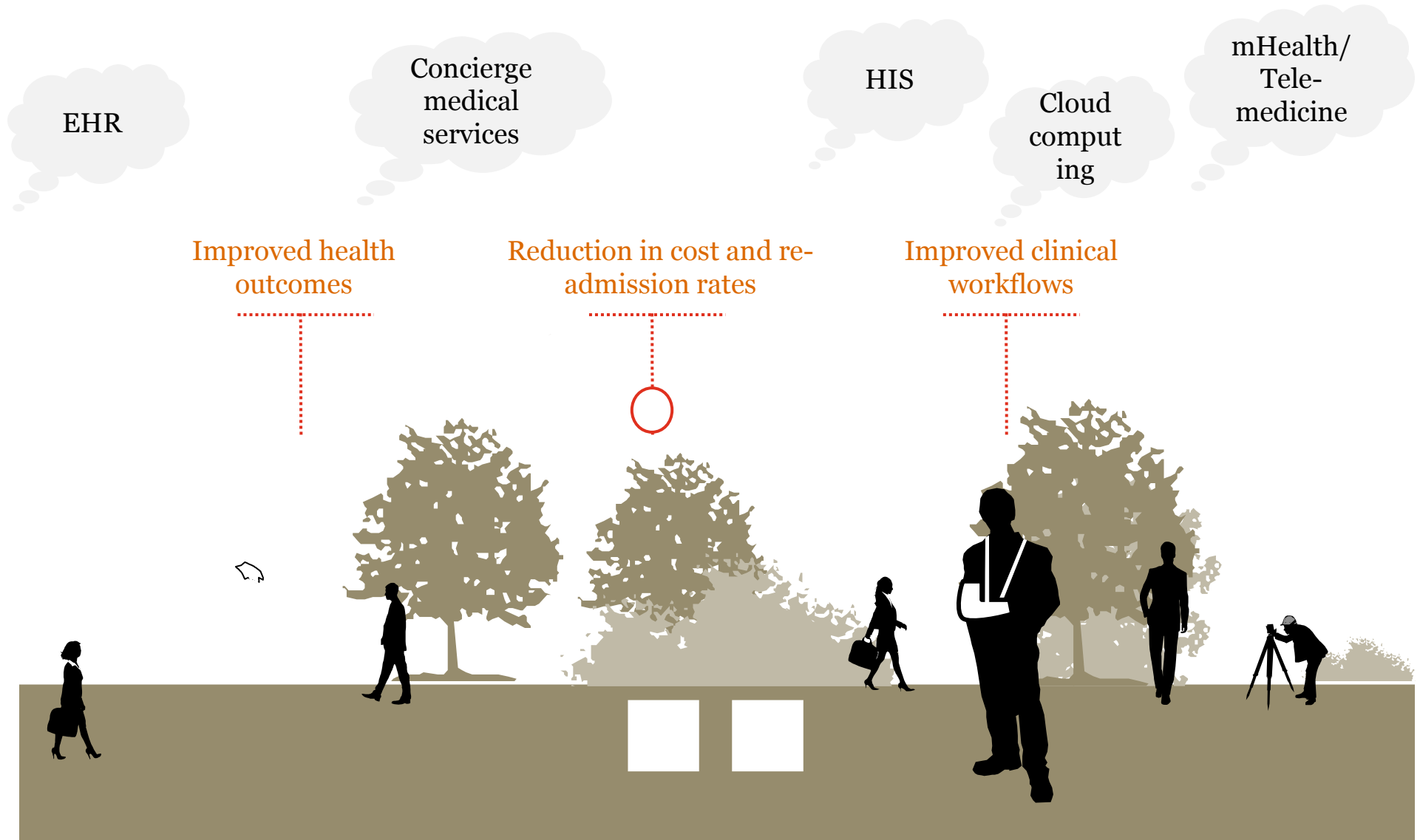
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***Patients confidence is at an all time low :***

**55%** of patients trust the Internet more than the doctor

**75%** want to move from informed consent to shared decision making

# Hospitals are reinventing themselves...



# The Physician is at the centre of this change :

## Filling beds

### Physician -focussed

Examine patients,  
diagnose ailments,  
treatment



Doctors associations,  
licensing, public health  
interventions

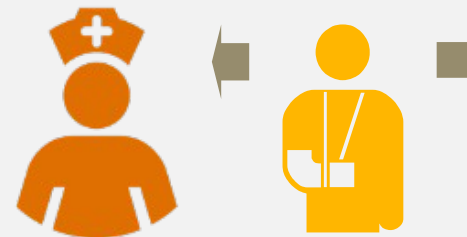
### Restricted access to healthcare



- Increased demand for healthcare, unlikely to be met by doctors;
- Chronic care – unsustainable for healthcare providers

## Emptying the hospital

### Shared medical workload



**Patient**

Allied health professionals sharing physician workload;  
Maximum utilisation of surgical & specialised doctors

### Continuum of care

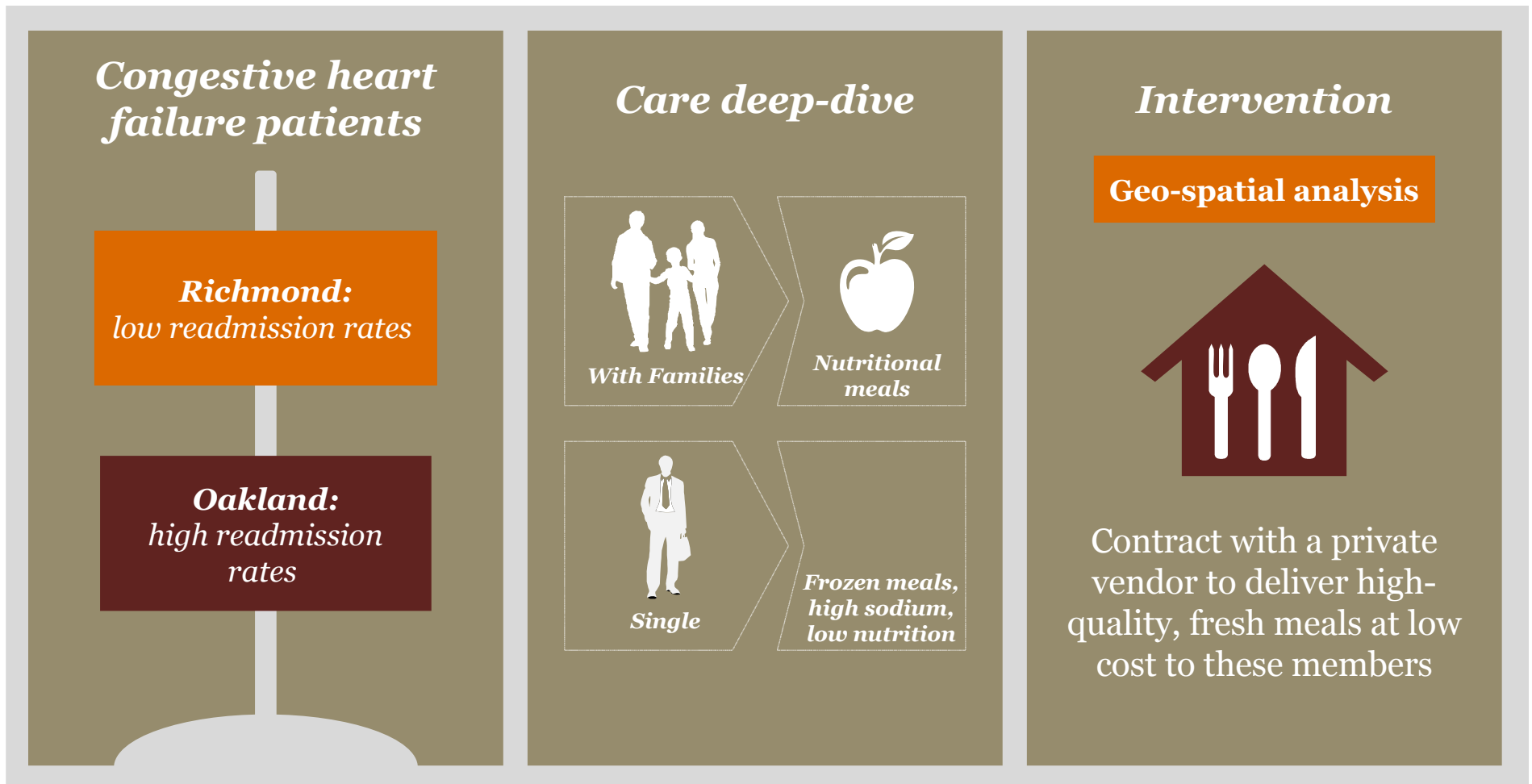


**Tele-health**



**m-health**

# ***Kaiser Permanente's focus on social "non-medical" needs is improving patient outcomes greatly***



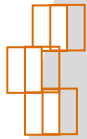
Source: Kaiser Permanente

# Customer data is now increasingly being used in predictive health analytics to identify at-risk patients



**01** Frequent purchase of large amounts of alcoholic beverages

Lapse in gym membership of an obese person **02**



**03** Purchase of cigarettes by an asthma patient

Frequent purchases of candy bars by a diabetic / high BP patient **04**



**05** Purchase of plus sized clothes

Decreased frequency of drug refills shown on charge card **06**



Potential symptoms of depression



Potential risk of diabetes and heart-attack



Increased risk of asthmatic attacks



Patient might require a home-monitoring device intervention



Patient might require weight management and fitness advice



Patient might require a reminder call from a nurse or pharmacist



# The clock is already ticking, Is time ripe for healthcare?

The most valuable retailer,  
*owns no inventory*



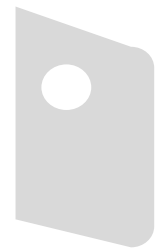
The world's most popular media  
owner, *creates no content*



The world's largest taxi company,  
*owns no vehicles*



The world's largest accommodation  
provider, *owns no real estate*



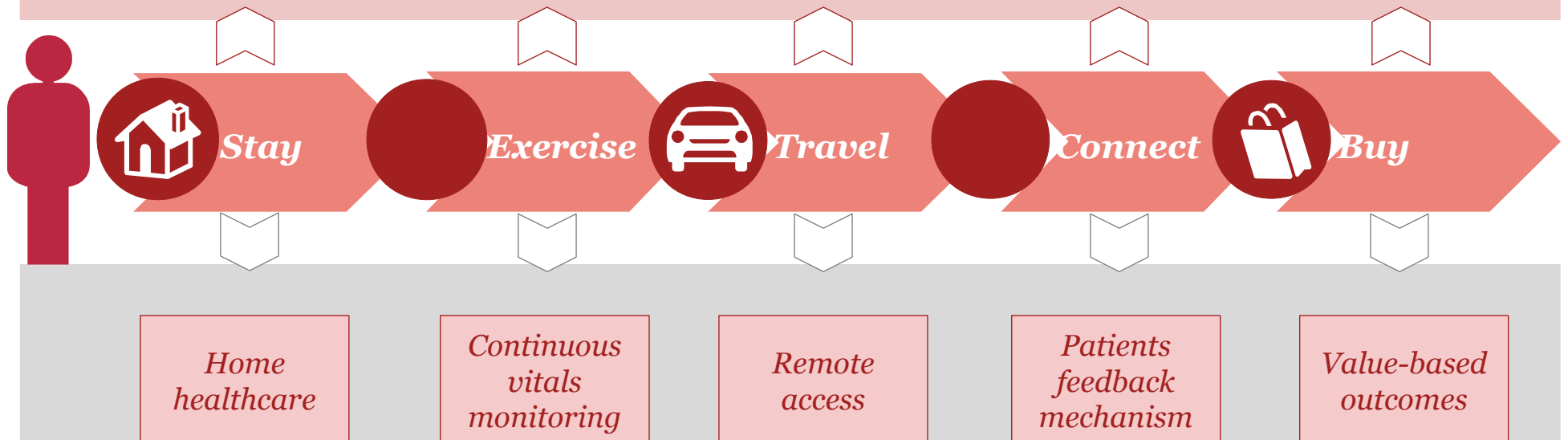
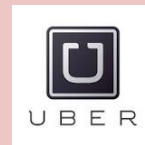
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# *Are we ready for a hospital which has no patients ?*



# ***Business models are already exhibiting the various elements of successful disruptors***

*Our daily lives have been overhauled owing to multiple disruptive innovations*



***A disruptive healthcare business model must include all the above elements***

# Disrupting what's "static" will be the cornerstone of the new entrants' business models

Government & private providers : USD 8.1 Trillion

Global ancillary & wellness market :  
USD 1.49 Trillion



Disruption is not going to come from traditional healthcare sources, will come from the **new entrants willing to play around the conventional modalities**

# Healthcare Organizations Struggle to Achieve Strategic Goals

## STRATEGIC OBJECTIVES:

- Increase patient satisfaction
- Enhance treatment quality
- Grow productivity
- Improve financial results
- Accelerate growth

**Pain:** Unable to derive business insights from available data

**Pain:** Difficult to benchmark against healthcare industry standards

**Pain:** inefficiency and delays in resolving business issues

**Pain:** Unable to replicate best practices across the organization

**Pain:** Difficult to design and monitor KPIs

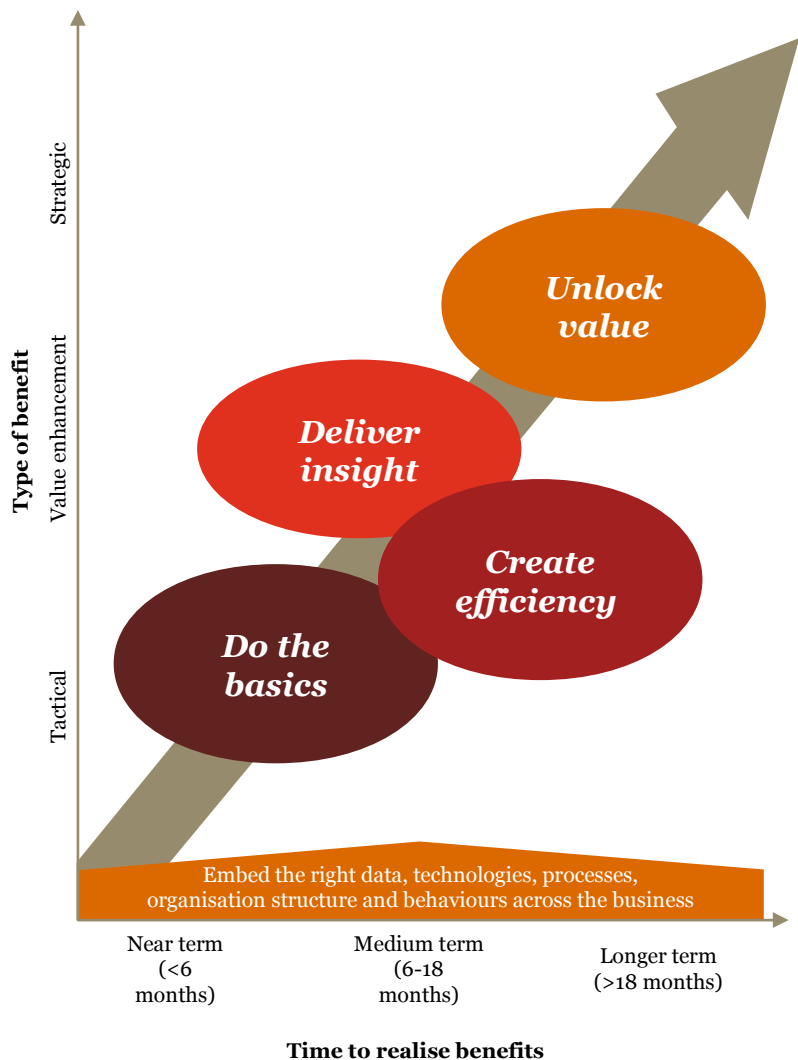
**Pain:** Uncertainty of impact on costing and profitability due to strategic decisions

**Pain:** Require extensive clinical and administrative resources for performance monitoring



# Many do the basics, but don't go beyond to unlock value

Most organisations have a basic Enterprise Performance capability in place, but struggle to move beyond this.



## Opportunities

- Do the basics**
- Remove redundant information and manual interventions that exist in the core reporting, budgeting and planning process.
  - Report the metrics that matter to deliver core insight to the board, divisional and business group leadership teams.
  - Align reward models to create focus and motivation on executing the business strategy.

- Create efficiency**
- Standardise the core disciplines of consolidation, management information, budgeting and forecasting.
  - Consolidate and streamline systems onto a common platform.
  - Use a centre of excellence to reduce costs.
  - Deliver 'one version of the truth' and self-service reporting.

- Deliver insight**
- Cascade scorecards to communicate the business strategy, key risk measures and focus workforce responsibilities and priorities.
  - Integrate risk measures and deliver forward-looking information such as customer, operational and commercial insight supported with business intelligence and data visualisation.
  - Deliver detailed product/stock-keeping unit costing and profitability management.
  - Integrate sales, operational and financial plans.

- Unlock value**
- Deliver total business impact and value-based measurement.
  - Embed analytic capabilities and use 'Big Data' to create competitive insight.
  - Advance centres of excellence to actively drive insight to divisional, business group and business unit chief executive officers.
  - Deliver business insight to front office and make pervasive via mobile deployment.

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*Do our clients even appreciate this anymore...*

***“INNOVATION, INNOVATION, INNOVATION”***



*Everybody's doing it !*

***What really works and is it scalable?***

# *How would Jeff Bezos run a hospital?*



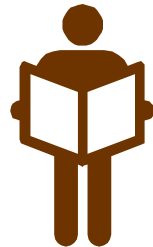
*Build scale first , worry about profits later*



*Expand the customer base*



*Know your customers, build that data base*



*News like Healthcare is the most perishable commodity*

*Technology provider to the healthcare industry*





# Achieving desired healthcare outcomes by traditional means

## The issue

Challenges around access, affordability and quality of healthcare contributes to low life expectancy

2014

Average life expectancy



Per 1,000 people:

.65 doctors  
1.3 nurses  
1.3 hospital beds

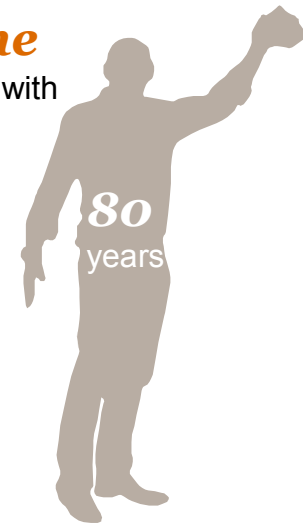


## Desired outcome

Improved health outcomes with easier access to quality healthcare infrastructure

2034

2.5 doctors  
5.0 nurses  
3.5 beds



## Achieving outcome by traditional means

Building more traditional hospitals



Additional 3.5 million hospital beds required to achieve desired outcomes

## Investment in medical education



Addition of 3 million doctors



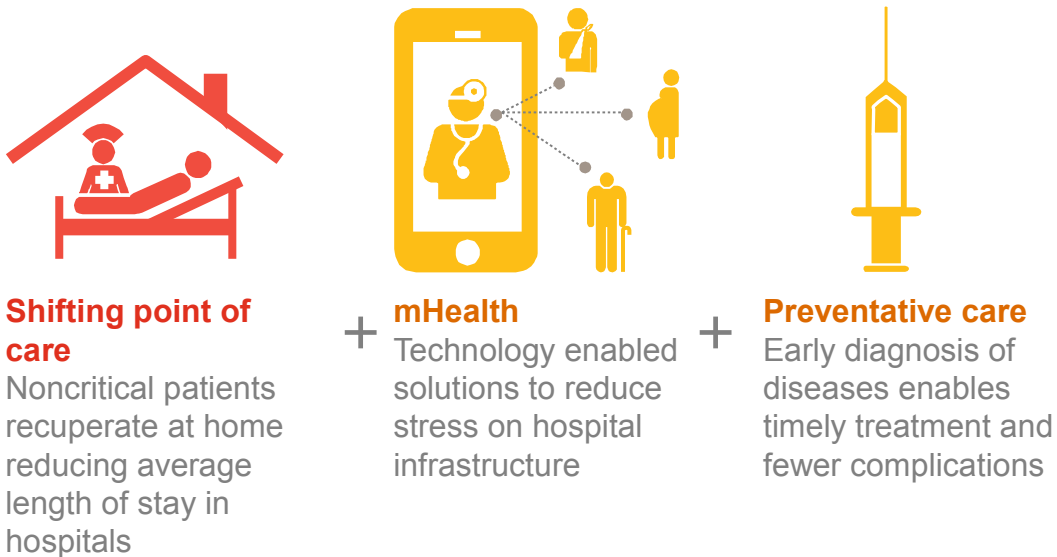
Addition of 6 million nurses

# Taking the winning leap...

## The Winning Leap

Enabling universal healthcare access through the adoption of Winning Leap solutions could help save US\$90 billion in capital costs.

### Winning Leap solution enabling alternative healthcare delivery access

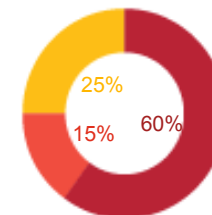


## The bottom line (over 20 years)

Projected investment:	Without Winning Leap investment:	With Winning Leap	Winning Leap savings
US\$	245 bn	156 bn	90 bn

### Winning Leap contribution:

- Fierce catch up
- Significant leap
- Leapfrog



## 2.2 million hospital beds required



Traditional hospitals



PPP model hospitals  
Government as an enabler

## Investment in medical education



Addition of **2** million doctors



Addition of **6** million nurses



# *“Boundless opportunities in a Borderless World”*

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# *Thank You !*

